

MANAGING CONTRIBUTIONS TO THE SDGs: INTERNATIONAL AND LOCAL BUSINESS CASE STUDIES

№6

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From international frameworks to corporate practice

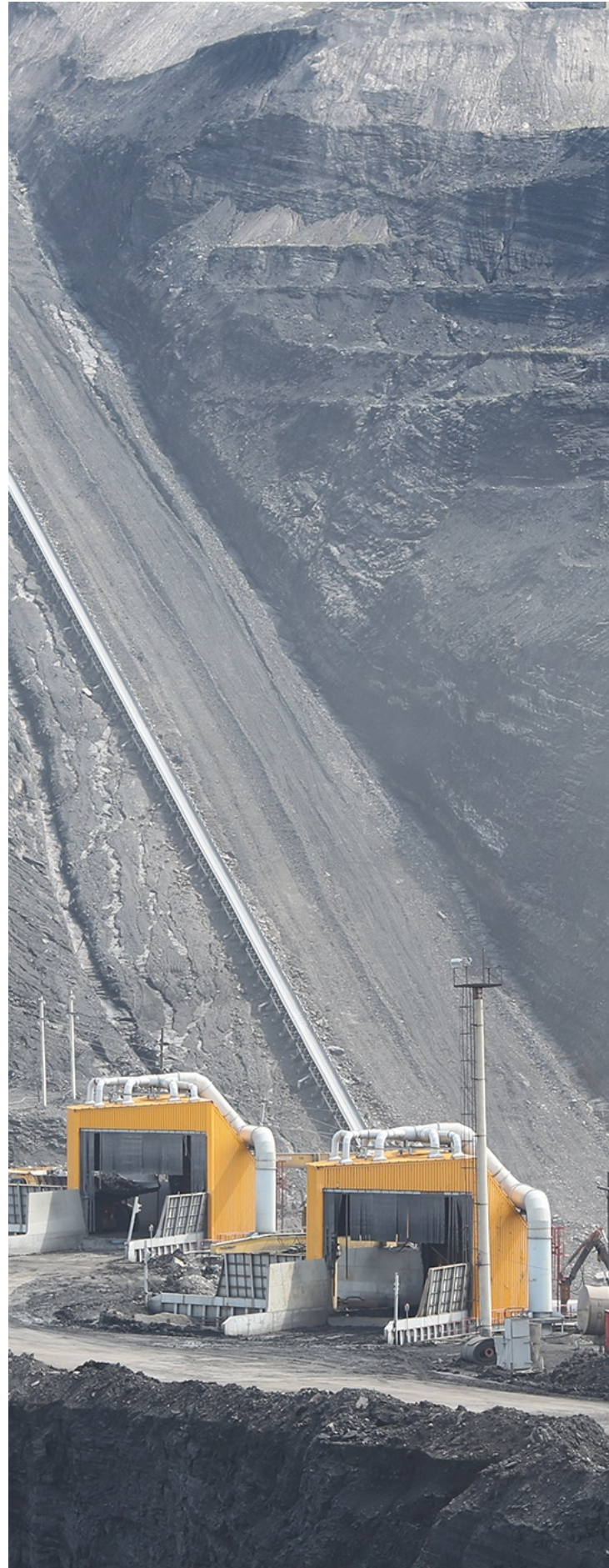
The previous issue examined international guidance for establishing systems through which companies and organizations can manage their contributions to the Sustainable Development Goals (SDGs). This issue presents two business cases showing how companies manage their contributions to the SDGs in practice. In the first case, Eurasian Resources Group (ERG or the Group), a major industrial company operating in Kazakhstan, uses the SDGs to frame its ESG targets and implements them through its existing business management system. Bank Rakyat Indonesia is developing a structured system for managing its contribution to the SDGs based on ISO/UNDP PAS 53002:2024, while expanding and measuring its contribution to material sustainable development priorities.

ERG case study: integrating SDG management into business operations

Company overview

Eurasian Resources Group is an international metals and mining company with revenue of USD 6,609 million. The Group comprises exploration, mining, metallurgical, processing, energy, logistics and marketing businesses. Its main operating regions are Kazakhstan, Africa and Brazil. ERG supplies products to more than 40 countries. Its key products in Kazakhstan include ferroalloys, alumina and aluminium, iron ore products and coal. The Group also generates electricity for industrial and household use.

