

# HOW MONGOLIAN COMPANIES CONTRIBUTE TO IMPLEMENTING THE SUSTAINABLE DEVELOPMENT GOALS



Publication prepared by the Corporate Governance Development Center of Mongolia (CGDC) with support of Konrad Adenauer Foundation.

Lead Author: Dr. Manuela Glass, Consultant, CGDC

Author: Tuvshintur Tsend-Ayush, CGDC

Contact:

**Corporate Governance Development Center**

Phone: +976 70008084, +976 99105111

E-mail: [info@cgdc.org.mn](mailto:info@cgdc.org.mn)

Web page: [www.cgdc.org.mn](http://www.cgdc.org.mn)

Facebook: [Facebook.com/CGDCMongolia](https://www.facebook.com/CGDCMongolia)

Address: UFE, C Building, Room 1103, Peace Avenue - 5, 113381, Ulaanbaatar, Mongolia



**Sustainability Dialogue Mongolia**



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# EXECUTIVE SUMMARY

This publication presents the Sustainability Dialogue Mongolia initiative (sdm) and the Common Position of leading Mongolian companies on their commitment to the Sustainable Development Goals (SDGs). Achieving progress on the SDGs is crucial for the future development of Mongolia. It requires action of both the public and the private sector and can only be achieved if meaningful dialogue and collaboration is realized. In order to advance SDGs implementation and stakeholder cooperation in Mongolia, the Mongolian Corporate Governance Development Center (CGDC) with support of Konrad Adenauer Foundation has been working with leading Mongolian companies over the past months. As a first result, the Sustainability Dialogue Mongolia (sdm) and the “Common Position” of leading Mongolian companies have been developed and will be officially launched in early 2019.

The publication starts with an overview on how globally leading companies experienced the first years of SDGs implementation and which recommendations can be identified for Mongolia in the context of company action and stakeholder collaboration. It finds that successful companies share a set of lessons that could be valuable for any other company, independently from their sector, size, or legal form. It also finds that public-private cooperation is an essential component of achieving the SDGs and that transparent and trustful stakeholder interaction is just as important as action on company level. After developing recommendations for Mongolia, the publication presents features of the initiative, portraits of the participating companies and outlines recommendations on how to further develop and broaden the scope of the Sustainability Dialogue Mongolia.

# FOREWORD



# INTRODUCTION

All around the world, companies are increasingly expected to strongly contribute to solving the most pressing social and environmental issues on local, regional, national, and even international level. Acc. to the 2018 global Edelman Trust Barometer, 64% of people worldwide are of the opinion that company CEOs should take the lead on change regarding pressing issues rather than waiting for governments to impose it.<sup>1</sup> Correspondingly, a growing number of business leaders believe that sustainability provides a strong opportunity to direct their companies' core business activities towards sustainable value creation which allows businesses to keep their license to operate while at the same time serving society's needs. Business that contributes to achieving environmental, social and economic prosperity is just what is behind the UN's Sustainable Development Goals (SDGs). The SDGs are generally seen as a win-win situation: They provide stakeholders with a new logic and help translating global needs and ambitions into business solutions. These business solutions will contribute to achieving progress on the SDGs, and at the same time enable companies to better manage their risks, build business perspectives in growth markets and sustain their business model in the long-run.<sup>2</sup> At the same time, although the process of implementing the 17 SDGs – which are also known as the Global Goals and which are integral part of the Agenda 2030 – is already in its' third year after its' adoption in 2015, many companies, including global leaders, still struggle estimating which opportunities are exactly linked to their own business models and how a single company should get started on implementing the SDGs.

In Mongolia, cooperation between business and politics on achieving the Sustainable Development Goals is still developing. Acc. to the results of a survey the Mongolian Corporate Governance Development Center (CGDC) conducted in 2017, there is an understanding that the public and the private sector need to step up efforts to achieve better collaboration, as these two stakeholder groups are considered to be equally important and responsible for achieving progress on the SDGs.<sup>3</sup> Against this background, CGDC with support of Konrad Adenauer

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<sup>1</sup> Cf. Edelman, 2018 Edelman Trust Barometer Global Report, 2018.

<sup>2</sup> Cf. World Business Council for Sustainable Development (WBCSD), CEO Guide to the Sustainable Development Goals, 2017.

<sup>3</sup> Cf. CGDC, How Corporate Social Responsibility Translates Into The Sustainable Development Goals-

Foundation (Germany) has established the “Sustainability Dialogue Mongolia” (sdm). As a first step, sdm in 2018 brought together leading Mongolian companies from different sectors and industries to discuss how business can contribute to the SDGs. As a result, in September 2018, companies decided to give the Mongolian development a new momentum by adopting a common understanding on the importance of sustainable development and the role companies should play for achieving the SDGs. Over the past weeks, the so called “Common Position” has been signed by the CEOs of leading Mongolian companies and in 2019, the initiative will broaden its’ scope to the wider business community, including SMEs, and reach out to public institutions. In brief, the “Common Position” serves two main purposes: It outlines a shared understanding on the commitment of Mongolian companies to a sustainable future for Mongolia’s society. And equally important, it is an offer to politics, administration, international institutions, NGOs, the media and the general population to intensify the much-needed collaboration on how to achieve SDGs implementation in Mongolia. Therefore, the “Common Position” also serves as the starting point for the next level of Sustainability Dialogue Mongolia.

# SUSTAINABLE DEVELOPMENT GOALS



*“Business is a vital partner in achieving the Sustainable Development Goals. Companies can contribute through their core activities, and we ask companies everywhere to assess their impact, set ambitious goals and communicate transparently about the results.”*

Ban Ki-moon,  
former UN Secretary-General



# 1

## COMPANIES AND THEIR CONTRIBUTION TO ACHIEVING THE SDGS – GLOBAL EXPERIENCES AND LESSONS FOR MONGOLIA





Over the past years, the United Nation's Sustainable Development Goals (SDGs) gained more and more attention not only in the political sphere, but also in the business community. Leading companies worldwide started aligning their sustainability strategies with the SDGs and discovered the business case of sustainable development by contributing to social, environmental and economic prosperity. Acc. to international surveys, actively aligning business strategies with the SDGs will enable companies to maintain or strengthen their license to operate and equips front-runners with a competitive advantage over other companies.<sup>4</sup>

While in the past many companies tended to operate a department on Corporate Social Responsibility that in many cases run relatively independently from the companies' core strategies and business, strong and visionary CEO leadership is described as being the prerequisite and success story in relations to the SDGs.<sup>5</sup> At the same time, integrating the SDGs into day-to-day business and evaluating the actual impact of companies on achieving the SDGs is in many cases still in the developing stage. However, front-running companies start sharing their learnings and best practices which gives valuable support to

<sup>4</sup> See e.g. PWC, Navigating the SDGs: a business guide to engaging with the UN Global Goals, 2016.

<sup>5</sup> Cf. World Business Council for Sustainable Development (WBCSD), CEO Guide to the Sustainable Development Goals, 2017.

any other company. Against this background this chapter introduces the steps successful companies took on their way to being strong SDGs players. It also focuses on the framework conditions companies describe as indispensable.

