

The Sustainable Development Goals

‘Every Australian’s business’

A guide for senior leaders



Global Compact
Network Australia





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FOREWORD



The 2030 Agenda for Sustainable Development provides a shared blueprint to achieve a better, more just and sustainable world for all, where 'no one is left behind'.

In September 2015, all 193 Member States convened at the United Nations Sustainable Development Summit in New York, which culminated in the historic adoption of the 17 global Sustainable Development Goals (SDGs).

These goals are a call to action, to develop innovative solutions to some of the world's most complex societal and environmental challenges: fight inequality, tackle climate change, support responsible production and consumption practices and drive more innovative partnership models that aim to achieve these Global Goals.

We know that the pathway to sustainable development will require unprecedented efforts and collaboration by all sectors of society. Businesses play a crucial role in forging this path.

This call to action corresponds with changing societal expectations. Investors, business customers and other stakeholders are now seeking to connect a business' financial performance to its social and environmental impact. In response, businesses are incorporating sustainability performance measures into business reporting to reflect the true value of and risks to their business. The SDGs provide a framework to enable this process.

Many businesses (both corporate and SMEs) across Australia have already started to integrate responsible business principles and the SDGs into their strategies and operations. Despite this progress, there are still opportunities for greater collaboration across sectors and a need for far greater transparency and public disclosure on progress against the SDGs.

Whilst the ethical drivers for ensuring that we embed the SDGs are obvious, the value to business is also evident. There is increasing pressure from investors to understand how business is leveraging the long-term value and benefits created as a result of embedding the SDGs in its strategies and operations. This includes leveraging the estimated \$US12 trillion worth of savings and revenue that can be harnessed through engagement and alignment with the SDGs by 2030 (Business & Sustainable Development Commission 2017).

With the growing realisation in the alignment between purpose and profit, the SDGs provide the direction and inspiration for businesses. They can tackle existing and future risks and challenges in a manner that contributes to societal goals.

At the heart of Australia's values is this notion of a 'fair go' for all. The SDGs provide this – they allow for business to actively participate in the creation of a better, more just and sustainable world that provides the opportunity to unlock opportunities, create new markets, drive innovation and create long-term, transformational change that delivers longer-term benefits for people and planet.

The Global Compact Network Australia (GCNA) is committed to being a leading catalyst for this transformation, and we welcome you to join us in aligning your strategy and operations to the UN Global Compact (UNGC) Ten Principles on human rights, labour, the environment and anti-corruption.

A handwritten signature in white ink that reads "Kylie Porter".

Kylie Porter

*Executive Director of the
Global Compact Network Australia*

UN GLOBAL COMPACT

The world's largest corporate sustainability initiative calling companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals.

Launched in 2000 by then Secretary General of the United Nations, Kofi Annan, the United Nations (UN) Global Compact is a call to companies to align their strategies and operations with the Ten Principles on human rights, labour, environment and anti-corruption, and to take actions that advance societal goals – using the UN Sustainable Development Goals (SDGs) as the lighthouse. The Global Compact is the world's largest voluntary corporate sustainability initiative. We are a leadership platform for development, implementation, disclosure, and innovation in responsible and sustainable corporate policies and practices. We work alongside companies anywhere along the path to sustainable development— from beginners to the most advanced leaders.

The multi-year strategy of the **UN Global Compact (UNGC)** is to drive business awareness and action in support of achieving the Sustainable Development Goals (SDGs) by 2030. The SDGs outline 17 universal goals that set a roadmap to 2030 on issues such as tackling climate change, enabling gender equity and managing human rights risks through supply chains. The SDGs are pushing companies to reassess long-term strategic directions to ensure that they are managing material risk and will continue to thrive in an ever changing landscape.

No matter how large or small, and regardless of their industry, all companies can contribute to the SDGs. While the scale and scope of the Global Goals is unprecedented, the fundamental ways that business can contribute remain unchanged.

The UN Global Compact asks companies to first do business responsibly and then pursue opportunities to solve societal challenges through business innovation and collaboration.

Global challenges – ranging from climate change, water and food crises, to poverty, conflict and inequality – are in need of solutions that the private sector can deliver, representing a large and growing market for business innovation.

In the rush to transform business models and systems for the future, integrity and values will have a huge role to play.

The Ten Principles of the UN Global Compact

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.



HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.



LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.



“ We have to mobilize the private sector, it is 75% of the global GDP. Moving forward, collaboration with business – and the key CEOs in the world – is crucial when it comes to fighting climate change; but also, to meet sustainable development goals, eradicate all extreme poverty by 2030, and we’re not on track on this.”

H.E. António Guterres, Secretary-General, United Nations

Global Compact Network Australia

Grounded in promoting responsible business practices, the Global Compact Network Australia (GCNA) is the Australian business-led initiative of the UN Global Compact. We work alongside leading companies and guide businesses on how uniting profit and responsibility can be at the core of their business by advancing the Ten Principles and ensuring that contribution to social and environmental investment drives long-term business success.



Global Compact
Network Australia

<http://www.unglobalcompact.org.au>

“ Sustainable development is more than a goal. It is our responsibility to our planet and future generations ”

H.E. António Guterres, Secretary-General,

Engaging with the UN Global Compact

WHO HAS SIGNED UP TO THE UN GLOBAL COMPACT?

- **10,000 COMPANIES**
- **162 COUNTRIES**
- **65,000 PUBLIC REPORTS**
on progress aligned to the SDGs

WHERE DO I START?

For companies wanting to advance the SDG agenda, the job starts by acting responsibly – incorporating the Ten Principles of the UN Global Compact widely into strategies and operations, and understanding that good practices or innovation in one area cannot make up for doing harm in another.

To sign up visit:

<http://www.unglobalcompact.org.au/membership/how-to-join>



A guide for Australian business leaders

This guide provides practical knowledge and tools for Australian businesses and the individuals who work with them to embrace a principles-based approach to tackle existing and future global challenges and contribute proactively to societal goals.

This guide draws on the insights and experience of many Australian companies leading in their commitments and actions to sustainable business. This guide will provide you with:

- Better understanding of the SDGs, the benefits the SDGs can provide for business, and the need for businesses to play an active role in achieving the SDGs;
- Practical tools and examples to support business leaders to create, demonstrate, measure and communicate their commitment, leadership and actions to achieving the SDGs.

Acknowledgements

We would like to acknowledge the multi-stakeholder approach to the development of this guide. The information within this guide has been made possible through the coordination of the Global Compact Network Australia, funding from the Australian Department of Foreign Affairs and Trade, the research and insights of Think Impact who authored the guide and the generous time and insights shared from a broad range of Australian businesses who took part in a series of workshops and interviews.

We would like to acknowledge and thank the following companies who shared their experiences on the major drivers, current commitments, challenges and solutions to developing sustainable business commitments, structures and practices as well as their practical tips and advice on good practice to align business with the SDGs.



Australian Government
Department of Foreign Affairs and Trade



Global Compact
Network Australia



Brambles



OPTUS



“The faster CEOs and boards make the Global Goals their business goals, the better off the world and their companies will be.”