ERG employs more than 60,000 people in Kazakhstan. Its major operations include TNC Kazchrome JSC, SSGPO JSC, Kachary Ruda JSC, Aluminium of Kazakhstan JSC, Kazakhstan Aluminium Smelter JSC, Manganese Zhairama JSC, Eurasian Energy Corporation JSC, 3-Energoortalyk JSC, Shubarkol Komir JSC and the TransCom Transportation Group.



From national priorities to corporate ESG targets

ERG has been systematically integrating the SDGs into its corporate agenda since 2019, when the UN SDGs were being actively adapted and embedded at the national level. National SDG priorities reflected in development plans, public policy and regulatory requirements established the external frame of reference for ERG.

The Company determines a second tier of SDG-related priorities based on the nature of its business. At this level, the SDGs provide a common framework for aligning material impacts and business priorities with broader sustainable development objectives. The Group's activities generate a wide range of impacts relating to employment and regional development, human safety, the use of natural resources, environmental protection, the energy balance and supply chains.

The first- and second-tier priorities are reflected in the Group's ESG targets through 2030. Following ERG's reorganization and the establishment of a separate management perimeter for its Kazakhstan assets, updated ESG targets for ERG Kazakhstan were approved in 2023. The targets cover four main areas:

- Reducing environmental impacts, with a focus on water, emissions, waste, biodiversity and climate change;
- Building an engaged, diverse and healthy workforce by supporting employee well-being and diversity, protecting health, and ensuring occupational safety;
- Developing host communities and regions to support their well-being;
- Leading in responsible business standards, including business ethics and responsible supply chains.

In 2024, the ERG Board of Managers adopted a new medium-term Strategy for ERG in Kazakhstan through 2027. Its priorities include strengthening financial resilience, maintaining

a clear focus on core production assets, increasing output and efficiency, and improving corporate governance. Under the Strategy, social responsibility, the safety of people and assets, compliance with environmental requirements and responsible supply chains remain among the Group's highest priorities. Sustainability priorities are therefore integrated into the business strategy at the strategic level.



Kudrat Shamiyev

General Director,
ERG in Kazakhstan

"For us, contributing to the Sustainable Development Goals is linked to the long-term development of industry and the economy of Kazakhstan as a whole. Modernizing ERG's production facilities, improving environmental performance and safety, developing human capital and supporting our host regions enable us to strengthen the competitiveness of ERG's operations while creating long-term value for the entire country."



Turning ESG targets into measurable KPIs

In 2026, ERG Kazakhstan is focused on approximately 30 ESG targets set for 2030, each supported by annual key performance indicators (KPIs). For example, the environmental targets include reducing particulate matter emissions by 56% by 2030 against a 2019 baseline. Climate targets include reducing the carbon footprint of aluminium, high-carbon ferrochrome and iron ore pellets by 30% by 2035 against a 2021 baseline (Scopes 1 and 2), and increasing the share of renewable and low-carbon sources in electricity consumption to 15% by 2030. Occupational health and industrial safety targets include zero fatalities and an LTIFR of no more than 0.59 by 2030. For host-region development, the target is for at least 60% of residents to assess ERG's contribution to local social development positively. Annual target values are set for each KPI, enabling the Group to monitor progress towards its long-term 2030 objectives.

Different measurement approaches are used depending on the KPI. Some indicators capture activities completed and people reached, while others measure medium-term outcomes and long-term impacts. For example, employee training is assessed through delivery against plans and activities (outputs), whereas LTIFR, the share of renewable energy, reductions in emissions, water withdrawal and product carbon footprints, and regional development projects are assessed through medium- and long-term outcomes and impacts.

Each target area is supported by one or more strategic documents, including the Environmental Strategy, the Climate Policy and Decarbonization Strategy, the Occupational Health and Industrial Safety Policy, and the Sustainable Procurement Policy.

From targets and KPIs to programmes and projects

ESG targets and KPIs are allocated across functional units, with accountability assigned to the relevant executives.

