Aligning Business Innovation with the Sustainable Development Goals:

Success Stories
Aligning Business Innovation with the Sustainable Development Goals: Success Stories
Our shared future will depend on business innovation and leadership. This report discusses the critical role that innovation plays in advancing the Sustainable Development Goals (SDGs). It offers actionable guidance on how companies can innovate to reach the United Nations Agenda 2030 for Sustainable Development.

The UN Global Compact is now in its third decade of life. In 1999, United Nations Secretary-General Kofi Annan stood before business leaders in Davos and invited them to “initiate a global compact of shared values and principles, which will give a human face to the global market.” The Secretary-General envisioned a platform that was not only multilateral but multi-stakeholder—forging partnerships among nations, civil society, citizens, and, most importantly, the private sector.

As the world’s largest voluntary corporate sustainability initiative, with over 17,000 corporate signatories, the United Nations Global Compact is a catalyst for transforming business by helping companies identify sustainability challenges and opportunities, providing practical guidance for action, and promoting activity in support of broader UN goals.

The UN Global Compact, like the United Nations before it, was born out of the realization that the problems facing our collective future are all-encompassing and can only be confronted together. The intractable challenges we face will require innovation and leadership from businesses around the world and from the United States, in particular. We need companies to build sustainability into their business strategies and operations. We need to invest in an existing and emerging talent pool of changemakers to find sustainable solutions. We need businesses to aim higher to meet the existential challenges facing our world.

In this report, Network USA shares the design logic, discusses rich implementation examples, shares its learnings, and recommends actionable steps companies can take to lead their businesses into a future as a force for good, to forge a more prosperous and resilient world.
Since our creation, the underpinnings of the SDGs have been in Thunderbird’s DNA. Our mission is to advance inclusive and sustainable prosperity worldwide. Formed in the wake of WWII, Thunderbird’s commitment to inclusive and sustainable prosperity worldwide is captured in our founder’s vision—“Borders frequented by trade seldom need soldiers.” I continue this legacy by serving as a member of the Global Compact Network USA Board and through my engagement in the Global Carbon Removal Partnership.

We are very proud of our #1 in the U.S. ranking in the Times Higher Education U.N. SDG Global Impact Ranking.

At Thunderbird, we are honored to support Network USA as their Academic Partner, leveraging our expertise and global network to help members to gain the skills and knowledge needed to incorporate meaningful, innovative sustainability into their organizations. We hope that this inaugural white paper will activate the private sector SDG innovation necessary to tackle the substantial global challenges we now face.

Beginning in 2019, our faculty enthusiastically joined Network USA to develop and offer the SDG Innovation Accelerator Program. It has become a catalyst for companies to advance their sustainability journey and to develop a creative, SDG-oriented, talent pipeline of young professionals who will help shape a more sustainable future. This paper shares insights and best practices garnered from the program, providing recommendations that can be put into practice by organizations, large and small alike.

The future is bright if we continue to pursue the SDG’s through innovation and cooperation.
The private sector – its role, expectations, and business environment – is changing. Managing this change has become utterly crucial for every company’s bottom-line and brand image.

Equally important will be generating positive change – innovation – within your organization, to continue delivering on your company’s mission.

It is now more important than ever for business to engage with the sustainable development agenda, as the world navigates new economic realities, ecological and energy transitions, and social transformations.

Crises such as inequitable health and education, climate change, and environmental degradation have become a part of corporate risks and responsibilities, but they also present opportunities to pioneer game-changing solutions.
Since Michael Porter's 1 "inputs-throughputs-outputs" linear framework was introduced in 1985, the business environment has become increasingly responsive to the rapid changes of the world. In the globalized and digitized marketplace, with increasingly well-informed and value-driven consumers, "business as usual" – associated with contributing to climate change and social inequalities – is now untenable. The market is putting pressure on businesses to do less environmental harm and more social good. Companies must execute on a sustainability strategy – through Environmental, Social and Governance (ESG) alignment, corporate social responsibility, and diversity, equity and inclusion (DEI) policy – in order to maintain their competitive edge, relevance, and innovativeness.

It is clear that businesses must respond. But, the starting point is undefined for most companies. Adopted by United Nations member states in 2015, the Sustainable Development Goals (SDGs) provide clarity to this grand, global challenge. Sustainable Development, first articulated in 1987 as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs," is a collective blueprint for peace and prosperity for people and the planet. 2 The SDG Agenda, then, is the roadmap to delivering the better world we hope to achieve, and the yardstick we use to measure our progress. SDGs are interconnected and complex; they include 17 overarching goals along with 169 targets and 231 indicators. 3 For example, Goal 4 (Quality Education), has as its first target to ensure free and equitable education to all children, measured by several indicators like primary school attainment. With their underlying quantitative targets, the SDGs give companies a path to begin meaningful engagement with the environmental and social issues most relevant to them.

The international community pledged to achieve these 17 goals by 2030. Unfortunately, we have fallen far behind. 4 The COVID-19 pandemic drove nearly 100 million more people into extreme poverty in 2020, undoing years of progress on poverty eradication. The world is now enduring the highest number of conflicts since the creation of the United Nations, with a quarter of the world population living in conflict-affected countries. Meanwhile, far from being on-track to limit global warming, even under current national commitments, emissions will rise 14% by 2030. It is therefore imperative that all members of international society, including the private sector, challenge themselves to contribute to the advancement of this agenda as a means to a more sustainable and prosperous world.

Once a company identifies the Sustainable Development Goals relevant to its own goals, the implementation pathway can still be perplexing. In light of these immense challenges, we all must do things never asked of us before. It often requires SDG innovation—"doing new things" or doing "new combinations of things" – a not as commonly discussed, yet pivotal, component of achieving the sustainable development agenda. Just as innovation is integral to a successful business, so too is it integral to a business successfully navigating new realities and tangibly contributing to the 17 SDGs.

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3. See unstats.un.org/indicators-list for a pdf or excel version of the indicators for more detail.
With this in mind, in 2019 the United Nations Global Compact, the Secretary-General’s corporate sustainability initiative, created a robust Accelerator program to help companies engage with and adapt the SDGs for sustainable innovation. The program was built specifically to help developing young professionals identify relevant SDG-related challenges or opportunities in their companies, design creative solutions, and develop successful implementation plans.

