

*It makes commercial sense to embed the SDGs in operations and strategy, but how ready is business to support government's achievement of these global goals?*

# ***Make it your business:*** Engaging with the Sustainable Development Goals

A South African perspective – March 2016



**65%**

of businesses say they are already planning how they will engage with the SDGs (Global: 71%; Africa: 70%)

**3%**

of businesses have identified the tools they need to assess which SDGs they impact (Global: 13%; Africa: 14%)

**39%**

of businesses say within five years they will embed SDGs into strategy and the way they do business (Global: 41%; Africa: 50%)

**93%**

of citizens say it's important for business to sign up to the SDGs (Global: 90%; Africa: 91%)

---

# Contents

1.	<i>What are the Sustainable Development Goals (SDGs) and how relevant are they to South Africa?</i>	3
2.	<i>Sustainable Development Goals survey: Highlights for South Africa</i>	4
3.	<i>What does business prioritise and why? Is self-interest driving selection? What is the people's perspective?</i>	6
4.	<i>Engaging with the SDGs – What happens next?</i>	11
5.	<i>Contacts</i>	13

---

# 1. What are the Sustainable Development Goals (SDGs) and how relevant are they to South Africa?

*Have you identified the tools you'll need to establish which SDGs your business has an impact on?*

In 2001, governments adopted the Millennium Development Goals (MDGs) in an effort to alleviate poverty in less economically developed countries. Since then, the United Nations (UN) has dubbed the MDGs 'the most successful anti-poverty movement in history'. Even though the MDGs were a success among initial adopters, improvements could still be made by, for instance, expanding the reach and relevant indicators thereof.

*Are you clear on how you'll assess your impact?*

To meet these needs, the Sustainable Development Goals (SDGs) (see figure 1 on next page) were developed. These follow from the MDGs, and UN member states will be expected to use them to frame their agendas and political policies over the next 15 years. The SDGs' indicators are centered around economic, social and environmental progress – areas of improvement that are applicable to all member states, regardless of their level of economic development.

*Will your customers think your business isn't doing enough to support the SDGs or is not doing it fast enough?*

To achieve the SDGs, governments are likely to change the landscape by implementing new regulations and taxes in order to measure and monitor progress.

Our South African Government developed our National Development Plan (NDP), which aims to eliminate poverty and reduce inequality by 2030. Our NDP objectives appear to have similar interests to a number of the SDGs, which demonstrates how aligned our government is with regard to the implementation of the SDGs. It's clear that the implementation of the SDGs would have significant influence in assisting our government to achieve our country's development goals.

Businesses should recognise the potential impact the SDGs can have on the economic landscape, the business marketplace and the regulatory environment, and be prepared to leverage the associated opportunities.

*If it's important to your customers and other stakeholders, should it be important to you?*

*Is there an opportunity to align your focus to that of your customers?*

## 2. Sustainable Development Goals survey: Highlights for South Africa

*How do you manage your stakeholders' expectations when you want to focus on a limited number of SDGs, if the expectation is that you should know your impact across all 17? How do you avoid a challenge to your reputation?*

To better appreciate the approach global companies are adopting with regard to the SDGs, we conducted two separate surveys during mid-2015 – one for business and another for citizens – that were promoted through social media and shared with PwC clients, United Nations Global Compact (UNGC) members and Global Reporting Initiative (GRI) members. We wanted to know just how aware companies and citizens were of the SDGs and how companies were planning to engage with them. The reason is simple and pressing.

Once ratified, governments will formulate new regulations, incentives and strategies to achieve the SDGs, gaining momentum to deliver lasting change.

Expectation is high that business will make a significant contribution to help governments – and society, for that matter – achieve the goals. Smart companies wanting to position themselves as supporters may want to plan now how they can take sustainability and put it at the heart of business growth to stay ahead of their competition.

Businesses can use the survey results to realign their goals more effectively by understanding the issues that are most important to stakeholders.