The ESG Committee, chaired by the CEO of ERG in Kazakhstan, performs the coordinating role. Each year, the Committee reviews ESG targets and indicators, strategies and road maps, internal documents, green projects and reporting.

Action plans and/or road maps are developed for each ESG target area, taking into account operating conditions, available technologies and other factors that may affect delivery against the targets.



Kudrat Shamiyev

General Director,
ERG in Kazakhstan

"Group-level priorities provide the overall direction, while actual results depend on the work of professional functions and operating companies, where investment, technology and production decisions are made."

ERG assesses materiality to ensure that its targets and programmes address actual impacts. It considers the scale of its activities, the significance of risks to people, the environment and the business, stakeholder expectations, and the Company's ability to influence outcomes. ERG does not apply a single materiality assessment method because impacts differ in nature and

require tailored assessment. In industrial safety, for example, materiality is determined by the severity of potential consequences of operational events. Environmental materiality is assessed using actual volumes of emissions, discharges, water use and waste. In the social sphere, materiality is determined through direct stakeholder engagement.



Shattyk Abdikalykov,

Director of Social Services, ERG

"We conduct social research to understand what each region needs. We identify people's concerns and rank the issues that matter most to them. This research produces a comprehensive report that serves as the basis for our work."



The Community Cultural Centre in Khromtau illustrates this approach. Residents repeatedly raised concerns about the lack of space for cultural events and creative groups, as well as the absence of a cinema in the city. The issue was discussed at meetings with management and shareholders and validated through research. Separate needs were ultimately consolidated into a single project. Construction began in 2023, and the Khromtau Community Cultural Centre opened in December 2025.

Another example is Tugan Qala, a participatory budgeting model under which residents propose ideas, help select projects for their cities, and then participate in their implementation and acceptance. In 2026, the programme was included in the Central Asia ESG Best Practices Compendium in the Social Responsibility and Stronger Community Connections category. ERG's Director of Social Services explains the programme's value to the Company.



Shattyk Abdikalykov,

Director of Social Services, ERG

"People decide what matters to their city, propose initiatives, participate in implementation and oversee the result. This means that a project is perceived not as external assistance, but as the residents' own contribution to local development."



Sustainability factors in decision-making

ESG targets influence both programme planning and decisions made before implementation. A formal screening mechanism applies to projects seeking green finance. ERG's Green Finance Framework is based on ICMA principles and establishes project eligibility criteria. A project is proposed by the operation's technical management and then assessed against the criteria by a working group comprising representatives from corporate finance, sustainability, risk management, energy and environmental functions. Energy-efficiency projects must demonstrate reduced energy consumption, water-conservation projects must demonstrate lower water use, and industrial pollution-prevention projects must comply with best available techniques (BAT).

Indicators for the expected effect are agreed with the project sponsor before the project is added to the portfolio. A project may be removed if it ceases to meet the criteria. The environmental effect therefore serves both as a description of the expected result and as a condition for project selection and financing.

Supply chains and business partners

ERG extends its responsible business requirements to business partners. The ERG Supplier Code of Conduct is incorporated into contracts, and suppliers must ensure that similar requirements are applied by their own subcontractors. Counterparty risks are assessed through comprehensive due diligence covering sanctions compliance, human rights risks in supply chains, money laundering, bribery and corruption. The counterparty and transaction are assigned a risk category, which determines the measures required to mitigate identified risks.



Annetta Natanzon

Compliance
Director, ERG

"The Company's long-term business resilience largely depends on the trust of clients, partners, society and the governments of the countries in which we operate."

Monitoring and evaluation: from operational data to corporate progress

Performance against targets is monitored at several levels, with separate frequencies and tools established for operational and functional monitoring.

Incident and injury data are aggregated and analysed quarterly. The results are reviewed by the Central Occupational Safety Committee chaired by ERG's CEO, which then determines measures to prevent similar events from recurring across the Company's operations. In the environmental area, automated monitoring provides data directly from production sources. Data from the ambient air monitoring station at the boundary of the Pavlodar Aluminium Smelter's sanitary protection zone are displayed on public LED screens, allowing residents to view the information in real time. In 2025, Eurasian Energy Corporation launched a pilot implementation of the Emissions software solution, which collects, analyses and consolidates environmental data. The solution is expected to be rolled out to other Group operations. The sooner the Company detects a change in a parameter, the sooner it can identify a deviation, understand its cause and take action.

