



# EMBEDDING THE SUSTAINABLE DEVELOPMENT GOALS

into business strategy and action

Brian Chicksen  
Megan Cole

Jennifer Broadhurst  
Herman Meyer

Edson Charikinya  
Adele Hoffman

David Viljoen



# Embedding the Sustainable Development Goals into business strategy and action:

# A TOOLKIT

This Working Paper is the result of a collaborative effort between the Minerals to Metals and Mineral Law in Africa Initiatives of the University of Cape Town and the Sustainable Development group in AngloGold Ashanti Limited. It has been developed through learnings arising from AngloGold Ashanti's experiences in the pursuit of embedding the United Nations' Sustainable Development Goals (SDGs) into its business strategy, along with the exploration of ideas and practices elsewhere.

The paper represents engaged scholarship, and it seeks to contribute to the ongoing dialogue and development of knowledge in the emerging field of engaging the private sector on the SDGs, and their implementation. As such, the views expressed are solely those of the authors. Furthermore, the authors, publisher and AngloGold Ashanti are not offering it as legal or any other professional services advice.

The sharing of experiences and ideas in this new and incompletely understood field, may help business and sustainability leaders in other companies and industries to consider their own approaches to operationalising the SDGs and to embedding them into their strategies.

In this light, the Working Paper does not serve as a set of standards, nor does it imply best practices in any way. It is meant solely for general information purposes, and may be considered or adapted as appropriate, and as relevant, to a business's particular circumstances. Every company is different and the ideas contained herein may not be suitable to your situation.

It is anticipated that as knowledge in the field continues to evolve, this Working Paper will be periodically revised and amended to incorporate new thinking and new developments.


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TOOLKIT**

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# Foreword

When the late Professor Dee Bradshaw and Michael Solomon from the Minerals to Metals Initiative of the University of Cape Town first approached me as the Chairperson of the Social, Ethics and Sustainability Committee of AngloGold Ashanti to invite the company to participate in a partnership that would strive to operationalise the Sustainable Development Goals (SDGs) in the mining sector, I was struck by their passion and understanding of the strategic contribution that business could make towards achieving the United Nations' 2030 Agenda for Sustainable Development and the 17 goals that serve as a framework for shaping national policies over the next 15 years.

For Dee, Mike and their dynamic teams, advocating and securing commitment to the SDGs was an essential step in the process. But both were driven by a sense of urgency to make an early move from thinking and talking to doing, and to turn intentions into reality.

Persuading AngloGold Ashanti to be the mining partner was effortless as the company had already developed a strategic sustainability framework that was congruent with the SDGs. And so began the collaborative partnership that was formally established in December 2016 and that has led to the production of this toolkit, with Brian Chicksen from AngloGold Ashanti facilitating its design and compilation.

The notion of working in partnerships to end poverty, hunger, inequality, and promoting safe environments and other societal aspirations for the benefit of communities, nations, and people across the globe is not new, especially for a country like South Africa

that gained its freedom from the collective efforts of governments, civil society activists, public and private companies, and a plethora of other social, economic and political institutions across the regions of the United Nations. People from all classes, ages, nationalities, colours, genders and other identities mobilised into a single force to end Apartheid in South Africa.

The SDGs, the Africa Union's Agenda 2063, as well as South Africa's National Development Programme, are inviting all companies, universities, cities and sectors across our nations to mobilise our collective imaginations to move from the "business as usual" model to a more innovative approach that is inclusive, sensitive, agile and impactful.

The time is most opportune for the age-old South African mining industry to play a leading role in transforming the way business thinks about competition and partnerships and to implement a "shared value" approach that benefits communities, young entrepreneurs, the environment, small and medium sized businesses as well as large corporates, investors and society at large.

The Shared Value Africa Initiative aptly notes that "purpose driven business can be the engine that drives Africa's rise to become an economic powerhouse in the twenty-first century".

This publication is one of many more examples of what is possible when we move out of our silos and create multi-sectoral and multi-disciplinary ecosystems that will focus on truly transforming the mining and possibly other industries.

Understanding the urgency of this transformative approach to mining, and contributing to achieving the SDGs would be a fitting legacy for the late Professor Dee Bradshaw.



## Nozipho January-Bardill

*Ambassador Nozipho January-Bardill is a Non-Executive Director at AngloGold Ashanti Limited, where she is the Chairperson of the Social, Ethics and Sustainability Committee. She is also the Chairperson of the Global Compact Network, South Africa as well as the Chairperson of the Council of Nelson Mandela University.*



PART 1

# SETTING THE CONTEXT

FOR DEVELOPING THE TOOLKIT



# Perspectives on the embedding approach

## The SDGs as an aspiration for a better world

Seventeen United Nations SDGs were adopted by more than 150 world leaders in September 2015, as part of the United Nations' 2030 Agenda for Sustainable Development. Collectively, the SDGs address economic growth, social inclusion and environmental protection – the three key dimensions of sustainable development. Central to achieving the SDGs is the intention to end poverty, address and reduce inequality, as well as to manage natural resources and ecosystems in an integrated and sustainable way. The commitments made seek to “shift the world on to a sustainable and resilient path”.

While the SDGs are not legally binding, country governments assume primary responsibility for leading the development of frameworks and strategies for their implementation. All stakeholders including the private sector, civil society and academia, are expected to play an active part and contribute to their realisation. Achieving the SDGs cannot be done by any group alone and requires collaboration and partnership.

Global adoption of the SDGs has renewed consensus about development, providing greater line of sight to meeting shared environmental and social ends. The combination of different stakeholders with different priorities all working together for a higher order purpose in the interests of the common good – now, and into the future – is aspirational. It creates the opportunity for a vast array of talents to be energised and mobilised into action, and calculated steps and coherent activities are necessary to turn good intentions and hope into reality.

“While the SDGs are not legally binding, country governments assume primary responsibility for leading the development of frameworks and strategies for their implementation.”

## Re-imagining the role of business in society

There is little doubt that, over the past two centuries, the corporation and related industrial development have played a fundamental role in the evolution of society as we know it today. Evidenced by history, the business enterprise is an organ of society – contributing to the shaping of our society in both positive and negative ways. Conversely, the corporation does not exist in and of itself, but owes its existence to society. Within this mutually interdependent relationship, balancing the core requirement of the business to ensure profitability, within the laws and norms of society, becomes critical. Indeed, the enterprise must be profitable to continue its existence, but with a shared value approach it strives to be sustainable and to be a consistently positive shaping and contributing force.

Traditionally, the societal contribution by the business has been seen through the lens of business products and services. By re-imagining the business as an integral part of society, we adopt a wider view beyond existing products and services, or philanthropic contributions. We intentionally re-design both products and services to contribute to more sustainable societies, communities and planet. We also consider how we could leverage off our business competences for benefit beyond product and service. There is an emerging view that the enterprise which is an intentional, rather than accidental, organ of society is far more likely to have a greater positive impact on societal evolution, and in doing so will improve its competitive position.



# Perspectives on the embedding approach continued



## New dimensions of competition

Businesses compete in order to exist and to thrive. This has traditionally taken the form of adversarial relationships between competitors. Winning is often seen as maximising the share of the whole. In a world with increasing expectations for business to address the complex, and seemingly intractable, problems commonly seen in the sustainability space, this linear and one dimensional approach is often unsuccessful.

It is likely that a key dimension of competitive positioning in the future will be the extent of contribution to societal development for the common good. This is supported by the emergence of a trend towards responsible investment. For all enterprises, demonstrated citizenship and their social licence is likely to become an increasingly influential determinant of competitive positioning.

New ways of competing will also include the ability to collaborate with erstwhile competitors for broader impact, and to make the sector as a whole more competitive. Partnerships and collaboration will need to extend beyond industry players, with the inclusion of other stakeholders in the co-designing of solutions and the co-creation of value. Stakeholders include customers as well as those affected and impacted by the business.

Such collaboration is likely to be underpinned by a philosophy of transdisciplinary learning – supported by systems thinking with open source and open innovation.

## Embedding the SDGs into strategy for transformational change

Companies may choose either a conservative approach or a transformational one in contributing to achieving the SDGs.

In the conservative approach, existing business activities are mapped to demonstrate their contribution. A status quo approach may be adopted where no new activities are introduced for a step change in performance. Alternatively, new activities are bolted on to existing strategies so that contributions to achieving the SDGs are in parallel to core business strategies. Philanthropic beliefs are continued and further embedded.

The transformational approach requires that the business revisits its business philosophy and develops higher order goals which are congruent with both business success and societal success. In this way new activities are designed by intent for step change economic, social and environmental performance. Activities which contribute to achieving the SDGs are integrated and embedded into the business strategy.

Companies which embrace the SDGs and embed them into the business strategy by design are mindful of their need to contribute to society as a core business responsibility. In a changing world with new dimensions of competition, the transformational approach may enhance competitive positioning.