Figure 1: the global goals for sustainable development



*How do you select your starting point? Do you focus on the SDGs that are material to your business? Or the SDGs you can contribute positively towards? Or the SDGs on which you have the biggest impact?*

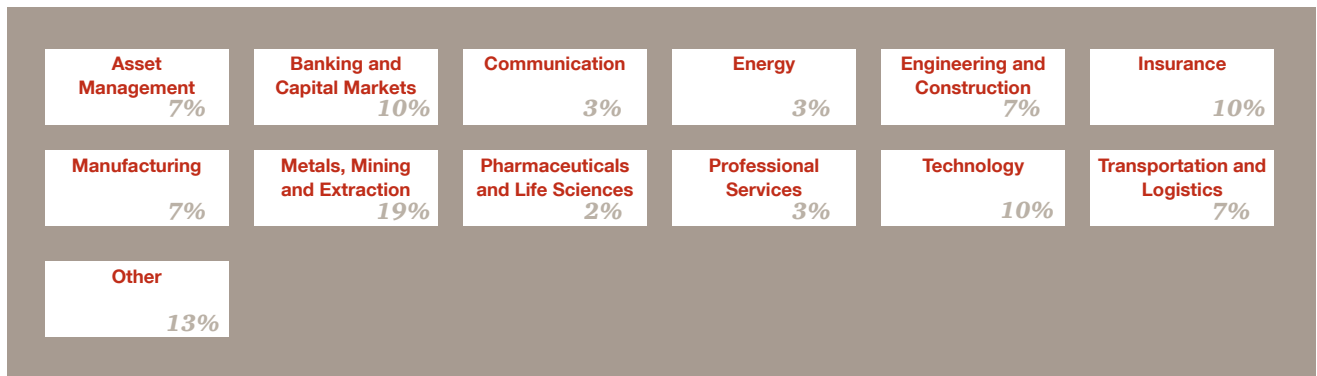
### Survey demographics

This report displays results for South Africa. It gathered the views of both business and members of the general public. In total, 31 businesses and 103 citizens responded to the global survey.

The highlights compare findings between businesses and citizens in order to gain further insights on their preparation and expectations when it comes to the SDGs.

We recommend that this report be read in conjunction with our global survey, *Make it your business: Engaging with the Sustainable Development Goals*, released in September 2015, to obtain a global perspective of the results of the survey.

## Distribution of business responses by industry



Research notes:

- Not all figures add up to 100% due to rounding of percentages and exclusion of 'neither/nor' and 'don't know' responses.

## Results at a glance

**87%**

SDG awareness among the business community is high (87%) compared to the general population (28% citizens aware of SDGs).

Government is seen as having prime responsibility for achieving the SDGs by business and citizens alike (48% of business responders and 55% of citizens ranked government first).

Businesses have already started to take action:

**65%** Government is seen as having prime responsibility for achieving the SDGs by business and citizens alike (48% of business responders and 55% of citizens ranked government first).

There are distinct gaps in how to engage, especially in areas where tough decisions are required.

**3%**

have identified the tools they need.

Only **26%**

of businesses are setting goals, but what gets measured – what's in an objective gets done

We should be optimistic that engagement will increase by 2020:

**23%**

23% of business responders say they are doing nothing right now, but this drops to 3% when thinking about what they'll be doing in five years.

**3%**

Citizens grasp the significance:

**93%**

of citizens believe it is important that business signs up to the SDGs.

**85%**

of citizens said they were more likely to buy the goods and services of companies that had signed up to the SDGs.

---

### ***3. What does business prioritise and why? Is self-interest driving selection? What is the people's perspective?***

The exact nature and requirements of the SDGs might not yet be common knowledge throughout the business world. But, judging from the responses we received, awareness among companies is already high, with 87% of the total group saying they already knew of the goals. Compare that with just 28% of the citizens surveyed.

This points to a significant gap in awareness. The high result for business could be a reflection both of the survey being self-selecting and of the SDGs having been promoted via the UNGC, PwC and the GRI. Perhaps high awareness is driven by a relationship with at least one of these three organisations and the fact that only those interested in SDGs actually chose to participate. As you'll see, though, if the most engaged and enlightened companies are those that responded, the results would suggest that there is even less planning and action happening in the rest of the business community.

However, business is split on who they see as being responsible for achieving the SDGs. Nearly half (48%) of the business participants surveyed believe government has the prime responsibility (only 3% gave business prime responsibility). Despite this, though, 65% are already making plans on how to respond to the SDGs – they may be reticent to claim responsibility, but they are not shying away from taking action.

After all, it makes sense to know how your business contributes towards a government's ability to achieve its SDGs. Mapping how you align, measuring your impact, and implementing initiatives to improve creates a good basis for dialogue. It helps to evidence your commitment and protect your licence to operate. If you're looking to venture into new markets, it helps to secure your licence to operate in the first place.

