



# BLUEPRINT FOR BUSINESS LEADERSHIP ON THE SDGS

A 4 minute read

## **Introduction**

Business cannot thrive unless both people and the planet are thriving. The 2030 Agenda for Sustainable Development (2030 Agenda), with 17 Sustainable Development Goals (SDGs) and 169 targets, is a plan of action for people, planet and prosperity. The SDGs are interconnected, universal, transcend borders and apply across the workplace, marketplace and community. Furthermore, business cannot thrive in a world of poverty, inequality, unrest and environmental stress, and so it has a vital interest in ensuring the 2030 Agenda is delivered.

## **How SDG-driven Leadership Evolves**

Business leadership on the SDGs evolves through the “PAL” system: a careful, conscious repetition of a process consisting of three basic steps:

First, a company *prioritizes actions* on the SDGs.

Second, it *acts* on these priorities.

Third, it *learns* from its impact on the SDGs, with the intent to improve its own and help others improve their actions, re-prioritize and then, start the cycle over again.

Leadership on the SDGs is defined in relation to the performance of others, and to the changing business environment.

## **PRIORITIZE**

A leading company undertakes a principled prioritization of actions based on their potential contribution to the SDGs. This entails a thorough assessment of the company’s greatest risks of negative impact throughout its end-to-end operations and where it can adopt practices that will maximize positive impact for the SDGs.

When first undertaken, these represent the company’s entry points on the 2030 Agenda. Principled prioritization means that while market opportunities can be an

important driver of prioritization, the leading company always upholds its essential obligations to the Ten Principles with due regard to the impacts it might have as a result of the interconnectedness of the SDGs.

## **ACT**

When priorities are set, a leading company takes time and context specific action that embodies five equally important leadership qualities: Intention, Ambition, Consistency, Collaboration and Accountability.

## **LEARN**

A leading company commits to learn about the impacts of its actions on the SDGs by sharing lessons both internally and externally, thereby, allowing all actors benefit from its experience. Leadership evolves by taking action on the SDGs that are closely interconnected to the company's entry points and then over time, by expanding beyond these entry points.

Ultimately, the interconnectedness of the SDGs means that the leading company must adapt its business in all areas where it influences the 2030 Agenda. This requires the company to learn about its impact through continuous monitoring and assessment.

## **FIVE QUALITIES OF SDG LEADERSHIP**

### **1. Intentionality:**

Leading SDG-driven companies do not become so by accident. Their support for, and commitment to, the SDGs is a deliberate and integral part of their corporate strategy.

Deliberate support for the SDGs is fully integrated into the long-term business ambitions and goals of such companies. It is an integral element, on the basis of which such companies strive to create value, manage their workforce, supply chains and other inputs, and address risk.

This must be driven from the highest levels of the company, and involve strategic vision to open up new ways to contribute to the SDGs.

### **2. Ambition**

One common trait of leading SDG-driven companies is the fact that their level of ambition far exceeds those of their counterparts in the same industry

and across geographies. Their actions are aligned with the Global Targets in the context of their end-to-end operations, and they focus on long-term outcomes while also ensuring shorter-term contributions to the SDGs.

Targets are set based on science or accepted thresholds, implying a level of ambition that meets or surpasses what is required is needed for realizing the SDGs.

A leading company inspires peer organizations to emulate its actions, by having the temerity to challenge existing business practice and what is perceived to be possible thereby transforming business' traditions.

It is vital to note that ambition is not restricted by size: small and medium-sized enterprises can be as ambitious as multinationals, despite each type of firm having different levels of absolute impact (negative and positive). In all cases, a leader looks beyond its own operations, but instead, to its value chain to assess on which SDGs it has a material impact.

Materiality, in this sense, extends beyond financial impact on the company itself to encompass all types of impact on people, planet and prosperity that the company may have.

### **3. Consistency**

A leading company embeds support for the SDGs across organizational functions, making its actions and communication consistent over time, from advertising and marketing to corporate strategy and government affairs. Top-level ethical behavior and commitment are embedded throughout the organization and underpin the performance required to advance the SDGs. A leading company aligns its public voice and advocacy with its ambitions, strategies, and actions which require internal and external transparency in line with the accountability quality.

### **4. Collaboration**

A leading company's action on the SDGs includes proactive collaboration with other businesses, governments, civil society organizations, academia, investors, and local communities. Collaboration complements the leading company's own capabilities so as to achieve the best possible outcomes for the SDGs. Collaboration follows established guidelines and principles of engagement in the relevant areas. Partnerships should be co-owned and

involve shared decision making.

The legitimacy of the leading company's use of its power in the context of its partnerships, especially in relation to government priorities in developing countries, must be guaranteed. In doing so, leading companies support SDG 16 by promoting effective, accountable and inclusive institutions.

## **5. Accountability**

A leading company understands and acts upon its responsibility to people and planet by holding itself fully accountable for the actions it takes and the impacts it has. It has systems to:

- Identify the impacts it causes,
- Contributes to risk management processes to prevent adverse impacts;
- Procedures to allow access to remedy, including grievance mechanisms for any remaining impacts that result from its actions or decisions.

Accountable leadership means being transparent and proactively engaging stakeholders on challenges and progress towards the SDGs thereby allowing these stakeholders to make informed decisions. This fosters trust from government, investors, employees, customers and communities. Such a company also actively seeks out the views of stakeholders and acts on them.

To be accountable, a leading company must act lawfully and align its actions with established international norms, including in cases where domestic law falls short.