Within the United States, the United Nations Global Compact Network USA and Thunderbird School of Global Management came together to offer the SDG Innovation Accelerator Program for Young Professionals as a catalyst for enabling companies to advance their sustainability journey beyond simple awareness measures, and into a creative, SDG-oriented, talent pipeline of young professionals. Over several years of operating this program with 26 companies of varying size, we have identified universal best practices that can guide organizations to become or continue being innovating sustainability change agents.

This whitepaper outlines the design logic, profiles rich implementation examples and learning outcomes, and recommends actionable steps for companies to lead in the future as a force for good. With revenue opportunities from sustainability innovation forecasted to be US$12 trillion in market prospects, the possibilities are nearly endless.7 In short, the methodology related here can be used to jumpstart an organization’s SDG innovation potential.

What are the SDGs?

The 17 SDGs can be divided into three categories: social, environmental, and overarching. The first ten, which are social goals, have received the most attention. They include a commitment to eliminate extreme poverty (Goal 1) and hunger (Goal 2), ensure good health (Goal 3) and quality education (Goal 4), guarantee gender equality (Goal 5), and concerns about providing clean water and sanitation (Goal 6), access to affordable and clean energy (Goal 7), provide decent work (Goal 8) and decent infrastructure (Goal 9), reduce inequality (Goal 10). The five environmental goals include a commitment to fostering sustainable communities (Goal 11), responsible consumption and production (Goal 12), taking effective climate action (Goal 13), and protecting life under water (Goal 14) and on land (Goal 15).

The last two goals concern management processes which bridge environmental and social mandates. Peace, Justice and Strong Institutions (Goal 16) focuses on the need for decision-making systems that can bring about the realization of the SDGs, and more broadly the kinds of societies the goals are meant to foster. Partnership for the Goals (Goal 17) is of particular interest to businesses, since it focuses on financing and technology. It includes two specific provisions to foster business engagement with governments around the SDG goals (17.16 and 17.17).
What Is SDG Innovation?

In its simplest terms, innovation can be thought of as trying new things or trying new combinations of things. SDG innovation looks different for each company, based on a multitude of factors.

Companies must first decide which SDGs are most strategically relevant to them, and how to approach them within their enterprise. Prioritizing what is most relevant to a company’s operations, while remaining mindful of how the whole suite of SDGs fit together cohesively, is key to driving impact. For example, Janssen, an affiliate of the pharmaceutical conglomerate Johnson & Johnson, focuses on SDG 3 (Global Health and Wellbeing), while also emphasizing SDG 5 (Gender Equality) and SDG 17 (Partnerships) as core values – all of which pair well with their mission and operations. It is easy for companies to fall into the “silo effect,” pursuing a particular target, goal or indicator while neglecting others, limiting cross-cutting impact potential and inhibiting progress. For example, a company concentrating on Decent Work and Economic Growth (SDG 8) solely with a cost control orientation could see switching to a cheaper energy option, such as coal-power, as a means to better invest in employee well-being, without seeing the ancillary pollution impacts. In this instance, they would have achieved SDG 8 at the expense of SDG 13 (Climate Action) – contrasting the SDGs intention to be approached as a set or system, rather than stand-alone objectives. SDG innovators must then remain holistic in their analysis, paying attention to knock-on effects and co-benefit potential within their business ecosystem.

Companies can engage in more than one style of innovation, and can address multiple SDGs one by one, sequentially, or simultaneously. SDG innovation can be as simple as reducing water usage by putting regulators or restrictors on faucets throughout a manufacturing
facility, or by using thinner plastic in packaging—both often implemented as cost-saving measures that also contribute to SDG 12 (Responsible Consumption and Production). These are considered evolutionary changes or tweaks from the linear business model perspective. While these initiatives contribute to a sustainability agenda, by reigning in environmental impact and resource usage, they are often financially motivated decisions. This innovative approach, coincidentally aligned with SDG 12, is an evolution of lean manufacturing, a cornerstone of the cost-drive Japanese Management approach popularized in the 1970s. Rather than being an issue, a cost efficiency focus, when properly aligned, can be very effective in delivering positive sustainability outcomes.

A more dramatic and impactful approach to SDG innovation involves “stretch” or moving beyond the existing business model and comfort zone of current activities. This could include coordinating the formation of a carbon capture consortium, or redesigning products. Some organizations have generated new modes of operating, such as the Product-as-a-Service model, which disrupts the notion of product ownership by giving the manufacturer complete life-cycle responsibility for the product on behalf of the consumer. This is similar to the ‘sharing’ economy model that has radically changed the way consumers treat waste and fallow assets. These examples can be considered a transformational or regenerative approach to innovation. SDG innovation in general can be thought of as occurring along a continuum of interventions that vary by the desired impact target—internal (company specific) or external (community, industry, geography, or globally); and also vary by the impact focus, whether applying to a narrow set of targets or a broad one, such as applying to a large set of stakeholders.

“Rather than being an issue, a cost efficiency focus, when properly aligned, can be very effective in delivering positive sustainability outcomes”

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Companies have taken a wide variety of approaches to SDG innovation, framed by their approach to sustainability. Industry norms, competitor initiatives, and the regulatory environment will also shape companies’ sustainability efforts. A company’s position on the SDG innovation continuum depends on its SDG innovation goals, business realities, corporate culture, risk orientation, tolerance for change, and the presence of a committed sustainability leader, or champion inside the organization. The innovation starting point is where the company is currently positioned on its SDG journey. Are they a novice just beginning the sustainability journey or an expert hoping to accelerate or amplify more mature SDG action? Regardless of starting point, SDG innovations vary by intended scope—the size of the idea; and intended target—the area of impact.