Jeremy Oppenheim, Programme Director, Business Commission for Sustainable Development.

ABOUT THE SDGs

The SDGs provide a powerful agenda for the world's greatest challenges, distilling them into 17 goals that provide a road map for collective action for an inclusive and sustainable world. While governments have a responsibility to report national progress against the SDGs, the private sector plays a critical role in the shared knowledge, expertise, technology and financial resources to support the achievement of the Global Goals.

The SDGs provide a vital framework for collective impact, that aligns a whole business approach to ensure a more resilient, robust and prosperous future for people and the planet.

WHAT ARE THE GOALS?

The **2030 Agenda for Sustainable Development** was agreed by 193 Member States at The United Nations Sustainable Development Summit in New York in September 2015, including Australia, and culminated in the 17 clear goals to reach by 2030. The Goals apply equally to Australia and Australians as they do internationally.



THE SDGS ARE A FRAMEWORK TO GUIDE OUR SUSTAINABLE DEVELOPMENT EFFORTS



Find out how Australian organisations are doing their part to help Australia meet the Sustainable Development Goals.

<https://sdgs.org.au>

THE SDGs ARE GOOD BUSINESS

Creating business value by aligning with the SDGs

The SDGs provide the blueprint for businesses that want to strive to create long-term value and become more resilient and robust in a constantly changing global environment. Aligning business practice and purpose with the SDGs is much more than an 'altruistic' or ethical thing to do, it's an opportunity for businesses to enact transformational social change, to capture new market opportunities that have the potential for scalable impact, and position themselves for long-term sustainability.

Businesses that integrate the SDGs into business strategy are finding that it is a prudent and inclusive way to build a stronger and more resilient business. Using the SDGs as the lens to manage sustainability impacts is important for business in three key areas:

Risk management:

- Moving beyond traditional concepts of financial risk to also consider issues such as impact of climate regulation, the scarcity of water and other resources, community resistance or protest against business activities or plans, and litigation over poor labour practices.
- The investor community has been leading management of sustainability risks, as reflected in the increase in ESG data and disclosure.
- In particular, risks associated with climate change are increasingly being considered as part of investment decision-making and warnings are appearing in mainstream media.

Building legitimacy and trust:

- An increase in accountability and transparency presents an enormous opportunity for businesses to build trust by providing the information that stakeholders need to make informed decisions about the organisation.
- The 2018 KPMG – AICD Trust Survey found that trust is critical to maintaining an organisation's social licence to operate and that directors are acutely aware of the need for their organisations to maintain trust with stakeholders amid generally declining trust in all institutions.

Creating value:

- Growing recognition that a number of factors determine the value of an organisation – some of these are financial, but others also contribute to creating value for an organisation.
- Value may be created from strong relationships with employees, customers and suppliers, contribution to replenishing necessary natural resources, reduced reliance on fossil fuel generated energy, intellectual property or reputation within the community.

“ Investors, corporations and governments are focusing on the risks and opportunities, as well as how best to tackle the challenges that are arising. These profound changes have the potential to affect asset prices in all areas for a long time to come. We believe that if firms take a holistic view of the way they operate their businesses, it is a mark of operational and management quality.”

Steve Miller, former BlackRock Investment Institute, Australian strategist

Pat McCafferty, Managing Director of Yarra Valley Water, and the driving force behind the company being the first water corporation in Australia to become participants of the UN Global Compact, said of the SDGs:

“ The Sustainable Development Goals provide the foundation for where businesses should focus their efforts and partnerships to future proof their businesses, which relies on helping to create a healthy environment and communities that all people can all thrive in.”

Aligning business commitments, policies, structures and actions with the SDGs is an opportunity to mitigate the risks of becoming less competitive, less resilient and losing relevance.

- The SDGs provide a common language for business to align their business towards innovative market opportunities and incorporate responsible and sustainable corporate policies and practices into their business.
- In October 2018, BlackRock predicted that assets in ESG-focused exchange-traded funds (ETFs) would grow from \$US20 billion to **more than \$US400 billion by 2028**.
- 72% of the more than 700 global companies reviewed in the PwC **SDG reporting challenge** mention the SDGs in their annual or sustainability reports (PwC, 2018).
- Achieving the SDGs is estimated to unlock **\$12 trillion in new market opportunities** by 2030 (Business Commission for Sustainable Development).
- According to **The Business Case for Purpose**, 58 percent of companies that prioritised purpose achieved 10 percent or more revenue growth over 10 years (EY 2016).
- Globally, 66% of consumers are willing to spend more on a product if it comes from a sustainable brand. Millennials gave an even more impressive showing, with 73% indicating a similar preference. Additionally, 81% of millennials even expect their favourite companies to **make public declarations** of their corporate citizenship (Nielson 2015).
- **Procurement in Australia is estimated to be worth \$600 billion**, and social procurement (choosing to purchase a social outcome when buying goods or services) is rapidly on the rise. (Social Traders, 2019).
- By 2021 its estimated there will be **\$105 million in trade between buyers and certified social enterprises**. (Social Traders, 2019).



Facilitating businesses of the future

The SDGs create the fertile ground for businesses of the future to:



Why now?

- The SDGs are **everyone's responsibility**. We have 10 years left to achieve their targets.
- Business has a **unique opportunity to contribute through multi-sector partnerships** and by providing much of the shared knowledge, expertise, technology and financial resources to achieve the SDGs.
- To be a viable business of the future you need to challenge people's thinking on the **collective responsibility of business to contribute to the SDGs**
- **Businesses are increasingly expected to provide transparency** on their management and mitigation of sustainability matters through mechanisms such as the reporting requirement for the Commonwealth Modern Slavery Act and addressing climate-related financial risk disclosures through the requirements of the TCFD (Taskforce on Climate-Related Financial Disclosures).
- **Influencing change also happens at the individual level.** Employees are people and their passion to contribute to positive change flows from work to home and vice versa.

Investment giant BlackRock's CEO Larry Fink said in 2018 that within the next 5 years all investors will measure a company's impact on society, government, and the environment to determine its worth.

“ You are failing us. But the young people are starting to understand your betrayal. The eyes of all future generations are upon you. And if you choose to fail us, I say, we will never forgive you.”

Greta Thunberg, Climate Activist

The role of business

Business is not just a participant in the SDG – it has the potential to be a catalyst and accelerator of sustainable development around the world. Whilst monitoring of the SDGs is a responsibility for national governments, businesses can take an active role in having their contributions represented and ensuring their actions are measured and support government goals and aspirations.

Calls for companies to be bolder and more ambitious on sustainability are coming from a widening range of stakeholders. Employees, for instance, are now an important influencer. In our one-to-one conversations, CEOs especially emphasized the role of younger generations in holding their employers to higher standards and demanding purpose-driven careers. Sustainability has become a key driver of recruitment and retention, especially with younger generations.

“ You need to find your purpose, articulate it and make sure that everyone in the company knows it.”

