

Accelerating Corporate Leadership on the Global Goals



About this paper

Business continues to be seen as a potent lever in achieving the United Nations' Sustainable Development Goals (SDGs) – whether it's through investment, new business models or products and services that help to alleviate global challenge. The Global Goals, adopted by 190 countries in 2015, provide a global framework and call to action for business, government, and civil society to collaborate on resolving the world's biggest challenges.

Two years on, are corporates stepping up to the responsibility and how have expectations held out?

Over the last few years, Corporate Citizenship has been monitoring and sharing insights on the SDGs and their implications for business. We are a global business consultancy that has been working with companies on their sustainability strategies since the late 1990s. We have published a series of resources on the Global Goals for corporate responsibility and sustainability practitioners, which can be found on our [website](#). We have also been actively working with a number of clients to explore the relevance of the SDGs to their own businesses.

Since 2015, we have conducted an annual survey of practitioners specifically responsible for aspects of corporate responsibility and sustainability within a corporation. This survey has gauged how companies are responding to the SDGs – where they see opportunities for leadership, and potential barriers to implementation.

In 2016, we expanded our research to survey millennials – those born between 1980 and 2000 – to understand their expectations of business in

tackling big global challenges and contributing to sustainable development. Our report, [Advancing the Sustainable Development Goals: Business-Action and Millennials Views](#), found that there was a significant 'trust deficit', the gap between their hopes and the reality of what business is doing today.

Now in its third year, we are beginning to see clear trends in how perceptions and actions on the Global Goals are evolving. In 2017, we repeated the questions in our practitioner survey to canvass views on how companies are responding. We had over 160 responses from 42 countries, over half of whom were practitioners working in companies.

We recognise that our respondents were more likely to respond to the survey due to an awareness and interest in the SDGs. We also recognise that our relatively small sample size may not be representative of all businesses. For this reason, we undertook additional research in 2017 into a sample of the world's largest companies. This research covered three countries: the United Kingdom; the United States; and Singapore. We assessed companies listed in the FTSE 100, Fortune 50 as well as the 50 largest companies on the Singapore Exchange (SGX) by market capitalisation. To provide a common basis for comparison, we applied our TAME framework, first developed in 2015, to assess how these companies: Think, Act, Measure progress and Engage on the Global Goals. Our assessment framework is described further on page 7.

We hope that the findings can advance the debate about what role companies can play in achieving the SDGs, and inspire more businesses to take action.

Introduction



The initial interest among companies when the Global Goals were launched back in the summer of 2015 – indeed positive enthusiasm in some quarters – now appears to be flagging, our latest survey of corporate activity has found.

That's disappointing.

For some, with the baseline mapping of programmes to goals now done, the hard part of stepping up action is waiting – just a pause for breath, perhaps? For others, who have not yet begun the journey, perhaps the business case in market opportunities is not yet clear and compelling?

Whatever the reason – and it's not lack of awareness, our survey finds – both are misguided, given the urgency of the global call to action. This report sets out our findings and shows how to move ahead.

We did find some good news. Both SDG #5 – gender equality, and SDG #11 – sustainable cities and communities, have risen up corporate priorities to get into the top three. For women, if basic human rights and natural justice were

not enough, research by the Business and Sustainable Development Commission (in which we participated) has identified a \$28 trillion boost to GDP on offer from combatting discrimination and achieving the Goal. With more than half the world urbanised, and rising, that must make sense too.

When we first starting analysing the corporate response to the Global Goals, we said they offered the opportunity to move from a narrow and self-focused 'my world' view of corporate responsibility and sustainability towards an 'our world' mindset that can unlock commercial opportunities.

That remains true, only it's more urgent than ever.

The clock is ticking: at time of writing, it's just 600 weeks to go until the Goal Goals are meant to be achieved. National governments are proving slow. For companies, our TAME framework – Think, Act, Measure progress and Engage – provides a clear road map.

Now is the time to accelerate towards that 2030 destination.