The scope can be focused and intended to narrowly target a defined unit, activity, or part of the company. A focused scope, for example, could be scrap reduction to a specific manufacturing process (SDG 12). A diffuse scope, on the other hand, can be inclusive and intended to impact the entire company. An example of this might be an employee wellness program (aligning with SDGs 3 and 8). The SDG innovation can also have an internal or external targeted focus. The intent can be inwardly focused—designed to have an impact within the company—or externally focused with an intent to impact the supply chain, industry, community, geography, or other key stakeholders. From these two dimensions, we identify four types of SDG Innovators:
Revolutionary Innovators are externally focused with the intention of broad reach and the creation of new markets through breakthrough innovation and industry transformation. Revolutionary innovators avail themselves of current opportunities. An example of this might be the introduction of a recycling and/or refurbishment option for customers. This often fits within the “circular economy” framework.¹⁴

VF Corporation developed a process to take back used boots, refurbish them, and resell them in a secondary market. Similarly, a Revolutionary Innovator team at Owens Corning discussed the idea of a process to turn used roofing material into asphalt for roads, and a process roofing material back into core components for manufacturing—thus growing a new consumer base and demonstrating a circular economy practice.

Evolutionary Innovators are focused on gradual or continuous improvement that is narrow in scope and internally oriented. This is frequently an innovation that is new to the company, and often includes an adaptation of an existing innovation in use by other organizations. This low-risk approach can be a first step on the SDG innovation journey and the beginning of a sustainability-supportive mindset or corporate culture. This often fits the “do less harm” orientation. Wheel Pros, a manufacturer of aftermarket automotive wheels, focused on developing a better packaging concept to reduce damage and loss of wheels during distribution. In revamping their packaging, they decided to use entirely recyclable materials (SDG 12). In 2020, Lamborghini established a process giving employees the power to collaborate and bring ideas on how to improve sustainability within. E Ink put a framework in place for creating sustainability initiatives within the U.S. arm of the company, including company-wide employee training on the SDGs. These exemplify the potential of Evolutionary Innovators, even at the beginning of their SDG journeys.

¹⁴ The Ellen MacArthur Foundation is an excellent source of information on circular economy thinking. See https://www.ellenmacarthurfoundation.org/circular-economy/infographics.
**Transformational Innovators** are also externally focused and aim for high-impact SDG innovation in a technology, product, service, or business model that disrupts an existing market, with the potential to be embraced by their own industry or others. This is the highest-risk innovation approach since it frequently compels the company to burn the platform\(^{15}\) relative to current practices. As such, the increased ambition most often must be matched by moral courage\(^{16}\) from company leadership. Transformational innovation often aligns within the regenerative framework—identified as the beyond sustainability pathway.\(^{17}\) A team from Bristol Meyer-Squibb (BMS) developed a Revolutionary Innovation project establishing a company-wide mental health wellness program (SDG 3). With the onset of COVID, this program earned recognition and imitation beyond the company, across industries and thus evolved into an example of Transformational Innovation. EcoVadis launched an impact measurement tool to define and track relevant metrics of their clients SDG impact.

**Sustaining Innovators** are focused on product or internal process improvement that sustains the company’s current position in the market. While the focus is primarily internal, these innovators may also include boundary-spanning activities within their supply chain or with industry partners. Sustaining activities —sometimes referred to as deep change\(^{18}\) — can fundamentally change a firm’s business model. Outsourcing manufacturing to reduce carbon footprint of long-distance transportation —from suppliers to businesses, or businesses to customers — can be defined as a deep change. Sustaining innovation may also fit within the net zero framework — cutting greenhouse gas emissions and investing in sequestration to reach a net neutral impact. This has become a growingly popular commitment in the corporate world. For example, Colgate-Palmolive recently developed a roadmap to align its internal and supply chain processes in service of achieving net zero carbon in logistics by 2040. Wesco’s SDG innovation team created a guidebook to help fellow and future employees understand how the company’s Solar Project operates, and how to best work with its suppliers and vendors in different geographic contexts. Univar Solutions developed a project to reduce water consumption in their plants that resulted in saving 48 million gallons of water a year, or US $100,000 savings per year. These companies have set excellent examples of Sustaining Innovators.

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15 Conner (1992) op. cit.
The SDG Innovation Accelerator utilizes an innovation process that any company can apply to its own sustainability efforts. The program was designed to increase SDG awareness, critical-thinking skills, and solution-design ability among junior (under 35), high-potential professional employees. In the cohort-based program, companies selected three-member teams to participate in one-week workshops over the course of nine-months: action-learning experiences with core content interspersed as needed. Diverse teams produce *creative friction* that often leads to fruitful recommendations and outcomes, increases cross-functional awareness, and fosters common interest networks and bonding.

The workshops are focused on identifying a SDG-related challenge or opportunity within the company, coming up with a solution, and building an implementation plan. The workshops are designed to create space for SDG innovation by removing teams from the distractions of their day-to-day work activity.

*"The program offered the personal benefit of the cross-integration or ideas from innovators across North America. Seeing different projects and perspectives accelerated our project and enabled us to think on a global scale."* - Chelsie Klassen, Global Director of Indigenous Engagement at Hatch Engineering.

The team is ideally sponsored by a *project champion*, a senior leader with the social capital within the organization to protect and propel the

project forward. By acting as a mentor, advocate and facilitator, and by bringing the appropriate people on board, the champion can help make the project a success.

In collaboration with the champion, participants are encouraged to network within their own company to test the soundness of their solution and build support for its implementation. This also becomes a unique platform for team members to showcase their leadership and advocacy skills within their company. The innovators are likewise encouraged to garner input from their external stakeholders, independent experts, and potential partners, oftentimes facilitated by the champion or other mentors. [see above]

Within the program’s multi-phase action plan, aspiring innovators first gain a foundation for articulating the business case for sustainable development. Learning concepts fundamental to business and the SDGs elucidate the challenge facing businesses today. In the second phase, participants apply this framework to their own companies. Brainstorming within their teams, they identify specific challenges affecting their company’s operations or uncover opportunities aligned with their company’s broader sustainability strategy.

In the third phase, participant teams prioritize specific SDGs relevant to their business and identify the impact their business may have on the overall success of the SDGs. This phase includes creating a focused problem statement and a challenge definition that will be addressed throughout the process. Here, participant teams discover how to use SDG impact and assessment tools to detect a challenge that is ambitious enough for breakthrough impact, while simultaneously addressing real needs within the company.

In the fourth phase, innovator teams determine a path forward to a solution. The ideation process generates fresh ideas and leverages new tools to develop a fully-defined project. The fifth and final phase is designated for solution confirmation and validation. This phase refines the project through pilot testing and experimentation within the company, as well as with key stakeholders. Champions are requested to help participants gain access to executives and partners to gather critical data and feedback.

