

## UKRAINIAN BUSINESSES PRIORITIES TO ENTER INTERNATIONAL MARKETS IN THE CONTEXT OF THE SUSTAINABLE DEVELOPMENT GOALS

In modern conditions, the attention of Ukrainian companies to the Sustainable Development Goals (SDGs) when entering foreign markets is significantly increasing, as they form new competitive advantages of national business. According to the participants of the discussion “Business and the state in the XXI century: Sustainable development goals for partnership”, which took place within the project “E-learning for sustainable development” [1], investors evaluate the company’s responsibility policy, social and environmental programs, and only then make decisions whether to work with it or not. In particular, they are interested in whether the company complies with labour laws, cares about its employees in terms of insurance, development and other social preferences, or has a waste management policy. Therefore, the issue of transition of Ukrainian business to the concept of sustainable development is becoming increasingly important and requires additional research, educational and practical activities.

The purpose of this paper is to analyse and highlight the priority steps of Ukrainian business in the context of the SDGs to increase their attractiveness to foreign investors and international markets.

Since 2018 large EU companies have to report in accordance with the EU Directive on the disclosure of non-financial and diversity information (2014/95 / EU) [2]. Thus, companies need to disclose their business model, policies (and results), risks and non-financial key performance indicators in the following categories: environmental issues; social and service aspects; respect for human rights; problems of fight against corruption and bribery; diversity in the board of directors. Disclosure of such information leads businesses to understand its contribution to the global goals of sustainable development, which, according to Gro Harlem Brundtland, former chairwoman of the International Commission on Environment and Development, should be understood as a development that meets the needs of today but does not jeopardize the ability of future generations to meet their needs [3]. As mentioned “sustainable development” becomes a goal not just for the “developing” nations, but for industrial ones as well.

Such common objectives are summarized in the form of the SDGs, which were adopted in the final document of the UN Summit in New York in the form of UN General Assembly Resolution 70/1 from 25.09.2015 “Transforming our world: Agenda for sustainable development until 2030”. This document contains 17 global goals, which include 169 indicators of their achievement [4]. Note that these goals are benchmarks, and each of the countries independently determines the level of their inclusion in their strategic documents.

The UN resolution recognizes the importance of private sector participation in the achievement of SDGs: both multinational companies and micro-enterprises, cooperatives, civil society institutions and charities. Private enterprise, investment and innovation are key factors in increasing productivity, economic growth and job creation. In view of this, a dynamic and well-functioning business, if involved in the process of achieving the SDGs, can significantly improve the effectiveness of governments in implementing the 2030 Agenda and ensuring sustainable development. First of all, business can get additional financial resources on-board to create (modernize) infrastructure, without which the achievement of the majority of SDGs is not considered possible.

As the SDGs form the global agenda for the development of our societies, they will allow leading companies to demonstrate how their business helps to advance sustainable development, both by minimizing negative impacts and maximizing positive impacts on people and the planet [5].

Covering a wide spectrum of sustainable development topics relevant to companies – such as poverty, health, education, climate change and environmental degradation – the SDGs can help to connect business strategies with global priorities. Companies can use the SDGs as an overarching framework to shape, steer, communicate and report their strategies, goals and activities, allowing them to capitalize on a range of benefits such as:

1. Identifying future business opportunities
2. Enhancing the value of corporate sustainability
3. Strengthening stakeholder relations and keeping the pace with policy developments
4. Stabilizing societies and markets
5. Using a common language and shared purpose

Therefore, it is advisable for the company to review the entire value chain - from the supply base and internal logistics, then through the entire process of production and operations, ending with sales, consumer and final product cycles. This can be considered as a first step in assessing the impact and setting priorities. At the international and national levels, companies are encouraged to begin this assessment with an overall mapping of value chains, which will help identify areas with a high probability of both negative and positive impacts on SDGs aspects, as shown in a figure. 1.