# The AngloGold Ashanti case study

## Beginning the journey

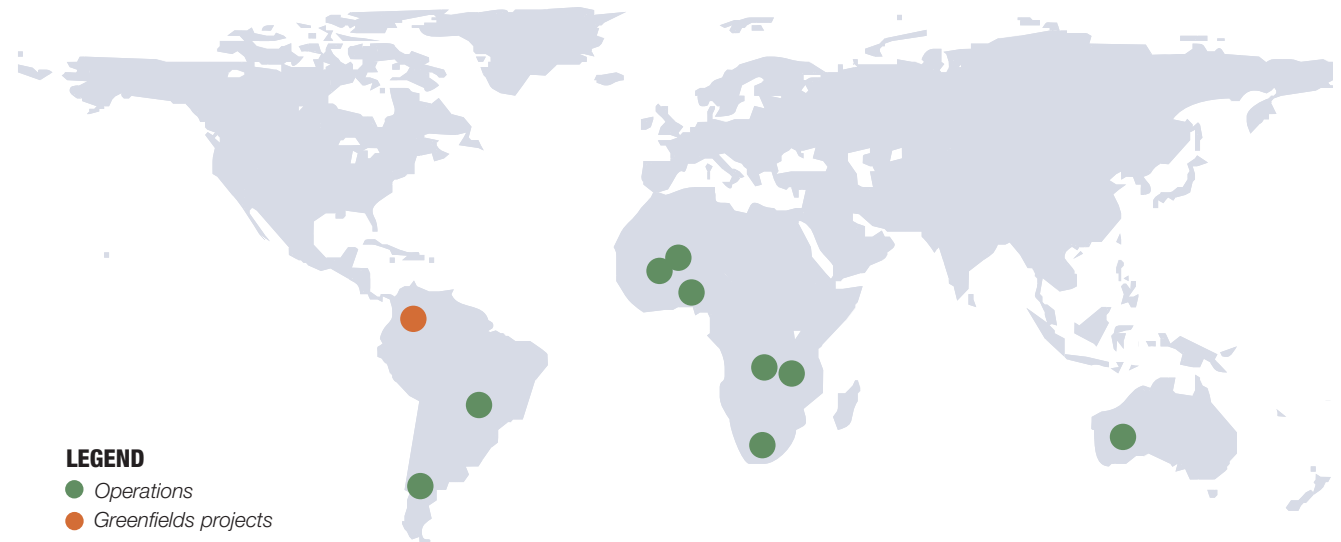
The AngloGold Ashanti sustainable development portfolio comprises the five disciplines of safety, health, environment, community and government affairs, and security and human rights.

The current phase of our sustainable development journey began in 2013, with the intent to integrate all disciplines making up the portfolio. Prior to this, disciplines functioned as independent streams, each with a predominantly technical focus. Implementing discipline focused strategies, each stream moved at varying pace on a maturation pathway. The approach was defensive, leaning toward compliance.

The first step toward integration was the development of a common strategic framework. From 2014, the disciplines began taking steps to align their existing strategies to the framework. A significant part of this was to ensure that the guiding principles and philosophies shaping the new sustainable development strategy were embedded into each discipline's work. Over the next two years, the credibility of the sustainable development portfolio progressively strengthened. Separate disciplines were increasingly recognised as parts of a coherent team, rather than functioning in silos of technical specialists.

Sustainable development conversations across the business began to shift from being compliance driven, to recognising the concept of superior sustainable development performance being a prerequisite for business continuity and competitiveness. This set the scene for embedding sustainable development

## AngloGold Ashanti global operations



approaches into core business practices, underpinned by the belief that the company's sustainable development performance was ultimately driven by operational leaders.

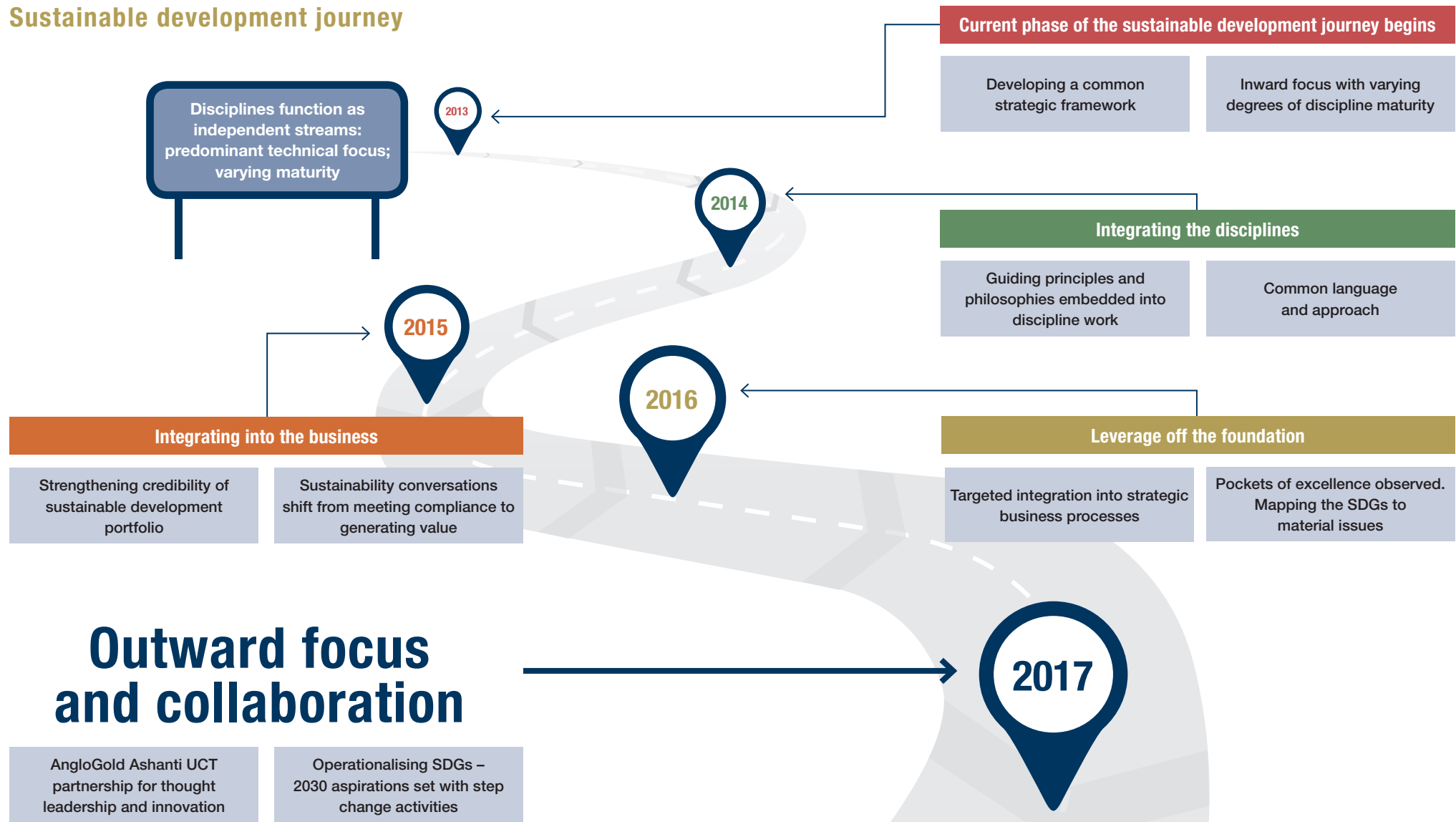
By 2016, a solid foundation had been established, catalysing accelerated roll out of the company sustainable development strategy and allowing a more outward looking approach. In the latter part of 2016, the company entered partnership discussions with the University of Cape Town to collaborate on sustainable development. The partnership was formalised in December 2016 with the signing of a Memorandum of Understanding.

“The first step toward integration was the development of a common strategic framework.”



# The AngloGold Ashanti case study continued

## Sustainable development journey



# The AngloGold Ashanti case study continued

## Key concepts underpinning the strategic framework

The AngloGold Ashanti sustainable development portfolio uses a design-thinking approach to develop strategy.

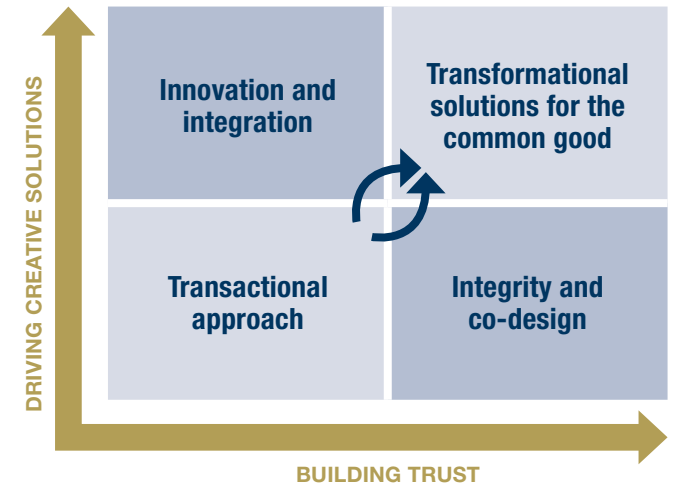
The sustainable development strategy comprises: a clear understanding of the sustainable development

challenges and opportunities facing the business (material issues); a set of business aspirations which are congruent with the SDGs; a clear value proposition to respond to the challenges and achieve the aspiration; and an adaptation of Kaplan and Norton's strategy mapping and balanced scorecard tools to frame a coherent set of actions.