In addition to developing novel sustainability solutions, participation in the Accelerator has the added benefit of driving long-term talent development. Innovation Accelerator team members often don’t come from a business background, but find themselves working in business settings. By participating in the program, these young professionals are better equipped to contribute to the alignment of SDGs with business strategy and to build the business case for incorporating SDGs into business activity.

Exemplifying this desired impact, Emily Raines, a BMS team member commented on the practical orientation of the program, “I learned so much in the program. I bring it to my job every day.”
Applying Core Business Concepts to the SDGs

From working with the companies in the SDG Innovation Accelerator, we have identified best practices used by successful alumni across all four Types of SDG Innovation from the Continuum – practices that encourage SDG innovation and enable it to take root in the company. The first set of practices focuses on creating the context for SDG innovation to take hold. The second set focuses on how leaders can shepherd the SDG innovation process within their company.

Once the relevant SDGs are identified by a company, there are a variety of core business concepts that enable innovators to answer several essential questions for SDG innovation success. First, how do you make the business case for the implementation of the SDG innovation. Responding to this question begins with strategic alignment, determining the company’s SDG strategy and what resources are possible to support SDG innovation. Strategic alignment requires a deep understanding of the company’s value formula and stakeholders—suppliers, customers, and relevant communities. We find the resource mapping20 concept useful here. It also depends on an understanding of external environmental dynamics. Environmental scanning and benchmarking are useful means to provide information on what is technically feasible. Meanwhile, it can illustrate how competitors are responding to SDGs.

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providing context and possible best practices for designing your own initiatives.

The second applicable concept is to develop an understanding of innovation and creativity, with a special focus on design thinking. Applying design thinking to the SDG innovation process in your organization can include idea (mind) mapping and systems thinking. For example, it induces an innovation team to consider how their recommended solution might affect different departments, the organization and the sector as a whole. It also challenges a company to scrutinize how truly engaged they are in the innovation process. In this process, companies can benefit from using an innovation sprint, whereby time is allotted to investigating and consider integrating new technologies or ideas. Typically guided by a facilitator and with cross-functional teams working together, the process frees up innovators to ideate.

Third, is identifying and communicating the value proposition of your innovation. Who will benefit and what will have to change? This is the basic starting point for the implementation of your SDG innovation. To effectively communicate a compelling value proposition, it is important to know the target audiences well, and how your solution addresses the challenges they face. Innovation acceptance is fundamentally a communication issue.

Developing an appropriate sales pitch is key. Other topics included here are understanding the change management process\textsuperscript{25} (see Exhibit 2) and how ideas diffuse through a social system\textsuperscript{26} (see Exhibit 1), such as a corporation.

The fourth core concept is stakeholder management\textsuperscript{27} (see Exhibit 3). Stakeholders can play an essential role in validating and supporting your innovation. Incorporating new ideas, perspectives, and overlooked challenges is a critical activity to marshal early supporters. At this stage, relevant internal and external stakeholders validate and support the innovation, and challenge it to improve. The project champion plays an important role here as they identify and introduce relevant stakeholders within and outside of the organization.

The fifth core concept is the development of an implementation plan.\textsuperscript{28} Implementation planning relies on several aforementioned business core concepts: identification of the value proposition, impact on internal and external stakeholders, pacing or diffusion of innovation, resource mapping, and incorporating the importance of feedback loop development. When developing the implementation plan, the emphasis shifts from design to outcome measurement – defining success and a finish-line to be crossed.

Once innovators have gained a thorough understanding of the SDGs, core business concepts, tools, frameworks and innovation processes, they transition to a hands-on innovation phase. Within working groups, participants begin recommendation development and testing, pitch development, and implementation planning.

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\textsuperscript{27} Kaplan, S. The 360 (degree) Corporation. CA: Stanford University Press.

Creating the Context for SDG Innovation to Take Root

Regardless of where a company and its SDG innovators find themselves on the SDG Innovation Continuum, some circumstances make innovation more likely to flourish and stick.

Success begins with strategic clarity. What do the SDGs mean in your company? How do they provide a pathway to competitive advantage, more customers, more profit, lower cost, and a better source of talent? Taking the time to really understand your business case for pursuing SDG innovation pays off. There are many paths to SDG innovation success. A company’s initial motivation can be a guide for which angle to approach it from. For example, Wheel Pros identified improved packaging as a means to both reduce costs and enhance sustainability (SDG 12). Similarly, Cisco’s plan to address the digital divide by providing internet access (SDG 10) was driven not only by a desire to improve outcomes for the unconnected, but also a recognition that improving connectivity could create new customers for Cisco’s offerings. A solid business case accelerates innovation adaptation.

Commit to change leadership. Evolutionary innovation usually requires the least level of change. At the other end of the continuum, revolutionary and transformational innovation often require profound changes to business-as-usual practices. Prior to setting down that path, determine whether senior leadership is fully committed to embracing and leading the ambitious level of change needed. They must use moral courage to take difficult leaps of faith that change often requires. Find out how to support them in doing so, like surrounding them with a supportive and nimble team.

Resourcing the SDG innovation project is key. To succeed, innovation must be given resources and importance. Developing a resource map is an effective tool at this early stage. The most essential resource is time. Specifically, time away from day-to-day responsibilities so that innovators can be given space to innovate. Another essential resource is a reward system which positively impacts those involved in the project—innovators, champions, mentors, and relevant stakeholder. For professionals, the most motivating rewards often take the form of interesting and challenging work, recognition for a job well done, career enhancement or advancement options, or the opportunity to engage with other bright minds. The adage, you get the behavior you reward certainly holds true when it comes to SDG innovation.

In order to drive impact, ambition must be matched with achievability. Ask, what resources can be made available to support the SDG innovation process and its implementation. In many cases, teams may determine the answer is not enough to accomplish their initial project scope. It is not uncommon, then, for projects to be adjusted or scaled down during the innovation process, as resource limitations become clear. For example, Cisco entered the innovation process with a plan to connect millions of people around the world
to the Internet. Through the process, they decided to rescale to a smaller population in the San Francisco Bay Area, providing an ample test case from which they can catapult further efforts. The rescaling can also be thematic in nature. For example, the EcoVadis team paired down their focus from across-the-board ESG metrics, to environmental impact, to energy consumption, and finally, more specifically, to carbon emission impact – enabling them to deliver an actionable product.