Mike Tuffrey

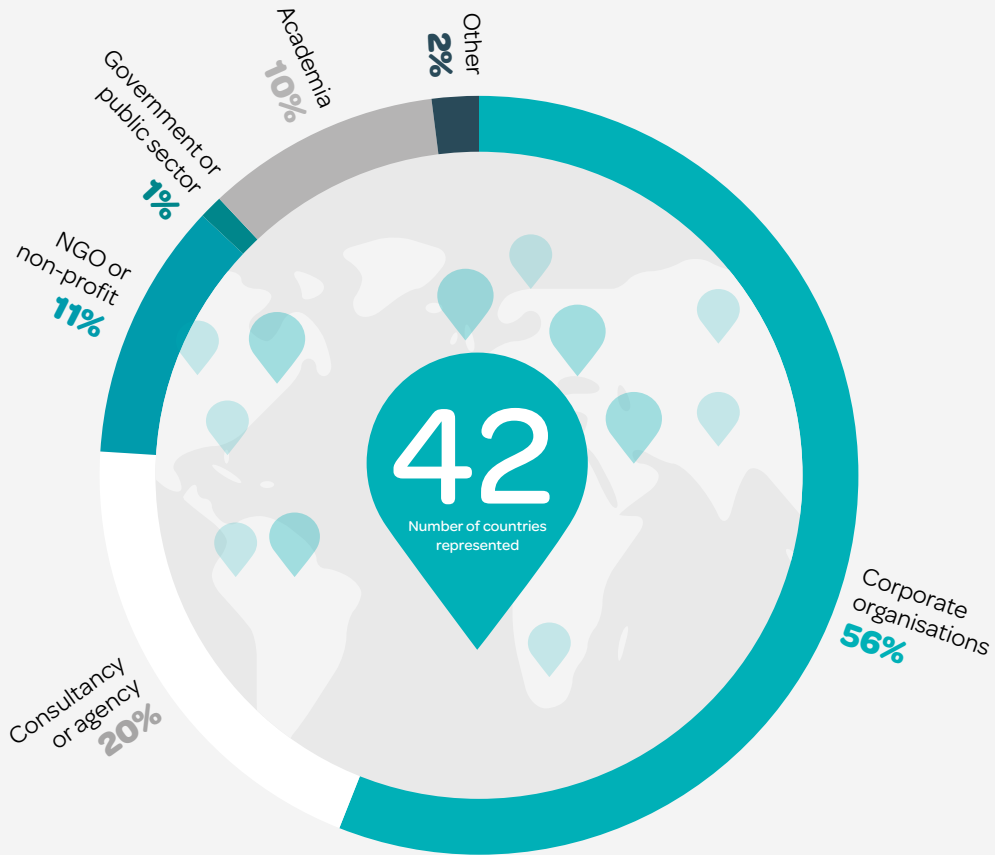
Co-founder, Corporate Citizenship

Contents

Introduction	3
Corporate Progress on the Global Goals	4
Largest Companies: Regional Analysis	7
A Call to Action	11

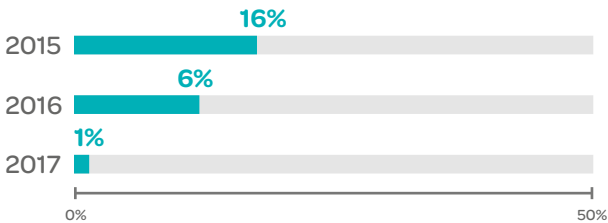
Corporate Progress on the Global Goals

Who are the respondents?

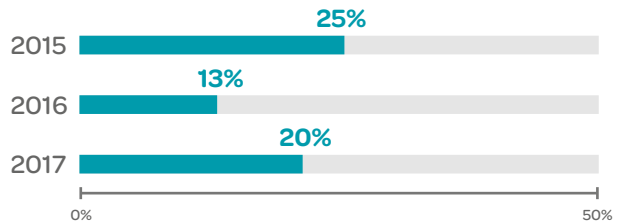


Is commitment to the SDGs dwindling?

Currently NOT aware of the SDGs



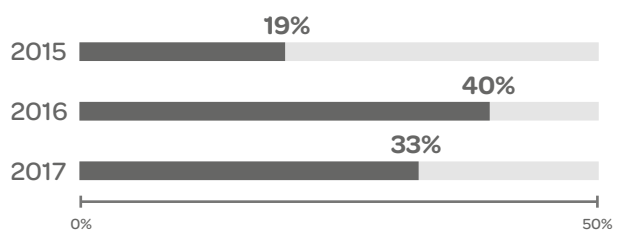
Aware of the SDGs, but with no plans to do anything about them



Aware of the SDGs and actively looking at the implications



Actively involved in a collaboration related to the SDGs



Our survey of practitioners reveals that whilst awareness of the SDGs is at an all-time high, action is lacking. Indeed, after an initial boost in activity in 2016, several indicators point to slowing corporate engagement in 2017.