## A design approach to formulating strategy

Our current realities, recognising complexities, challenges, opportunities and interconnectedness with the world

Designing our future – our strategic intent with aspirations for a shared and sustainable future



Our strategic intent is to move from a transactional approach to a more transformational one. Recognising the interdependency of business and sustainability, we focus on two fundamental drivers which influence responses and outcomes to the complex challenges faced: the levels of trust within and across the stakeholder groups involved, and the quality of solutions brought to bear.

A transactional approach is often seen where low levels of trust prevail, and constrained solutions are applied. In moving toward being more transformational, the sustainable development strategy is shaped by the two-pronged approach of building trust with stakeholders and driving creative solutions. Building higher levels of trust requires acting with integrity and co-designing solutions with various stakeholders, while creativity in finding solutions is driven by innovating and integrating solutions with business activities.

# The AngloGold Ashanti case study continued

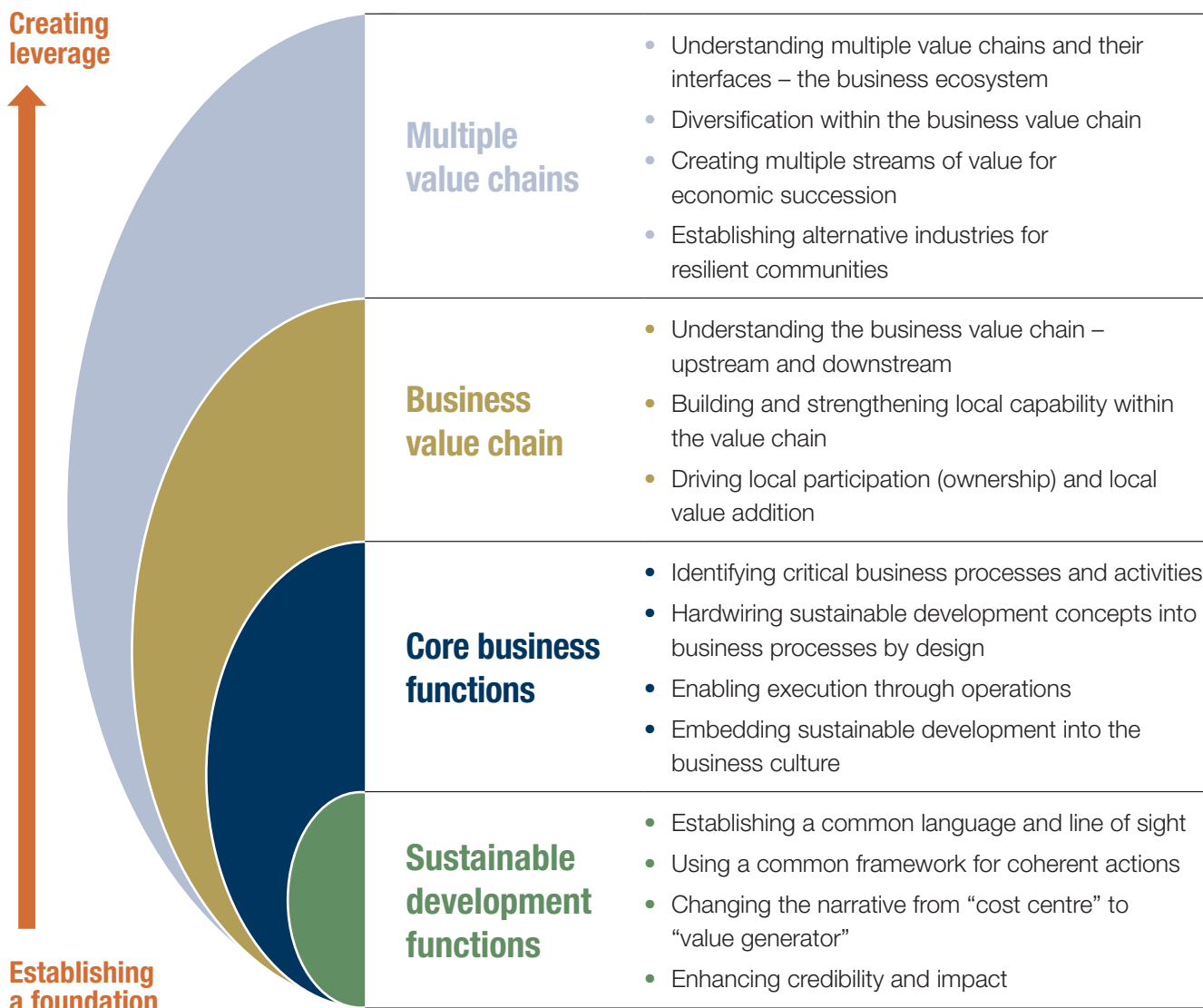
Key to embedding the SDGs into the business strategy is adopting a systematic and integrated approach.

Within the sustainable development strategy, this was identified as a strategic lever which could be used to amplify impact, and to enable better outcomes through operating practices.

Integration is a popular and commonly used management buzzword, with many definitions and interpretations applied in the business setting. In this context integration is defined as more than just a combination of concepts playing alongside each other, but rather embedding sustainable development concepts into the fabric of the business. In this way, sustainable development becomes an integral part of the business, and the business becomes an integral part of society and the world.

**We consider four layers – or orders – of integration, with each order across the spectrum creating more leverage and driving greater impact.**

## Integration as a lever to drive transformational change





# The AngloGold Ashanti case study continued

## Operationalising the SDGs

Using the existing AngloGold Ashanti sustainable development strategy as the base framework, a series of steps were taken to operationalise the SDGs through the disciplines making up the sustainable development portfolio.

1

The company sustainable development challenges and opportunities were clarified through the annual materiality process. This included understanding the external landscape, its interface with the business, and determining the challenges and opportunities facing the company. The SDGs were then mapped to the prioritised material issues. All company material issues mapped to one or more SDG themes, and 16 of the 17 SDGs showed a connection.

2

AngloGold Ashanti's global sustainability leadership team then met in March 2017 to develop 2030 company goals for the five sustainability disciplines. The discipline goals shared several characteristics: they were bold; the sustainability leadership team collectively believed that achieving them would reflect business success; and all goals were congruent with the SDGs.



3 4 5

The next set of activities was to cascade the strategic intent reflected in the goals, through the work of the disciplines. Each discipline convened strategy workshops with participants from operations across the company. The discipline goals were elaborated in more detail, developing a common understanding, while connecting them to tangible outcomes. The focusing challenge to achieving the goals was clarified, and this guided development of discipline strategy maps. SDGs (or components of SDGs) were prioritised within selected strategic focus areas of the discipline strategy maps.

6

Balanced scorecards with three-year workplans comprising enhanced activities to achieve business goals flowed from the strategy maps. Where relevant, appropriate SDG targets and metrics were incorporated into the balanced scorecards.

# The AngloGold Ashanti case study continued

## Challenges and learning during the process

Operationalising the SDGs in AngloGold Ashanti, and embedding them into the sustainable development strategy, began as an exploration without a formal map or guideline to follow. It required experimenting with ideas, and learning as the process unfolded. A design-thinking approach appeared to be best suited to deal with the challenge faced, instead of the more common “planning and analytical” way of developing strategy.

The entire strategy process – from determining materiality to designing a coherent set of actions – was facilitated internally. On the one hand, deeper insights into the business enabled a richer process with greater ownership by the participants. On the other, it was at times more inward than outward looking, and the team had to contend with the perception that the credibility of work by outside consultants is often valued more than that of internal experts.

The most challenging part of the process was developing a concise discipline goal which reflected business success and was also congruent with the SDGs. Linked to this, clarifying the goal and converting it into measurable and agreed targets also created much healthy debate with differing views. Once these were resolved, the process flow became smoother. Identifying the discipline focusing challenge was an important enabler of developing the strategic focus areas.

A critical success factor was the presence of a lead agent who continued driving the process during good and difficult times. This agency was key to navigating the dilemmas arising between theoretical concepts and the business expectation of tangible value.

A similar and dedicated resource is recommended to any other organisation wishing to embark on a similar journey.

Considerations ahead include enhancing the monitoring framework, with further evolution of performance metrics and relevant data requirements, as well as refining targets.

### *Useful resources*

Martin, R. (2009): *The Design of Business: Why Design Thinking is the Next Competitive Advantage*, Boston: Harvard Business School Publishing.

Rumelt, R. (2011): *Good Strategy Bad Strategy: The Difference and Why it Matters*, New York: Crown Business.