It's quite clear where business sees its contribution (see Figure 2: Top business impacts by industry). The chart reflects all top five placements given to each global goal, but it's interesting to note that companies ranked SDG 8 (Decent work and economic growth) as the top SDG they have the greatest impact on and as offering them the greatest business opportunity. Globally, all regions listed SDG 8 (Decent work and economic growth) as the SDG where they could have the most impact, apart from the Middle East, where companies saw SDG 3 (Good health and well-being) as the more pressing goal.

It's hardly surprising that fostering employment is an area that business feels it can have a direct impact on. After all, a sustainable, growing workforce is good news for both companies and society, and this vein of self-interest when prioritising SDGs extends through industry sectors. Companies in the energy, utilities and mining sector say they have the greatest impact on SDG 7 (affordable and clean energy); the healthcare sector highlights SDG 3 (good health and wellbeing); while the chemical sector cites SDG 13 (climate action). The chemicals industry also places SDG 2 (zero hunger) in third place – a nod to the importance of the sector in agribusiness, perhaps? Refer to Figure 3 below for a global view of the top business impacts by industry. Also refer to Figure 4, which depicts a diagrammatic view of the local SDG priorities.

**Figure 2: Top business impacts by industry**

Chemicals	Communication	Energy, Utilities and Mining	Engineering and Construction	Financial Services	Healthcare	Manufacturing	Professional Services	Retail and Consumer	Technology
13 CLIMATE ACTION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	8 DECENT WORK AND ECONOMIC GROWTH	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	4 QUALITY EDUCATION	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION
2 ZERO HUNGER	4 QUALITY EDUCATION	13 CLIMATE ACTION	13 CLIMATE ACTION	5 GENDER EQUALITY	5 GENDER EQUALITY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	5 GENDER EQUALITY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
3 GOOD HEALTH AND WELL-BEING	3 GOOD HEALTH AND WELL-BEING	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION	4 QUALITY EDUCATION	13 CLIMATE ACTION	3 GOOD HEALTH AND WELL-BEING	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING
6 CLEAN WATER AND SANITATION	13 CLIMATE ACTION	6 CLEAN WATER AND SANITATION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	4 QUALITY EDUCATION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	7 AFFORDABLE AND CLEAN ENERGY	13 CLIMATE ACTION	13 CLIMATE ACTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Source: PwC SDG Engagement Survey, 2015

**Figure 3: Global priorities**



*With an industry focus on a limited number of SDGs, is there opportunity for industry associations to support their members, and create best practice and share knowledge? Can you look to them for advice, support and guidance on measuring your contribution to specific SDGs??*

**Figure 4: South African priorities**



Businesses in South Africa believe that they have the greatest impact on SDG 8 (promoting sustained, inclusive and sustainable economic growth), SDG 4 (inclusive and equitable quality education and promoting lifelong learning opportunities for all), SDG 12 (sustainable consumption and production patterns), SDG 9 (building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation) and SDG 13 (urgent action to combat climate change and its impacts). Citizens, on the other hand, have a strong focus on SDGs focused on SDG 2 (ending hunger, achieving food security and improving nutrition; and promoting sustainable agriculture, learning and health), SDG 1 (ending poverty in all its forms everywhere) and SDG 6 (availability and sustainable management of water and sanitation for all); however, SDG 8 (decent work and economic growth) and SDG 4 (quality education) were also a top priority. It's interesting to note that citizens did not prioritise SDG 13 (urgent action to combat climate change and its impacts) when compared to the global trend where it was ranked second. Ultimately, businesses should be engaging with their key stakeholders to understand which goals matter the most to them and why.

The current disparity between the perceptions of businesses and citizens could be reduced if businesses not only address the goals that are most relevant to them, but also extend strategies to those that citizens think are most important. This way, they will not be seen as just 'cherry picking' goals but, instead, be recognised for taking a holistic approach to supporting the sustainable development agenda.

Businesses have the ability to influence sustainable development by adopting the SDGs, and citizens are becoming increasingly aware of this. In order to successfully adopt the goals, businesses need to be clear on the next steps to take. This should include identifying and ranking the most important goals, followed by implementing an impact monitoring system, which can be used for long-term strategy development.

