SDG Insights Report

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How Businesses Are Engaging, Performing & Improving on the Sustainable Development Goals: Key Insights from the SDG Action Manager

Developed By:

Michele Bradley, Senior Data Analyst, B Lab Global

Charlie Fraioli, Senior Standards Analyst, B Lab Global

Dan Osusky, Head of Standards and Insights, B Lab Global

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Note that the opinions expressed in this report are the opinion of B Lab only.

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1 Introduction

The 17 Sustainable Development Goals (SDGs), the key component of the 2030 Agenda for Sustainable Development and adopted by all United Nations Member States in 2015, not only identify where we have to be by 2030 to create the sustainable world we seek, but are also a unique opportunity for all sectors of the economy to rally around a common global agenda to end poverty, protect the planet, and ensure a shared and durable prosperity for all. As part of this collective call to action, businesses have a new "north star" regarding their sustainability performance for a world in constant change, and they recognize the significant business opportunity that the SDGs offer, as well as the risk of not addressing the core social and environmental issues of our time.

Surprisingly, there has not already been a lot said about business engagement on the SDGs. For example:

- A majority of companies, from a selection of UN Global Compact Signatories surveyed in 2020 — 84 percent — report taking specific action to advance the SDGs. Most companies report taking action towards **Goal 8:** Decent Work and Economic Growth, **Goal 3:** Good Health and Well-being, **Goal 12:** Responsible Consumption and Production and **Goal 13:** Climate Action.[1]

- In 2019, a PwC analysis of over 1,000 company reports indicated that 72% of companies mentioned the SDGs in their reporting, 25% of companies included the SDGs in their published business strategy, 21% of CEO or Chair statements include reference to the SDGs, and 14% of companies mentioned specific SDG targets.[2]

- Back in 2018, a survey indicated that only 6% of World Business Council for Sustainable Development surveyed companies had set new SDG related targets.[3]

[1] UN Global Compact 20th-Anniversary Progress Report: Uniting Business in the Decade of Action.
[2] PwC SDG Challenge 2019.
[3] Business and the SDGs: A survey of WBCSD members and Global Network partners.

At the same time, the context around the SDGs has shifted considerably. According to the GlobeScan Sustainability Leaders Survey, experts' perceptions of the private sector's contribution to sustainable development have declined in recent years.[4]
And the COVID-19 pandemic has had severe negative impacts on most SDGs and shifted the priorities of businesses.[5]

How can one make sense of all this information? In short, action on the Sustainable Development Goals by business is at risk of stagnation, and if one looks deeper at even the periods of progress, there has always been a lot of limitations, and a lot more to do. At the same time the challenges the world is facing are compounding, meaning business performance towards achieving the SDGs is falling further and further behind. With less than a decade to achieve them, it's necessary to course correct, and business must play an essential role in accelerating progress.

This report has two objectives. First, it is designed to complement the many other reports and analyses on business action on the SDGs, several of which are already referenced above. Each of these reports and surveys have used representative samples of different types of companies or publicly available information, largely focused on large and publicly-traded companies, with less available information from a broader range of company sizes and types. This analysis complements and expands on these previous analyses by leveraging data from more than 1,700 companies that have used the SDG Action Manager, B Lab's impact management solution for business action on the SDGs. These companies cut across a broader cross-section of businesses including those both privately held and publicly traded, and from all sizes, sectors, and regions around the world. More information about the SDG Action Manager and the data used in this report can be found on pages seven through nine.

[4] Globescan Sustainability Leaders Survey.
[5] Sustainable Development Report 2020: The Sustainable Development Goals and COVID-19.

Furthermore, while still based on self-reported data, this analysis provides a unique look at engagement and performance in a practical way, since companies have utilized the SDG Action Manager for their own internal management, not specifically to respond to a public survey. Data sets feature specific practices that contribute to the SDGs, allowing the analysis to go beyond 'the talk' and explore 'the walk.' While respecting the confidentiality of the users of the tool (no individual company indicators are shared in this report), the result of our analysis is a more candid and practical inside look at the specific focus areas and actions that companies indicate they are engaging in through the SDG Action Manager. Where relevant and appropriate, we will share insights from the SDG Action Manager alongside external data sources like the reports above to highlight where there are both convergences and divergences.

Second, this report is not designed to provide a purely neutral, unbiased presentation of data. This report builds on other studies to argue that the world needs more action from businesses on the SDGs. Based on B Lab's experience developing the SDG Action Manager, as well as our 15 years focused on systems change in order to produce a more equitable, inclusive, and regenerative economy, we offer specific perspectives about what, where, and how that action needs to happen — using the data we have so far to help tell that story. While this analysis will certainly help inform B Lab's own future work, the intent of this report is for its data and perspectives to be used by others — businesses, policymakers, and other stakeholders — to inform their own actions, and to share broadly in order to invite dialogue and inspire action on these important issues.

Thanks for reading, and if you have any feedback or questions please reach out to insights@bcorporation.net.

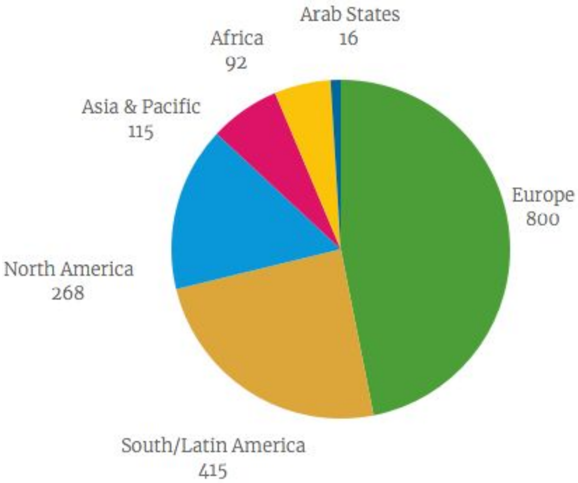
About the Data Used For This Analysis

The insights in this report have been developed based on external research (referenced when used) and usage data of the SDG Action Manager from its launch in January 2020 through May 2021. More than 15,000 companies have engaged with the SDG Action Manager in some way, but for the purposes of this analysis, data is based on over 1,700 companies from all over the world, in a wide range of industries and company sizes. They include, but are not limited to, Certified B Corporations (B Corps) and UN Global Compact signatories. For each data point, you can access footnotes to better understand the exact data parameters used to inform the analysis.

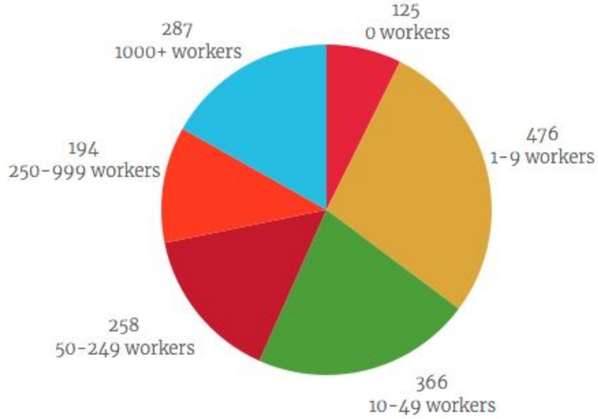
While many companies may engage with the SDG Action Manager in a limited fashion, the data in this report is limited to those companies who have not only completed the introductory Baseline module of the tool but also at least one SDG specific module, as it is a good signifier of an engaged company and it is possible to be more confident in the data obtained from this group. Below are pie charts demonstrating the sample size in this group of companies. While there is broad regional, size, and sectoral representation, it is most common for companies engaged in the SDG Action Manager to be located in Europe, have between one and nine employees, and be in the Service industry.

All analysis has been done in accordance with the SDG Action Manager's terms and conditions to preserve the confidentiality of individual company data. All performance data is self-reported by companies and has not been verified. While this data provides a unique and significant data set by which to analyze broader trends in SDG engagement by business, comparable to other previous reports referenced throughout, B Lab also recognized some potential limitations in the data. This includes potential selection bias in the user base compared to all businesses globally, inaccurate answers provided by companies, as well as the potential influence of specific design features of the SDG Action Manager itself on engagement and reported performance. Nonetheless, there are many powerful insights that can be derived from the data.

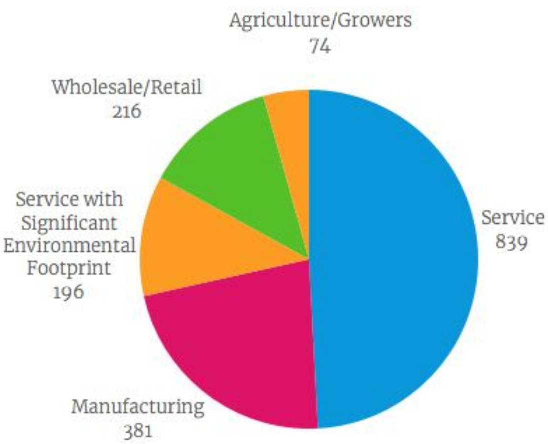
Company Region



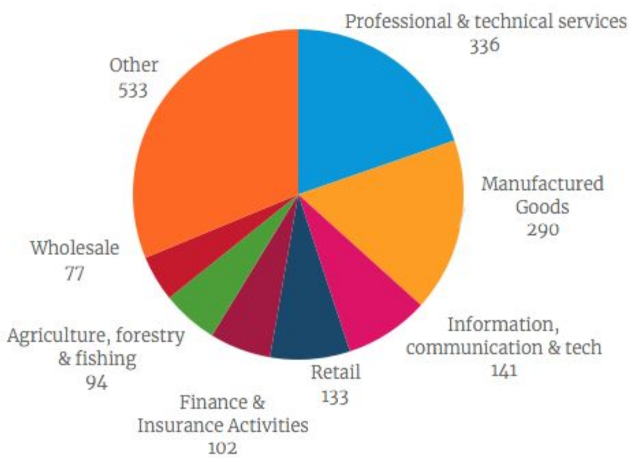
Company Size



Company Sector



Company Industry



About the SDG Action Manager

Developed by B Lab and the UN Global Compact, the SDG Action Manager is a web-based impact management solution to enable businesses to take action on the Sustainable Development Goals through 2030.

The SDG Action Manager brings together elements of B Lab's B Impact Assessment and the Ten Principles of the UN Global Compact, as well as their joint content expertise, to enable meaningful business action through dynamic self-assessment, benchmarking, and improvement. It is informed by existing SDG business initiatives and the work and feedback of a range of stakeholders, including experts in corporate sustainability, civil society, the United Nations, and academia; and it is inspired by the B Corp community and participating companies of the UN Global Compact.

The SDG Action Manager is organized into 17 modules, representing a required 'Baseline' focused on the UN Global Compact 10 Principles and the SDGs broadly, and sixteen modules focused on the individual SDGs (with **Goal 17:** Partnership for the Goals cross-cutting throughout each module). Each module includes indicators related to business best practices to contribute to the SDGs, featuring questions about the company's business model, internal operations, supply chain, collective action, and negative impact risk. For each indicator, companies are able to set "improvement goals" to identify and track their improvements over time.

To learn more about the structure and methodology of the SDG Action Manager, see here.

SDG Engagement

- Companies are most likely to prioritize engagement with **Goal 1:** No Poverty, **Goal 8:** Decent Work and Economic Growth, and **Goal 12:** Responsible Consumption and Production. The least engaged SDGs are **Goal 4:** Quality Education, **Goal 14:** Life Below Water, and **Goal 15:** Life on Land.

- Different prioritization trends exist across different regions. **Goal 1:** No Poverty has a greater priority from companies operating in the Global South, especially Latin America and Africa, while **Goal 8:** Decent Work and Economic Growth and **Goal 12:** Responsible Production and Consumption is more commonly prioritized in the Global North.