Douglas M. Baker, Jr. Chairman and CEO, Ecolab Inc.

“ The Global Goals are not just a nice thing to do—they are a path to a prosperous world.”

Alan Jope, CEO, Unilever

THE SUSTAINABILITY CONTINUUM OF OUR ACTIONS FLOWS FROM WORK TO HOME AND BACK

WORK

HOME



COMMUNITY

“ All of the SDGs require collective action - the task ahead of us is complex and ambitious: it cannot be the sole responsibility of any one single player. Government, business, academia and communities all have a role to play and collaboration is key.”

Christine Holgate, Group Chief Executive Officer and Managing Director, Australia Post

CASE STUDY – LENDLEASE: OUR SUSTAINABILITY FRAMEWORK



Lendlease is an international property and infrastructure group operating in Australia, Europe, the Americas and Asia. From the very beginning of its operations, in Sydney in 1958 Founder Dick Dusseldorp understood the importance of triple bottom line and incorporated that into the value proposition of the business.

“Companies must start justifying their worth to society, with greater emphasis placed on environmental and social impact rather than straight economics.”

Dick Dusseldorp,
Founder of Lendlease, 1973.

More than 60 years on, a strong commitment to sustainability remains central to the Lendlease culture and way of doing things in every aspect of the business.

Lendlease's vision is to “Create the Best Places: We are committed to creating and delivering innovative and sustainable property and infrastructure solutions for future generations.”

Michael Vavakis, Chief People Officer and Cate Harris, Group Head of Sustainability, spoke on the evolution of the company's sustainability framework and the benefits of aligning business strategy with the SDGs as a framework for prioritising people and planet.

“Lendlease's sustainability approach is a key part of how we do business. We're committed to leading the evolution of our industry to be truly sustainable – environmentally, socially and economically. This approach is fundamental to our vision to create the best places, places for people today and for generations to come.”

The current Lendlease sustainability framework is comprised of three imperatives: supporting sustainable economic growth, creating vibrant and resilient communities and cities; and all in service of a healthy planet and people. For the last year much of Cate's focus has been developing this new framework.

“We went through a process to refine and refocus our initial efforts. To really pinpoint where we could make the greatest impact, we conducted more than 100 surveys with internal and external stakeholders. Once we understood what was really material to the business, and our key stakeholders, we were able to distil this into our three sustainability imperatives. This was supported by three social and three environmental focus areas to form our **new strategy**. We're now engaging with our business globally to co-design our new beyond 2020 metrics and targets to sit across the new framework. It's important to also realise that this process of refocusing our sustainability commitments wasn't just about discarding other areas we have previously focused on. What we realised is that some areas we had focused on in the past were able to find a better fit within other areas of the business. For example, diversity has found its home within the People and Culture area of the company.”

Michael talked about the importance of being accountable to track your progress to your commitments.

“Our global leadership team has specific KPIs that are linked to our sustainability strategy and these form part of our annual performance reviews. Developing these KPIs was a process of transparently asking ourselves 'what are we willing to hold ourselves accountable for?'. This team is equally accountable for progress the business is making against its sustainability targets at a global level. So, if one region is performing better than another, it affects all of us, we take equal responsibility for our global performance.”

“This team is equally accountable for progress the business is making against its sustainability targets at a global level. So, if one region is performing better than another, it affects all of us, we take equal responsibility for our global performance.”

Michael stressed the importance of sustainability to the business's marketing, positioning and brand. He said, "there is an ever-growing expectation of sustainability" from customers and stakeholders, which, when met, "becomes a competitive advantage."

“ The achievements that Lendlease makes in sustainability are deeply linked to our brand. And we know that our brand and reputation for commitment to people and the environment is the number one reason that attracts people to work with us and the number one reason for our strong employee retention rates. ”

On the links between businesses success and sustainability Cate said:

“ Our current pipeline of work is testament to the value of sustainability – it is a key differentiator and competitive advantage for us. Our clients expect to work with a sustainable company and it's important to our investors – both in Lendlease and in our managed funds, where we are required to regularly demonstrate our sustainability credentials to both attract and retain investment. ”

She said Lendlease continue to make a raft of good, sensible, business decisions based on its founding principles of doing the right thing and leaving a positive legacy for future generations, including building key partnerships to accelerate transformation.

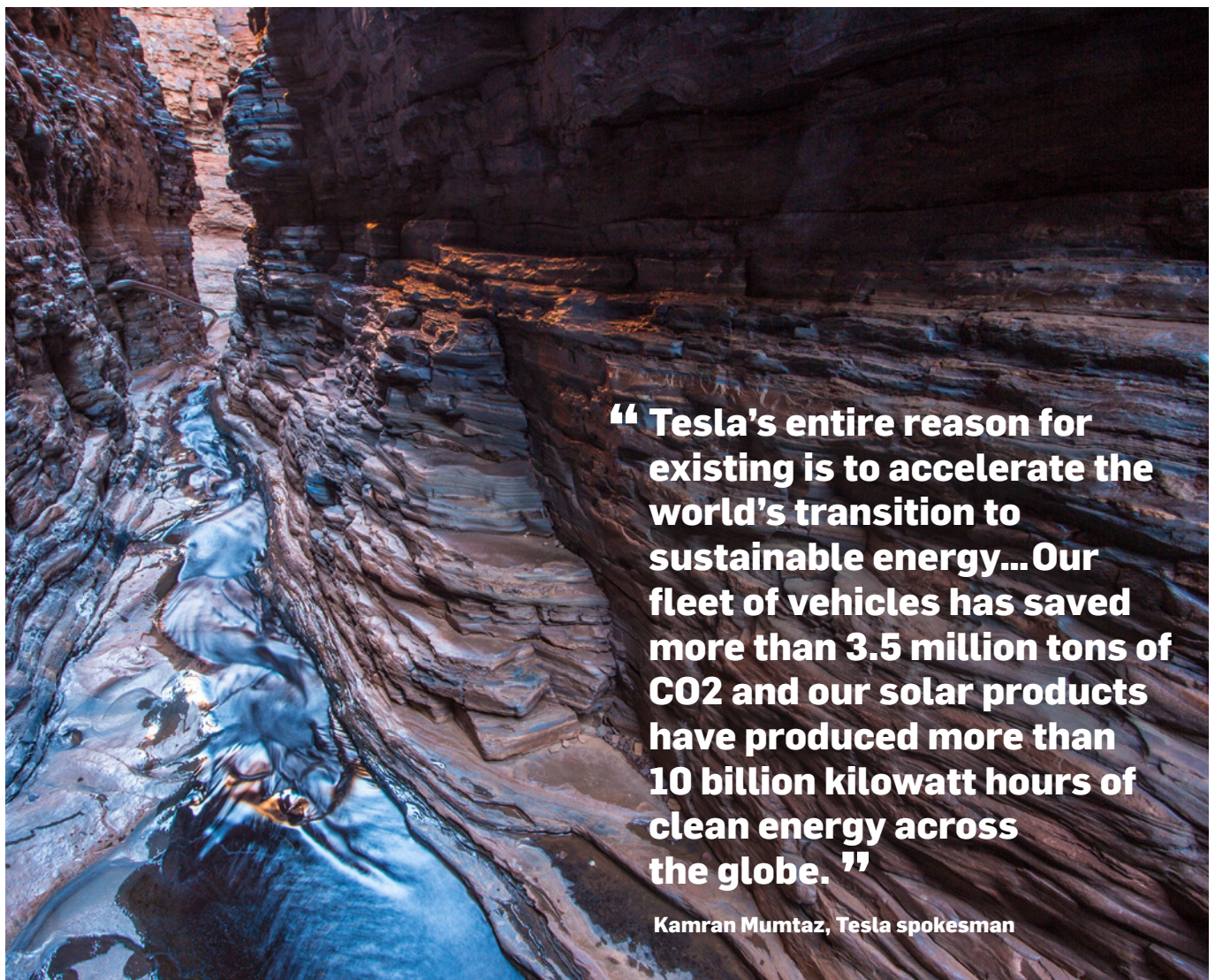
Other practical examples:

- The Sustainability Framework is embedded in project plans and execution, business plans and strategies, our Investment Committee Papers for all project proposals, informing our investment decisions, it is integrated into our Environmental and Social Risk Framework and built into leadership KPI's to reinforce leadership in Sustainability.
- The Lendlease Board has an active Sustainability Committee to oversee the strategy and governance associated with our sustainability agenda.
- Our commitment to Task Force on Climate-related Financial Disclosures (TCFD) has provided another mechanism to raise the profile and importance of sustainability through the lens of climate change and our organisation's ability to be able to minimise the risks and maximise the opportunities.
- Lendlease sustainability case studies – [click here](#).

“ Lendlease's sustainability approach is a key part of how we do business. We're committed to leading the evolution of our industry to be truly sustainable – environmentally, socially and economically. This approach is fundamental to our vision to create the best places, places for people today and for generations to come. ”



WHAT LEADERS TOLD US MOTIVATES THEM AND THEIR BUSINESS TO ACT RESPONSIBLY



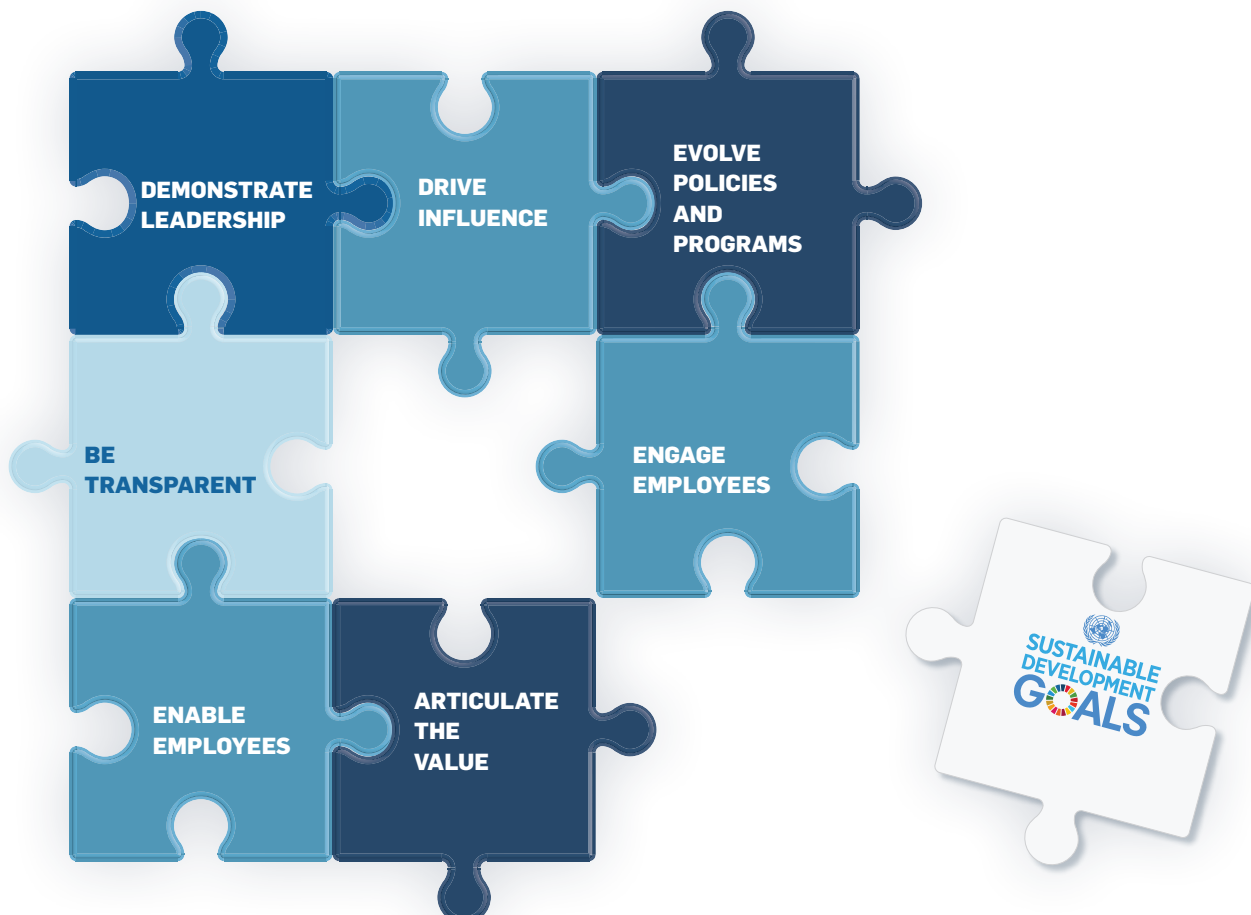
“Tesla’s entire reason for existing is to accelerate the world’s transition to sustainable energy... Our fleet of vehicles has saved more than 3.5 million tons of CO2 and our solar products have produced more than 10 billion kilowatt hours of clean energy across the globe.”

Kamran Mumtaz, Tesla spokesman

DRIVING ACTION IN THE WORKPLACE

Action on the SDGs in the workplace can take on many shapes and forms. Yet when you look across business, regardless of size or industry, seven key themes emerge:

- **Demonstrate leadership** by making the business accountable for SDG action.
 - For example, the CEO making a consistent public commitment, aligning business practices and strategies, assigning senior responsibility for action, making it part of your culture.
- **Drive influence** by sharing your story and engaging with others.
 - For example, building partnerships, speaking at conferences, sharing case studies, influencing your supply chain, influencing other stakeholders.
- **Be transparent** by reporting the process to align material topics for the business against the SDGs and the organisation's performance against these.
 - For example, in public documents such as Annual or Sustainability Reports or on the company website, a public disclosure announces to the business community and your stakeholders that contributing to the SDGs is important to your business.
- **Evolve policies and programs** to respond to SDG commitments.
 - For example, evolve existing policies and programs and/ or develop new ones so they are aligned to the SDGs. Areas of focus may include diversity and inclusion, gender equality, environmental management, supply chain management.
- **Engage employees** to better understand and connect with the SDGs.
 - For example, through information sharing via the intranet and other communication mechanisms, holding learning lunches.
- **Enable employees** to take action by creating a culture of that encourages and rewards initiation and innovation.
 - For example, empowering employees to self-organise to find solutions and incorporate action in their daily lives.
- **Articulate the value** to the business for taking action on the SDGs.
 - For example, the value of investing in 'drink tap' as a campaign if you are a water company focused on goals around health and wellbeing, upholding principles of equality to reduce the cost of doing business, increasing internal buy in, improving staff retention, growing customer and employee satisfaction, driving revenue.