One of the most valuable resources an innovation team can have is a project champion. A highly motivated champion is a pathway to top executives, external partners, and experts with a deep understanding of potential pitfalls to the development and implementation of the project. Projects without a champion fail to perform at high levels. C-suite or senior-level leadership on the issue creates a waterfall of buy-in for the project throughout the company. Without support from the top, progress will come slowly, if at all.

Get educated about SDGs and core business concepts. Many people with roles within the company highly relevant to the SDG innovation project may not know much about the SDGs themselves. Apart from those who work within sustainability, ESG, or even corporate responsibility, you cannot assume knowledge of the SDGs. Training on the SDGs and business concepts at a level appropriate to project involvement generates support for innovations.

Assess your reward system and corporate culture. SDG innovators and their key stakeholders must work in a supportive context to thrive. Consider how SDG innovation can be included in your performance appraisal process, and how to provide career enhancement opportunities, such as internal networking, to aspiring innovators. Ensuring your company has a reward system that recognizes efforts above-and-beyond the normal job description, even if the project is not a complete success, provides the incentive and safety to create something new. If your corporate culture treats failure as a career-limiting move, rather than a learning opportunity, you will have reluctant innovators at best.

Build a diverse SDG innovation team. Team composition matters. Convening a project team that captures exposure and perspectives from a range of functions, backgrounds, levels of experience, and networks is important. SDG innovation is not a mad dash—it is a way to approach your company’s future with strategic foresight. Therefore, it is more important to ask difficult questions, even if there are no immediate answers, than arriving at an arbitrary finish-line within a given time period. Diverse teams drive creative friction, resulting in divergent and convergent ideas, and more ideation in general. Finally, ask, are the team members enthusiastic about sustainability and motivated to join the project team? Energy drives impact.
Shepherding the SDG Innovation Process and Innovators

Developing a level playing field is important. Ensure that the team has a level conceptual playing field and a shared definition of innovation, the SDGs and core business terminology. Everyone should be on the same page on expectations and process, key concepts, and the project itself. Here, it may be useful to allow participants to practice the critical thinking process before setting expectations for the development of solutions. As the SDGs are inextricably interdependent, have teams consider knock-on effects and co-benefit opportunities. Additionally, ensure that all have been given the tools to articulate and pitch the project’s business case in different settings.

Be a SDG Innovation Project catalyst. (See Exhibit 4) There are two philosophies about project inception—start with low hanging fruit, tackling the easier challenges, or eating the frog, taking on the biggest challenges first. If your company and the team are experienced SDG practitioners, starting big can yield big results and sets the tone for future ambition. On the other hand, if you are at the early stages of SDG innovation, encourage the team to take on projects with relatively clear paths to success, building team confidence in their capabilities and giving the company a visible example of what boosting SDG impact looks like. For example, team members from E Ink entered the innovation process hoping to just lay the groundwork for sustainability reporting. This put sustainability on the company’s agenda, setting the stage for their future efforts. Which SDG challenge are you going to encourage the team to address? Why this one? Is it sufficiently compelling? Who will be impacted? There are all important questions to ask in considering how it fits into the company’s long-range strategic vision.

Exhibit 4 - Dr. Mary Teagarden
Drive creativity in the Innovation Process. Establish a structure for teams to engage in innovation, whether it be dedicated innovation sprints or longer-term journeys in parallel to daily work functions. Use a systems perspective to interrogate the potential synergies that can be leveraged. Once the team proposes a solution, engage in playing devil and angel's advocate to test assumptions and move the process toward success. For example, have the team defend why they selected the proposed solution and not the alternatives identified?

Align the project with the company's SDG strategy. The team project should align with the company's SDG goals and objectives, as well as ESG or broader sustainability strategy. They should think about the long-term impact of their project, and consider opportunities to positively influence the company's SDG strategy.

Develop the innovation business case. SDG innovation cannot be a "nice to have." To be successful, the team needs to identify the project value proposition. Ask, how will this solution create value for the company and its stakeholders? Is the business case clearly defined? Does it identify how the proposed project will create a competitive advantage or a clear differentiation in the market? Does the team have a well-developed pitch to share their proposal with others in the company and with key stakeholders?

Evaluate the implementation plan. Your role here is to test the feasibility of the recommendation, and how easily it can integrate this into the company. Is the plan appropriately sequenced for rollout? How do I help the team create our organization's new reality? Are the implementation metrics pertinent and well-crafted? In other words, what constitutes "success"?

Communicate the innovation benefits inside and outside of the company. Once a SDG project has been implemented, sharing the benefits and the journey with others in the company and key stakeholders reinforces your commitment to SDG innovation. It can potentially elevate your company's reputation among customers, suppliers, potential talent, and other stakeholders. Ask, are we getting the team in front of the right audiences? Are we sharing our SDG innovation journey with key influencers? With these, you can determine the pathway for institutionalizing SDG innovation within the organization.

It is no easy feat for companies to innovate and contribute to achieving the SDGs. The following profiles are success stories of companies that have been successful doing so through a variety of approaches. We urge companies to embrace the actions recommended in this whitepaper to accelerate their sustainability journey — our profile companies highlight the possibilities.
PROFILES
A Business Approach:

Achieving employee mental wellness

BRISTOL-MYERS SQUIBB (BMS)

BMS is a global pharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases. BMS supports programs, initiatives, and organizations that help improve health, expand research opportunities, promote and expand STEM education and deliver basic human services to their communities. They promote health equity globally and strive to increase access to life-saving medicines for populations disproportionately affected by serious diseases and conditions. They achieve this in part through the Bristol Myers Squibb Foundation, which backs community-based supportive services around the world.

BMS joined the Global Compact in 2010 and has remained an active member since. Their primary SDG focus is threefold: SDG 3—Good Health and well-being, as is their core mission; SDG 12—Environmental and Social responsibility of how they manufacture and distribute medicines; and SDG 17—Partnerships with patients, NGOs, communities, and other companies in their industry. BMS was selected to send a team to the 2019 SDG Innovation Accelerator. The project champion, Victoria Emerick, executive director and global head, corporate sustainability, strategy and operations, observed that an innovative approach is fundamental to their organization. "Innovation is why we exist. Innovation is driven by diversity, equity, and inclusion around the world. SDGs are fully aligned with BMS and the work we do."