Whilst 99% of respondents said that their company or organisation was aware of the SDGs, the number saying that they have 'no plans to do anything about them' has risen to one in five (20%) – up from 13% in 2016. This is just slightly below the 25% response we had in 2015, when the Goals were first launched.

Of those who have embraced the Global Goals, just under half (46%) are looking at the implications and ways to align sustainability efforts. This has risen slightly since 2015 – reflecting slow momentum.

We also asked about those who were involved in business-led or cross-sector collaborations specifically on the Global Goals. Whilst over a third said they were involved, this figure is also down somewhat from last year. This is concerning because Goal 17 on partnerships is particularly critical to accelerating progress and achieving the Goals.

Priorities are shifting in unexpected ways

We asked respondents which Goals their organisation was most likely to pursue in the years ahead. Two Goals have clearly risen in prominence: **Goal 5 – Gender Equality** and **Goal 11 – Sustainable Cities and Communities**. Both Goals were jointly considered to be the third most important priority for corporates to address. This may potentially be a result of heightened political and social attention on gender diversity and growing populist sentiments that have dominated government agendas and the media, particularly in Europe and the United States.

For the third year running, **Goal 8 – Decent Work and Economic Growth** featured in the top three priorities, and is the second most important priority Goal in 2017.

LEGEND:
Level of progress

- Red:** Stalling
- Amber:** Flat
- Green:** Positive

Organisations are adopting a range of approaches

Which of the following options do you think your organisation is likely to pursue in the next few years? Please select as many as apply:

Partner with others on a shared project to achieve more of the SDGs



Use the SDGs to review or set new targets for the organisation



Apply the SDGs to impact monitoring and measurement



Benchmark the SDGs against company policies and practices



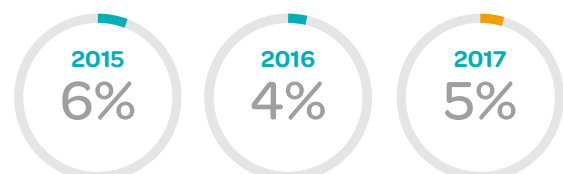
Use the SDGs to inform strategy development



Use the SDGs as part of reporting, such as an SDG index



No action



The most important priority Goal in 2017, however, is considered to be **Goal 4 – Quality Education**, rising from the 4th most popular SDG last year to the top spot.

Surprisingly, **Goal 13 – Climate Action** did not feature in the top three as it did in 2016, nor did **Goal 12 – Responsible Consumption and Production**.

The high score in 2016 may have reflected the high profile given to the Paris Agreement, a legally binding framework requiring signatories to undertake ambitious efforts to combat climate change and its effects.

From our work with clients on the Global Goals, we know that some businesses have started to narrow down their focus. Whilst in 2015 there was a tendency to embrace a wide range of areas, we have seen more companies strategically aligning against a priority subset. These are typically areas where business feels it can make a unique and impactful contribution, often quantified through targets and key performance indicators (KPIs). However, it raises a bigger question around some of the systematic, critical areas like climate change and poverty that fewer companies appear to be prioritising.

Most organisations are continuing to adopt a varied menu of approaches to integrating the SDGs. When asked to consider future ambitions and approaches to the Global Goals, two-thirds of respondents indicated that partnerships would be part of their approach. Given the current low rate of collaboration evidenced previously, this might be taken as reassuring for the next 12 years that the Goals have to run. It signals that much work needs to be done to move from rhetoric on partnerships to genuine collaborative effort.

One significant increase has been in the number of companies applying the SDGs to impact monitoring and measurement (56%). We know from global companies we have worked with that the Goals, targets and KPIs developed by the UN can be a useful framework for measuring social, environmental and economic impacts, including for corporate community investment.

One concern that we have repeatedly highlighted is the tendency for businesses to use the SDGs for communications and neglect the strategic implications. For example, whilst mapping current corporate responsibility (CR) activities against the SDGs and reporting linkages is of some value, failing to think beyond this stage is a missed opportunity. Reviewing a corporate strategy and exploring product and business model innovation can reveal a wider set of business implications – including risks and opportunities. The commercial advantages from the Global Goals are not simply reputational.

Reassuringly, around 57% of respondents to our survey recognise that the SDGs are a useful framework for business and say they will use it to inform their strategies. However, the slight drop in the percentage of respondents doing so (62% in 2016 and 57% in 2017) could potentially be a sign that some companies are finding it difficult to translate the Global Goals to strategic intent.

Largest Companies: Regional Analysis

We undertook a closer look at how some of the largest companies in the world are responding to the Global Goals. This focused on three markets – UK, US, Singapore. Each is significant to the global economy, hosting financial and trade hubs, and we drew on Corporate Citizenship's local offices to support the research.

