SUSTAINABLE DEVELOPMENT GOALS: BLUEPRINT FOR ACTION
UN Global Compact India - Accenture Strategy CEO Study 2018
Insights from Indian Business Leaders

45+ CEO survey responses
20+ years of research
10+ CEO insights
A DECADE OF CEO STUDY RESEARCH
2007-2018

2007

Beginning of the UNGC CEO Study: 391 survey respondents
38 interactions with CEOs and top executives

2010

Understanding the new era of sustainability in light of the financial crisis
750+ survey respondents
50+ CEO insights

2013

A sense of cautious optimism as businesses hit a plateau in the advancement of sustainability
1,000 survey respondents
70+ CEO insights

2014

First study for India with insights from Indian CEOs outlining the need of transformational leadership
30+ survey respondents
10+ CEO insights

2016

A mandate to solve societal challenges as a core element in the search for competitive advantage
1,000+ survey respondents
75+ CEO insights

2018

Special Edition of the CEO Study examining the views of UN leaders on the current and future landscape of partnerships for the SDGs

2018

Second Indian study capturing the insights from Indian CEOs defining SDGs as a framework for action
45+ survey respondents
20+ CEO insights

Note: The 2007 study was conducted by McKinsey & Company and the subsequent ones have been conducted by Accenture
Nearly three years ago, the United Nations adopted the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) - a new universal ambition for sustainable development.

As per UNGC, more than 50% of the progress towards the SDGs will come from India. In parallel, India presents 25% of the $4 trillion worth of market opportunities for companies working in the sustainable area globally and employment generation potential of 72 million by 2030.

“There is no cause greater than shaping a world in which every life that enters it can look to a future of security, opportunity and dignity; and, where we leave our environment in better shape for the next generation. And, no cause that is more challenging.”

- Sh. Narendra Modi, Hon’ble PM of India

The Sustainable Development Goals

1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace justice and strong institutions
17. Partnerships for the goals

CEO PARTICIPANTS

We would like to thank the following CEOs, Chairpersons and Managing Directors for their insights in shaping this study.

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ONGC

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The Coca-Cola Company

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BMW Group India

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UN Resident Coordinator and UNDP Resident Representative in India
TOWARDS GLOBAL GOALS:
A MATTER OF FAITH FOR INDIAN CEOs

In the context of Agenda 2030, we see a striking commitment to sustainable development. 91% Indian CEOs (87% globally) believe the SDGs provide an essential opportunity for business to rethink approaches to sustainable value creation.

“In the context of Agenda 2030, we see a striking commitment to sustainable development. 91% Indian CEOs (87% globally) believe the SDGs provide an essential opportunity for business to rethink approaches to sustainable value creation.”

- Lise Kingo, CEO & Executive Director, UNGC

Indian businesses are well poised to capture this opportunity with a better understanding of SDGs relevant to their businesses and capabilities to deliver on them - 86% Indian CEOs (78% globally) believe that they know how their company can contribute to the SDGs through their business.

“In-house R&D and proactive indigenization are the cornerstones of our business strategy and we are contributing actively to the SDG (Decent work and Economic Growth) and the SDG9 (Industry, Innovation and Infrastructure). We have also set a goal of utilizing 100% renewable energy and most of the existing energy demand is met from Green energy projects.”

- Deepak Kumar Hota, CMD, BEML Ltd

Smart cities, sustainable agriculture, clean energy, education and better health for all – these and other societal goals demand solutions from the private sector, and business is ready to act, with 86% of Indian CEOs (75% globally) saying their company has the skills and capabilities to take action on the SDGs now.

“PHD Chamber of Commerce and Industry is committed to spearhead the great challenge of the 21st century, to make businesses realize the importance of sustainable development while preserving the environment as much as possible.”

- Saurabh Sanyal, Secretary General, PHDCCI

Indian businesses are ready to accept the mandate to act on development of a new India. Leaders are already reorienting their companies to create value not only for the shareholders but for society at large. 77% of Indian CEOs (70% globally) see SDGs as a clear framework to structure sustainability efforts.

“ONGC recognizes the importance of the SDGs and is aligned to GCN’s global mission and agenda. We are ardently working towards the Prime Minister’s goal on environmental protection and climate change. ONGC is adopting a new reporting standard with respect to Environment, Social and Corporate Governance.”

- Shashi Shanker, CMD, ONGC
IMPACT AT SCALE: CHALLENGES FOR GROWTH

UNCLEAR BUSINESS CASE

Indian business leaders face critical challenges in trying to engage investors and reshape markets. While 85% say that greater integration of sustainability issues in financial markets is essential to progress, only 10% cite investor pressure as a key driver. At the same time, despite an uptick from the last study (41% in 2013-14), only 68% of the CEOs are able to identify the business value of their sustainability initiatives.