- Companies focused on an average of seven SDGs, and while generally speaking fewer companies focused on more SDGs, there was an increase in companies who determined that they would take a completely comprehensive approach and prioritize nearly all SDGs.

SDG Performance

- All companies have an impact on the SDGs, good or bad, whether intentional or not. Companies are performing best on **Goal 4:** Quality Education, **Goal 1:** No Poverty, **Goal 8:** Decent Work and Economic Growth, and **Goal 12:** Responsible Production and Consumption. SDGs with the worst performance are **Goal 14:** Life Below Water, **Goal 6:** Clean Water and Sanitation, and **Goal 7:** Affordable and Clean Energy. Similar to prioritization results, regional variances in performance exist as well.

- Companies tend to perform best within their internal operations compared to supply chain, collective action, and business models, where performance is more challenging, but also likely more impactful.

- While the majority of companies indicate that they have minimal risk towards negatively contributing to the SDGs, companies in the Arab States, Africa, and Asia / Pacific have higher levels of risk of negative impact compared to companies in Europe and the Americas, while agriculture and manufacturing companies have the highest risks from a sectoral perspective. Across SDGs, **Goal 5:** Gender Equality, **Goal 8:** Decent Work and Economic Growth, **Goal 13:** Climate Action, and **Goal 15:** Life on Land, had the highest risk of negative business impacts on them.

SDG Goal Setting and Improvement

- Priority SDGs do not necessarily have high rates of improvement goals being set, with **Goal 1:** No Poverty and **Goal 3:** Good Health and Well-Being being among the most prioritized SDGs, but with less improvement goals than the average across SDGs.
- Of all improvement goals set, the highest frequency of improvements have been related to **Goal 16:** Peace, Justice, and Strong Institutions.
- A company that engages more deeply on measuring their performance on an SDG is more likely to set improvement goals, lending some evidence to the mantra of "you manage what you measure." Furthermore, there is also a correlation between performing well on an SDG and setting improvement goals, indicating that those perhaps with the greatest need and opportunity for improvement (low performers), are less likely to focus on improvement compared to those who are already performing well.
- Like performance, improvement goals are more commonly set within a company's internal operations, rather than business model, supply chain, or collective action.

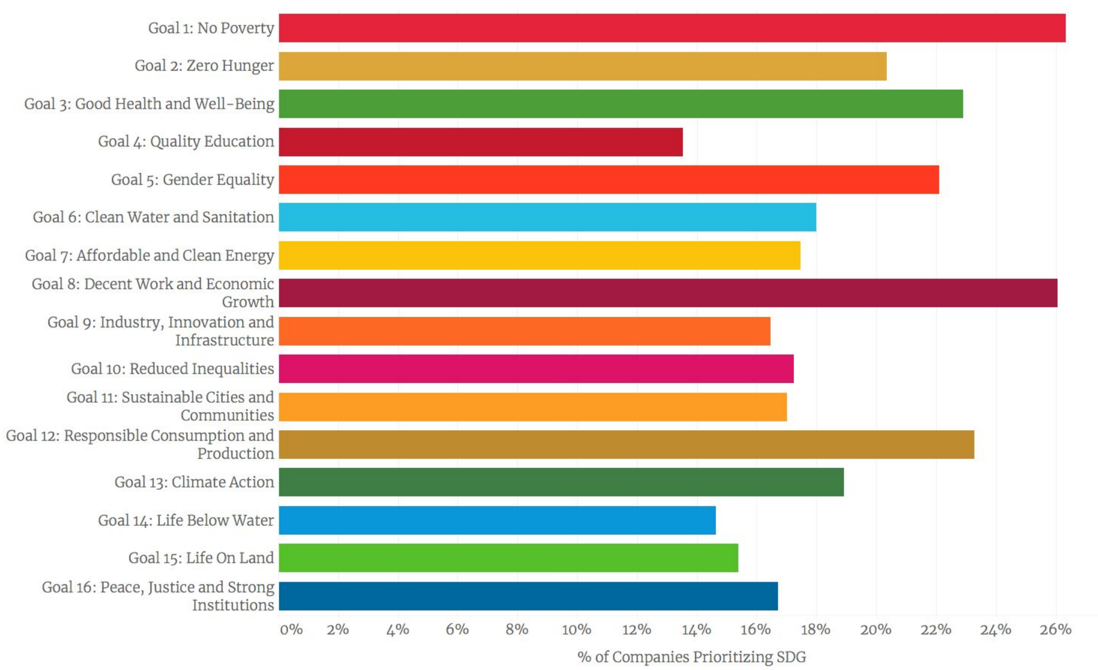
Conclusions

- On the whole, the analysis broadly correlates to previous reports about company engagement with the SDGs, which indicates that despite a lot of talk around engagement, the action and performance is not strategic or bold enough to achieve the SDGs. Individual company efforts need to go beyond marketing and reporting related to the SDGs, to actual change. That change needs to occur not just in the easiest and simplest of places, likely within their own internal operations, but in the most strategic and impactful of places, including their value chains and their business models. They need to lend their voice, authority, and resources on meaningful collaboration and collective action to have impacts beyond their own company.
- In order to shift this, it is necessary to take a systemic approach to change both within organizations and within the broader economic system, towards stakeholder governance rather than shareholder primacy that enables the bolder necessary action to achieve the SDGs.

In addition to the many reports about whether companies are interested in supporting the Sustainable Development Goals in general, there is also much interest around how companies end up engaging with them, including what specific SDGs companies tend to prioritize. Do companies take a holistic approach, tackling all 17 of the SDGs together and equally, or do they prioritize specific SDGs? If they prioritize specific SDGs, how many do they tend to prioritize, and on what basis?

Based on the data set provided by users of the SDG Action Manager, after completing the **Baseline** module companies are most likely to prioritize **Goal 1:** No Poverty, **Goal 8:** Decent Work and Economic Growth, and **Goal 12:** Responsible Consumption and Production, while the least engaged SDGs are **Goal 4:** Quality Education, **Goal 14:** Life Below Water, and **Goal 15:** Life on Land. The full list of prioritized SDGs is below.

Prioritized SDGs [6]



[6] Only includes data from companies that have completed the Baseline module in the SDG Action Manager.

There is both alignment and divergence between this data set and other reports regarding what SDGs companies are prioritizing. According to both the UN Global Compact and the World Business Council for Sustainable Development (WBCSD), the SDGs that are most highly prioritized by businesses are **Goal 8:** Decent Work and Economic Growth, **Goal 12:** Responsible Consumption and Production, and **Goal 13:** Climate Action (with UN Global Compact Results also indicating **Goal 3:** Good Health and Well-being as a common priority).[7] Among those least prioritized, according to the WBCSD, are **Goal 15:** Life on Land, **Goal 1:** No Poverty, **Goal 10:** Reduced Inequalities, **Goal 16:** Peace, Justice and Strong Institutions, and **Goal 14:** Life Below Water.[8]

Across the broader subset of companies used in this analysis compared to other analyses, Goal 8: Decent Work and Economic Growth and **Goal 12:** Responsible Consumption and Production remain prioritized, while **Goal 13:** Climate Action appears less of a broader priority, perhaps because smaller businesses tend to find their climate impacts immaterial. **Goal 14:** Life Below Water, **Goal 15:** Life on Land, and **Goal 16:** Peace, Justice and Strong Institutions remain similarly deprioritized, while interestingly **Goal 1:** No Poverty appears as top priority compared to other reports. While there may be many explanations for such a stark discrepancy, one possibility is that a broader subsection of businesses (including more small to mid-sized enterprises in this analysis compared to others), as well as those not responding to a specific public survey, are less strategic in their planning of SDG impact management, as evidenced by potentially taking a "numeric order" approach to SDG prioritization and beginning with the first one.

[7] UN Global Compact 20th-Anniversary Progress Report: Uniting Business in the Decade of Action
[8] Business and the SDGs: A survey of WBCSD members and Global Network partners.

At the same time, the SDG Action Manager provides recommendations of material SDGs to prioritize based on a company's industry, guided by research conducted by the World Benchmarking Alliance linking SDGs to industries. Companies, generally speaking, have based their prioritization on recommended relevant SDGs. This indicates that — based on the overall prioritization of companies in the dataset, as well as the discrepancies between the "most urgent" SDGs — there is a need not only for more relevant prioritization among individual companies, but also the need to ensure engagement from companies in industries that are most relevant to the most urgent SDGs, where engagement might be lacking (and there might be less incentivization to positively engage). Companies need to be engaging in the right SDGs, but more broadly, the right companies need to be engaging as well.

Call Out: Regional Priorities and Variation

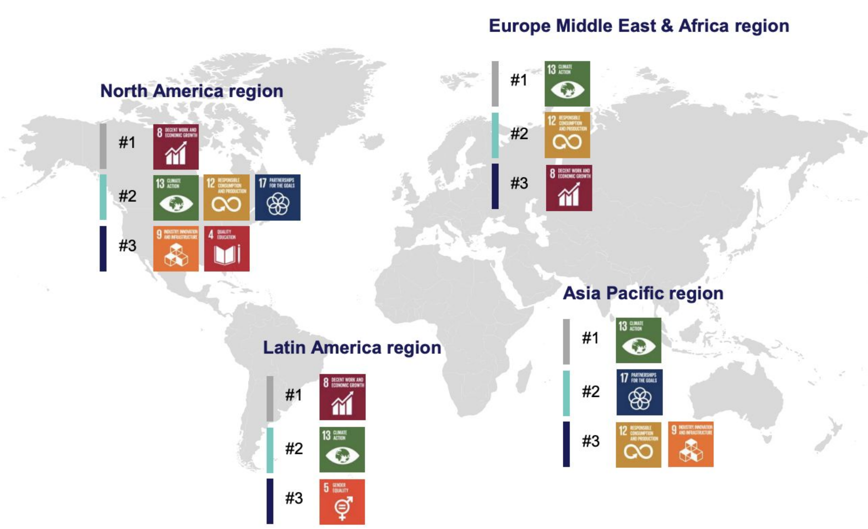
Different priorities exist across different regions globally. For example, companies operating in the Global South, especially Latin America and Africa, prioritize ***Goal 1:*** *No Poverty, while* ***Goal 8:*** *Decent Work and Economic Growth and* ***Goal 12:*** *Responsible Production and Consumption appear more common in the Global North. Regional differences can be compared to WBCSD reported regional priorities:*

Regional variations in SDG prioritization [9]

Over 3 in 5 organizations in North and Latin America (63% and 61% respectively) identified SDG 8 (Decent Work and Economic Growth) as a top priority. In contrast, less than half of companies from Europe, Middle East & Africa (EMEA) and Asia Pacific (ASPAC) identified SDG 8 as a priority. SDG 13 (Climate Action) is the most-prioritized SDG across EMEA and ASPAC businesses.

SDG 17, (Partnership for the Goals) is also strongly recognized as a priority in the ASPAC and North America regions.

Socially-focussed goals were generally more strongly prioritized in Latin America than in other regions, with SDG 5, (Gender Equality) featuring more prominently than in other geographies.



[9] Business and the SDGs: A survey of WBCSD members and Global Network partners.