Kaplan, R. and Norton, D. (2008): “Mastering the Management System”, *Harvard Business Review*, January, p62-77.



PART 2

# THE EMBEDDING TOOLKIT





# About the toolkit

## The Embedding Toolkit comprises **FOUR MAIN COMPONENTS** as outlined below.

### PAGE 14

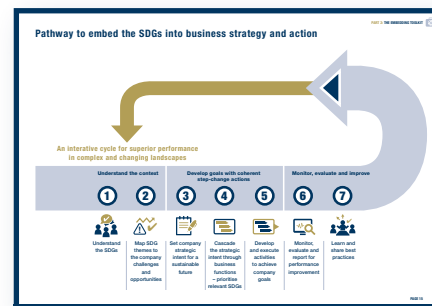


The Embedding Framework comprising:

- Strategic intent
- Principles underlying the approach
- Enablers
- Process requirements

The process requirements form the basis of the embedding pathway.

### PAGE 15



The Embedding Pathway outlines the high-level steps taken in the process of embedding the SDGs into the business strategy.

It is worth noting that in practice this process is complex. We make sense of the complexity retrospectively – this is a necessary requirement for codifying the process so that it can be repeatable.

### PAGES 16-29



Each high-level step of the pathway is broken up into a series of sub-steps outlining what needs to be done to complete the step. In this section, the conversation is structured – not to give answers, but to enable the participants to explore the answers relevant to their particular contexts and operations.

The suggested process to follow is outlined, along with questions to be asked and expected outcomes.

### PAGES 16-29



With each page of sub-steps we have added a page of supporting information.

This page has been used liberally and may focus on clarifying specific concepts, acting as a link to the next set of sub-steps or encouraging the use of additional sources and documents.

# Framework for embedding the SDGs into business strategy and action

## Intent

The SDGs become integral to business strategy and action, contributing to achieving both business success and societal development.

## PRINCIPLES

Implementing this framework is underpinned by the following principles:

- Re-imagining that business is an integral part of society – its purpose goes beyond creating value for shareholders alone.
- Recognising that the company has a fundamental role to play in the shaping and evolution of economic growth, social inclusion and environmental protection.
- Setting and achieving goals which are congruent with both business and societal success defines the sustainable company of the future.
- Ensuring profitability is a necessary requirement and means to sustaining business success – not the end goal in itself.
- Acting ethically and demonstrating transparency at all times is a foundation of citizenship.

## ENABLERS

Key enablers of this framework include:

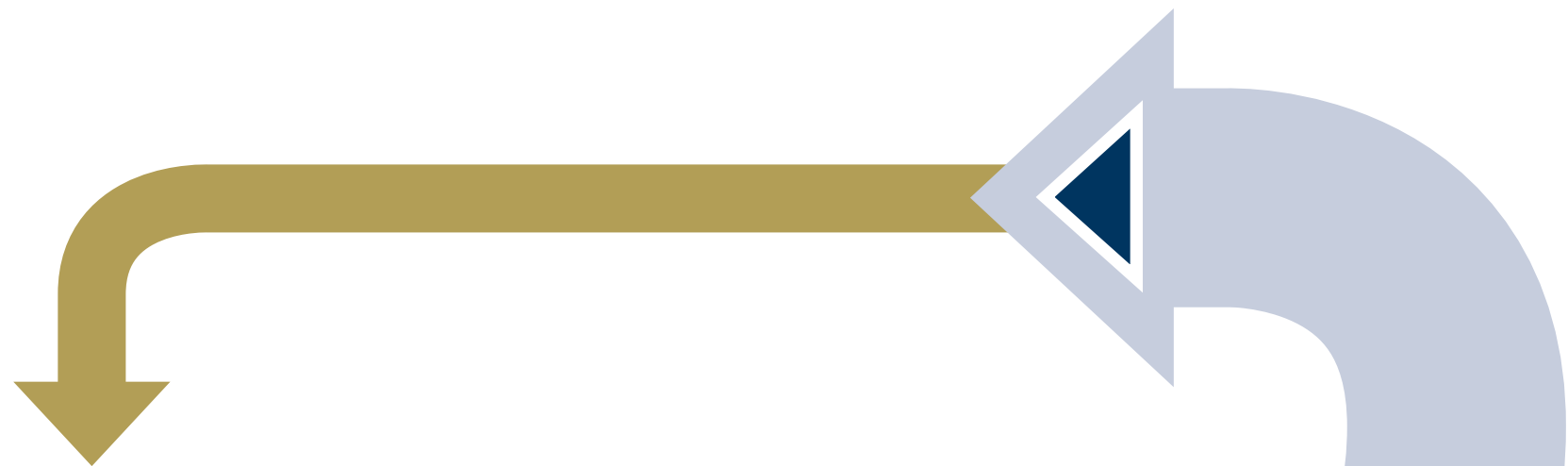
- Understanding complexity with the linkages and dependencies between causes, actions and effects.
- Understanding and navigating risk.
- Positively engaging with all stakeholders for the common good.
- Collaborating with, and establishing partnerships between stakeholders such as governments, academic institutions and civil society.
- Embracing innovation to leverage off core competences, as well as driving step change and disruptive activities to achieve the goals.

## PROCESS REQUIREMENTS

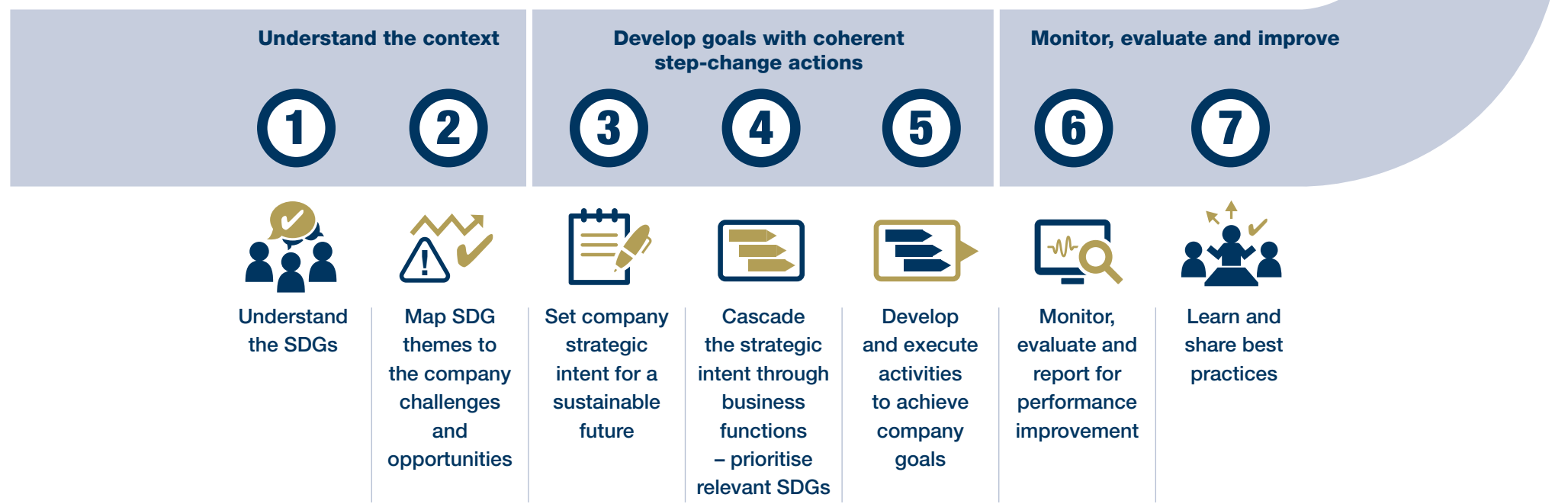
Successful implementation of this framework is demonstrated by the following processes:

- 1:** Understanding the SDGs.
- 2:** Mapping the SDGs to the company challenges and opportunities.
- 3:** Setting company strategic intent which is congruent with both business and societal success.
- 4:** Cascading the strategic intent and prioritising the SDGs.
- 5:** Developing and executing activities to achieve company goals.
- 6:** Monitoring, evaluating and reporting for performance improvement.
- 7:** Learning and sharing best practice.

# Pathway to embed the SDGs into business strategy and action



An interactive cycle for superior performance in complex and changing landscapes





# 1: Understanding the SDGs



## WHAT YOU NEED TO DO

### 1.1.

*Understand what the SDGs are and the purpose they serve*

- Explore the UN Agenda 2030 for Sustainable Development.
- Understand the vision adopted by the UN Agenda 2030.
- Consider the process followed in the design and adoption of the SDGs.
- Discuss the spirit espoused by the goals.
- Reflect on the different stakeholders.

### 1.2.

*Understand the requirements for their achievement*

- Understand the shared principles and commitments underpinning the UN Agenda 2030.
- Consider the approaches to implementation and reporting, with their associated complexities.
- Reflect on the need for collaboration to achieve the goals.