CASE STUDY – OFFICEWORKS: POSITIVE DIFFERENCE PLAN



Officeworks is committed to helping make bigger things happen for its customers, team, the community and stakeholders. Part of one of Australia's largest listed companies, Wesfarmers, Officeworks operates 167 stores across Australia, employing 8,000 team members across the country, including more than 7,000 people working in retail stores.

Officeworks's approach to sustainability is captured in their **Positive Difference Plan**. Engaging with a broad range of stakeholders informed the three priority areas of the plan: Environment, Responsible Sourcing, and People. These priorities map to SDGs 4, 5, 7, 8, 12, 13 and 15.

Alex Staley, General Manager Corporate Affairs, spoke about the shift towards integrating sustainability into the company's broader strategy and the growing drive to meet customer and employee expectations of the business in this area.

“Officeworks is part of the Wesfarmers group and we feed into the broader business strategy. We have requirements in areas we need to focus on but we also respond to other driving forces such as increasing noise from customers and employees to understanding where we need to be focusing our efforts around sustainability. We have a large number of younger people joining our team and we've noticed the trend that sustainability is a key thing they end up interviewing us on when applying to join the company.”

“The Positive Difference Plan is embedded across the business and provides a framework for all team members, from discussions among senior leadership to the induction of new employees, to understand the company's commitment to making a positive difference. Yearly sustainability targets sit within the business targets.”

The shift underway at Officeworks has been propelled by new leadership in senior management, who have driven the sustainability agenda and a shift in company culture to be more visible about their sustainability efforts.

“In the past we have been a very private company and haven't had a culture that encouraged talking about our sustainability efforts like our tree planning initiative. The challenge has been around how to encourage the team to become ambassadors for the business and the positive difference we are making for local communities and the environment. This seems intuitive for a company that is an employer of choice for a large number of younger people who are a much more consciously aware generation of the need to look after people and the planet. Trying to encourage organic conversations amongst staff is key to our successful shift to be more open and public about our efforts as a company to make a positive difference.”

“We're working hard to support not just our company management teams but our retail teams to develop the skills to talk more about our positive difference initiatives and to help customers get involved; help them to choose sustainable products, to know they can recycle instore or contribute to our back to school program.”

It's clear change is occurring across the business. An area manager for Officeworks in New South Wales said:

“In the past we didn't go around beating our chest about things that we do; we were quite humble. But though a shift in management and culture we now, as a company, as a team, see there's an opportunity to do more to let our communities know all the great things that we do and help our customers contribute to that, help them make more sustainable choices.”

“The Positive Difference Plan is embedded across the business and provides a framework for all team members, from discussions among senior leadership to the induction of new employees, to understand the company's commitment to making a positive difference. Yearly sustainability targets sit within the business targets.”



“ And of course be realistic, once you’ve worked out what matters most to your business and where you can create the biggest impact, set targets that match the size of your business. It doesn’t matter how big or small your business is, there is always something you can be contributing to sustainability and engaging your employees, just remember to make it fun and make it easy for them to engage.”

Alex also talked candidly about some of the challenges that business can face in truly embedding sustainability across all aspects of the business.

“ In some cases where there may be capital upfront costs involved, it can be a barrier to make the case for investing, especially if the projected social and business returns are longer than our usual 3 year approach to return on investment. There can also be challenges in helping those not familiar with sustainability to shift from seeing it as a ‘nice to have’ to understanding the real and tangible business benefits to investing in sustainability. But if you make the business case that shows the increase in demand from customers to shop with sustainable brands, right through to increased demand from shareholders who see the long-term connection between being a sustainable business and business success then you can overcome these challenges.**”**

When asked for her advice for other businesses looking to do more in the sustainability space Alex, said;

“ the most important thing is focus on is what’s important to your business, customers and stakeholders, there are no business or financial returns if you’re focusing on things that aren’t relevant. Starting with a plan is key, don’t fall into the trap of just doing stuff that you think might make a positive difference, be strategic and be focused.**”**

“ And of course be realistic, once you’ve worked out what matters most to your business and where you can create the biggest impact, set targets that match the size of your business. It doesn’t matter how big or small your business is, there is always something you can be contributing to sustainability and engaging your employees, just remember to make it fun and make it easy for them to engage.**”**



MEETING THE CHALLENGE

Be strategic

- Avoid the trap of trying to do everything. More is not always better! Understand what's material to your business and choose the SDGs that align. Use the SDGs Compass tool to assist in determining what is material to your business.
- Understanding and communicating what sustainability means for your business and what value it can create is crucial to enable boards to make informed investment decisions.
- Senior leadership is critical to create momentum and drive change and action across the business.
- It takes time for change to flow; remember to bring your people with you on the journey.

Measure your impact

- The SDG reporting framework is complex. Playing a part in contributing to global solutions is not easy, nor should it be. Remember, you're not the only business trying to do this, engaging with global reporting frameworks and contribute where you can to them.
- Make sure you capture enough and the right kind of data to report on progress. It can be difficult to quantify social and environmental impact measures so seek guidance and support where necessary.

Collaborate and innovate

- Build partnerships by working with stakeholders both within and outside of your sectors to leverage ways in which others are measuring against the SDGs.
- There is no one size fits all model, and no one has the perfect answer, but there is always an opportunity for businesses to try something new, to test new ways of measuring impact.

Communicate

- Facilitating a conversation, that is inclusive for decision-making.
- Communicate the value you're generating for your audiences.
- Engage people on different levels in language that holds meaning for them: employees, clients, stakeholders, shareholders, sustainability experts.
- It's an opportunity to have frank and open conversations with your staff. Listen and learn from what they perceive to be of critical importance to the business, what makes strategic sense, what may align with their personal beliefs and what might not sit well.
- This is an opportunity to make clear the purpose of the business and how this aligns with these major environmental and societal goals.
- Remember you're trying to make a global framework relevant at national, regional or local levels.

“ I was raised in a family where we were always taught to be the best that we could regardless of what that was. But also with an understanding that we had opportunities that other people didn't. And part of the deal of being given these opportunities is you have a duty to give back. I want to make this country a better place for myself, my friends, my family, my nephews and nieces. ”

Karen Mundine, CEO of Reconciliation Australia

“ If society doesn’t function we need to do business differently, a different form of capitalism. There are big issues coming up – climate change, inequality, unemployment, social cohesion. Governments are not responding and business is paying the price – economies are not growing.

