

SPECIAL  
ISSUE

APRIL | MAY 2023

# AFRICA Forbes



Wedu Tose Somolekae,  
Khethokuhle Ngonyama,  
Koaile Monaheng,  
Mutethia Mbaabu,  
Oluwabusayo Victoria Abiri

9<sup>TH</sup> ANNUAL

# 30 UNDER 30

THE NEWEST SELF-MADE YOUNG INNOVATORS AND  
LEADERS SCRIPTING A NEW VISION FOR AFRICA

[www.forbesafrica.com](http://www.forbesafrica.com)

AN **ABN** COMPANY

South Africa ZAR 59.00 | Nigeria NGN 1,200 | Ghana GHC 15 | Kenya KES 561 | Tanzania TZS 10,230 | Uganda UGX 16,610 | Zimbabwe USD 4,95 | Mauritius MUR 143 | Botswana BWP 53 | Namibia NAD 59 | Rwanda RWF 3960 | Zambia K 79 | eSwatini SZL 59 | Malawi MWK 3,800



FORBES AFRICA

WWW.FORBESAFRICA.COM / APRIL | MAY 2023

# ESG: Making Sustainable Changes For Better Business

ESG appears to be the new buzzword as consumers and investors begin to hold businesses and corporations accountable for their impact on the environment. For those businesses that seek to have a positive impact in their internal management decisions, the SDG Impact Standards have been developed by SDG Impact, a flagship initiative of the United Nations Development Program, to help investors and businesses operate sustainably and contribute positively to sustainable development and the SDGs..

**I**n 2015, the United Nations (UN) issued the Sustainable Development Goals (SDGs).

The purpose of these goals is to promote prosperity across nations, all while protecting the health of the planet.

“Sustainable development aims to meet the needs of the present without compromising the ability of future generations to meet their own needs,” explains Yugen Pillay, National Director of Business Consulting, ESG, and Energy & Natural Resources Industry Leader at SNG Grant Thornton.

A potential example of this would be Eskom, which is the largest electricity provider in South Africa.

Unfortunately, Eskom uses a significant amount of coal to generate electricity, which can contribute to global warming due to the amount of carbon it releases into the atmosphere.

Now, while we do need electricity, this does not mean that we should compromise the health and livelihood of future generations by not investing in cleaner methods of energy.

To create the impact intended by the SDGs, businesses and corporations need to understand the effect that their practices are having on the world.

## Growth of sustainable investors

In recent years, there has been a rise in young and successful entrepreneurs.

These entrepreneurs are at the forefront of investing, and regarding their dealings, their intention is to invest in companies that are sustainable and conscious of the impact they have on the planet.

Investors become shareholders, and they need to understand their business decisions, especially if it is revealed that they invested

in a company that is not sustainable.

“This is where the ESG concept comes from,” says Pillay, who is 1 of 19 globally accredited Trainers for the SDG Impact Standards.

“ESG is an investment framework that seeks to incorporate creating more consistent information regarding material, environment, social, and governance development.”

As consumers become more attuned to the business practices of various corporations, investors are asking these corporations to share how their practices are helping or hurting the environment before they can make the decision to engage with said business.

## What is your impact?

The impact that businesses and corporations can have on consumers and the planet can range from negative to positive, direct, or indirect.

In terms of the UN’s SDGs, it is imperative that businesses are conscious of the impact that they have on their stakeholders.

As such, Pillay shares that to operate sustainably and make a positive contribution towards SDGs, these businesses need to manage their impact on people and the planet.

## Transforming into a sustainable business

For Pillay, who is skilled and accredited in training entities on the SDG impact standards, sustainability can be a major disruptor for businesses and investors as it causes them to change their methods of production and implementation.

However, in doing so, they can ensure that their businesses’ impact on consumers, stakeholders, and the environment will be positive.



**Yugen Pillay**, National Director of Business Consulting, ESG, and Energy & Natural Resources Industry Leader at SNG Grant Thornton

For one, operating sustainably can place you ahead of your competitors, especially in a society that seeks to only engage with businesses that believe in sustainability.

Additionally, sustainability is a fantastic way to attract and retain employees.

Lastly, it can help to maintain stakeholder relationships if a business is doing something great, stakeholders might desire to be part of that legacy, and they may even change their business practices to keep up with you.

“If your business is sustainable and operating correctly, this will help manage any risks much more effectively, and it’s a way to also enhance your brand, reputation and become a sustainable corporate citizen.”