Encouragingly, 64% of respondents are planning or implementing plans to address the SDGs. However, 13% are not aware of SDGs and 23% have not taken any action. This may also lead to poor prioritisation of efforts and a reduced impact. The gap can be reduced if the majority of the 36% who have not thought through how to assess their impact yet take strategic action to respond to more relevant SDGs.

Citizens and businesses are aligned in their aspirations – 93% of citizens believe it is important for businesses to sign up to the SDGs.

Businesses should adopt the goals and integrate them in their strategy, and consider the impact they have on their customers' needs. Businesses which have adapted to changing market needs in the past have been rewarded – and it bears considering that the business landscape in South Africa continues to change, this time towards greater sustainability.



**Businesses: What actions is your business taking to prepare for the launch of the SDGs?**



Among the top actions that businesses are taking in order to implement the SDGs in the short term, identifying the goals relevant to the business aligns with citizens' opinions of how businesses should take action on the SDGs. Citizens also expect that businesses should align their corporate social responsibility initiatives towards ensuring that these goals are achieved. Expectations are higher among citizens when it comes to embedding the SDGs into business strategy – 47% of the citizens say this as opposed to the 23% of business respondents.

Businesses that embrace sustainability in their strategies are more likely to have a favourable standing with citizens. This is supported by the fact that citizens are 85% more likely to use an organisation's goods and services if it signed up to the SDGs, which suggests that citizens are becoming increasingly aware of the importance of balancing business profit with environmental impact and fair social contribution.

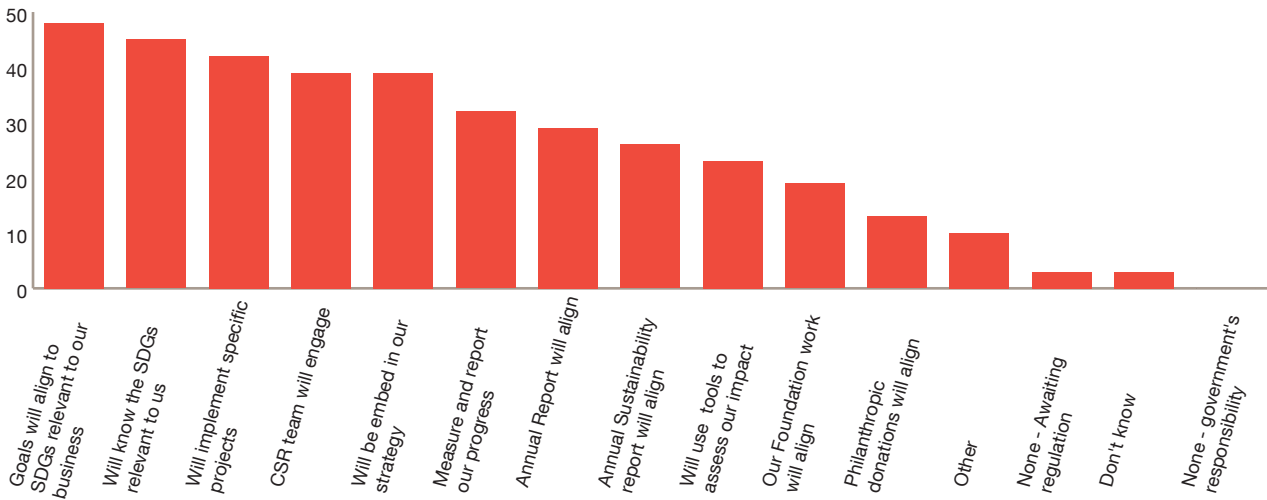
The pressure on business is increasing, as globalisation and new technologies have allowed for greater transparency of businesses' plans to engage with the SDGs, which allows citizens to keep track of implementation progress against commitments.

**Citizens: What actions do you think businesses should be taking to support the SDGs?**

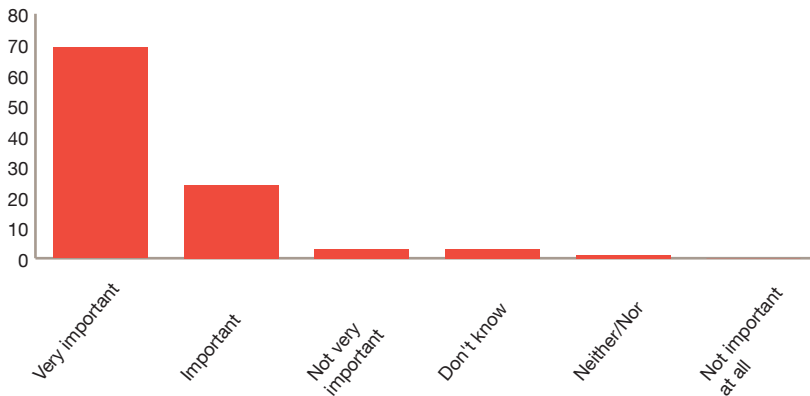


**Businesses initially appear aligned to citizens on the importance of the goals. However, only 45% of businesses plan to assess their impact on the goals.**