### 1.1. Essential steps for company engagement with the SDGs – Turning obligations into business opportunities

Governments around the globe to different extents use the SDGs as their roadmap for shaping and implementing national policy and regulation. Equally important, the question of how business practically can become active and contribute to SDGs implementation with its core business has been to the center of attention since the Global Goals were developed. However, when it comes to concrete company action, many questions and problems are still unsolved or lack best practices that could be shared in the business community. As a general guideline, the United Nations in cooperation with companies developed the UN SDGs Compass.<sup>6</sup> Acc. to this guideline, companies can best commit themselves to SDGs by



<sup>6</sup> UN Global Compact, SDG Compass – The Guide for Business Action on the SDGs, 2015.



1. **Understanding the SDGs** (familiarize yourself with the Global Goals)



2. **Defining priorities along the value chain** (seize the most important business opportunities presented by the SDGs and reduce risks by assessing positive and negative, current and potential impact on the SDGs across the value chain)



3. **Setting goals along the value chain** (By aligning company goals with the SDGs, the leadership can demonstrate its commitment to sustainable development)



4. **Implementing by integrating** sustainability into core business and governance and engage in partnerships with stakeholders



5. **Reporting and communicating** (SDGs enable companies to report information on sustainable development performance using common indicators and a shared set of priorities)

*Figure 1: UN SDG Compass, 5 Steps, own illustration.*

A set of recently published surveys<sup>7</sup> confirms that companies who successfully aligned their business with SDGs implementation follow these steps and/or developed them further based on their experience. According to a global CEO survey, companies should take **4 general measures** in order to seize opportunity & maximize credibility, reconfirming the UN SDG Compass' 5 steps:<sup>8</sup>

- ✓ **Rethinking business operations and models:** Prioritizing SDGs on company level and focusing on the contribution or value created for society.
- ✓ **Selling the SDGs inside the company:** Engaging with a broad range of relevant people into the discussion and implementation of the SDGs; encourage employee led innovations and raise awareness.
- ✓ **Showing commitment:** Setting ambitious and long-term targets and goals

<sup>7</sup> See e.g. Accenture/UN Global Compact, Transforming Partnerships for the SDGs, March 2018; econsense, Taking on Sustainable Development in Germany - A business view on the UN Sustainable Development Goals (SDGs), July 2018, World Business Council for Sustainable Development (WBCSD), CEO Guide to the Sustainable Development Goals, 2017.

<sup>8</sup> Accenture/UN Global Compact, Transforming Partnerships for the SDGs, March 2018. Section 1.4. of this publication on Best Practices sheds further light on what this means for companies.





that are integral part of the company strategy and its impact measurement.

- ✓ Promoting exchange and collaboration: Engaging in the development of common approaches and benchmarks to increase transparency and comparability and to develop and share best practices; forming collaborations with other companies, institutions etc.

While the first three measures relate to the individual's company level, the fourth measure relates to a broader scale of stakeholder interaction. A recent survey identified key aspects of fruitful public-private sector collaboration and suggested a roadmap to receive best possible results of stakeholder cooperation. Acc. to the so-called IDEAS Roadmap, business leaders and partnership practitioners (in this case from UN institutions, but the findings could be applied to national institutions as well) should follow five steps:

STEP	Business Leaders	Partnership Practitioners
IDENTIFY	Identify relevant SDGs, implementation targets and indicators that the company can address through its core business and value chain	Leverage tools such as the SDG Compass to streamline the SDG identification process

<p><b>DEVELOP</b></p>	<ul style="list-style-type: none"> <li>- Act as an internal champion for partnerships and encourage efforts in advancing collaboration with the UN within the firm</li> <li>- Assign responsibility to key champions within the company by aligning key employees together to drive partnership; set clear performance expectations for their success</li> </ul>	<p>Develop a list of the key value proposition the organization can bring through collaboration Perform a partnership readiness assessment to understand organizational capabilities, address gaps, and outline clear internal processes to facilitate partnership evaluation and approval</p>
<p><b>ENGAGE</b></p>	<p>Engage with relevant people at UN level; ensure high-level strategic alignment on corporate mission and shared values with UN partners, communicating clear expectations and contribution level</p>	<ul style="list-style-type: none"> <li>- Collaborate to create a sustainable partnership model and align on specific objectives and common KPIs to measure project progress</li> <li>- Define collaborative techniques and cadence for regular communications (weekly status updates, biweekly leadership updates, etc.)</li> <li>- Comprehend cultural differences between organizations to align effectively on timelines, UN approval processes and documentation</li> </ul>
<p><b>ACT</b></p>	<p>Maintain regular follow-ups with the partnership team and hold it accountable to previously set expectations Support a risk-managed approach to encourage the partnership team to pursue quick, flexible and iterative approaches to pilot projects</p>	<ul style="list-style-type: none"> <li>- Regularly map partnership progress against agreed KPIs and project objectives, while also remaining flexible on changing directions</li> <li>- Maintain partnership momentum by flagging issues early, capturing lessons learned and discussing transparently with partners</li> </ul>
<p><b>SUCCEED</b></p>	<ul style="list-style-type: none"> <li>- Internalize partnership methodologies into business DNA as a new method of achieving business vision and objectives</li> <li>- Observe opportunities to expand current partnership, or use successful partnership model in new areas of business capability to enhance impact</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate impact story (via KPIs and illustrative anecdotes) to internal and external stakeholders to build support and passion for work</li> <li>- Continue compounding impact by expanding partnership in different areas and preparing refreshed business cases as on-the-ground requirements evolve</li> </ul>

**Figure 2: IDEAS Roadmap on stakeholder collaboration. Own illustration based on Accenture/UN Global Compact, Transforming Partnerships for the SDGs, March 2018.**

These five steps present an ambitious framework that highlights key aspects of SDGs advancement: Commitment, measurement, and communication. The next two sections will illustrate why measurement and communication are particularly challenging as regards the SDGs.

## 1.2. The next challenge – How to measure and manage impact of business activities on the SDGs

While many companies managed or are getting started to navigate themselves through the SDGs and define the areas in which they can contribute to sustainable development, the question of how to measure the actual company impact and how to manage a company's future SDGs strategy accordingly is still leaving question marks. In a 2017 review of sustainability reporting practices, the World Business Council for Sustainable Development (WBCSD) found that while 45% of investigated companies had started to align their sustainability strategies with the SDGs in general, only 6% have aligned their strategy and targets to specific SDGs and the connected targets and measured their contributions respectively.<sup>9</sup>



The NGO sector is sharing the perception of companies not taking up full speed on the SDGs: A 2018 survey of 76 of the world's largest companies finds that there is still little evidence that the SDGs change companies' sustainability strategies with regards to priorities, ambition or transparency.<sup>10</sup> This observed lack of "real"

<sup>9</sup> World Business Council for Sustainable Development (WBCSD), Reporting Matters, 2017.

<sup>10</sup> Cf. Oxfam International, Walking the Talk – Assessing companies' progress from SDG rhetoric to action, 2018.





company commitment has potential to undermine trust in business which again might cause problems for companies and higher costs of the much-required stakeholder interaction.