Percent of Companies Prioritizing the SDG [10]

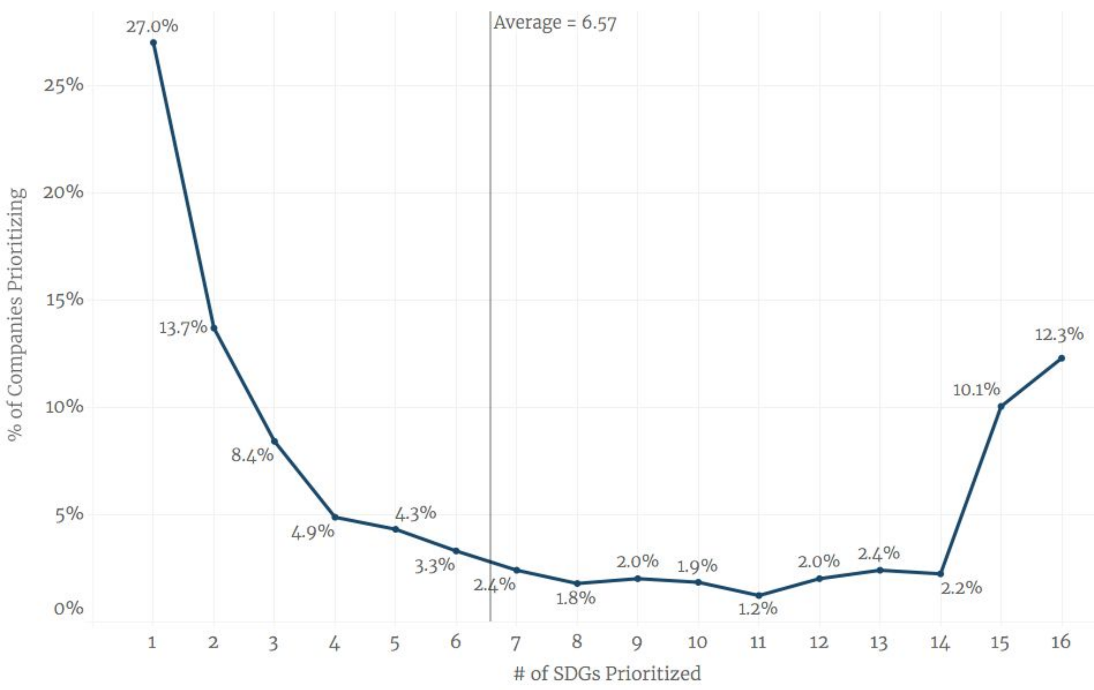
	Africa	Arab States	Asia & Pacific	Europe	North America	South/Latin America
Goal 1: No Poverty	68%	40%	62%	55%	59%	73%
Goal 2: Zero Hunger	54%	40%	55%	43%	46%	58%
Goal 3: Good Health and Well-Being	43%	40%	52%	52%	58%	60%
Goal 4: Quality Education	46%	25%	45%	45%	47%	53%
Goal 5: Gender Equality	41%	40%	55%	53%	55%	62%
Goal 6: Clean Water and Sanitation	35%	40%	46%	43%	45%	57%
Goal 7: Affordable and Clean Energy	34%	80%	42%	45%	43%	52%
Goal 8: Decent Work and Economic Growth	43%	60%	59%	64%	67%	70%
Goal 9: Industry, Innovation and Infrastructure	38%	60%	47%	42%	45%	54%
Goal 10: Reduced Inequalities	35%	60%	42%	42%	46%	53%
Goal 11: Sustainable Cities and Communities	34%	80%	45%	42%	42%	51%
Goal 12: Responsible Consumption and Production	43%	75%	51%	60%	62%	60%
Goal 13: Climate Action	41%	80%	50%	48%	43%	50%
Goal 14: Life Below Water	30%	60%	38%	38%	38%	46%
Goal 15: Life On Land	28%	60%	42%	40%	44%	47%
Goal 16: Peace, Justice and Strong Institutions	28%	60%	42%	43%	47%	51%

The SDGs by design are interconnected and holistic, and there is a general question around whether individual SDGs can in fact be prioritized independent of others, as well as whether it is possible to identify or rank SDGs by "urgency" or "importance." At the same time, as highlighted above, some SDGs are certainly more relevant to the operations of certain types of businesses compared to others. As a result, it is important for businesses to balance the interconnected and holistic nature of the SDGs (breadth), with the need to focus and prioritize where it makes most sense (depth). Businesses should balance a comprehensive approach to the SDGs with specific focus on those SDGs of most relevance and importance.

[10] Percent of companies by region that have completed all of the questions in an SDG module in the SDG Action Manager given that the company has already completed the Baseline module.

According to the WBCSD, 29% of businesses prioritize less than five SDGs, 58% between five and ten, and only 13% more than ten.[11] These indications vary slightly from our analysis on the practical results of what companies are actually managing; in the SDG Action Manager data set, a majority of companies are focused on one to four SDGs, with companies prioritizing on average six SDGs, and while there is a trending decrease in engagement of more and more SDGs on the whole, there is also an increase at the tail end, representing companies who determined that they would take a completely comprehensive approach and engage with nearly all of them.

Number of SDGs Prioritised [12]



[11] Business and the SDGs: A survey of WBCSD members and Global Network partners.
[12] Only includes data from companies that have completed the Baseline module of the SDG Action Manager.

Summary

- Companies are most likely to prioritize engagement with **Goal 1:** No Poverty, **Goal 8:** Decent Work and Economic Growth, and **Goal 12:** Responsible Consumption and Production. The least engaged SDGs are **Goal 4:** Quality Education, **Goal 14:** Life Below Water, and **Goal 15:** Life on Land.

- Different prioritization trends exist across different regions. **Goal 1:** No Poverty, has a greater priority from companies operating in the Global South, especially Latin America and Africa, while **Goal 8:** Decent Work and Economic Growth and **Goal 12:** Responsible Production and Consumption is more commonly prioritized in the Global North.

Companies focused on an average of seven SDGs, and while generally speaking fewer companies focused on more SDGs, there was an increase in companies who determined that they would take a completely comprehensive approach and prioritize nearly all SDGs.

For Further Exploration:

- *What are the main drivers of differences between prioritization of SDGs across regions? How would this vary at the country level?*
- *What types of companies are most likely to take a comprehensive approach to all SDGs, and why?*
- *How does the number of SDGs a company prioritizes correlate to performance on those SDGs? Do companies who focus on fewer SDGs perform better on those SDGs?*

One of the unique benefits of the SDG Action Manager data set is the ability to directly analyze specific aspects of how company practices are contributing (or not contributing) to the SDGs. The SDG Action Manager consists of sets of questions related to best practices and outputs relevant to each Sustainable Development Goal, along with a scoring methodology that evaluates their performance. Each SDG module is broken into subsections aligned with the different aspects of a business that can be used to contribute to the SDGs, including a company's business model, internal operations, supply chain, and collective action. There is also a unique subsection for each SDG used to analyze the potential risks of negative impacts and how the company is managing them.

While performance may vary greatly across SDGs and across companies, a relatively simple but important truth emerges: all companies have an impact on the SDGs, and all companies are already contributing to the SDGs in some form. This is true both with regards to positive impacts on the SDGs (e.g. job creation and other mechanisms), but can also be equally true for negative impacts (e.g. waste production). As a result, distinguishing factors are really about how much contributions (positive and negative) are being made, and how businesses can manage and optimize those impacts. Different companies will have different baselines and opportunities to do so, based on many factors, including size, sector, and region.

According to the analyzed data set, companies are performing best on **Goal 4:** Quality Education, **Goal 1:** No Poverty, **Goal 8:** Decent Work and Economic Growth, and **Goal 12:** Responsible Production and Consumption. SDGs with the worst performance are **Goal 14:** Life Below Water, **Goal 6:** Clean Water and Sanitation, and **Goal 7:** Affordable and Clean Energy.

Average Performance Per SDG [13]

	Overall	Business Model	Collective Action	Internal Operations	Supply Chain
Goal 1: No Poverty	40%	35%	32%	46%	45%
Goal 2: Zero Hunger	26%	24%	25%	33%	24%
Goal 3: Good Health and Well-Being	34%	38%	32%	50%	37%
Goal 4: Quality Education	40%	31%	36%	49%	43%
Goal 5: Gender Equality	29%	26%	29%	43%	19%
Goal 6: Clean Water and Sanitation	25%	25%	20%	39%	14%
Goal 7: Affordable and Clean Energy	25%	27%	31%	29%	14%
Goal 8: Decent Work and Economic Growth	39%	40%	31%	48%	35%
Goal 9: Industry, Innovation and Infrastructure	37%	38%	30%	37%	43%
Goal 10: Reduced Inequalities	32%	29%	29%	47%	22%
Goal 11: Sustainable Cities and Communities	28%	32%	30%	33%	32%
Goal 12: Responsible Consumption and Production	39%	45%	31%	48%	32%
Goal 13: Climate Action	31%	32%	40%	31%	27%
Goal 14: Life Below Water	24%	22%	18%	30%	26%
Goal 15: Life On Land	27%	29%	26%	27%	27%
Goal 16: Peace, Justice and Strong Institutions	34%	26%	24%	49%	37%

[13] The average percent of points earned within each SDG and the subcategories within each SDG (business model, collective action, internal operations, and supply chain). Only includes data from companies that completed the Baseline module and 90% of the specific SDG Action Manager modules.

When examined with a regional lens, more variety exists. Companies in Africa tend to outperform other regions across most SDGs. In North America, the top performing SDG is **Goal 4:** Quality Education, while low performing SDGs are **Goal 2:** Zero Hunger, **Goal 6:** Clean Water and Sanitation, and **Goal 7:** Affordable and Clean Energy. The latter is possibly the result of the nature of the underlying targets of each of those SDGs, which are arguably more relevant in the Global South. European companies perform best on **Goal 12:** Responsible Consumption and **Goal 8:** Decent Work and Economic Growth, while it lags behind on **Goal 2:** Zero Hunger, **Goal 6:** Clean Water and Sanitation, and **Goal 14:** Life Below Water. Latin American companies excel in **Goal 1:** No Poverty, while also lagging in **Goal 14:** Life Below Water. Asia & Pacific companies excel in **Goal 4:** Quality Education and **Goal 1:** No Poverty, while lagging in **Goal 2:** Zero Hunger. Companies in the Arab States excel in **Goal 9:** Industry, Innovation and Infrastructure, while lagging in **Goal 4:** Quality Education.

Overall SDG Performance by Region (% of Points Earned) [14]

	Africa	Arab States	Asia & Pacific	Europe	North America	South/Latin America
Goal 1: No Poverty	68%	45%	45%	35%	35%	42%
Goal 2: Zero Hunger	57%	30%	26%	23%	22%	28%
Goal 3: Good Health and Well-Being	49%	47%	35%	35%	32%	31%
Goal 4: Quality Education	67%	15%	47%	35%	39%	38%
Goal 5: Gender Equality	63%	42%	36%	24%	28%	31%
Goal 6: Clean Water and Sanitation	50%	29%	30%	22%	23%	24%
Goal 7: Affordable and Clean Energy	51%	22%	30%	26%	23%	21%
Goal 8: Decent Work and Economic Growth	62%	46%	38%	37%	36%	39%
Goal 9: Industry, Innovation and Infrastructure	56%	48%	39%	34%	35%	39%
Goal 10: Reduced Inequalities	61%	38%	39%	27%	30%	33%
Goal 11: Sustainable Cities and Communities	49%	29%	37%	27%	26%	26%
Goal 12: Responsible Consumption and Production	63%	32%	43%	39%	37%	35%
Goal 13: Climate Action	47%	24%	41%	32%	29%	25%
Goal 14: Life Below Water	47%	24%	32%	23%	26%	19%
Goal 15: Life On Land	51%	28%	34%	26%	29%	23%
Goal 16: Peace, Justice and Strong Institutions	59%	37%	40%	32%	30%	34%
Average Performance	56%	33%	37%	30%	30%	31%

[14] The average percent of points earned in each SDG, broken down by region, and only including data from companies that completed the Baseline module and 90% of the specific SDG modules. The Company Region pie chart on page 8 can be referenced for sample sizes.