### 1.3.

*Explore the detailed targets and metrics outlined in the SDGs*

- Understand the rationale underpinning each goal.
- Understand what each goal seeks to achieve.
- Consider the types of targets applied within and across goals.
- Determine where targets are explicit, and where they are not.
- Consider the various metrics linked to different targets.

### 1.4.

*Explore the SDGs in relation to your business sector*

- Review industry perspectives on the SDGs – in your business sector and across others.
- Consider how industry sectors have connected their focus to the SDGs.
- Understand where addressing the SDGs requires that impacts be managed.
- Explore where the SDGs identify or create opportunities.
- Explore best practice approaches.

### *What process should you follow?*

- Self-study
- Group conversations
- Engage with Sustainable Development Agencies
- Engage with Business Sector platforms

### *Questions you need to answer*

- What do the SDGs mean and what do they comprise?
- Why do the SDGs matter – to each of the different stakeholders?
- How will they be achieved in terms of context and process?
- What is the private sector responsibility in relation to achieving the goals?

### *Outcomes you should aim to achieve*

- A sound understanding of the SDGs as they relate to the world, individual countries, industry sectors and individual companies.

# 1: Understanding the SDGs continued

## SUSTAINABLE DEVELOPMENT GOALS



### *Useful links and resources*

<https://www.un.org/sustainabledevelopment/>  
<http://unsdsn.org/>  
<https://sdgcompass.org/>  
<http://futurefitbusiness.org/>

United Nations. (2015): “Transforming our world”, Resolution adopted by the General Assembly on 25 September 2015, New York: United Nations.

World Business Council for Sustainable Development. (2018): “SDG Sector Roadmaps: How to leverage the power of sectoral collaboration to maximize business impact on the Sustainable Development Goals”, Guidance Document, Geneva: WBCSD.

Columbia Centre on Sustainable Investment, Sustainable Development Solutions Network, UNDP & World Economic Forum. (2016): “Mapping Mining to the Sustainable Development Goals: An Atlas”, White Paper, New York: SDSN.

IFC, IPIECA & UNDP. (2017): “Mapping the Oil and Gas Industry to the Sustainable Development Goals: An Atlas”, Publication for Information Purposes, New York: UNDP.

## 2: Mapping the SDG themes to the company challenges and opportunities



### WHAT YOU NEED TO DO

#### 2.1.

##### *Understand the external landscape*

- Broad landscape analysis considering political, economic, social, technology, legal and environmental themes.
- Consider trends and waves which may influence the future.
- Review the value chain and its implications on the landscape.
- Consider the need to develop scenarios.

#### 2.2.

##### *Understand the interface between the company and its landscape*

- Understand the key societal issues facing the sector and company – economic, social and environmental.
- Understand the basis for competition within and across the sector.
- Consider industry dynamics and the activities of other companies in the sector.
- Consider stakeholder views and expectations of the company.

#### 2.3.

##### *Determine and analyse the issues facing the company*

- Determine the key sustainable development issues facing the company.
- Make sense of them in relation to business performance and success.
- Translate the issues into a “so what?” to enable a synthesis of the challenges and opportunities.

#### 2.4.

##### *Prioritise the company challenges and opportunities and map them to the SDGs*

- Rank and prioritise challenges and opportunities in relation to their relevance to the business.
- Map the SDGs to the prioritised opportunities and challenges.
- Based on the mapping, review the interface and relationships between business and society.
- This is a high level exercise, considering that each SDG is crafted as a theme made up of a number of subsidiary goals – the step does not entail mapping to subsidiary goals.

#### ***What process should you follow?***

- A range of processes could be used in this set of process steps. They include surveys, focused workshops or combinations thereof.
- The key issues to consider in process design are the spread and inclusivity of participating voices, and the relevance of inputs to give a valid view of the sustainability challenges and opportunities faced by the business.

#### ***Questions you need to answer***

- What are the most significant sustainable development challenges that the business is up against?
- What are the most significant sustainable development opportunities?
- How do these business challenges and opportunities connect with the challenges and opportunities facing the world?

#### ***Outcomes you should aim to achieve***

- A clear understanding of the business landscape with a prioritised set of sustainable development challenges and opportunities for the business.
- A clear understanding of how these connect with the challenges and opportunities facing the world.

## 2: Mapping the SDG themes to the company challenges and opportunities continued

### An example of SDG themes mapped to company challenges and opportunities



In the AngloGold Ashanti case, the rigorous process of identifying and prioritising the company sustainable development challenges and opportunities is undertaken annually.

Mapping the SDG themes to these challenges initiated a number of important conversations within the business.

Firstly, the observation that all challenges and opportunities mapped to at least one SDG began to reinforce emerging conversations about the interconnected nature of the business and society, and the societal issues which affect company performance.

Secondly, certain challenges and opportunities mapped to multiple SDG themes. The inference made, was that superior performance in these areas would create leverage – with potential positive results across a raft of SDGs.

And finally, it became clearer that some of the SDG themes were cross-cutting – they were relevant across all of the challenges and opportunities.





## 3: Setting company strategic intent for a sustainable future



### WHAT YOU NEED TO DO

#### 3.1.

*Establish the business case for the common good*

- Understand the interdependency between business and societal success.
- Identify areas where there is shared purpose between the business and society.
- Explore new dimensions of competition within the sector.
- Attribute indicative value to the business through mitigation of impacts (value protection).
- Attribute indicative value to the business through capitalising on opportunities (value creation).

#### 3.2.

*Develop a higher order company vision encompassing the common good*

- Define the company purpose in relation to its role in society and societal expectations.
- Establish the guiding principles which shape decisions and action.
- Establish a set of aspirations – each being consistent with both business and societal success.
- Describe a compelling picture of what a successful company in a successful society would look like.

#### 3.3.

*Understand how business functions give expression to the strategy*

- Determine the drivers of value in achieving the company aspiration.
- Determine the key business functions giving effect to the strategy.
- Identify linkages and dependencies between the different functions.
- Promote an integrated approach across functions.

#### 3.4.

*Establish a process to cascade company aspirations through business functions*

- Map the key functions identified incorporating linkages and dependencies to design the process.
- Use the company vision and guiding principles to set boundaries for cascading conversations.
- Embrace inclusivity in next level design.
- Allow space for translations of strategic intent to the functional context – co-design for ownership.

#### *What process should you follow?*

- Executive level multidisciplinary strategic conversation – inclusive of functional leads.
- The quality and understanding of outcomes in this set of steps often matures after a series of conversations over time.

#### *Questions you need to answer*

- How do we shape and articulate a compelling future for business and societal success?
- How do we achieve our aspiration through the business?
- What process will we follow in cascading and translating our strategic intent across the business?
- How do we seek and apply leverage?

#### *Outcomes you should aim to achieve*

- A compelling argument and vision for business and societal success.
- Conceptual understanding of how the business will achieve its aspiration.
- A process to engage the organisation and translate the strategic intent into coherent actions.

# 3: Setting company strategic intent for a sustainable future continued

## An example of goals at a functional level – beginning to frame a coherent set of actions

### Setting AngloGold Ashanti's 2030 aspirational goals and prioritising the SDGs



#### SAFETY

**Workplace free of injury and harm**

##### OUR FOCUS

- Embedding and integrating safety into the business
- Risk management to drive workplaces free of harm
- Enabling safe operations through line management
- Critical control modelling for next generation protection

*Prioritised discipline SDGs*



#### HEALTH

**Healthy employees and healthy communities**

##### OUR FOCUS

- Strengthening organisational capability and health risk management to eliminate occupational exposures above set limits
- Company health initiatives to optimise fitness for work
- Community health initiatives – strengthening health systems; responding to epidemics; calculating tangible value to the business

*Prioritised discipline SDGs*



#### ENVIRONMENT

**Zero harm and equitable use of natural resources**

##### OUR FOCUS

- Risk management to drive zero harm – elimination of harmful discharges
- Leveraging our position in land and water as a catalyst to create value beyond our traditional scope of influence
- Driving integrated closure management across the mine cycle

*Prioritised discipline SDGs*



#### GOVERNMENTS AND COMMUNITIES

**Communities are self-sustaining – free from poverty and inequality**

##### OUR FOCUS

- **Communities** – strengthening institutional capacity, establishing strong partnerships and creating alternative industries
- **Governments** – strengthening institutional capacity, influencing for policy certainty and establishing strong partnerships

*Prioritised discipline SDGs*



#### SECURITY AND HUMAN RIGHTS

**No human rights violations and communities assist in protecting our business**

##### OUR FOCUS

- Integrating and embedding Security and Human Rights into all business processes
- Resilient security systems enabled by technology and intelligence – driving a predictive and pre-emptive approach
- Community involvement and partnering in Security and Human Rights issues

*Prioritised discipline SDGs*



#### SDGs APPLICABLE ACROSS THE DISCIPLINES



## 4: Cascading the strategic intent and prioritising the SDGs



### WHAT YOU NEED TO DO

#### 4.1.

*Clarify the aspiration and establish more tangible goals and targets*

- Establish how your business functions give expression to the company vision and aspiration.
- Consider national development goals and regional agendas.
- Set company goals at functional levels to support the business aspiration – congruent with balanced stakeholder expectations.
- Clarify goals and set tangible targets with defined performance metrics.