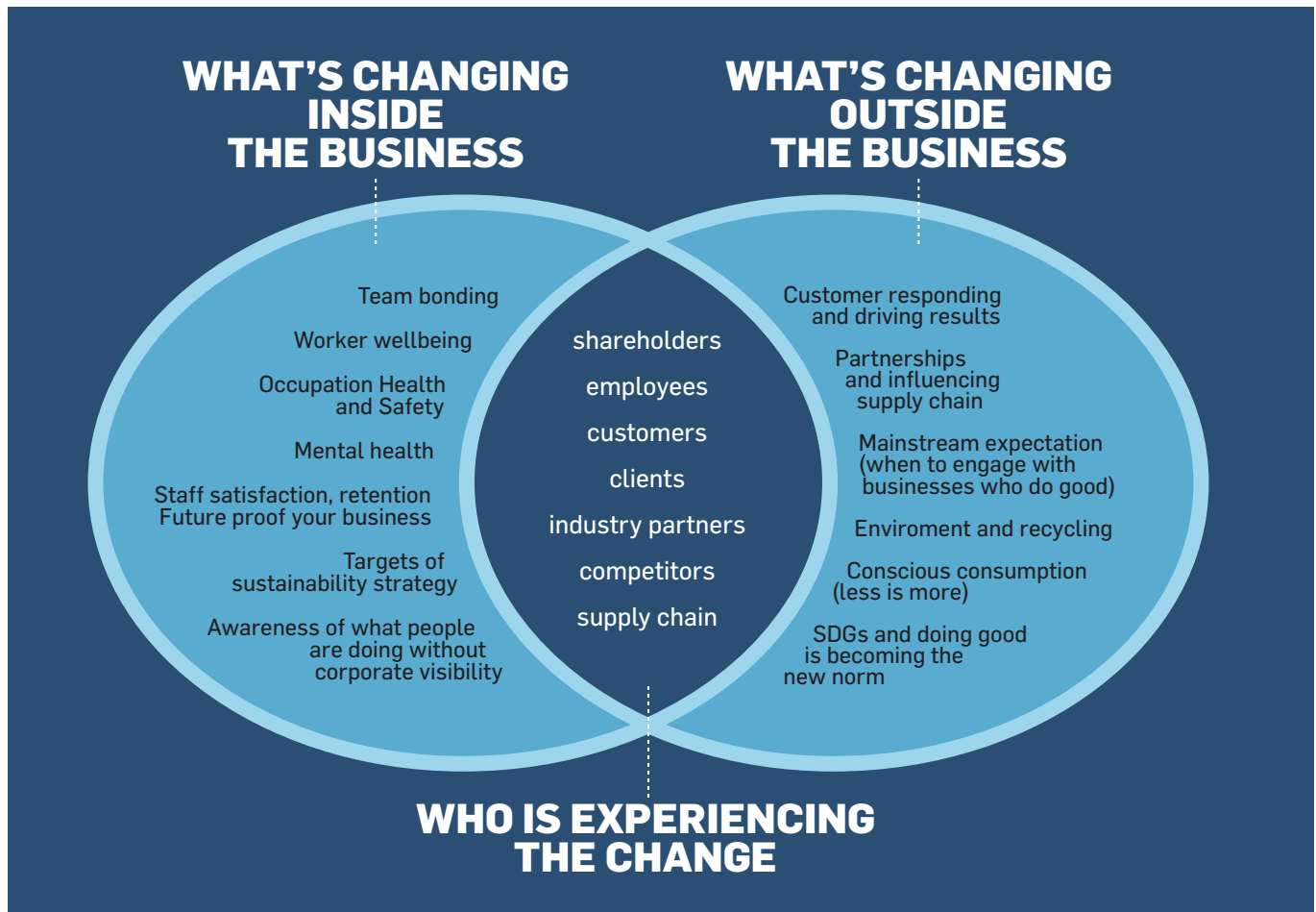
Companies that operate in a more responsible way on Environment, Social and Governance (ESG) are more successful long term.”

Paul Polman Unilever CEO 2009 – 2019



SEEING THE CHANGE

When your business invests in achieving the SDGs, in making a positive difference, in generating social impact, where does this change occur?



“ Sustainability needs more than a few green initiatives. We need a social and corporate culture adjustment to ensure sustainability is embedded in our corporate and social DNA. How we do business today most certainly impacts IF we will be in business tomorrow ”

Mohammed Mohomed, Acting Group Chief Executive, Transnet SOC Ltd

CASE STUDY – YARRA VALLEY WATER: PEOPLE, PLANET & PROSPERITY REPORT



Yarra Valley Water provides water and sanitation services to nearly 2 million people and more than 50,000 businesses across the Victorian community. Yarra Valley Water was the first water corporation in Australia to commit to the United Nations Global Compact (UNGC) and the SDGs. Its **sustainability reports** capture the organisation's approach to progressing against the ten UNGC principles, and evaluates its performance using the Global Reporting Initiative Standards.

In its 2018 report, Yarra Valley Water mapped the water utility's day-to-day impact on each of the 17 SDGs for the first time and made an ongoing commitment to manage these and deliver value against them.

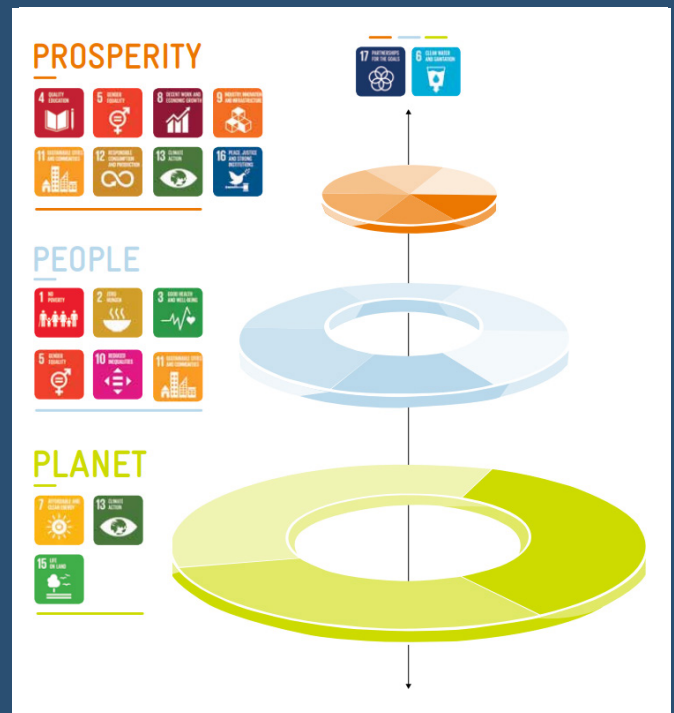
Pat McCafferty, Managing Director of Yarra Valley Water and key supporter of the company being the first water corporation in Australia to sign on to the UN Global Compact and commit to the SDGs, said:

“Our commitment to the SDGs is based on our core purpose as a water utility, which is to provide an essential water and sanitation services that contribute to the health and wellbeing of current and future generations.