CONVENTIONAL FOCUS

While trying to mainstream sustainability with business strategy, compliance and CSR (Corporate Social Responsibility) still remain the primary focus for Indian executives. Only 31% of the Indian CEOs (against 55% globally) mention consumers as their most important stakeholders but they are more concerned about the conventional set of stakeholders such as communities and regulators. Only 1 out of 10 cite suppliers as one of their key stakeholders.

Stakeholder groups which have greatest impact on the way you manage sustainability

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Stakeholder Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>Communities</td>
</tr>
<tr>
<td>33%</td>
<td>Regulators</td>
</tr>
<tr>
<td>31%</td>
<td>Consumers</td>
</tr>
<tr>
<td>10%</td>
<td>Suppliers</td>
</tr>
</tbody>
</table>

UNCERTAIN OPERATING ENVIRONMENT

In 2017, India moved up by thirty notches into the top 100 on the World Bank’s Doing Business rankings. But one-third of the CEOs still see ‘difficult operating environment’ as a key barrier in implementing sustainability. There is a continuation of the trend observed in the 2013-14 Indian CEO study as business leaders are increasingly seeking ‘harder’ measures of government action.

Top three policy tools which could be most effective for governments in promoting sustainability in my industry

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Policy Tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>42%</td>
<td>Regulation and standards</td>
</tr>
<tr>
<td>33%</td>
<td>Subsidies and incentives</td>
</tr>
<tr>
<td>27%</td>
<td>Public investment</td>
</tr>
</tbody>
</table>

NITI AAYOG’S SDG INDEX

NITI Aayog has been entrusted with the role to coordinate the SDG agenda for 2030.

NITI Aayog has mapped out SDGs & related targets, and outcome indicators for Central Ministries, Centrally Sponsored / Central Sector Schemes & other government initiatives.

Based on 75 priority indicators for each SDG, NITI Aayog is developing an SDG Index for measuring the performance of states relative to one another.

To be released this year as a consolidated report, the assessment will provide a ranking of each state on the basis of their performance on their respective SDG targets and priority indicators.

Beyond the index, NITI Aayog plans to establish - at both State and National levels - a SDG Baseline, monitoring dashboards, reporting systems, SDG localization and capacity development initiatives and a knowledge hub with dissemination of best practices.

"At BASF, sustainability, a strategic imperative, has two dimensions; a) how we make our products – We have specific targets for energy, water, greenhouse gas emissions, health and safety and b) how our products contribute to sustainability. This approach has even resulted in withdrawing one of our successful agricultural products from the market in India.”

- Dr. Raman Ramachandran, CMD, BASF Companies in India

"For a New India, SDGs provide the framework for ensuring holistic development of the country with concrete targets and measurable outcomes while there is a big role for the private sector. I extend my best wishes to GCNI, Accenture Strategy and all participants for this pioneering report and driving the SDG agenda for Indian businesses.”

- Amitabh Kant, CEO, NITI Aayog

"At Coca-Cola, we focus on consistently managing the impact of our operations by including our value chain partners. The current key initiatives are, ‘Truly Circular Economy’ designed to improve farmers’ quality of life by increasing their income, and ‘World Without Waste’ which aims to collect and recycle by 2030, an equivalent of 100% of the packaging material we use.”

- T. Krishnakumar, President, India and Southwest Asia, The Coca-Cola Company
ACCELERATING PROGRESS: CAPABILITIES FOR TRANSFORMATION

Leading businesses are redefining competitiveness, and changing the world in the process. In an era of digital disruption and radical transparency, business leaders need to ground strategies for value creation in societal purpose. Against a backdrop of change as dramatic and uncertain as any in the last 250 years, the adoption of the SDGs gives the world a universal roadmap for development. The private sector now has a blueprint for action to reshape the way we live and work. Accelerating progress and unlocking the potential of the private sector in addressing global challenges will depend on new approaches and capabilities.

LEADING THE WAY

9 OUT OF 10
Indian CEOs feel a personal responsibility for ensuring their company has a core purpose and role in society

CEOs understand the systemic changes that demand a core purpose embedded at the heart of business and recognize the role of personal leadership and accountability for sustainability performance.

“Being in the real-estate business, DLF touches the lives of millions of people on a daily basis and our sustainability efforts are driven by “Building Lives”. We are a playing pioneering role in achieving the SDGs through sustainable mobility, water, healthy living, community development and engaging the entire ecosystem of stakeholders.” - Rajiv Singh, Vice Chairman, DLF

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LEVELING THE PLAYING FIELD

9 OUT OF 10
Indian CEOs call for greater local collaboration with national governments on SDG Action Plans with incentives and accountability frameworks for business

Business leaders see a need for governments and regulators to act, creating a level playing field for investment that allows purpose-driven companies to scale up their impact on the SDGs.