FTSE100¹

- FTSE 100 companies represent about 81% of the entire market capitalisation of the London Stock Exchange, with a net market cap of £1.9 trillion
- The top 50 companies in the FTSE100 generated £2.5 trillion in revenue in 2017
- The largest 10 employers employ over 1.7 million people

Fortune50²

- Fortune50 companies generated revenues of \$5.7 trillion in 2017

- The largest 10 employers employ over 5.5 million people

Singapore Exchange Top 50³

- SG Top 50 companies have a total market capitalisation of S\$5.97 billion

Our findings are based on publicly available information from corporate websites or related microsites, sustainability reports, annual reports and press releases from July 2017 to October 2017.

In order to analyse the firms, we applied our four-part framework for how business can contribute to the Global Goals. This was first developed in our paper [From My World to Our World: What the Sustainable Development Goals Mean for Business](#), published in 2015.

Corporate Citizenship's TAME Framework

1. THINK

The company has assessed and understands where they currently are and how they can align to the most material SDGs.



Criteria: A mapping process has been done and the company has clearly identified specific Goals that align with the business strategy, contributions through products or services, CR or community investment programmes.

2. ACT

The company has developed specific strategies or programmes to address the 2030 'stretch' Goals



Criteria: The company has communicated actions taken internally or externally, including any aspect of their operation or supply chain or new or enhanced programmes designed to contribute to the SDGs.

3. MEASURE

The company is measuring its impacts and communicating progress.



Criteria: The company has set new targets or made commitments to support the SDGs. The company may also have updated or aligned existing targets in line with the Global Goals.

4. ENGAGE

The company has engaged in effective partnerships and with wider stakeholders.



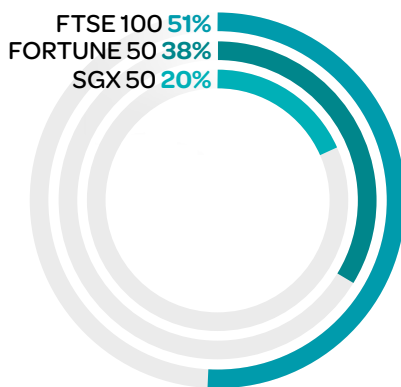
Criteria: The company has described how it has engaged internal stakeholders across the business or in its supply chain. The company may have also engaged in external initiatives and partnerships.

Corporate support for the Global Goals varies significantly around the world

Despite global support for the SDGs from 190 governments, corporate action varies significantly across the regions we looked at. Nonetheless, private sector leadership on the Global Goals is evident despite the fact that governments in each country we assessed have yet to publish specific policy guidance.

Our analysis found that half of the largest companies in the UK have welcomed the SDGs in some form through their corporate communications, signalling recognition that business has a critical role to play in achieving the Goals.

COMPANIES RESPONDING TO THE GLOBAL GOALS



In the US, however, enthusiasm for the Global Goals is somewhat lower with just 38% of the largest companies publicly acknowledging the Goals. A precarious political climate with political signals that threaten to undermine progress in key areas (e.g. climate action, poverty alleviation, gender equality), may account for the tentative response to the Global Goals.

In Singapore this figure is even less with just one in five companies declaring support for the SDGs.

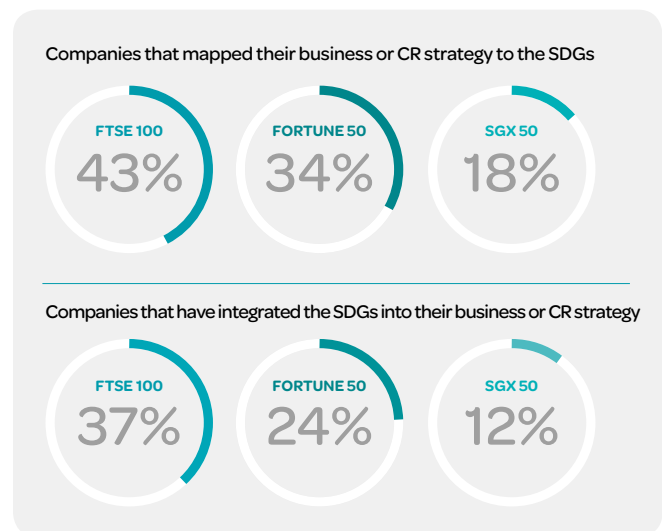
Think – defining material Goals and priorities

Across all three countries, almost all of the companies who have shown support have taken steps to assess the implications of the Goals for their business.