Within the project, one team member came from the Sustainability team, one from the HR wellness team, and one from the BMS Foundation. None had business or project management backgrounds. They were, however, all aware of the Global Compact and SDGs. The team was asked to "develop a very robust idea that translates into a SDG" focusing on mental wellness. The project they undertook focused on the development of an employee mental health framework, and completely exceeded expectations. The project was quickly adopted throughout the company, and each member of the project team has elevated in their professional roles. As Emerick noted, "it was the business savvy and knowledge they got through the Accelerator that enabled them to build this and get it implemented into the company."

The project resulted in a formal global human resources policy and led to the creation of several initiatives: days of rest, a quiet time week in July (a low-stress work week), and LBGTQ+ engagement. Every department was trained in implementing the new policy. The business approach taken by the team persuaded the C-suite to endorse a quarterly, individually tailored, My Voice Survey that focuses on mental health, well-being, and wellness. It was noted by the C-suite, peers, and colleagues that the project team worked across different divisions. This project has been showcased inside and outside BMS, raising company awareness of the SDGs and how to relate to their targets. It has become a hallmark of BMS’s social responsibility work across the company. Due to the project, which began before COVID-19, the company was prepared – well ahead of others – with a robust response to the wave of mental health challenges that followed.
Jacobs Solutions is a global professional services firm providing solutions for a more connected, sustainable world. The company solves some of the world’s most critical problems for thriving cities, resilient environments, mission-critical outcomes, operational advancement, scientific discovery and cutting-edge manufacturing. They provide a full spectrum of professional services including consulting, technical, scientific and project delivery for the public and private sectors.

Jacobs is responding to the climate challenge and supports mental and physical health, in alignment with the UN SDGs, through programs including PlanBeyond, Climate Action Plan and One Million Lives. PlanBeyond focuses on six sustainable business objectives and the company targets specific KPIs in these areas and others.

Jacobs has been an active participant in the UN Global Compact since 2020 and was selected for the 2021 SDG Innovation Accelerator. Jacobs’ project team, which included mechanical, water, tunnel and ground engineers, was supported by its champions, Tawny Keene, Vice President, Global Head of Corporate Sustainability and Jan Walstrom, Senior Vice President, Office of Global Climate Response and ESG. The company saw the Accelerator as an opportunity to foster collaboration between its employees and wider networks, while deepening integration of sustainability into innovation and professional development of employees.

The Jacobs team sought to develop a solution that visualized the material SDG-aligned impacts of Jacobs’ projects. The concept developed complements a suite of innovative SDG-related products and digital technology solutions Jacobs has been creating. This includes Climate Risk Manager, a tool for supporting businesses to better understand their physical vulnerabilities from long-term climate change, and Carbon First, an award-winning platform that helps identify strategy opportunities for reducing whole-life carbon in the early planning and design phases of infrastructure projects or portfolios.
Adaptable analytics:

Exploring a SDG impact framework for a sustainability service-provider

ECOVADIS

EcoVadis is the world’s largest provider of sustainability ratings, with over 100,000 companies rated since its inception in 2007. EcoVadis works with organizations to assess their sustainability achievements and provides a scorecard with improvement areas and strengths based on EcoVadis’ sustainability assessment system, which revolves around different management indicators.

Its mission is to guide companies towards a more sustainable future by improving their sustainability performance and reporting. However, the company is determined to become even more purpose-driven itself. This goal drove the organization’s interest in understanding, and quantifying, the company’s own impact on its broader network. An impact team was put together to launch the initiative. After laying a foundation using the Science Based Targets initiative (SBTi), attention turned towards the Accelerator in 2022 to kickstart the necessary groundwork to refine and operationalize this vision.

The team at EcoVadis was made up of three analysts due to the interest in a methodology-focused solution. They were championed by Julia Salant, the head of Sustainability Innovation at EcoVadis and the leader of the Carbon Action Module. Salant opened doors for the team throughout the organization and external stakeholders, connecting them with the Head of Methodology and the Chief Impact Officer. During SDG Summit 2022, Salant referred to the Accelerator as “really a unique one for us; SDGs have been part of what we do, at the core and the foundation of being a sustainability provider. We’ve been very familiar internally with what SDGs are and we wanted to use this program to elevate our younger generation.”

The EcoVadis YSIP team approached the program as an opportunity to learn about sustainability project management and the divergent thinking tools necessary to the innovation process. The project’s initial goal was to calculate the societal and environmental impact of EcoVadis in all areas. Given the enormity of the task, though, the team pivoted to measuring environmental impact, specifically through energy consumption. The energy consumption target was later reduced to the carbon impact of the company, which still proved quite difficult to determine. As the organization is a service provider, it is quite different from other product-providing companies, who’s operations have a more tangible and direct environmental footprint.

This project identified high emissions activities, such as from powering their data centers. The team then tried to apply the SDG’s targets and indicators to the highlight areas, but soon found themselves overly inundated by the details. They reacted by changing their mindset to approach the SDGs as a set of guiding principles, rather than fixating on them as specific, narrow metrics. They also researched alternative, compatible sustainability frameworks, such as the Task-force on Climate-related Financial Disclosures (TCFD). By the project’s end, the team put together a robust list of resources on both sustainability, broadly speaking, and carbon impact, in particular, as well as the corresponding frameworks, tools, and services that would help guide the impact team at EcoVadis going forward.

For team member Edanur Hardal, some of the interesting outcomes of the program were recognizing the connection between the company’s goals and the SDGs, and the process of right-sizing the project’s scope. Another important learning for the team was the need to incorporate expert input to ensure a well-rounded strategy that includes technical details that the analyst team might lack. EcoVadis continues to innovate and improve along this line, thanks to the foundation laid during the Accelerator.
A Two-way Street:

Driving cost-savings and sustainability impact

WHEEL PROS

Wheel Pros specializes in aftermarket wheels and tires for cars, trucks, SUVs, and other vehicles. It works on the design, marketing, and distribution fronts, serving customers around the world. Wheel Pros joined the Global Compact in 2018 and it remains an active member. The company was selected for the 2022 SDG Innovation Accelerator.