Independent environmental audits benchmark operational practices against legal requirements, BAT and international guidance. In 2025, the Aktobe Ferroalloys Plant underwent an independent environmental audit involving international experts. The audit assessed the plant not only against Kazakhstan's legal requirements, but also against current BAT reference documents and the requirements of the EU Industrial Emissions Directive. A similar assessment is planned for the Kazakhstan Aluminium Smelter in 2026, and the results are used in the annual update of the Environmental Strategy.



Talgat Torebekov,

Director of Environment and Sustainability, ERG

"Environmental modernization at ERG is not a standalone set of environmental measures. It is a consistent transformation of the technological foundations of production: a measurable impact becomes a target and a specific engineering solution, while the result achieved provides the basis for the next improvement cycle."

Repeat studies in host regions help assess changes in community needs and perceptions of the Company's contribution. The feedback informs new social projects and the next social investment cycle.



Each year, the relevant functions consolidate data on their ESG KPIs, analyse variances and prepare information for reporting. Consolidated progress against corporate ESG targets is reviewed by the ESG Committee and the CEO. The review may result in changes to KPIs or target values, refinements to existing approaches, or the launch of new projects or programmes. KPIs may be revised in response to material deviations from plan, regulatory or external changes, new technological or operational factors, or changes to a long-term strategic indicator.

Capabilities and a culture of continuous improvement

Achievement of ESG targets depends on the people who make decisions and carry out the work. The Company therefore develops the capabilities required to deliver its objectives and promotes a culture of responsible conduct. Implementation is supported through competency requirements, clear accountability and controlled work practices.

The occupational health and industrial safety targets show how this mechanism works. The occupational health and safety function provides methodological support, advice and oversight and has the authority to stop unsafe work. Line managers are responsible for decision-making, planning and oversight of safe work, while employees are responsible for complying with requirements and stopping unsafe work.

Improvement cycles are initiated at different stages. To assess how effectively industrial safety responsibilities are allocated, ERG benchmarked its practices against those of the metals and mining sector in Kazakhstan and Russia and against international leaders. The resulting safety-culture maturity self-assessment placed ERG at the second, 'dependent', level, where compliance is driven largely by external control.



Alimkhan Yerkhodzhayev,

Director of Occupational Health and Industrial Safety, ERG

"A mature safety culture begins where safety ceases to be a matter of control and becomes a way of making decisions: anticipating risk, acting safely, openly learning from every incident, and preventing its recurrence."

The Company then defined measures to reach the third level, at which behaviour is guided by employee awareness and personal responsibility.





Reporting on contributions to the SDGs

Sustainability reporting and public disclosure of results complete the management cycle. ERG has published sustainability reports since 2014, covering the Group's key environmental, social and governance matters and showing how disclosed material topics, priority areas and results relate to the relevant UN SDGs.

Reporting is prepared with reference to international frameworks and requirements, including the GRI Standards and the EU Corporate Sustainability Reporting Directive (CSRD). ERG continues to develop its approach to materiality assessment and ESG data management in response to evolving corporate reporting requirements, including the double materiality principle.

Lessons from the ERG case study

The ERG case demonstrates an approach in which the SDGs provide an overarching framework for aligning business priorities and actual impacts with sustainable development objectives. National priorities, the nature of the business and material impacts determine the ESG focus areas. These are then translated into corporate targets and KPIs, functional strategies, and investment and operational decisions. Accountability is distributed across relevant functions and governance bodies, while monitoring results feed back into reporting and continuous improvement.