#### 4.2.

*Determine the focusing challenge for each business function*

- Understand the gap between current realities and business aspirations and goals.
- Explore what's working and what's not.
- Understand stakeholder interfaces and expectations better.
- Determine the underlying issues underpinning the gap.
- Clarify the focusing challenge which needs to be addressed in order to manage the gap and achieve the goals.

#### 4.3.

*Establish the strategic focus areas to achieve the goals*

- Flowing from the focusing challenge, determine the 3 or 4 main strategic themes to address the challenge.
- Understand how the themes connect.
- Determine the strategic focus areas within each theme.
- Evaluate the linkages and dependencies between the strategic focus areas, testing their validity.

#### 4.4.

*Prioritise SDGs representing both business and societal success*

- Map the SDGs previously identified in stage 2 to the strategic focus areas.
- Map relevant groups of targets and metrics from the SDGs.
- The relevant SDGs, or aspects thereof are then effectively prioritised within defined strategic focus areas – SDGs embedded into the strategy and not bolted on.

#### ***What process should you follow?***

- A common process for transdisciplinary strategic conversations across business functions.

#### ***Questions you need to answer***

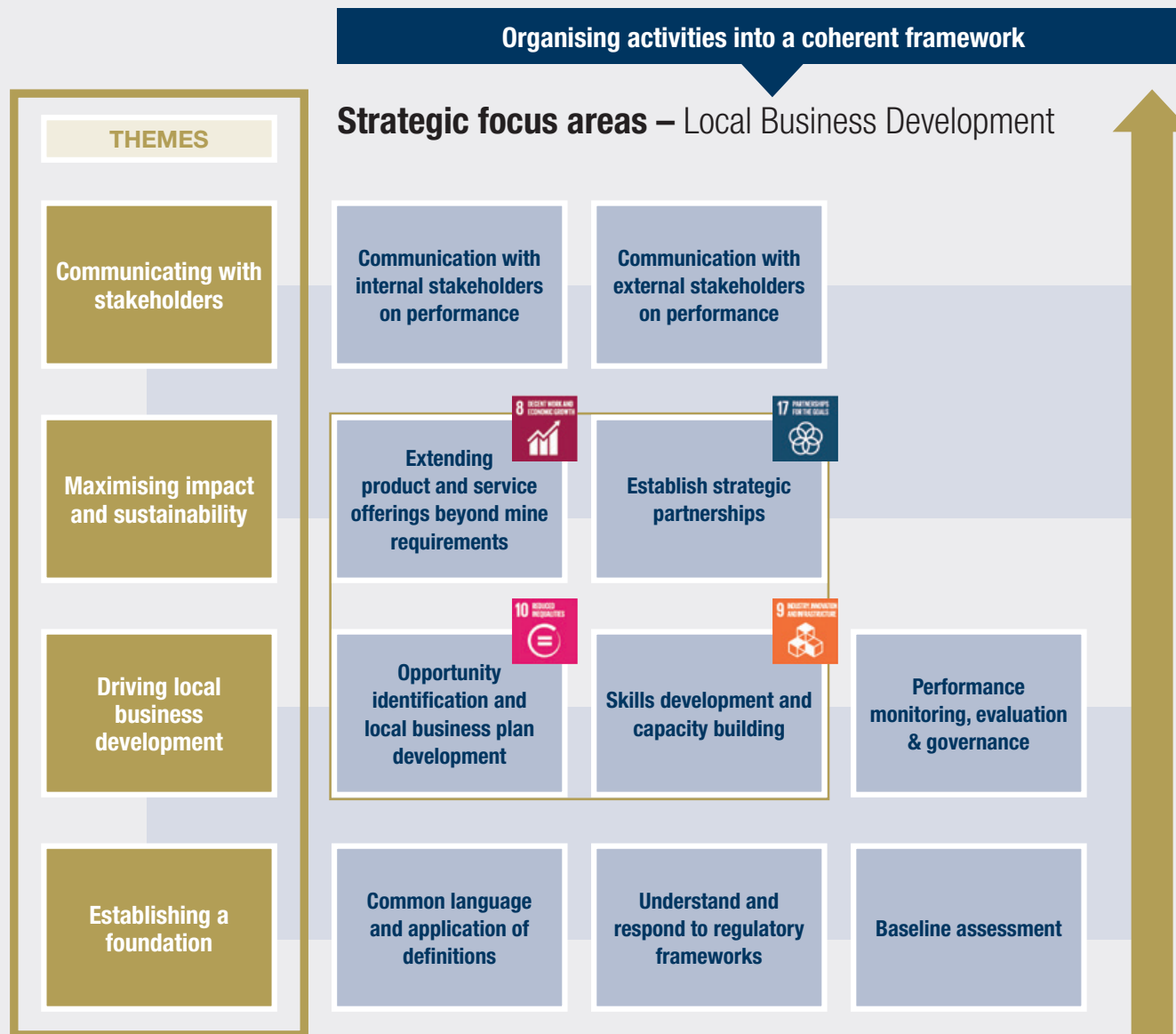
- What are our 2030 goals at a functional level?
- What are the strategic themes which organise our activities in a coherent way?
- What will we focus on within each strategic theme?
- What are the linkages and dependencies across our strategic focus areas?

#### ***Outcomes you should aim to achieve***

- A set of functional goals consistent with the business aspiration.
- A clear understanding of issues which need to be addressed in responding to the business challenge.
- Strategic focus areas which provide a framework for a coherent set of actions.

# 4: Cascading the strategic intent and prioritising the SDGs continued

## An example of strategic focus areas with prioritised SDGs



The gap between the challenges and opportunities, and the aspiration for a sustainable future generates creative tension. The focusing question brings to the fore the key issues to be addressed in achieving the goals set.

The issues identified can be organised into themes which outline the desired approach to respond to challenges and opportunities. Within each theme, reasonably discrete areas of work activities are then developed. These are the strategic focus areas.

With the strategic focus areas all illustrated on a single page – the strategy map – it is possible to map the linkages and dependencies between them. This enables each strategic focus area to be tested and validated, as well as ensuring coherence in the development of activities for execution of the strategy.

A further benefit of the strategy map, which provides an overview of the strategy is that it is possible to connect specific strategic focus areas to relevant SDGs, or components of these. In this way the prioritised SDGs are embedded into and form an integral part of the strategy when developing activities to achieve company goals.

Source: Adapted from Kaplan, R. and Norton, D. (2008): “Mastering the Management System”, Harvard Business Review, January, p62-77.



## 5: Developing and executing activities to achieve company goals



### WHAT YOU NEED TO DO

#### 5.1.

*Establish objectives for each strategic focus area*

- Develop objectives for success in each strategic focus area.
- Engage with internal and external stakeholders in the local context to ensure relevance.
- The objective should be framed as an outcome describing what good would look like.
- Objectives should stretch the function and drive a step change in performance.

#### 5.2.

*Determine activities to achieve the objective*

- Determine the actions which need to be taken to achieve the objectives.
- Prioritise actions which represent leverage – driving impact across a raft of dimensions.
- Enhance collaboration inside and outside the business.
- Embrace and nurture innovative practices.
- Consider disruptive interventions.

#### 5.3.

*Select metrics to measure performance against objectives*

- Ensure that the selected metrics are consistent with meeting objectives.
- Select SDG metrics to defined strategic focus areas as appropriate.
- Consider new metrics or proxies as appropriate – enhancing existing ones in the SDGs.
- Determine the data elements and their sources.
- Establish the feasibility and required processes to obtain the data.

#### 5.4.

*Agree on performance targets consistent with the goals*

- Agree on specific 2030 targets reflecting achievement of the goals.
- Select SDG targets for defined strategic focus areas as appropriate.
- Develop a roadmap towards 2030 – establishing milestones for targets.

#### *What process should you follow?*

- This step may be part of the multi-stakeholder strategic process for the business function.
- Alternatively working groups as a subset of the multi-stakeholder workshop may focus on specific strategic focus areas.
- The process of work design is often and iterative one over a few months.

#### *Questions you need to answer*

- What will success in each strategic focus area look like?
- What will we do to achieve step change performance and success?
- How will we know that we are moving in the right direction to success?
- Are the SDGs embedded into our strategy or are they bolted on?

#### *Outcomes you should aim to achieve*

- A coherent set of actions to drive execution of the strategy.
- SDGs embedded into the business strategy and related actions.