Generally spoken, impact measurement is an important tool for companies to estimate their business potential linked to sustainability. In a first step, it allows companies to prioritize the SDGs, assessing which of the goals is closest to their business model and which of their products and services can contribute best to achieving a specific SDG and its targets. As a second step, impact measurement is crucial for estimating how successful company action was and if adjustments are necessary in order to make sure a company achieves its goals. Particularly in the area of SDGs, impact measurement will also become an important tool for public institutions, NGOs, media and other stakeholders who want to decide with whom from the business sector to work with as promising partners. What is more, tangible impact that proves that the individual can contribute to the Global Goals is also highly important for employees and mid-level management particularly. Recent surveys find that mid-level management is a group that need to be actively addressed in order to successfully “sell” SDGs inside a company.<sup>11</sup>

To date, standard tools and categories for measuring SDG impact are still

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<sup>11</sup> See e.g. GlobeScan / Frost & Sullivan, The Sustainable Development Goals (SDGs): The Value for Europe, 2017, Global Compact Network Japan (GCNJ) / Institute for Global Environmental Strategies (IGES), SDGs and Business for the Future: Actions by Private Companies in Japan, 2018.



developing. Some globally operating companies in cooperation with experts, NGOs and consulting firms started developing their own measuring toolboxes. Leading reporting standards like Global Reporting Initiative (GRI) are stepping efforts to integrate SDGs commitment into reporting guidelines. In parallel, leading companies contribute to knowledge spreading and learning by sharing their approaches to sustainability strategy and reporting in the context of the SDGs. For example, Siemens is assessing the annual contribution to their “Business to society approach”. To this end, the company assesses its’ social impact regarding economic growth, job creation, skills, environment, inclusion and compares developments at project, country or global level.<sup>12</sup> In a similar way, chemical company BASF developed a “Value to society approach” and annually measures its’ value proposition of actions along the value chain over time (monetary and non-financial assessment of impact on environment and society).<sup>13</sup>

### 1.3. Making SDGs impact visible – Communication as a key task for companies

While many companies, including leading Mongolian businesses, have been incorporating the concept of Corporate Social Responsibility and sustainability into their strategies for years, the SDGs and the comparatively high attention they receive around the globe raise the bar of what is expected of companies both

<sup>12</sup> See <https://www.siemens.com/global/en/home/company/sustainability.html>.

<sup>13</sup> See <https://www.basf.com/en/company/sustainability.html>.



in terms of action and reporting.<sup>14</sup> At the same time, these expectations are not uniform because they are voiced by a wide range of stakeholders and there are no commonly agreed-on benchmarks and reporting frameworks around companies' SDG contributions which adds further communication challenges.<sup>15</sup>

Experience from front-running companies suggests that particularly in the area of SDGs company communication with stakeholders is key. However, the SDGs present two main communication challenges for companies, but also any other institution:

(I) All 17 goals and the connected targets are of a very general nature. SDGs are interlinked and cover a wide range of issues.

(II) All 17 goals are addressed to different actors from the public and private sector.



Consequently, any company or other institution that wants to report on their SDGs commitment and/or achievements are required to make the SDGs more tangible in order to achieve credibility and visibility. Communication is integral part of the abovementioned UN SDG Compass and many companies label communication as equally important as the action itself. Consequently, many

<sup>14</sup> Gold Standard, Business and the Sustainable Development Goals: Best practices to seize opportunity and maximise credibility, 2018.

<sup>15</sup> Oxfam International, Walking the Talk – Assessing companies' progress from SDG rhetoric to action, 2018.

guidelines on the SDGs put a strong emphasis on reporting and communication. A 2018 publication by UN Global Compact and Global Reporting Initiative breaks the rules of successful SDGs reporting down to the so called “4Cs”:<sup>16</sup>

### Effective reporting – 4 Cs

Concise	Consistent	Current	Comparable
Concise reporting focuses on the priorities and most material information, and avoids clutter and information overload.	Consistent reporting allows for an assessment of performance trends over time; it enables managing and understanding the insights delivered by the reported data.	Current reporting presents a useful window that gives insights into the operations, impacts and potential of business opportunities, rather than a rear-view mirror showing what happened in the past.	Comparable reporting allows information users to benchmark performance against peers. It enables businesses to track and assess their impacts, and then make decisions that will improve these over time.

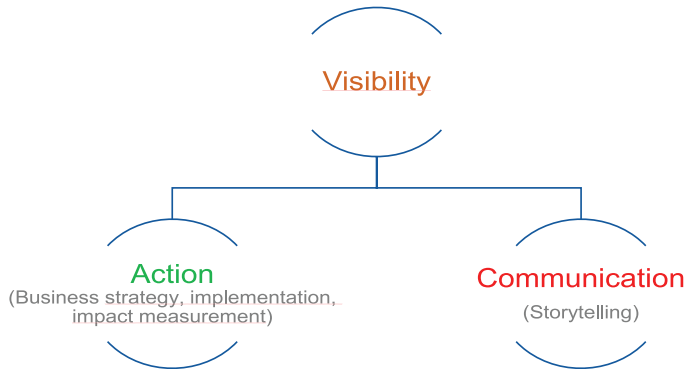
**Figure 3: Effective reporting – 4C, UN Global Compact/Global Reporting Initiative**

These elements of good SDGs reporting underpin that the connection between action and words need to be particularly strong on such complex topics as sustainable development in order to make progress and results more tangible and visible.

<sup>16</sup> UN Global Compact/Global Reporting Initiative, Integrating the SDGs into Corporate Reporting: A Practical Guide, 2018.



The 4 Cs could be extended by tangibility in order to make reporting easy to understand to a variety of stakeholders and to avoid a mismatch of (often negative) perception of company action and the efforts many companies undertake in order to contribute to the SDGs. Therefore, credibility plays a decisive role and needs to be reflected in and connect the two main dimensions of visibility:



*Figure 4: Main features of visibility, author's own illustration.*

Telling a good story in terms of credibility and comprehensibility is closely linked to four main features:

- ✓ Presenting a positive narrative (SDGs are in line with company values and business purposes, they are not a burden but an opportunity)
- ✓ Outlining benefits of sustainable behavior (the business case of SDGs itself is illustrated)
- ✓ Making SDGs tangible by clear examples (how company action contributes to a certain SDG or target)
- ✓ Providing best practices for others and being ready to participate in networks.

The challenges of making SDGs commitment visible is not only relevant for activities at company level. Just like business-focused impact measurement, multi stakeholder partnerships between the public and private sector or among different private entities need regular review of the process in order to enhance accountability and transparency. Only like this, knowledge-based lessons learned that contribute to building successful partnering stories that go beyond the input-output level and focus on long-term effects in terms of outcomes can be drawn.<sup>17</sup>

<sup>17</sup> Cf. United Nations Economic and Social Committee for Asia and the Pacific, Partnering for Sustainable



Just like at company level, the outcome of a multi-stakeholder partnership should be measured against the achievement of the SDGs.

#### 1.4. Best practices

Since the SDGs have been adopted by the international community in 2015, case studies suggested that making the right decisions on the SDGs will not only help business identify the opportunities for growth as well as for risk reduction but also lay foundations for a strong dialogue with public institutions.<sup>18</sup> However, acc. to a 2018 survey on SDG best practices, companies around the globe are faced with common pitfalls regarding action and communication which tell important lessons:<sup>19</sup>

**Pitfall 1:** Reframing communications while maintaining business as usual – Acc. to the survey, companies cannot explore the full potential of the SDGs for their business if they simply reframe communications on sustainability to align their actions to the SDGs. Instead, rethinking business strategies, setting targets, defining best practices and measuring impact are needed to take informed decisions.