Perhaps most interesting is the results of SDG performance broken down by the different aspects of a business, their business model, internal operations, supply chain, and collective action. Many previous reports highlight where businesses have prioritized their efforts, as well as where the greatest opportunity for impact and improvement lie. For example, according to WBCSD, 58% of surveyed companies focused on direct operations, while only 37% were including their value chain impacts.[15] According to the UN Global Compact, only 46% are embedding the SDGs into their core business, 37% are designing business models that contribute to the SDGs, 35% publicly advocate the importance of action on the SDGs, and 52% are engaging in partnership projects with public or private organizations.[16]

Largely, these results are aligned with actual levels of performance; in the SDG Action Manager data set, internal operations tends to be where companies perform best compared to supply chain, collective action, and business models. While these latter aspects are more difficult to manage and shift because of the significance of the change required as well as the time, resources and collaboration needed to do so, they nonetheless represent significant opportunities for improvement and are the areas most likely to drive the acceleration and transformation needed to actually achieve the SDGs at a systemic level.

Average Performance Broken Down by Aspect of the Business [17]

Overall	Business Model	Internal Operations	Supply Chain	Collective Action
32%	32%	41%	30%	29%

[15] Business and the SDGs: A survey of WBCSD members and Global Network partners.
[16] Uniting Business in the Decade of Action.
[17] Of companies that have completed the Baseline module and one additional SDG Action Manager module.

Companies that perform well on:	Tend to perform well on:	Could Improve on:
Baseline	**Goal 16:** Peace, Justice and Strong Institutions	**Goal 11:** Sustainable Cities and Communities
Goal 1: No Poverty	**Goal 10:** Reduced Inequalities	**Goal 3:** Good Health & Well-being
Goal 2: Zero Hunger	**Goal 1:** No Poverty	**Goal 13:** Climate Action
Goal 3: Good Health & Well-being	**Goal 2:** Zero Hunger	**Goal 4:** Quality Education
Goal 4: Quality Education	**Goal 10:** Reduced Inequalities	**Goal 3:** Good Health & Well-being
Goal 5: Gender Equality	**Goal 10:** Reduced Inequalities	**Goal 13:** Climate Action
SDG 6: Clean Water and Sanitation	**SDG 15:** Life On Land	**SDG 3:** Good Health & Well-Being
Goal 7: Affordable and Clean Energy	**Goal 13:** Climate Action	**Goal 3:** Good Health & Well-being
Goal 8: Decent Work and Economic Growth	**Goal 10:** Reduced Inequalities	**Goal 3:** Good Health & Well-being
Goal 9: Industry, Innovation and Infrastructure	**Goal 10:** Reduced Inequalities	**Goal 3:** Good Health & Well-being
Goal 10: Reduced Inequalities	**Goal 1:** No Poverty	**Goal 3:** Good Health & Well-being
Goal 11: Sustainable Cities and Communities	**Goal 13:** Climate Action	**Goal 3:** Good Health & Well-being
Goal 12: Responsible Consumption and Production	**Goal 15:** Life On Land	**Goal 5:** Gender Equality
Goal 13: Climate Action	**Goal 15:** Life On Land	**Goal 3:** Good Health & Well-being
Goal 14: Life Below Water	**Goal 15:** Life On Land	**Goal 3:** Good Health & Well-being
Goal 15: Life On Land	**Goal 14:** Life Below Water	**Goal 5:** Gender Equality
Goal 16: Peace, Justice and Strong Institutions	**Goal 10:** Reduced Inequalities	**Goal 3:** Good Health & Well-being

Regarding the holistic and interconnected nature of the SDGs, it is also possible to identify connections and potential tradeoffs between performance across SDGs. While some results seem to indicate a correlation between certain social impact-focused SDGs to the detriment of environmentally-focused SDGs (i.e. Zero Hunger positively correlated to No Poverty, with Climate Action lagging), it is not possible to identify clearer broader trends across socially versus environmentally focused SDGs.

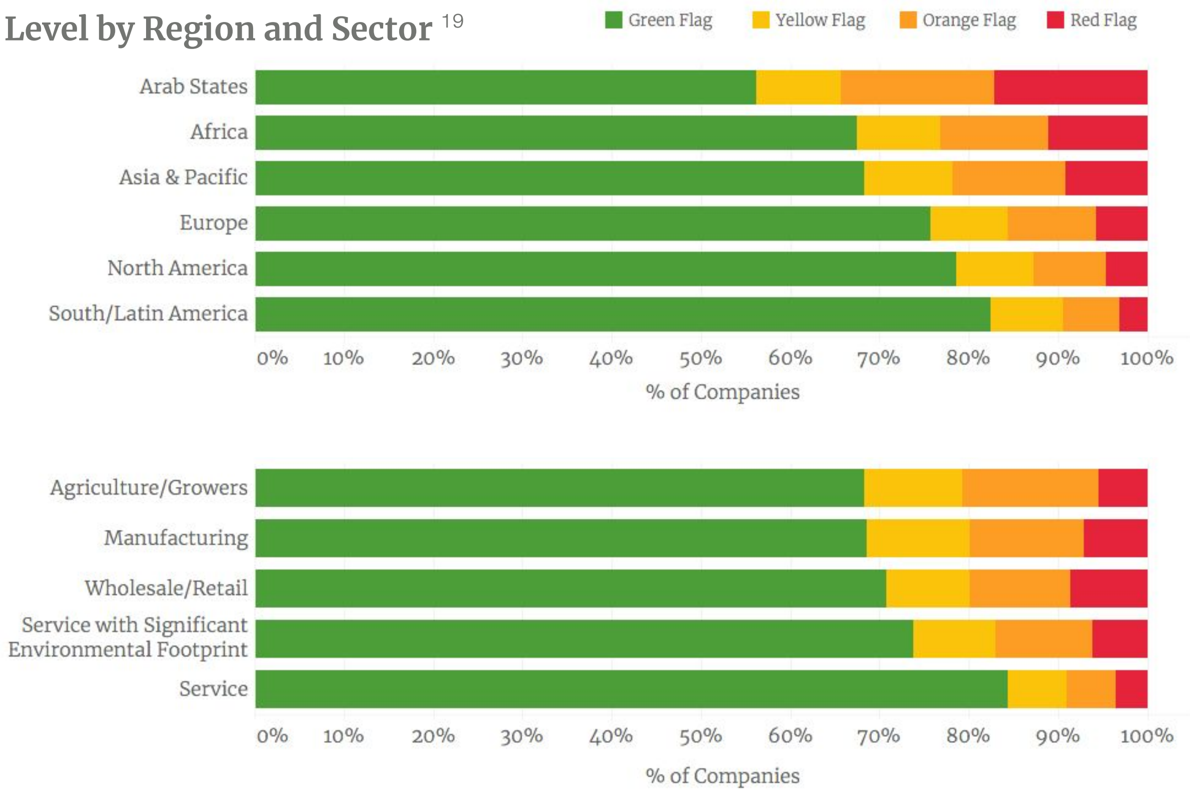
Because of the unique and complex nature of assessing potential negative impacts on an SDG, as well as to avoid the implication that positive contributions can effectively outweigh negative impacts, a company's "risk level" is evaluated differently from other sections. Rather than a numeric score, companies receive a color coded "flag rating" of green, yellow, orange, or red, indicating the level of risk that the company has material negative impacts on the SDG.

Generally speaking, the majority of companies indicate that they have minimal risk of negatively contributing to the SDGs. This is likely the result of a combination of factors, including the composition of companies in the sample (which includes many small and service oriented businesses), as well as the likelihood that businesses are self-assessing their positive impacts on the SDGs more accurately than their negative impacts. According to WBCSD, 69% of companies have taken steps to identify their positive impacts on the SDGs, whereas only 37% have taken action to identify potential negative impacts[18].

[18] Business and the SDGs: A survey of WBCSD members and Global Network partners.

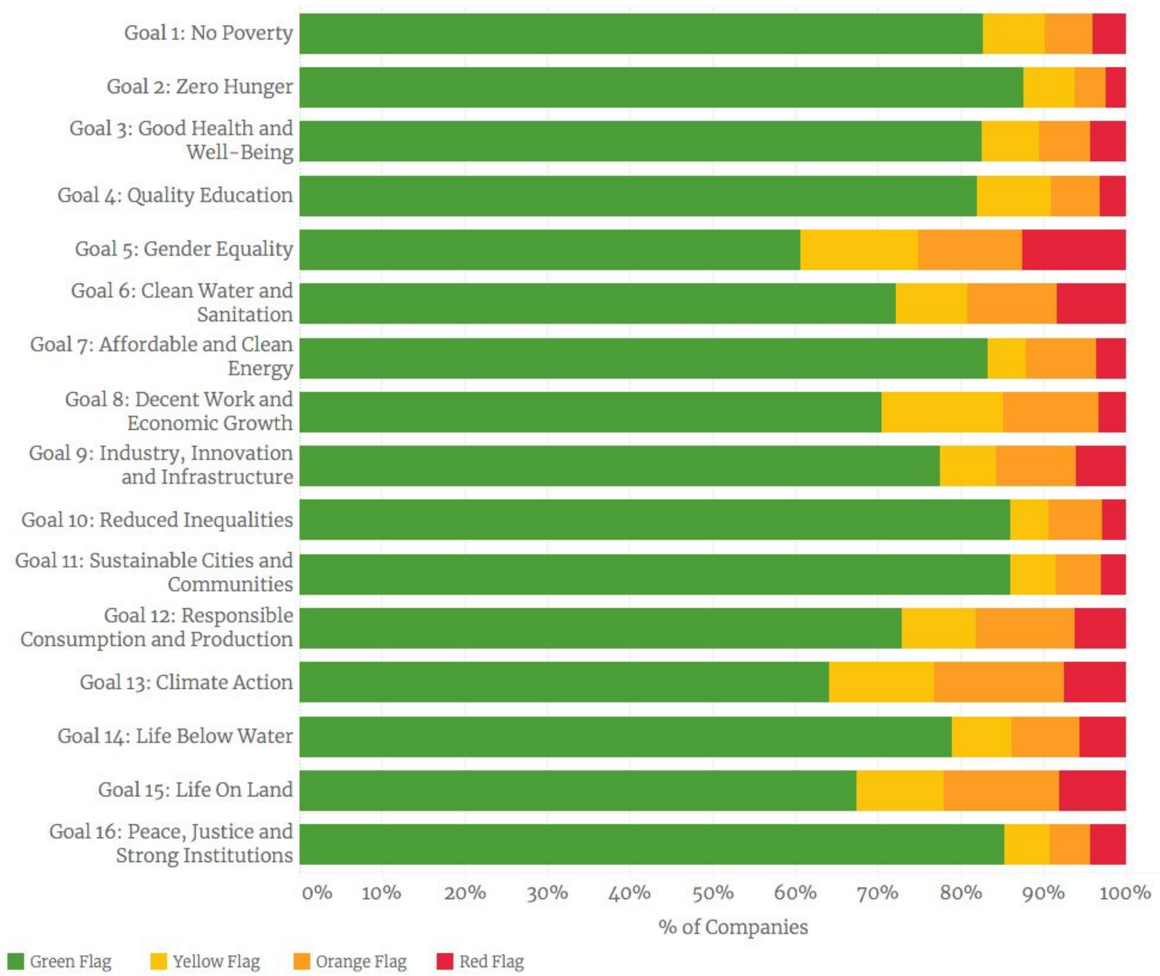
Nonetheless, there is also variability in the level of risk associated with companies of different sectors and regions, as well as across different SDGs. Companies in the Arab States, Africa, and Asia / Pacific have higher levels of risk of negative impact compared to companies in Europe and the Americas, while agriculture and manufacturing companies have the highest risks from a sectoral perspective. Across SDGs, **Goal 5:** Gender Equality, **Goal 8:** Decent Work and Economic Growth, **Goal 13:** Climate Action, and **Goal 15:** Life on Land had the highest risk of negative business impacts on them.

Risk Level by Region and Sector [19]



[19] Only includes data from completed "Risk Level" subsections for each SDG. Companies receive a "flag rating" based on their responses indicating the level of risk that the company has material negative impacts on the SDG.

