



# The role of the SDGs as well as their co-benefits & trade-offs in strategic decision-making

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## Background

Our planet is facing serious economic, social and environmental challenges. Businesses have realized that achieving environmental benefits can go in concert with achieving economic gains. The SDGs give companies the opportunity to develop and implement new technologies as well as solutions to address the world's most urgent sustainable development challenges. Relationships between goals can often be path-dependent, and reaching one SDG can contribute to another, but the relationship may not be applicable the other way around.

## Objective

**Research gap:** To the best of our knowledge, it is still unclear how the different SDGs play a role in a company's strategic decision-making processes.

**Research question:** How can the SDGs, including their co-benefits and trade-offs, play a role in a company's strategic decision-making process?

## Introduction

The solution to our planet's severe economic, social, and environmental problems is one of the main tasks of the present generation and its willingness to hold leaders and decision-makers accountable. This demand for change poses significant challenges for politics, society, and the economy. It raises the question of how companies can incorporate sustainable actions into their companies without resolving into greenwashing. In 2015 the United Nations (UN) declared the SDGs to be an international framework for the planet and its inhabitants, which are to be implemented by 2030, corresponding to their abilities. The ambitious vision of the SDGs is to achieve a sustainable future for present and future generations. Rather than taking a narrow, short-term, and profit-oriented approach, companies can base their engagement on their impact and align their core business strategies with the SDGs. Therefore, companies need to consider the SDGs not only in their strategic decision-making process but also in business practice.

## Methods

For this study a **qualitative approach** was proposed that was carried out in the form of a **single case study**. Four **semi-structured interviews** were conducted with employees with strategic responsibilities as well as those working in the sustainability department of the company. This research relied on the concept of **theoretical sampling** which can be defined as the process of collecting, coding and analyzing data in a simultaneous manner in order to generate a theory. The analysis process of the data began as soon as there was any data collected. For this research, an **abductive method** of analysis was adopted where first, second and third order of codes were derived. Abductive reasoning implies forming a conclusion from the data that is known.

## The chosen case



- Evonik Industries AG is one of the world's leading specialty chemical companies
- Sustainable business practices, and responsible behavior are key elements of their business model

## Results

### Sustainability at Evonik

- Sustainability Strategy 2020+ (incorporation of sustainability into strategic management processes, carbon pricing for all projects, reducing CO2 emissions, development of global water management)

### SDGs in strategic decision-making

- Assessment of the SDGs
- Synergies between SDGs
- Difficulties towards implementing the SDGs



### Future Development

- Evonik's goal for the next reporting is that they can quantify their contribution to the respective SDGs and, of course, in particular to their group-relevant SDGs

## Conclusions

- The SDGs as an orientation tool
- Specifying group-relevant SDGs and developing measurable SDG criteria
- Evaluating SDGs synergies and trade-offs
- Continuous evaluation of the SDGs

## Recommendations