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Development Guidelines for Multi-stakeholder Partnerships to Implement the 2030 Agenda in Asia and the Pacific, 2018.

<sup>18</sup> See e.g. See e.g. PWC, Navigating the SDGs: a business guide to engaging with the UN Global Goals, 2016.

<sup>19</sup> Gold Standard, Business and the Sustainable Development Goals: Best practices to seize opportunity and maximise credibility, 2018.





**Pitfall 2:** Internally-driven target setting – Internal targets are often influenced by factors such as available resources and what seems most achievable rather than being driven by what is needed to fulfil the 2030 Agenda. Instead, companies need to engage with stakeholders to determine what is the best contribution they can make to a specific SDG and its targets.

**Pitfall 3:** Leaving negatives and trade-offs out of the picture – Focusing on success and positive impact is natural for any company communication. However, particularly in relation to the SDGs and the environmental and social dimension of the Global Goals, neglecting challenges, failures and

trade-offs<sup>20</sup> can undermine trust and poses a strong reputational risk for companies. Reporting about the positive and the negative impact will therefore help build trust among stakeholders. Furthermore, acc. to global experience, it can help companies identify where they can maximize the positive impact, reduce risks and leverage opportunities. Acc. to the United Nations Economic and Social Committee for Asia and the Pacific (UNESCAP), the notion of trust is particularly important for countries in the region. In a 2018 survey UNESCAP finds

<sup>20</sup> For example a company that created jobs and contributes to SDG 8 will at the same time negatively add to energy consumption, waste production etc. as it is extending its business activities.

that there is common understanding in the region that successful partnerships are based on consensus and require sufficient trust levels that enables stakeholders to work together beyond individual interests. In Asia and the Pacific, trust is a key factor of stakeholder interaction, while due to a generally lack of trust among different stakeholder groups trust-building takes comparatively much time and requires continuous communication, acc. to UNESCAP.<sup>21</sup>

**Pitfall 4:** Assessment of inputs/outputs rather than outcomes/impact – If a company only measures and reports inputs (e.g. money spent on a certain project), activity progress and outputs (e.g. trees planted), they are missing the long-term impact of these efforts, the survey finds. Acc. to best practices, careful planning and design requires a stakeholder-driven approach to ensure risks, opportunities and barriers have been addressed, and the right indicators are selected to measure success. This will help ensure that efforts are working toward creating meaningful change, and that these positive impacts are reflected in reporting.

**Pitfall 5:** Inconsistent reporting methods and indicators – Due to the fact that sustainability encompasses a great variety of topics, aspects, interconnections and factors, it can be a challenge to measure and report impacts in a meaningful and credible way. Self-measured and self-reported impacts will only remain credible if methods of quantification and reporting are transparent, accurate and consistent over time, the 2018 survey finds.





To turn these observations into propositions and best practices, the following steps that result from a 2018 global company survey are presented as they again reconfirm the UN's SDG Compass 5 Steps, as well as results of other surveys:<sup>22</sup>

<sup>21</sup> See United Nations Economic and Social Committee for Asia and the Pacific, Partnering for Sustainable Development – Guidelines for Multi-stakeholder Partnerships to Implement the 2030 Agenda in Asia and the Pacific, 2018.

<sup>22</sup> Oxfam International, Walking the Talk – Assessing companies' progress from SDG rhetoric to action,

## Sustainability Dialogue Mongolia



	<b>Prioritization</b>	Prioritization of SDGs should be based on the areas where companies have the greatest SDG impact (direct and indirect, positive and negative) and be grounded in transparent and robust analysis and inclusive consultations.
	<b>Integration</b>	SDG engagements should build on existing corporate sustainability strategies as a baseline to determine gaps in SDG impact areas that companies can address.
	<b>Ambitious action</b>	Companies should aim higher in terms of degree and scale of change to meet the ambition of the SDGs.
	<b>Reporting and accountability</b>	Companies should be transparent about what they want to achieve and how they plan to get there when engaging with the SDGs.

*Figure 5: 5 propositions how companies can engage with the SDGs, own illustration based on Oxfam International (2018).*

In summary, seizing opportunities and maximizing credibility are overall tasks that are linked to all the observations made above. This breaks down to three major directions, companies should take:<sup>23</sup>

- ✓ **Commit to clear target setting:** Identify and prioritize SDGs and its targets according to the company’s environmental, social and economic impact on the SDGs, and the potential risks and opportunities the SDGs poses for the company and its stakeholders. Include value chain impacts in company reporting. Involve relevant stakeholders in the process in order to identify strengths, weaknesses, and opportunities.
- ✓ **Use recognized, easy-to-understand and transparent standards for impact measurement and certification:** External verification by

2018.

<sup>23</sup> Based on Gold Standard, Business and the Sustainable Development Goals: Best practices to seize opportunity and maximise credibility, 2018.





independent bodies has an increasingly strong influence on the credibility of company action and reporting. Accuracy and comparability over time helps monitoring progress which is not only of relevance for the companies themselves, their shareholders, business partners and potential investors, but also for public institutions and NGOs who want to partner with front-running companies, and the media.

- ✓ **Integrate SDGs prioritization and reporting into internal decision-making processes:** Only if SDGs that are of relevance for a company are integrated into the core business strategy, the full potential of connected business opportunities and opportunities of collaboration can be explored. Consider new products and services designed to contribute to specific SDGs or to reduce negative side-effects. Embed sustainability targets into employee objectives and performance indicators with clear linkages to remuneration and promotion decisions.

## 1.5. Lessons for Mongolian companies

The chapters above described a set of experiences, best practices and pitfalls that are connected to the implementation of and reporting on the Sustainable Development Goals on company level. Although many of the outlined information relates to front-running multinational enterprises, a set of recommendations can be derived for any other company, no matter if it runs its business in developed countries, emerging or developing markets.

In terms of **SDGs implementation**, Mongolian companies should:

- ✓ **Follow the five steps of the UN SDG Compass** as they proved to be related to practice and front-running companies worldwide implemented them in a successful way.

- ✓ **Seek cooperation within sectors and industries** in order to jointly set shared goals and standards. Engage into multistakeholder collaboration to generate support, mutual learning and public awareness.
- ✓ **Be transparent on implementation processes, progress, challenges, but also pitfalls**, as this supports learning and underpins commitment in words and deeds.
- ✓ The findings of the previous chapters identified **five key messages on sustainability communication** can be derived (author's illustration):



# 2 SUSTAINABILITY DIALOGUE MONGOLIA AND THE “COMMON POSITION” OF MONGOLIAN COMPANIES







With support of Konrad Adenauer Foundation, over the past months the Corporate Governance Development Center stepped up cooperation with leading Mongolian companies on responsible business and their contribution to SDGs implementation in Mongolia. The idea of initiating the “Sustainability Dialogue Mongolia” and the “Common Position” of companies on responsible business and the SDGs was developed together in summer 2018.