Risk Level by SDG [20]



[20] Only includes data from completed "Risk Level" subsections for each SDG. Companies receive a "flag rating" based on their responses indicating the level of risk that the company has material negative impacts on the SDG.

Summary

- All companies have an impact on the SDGs, good or bad, whether intentional or not. Companies are performing best on **Goal 4:** Quality Education, **Goal 1:** No Poverty, **Goal 8:** Decent Work and Economic Growth, and **Goal 12**: Responsible Production and Consumption. SDGs with the worst performance are **Goal 14:** Life Below Water, **Goal 6:** Clean Water and Sanitation, and **Goal 7:** Affordable and Clean Energy. Similar to prioritization results, regional variances in performance exist as well.

- Companies tend to perform best within their internal operations compared to supply chain, collective action, and business models, where performance is more challenging, but also likely more impactful.

- While the majority of companies indicate that they have minimal risk towards negatively contributing to the SDGs, companies in the Arab States, Africa, and Asia / Pacific have higher levels of risk of negative impact compared to companies in Europe and the Americas, while agriculture and manufacturing companies have the highest risks from a sectoral perspective. Across SDGs, **Goal 5:** Gender Equality, **Goal 8:** Decent Work and Economic Growth, **Goal 13:** Climate Action, and **Goal 15:** Life on Land, had the highest risk of negative business impacts on them.

For Further Exploration:

- *What are the drivers of different regional trends in performance on specific SDGs?*
- *What percentage of companies are leading on incorporation of an SDG into their business model, supply chain, or collective action efforts? What are the drivers that lead a company to do so?*
- *Where there are positive or negative correlations identified on performance between SDGs, what might be the causes of these correlations?*
- *What are the drivers of different risk levels across sectors and regions, and how does risk level correlate with positive performance?*

Ultimately, while all businesses are currently having some impact, positive or negative, on the Sustainable Development Goals, it is necessary for companies to make improvements over time in order to achieve them. The performance analysis above highlights that all companies, even leaders in respective SDGs, have room for improvement. The more companies make sizable improvements, the more likely achievement of the SDGs will be possible.

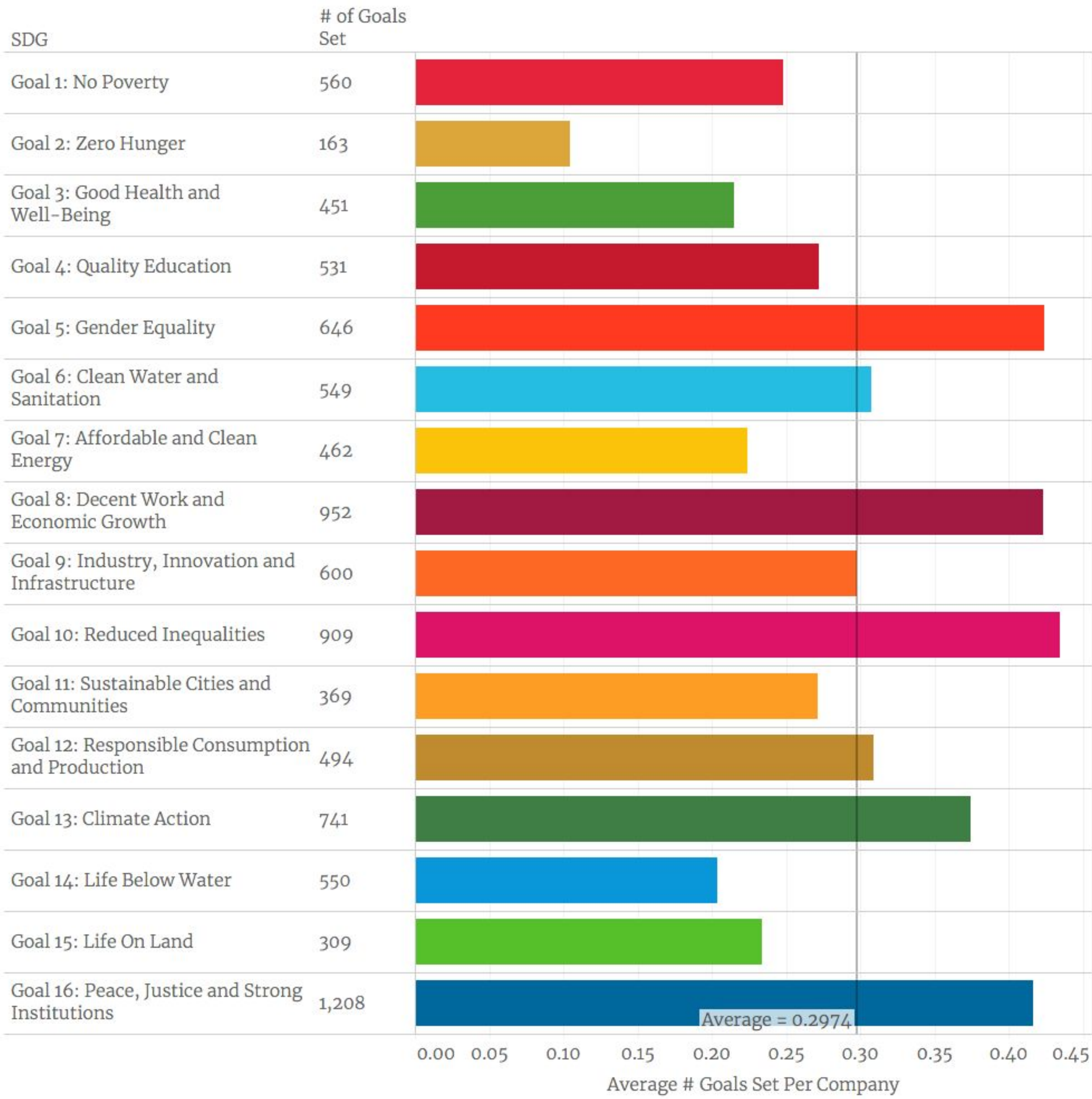
According to the WBCSD, only 6% of surveyed companies in 2018 had set new SDG related improvement targets[21] and according to PwC's 2019 analysis, only 14% of companies (157 companies) mentioned specific SDG improvement targets.[22] The SDG Action Manager allows companies to set and track improvement goals on the various indicators, allowing for a practical analysis of how many companies are intentionally setting improvement goals, and where those goals tend to be focused.

Among companies that have completed at least one SDG module (in addition to the **Baseline**), 19.8% of them have set an improvement goal. On average, those companies set 10.8 goals across 5 modules.

While a focus on improvement generally correlates with SDGs that have been prioritized, there are some divergences, indicating that some SDGs may actually be less "improvement friendly" than others. For example, companies are very likely to prioritize **Goal 1:** No Poverty and **Goal 3:** Good Health and Well-Being, but those that do prioritize these Goals set less improvement goals than the average across SDGs. Of all improvement goals set, the highest number of improvements have been related to **Goal 16:** Peace, Justice, and Strong Institutions, which is partially, but not entirely, a consequence of strong overlap in content between the **Goal 16** module and the **Baseline** module.

[21] Business and the SDGs: A survey of WBCSD members and Global Network partners.
[22] PwC SDG Challenge 2019.

Total Goals + Average # of Goals per Company [23]

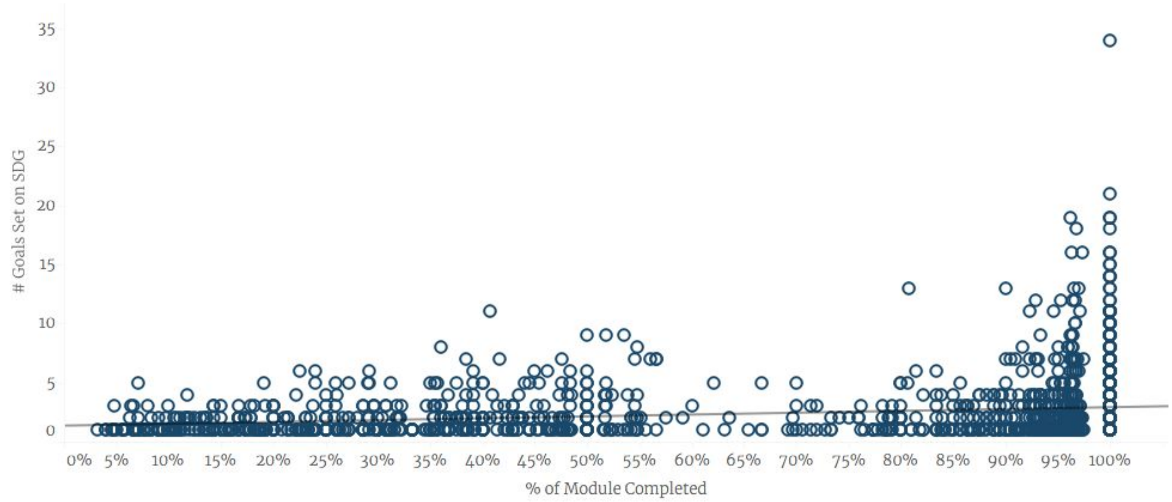


[23] Data for "Total Goals" includes all companies that have answered at least one question in the SDG Action Manager. Data for "Average Goals per Company" only includes goals set by companies that have completed at least 90% of the corresponding SDG Action Manager module.

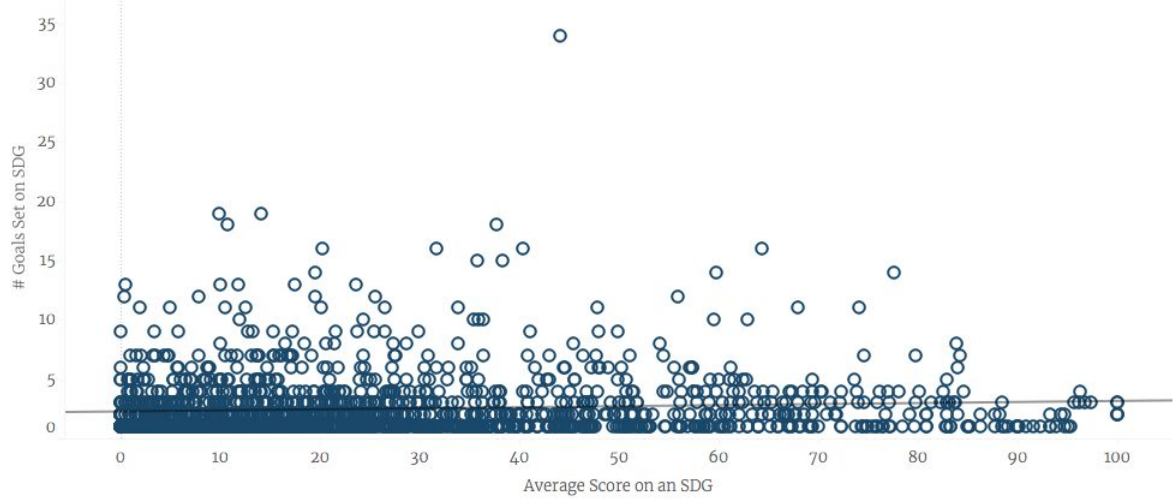
Setting improvement goals are also moderately positively correlated with engagement and performance as outlined in the following graphic. A company that engages more deeply on measuring their performance on an SDG is more likely to set improvement goals. Furthermore, there is also a correlation between performing well on an SDG and setting improvement goals. This also has interesting implications, as it indicates that those perhaps with the greatest need and opportunity for improvement (low performers), are less likely to focus on improvement compared to those who are already performing well. Thus, improvement might be associated with those who are already in many ways leaders; while there is always the opportunity for even the best companies to continue to improve, in order to achieve the SDGs all companies, especially those currently performing poorly, will need to significantly improve.[24]

[24] Only includes companies that have completed the Baseline module and one additional SDG Action Manager module.