## 5: Developing and executing activities to achieve company goals continued

### Connecting themes – strategic focus areas – coherent actions

**Incorporate relevant SDG metrics and targets**

Strategic focus area	Objective	Key actions	Performance indicators	Target (2030)
<b>Local business development plans</b>	Local business development plans drive achievement of our aspirations		<ul style="list-style-type: none"> <li>Country LBD plans agreed by stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Income growth &gt; national average</li> </ul>  <b>SDG 10</b> <b>10.1</b>
<b>Skills development and capacity building</b>	Local participants develop the appropriate skills and capabilities		<ul style="list-style-type: none"> <li>Numbers of local participants developed</li> <li>% increase in Value Addition and Local Participation</li> <li>Supplier performance</li> </ul>	<ul style="list-style-type: none"> <li>Industry share of employment and GDP</li> </ul>  <b>SDG 9</b> <b>9.2</b>
<b>Extending product and service offerings beyond mine requirements</b>	Dependence on mining is diminished for thriving self-sustaining businesses beyond life of mine		<ul style="list-style-type: none"> <li>% host community businesses demonstrating customer diversification</li> </ul>	<ul style="list-style-type: none"> <li>Economic productivity and diversification</li> </ul>  <b>SDG 8</b> <b>8.2</b>
<b>Establishing strategic partnerships</b>	Strategic partnerships are established for leverage and greater impact		<ul style="list-style-type: none"> <li>Number and span of strategic partnerships established</li> </ul>	<ul style="list-style-type: none"> <li>Increased domestic resource mobilisation</li> </ul>  <b>SDG 17</b> <b>17.1</b>

The strategy map outlined in the previous section forms the basis of developing a balanced scorecard.

For each strategic focus area, an objective consistent with the goals is developed. Key actions required to achieve the objective are designed, along with performance targets and metrics which demonstrate achievement of objectives and ultimately the goals.

In the example shown, strategic focus areas which are connected to the SDGs are reflected. Incorporating relevant SDG metrics and targets into the scorecard becomes a relatively easy exercise.

Source: Adapted from Kaplan, R. and Norton, D. (2008): “Mastering the Management System”, Harvard Business Review, January, p62-77.

## 6: Monitoring, evaluating and reporting for performance improvement



### WHAT YOU NEED TO DO

#### 6.1.

##### *Measure performance against the metrics and targets*

- Establish a consistent reporting framework across the business.
- Ensure that reporting flows from the strategy – with alignment between operational and strategic reporting.
- Ensure the accuracy and integrity of the data for valid analysis.

#### 6.2.

##### *Analyse performance*

- Review performance and trends in relation to targets and milestones.
- Explore what worked, and what didn't, in achieving or missing targets.
- Identify any surprises or unexpected outcomes.
- Determine underlying issues and drivers influencing performance.
- Determine the key levers to achieve performance shifts.

#### 6.3.

##### *Establish improvement plans and innovate*

- Focus on underlying performance drivers and levers in establishing improvement plans.
- Review validity of targets and milestones.
- Embrace and nurture innovation for further step change performance shifts.

#### 6.4.

##### *Determine appropriate reports*

- Determine key stakeholders for reporting.
- Develop appropriate reports to meet stakeholder requirements.
- Establish reporting frequency and format requirements.
- Eliminate duplication and unnecessary reporting.

#### *What process should you follow?*

- Multi-layer operational and strategy review sessions.
- This process is underpinned by an enabling Information System.

#### *Questions you need to answer*

- Did we do what we said we would do to achieve objectives?
- Why did we get the results at hand?
- What are the underlying performance drivers?
- Where can we apply leverage to continually shift performance?

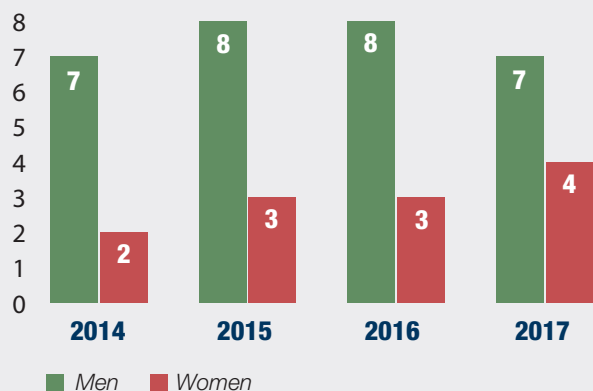
#### *Outcomes you should aim to achieve*

- Demonstration of rigorous strategy execution.
- A report which tracks performance.
- Outcomes achieved as planned with a clear understanding of the performance.
- Continuous and disruptive performance improvement by design and through learning.

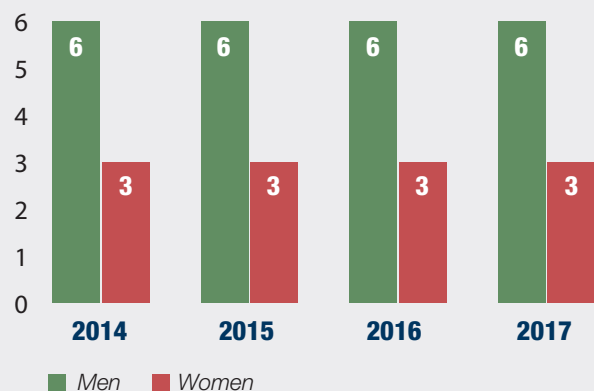
# 6: Monitoring, evaluating and reporting for performance improvement continued

## An integrated approach to thinking – doing – reporting

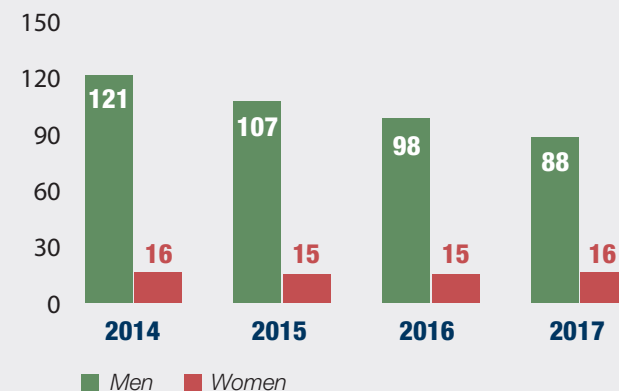
### Board gender representation



### Executive team gender representation



### Senior leadership gender representation



Source: Adapted from AngloGold Ashanti Limited (2018): “AngloGold Ashanti 2017 Integrated Report”, Johannesburg: AngloGold Ashanti Limited.

### Strategic questions

- Do we have the right data and does it have integrity?
- What results are we getting and what do they mean?
- What are we doing to increase women in leadership roles?
- Why are the numbers relatively static?
- Are women within the organisation getting a fair deal?
- Is there equal pay for equal work?
- Are we creating the conditions for women to thrive professionally?
- What impact is this having on our performance?
- What data and information do we really need?

One of the hallmarks of this age is complexity. In this connected world, many of the challenges organisations face are not simple or even just complicated. Dilemmas arise from the complex interplay between political, economic, social and legal domains. These cannot always be addressed through traditional and linear approaches.

Integrated thinking and doing is reflected in rigorous research and education, along with evidence-based decision making which engages with real world problems. The right metrics, supported by the right data is essential in moving across the stages of translating information into knowledge and ultimately wisdom.

As companies look to accelerate action to achieve the SDGs, they are mindful that reporting frameworks, current baskets of metrics, the proxies they use and access to data may not be sufficiently developed to meet emerging requirements.

Nevertheless, companies are also presented with an opportunity to develop solutions which address complexities and create virtuous learning cycles of thinking – doing – reporting.



## 7: Learning and sharing best practices



### WHAT YOU NEED TO DO

#### 7.1.

##### *Establish structures and platforms for conversations*

- Understand current organisational structures – barriers and enablers of learning.
- Optimise structures to facilitate flows of information.
- Structure conversations (process) to facilitate learning.
- Optimise the Information System to enable knowledge management.

#### 7.2.

##### *Establish processes to identify best practices and to transfer knowledge*

- Establish systematic mechanisms to identify and enhance awareness of best practices.
- Look externally as well as internal to the organisation.
- Best practices should include consideration of broad social, economic and environmental impact.
- Determine the underlying principles which shaped success.

#### 7.3.

##### *Identify what learning should be embedded or shared*

- Determine which learnings and best practices can be repeated consistently.
- Consider which learnings drive step change performance improvement.
- Understand industry trends which may influence new approaches.
- Consider potential disruptive activities and innovations.

#### 7.4.

##### *Adopt and adapt best practices for a culture of innovation*

- Ensure application of the principles which underpinned success in selected best practices.
- Enable fit-for-purpose and locally relevant application and scale – innovation.
- Demonstrate successful transfer and scale.
- Embed new learnings into business processes – change systems accordingly.

#### ***What process should you follow?***

- This stage entails establishing an effective knowledge management system where: the organisational architecture enables conversations; conversations are structured to drive learning; and Information Systems function as a supporting platform.