The initiative can be understood as a reaction to the current situation in Mongolia in which stakeholders who want to advance SDGs in Mongolia<sup>24</sup> are facing challenges that are all linked to room for improvement in terms of communication and collaboration:

- Leading companies understand the importance of CSR and the business opportunity the SDGs might present to them. However, they have difficulties to obtain information about the SDG process, about the exact business

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<sup>24</sup> In 2018, the SDG Global Rank, scored Mongolia at rank 95 out of 156 countries, see Sustainable Development Solutions Network (SDSN) / Bertelsmann Stiftung, Global responsibilities – Implementing the Goals, 2018.

case, and what they actually can do.

- Although leading companies already are active players and are willing to work on the SDGs, there is no or little recognition by politics, administration, and the public.
- National and international public institutions report they have difficulties identifying the „right“ companies with whom they can cooperate in order to spread knowledge and support activities.

Against this background, Sustainability Dialogue Mongolia (sdm) aims at three main goals that are closely interlinked:

**1. Improve knowledge and visibility of company commitment and activity** by

- ✓ Supporting companies in their first steps for SDGs implementation
- ✓ Connecting leading companies among each other to promote learning and exchange of best practices

**2. Spread information** and get more companies incl. SMEs on board

**3. Connect front-running companies with UN and national institutions** to support collaboration and recognition

Sustainability Dialogue Mongolia will be officially launched in spring 2019. The project will initially run for 2 years and will be accompanied by annual reporting of progress and new tasks ahead.



## 2.1. Common Position

As a learning from developments and procedures in other countries, it became clear that Sustainability Dialogue Mongolia can only succeed if there is a common understanding on the importance of sustainable development and the contribution the different stakeholder groups are ready to make. Therefore, as a first step CGDC and leading companies developed a common position which outlines the commitment of leading companies to responsible business, sustainable development and the SDGs in particular.

The Common Position follows the logic of a mission-vision-values statement and outlines the broad framework of why and how companies want to commit themselves to sustainability. In line with learnings from other countries and best practices, it takes into consideration the business case of sustainability, the need for dialogue and collaboration, as well as the need for role models that help promoting sustainability to the good of all.

In 2018, the participating companies agreed on the following statement:



# COMMON POSITION

## **OUR MISSION**

We as participating companies:

- Strive for sustainable business that serves the good of society, provide sustainable products and services for everybody, including the most vulnerable groups
- Ensure commitment of leadership, management, employees, and business partners; Promote and train employees along the supply chain and increase productivity
- Minimize negative impact of business, boost eco friendliness, social, safety, and health standards

## **OUR VISION**

We as participating companies:

- Serve as role models for the whole Mongolian business community by contributing to business and value creation that is based on good governance and sustainability. We therefore strive for business that promotes the prosperity and well-being of the individual, the society, and the environment. By collaboration on the most pressing issues, we account for steady dialogue and learning.

## **OUR VALUES**

- Cooperation and collaboration within sectors, throughout the whole Mongolian business community, and with politics and civil society.
- Commitment to a sustainable Mongolian society.
- Dialogue & Respect – Contribute knowledge and expertise to finding the best joint solutions that serve the needs of the Mongolian people.





The Common Position serves as a broad framework that will be substantiated in the next months. As a learning from other countries, the text is of general nature and describes a process which allows more companies to follow, even if they have not yet achieved full commitment to the SDGs.

## 2.2. Further measures to assure visibility and step up multistakeholder collaboration

Corporate Governance Development Center is serving as the hub of the initiative and is coordinating a set of accompanying activities that shall help spreading the scope and visibility of Sustainability Dialogue Mongolia.

Decisions on activities will be taken in consultation with the participating companies and other institutions in order to make sure that stakeholder needs and expectations are met.

### Logo for Sustainability Dialogue Mongolia

The initiative is labelled by the sdm logo that brings the main purpose to the point: Working together to achieve sustainability








to the good of Mongolia's society. The logo will be used for any future activity, events or publications that are linked to the initiative. With the help of this "brand", the initiators also hope to attract a broader range of participants from the public and private sector.

## Online platform

In addition, the initiative is supported by its own internet platform.

 <p><b>Information on international CSR/SDG news &amp; reporting</b></p> <p><b>SDG GOOD PRACTICES</b></p> <p>Visit: <a href="http://sustainabledevelopment.un.org/partnerships/goodpractices">sustainabledevelopment.un.org/partnerships/goodpractices</a></p> <p><b>Good Practices, Success Stories and Lessons Learned in SDG Implementation – Call for Submissions</b></p> <p>Three years into the implementation of the 2030 Agenda and the sustainable development goals (SDGs), many Governments...</p>	 <p><b>News CSR &amp; SDGs in Mongolia</b></p> <p><b>Mongolia should continue investing in society and the environment while revitalizing the economy</b></p> <p>A recent interview of Ms. Beate Trankmann with "Mongolian Economy" on the recently adopted Three-Pillar Policy by...</p>	 <p><b>News CSR &amp; SDGs in Mongolia</b></p> <p><b>"To protect the important development gains, investments must also be put into social services and environmental protection measures"</b></p> <p>NSO: In recent years countries are paying attention to sustainable development at an increased rate. Mongolia is...</p>
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Designed in an interactive way, the website will not only provide up-to-date SDGs related news from the national and international level but will also serve as an exchange and learning platform for Mongolian companies. While at the first stage of the process there is a focus on the participating companies, sdm hopes with the help of the platform and other measures to catalyze collaborative action through dialogue and partnerships across sectors, supply chains, government, international organizations, and civil society in 2019 and beyond.

## Publication

Not least, this publication itself serves the visibility of the initiative. In the future it will be distributed at events and will also be available online in Mongolian and English. "Progress reports" that outline activities, results and next steps will be published in 2019 and 2020.

## Presentation

Corporate Governance Development Center will regularly present results, learnings and ideas of the initiative to a broader range of stakeholders, including

relevant ministries, government agencies, international institutions, NGOs, and the media.



# 3

## COMPANY PORTRAITS

As participating companies are the very heart of the initiative and the Common Position, in the following section the front-running companies who support sdm are presented and their individual motivation for contributing to the initiative are outlined.





**MONGOLIAN CASHMERE**



**1. What does sustainability and the Sustainable Development Goals (SDGs) mean to your company and how will it potentially influence your future business?**

“Gobi” JSC has a comprehensive operation from buying the raw cashmere from the herders, manufacturing various products and providing them to both domestic and international customers. We cooperate with herders and local communities to support proper use of pastures, adopt eco-friendly technologies for production and strive to implement a sustainable use of resources. By implementing and accustoming the sustainable development goals at every stage of our operation within this objective, we can build a healthy relationship between the different stakeholders, our business operation will be consolidated in the long run and become a wealth creator which will be passed down to the future generations of our nation.

**2. What role do Mongolian companies play on the country’s road to a sustainable future and which incentives are needed to motivate more companies to support the transformation to more sustainable business?**

The private sector companies are undoubtedly the main actor who is shouldering the national economy. Thus, private sector companies’ leadership, engagement, participation and accountability is the utmost pillar of laying the foundation and further development of a country’s sustainable development. In particular, the





leading TOP companies should take actions to promote the concept of social responsibility and SDGs, and openly inform the public about their actions and outcomes in order to introduce its value. Thus, creating conscious consumption and responsible employment standards will have a positive impact on more companies to move towards sustainable businesses and to their employees' households to conscious consumption habits.