The company’s project champion, Edwards Burns, is the General Counsel for Wheel Pros, while the project team was made up of members from the design department, environmental department and financial department. Wheel Pros fielded a diverse team in hopes that its members would learn to work across silos, cross-functionally, and with upper management. The team sought to develop a project that would simultaneously reduce the company’s costs and its environmental footprint, while also steering the company towards a series of SDG impact goals to focus its ongoing and future efforts on.

The project focused on the packaging used to ship wheels throughout the distribution network. The current packaging damaged wheels during transit and its material use was sub-optimal. Therefore, the team sought to identify a new, more sustainable form of packaging that would prevent damage and its associated costs.

The team worked with an outside consulting company to come up with an alternative using recycled materials, which is still ongoing. Through this process, the team members experienced professional development and generated attention internally through their participation in the project. They are expected to help take the lead in future sustainability initiatives as well.

Beyond the project itself, Wheel Pros has benefitted from the attention generated due to its engagement with the Accelerator and the Global Compact. In particular, the company was recognized in an event during the SDG summit 2022, where Burns was a panelist. In the event, Burns shared “the program was excellent, our team focused on packaging which is a real problem in the recycling world, and so we’re taking the next steps to deal with that. This program really allowed us to focus and then bring it to senior management, because until you appoint someone to do that it doesn’t become anybody’s priority.”
Collaborating to Build Big Impact

Improving building energy efficiency by innovating insulation retrofits

OWENS CORNING

Owens Corning may have been founded as a building supplies and insulation producer in the 1930s, but the company’s heritage of innovation fuels its mission “to build a sustainable future through material innovation.” From glass and mineral wool insulation to roofing, asphalt, and composites, Owens Corning’s history has been defined by its commitment to adapt and grow in the face of change and perhaps as a result, is today a company known for innovation, resilience, and sustainability leadership.

Owens Corning has been an industry leader on sustainability since it published its first sustainability report in 2006, making it ahead of its time in the U.S. market. It currently sets ambitious science-based targets, including pursuing zero waste to landfill, increasing renewable energy, and reducing water stress by 2030. Owens Corning has also committed to biodiversity preservation, working with the Science Based Target Network to map pressures on ecological health throughout its value chain. Meanwhile, the company has aligned its sustainability goals with corresponding SDGs. Its customers greatly value Owens Corning’s transparency and commitment to shrinking its environmental footprint, while its employees have benefitted from a company culture of innovation that fosters a readiness to adapt. It is this drive to continue proliferating sustainability throughout the organization that lead Owens Corning’s team to the Accelerator in 2020.

The team was assembled by Julie Childers, senior director for corporate sustainability, who served as the Program Champion. Childers selected each of the three team members based on their diverse strengths and interests in sustainability. She also engaged with the team throughout the program, participating in the ideation process as they progressed. The team also leveraged the expertise of a mentor, who had recently retired from the sustainability team. Each of the members came from different departments within the company: the analytics and reporting team, the product sustainability team, and the environmental health and safety team for a manufacturing site located in Canada. Significantly, following their project, all three members became part of the sustainability team at the company.

Before starting the program, team member Josh Strake discussed Owens
Corning’s sustainability strategy with Accelerator alumni. He realized that the conversation concentrated on internal and operational aspects of sustainability, but rarely touched on outwardly focused goals. For this reason, the Owens Corning cohort entered the Accelerator with the challenge of identifying opportunities to uncover sustainability-aligned growth areas through external engagement.

Despite already being at the forefront of sustainability and innovation, the team challenged itself to think of new “outside-of-the-box” ways to build business value. The team collaborated with several other internal stakeholders, including C-suite executives, to select the right opportunities. This process generated several ideas, but the team’s most promising proposal centered around retrofitting homes for energy efficiency. Regulations and commitments – both within the U.S. and the EU – have pushed for increased insulation of homes to deal with a global energy crisis; yet current retrofitted insulation solutions haven’t met this growing demand. The YSIP team saw the opportunity, and decided to recommend avenues to add value for the energy efficiency market.

Since the culmination of the project, several other teams and leaders at Owens Corning have arrived at similar conclusions. The project’s aim of addressing energy efficiency has been promoted at many levels and is now a defined area of strategic focus. The company signed a Memorandum of Understanding (MOU) with the Advanced Building Construction Collaborative and kicked off a collaboration that addresses building decarbonization through innovative technological solutions.

According to Strake, one of the greatest results of the program was his newfound belief in the power of working together with external groups to reach opportunity. One organization cannot go about it alone – speaking to the very essence of SDG 17, Partnership for the Goals. The program empowered the team to challenge themselves and their colleagues to break out of Owens Corning’s traditionally inward-facing initiatives, thinking creatively about new avenues to contribute to local, corporate impact and global needs.
Adopting Lessons Learned

Supporting an already green product with sustainability thinking

E INK

E Ink is the inventor, pioneer, and commercial leader in ePaper technology, which is used in numerous digital products and services. A familiar example is the display on Amazon’s Kindle, which uses E Ink to create a user experience that is more like reading from printed pages than from tablet, computer or smartphone screens. Other current uses for E Ink include electronic signs and shelf labels for retailers, as well as electronic notebooks that allow users to digitally handwrite notes. E Ink products use a fraction of the energy required by other types of digital displays such as tablet computers or flat-screen TVs, thus leading to E Ink’s slogan “We Make Surfaces Smart and Green.”

E Ink has been an active participant in the United Nation’s Global Compact since 2018 and has been developing programs that contribute to the Sustainable Development Goals since that time. For example, it has pledged to use 100% renewable energy by 2030 and to have net zero emissions by 2040. In 2021, FTSE Russell identified E Ink as having 99.98% green revenue. In 2019, E Ink was selected to participate in the inaugural SDG Innovation Accelerator.

E Ink built its team to be geographically diverse; it included someone from each of its four sites in the United States, two in California and two in Massachusetts. The team was supported by its champion, Lynne Garone, Assistant Vice President of Corporate Learning and Social Responsibility. When E Ink joined the Accelerator, it was still in the early stages of learning about sustainability strategy as such. Its primary goal was thus to network with, and learn from, both the Thunderbird instructors and fellow participants within the cohort of companies in the program. Team members then successfully reported back best practices to corporate leaders to accelerate E Ink’s sustainability programs.