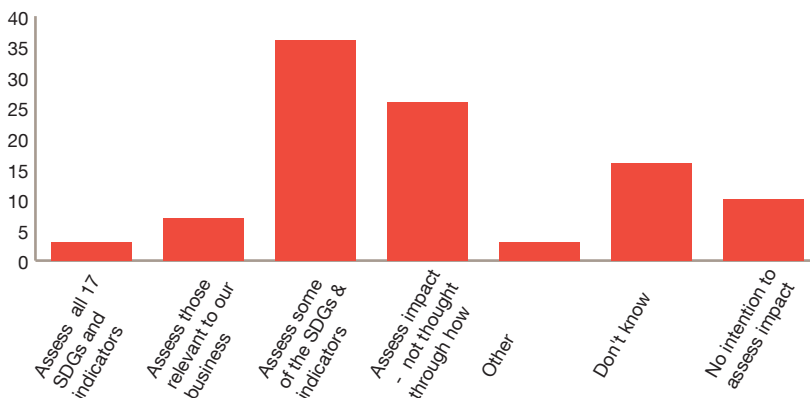
**Figure 5: Businesses: What actions do you think your business will be taking within the next five years to implement the SDGs?**



**Figure 6: Citizens – How important do you think it is that businesses sign up to these goals?**



**Figure 7: Business – How do you plan to assess your impact on the SDGs?**



# 4. Engaging with the SDGs – What happens next?

The SDGs represent a new challenge for business – the 17 goals and 169 targets and evolving indicators, and the new regulation and incentives that no doubt will accompany them later (as governments work towards achieving them) will add a layer of unwanted complexity. But business is used to complexity. As the requirements and process around SDGs are formalised, business will factor them in to their own processes and operating practices.

Two critical business imperatives stand out to encourage engagement with the SDGs:

**Security:** Businesses that align their strategy with national priorities will most likely be given their licence to operate, by governments and citizens alike – those that do not, or who struggle to demonstrate alignment with the national interest, cannot expect equivalent treatment, so creating competitive disadvantage; and

**Resilience:** Governments are already using the draft SDGs to inform development of policy and regulation.

Those businesses that are aware of and aligned with the SDGs are more likely to have alignment with emerging policy, giving them more resilient business models.

**Making a smooth transition to this new model where SDGs play a central role in operational considerations as well as planning, reporting and strategy could make all the difference in helping to achieve the Sustainable Development Goals.**

## How can PwC help you?

### Business Navigator

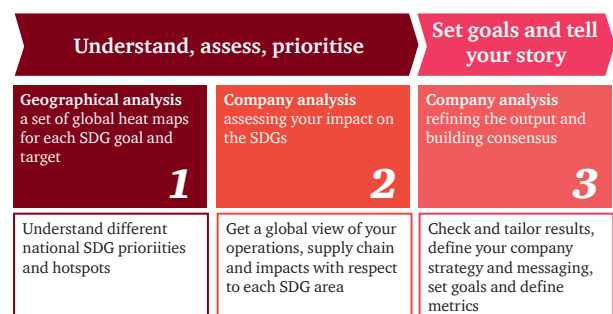
We have developed a diagnostic tool which will give businesses a quick, replicable and low-cost way to:

- identify the Global Goals that are of most relevance given their countries and sectors of operation
- evaluate which Global Goals they can best contribute to
- identify the significant risks (i.e. where business activities could hinder governments more than help) in relation to both core products and activities and more broadly across the supply chain, on a country-by-country basis
- identify the potential opportunities (i.e. where business activities could help significantly more) in relation to core products and activities and the wider supply chain, on a country-by-country basis.