BRI case study: a sustainable impact management system based on ISO/UNDP PAS 53002:2024

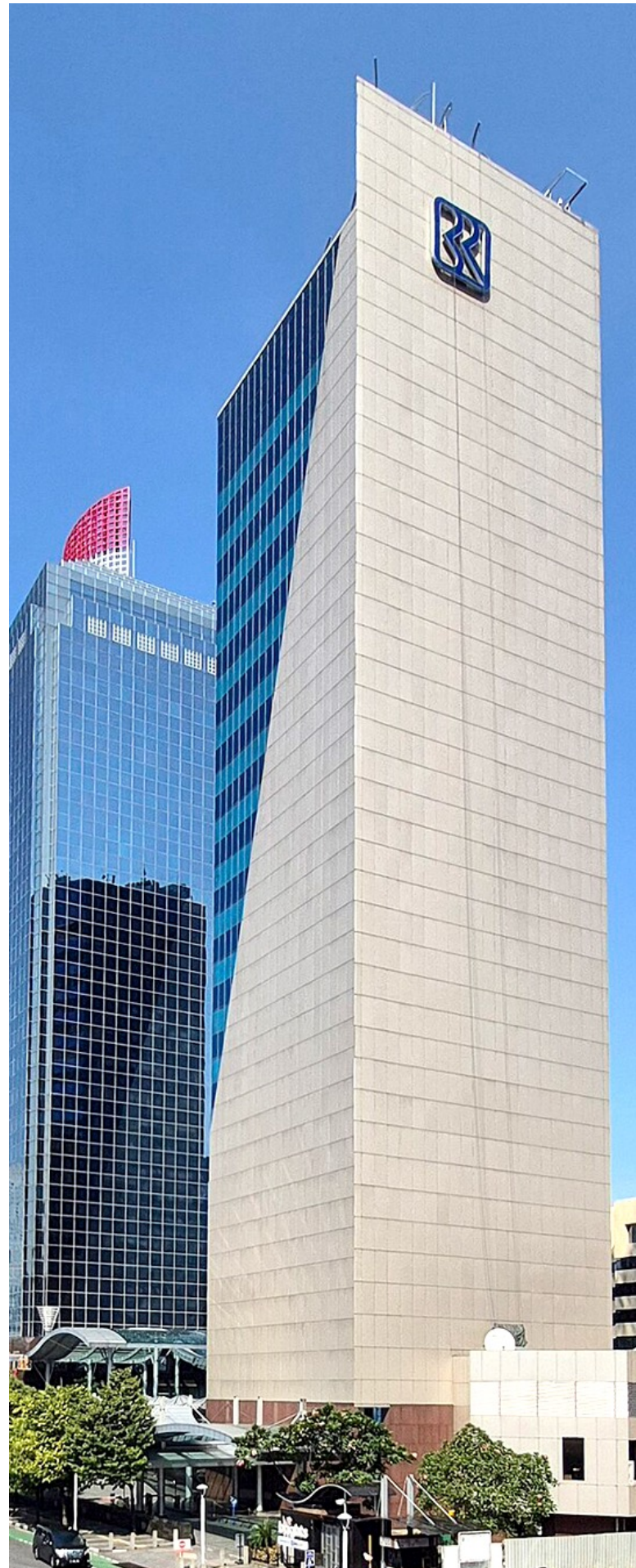
Company overview

PT Bank Rakyat Indonesia (Persero) Tbk (BRI or the Bank) is one of Indonesia's largest banks. The state holds 53.19% of its shares, while the remaining shares are publicly traded. BRI has historically focused on micro, small and medium-sized enterprises and financial inclusion. In 2025, BRI continued implementing its BRIVOLUTION transformation programme, aimed at strengthening competitiveness and progressing towards a World-Class Sustainable Banking Group model. The new model is driven by business development, digitalization and the integration of sustainability principles.

By 2025, BRI had established a mature sustainability management system comprising a strategy, governance bodies, materiality assessment processes, planning, metrics and reporting. Environmental, social and governance (ESG) factors were embedded in financing, risk management, client engagement and the Bank's own operations. In 2025, the Bank began developing an additional framework: a sustainable impact management system designed to support more systematic work with the SDGs and assessment of the impacts it creates.

Sustainability management system and the role of ESG

BRI's sustainability management system has evolved over several years. In 2021, the Bank established a dedicated ESG unit. In 2022, it approved a Sustainability Policy and Strategy with a 2022-2026 road map and established an ESG Committee.