**3. Your company is participating in the Sustainable Dialogue Mongolia project and is a founding member of the Common Position of Mongolian companies on CSR and SDGs. Why do you think it is important that companies join forces to achieve the SDGs?**

As the leading company of the Mongolian cashmere industry, our company is committed to contributing to the industry and national economic development. Therefore, we are more than pleased to receive the proposal to participate in this project, joining hands with leading companies and become a model entity of sustainable development in Mongolia. By multi-disciplinary companies combining their efforts together, mutual opportunities to exchange experiences, as well as have a unified sustainable development concept and will be able to take more comprehensive and broad-based actions in the country.

**4. The Sustainable Development Goals can only be achieved if all relevant actors from the public and private sphere work together. How can cooperation between politics, national and international institutions and business be improved in Mongolia and which role can companies play to achieve this?**

Public-private partnership is essential for the achievement of the SDGs since the legal environment, state policies and decisions affect the business directly or indirectly. For instance, one of the SDGs is to promote quality education. Moreover,



the key to sustainable development of a company is a stable employment. The preparation of a consistent, committed and with future perspective human resource requires an integrated understanding and policy of the government, the private sector and educational institutions. Also, government policies should be oriented towards encouraging companies to implement the SDGs. On the other hand, companies should take the lead initiating to collaborate with international organizations and learn from international good practice. Most importantly, it is essential to define the concepts and goals of sustainable development that are consistent with the features of the company and to take realistic actions.

**5. Your company belongs to the leading companies in Mongolia and might serve as role models for other companies to follow on their track to more sustainable business. What do you want to tell other companies on how to get started with sustainable business, in particular SMEs?**

Every company strives to operate sustainably and beneficially in the long term. Everything starts from using limited natural resources wisely, operating environmentally friendly, and recognizing the importance of social responsibility. Since all business activities are directly related to the sustainable development principles. Therefore, regardless of the business size we should reflect and implement the SDGs to our activity. Implementing a comprehensive sustainable development policy can be costly in both financially and timely. Thus, the best solution is to begin from something ordinary and achievable. With more balanced and durable operation, many advantages will arise as such more opportunities to attract investment and increase in reputation.



**XACBANK**

**1. What does sustainability and the Sustainable Development Goals (SDGs) mean to your company and how will it potentially influence your future business?**

Sustainability means to us being guided by the following principles embedded in the culture of our Bank:

- Triple bottom line approach, people, planet, profit, at the heart of the business model
- Serving the real economy
- Long-term relationships with clients and a direct understanding of their economic activities and the risks involved
- Long-term, self-sustaining, and resilient to outside disruptions
- Transparent and inclusive governance

This means that decision making in our Bank results in contributions to Sustainable Development Goals.

**2. What role do Mongolian companies play on the country's road to a sustainable future and which incentives are needed to motivate more companies to support the transformation to more sustainable business?**





In 2015 the Mongolian commercial banks under MBA umbrella launched Sustainable finance initiative after two years of joint preparation. With the assistance from IFC and FMO the Mongolian banks jointly developed the Mongolian Sustainable Finance Principles (MSFP) addressing the key E&S issues in Mongolia. Together with the Principles, specific guidelines applicable across 4 industries issued (Mining, Agriculture, Construction and Manufacturing). By implementing the Mongolian Sustainable Finance Principles, banks are integrating environmental and social considerations into business decisions, promote green initiatives, services and products as well as consider E&S issues of their own operations.

The MSFPs could be further extended to other industries in Mongolia.

In addition to public sector as tax incentives, in-house incentives are important in the company transformation to sustainability.

**3. Your company is participating in the Sustainable Dialogue Mongolia project and is a founding member of the Common Position of Mongolian companies on CSR and SDGs. Why do you think it is important that companies join forces to achieve the SDGs?**

It is important to increase public awareness, lead the private sector and strengthen private-public partnership.

SDG goals are no longer luxury it is a necessity for long-term prosperity of any business entity.



- 4. The Sustainable Development Goals can only be achieved if all relevant actors from the public and private sphere work together. How can cooperation between politics, national and international institutions and business be improved in Mongolia and which role can companies play to achieve this?**

Joint PR initiatives to increase public advocacy and awareness are important. Voluntary initiatives and actions led by private sector actors should be supported by reasonable enforcement of basic standards on environment and social protection.

- 5. Your company belongs to the leading companies in Mongolia and might serve as role models for other companies to follow on their track to more sustainable business. What do you want to tell other companies on how to get started with sustainable business, in particular SMEs?**

Leadership and commitment by companies top executives is the starting point. Culture change to embed the sustainability goals in decision making is most important.





**MONGOLIAN  
MINING  
CORPORATION**



**1. What does sustainability and the Sustainable Development Goals (SDGs) mean to your company and how will it potentially influence your future business?**

The UN SDGs were adopted as a set of goals and priorities calling for unified action in environmental protection, support of social development and fight against poverty. As it applies to all nations in the world, involvement of Mongolia including its private sector is imperative. Although it's nearly impossible for any company or organization to accompany all 17 goals and/or achieve 169 targets, we find it important for every business entity to align their strategies with the SDGs that are most relevant to their operations, and maximize their cooperation with relevant stakeholders. This is not only a fulfillment of corporate social responsibility, but also a guarantee to a more sustainable business.

As a responsible mining company, Energy Resources LLC upholds its mission, values and policies which are in full alliance with the applicable parts of the SDGs.

**2. What role do Mongolian companies play on the country's road to a sustainable future and which incentives are needed to motivate more companies to support the transformation to more sustainable business?**







Private sector accounts for approximately 80% of Mongolia’s GDP. Serving as the main driving force of the country’s economic development, we believe that all Mongolian companies are playing their part in the progress towards sustainable development. Sustainable livelihoods and employment opportunities are secured through workplaces, tax payments, exports income and purchases of the business entities, thus forming a ground for sustainable development.

We see that sound corporate governance is essential in “putting” more companies on the path towards sustainable development. By adopting and maintaining sound corporate governance practices and requirements within the legal framework, the companies will naturally adapt and transform themselves into responsible businesses. At the same time, this will create sounder business environment where businesses can better contribute to the social and economic development.

**3. Your company is participating in the Sustainable Dialogue Mongolia project and is a founding member of the Common Position of Mongolian companies on CSR and SDGs. Why do you think it is important that companies join forces to achieve the SDGs?**

We see the benefits of the mutual dialogue in the following ways:

- To unite voices for sounder business environment
- To join forces and create synergies to achieve more than individual companies can achieve on their own

- To share information and best practices with top companies operating in various industries
- To attract broader public/ Government attention on the importance of corporate social responsibility and sustainable development.

**4. The Sustainable Development Goals can only be achieved if all relevant actors from the public and private sphere work together. How can cooperation between politics, national and international institutions and business be improved in Mongolia and which role can companies play to achieve this?**

We see that forming of a joint dialogue of business entities towards sustainability itself is an important step, as achievement of SDGs will take an unprecedented effort by all parties including the Government, civil society, businesses and citizens.