While E Ink has always prided itself on selling sustainable products that last longer and use less power than other electronic devices, the company was able to learn other ways in which it could implement sustainable practices, such as how to minimize greenhouse gasses, how to develop lifecycle assessments of its product, and how to create a critical mass of employees who are thinking about sustainability on a daily basis.
Small Finds to Big Ideas

Data-based decision-making on water usage and infrastructure improvements

UNIVAR SOLUTIONS

Univar Solutions Inc. is a Fortune 500 global chemical and ingredients distributor and provider of value-added services. They have specific goals around Scope 1 and Scope 2 emissions and are committed to the Science Based Targets initiative (SBTi). In 2008 they began sustainability efforts and later found that their goals were aligned with the UN Global Compact and the SDGs.

Univar Solutions has been an active member of the Global Compact since joining in 2018. They support Human Rights (SDG 10), Labor (SDG 8), Environment (SDG 13), Anti-corruption (SDG 16), and the Science Based Targets initiative (SBTi). Univar was selected to send a team to the 2022 SDG Innovation Accelerator, under project champion Liam McCarroll, Director of Sustainability. One priority, noted McCarroll, has been to bring circular products to market. Though developing a circular model with suppliers and customer was essential, so too was creating cultural change within the company, especially on communications training and solidifying leadership buy-in.

Together with leadership, McCarroll brought together high performers from sustainability, operations and engineering to demonstrate the potential of cross-functional collaboration and ideation. The team was tasked with reducing the consumption of water in their operations and plants, approaching it with an open mind. During the problem definition stage, the team made a huge discovery at one of their sites. From analyzing the water use bills, they noticed a significant spike in water costs at a remote location due, they discovered after further investigation, to a water leak.

This discovery led them to their SDG innovation: a software to clarify data and responsibilities, site to site, through a comparison of billing and consumption. This water usage assessment tool enables global teams to use data-based decision-making to inform infrastructure investments aligned with Univar’s SDG goals. This innovation will save Univar 48 million gallons of water (450 American households worth of water a year), preventing an annual loss of $100,000. The SDG Innovation project also indirectly helped justify infrastructure improvements and preventive maintenance. What’s more, the work enhances transparency, and brings more sustainable solutions to the market, including more circular materials, safer substitutes, and materials. According to company leaders, the Accelerator project exceeded expectations, and will serve as a foundation for future innovation to deliver value beyond their own business.
Ensuring continuity in energy sourcing decisions

WESCO

Wesco International Inc. began in 1922 as the distribution arm of Westinghouse Electrical Supply Company. Today, Wesco is a world leader in electrical, communications and utility distribution and supply chain services. From the start, Wesco focused on strategic expansion. By 1929, its distribution operations included a total of 19 wholesale supply companies, with locations in 60 cities. In 1994, Wesco struck out on its own with vision and an entrepreneurial spirit. Currently, Wesco employs more than 19,000 associates who collaborate with more than 30,000 supplier partners with operations in 50 countries to meet the demands of a dynamic, virtual, and interconnected world.

Wesco has been an active participant in the United Nation’s Global Compact since 2017 and was selected for the SDG Innovation Accelerator in 2021. The Wesco team was supported by their champion, Renee Thompson, the Director of Global Environmental Management & Sustainability.

Wesco’s team developed a project focused on emissions reduction through solar energy. The goal was to create a guidebook to inform others within the company on how the solar program works, how to collaborate with suppliers and vendors to promote solar energy options, and how to pick locations based on various needs. The idea was to create continuity when individuals enter and leave the organization; if everyone associated with solar energy programs at the company were to disappear, the next group could hit the ground running.

Senior leadership found the completed guidebook to be incredibly useful. Moreover, team members have indicated that the project led to personal, social, and professional development. From a personal perspective, the program brought new knowledge and helped them have more awareness of sustainability issues; from a social perspective, they enjoyed working with one another and networking with Accelerator participants from other companies; and from a professional perspective, they learned important skills at the intersection of business and sustainability that has led to promotions and other career opportunities.
Previous U.S. Participants of the SDG Innovation Accelerator Program

- arm
- Baker Hughes
- BRENNTAG
- Bristol Myers Squibb
- Calvert
- Capgemini
- COLGATE-PALMOLIVE COMPANY
- Dow
- ecovadis
- Eink
- the FEMALE QUOTIENT
- GE
- Jacobs
- LyondellBasell
- NEW STANDARD EQUITIES
- Owens Corning
- Project Management Institute
- SAP
- Univar Solutions
- VF
- Wesco
- WHEEL PROS
UN Global Compact Network USA

UN Global Compact Network USA is the American chapter of the United Nations Global Compact, supporting US businesses and other organizations in supporting the Ten Principles and meeting the ambition of the Sustainable Development Goals (SDGs).

Global Compact Network USA helps signatory partners identify sustainability challenges and opportunities, provides practical guidance, and promotes action in support of the broader UN goals.

Through Network USA, companies can connect with other businesses and stakeholders from NGOs, government, and academia, and learn how to collectively make an impact in human rights, labor, ethical and environmental issues.

Global Compact Network USA is an independent, self-governed and self-managed entity that works closely with the UN Global Compact Office and serves as the primary point of contact US signatories.

To learn more, visit www.globalcompactusa.org
Thunderbird School for Global Management

Thunderbird School of Global Management at Arizona State University is the world’s premier institution for global and digital leadership and management education. For more than 75 years, Thunderbird draws on a vast spectrum of disciplines of excellence to empower leaders across sectors to advance inclusive and sustainable prosperity worldwide.

Thunderbird advances inclusive and sustainable prosperity worldwide by educating and influencing global leaders and managers who maximize the benefits of the Fourth Industrial Revolution for business, government, society, and the environment.

Thunderbird aspires to move toward fulfilling Sustainable Development Goals (SDGs) and believe that the 2030 Agenda for Sustainable Development and the accompanying SDGs is a plan of action for people, the planet and prosperity. Thunderbird is ranked No. 1 in the world for international trade 2023 by Quacquarelli Symonds (QS).

To learn more, visit thunderbird.asu.edu.