BRI's Sustainability Strategy is organized around three areas: sustainable portfolio management, stakeholder empowerment, and responsible business and operations. Through these areas, the Bank integrates environmental, social and governance factors into financing, client and community engagement, risk management and its own operations. The Strategy establishes the main areas of work, while the Sustainable Finance Action Plan (Rencana Aksi Keuangan Berkelanjutan, RAKB) translates them into specific initiatives and targets. [\(2\)](#)

The Bank determines its sustainability priorities using the double materiality principle, considering both BRI's impacts on society and the environment and the financial effects of sustainability-related matters on the Bank.

Responsibility for implementing the sustainability agenda is distributed across several governance levels. The ESG Committee coordinates ESG policies, programmes and initiatives and reviews implementation results. The ESG unit monitors economic, environmental and social performance and impacts and coordinates with risk management and relevant business functions. Material and strategic matters are escalated to the Board of Directors and, where necessary, the Board of Commissioners. Implementation results are consolidated in the sustainability report. [\(2\)](#)

Integrating ESG factors into products and decisions

BRI's loan portfolio and lending mechanisms clearly illustrate the role of ESG in its sustainability management system. Environmental and social criteria are embedded in financing decisions. Sectors with elevated environmental and social risks are subject to specific borrower and project assessment

requirements; ESG analysis forms part of financing reviews; and climate risks are incorporated into the risk management system. At the same time, the Bank develops sustainable finance products, including green and social bonds, loans for environmentally sustainable activities, and sustainability-linked loans whose terms depend on a borrower's achievement of sustainability performance targets. [\(2\)](#)

In 2025, BRI's sustainable finance portfolio reached IDR 811.9 trillion, exceeding its target of IDR 800 trillion. Of this amount, IDR 93.2 trillion represented green financing linked to natural resource and land-use management, energy efficiency, renewable energy, clean transportation, green buildings, pollution prevention and other environmental activities. A further IDR 5.26 trillion was invested in green, social and other sustainability bonds. ESG therefore operates as a mainstream bank management mechanism: sustainability criteria are embedded in products, credit decisions, risk management, performance targets and evaluation of results. [\(2\)](#)

Developing the sustainable impact management system: from ESG to more systematic work with the SDGs

BRI's next step is to strengthen its contribution to the SDGs. The Bank noted that the absence of a structured approach to SDG implementation made it difficult to align business activities with global goals. In 2025, BRI adopted ISO/UNDP PAS 53002:2024 as the methodological basis for its SDG adaptation and social impact assessment initiative. The initiative was incorporated into the community empowerment workstream and resulted in the establishment of a sustainable impact management system. [\(2\)](#) [\(6\)](#)

One of the first practical applications of the new approach was more specific measurement of the relationship between the business and the SDGs. In 2025, the Bank disclosed revenue associated with SDG-aligned activities. It amounted to 65.6% of total revenue, or IDR 106.33 trillion. The largest share was linked to SDG 8, Decent Work and Economic Growth, through financing for business development, employment and productivity. BRI also reported revenue links to SDG 2, Zero Hunger; SDG 7, Affordable and Clean Energy; and SDG 11, Sustainable Cities and Communities. [\(2\)](#)

Impact assessment in microfinance provides another example. When issuing social bonds, BRI links the use of proceeds to the SDGs and measures results beyond the volume of loans disbursed. In 2025, the assessment of Kredit Usaha Rakyat (KUR), a subsidized financing programme for micro, small and medium-sized enterprises, covered 54,646 people. Of these, 44,694 gained access to bank financing for the first time, while 23,422 clients increased their business assets after receiving a loan. Under Kupedes, BRI's own lending product for microentrepreneurs' working capital and investment needs, the Bank estimated that approximately 59,000 jobs were created. These indicators trace a results chain from financing to access to financial services, business development and employment, linking a banking product to social impact. [\(2\)](#) [\(7\)](#)

This represents an important transition for BRI. The SDGs are being used to align the Bank's activities more specifically with global goals and to assess changes experienced by clients and communities. The sustainable impact management system is intended to provide a common methodological foundation for developing this practice and subsequently producing measurable and transparent social impact reporting. [\(2\)](#) [\(6\)](#)

BRI's social dimension is particularly visible in its community empowerment programmes.