43% of the FTSE 100 in the **UK**, 34% of the Fortune 50 in the **US** and 18% of companies listed on the **Singapore** Exchange appear to have conducted

some type of mapping exercise and published details of it. This typically explores the links and priorities between their current activities and a selection of the SDGs.

Beyond mapping exercises, the strategic implications of the SDGs are also being explored. Nearly two-fifths of the **UK's** largest listed companies appear to have taken steps to try to integrate the SDGs into their CR or business strategies. This is a significant transformation after just two years of the Goals. The figure is lower in the **US** (24%) and **Singapore** (12%).

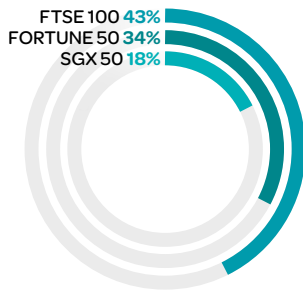


Act – the challenge of change

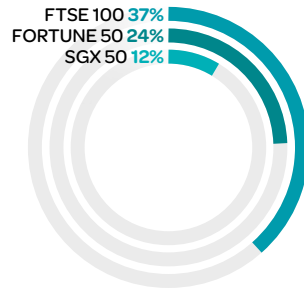
Our practitioner survey over the last three years has found that whilst awareness among companies is growing, the pace of action on the Global Goals has been slow.

This is reinforced in our regional analysis. Across the UK, US and Singapore, only 30% of the companies that welcomed the Global Goals are taking some sort of action. For companies that are reporting on their activities in support of the SDGs, we further analysed whether their actions were focused internally within the business (in areas such as procurement and sourcing; logistics and distribution; retail; supply chain; employee engagement) or externally focused (like social investment programmes; shared value initiatives; products and services, or new business models that directly tackle global challenges or advocacy, and initiatives to drive systems change).

MAPPING



STRATEGY



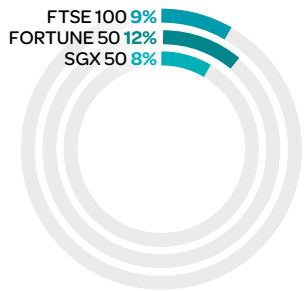
Measure – translating their ambition into quantifiable targets

Our practitioner survey found that 55% use the SDGs to review or set new targets for the organisation and the same percentage are applying the SDGs to impact monitoring and measurement – a higher figure than what companies are reporting across our regional focus areas.

INTERNALLY-FOCUSED ACTION



EXTERNALLY-FOCUSED ACTION



In the UK, just 18% of FTSE 100 companies have set new targets or commitments to support the SDGs and figures are even lower for the US (12%) and Singapore (12%). A similar trend was found when we looked at companies' communication on the impact of their programmes and activities that are aligned to the Global Goals.

Sketching out the Goals against a business is relatively easy. Considering the strategic implications, setting targets, spotting the opportunities and changing investment priorities is harder. We have referred to this phenomenon in previous research⁴ as the 'challenge of change'. This is because action requires discipline and focus. It requires asking some difficult questions and making some tough choices – to embrace certain Goals, and not others. Above all, it requires getting a level of business buy-in to take externally-agreed Goals and commit to taking action. In our experience, this is the area where the biggest opportunities lie, not only to think differently but also identify opportunities to innovate, collaborate differently and create market-differentiating responses.

We often hear from our clients that setting targets and performance indicators for SDGs has been particularly challenging. This is because many of the 169 performance metrics underlying the Global Goals do not work for the business context. They are tricky to apply because they were written for government and policy makers.

By way of illustration, the Business and Sustainable Development Commission found that achieving the Global Goals opens up US\$12 trillion of market opportunities in four economic systems. Achieving the single goal of gender equity could contribute up to US\$28 trillion to global GDP by 2025, according to one estimate. And achieving the Global Goals will create 380 million new jobs by 2030.⁵

TARGET SETTING



IMPACT COMMUNICATION



Recognising the need for more practical business-focused guidance, various initiatives and tools are emerging to help companies assess their impact on the SDGs. The UN provides specific guidance to companies on measurement through its [SDG Compass](#) document. The document contains an inventory of business indicators mapped against the 17 SDGs and draws from widely-recognised standards such as GRI and CDP, and other relevant sources. It also provides an inventory of 58 tools developed by 75 organisations covering the range of issues in the SDGs.

