

What Are The Sustainable Development Goals?

The Sustainable Development Goals (SDGs) were adopted by more than 150 world leaders at the United Nations Sustainable Development Summit in September 2015¹. The 17 goals articulate the shared aspirations of governments, investors, NGOs, and businesses to end poverty, protect the planet, and seek to ensure prosperity for all.

The SDGs emphasize the role of the private sector in addressing challenges such as climate change, economic inequality, innovation, and sustainable consumption, among other priorities. According to Corporate Citizenship, a global management consultancy specializing in sustainability and corporate responsibility, 38 percent of Fortune 50 companies have declared support for the SDGs as of October 2017.

The 17 goals are accompanied by 169 specific targets and 230 indicators to help organizations prioritize and measure their impacts and contribution to the SDGs. Guidance tools are available to support companies as they strive to measure and report their contribution to the SDGs², and a number of organizations and collaborative initiatives are working to further map existing environmental and social performance metrics to the SDGs.

17 GOALS TO TRANSFORM OUR WORLD



Why Are The SDGs Important to Investors?

We believe the SDGs articulate society's most pressing challenges and are relevant to investors for the following reasons:

NEW GROWTH OPPORTUNITIES FOR BUSINESS

The goals aim to expand access to markets, drive the development of new products and services, achieve greater operational efficiency, and secure supply chains in the present and future. The Business and Sustainable Development Commission, a group of corporate, finance and civil society leaders, states that achieving the SDGs in just four sectors—food and agriculture, cities, energy and materials, and health and well-being—would create \$12 trillion of new market opportunities by 2030³.

ECONOMIC IMPACT

The goals aim to create a viable model of long-term growth achieved without compromising the environment or placing an unfair burden on societies. For instance, the McKinsey Global Institute estimates that achieving gender parity would add between \$12 trillion and \$28 trillion to global growth by 2025⁴.

EVOLVING STAKEHOLDER EXPECTATIONS

The SDGs were developed with a highly inclusive process reflecting substantive input from all sectors of society. The goals can help businesses align with stakeholder expectations in an effort to improve trust, strengthen their license to operate, reduce operational risks, and build resilience to requirements imposed by future legislation.

MARKET FOR NON-TRADITIONAL INVESTMENT STRATEGIES

The SDGs have opened up the possibility of blended finance instruments and cross-sector collaboration to increase the private investor involvement in sectors such as energy, infrastructure, water, agriculture and food, and healthcare in high-risk markets.

¹ The United Nations Development Programme.

² For example, the SDG Compass Inventory of Business Indicators.

³ The Business and Sustainable Development Commission. As of January 2017.

⁴ McKinsey Global Institute. As of September 2015.