Going forward, we think it is essential to support constructive dialogues and forums such as SD Mongolia. EITI for example, is making a realistic contribution in fighting against corruption and creating accountability and improved transparency on taxes, spending and payments made by the private sector to the Government. It's important to promote same platforms across all sectors that enable sharing of information, best practices and enhance mutual understanding.







**5. Your company belongs to the leading companies in Mongolia and might serve as role models for other companies to follow on their track to more sustainable business. What do you want to tell other companies on how to get started with sustainable business, in particular SMEs?**

Energy Resources has been committed to responsible mining and sustainable development since its founding. And we are pleased with our pioneering efforts on a number of projects which have been showcased as a good example of responsible mining and corporate social responsibility.

However, we believe that it is false to conclude that only large and substantial efforts/ projects can lead to sustainable development. No matter how large or small, and regardless of their industry, all companies can contribute to the SDGs. Small and medium size enterprises can start with easy and simple steps such as:

- To comply with relevant laws, rules and standards
- To maintain accurate and sound reporting on both operations and financing
- To avoid job-related discrimination and provide equal employment opportunities to job applicants by complying with the Labour law of Mongolia and applicable legislation
- To try to observe and assess negative impacts (if any) of their operation on the communities and/ or environment and respond accordingly
- To choose the most efficient water/ energy saving technologies available etc.

We would also like to mention that working towards the SDGs increase corporate security and resilience and helps create a sustainable business in the long-run.







# APU COMPANY

Absolute. Pure. Unique.



**1. What does sustainability and the Sustainable Development Goals (SDGs) mean to your company and how will it potentially influence your future business?**

As a responsible company, APU has identified its sustainability strategy “Brewing a Better World” and it has 5 priorities:

- Protecting Water Resources;
- Reduce CO2 Emissions;
- Advocating Responsible Consumption;
- Promoting Health and Safety;
- Growing with Communities;

**2. What role do Mongolian companies play on the country's road to a sustainable future and which incentives are needed to motivate more companies to support the transformation to more sustainable business?**

We see that, first of all, the Mongolian companies need to develop good policies and strategies on sustainable development individually, and strictly keep



and implement them. Furthermore, it is important to make awareness about sustainable development based on our good examples and policies we comply with. As a result, the government needs to support those who are leading by example on this area with regulations, such as exemption from tax, credit on easy terms etc.

**3. Your company is participating in the Sustainable Dialogue Mongolia project and is a founding member of the Common Position of Mongolian companies on CSR and SDGs. Why do you think it is important that companies join forces to achieve the SDGs?**

It is more effective to raise our voice not as an individual company but as a communion together with other companies to reach politics, national and international agencies. By uniting our strengths, we became stronger in financial and policy development area.

**4. The Sustainable Development Goals can only be achieved if all relevant actors from the public and private sphere work together. How can cooperation between politics, national and international institutions and business be improved in Mongolia and which role can companies play to achieve this?**



**APU COMPANY**  
Absolute. Pure. Unique.





every level of the organization and have an ability to predict risks, and be a visionary to act before hand not afterwards.







**KHAN BANK**

**1. What does sustainability and the Sustainable Development Goals (SDGs) mean to your company and how will it potentially influence your future business?**

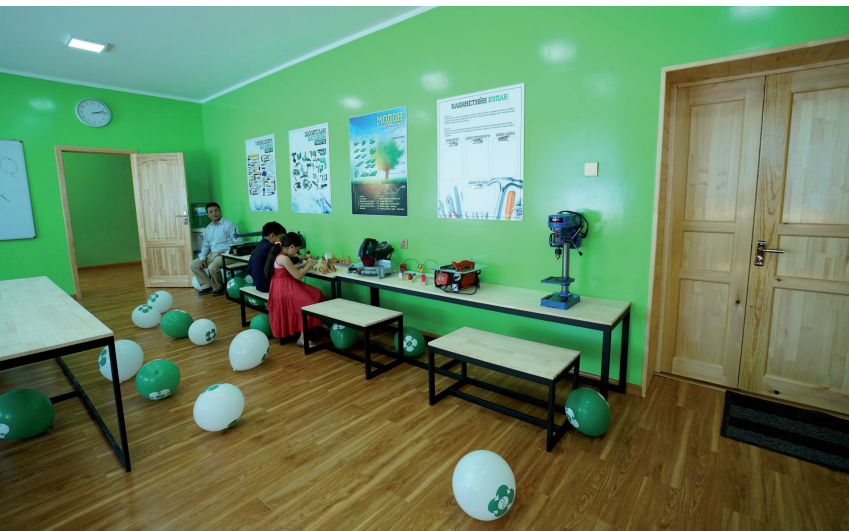
Since 2018, Khan Bank has been implementing a sustainability policy and framework within the bank, because Khan Bank understands that the SDGs are important to long-term successful operations. Khan Bank committed to pursuing and promoting the SDGs and to integrate them into all of the bank's local operations, and especially in its international partnerships requiring commitment to the SDGs. Businesses that are committed to the SDGs, and to significantly increasing sustainability in their partnerships, are contributing to sustainable development in the economy, society, and people's lives, and working to become a sustainable business in the future.

**2. What role do Mongolian companies play on the country's road to a sustainable future and which incentives are needed to motivate more companies to support the transformation to more sustainable business?**



The most important role of every business and individual in moving toward a sustainable future is understanding how to implement the SDGs in their operations and decision making. It is important to introduce the SDGs main points, benefits, and importance to the public and businesses.

- 3. Your company is participating in the Sustainable Dialogue Mongolia project and is a founding member of the Common Position of Mongolian companies on CSR and SDGs. Why do you think it is important that companies join forces to achieve the SDGs?**



Since Khan Bank was first established, it has been initiating and implementing corporate social responsibility, and has over a decade of experience as one of the CSR leaders in Mongolia. Khan Bank is actively participating in Sustainability Dialogue Mongolia projects as part of Khan Bank

expanding its policy and processes for CSR and embedding the SDGs across the bank's operations. It is important to partner with other companies to share our experience and knowledge, to help companies become CSR leaders and exemplify their business practices.

- 4. The Sustainable Development Goals can only be achieved if all relevant actors from the public and private sphere work together. How can cooperation between politics, national and international institutions and business be improved in Mongolia and which role can companies play to achieve this?**

Businesses should increase their partnerships and collaborations under SDG Goal 17 on partnership in support of the SDGs. They should focus more



on understanding the impact of the SDGs, from employees to the directors of businesses. The first step in successfully implementing the SDGs is to understand and commit them.

5. **Your company belongs to the leading companies in Mongolia and might serve as role models for other companies to follow on their track to more sustainable business. What do you want to tell other companies on how to get started with sustainable business, in particular SMEs?**

Khan Bank is implementing the SDGs throughout all of our operations, and began to intensify its focus on sustainability in 2018. Khan Bank is documenting change and expanding its policies and procedures to ensure sustainability. Businesses should understand the benefits and main points of the SDGs and then integrate them into their business plan, strategy, and monitoring and reporting processes.