*So what's the starting point for business? How does this translate into action and next steps? Successful engagement with the SDGs needs to cover seven steps:*



## Business navigator overview



At the 2015 Commonwealth Business Forum, a challenge was launched to business across the Commonwealth and beyond... to have a Board conversation about the Global Goals. In partnership with the Commonwealth Enterprise and Investment Council (CWEIC), we're delighted to support the challenge. Will your business sign-up?

## ***Tell me more. What is the SDG Business Challenge?***

Imagine a world in 2030 in which business is a driving force behind solving major world issues. Having embraced its role in society and aligned its activities to the Global Goals, business has reduced its negative impacts and increased its positive impacts, supporting governments to achieve the Global Goals targets they committed to back in 2015. In this vision for 2030, business activity is goal congruent with government targets to achieve the Global Goals. As a result no one now lives in extreme poverty, there is decent work for all, economic prosperity is better shared, our environment is respected and protected, and much more.

It could start with one conversation. Forward thinking CEOs will want to understand their business' impact on the Global Goals and act on the insight, so it's a conversation that needs to happen at the Board. It's a conversation that will drive change so the right people need to be in the room.

## ***Who can join the challenge?***

To be entered into the competition, sign up to and complete the Commonwealth Sustainable Business Challenge. It's inclusive, so whatever your location or size, sign up. It's designed to share practical advice, guidance and tools and enable business to engage effectively with the Global Goals. You don't have to be a member of CWEIC. But you do have to evidence your activity, e.g. minutes from your Board meeting, share your plan and publish your outcomes.

Remember, if you don't feel you qualify for the Commonwealth Sustainable Business Challenge, don't feel left out. Do it anyway! You can still access all the PwC services and support to help you engage your leadership and value your impact.

Link to challenge: <http://www.pwc.com/gx/en/services/sustainability/sustainable-development-goals/signup-form.html>

## ***Why do SDGs matter to business?***

The Global Goals are complex; and so is your business. "Where to start?" is a question we hear a lot. But pressure to engage will only increase over time – pressure from your customers, your buyers, and the governments of the countries you operate within. All will want you to evidence how you help or hinder the achievement of the Global Goals, and hear what you're doing about them.

So the Global Goals Commonwealth Sustainable Business Challenge could be the catalyst you're looking for. Your business' impact on the Global Goals could shape its long-term strategy, support your dialogue with your stakeholders, and help to maintain or secure your licence to operate. They are also a new framework to identify opportunities in new markets or create a demand for new or alternative products, and to expose risks too.

But, when your strategy is so important to the achievement of the Global Goals, what is your Board thinking about them? A robust Board discussion on Global Goals is the first step to defining strategy and making change happen.

## ***Tapping into practical advice***

We are running the Business Challenge in partnership with the Commonwealth Enterprise and Investment Council. We want you to sign up, and are here to offer additional advice and support.

You'll find great content here to get you started on your journey to engage with the Global Goals and drive your Board discussion. We have a tool kit to help your business understand how its activities impact on the Global Goals to give you the insight to manage your impact. The Global Goals Business Navigator looks at your current business strategy and immediate impact; helps identify future opportunities; and highlights how you align to governmental Global Goals targets of the countries in which you operate. We can also offer support to structure your thinking ahead of the Board meeting, provide one-to-one guidance, and even facilitate your board discussion with you.

PwC understands Global Goals and with our years of working with business, we know how Boards operate. We have the breadth of skills and a diagnostic tool kit to support you.

But, when your strategy is so important to the achievement of the Global Goals, what is your Board thinking about them? A robust Board discussion on Global Goals is the first step to defining strategy and making change happen.

---

## 5. Contacts

If you'd like to talk through what the SDGs mean for your business and how best to engage with them, please do get in touch:



**Jayne Mammatt**  
Southern Africa Sustainability  
leader

(O) +27 (11) 797 4128  
(M) +27 (83) 611 1418  
[jayne.mammatt@za.pwc.com](mailto:jayne.mammatt@za.pwc.com)



**Yvette Lange**  
Associate Director

(O) +27 (11) 797 4430  
(M) +27 (82) 804 8748  
[yvette.lange@za.pwc.com](mailto:yvette.lange@za.pwc.com)



**Zaahid Ismaiel**  
Senior Manager

(O) +27 (21) 815 3071  
(M) +27 (83) 503 8848  
[zaahid.ismaiel@za.pwc.com](mailto:zaahid.ismaiel@za.pwc.com)