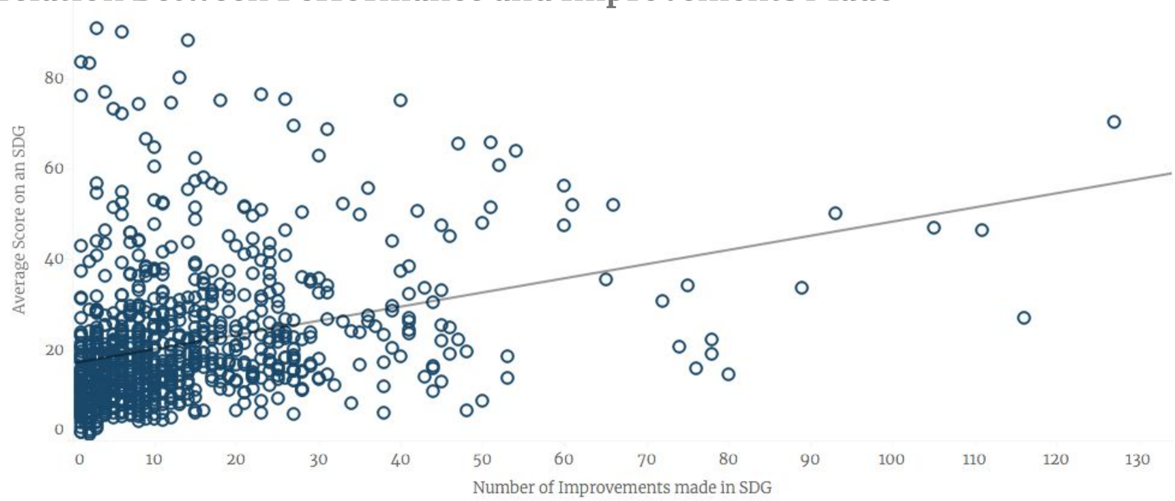
Correlation Between Engagement and Improvement



Correlation Between Performance and Improvement Goals Made



Correlation Between Performance and Improvements Made



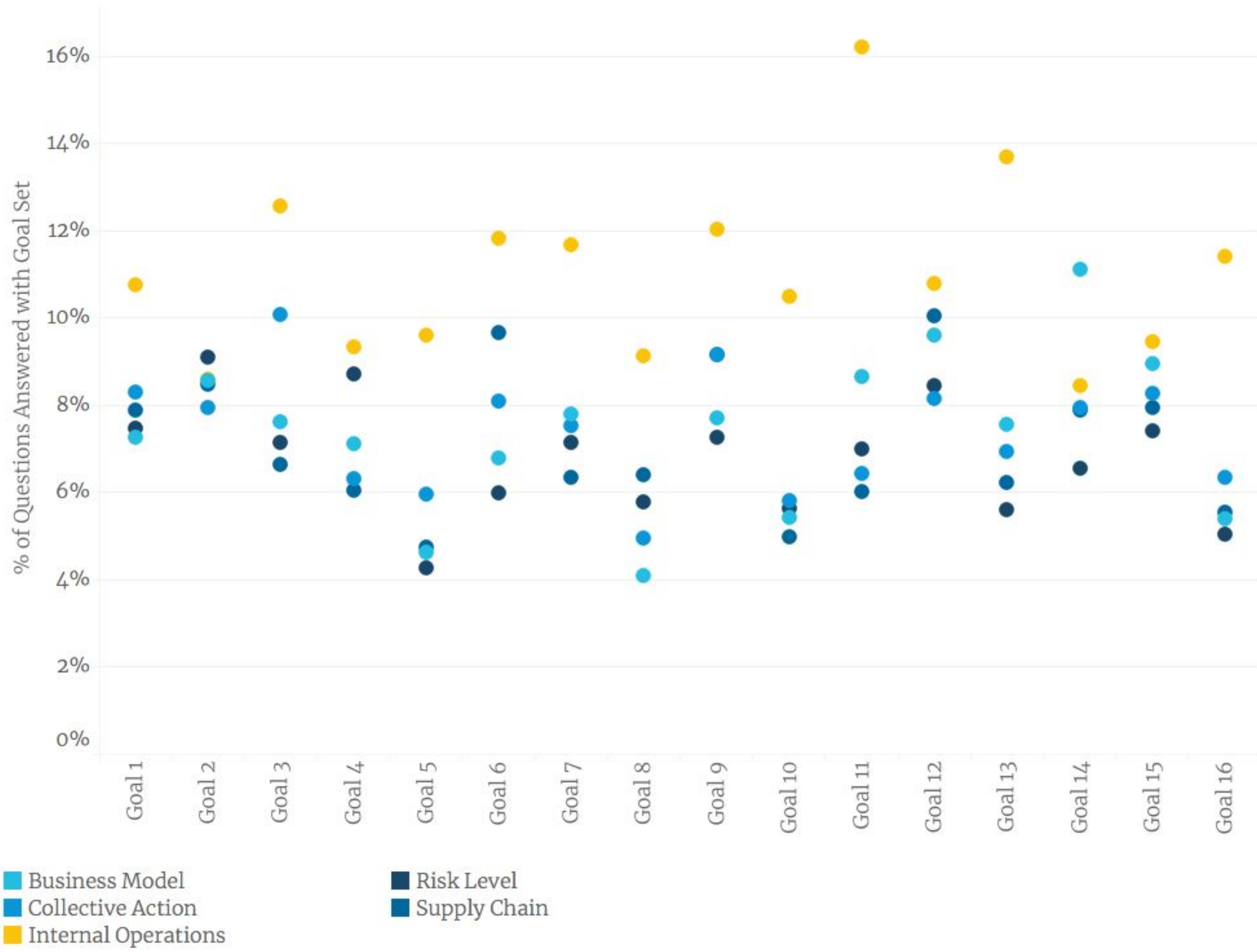
Similar to the results of existing performance favoring internal operations, compared to business models, supply chain, and collective action, focus areas for improvement yield similar results. Companies are significantly more likely to both set and achieve goals for internal operations related compared to other focus areas.

Improvements by Aspects of the Business[25]

	# of Goals Set	# of Goals Completed	% of Goals Completed
Business Model	189	12	6.35%
Internal Operations	1,547	161	10.41%
Supply Chain	341	33	9.68%
Collective Action	131	2	1.53%
Overall	2,203	207	9.40%

[25] Only includes data from companies that have completed the Baseline module and another SDG Action Manager module.

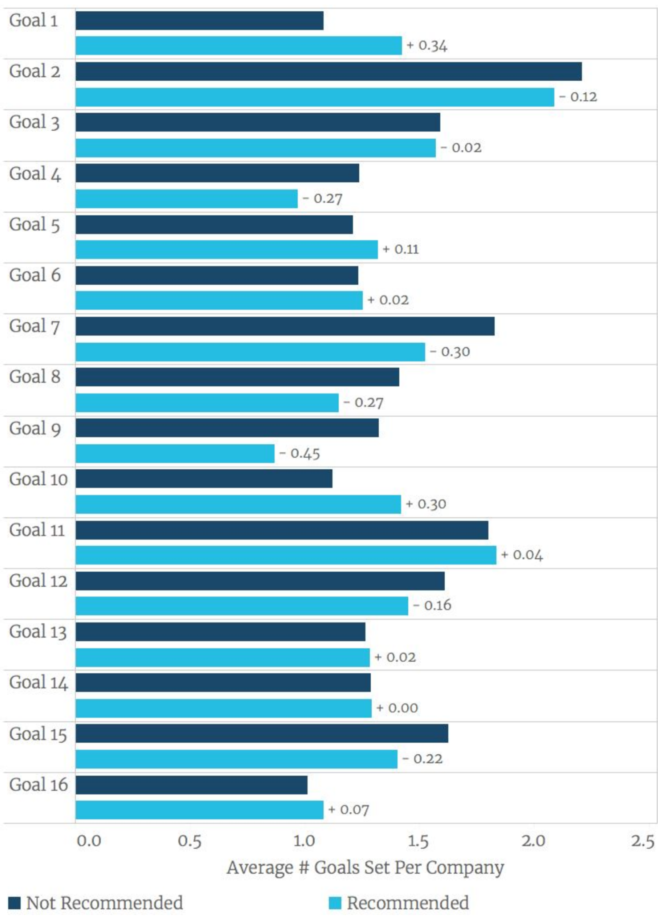
Goal Setting in SDGs[26]



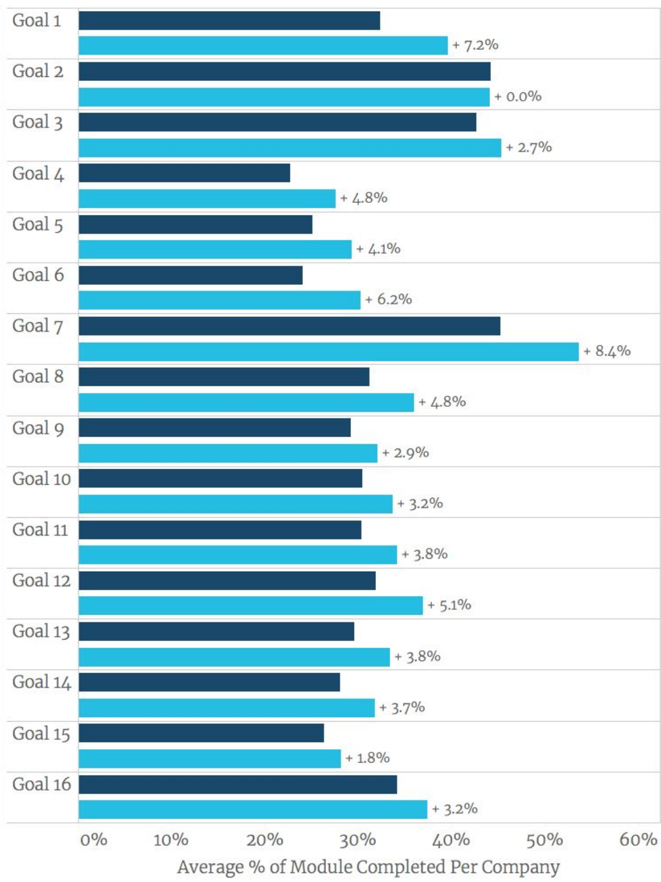
While businesses generally engaged with SDGs that were recommended to them based on their industry, they did not necessarily prioritize those SDGs for improvement. Eight SDGs have a higher goal setting rate when the module is recommended, and eight have a higher rate when it is not recommended.

[26] Only includes data from SDG Action Manager modules that are more than 90% complete.

Average # Goals Set[27]



Average % Completion[27]



These last two results are relatively concerning signals. While companies prioritize measuring SDGs that are deemed most material to their company, their goal setting appears to be less strategically focused. Combined with goals being primarily focused on internal operations, there is indication that companies are more inclined to focus on short-term, likely easier to implement, improvement opportunities, rather than those that are most impactful and strategic.

[27] Includes data from all companies that have answered a question on the SDG Action Manager.

Summary

- The priority SDGs highlighted in Section 3 do not necessarily have high rates of improvement goals being set, with **Goal 1:** No Poverty and **Goal 3:** Good Health and Well-Being being among the most prioritized SDGs, but with less improvement goals than the average across SDGs. Of all improvement goals set, the highest number have been related to **Goal 16:** Peace, Justice, and Strong Institutions.
- A company that engages more deeply on measuring their performance on an SDG is more likely to set improvement goals, lending some evidence to the mantra of "you manage what you measure." Furthermore, there is also a correlation between performing well on an SDG and setting improvement goals, indicating that those perhaps with the greatest need and opportunity for improvement (low performers), are less likely to focus on improvement compared to those who are already performing well.
- Like performance, improvement goals are more commonly set within a company's internal operations, rather than business model, supply chain, or collective action.