“Businesses for whom sustainability is a core value, will survive and prosper. Working sustainably means conducting business in a socially, economically and environmentally responsible manner for the benefit of both current and future generations while creating value for all stakeholders.” - Arun Kumar Jain, MD, Fluor Daniel India

ENGAGING ECOSYSTEMS

9 OUT OF 10
Indian CEOs see cross-sector coalitions and partnerships as essential to accelerating transformation

CEOs and companies need to leverage their influence on the entire value chain and reach out ‘beyond the firm’ to engage ecosystems of consumers, investors and partners in developing new solutions to global challenges.

“Collaboration is key to Sustainability, as businesses have realized that it’s hard to go it alone by themselves – therefore interacting and collaborating is essential, with multiple like-minded organizations and people, to work on initiatives and projects that further the cause of Sustainability.” - Kamal Meattle, CEO, Paharpur Business Centre

“Creating shared value and ensuring alcohol plays a positive role in society is at the heart of our ambition. As the world’s leading premium drinks business, sustainability is a strategic priority as we strive to minimise the environmental impact of our business.” - Anand Kripalu, MD and CEO, Diageo India

“Success of the BMW Group is attributed to long term thinking and responsible action. Therefore, a holistic sustainability approach is integral to our corporate strategy. As a leading premium provider of individual mobility solutions, we firmly believe that ‘sustainability’ is an investment in our future and we are fulfilling this commitment through clear actions.” - Vikram Pawah, President, BMW Group India
A business which has implanted the “sustainability gene” in its organization, will inevitably create a safer working environment, improve efficiency and productivity and finally ensures long-term value creation to all of its stakeholders.

- Erwin Steinhauser, MD, Sandvik Asia Private Limited

The world is (indeed) one family. It’s only when our efforts in corporate sustainability are driven by a global purpose, led by innovation, and cause the world to rise for a universal good ... that we can put our backs for having contributed to it as responsible, sensitive and futuristic corporate citizens.

- C.P. Gurnani, CEO & MD, Tech Mahindra

There is a definite need to measure value generated from sustainability initiatives, however, the scope and understanding of value must expand beyond investor expectations, to include the demands and value drivers of society.

Indian CEOs see digital technologies already enabling more sustainable business models

Rapid development and adoption of digital technologies is a gamechanger for sustainable business, enabling new models such as the Circular Economy, founded on greater efficiency, transparency and traceability.

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The digital era is creating both inspiring opportunities and unforeseen risks, and stakeholders must collaborate to innovate and solve complex problems as we build a more equitable society. The SDGs not only help focus corporate social responsibility efforts, but also present corporates with business opportunities. Committing to these goals is a win-win for all, and advanced digital technologies can play a crucial role in delivering on SDGs at speed and at scale.

- Anindya Basu, Geographic Unit and Country Senior MD, Accenture in India

The annual SDG financing requirement of USD 960Bn is an unprecedented opportunity to scale up financing towards meaningful, measurable on-ground impact. YES BANK is pioneering ‘Future Now’ climate finance strategies through innovative financial mechanisms like Green Bonds and Blended finance that deliver on SDGs, while also contributing to a sustainable economy.

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In order to strike a fine balance between the availability of resources and the associated environmental impact, the only way to go forward is to adopt sustainable mobility solutions. With an objective of connecting customers aspirations, we at Tata Motors are committed to develop smart solutions promoting usage of alternate fuels.

- Guenter Butschek, CEO and MD, Tata Motors

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Consider the typical business maturity progression, sustainability initiatives are often driven by CSR or compliance pressures. At their most mature stage however, they are a non-negotiable part of the organization’s DNA anchored in societal purpose.

Indian businesses have a real opportunity to jump the curve and establish a purpose driven business which aims to solve societal challenges while building a profitable enterprise.

During the course of our interactions, we have seen leading CEOs’ perception of sustainability issues has matured from a discretionary effort, motivated by an agenda of compliance or moral obligation, to a non-negotiable part of core business centered on a societal purpose.

In fact, 81% Indian CEOs (80% globally) believe that demonstrating a purpose-driven commitment is a key differentiator in their industry.

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“Ours can be the first generation to succeed in ending poverty, just as we are the last to have a chance of saving the planet. The future of humanity and our planet lies in our hands. We have mapped the road to sustainable development, it will be for all of us to ensure that the journey is irreversible.”

- Kamal Singh, ED, GCNI

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ACKNOWLEDGEMENTS

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For further reading:

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