We are actively mapping our progress across all 17 goals and have assessed how we strategically prioritise them throughout our organisation. This thinking is also guiding our next strategy which explores how we can continue to help create a sustainable future.”

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General Manager, Strategy and Community, David Snadden, and Sustainability Manager, Alice Greenhill, both shared their insights into best practice and the benefits of aligning business strategy with the SDGs and the importance of reporting on progress. Alice noted:

“You should look to the SDGs to provide relevance on what is material for your organisation to be contributing to in the world and use that to develop your own meaningful goals and targets. Engaging your executive leadership and board in conversation about the SDGs and what they mean for your organisation in the long-term is a great starting point for building them into your business strategy.”

“ For Yarra Valley Water our contributions really come from our culture of wanting to make a meaningful contribution. People don’t come to work here because of the SDG framework, they come because they deeply care about providing sustainable services to the community.”

Yarra Valley Water has been at the forefront of championing the water industry to embrace a culture that is willing to 'change business as usual'. In our conversations with their representatives, they highlighted the importance of seeing the opportunities to contribute to the SDGs through every aspect of the organisation, from human resources and procurement processes, to customers experiencing vulnerability. David Snadden shared that:

“ 96% of our staff understand how their role aligns to our why, our purpose of the organisation. For us, we have a DNA in our culture that is best practice in a lot of aspects; our purpose is about our commitment to a sustainable future and providing essential water services that contribute to the health and wellbeing of the community. The people who work here tend to have a close commitment to community and the environment. It’s a gene that runs through our organisation and attracts people to work here.”

“ We have had a robust sustainability strategy in place for many years, but this was a fertile ground for the SDGs to land ... and we’ve been doing a lot of work to understand how our sustainability efforts map to the SDGs and to measure our progress against targets as well as identify the gaps where we could be doing more. For Yarra Valley Water our contributions really come from our culture of wanting to make a meaningful contribution. People don’t come to work here because of the SDG framework, they come because they deeply care about providing sustainable services to the community.”

“ Organisations have to make it real for themselves and get on with it in their own language. Learning to become a more sustainable business is about making commitments and then getting on with the job of doing, and you’ll be surprised by the unexpected benefits you can generate for People, Planet and Prosperity.”

Yarra Valley Water championed the SDGs with the Water Services Association of Australia (WSAA), which made a public commitment to SDG6 and strong support for all 17 SDGs on behalf of the water industry. Key to this was establishing buy-in from Yarra Valley Water senior leadership, such as Pat McCafferty, who led these efforts along with support from board members and those working in sustainability across the organisation.

More recently the organisation has started to explore its role beyond its own sphere of control with a particular focus on community health and wellbeing. Yarra Valley Water identified an opportunity to better support vulnerable customers. The organisation's commitment to better understand vulnerability led to spearheading the establishment of the Thriving Communities Partnerships, a cross-sector collaboration that is driven by the goal that everybody has fair access to the modern essential services they need to thrive in contemporary Australia: including utilities, financial services, telecommunications and transport.

Through the establishment of Thriving Communities Partnership, and other initiatives, such as the 'Choose Tap' campaign, David Snadden said the organisation has:

“ transformed from seeing our role as being limited to providing water and sanitation to a more holistic view of the value we can create as a leader and advocate in the essential services sector.”

Ultimately, David's advice to other businesses wanting to do more in sustainability was:

“ Organisations have to make it real for themselves and get on with it in their own language. Learning to become a more sustainable business is about making commitments and then getting on with the job of doing, and you’ll be surprised by the unexpected benefits you can generate for People, Planet and Prosperity.”

“ Our biggest challenge in this new century is to take an idea that seems abstract – sustainable development – and turn it into a reality for all the world’s people.”