For Further Exploration:

- *What makes some SDGs more improvement friendly compared to others?*
- *What types of companies align their targets with material SDGs, and what types of companies don't?*
- *What are the drivers that lead to companies setting targets on more challenging but impactful topics like business models, supply chain, and collective action? How can this be accelerated?*

This section provides a deeper analysis of two specific SDG modules, Goal 5: Gender Equality and **Goal 13:** Climate Action, including identified best practices for businesses to contribute to each SDG, engagement rankings compared to other SDGs, high and low performing industries, common improvement practices, and correlations to other relevant external data sets.

SDG Action Manager Module for Goal 5: Gender Equality

Achieve gender equality and empower all women and girls.

The module for Goal 5 in the SDG Action Manager highlights key practices your business can take to contribute to Gender Equality, such as increasing women's representation in the workforce, management and supply chain, managing gender discrimination complaints, offering non-discrimination training, and providing equitable caregiver leave.[28]

In addition to incorporating questions from B Lab's B Impact Assessment, the questions in this module have been informed by The Women's Empowerment Principles Gender Gap Analysis Tool, an analysis of Human Rights Impact Assessments, and An Analysis of the Goals and Targets by GRI and the UN Global Compact. Learn more about this SDG and its specific targets and indicators here.

[28] Note that, in the context of the Sustainable Development Goals as defined by the United Nations, gender equality is narrowly defined and focused in a binary way.

Best Practice Examples:

Business models

- Products/services provide education or educational/professional development initiatives specifically for women or girls
- Products/services provide or support healthcare for women or girls
- Products/services are designed to meet specific needs of women or girls
- Products/services provide or enable women or girls to increase access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information (e.g. career placement services designed for women, leadership networks, etc.)
- Workforce development programs that target and hire women from chronically underemployed social groups and provides them career training opportunities

Internal operations

- Non-discrimination policies
- % of women in workforce, management, directors, ownership
- Gender pay equality
- Caregiver leave

Supply chain

- Policies, screenings, and outcomes to remove gender discriminaton and harassment in suppliers
- Policies and programs in place to purchase from and support women owned businesses
- Percentage of diverse ownership of suppliers

Collective action

- Policy advocacy for gender equality
- Collaboration and partnership for gender equality

Engagement Rank Compared to Other SDGs:

- Overall: 5th
- Asia & Pacific: 5th
- North America: 5th
- South/Latin America: 5th
- Europe: 4th
- Africa: 5th
- Arab States: 2nd (tied)

Performance Ranking Compared to Other SDGs:

- Overall: 10th
- Asia & Pacific: 7th
- North America: 12th
- South/Latin America: 9th
- Europe: 14th
- Africa:4th
- Arab States: 5th

Improvement Ranking Compared to Other SDGs:

- 2nd average per company focused on the SDG; 5th total goals set

Top Performing Industries:

- Education & training services
- Telecommunications
- Other education
- Beverages
- Design & building

Lowest Performing Industries:

- Software publishing and SaaS
- Engineering
- Agricultural processing
- Other retail sale
- Other manufacturing

Common Improvement Goals:

- Non-Discrimination policies
- Percentage of women workers
- Supplier ownership diversity
- Supplementary benefits

Interesting Correlation:

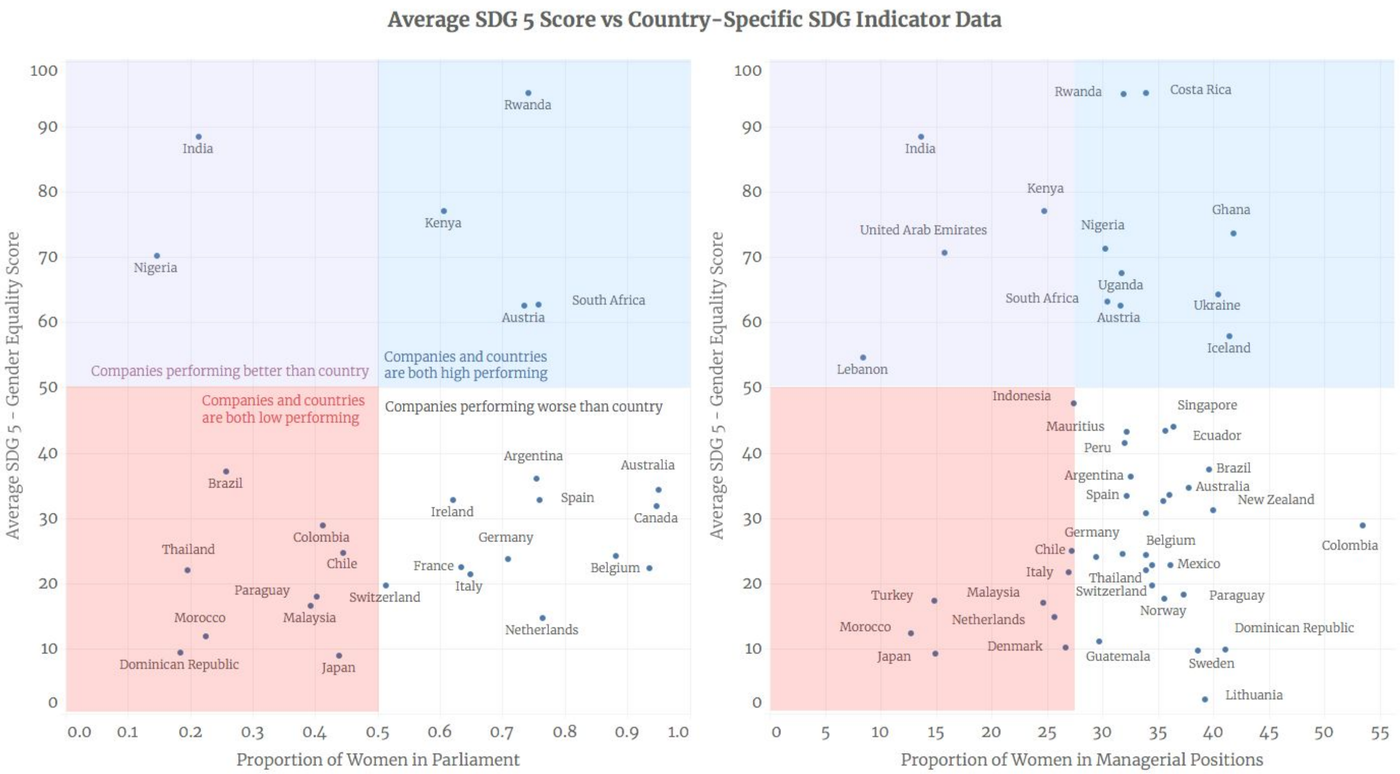
It's possible to analyze company performance on Goal 5: Gender Equality as it relates to external data sources regarding other national indicators of gender equality, such as the proportion of women in parliament and the proportion of women in managerial positions.

In the table "Average Goal 5 Score vs Country-Specific SDG Indicator Data," countries highlighted in blue perform the highest in either of these metrics in addition to having companies that score an average of 50 and above on the SDG Action Manager module for **Goal 5:** Gender Equality. Countries highlighted in red are the lowest performing in either metric with companies scoring an average of less than 50 on the module. These relationships could mean that the location of these companies may influence the company's ability to perform in this SDG.

Countries highlighted in purple contain companies performing well on the Goal 5 module despite their country performing poorly in either their proportion of women in parliament and/or their proportion of women in managerial positions. These companies therefore may be pushing the boundaries or attempting to positively change the status quo of their country.

The vast majority of companies are highlighted in white, and are low-scoring companies on the **Goal 5** module despite their country performing well on either their proportion of women in parliament and/or their proportion of women in managerial positions. Companies located in these countries may not find it necessary to advance gender equality issues since their country appears to be performing well on gender-related issues overall. These countries may perform worse in the coming years if more action is not taken.

Average SDG 5 Score vs Country-Specific SDG Indicator Data [29]



[29] Graphic includes scores of companies in a country with at least 5 companies that have completed 90% of Goal 5: Gender Equality. Sources of SDG Indicator data are from UN Stats Open SDG Data Hub. Indicators used were SDG Indicator Data 16.7.1: Ratio for women in parliament and Indicator 5.5.2: Proportion of women in managerial positions.

SDG Action Manager Module for Goal 13: Climate Action

Take urgent action to combat climate change and its impacts.

The module for Goal 13 in the SDG Action Manager highlights key practices businesses can take to contribute to climate action, including employing climate risk assessments, adopting climate change governance, taking inventory of greenhouse gas emissions in internal operations and supply chain, and setting science-based targets.

In addition to incorporating questions from the B Impact Assessment, questions in this module have been informed by the CDP Climate Change 2019 Questionnaire, resources by the Asset Owners Disclosure Project, Recommendations of the Task Force on Climate-related Financial Disclosures, How to Declare a Climate Emergency by B Lab United Kingdom, and An Analysis of the Goals and Targets by GRI and UNGC.

Learn more about this SDG and its specific targets and indicators here.

Best Practice Examples:

Business Models

- Products/services provide or facilitate the provision of cleaner fossil fuel based energy (e.g. liquified petroleum gas)
- Products/services provide or facilitate the provision of low impact renewable energy (e.g. solar panel microgrids, battery storage for decentralized renewable energy, etc.)
- Products/services provide technology solutions for mitigation of greenhouse gases (e.g. energy efficient appliances, energy audit services, clean transportation for delivery of goods, etc.)
- Products/services help improve climate adaptive capacity (e.g. early warning systems, stormwater management solutions, etc.)
- Products/services enable propagation, protection or rehabilitation of forests, mangroves and other habitats that help in climate mitigation and adaptation
- Products/services provide carbon capture and storage/usage solutions
- Financing focused on climate mitigation and adaptation (e.g. climate catastrophe index based risk insurance, green infrastructure bonds, etc.)
- Financing services focused on climate mitigation and adaptation activities in least developed countries and emerging markets

Internal Operations:

- Climate risk assessments
- Reducing impact of travel/commuting
- Renewable energy use
- Science-based targets
- Managing scope 3 emissions

Supply Chain:

- Screening and auditing suppliers GHG performance
- Support and incentives for suppliers to reduce GHGs

Collective Action:

- Policy advocacy for climate action
- Collaboration and partnership for climate action

Engagement Rank Compared to Other SDGs:

- Overall: 7th
- Asia & Pacific: 3rd
- North America: 7th
- South/Latin America: 10th
- Europe: 5th
- Africa: 7th (tied)
- Arab States: 2nd (tied)

Performance Ranking Compared to Other SDGs:

- Overall: 9th
- Asia & Pacific: 4th
- North America: 8th
- South/Latin America: 12th
- Europe: 8th
- Africa: 16th
- Arab States: 13th

Improvement Rank Compared to Other SDGs:

- 5th average per company focused on the SDG; 4th total goals set

Top Performing Industries:

- Environmental consulting
- Beverages
- Other renewable energy installations
- Food products
- Construction

Lowest Performing Industries:

- Software publishing and SaaS platforms
- Other info service activities
- Other manufacturing
- Engineering
- Other professional, scientific, and tech

Common Improvement Goals:

- Monitoring greenhouse gas emissions
- Monitoring energy use
- Reducing impact of travel / commuting
- Low impact renewable energy use
- Climate mitigation and adaptation in operations

Interesting Correlation:

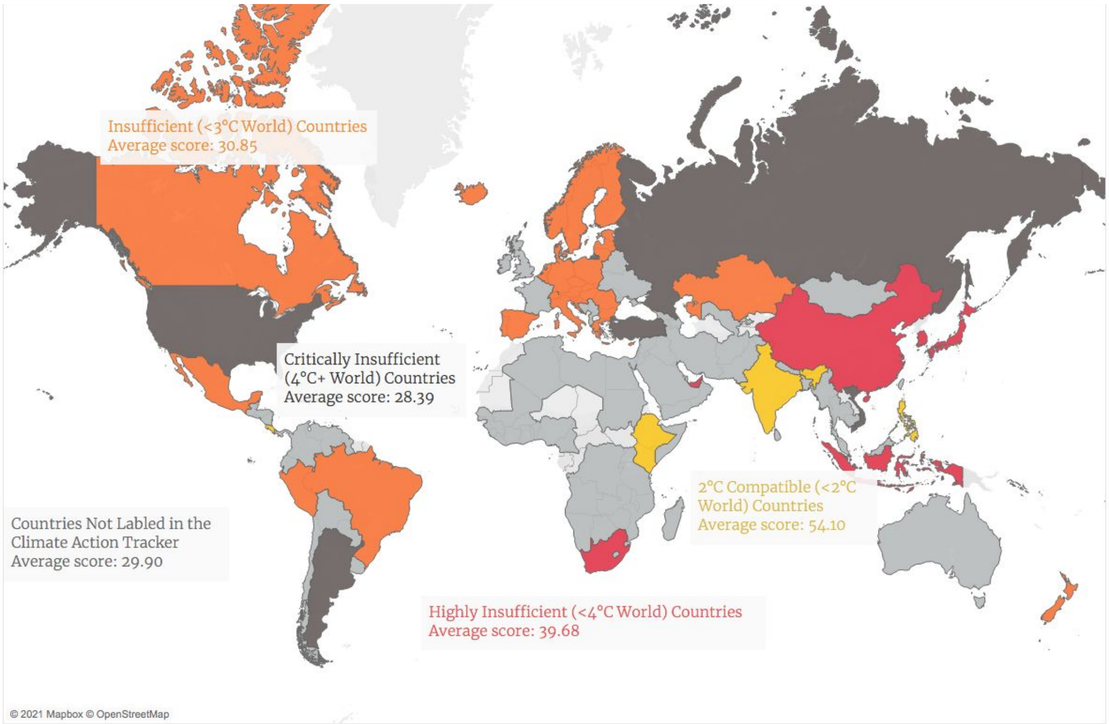
It's possible to analyze company climate performance by country in association with the quality of a country's national climate action plans. "The Climate Action Tracker rates [National Climate Plans], 2020 pledges, and long-term targets against whether they are consistent with a country's 'fair share' effort to the Paris Agreement 1.5°C temperature goal."[30] Using the country's Climate Action Tracker (CAT) rating and company scores in the **Goal 13** module of the SDG Action Manager, we can determine if there is a correlation between a country's CAT rating and business action within those countries.

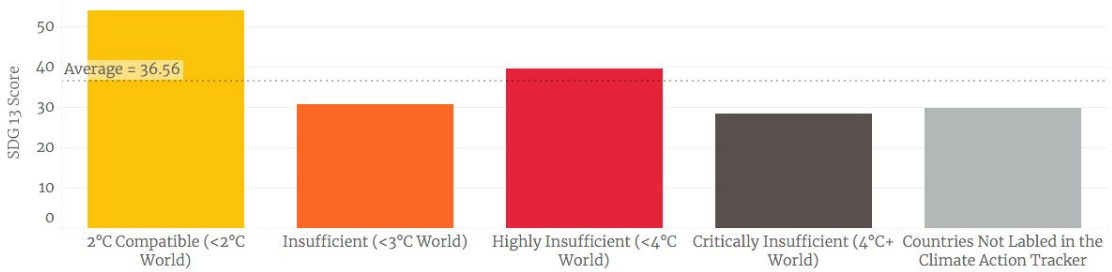
The only group of companies that are performing significantly better than average are companies based in countries that are 2°C compatible. For companies in the insufficient, highly insufficient, and critically insufficient CAT countries, there is no significant difference between their performance on the **Goal 13** module and the average score of 36.36. Given that this average overall score puts **Goal 13** in the 9th ranked position when compared to other SDGs, the roughly average performance for companies across these three CAT categories indicates a need for improvement, especially if these companies are to outperform their country's already insufficient climate action plans.

[30] Climate Action Tracker Rating System.

When looking at the scores of all companies that completed this module, the average score out of 100 is 36.36, and even when examining groupings of CAT rated countries, countries in the highest grouping - 2C compatible - have companies that are still only achieving an average of 53.10, which leads to the conclusion that no grouping of companies, regardless of country plans, are themselves performing sufficiently at **Goal 13**.

Average SDG 13 - Climate Action Score [31]





[31] Graphic includes scores of companies in a country with at least five companies that have completed 90% of the Goal 13 module. Countries without this data are shown in lighter gray. Countries who have data but do not have a CAT rating are shown in a darker grey.

For Further Exploration:

- *How does company performance on specific material SDGs vary by industry, and what are the major drivers of performance variations?*
- *How does business performance on climate Performance in a region relate to the direct effect that climate change is having on individuals in that region (i.e. how does current business performance relate to important matters of climate justice?)*
- *How would business performance by region shift if a non-binary approach to gender equality were included in the SDGs?*

7 Conclusions

There has been widespread recognition that even with the substantial energy and emphasis on companies contributing to the SDGs, that energy has either waned, been a lot of talk, or been insufficient for other reasons. And now, through a year of upheaval in which nearly all of the Sustainable Development Goals experienced regression, there is a growing urgency to get back on track.

This report demonstrates that the same underlying issues remain, and exist across a wider spectrum of companies. Companies are engaging with and making contributions to the SDGs, but on the whole, that engagement is not as strategic and transformative as it needs to be. According to an analysis by the UN Global Compact, many companies themselves recognize these insufficiencies, with only 39% of companies saying they have targets they believe are sufficiently ambitious, science-based and/or align with societal needs.[32]

There are varied approaches to how to accelerate business progress on the SDGs. Among the proposed solutions from business leaders are "an operating environment that incentivizes SDG action," "supportive public policy," "enhancing demand from customers and consumers to generate the right market signals for businesses to respond to," "more engagement of the finance industry to incentivize and fund innovation and action," and "reduce[d] complexity of initiatives." These recommendations ask that business "be recognized as an 'equal partner' at the table where decisions are made and the voice of business to be echoed when setting the policy agenda" and an important admission that "companies struggle to see a tangible link with business-as-usual."[33]

[32] Uniting Business in the Decade of Action.
[33] Uniting Business in the Decade of Action.

On the other hand, when looking at broader, non-business community perspectives on the SDGs, such as in the 2020 Sustainable Development Report, while there is a similar recognition of the urgency and risk that we won't achieve the SDGs, the proposed solutions, however, emphasize the need for systemic changes in order to accomplish them. The systemic changes take the form of six "transformations": (1) education and skills, (2) health and wellbeing, (3) clean energy and industry, (4) sustainable land use, (5) sustainable cities, and (6) digital technologies.[34] According to the report, "to implement these transformations, in the medium- run, [the] relationship between markets and governments must be rebalanced, with governments playing a more central role in the economy through public investments, redistribution of incomes from rich to poor, and regulation of industry to ensure environmental and social sustainability."

The differences in tone between the two are telling, and highlight the challenge to achieve the SDGs within the current "business as usual" system. The mainstream business community asks for not only ease and simplicity in their sustainable development efforts, but also for external forces to motivate them — government regulations, more funding and financing to provide greater financial incentives, and more demand from customers. These requests, however, are themselves a limiting factor — companies are looking for a link to "business as usual" but achieving the SDGs requires anything but. If the private sector wants to be serious about progress towards the SDGs, then businesses need to embrace systemic change, both in their own businesses and in the economic system more broadly.

Systemic change means ensuring their efforts go beyond marketing and reporting related to the SDGs, to actual and significant change in performance across their entire business, in line with the social and environmental systems that their business relies upon. Change needs to occur not just in the easiest and simplest of places, but in the most strategic and impactful of places, including their value chains and their actual business models. And they need to lend their voice, authority, and resources to meaningful collaboration and collective action to have impacts have beyond their own company.

[34] Sustainable Development Report 2020.

To do that, it also means shifting the fundamental purpose of business from shareholder primacy to stakeholder governance, where businesses are not only taking on sustainability initiatives insofar as they enhance their value to shareholders, but are actually required to take into consideration impacts on stakeholders in their decision-making. Without such a change, business contributions will remain incremental and driven only so far as the external forces like regulation, financial incentives, and consumer demand will take them, with businesses as mere passengers (and sometimes unwilling ones). Such a change in the economic system can be thought of as a seventh "transformation" to achieve sustainable development, enabling each of the other transformations highlighted above.

To share a final data point from this analysis, and one with a bit of positivity, among the most frequent goals for improvement set across all SDGs is for a business to fundamentally shift their own governance structure to require the consideration of stakeholders in their decision making, an important indication of the emergence of stakeholder governance. But as has been emphasized above, while individual companies adopting such governance models is incredibly powerful, it does not necessarily signal a shift in the way the system operates on the whole. Businesses should therefore embrace this change for themselves and support broader efforts for its adoption widely. For that reason, there are critical ongoing initiatives to advocate for such change. Such initiatives work to spark systemic change broadly across the corporate landscape, as in the case of a proposal for a White House Initiative on Inclusive Economic Growth, the Better Business Act in the United Kingdom, and the Interdependence Coalition in the European Union.

We are less than a decade away from 2030. Businesses need to lead, and leading requires taking big, bold action on the SDGs, shifting their own purpose to require stakeholder consideration over time (and thus enabling their ability to take such bold action), and working towards enabling such actions across the entire business landscape. Other stakeholders of businesses, such as regulators, consumers, and employees, should similarly work to enable the same underlying systemic changes and push businesses to take the bold actions that will increase our chances of achieving the SDGs.

7 Conclusions

Summary

- On the whole, the analysis broadly correlates to previous reports about company engagement with the SDGs, which indicates that despite a lot of talk around engagement, the action and performance is not strategic or bold enough to achieve the SDGs. Individual company efforts need to go beyond marketing and reporting related to the SDGs, to actual change. That change needs to occur not just in the easiest and simplest of places, likely within their own internal operations, but in the most strategic and impactful of places, including their value chains and their business models. They need to lend their voice, authority, and resources on meaningful collaboration and collective action to have impacts beyond their own company.

- In order to shift this, it is necessary to take a systemic approach to change both within organizations and within the broader economic system, towards stakeholder governance rather than shareholder primacy that enables the bolder necessary action to achieve the SDGs.

Further Research:

In addition to further research and analysis conducted by B Lab in the future, data from the SDG Action Manager has been made available to academic researchers through an RFP in 2019 titled, "*The Role of Business in Achieving the Sustainable Development Goals in the Global South.*" B Lab received a total of 46 proposals from 148 researchers located in 29 countries from this call, and four research teams were chosen. Selected research is being developed on the following topics, with anticipated conclusions in 2021:

1. Understanding the Role of **Goal 16** and Peace for the Advancement of the 2030 SDG Business Agenda

2. Breadth and depth strategies of B Corps in pursuing the SDGs: Learning from north and south

3. Assessing gender (in)equality in businesses: lessons from Latin America and the Caribbean

4. Business, the SDGs, and Covid-19 in Africa: How are companies responding to different objectives, timeframes, and contexts?

8 About B Lab

B Lab is transforming the global economy to benefit all people, communities, and the planet. A leader in economic systems change, our global network creates standards, policies, tools, and programs for business, and we certify companies—known as B Corps—who are leading the way. To date, our community includes 280,000 workers in over 4,000 B Corps across 77 countries and 153 industries, and more than 150,000 companies manage their impact with the B Impact Assessment and the SDG Action Manager. To learn more and join the movement, visit www.bcorporation.net.

Thank you

For questions regarding this document and
research enquiries, please contact
insights@bcorporation.net

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