One of the largest is Desa BRILiaN, a village development programme built around four areas: strengthening local enterprises, digitalization, sustainability and innovation. It combines local economic development with financial literacy, access to financial services, training and support for entrepreneurs. By the end of 2025, the programme had reached more than 5,245 villages across Indonesia. [\(2\)](#) [\(4\)](#)

BRI also operates Klasterku Hidupku, an entrepreneurial cluster development programme. The Bank brings together entrepreneurs from the same area or sector and supports them through training, mentoring, business infrastructure and access to wider markets. This model enables BRI to work with a local entrepreneurial ecosystem rather than a single borrower, strengthening business resilience, creating economic opportunities and expanding financial inclusion. [\(2\)](#)

BRIInita is another example. This urban farming programme combines social, economic and environmental benefits. BRI helps local groups, including women's groups, establish urban farms on small plots, provides infrastructure and equipment, and organizes training. By 2025, the programme operated at 31 locations and had reached 1,160 people. The Bank monitors more than activities delivered: results include the volume of produce grown, income earned by participants, production of organic fertilizer and environmental benefits. In one supported women's community, monthly income from growing crops and raising fish and poultry reached IDR 2-10 million. [\(2\)](#) [\(5\)](#)

How sustainability management connects with the new impact framework

BRI's sustainability management system establishes the overall architecture: strategy, material topics, governance bodies, policies, planning and reporting.

ESG factors are embedded in this system as a practical mechanism for incorporating environmental, social and governance considerations into financing, risk management, products and operations. These processes support specific banking and social initiatives, ranging from green lending to financial inclusion and community development. The sustainable impact management system adds a dedicated methodological framework that links activities to the SDGs and assesses the resulting changes.

[\(2\)](#)

BRI's sustainable impact management system is still being developed. The methodological foundation established in 2025 is already reflected in more specific alignment of revenue, products and social programmes with the SDGs and in the measurement of selected impact results. At present, these practices primarily indicate the direction of the new framework and do not yet provide a complete picture of the full management cycle envisaged by ISO/UNDP PAS 53002:2024. The BRI case therefore illustrates a system in formation: a transition from a mature sustainability management system with embedded ESG mechanisms towards more integrated management of contributions and impacts in the context of the SDGs. [\(2\)](#) [\(6\)](#)

Lessons from the BRI case study

The BRI case shows how an organization with an established sustainability management system can develop a separate management framework for SDGs and impact. ESG factors are already integrated into BRI's strategy, risks, products, financing and metrics.

The next step is to establish a methodology that consistently links these activities to the SDGs, assesses the resulting changes and uses the findings in subsequent management cycles. In 2025, BRI laid the foundation for this approach using ISO/UNDP PAS 53002:2024. The practices presented are early components of an emerging system rather than a completed sustainable impact management model. [\(2\)](#) [\(6\)](#)

TWO CASES, TWO APPROACHES

The ERG and BRI cases demonstrate that the effectiveness of a system for managing contributions to the SDGs depends primarily on how consistently a company connects its individual components, including priorities, targets, indicators, programmes, management decisions, accountability, monitoring and evaluation, into a single management cycle. Such a system does not need to follow a universal format. Its architecture should reflect the nature of the business, the characteristics of its impacts, existing management mechanisms and the organization's sustainability objectives. Combining a systematic approach with adaptation to the business context transforms the SDGs from a general frame of reference into a practical tool for managing a company's contribution to sustainable development.



For Reference:

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Sustainability Solutions has been operating in the management consulting market for over 14 years. Since 2023, the company has been implementing projects on the adoption of ESG tools and practices in Central Asia. Its team members hold international certifications in corporate governance, ESG risk analysis, climate responsibility, and non-financial disclosure standards (GRI, SASB, TCFD, IFRS S1, S2). The company's industry experience spans financial services, banking, industrial sectors, agriculture, construction, and others.

Sustainability Solutions is a partner of BCSD Kazakhstan and the Sustainable Development Academy under the Union of Banks of Kyrgyzstan.

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