**MONOS**  

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**GROUP**



**1. What does sustainability and the Sustainable Development Goals (SDGs) mean to your company and how will it potentially influence your future business?**

The sustainable development is social responsible issue for each company, our company is Health Company and we work towards constantly give accurate information, educating citizen of right usage of medicine and provide customers with qualified products. Our company increases its employment number by 13-15% and work position by 27% annually.

**2. What role do Mongolian companies play on the country's road to a sustainable future and which incentives are needed to motivate more companies to support the transformation to more sustainable business?**

The majority of Mongolian domestic big corporations and companies contribute greatly to social-economic development of the country by keeping employment and increasing number of employment high.





- 3. Your company is participating in the Sustainable Dialogue Mongolia project and is a founding member of the Common Position of Mongolian companies on CSR and SDGs. Why do you think it is important that companies join forces to achieve the SDGs?**

Mongolian big corporations are joining under one act of social responsibility with one voice. This voice is to solving the problems and companies participating in solve problems which have many benefit for society.

- 4. The Sustainable Development Goals can only be achieved if all relevant actors from the public and private sphere work together. How can cooperation between politics, national and international institutions and business be improved in Mongolia and which role can companies play to achieve this?**

In sustainable development, duty and responsibility lies with all parties, government, entity, individuals. To better the course of action of the company, private sector must recognize its responsibility and enhance their product and

service government must pass suitable policies to support private sector operation such as tax relief. It is important when companies reach one stance, they can deliver genuine suggestions to government and public policies.

**5. Your company belongs to the leading companies in Mongolia and might serve as role models for other companies to follow on their track to more sustainable business. What do you want to tell other companies on how to get started with sustainable business, in particular SMEs?**

By taking sustainable development policy approach, our company operation will constantly develop with no effect from internal or external factors. The key to transform into sustainable for companies is to work with good management and involving all the shareholders such as board, directors, employees and partners.







**SUU Joint Stock Company**

**1. What does sustainability and the Sustainable Development Goals (SDGs) mean to your company and how will it potentially influence your future business?**

We are living in a very critical and responsible moment of deciding the fate of our world. Now there is only 12 years left to achieve the SDGs for all of us. Considering the political instability of current Mongolia, the leading top businesses should jointly lead the way toward achieving these goals. It is fact that the business cannot sustain long term success in a society stricken with poverty, hunger and climate disaster. Therefore as a major business that is benefitting from the society, we are obliged to provide sustainable value to our society. “Suu” JSC pays a close attention to the social issues and implement activities toward reducing poverty, hunger and contribute to the economic growth, addition of jobs and support the responsible consumption. We are currently implementing the number of projects







designed to support livelihood of herders and provide healthy dairy products, some of which are “Being healthy with dairy consumption”, “Together against the air pollution, for the healthy future” and “1000 warm cover for our herds”.

**2. What role do Mongolian companies play on the country's road to a sustainable future and which incentives are needed to motivate more companies to support the transformation to more sustainable business?**

In order to achieve the sustainable socio-economy model, not only contribution of large and leading companies is necessary, but the proactive involvement of small and medium size enterprises, who comprise 80% of dairy industry, is critically important. Meanwhile, the policy and regulatory support from the government is another area of attention. The government should work toward creating favorable environment. For instance, Columbia is setting an exemplary case by offering tax deductions to those businesses which implement sustainable business strategies. Such measures and motivating acts are most important in transforming companies toward sustainable businesses.

- 3. Your company is participating in the Sustainable Dialogue Mongolia project and is a founding member of the Common Position of Mongolian companies on CSR and SDGs. Why do you think it is important that companies join forces to achieve the SDGs?**

Even though SDGs are broad and massive, it is still achievable by 2030 with the combined effort of leading and participant companies and other major stakeholders. Currently all large companies are thriving on their own to contribute directly and indirectly to the environmental and social causes via their own CSRs. By committing toward cooperation and dialogue, far more scale of results can be achieved.

- 4. The Sustainable Development Goals can only be achieved if all relevant actors from the public and private sphere work together. How can cooperation between politics, national and international institutions and business be improved in Mongolia and which role can companies play to achieve this?**

Public, private and social organizations are to gather together to initiate the cooperation in combining their implementations and reporting in order to pool their data to create data center. It is important that all the data and





measurements are evaluated collectively with the support of consistent interim reporting. Furthermore, the contribution is always possible by companies with the support of employee involvement, their ideas and initiatives and creative solutions.

**5. Your company belongs to the leading companies in Mongolia and might serve as role models for other companies to follow on their track to more sustainable business. What do you want to tell other companies on how to get started with sustainable business, in particular SMEs?**

We all, as a social players, need to contribute in order to achieve SDGs. Therefore, regardless of turnover and size, we should focus in one direction. We should start. Let's commit decisively. Let's exchange ideas and opinions. Let's tackle the challenges together. This is how we shall create better Mongolia and better World.



# 4

## OUTLOOK - NEXT STEPS TO BRING GLOBAL LEARNINGS TO MONGOLIA



It is commonly agreed that implementing SDGs is equally challenging for the public and the private sector and that there is no easy solution to overcoming existing problems. In order to allow companies to successfully navigate through the complexity of the SDGs and to create and sustain impact to the benefit of society and to the benefit of the company alike, it is therefore important that companies align their core business and strategies to the SDGs, put effective actions in place, account for transparent and meaningful reporting and commit to continuous improvements. Sustainability Dialogue Mongolia attempts supporting Mongolian companies on this journey. Besides the ongoing activities on individual company level, the Common Position is a first step to build common grounds on the importance of the SDGs, to raise visibility, and to engage into meaningful and long-term dialogue with the public sector and NGOs. Only if all relevant stakeholders work together, learnings and best practices can be identified and solutions that fit the Mongolian context be implemented. However, acc. to global surveys and guidelines, company commitment and achievements highly depend on external factors of the environment in which business operates: Good governance, economic incentives, appropriate and robust legal and institutional framework conditions and public-private partnerships.<sup>25</sup> By the Sustainability Dialogue Mongolia initiative, the Corporate Governance Development Center and Konrad Adenauer Foundation hope to gradually contribute to achieving improvements on these factors in Mongolia.

On that account, the Corporate Governance Development Center will serve as the hub for the Sustainability Dialogue Mongolia initiative and works on the following **priorities in 2019**:

- **ON COMPANY LEVEL:**
  - Aligning corporate strategies and communications with the SDGs by applying the UN SDGs Compass' 5 steps
  - Generating awareness and support at all company levels, incl. supply chains
  - Generating first ideas on tools and methods of impact measurement

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<sup>25</sup> See e.g. World Business Council for Sustainable Development (WBCSD), CEO Guide to the Sustainable Development Goals, 2017.



- **ON BUSINESS COMMUNITY LEVEL:**

- Joining forces among companies of the same industries, focus on specific SDGs and targets that are particularly relevant
- Exchange and learning among all participating companies
- Generating first ideas on tools and methods of impact measurement

- **ON STAKEHOLDER LEVEL:**

- Improving cooperation and networking between companies and public institutions (incl. international institutions)
- Sharing best practices from Mongolia and other countries
- Generating first ideas on tools and methods of impact measurement

Corporate Governance Development Center and partnering institutions will support progress at the different levels of Sustainability Dialogue Mongolia by research and consulting on up-to-date developments, amongst others regarding impact measurement and reporting.



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