New initiatives are also emerging to shine a spotlight on corporate action and progress on the Global Goals, such as the newly launched [World Benchmarking Alliance](#). Such initiatives are designed to drive measurable and comparable progress to 2030.

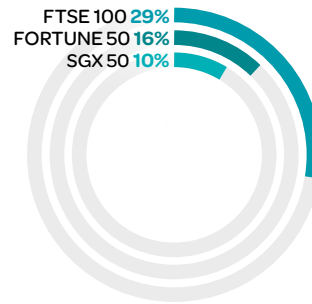
Engage – business as usual

The core principal of inclusive models, partnerships and collective action is critical to the success of the Global Goals. For companies, this calls for a wider scope of engagement on the Goals outside of the typical CR/sustainability groups. It calls for engagement with other parts of the business as well as external engagement that goes beyond transactional relationships.

We looked at how companies were engaging with the SDGs – both internally and externally – and if this engagement focused on existing programmes or inspired new initiatives.

Companies in the **UK** continue to lead with nearly one in three reporting on how they engage with the Global Goals internally through activities such as employee volunteering or Research & Development on products/services that contribute to the Goals. Similarly, 28% engage externally on the SDGs through business alliances and partnerships.

INTERNAL ENGAGEMENT THROUGH EXISTING PROGRAMME



INTERNAL ENGAGEMENT THROUGH NEW PROGRAMME



EXTERNAL ENGAGEMENT THROUGH EXISTING PROGRAMME



EXTERNAL ENGAGEMENT THROUGH NEW PROGRAMME



Our findings suggest that companies are not yet embracing the novel approaches to engagement that many had hoped for. As the clock ticks towards 2030, corporate action seems to be largely focused on business as usual. We are yet to see significant movement embracing the idea of courageous partnerships that spur fresh ideas and innovation to tackling the biggest global issues.

A Call to Action

Two years into the Global Goals, the groundwork has been laid by many companies. Awareness is high. Mapping exercises are common. Reporting against the SDGs is typical.

Yet the opportunity to harness the strategic implications has yet to be fully realised. In essence, what the Global Goals represent is a globally-agreed framework for what it will take to make life on this planet sustainable. For businesses interested in understanding this future landscape – and playing their part – this should be an unmissable opportunity. Of course, not all Goals are relevant for every company – but each business should be able to hone in on a few areas to make a real contribution.

After an initial bounce of interest from companies, it is particularly concerning to see progress slowing in some areas. Why has momentum decreased? Part of the answer must be that the novel always appeals (to business leaders, audiences, colleagues) more than the old. But we also suspect that the true reason is that applying the Goals is much harder than talking about them. Teasing out the strategic risks and opportunities, and doing something about them, is hugely challenging. Many companies

appear unclear about how to act, and unsure what frameworks for specific areas like measurement are most appropriate.

Our TAME framework provides a simple guide for corporates who want to turn their stated support for the Goals into tangible, meaningful action. We believe that in order to accelerate corporate action on the Global Goals, each stage of the TAME process must be rooted in a clear business case that recognises the material risks and opportunities for a company's short and long-term value.

Applying the framework requires considering a series of different aspects of business. The SDGs could inform: assessing material issues; updating risk registers; supply chain strategies; product and service innovation; partner selection; community investment strategies; employee volunteering; impact monitoring; target setting; even executive remuneration; and many other areas.

By better understanding the 'how' of the SDGs, more companies can shift from noise to action. We hope that these findings can inspire and guide more businesses over the coming decade.

References

¹ Cornhill Capital. FTSE100. 2017 <https://cornhillcapital.com/products/equities/>

² Fortune. Global 500. 2017 <http://fortune.com/global500/list/>

Fortune companies are ranked by total revenues for their respective fiscal years ended on or before March 31, 2017.

³ Business Times. Top 100 Singaporean Companies. 2017 http://www.businesstimes.com.sg/sites/default/files/attachment/2016/12/31/BT_20161231_MKTCAP31_2670351.pdf

⁴ Corporate Citizenship. 2017. The SDGs: The curse of materiality and the challenge of change.

⁵ Business and Sustainable Development Commission. 2017. Better Business, Better World.

About the author



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Nana leads Corporate Citizenship's work on sustainability reporting and Sustainable Development Goals, as well as working across the full range of Corporate Citizenship's services. She has worked with clients in a variety of sectors including telecommunications, energy, finance, utilities, and FMCG. Nana holds BA degrees in International Business and Marketing from the University of North Florida, and an MA in Globalisation and Development from the University of Warwick.