#### ***Questions you need to answer***

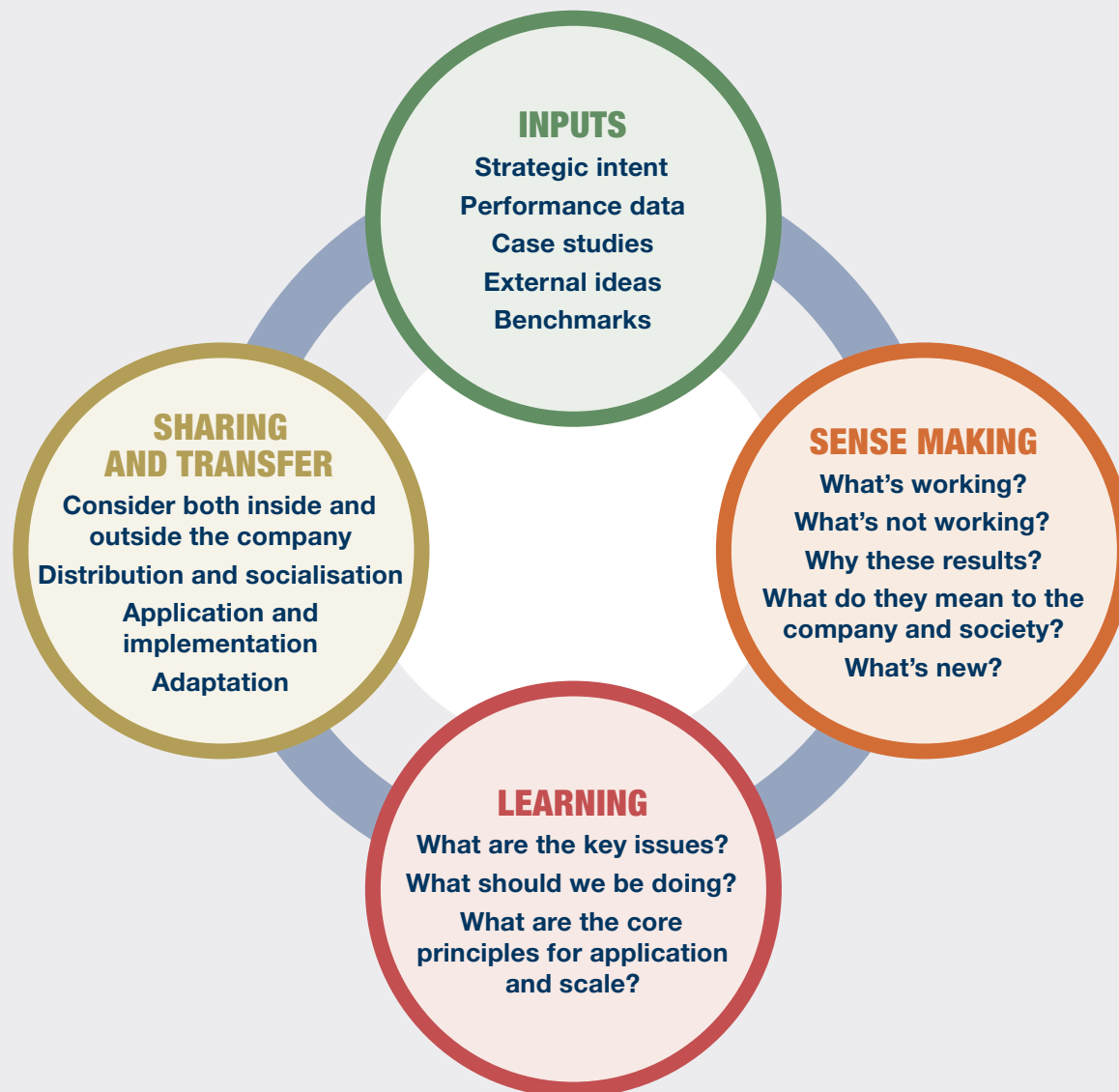
- Do our organisational systems and processes enable or inhibit learning and transfer of knowledge?
- Do we have an organisational environment which is supportive of critical thinking and learning?
- Do we have a company-wide approach to drive learning?

#### ***Outcomes you should aim to achieve***

- Improved organisational effectiveness through deepened learning from experiences.
- A culture of open innovation.
- Continuous and disruptive performance improvement by design and through learning.

## 7: Learning and sharing best practices continued

### A virtuous cycle of learning – embedding – sharing



The process of learning should help companies to develop new ways of thinking and working, and enable them to apply their knowledge to addressing new and unexpected situations.

Companies have experiences, which provoke questions and reflections. These stimulate new insights that generate ideas about solutions which they need to test.

Implementing these solutions then provides them with new experiences for a virtuous cycle of learning.

Learning is therefore an ongoing, iterative process, and is essential for a sustainable future.

Companies should also look outside their organisation to understand new technologies and approaches that can be adopted and adapted to improve their performance.

Beyond improving company performance, the outcome of learning should contribute to shaping societal regulations, practices and development.

“The process of learning should help companies to develop new ways of thinking and working, and enable them to apply their knowledge to addressing new and unexpected situations.”

# Glossary of Terms

ABBREVIATION / TERM	DEFINITION / DESCRIPTION
<b>Academia</b>	The environment or community concerned with the pursuit of research, education, and scholarship
<b>Activities</b>	Any action, function that a business has or does to meet their objective
<b>Baseline assessment</b>	A set of data and information used as a starting point for comparison
<b>Business case</b>	A justification proposal outlining the basis of taking on a project regarding its expected benefit
<b>Codifying</b>	Documenting the process steps and arranging them in a manner that make sense and can be repeated according to plan or system
<b>Common good</b>	The outcomes of the business are such that there are benefits and shared interest of all
<b>Complex problem</b>	Any issue that has no single answer that is definitely known to be correct as it will depend on how it has been interpreted
<b>Ecosystem</b>	A system, or a group of interconnected elements, formed by the interaction of a community of organisms with their environment
<b>GCNSA</b>	Global Compact Network South Africa
<b>LBD</b>	Local business development
<b>Participating voices</b>	Any individual or stakeholder who gets involved in the discussions which may be through surveys, workshops, meetings and so on
<b>Partnerships</b>	Agreements or alliances with external organisations to further common goals
<b>Philanthropic contributions</b>	Any generous donation of money to good causes with the desire to promote the welfare of others
<b>SD disciplines</b>	Discrete entities with independent bodies of knowledge which make up the sustainable development portfolio
<b>SDGs</b>	Sustainable Development Goals
<b>Social licence</b>	Refers to the ongoing acceptance of a company or industry's standard business practices and operating procedures by its employees, stakeholders and the general public
<b>Stakeholder</b>	Entity or individual that can reasonably be expected to be significantly affected by the organisation's activities, products and services, or whose actions can reasonably be expected to affect the ability of the organisation to successfully implement its strategies and achieve its objectives
<b>Strategic Intent</b>	The philosophical base of business strategy which provides an idea of what the business endeavors to achieve in the long run
<b>Transdisciplinary</b>	Different disciplines working jointly to create new conceptual, theoretical, methodological, and translational innovations that integrate and move beyond discipline-specific approaches to address a common problem
<b>UCT</b>	University of Cape Town
<b>UN</b>	United Nations

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# About us



The partnership between the University of Cape Town (UCT) and AngloGold Ashanti was formalised in December 2016 by way of a Memorandum of Understanding. The intent of this collaboration is to establish thought leadership in sustainable development, to influence and shape global practice.

The lead agency within the partnership is the Minerals to Metals Initiative hosted by the Department of Chemical Engineering of UCT. Underpinned by a transdisciplinary approach the partnership brings together the Sustainable Development function of AngloGold Ashanti and a range of academic streams including the Faculty of Engineering, the Faculty of Law, and the Graduate School of Business of UCT.

The combination of partners seeks to leverage off the two aspects of rigorous theory development and real-world implementation. In this way new frontiers and opportunities are explored to shift the mining sector, and where possible other sectors, into a more sustainable paradigm.

The authors of this toolkit form the core team of a Community of Research and Practice in connection with the partnership between the UCT and AngloGold Ashanti.

**Dr Brian Chicksen** is the Vice President Group Sustainability: Health & EVP Support at AngloGold Ashanti and Adjunct Professor with the Minerals to Metals Initiative, UCT.

**Dr Megan Cole** is a post-doctoral research fellow with the Minerals to Metals Initiative, UCT.

**Associate Professor Jennifer Broadhurst** is the Chief Research Officer and Deputy Director of the Minerals to Metals Initiative in the Department of Chemical Engineering, UCT.

**Mr Herman Meyer** is a development researcher and practitioner working with both the Mineral Law in Africa and Minerals to Metals Initiatives, UCT.

**Dr Edson Charikinya** is a post-doctoral research fellow with the Minerals to Metals Initiative, UCT.

**Ms Adele Hoffman** is the Sustainable Development Reporting Manager at AngloGold Ashanti and is an MBA student with the University of Stellenbosch Business School.

**Mr David Viljoen** is an M Phil student with the Minerals to Metals Initiative, UCT.





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