Kofi Annan, United Nations Secretary General 1997 - 2006

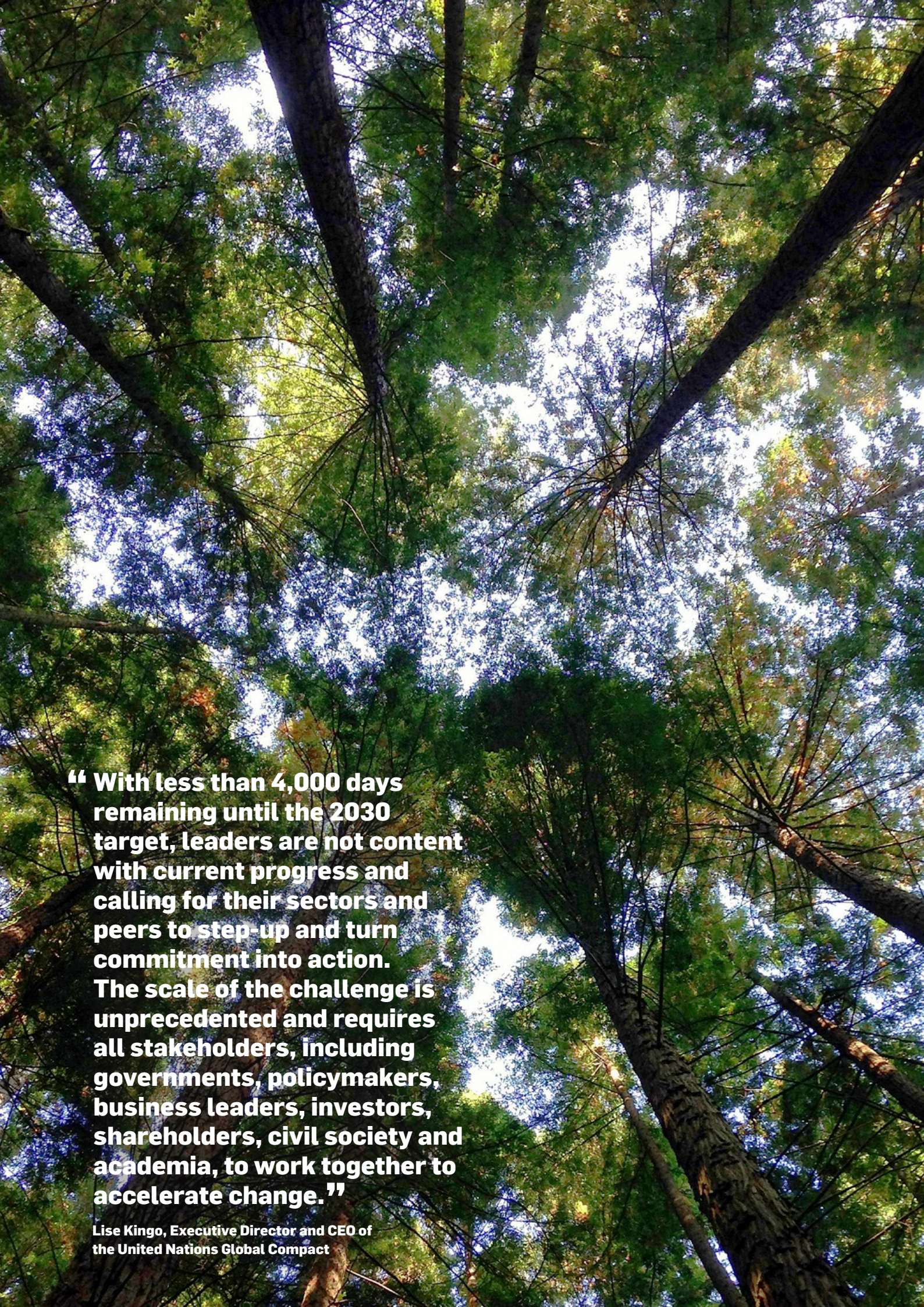


TIPS FOR BEST PRACTICE

- **Get focused.** Determine **what's material** to your business and choose the SDGs that best align. **Drive real change** within your **capacity**.
- **Develop or review your sustainability strategy.** What is your core purpose and what is your business responsible for? How do your commitments align with your business? How do you integrate this into all of your business practices? Where are the gaps where you can do more to align with the SDGs?
- **Develop your own language and the meaning and value for your business. Own it, make it part of your culture.** What's going to enable your business to thrive? What's going to make sense to you and your people, your culture, your industry? Develop your own real world, lived experience examples within the business, celebrate the people that are doing things and share these stories. It's okay if management talk about the sustainable leadership of business and employees talk about zero waste.
- Think about how you will **measure and communicate** your **impact and map your contribution to the SDGs**.
- **Put it into action. Set realistic timeframes and targets.** Avoid dismissing action out of fear of the size of the SDG targets. Consider the urgency versus your capacity.
- **Build on your impact.** Develop **short, medium- and long-term indicators and targets** so you can build on your impact. Draw on tools such as the SDG Compass for guidance regarding indicators.
- Develop a **framework for tracking progress and reporting** and integrate it into business reporting and employee reviews.
- **Be transparent.** Communicate your commitment and your performance regularly in public documents such as Annual/ or Sustainability Reports or on the company website.
- **Empower all people within your business to take action and ownership of your SDG commitments.** The aim is to create shared accountability across the business. Encourage and support your people to take responsibility for initiatives they feel passionate about. For example: business unit leader engagement is critical to help initiatives cascade through the business. Develop commitments, structures and actions to target and engage senior leaders and empower employees to take the lead.
- **Engage your teams.** Provide tools for employees to use at home. Influence individuals and support people to change their practices at work and at home. Develop a sustainability continuum that flows from work to home.

“It has been made clear to everyone that we are living in a climate emergency. Sustainability is no longer a nice to have, but they are decisions which define the quality of life for everyone on this planet for the next 125 years. It has to be holistic, not just a project here and there. We have a climate emergency, a biodiversity and an ocean emergency. By addressing one, you can have lasting effects on others.”

Christiana Figueres, Former United Nations Climate Change Head



“ With less than 4,000 days remaining until the 2030 target, leaders are not content with current progress and calling for their sectors and peers to step-up and turn commitment into action. The scale of the challenge is unprecedented and requires all stakeholders, including governments, policymakers, business leaders, investors, shareholders, civil society and academia, to work together to accelerate change.”

Lise Kingo, Executive Director and CEO of
the United Nations Global Compact

COMMUNICATION AND REPORTING TOOLS

SDG Related Tools and Initiatives

- Sign up to the UN Global Compact and Global Compact Network Australia
www.unglobalcompact.org/membership/how-to-join
- Announce which SDGs are aligned to your business goals
www.business.un.org
- Share your Commitment to Progress (CoP), a visible expression of progress through annual reporting for UNGC signatories
www.unglobalcompact.org/participation/report
- Share your own case study on the Australian SDGs site:
<https://sdgs.org.au>
- SDG Compass business indicators
<https://sdgcompass.org/business-indicators/>
- SDG Compass business tools
<https://sdgcompass.org/business-tools/>
- Support for Australian Businesses to 'Get Started' and better engage with the SDGs
<https://sdgs.org.au/about-us/resources/>

Learn how the SDGs link to and impact specific industries:

- **Financial Services**
https://www.unglobalcompact.org/docs/issues_doc/development/SDGMatrix_FinancialSvcs.pdf
- **Food, Beverage & Consumer Goods**
https://www.unglobalcompact.org/docs/issues_doc/development/SDGMatrix-ConsumerGoods.pdf
- **Climate Extract**
https://www.unglobalcompact.org/docs/issues_doc/development/SDGMatrix-climate-extract.pdf
- **Healthcare & Life Sciences**
https://www.unglobalcompact.org/docs/issues_doc/development/SDGMatrix-Healthcare.pdf
- **Industrial Manufacturing**
https://www.unglobalcompact.org/docs/issues_doc/development/SDGMatrix-Manufacturing.pdf
- **Transportation**
https://www.unglobalcompact.org/docs/issues_doc/development/SDGMatrix_Transportation.pdf
- **Energy, Natural Resources, Chemicals**
https://www.unglobalcompact.org/docs/issues_doc/development/SDG-industry-matrix-enrc.pdf

Other business sustainability and social impact reporting guidance:

- Global Reporting Initiative (GRI) Standards
www.globalreporting.org/standards/
- International Integrated Reporting <IR> Framework
<https://integratedreporting.org>
- Social Return on Investment (SROI)
<http://www.socialvalueuk.org/resources/sroi-guide/>
- AccountAbility five-part materiality test
<https://www.accountability.org/wp-content/uploads/2017/02/Redefining-Materiality-2.pdf>
- SASB Materiality Map
<https://materiality.sasb.org/>
- Science based targets <https://sciencebasedtargets.org>
- Task Force on Climate-related Financial Disclosures (TCFD) <https://www.fsb-tcfd.org>

ABOUT THIS GUIDE

About the authors

Think Impact

Think Impact is a highly experienced team of specialists in impact-led strategic planning, stakeholder engagement, impact measurement and sustainability reporting. We support organisations, business and government to understand the greatest contribution they can make to creating value and positive change. We provide consultancy services across strategic advisory roles, program design, management and evaluation, communication and training services to support organisations from all sectors to improve their future readiness, solve complex problems and develop new solutions. We work with our partners to **understand, communicate, and transform** the social and environmental impacts of their work into long term sustainable practice for purpose.

Our team is heavily committed to championing a new norm for business and industry, one where it's common practice to measure the environmental and human benefits of our work in the world. Our vision is about moving society towards a new prosperity, including helping businesses to transform their impact through finding new ways of working, investing and collaborating for collective impact is at the heart of our practice.

Think Impact is a certified BCorp (Benefit Corporation), a United Nations Global Compact participant and a GRI Community Member committed to making a positive difference in the world.



This guide was written and prepared by Amanda Nuttall, Alischa Ross and Stephanie Lightfoot from **Think Impact**

Image sources

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