The benefits that Ukrainian businesses will receive from the transition to SDGs in the national and international markets, as well as from the standpoint of increasing the attractiveness for foreign investors are the following:

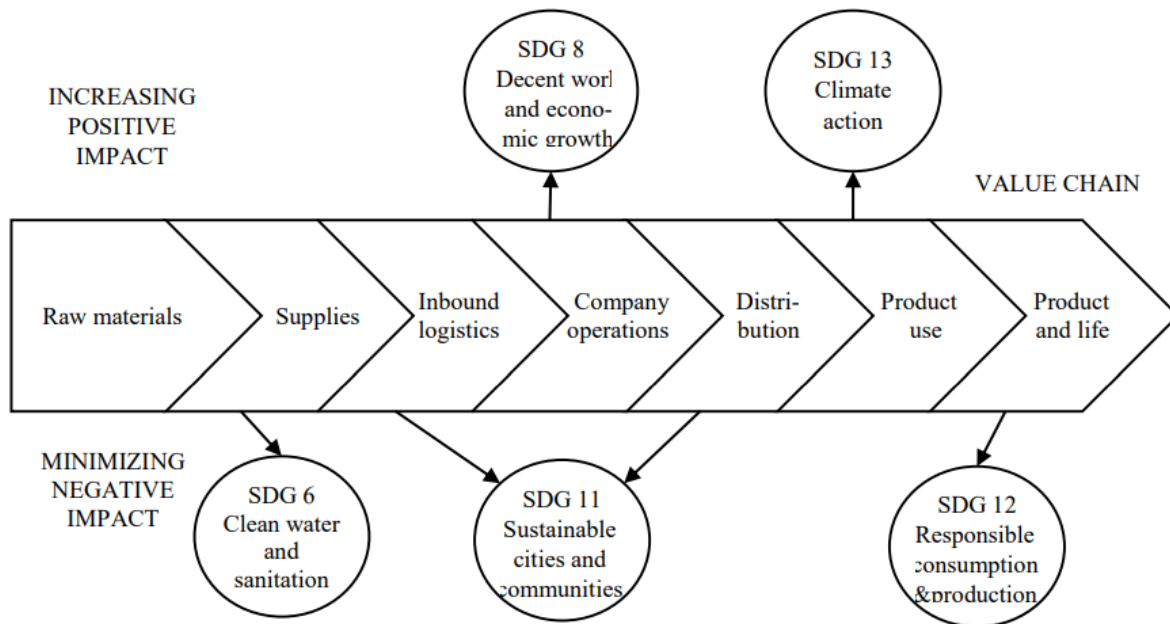


Fig. 1. Mapping the SDGs against the value chain [5]

1. Opportunity to get more benefits (including PR, marketing) in the near future by moving to the “circular economy” as soon as possible, until everyone else realizes the need for a circular economy or its principles become mandatory in terms of regulation.

2. Opportunity to attract new customers for whom it is important to maintain a sustainable business.

3. Significantly increase the attractiveness for investors.

4. Modernize own production or services.

5. Create a new, qualitatively different environment in which it will be comfortable to live and do business.

6. Become attractive as an employer to many talented people (company ethics are important to most good professionals).

7. Get new opportunities for cooperation and partnership in Ukraine and all over the world.

In addition, it should be noted that the World Customs Organization in 2018 defined the tasks of customs authorities in the context of achieving the SDGs as the formation of a “reliable business environment for economic development”. The word “reliable” means at the same time a favourable, safe, fair and sustainable environment. This environment gives businesses, especially micro, small and medium, the opportunity to expand the scope of activities and create the conditions for more active participation in global trade [6]. At the same time, the influence of customs authorities on the formation of a reliable business environment is through the simplification of customs procedures, the fight against corruption, strengthening the integrity and facilitating the movement of goods, vehicles and people in general.

Thus, the transition to the rails of the “circular economy” and the focus of its activities on achieving the SDGs opens up significant prospects for domestic businesses to attract additional investment and enter foreign markets. Providing information on social and environmental policies, as well as reports on non-financial indicators, which in the near future will become a prerequisite for companies around the world is the first step of Ukrainian businesses to implement SDGs in their activities and make the Ukrainian market attractive to foreign partners.

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