BLUEPRINT FOR BUSINESS LEADERSHIP ON THE SDGS

A PRINCIPLES-BASED APPROACH
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Introduction

Business cannot thrive unless people and planet are thriving. This includes ensuring that the world is on a path to meet all 17 Sustainable Development Goals (SDGs). The 2030 Agenda for Sustainable Development (2030 Agenda), with 17 SDGs and 169 targets, is a plan of action for people, planet and prosperity. The SDGs are universal, transcend borders and apply across the workplace, marketplace and community. The SDGs are deeply interconnected – progress on one goal can have a significant impact on progress in meeting others. 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.

Successful delivery of the 2030 Agenda requires engagement from all businesses. This Blueprint provides a framework for those companies aiming towards SDG leadership. The 2030 Agenda needs companies of all sizes and from all regions to contribute. Building on an assessment of the qualities of current and past business action on the SDGs, the Blueprint presents a framework for the next generation of business leadership. The intention is to foster contribution to the SDGs at scale.

The Ten Principles of the UN Global Compact can propagate business leadership on the SDGs. The Ten Principles and their four pillars of human rights, labour, environment, and anti-corruption are a vital set of business values that strongly align with the SDGs. Leadership on the SDGs requires embracing these values and translating them into renewed actions and targets that maximize contributions towards achieving the SDGs.

Business can harness opportunities worth many trillions by embracing the 2030 Agenda. Conservatively estimated at US$12 trillion worth of savings and revenues by 2030, the SDGs present great opportunities for business practices that integrate respect and support for human rights and protection of our planet (Business & Sustainable Development Commission 2017). Business opportunity and impact on the SDGs are not mutually exclusive – they can go hand in hand.

The Blueprint recognizes the need for collaboration with stakeholders. There is a limit to what business can achieve alone. Realizing the SDGs relies on action not just by business, but also by all actors including investors, civil society and policy makers. In some areas, non-business actors, especially governments, will need to take a lead. This means that responsible companies understand that strong partnerships with all stakeholders are essential for a strong and renewed social contract.

Box 1. The Ten Principles of the UN Global Compact

The Ten Principles of the UN Global Compact establish values for business to adopt that are drawn from a range of relevant international norms and standards. Those standards are the Universal Declaration of Human Rights, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The UN has since further developed standards for responsible business practice, through the UN Guiding Principles on Business and Human Rights. The Guiding Principles are of direct relevance to the Ten Principles. Principle 1 of the Global Compact calls upon companies to respect and support the protection of internationally proclaimed human rights; Principle 2 calls upon them to ensure that they are not complicit in human rights abuses; and Principles 3 to 6 set out fundamental labour principles. The Guiding Principles provide conceptual and operational clarity for the implementation of the human rights and labour principles championed by the UN Global Compact. They reinforce the UN Global Compact and provide an authoritative framework for participants on the policies and processes they should implement in order to ensure that they meet their responsibility to respect human and labour rights.
Business leadership on the SDGs evolves through repeating three steps: prioritize, act, and learn. Leadership evolves, as a company responds to change by repeating a three-step process depicted in Figure 1: first, it prioritizes actions on the SDGs; second, it acts on these priorities; and third, it learns from its impact on the SDGs to improve its own and help others improve their actions, re-prioritize and thus start the cycle over again. Leadership on the SDGs is defined relative to the performance of others and 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: Intentional, Ambitious, Consistent, Collaborative, and Accountable. These are summarized in the next section.

Learn

A leading company commits to learn about the impacts of its actions on the SDGs, sharing lessons both internally and externally. Leadership evolves by taking action on the SDGs that are closely interconnected to the company’s entry points and then over time, expands beyond these. 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. Learning ensures that the leading company is resilient to staff turnover and allows all actors to benefit from its experience. By sharing what it has learned, the company also ensures that other actors benefit from its experience, amplifying its impact.

Figure 1. The evolution of business leadership on the SDGs: prioritize, act, and learn

Source: Vivid Economics
## Five Qualities of SDG Leadership

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<th>Intentional</th>
<th>Ambitious</th>
<th>Consistent</th>
<th>Collaborative</th>
<th>Accountable</th>
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<td><strong>Support for the SDGs is an integral, deliberate part of a leading company’s strategy</strong></td>
<td><strong>A leading company’s level of ambition greatly exceeds prevailing levels of ambition, its actions are material in the context of its end-to-end operations, and it focuses on long-term outcomes</strong></td>
<td><strong>Support for the SDGs is embedded across organizational functions and external communications</strong></td>
<td><strong>Support for the SDGs involves partnerships, including with business, government, civil society and other actors</strong></td>
<td><strong>A leading company is transparent, manages risk, seeks out meaningful engagement with stakeholders, and is accountable for adverse impacts.</strong></td>
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**A leading company’s actions in support of the SDGs are an integral, deliberate part of its strategy. Support for the SDGs is incorporated into the long-term business goals of the company. It is an integral element by which it strives for value creation; manages its workforce, supply-chain and other inputs; and addresses risks. This must be driven from the highest levels of the company and involve a strategic vision to open up new ways to contribute to the SDGs.**

**A leading company’s level of ambition greatly exceeds prevailing levels of ambition, is aligned with global targets where relevant, and inspires action by others. Leading action represents a step forward in contributing to the SDGs within an industry and across geographies. Targets are set based on science or accepted thresholds, implying a level of ambition that meets or surpasses what is required for realizing the SDGs. A leading company inspires peers to emulate its actions, including through audacity in challenging existing business practice and what is perceived to be possible. In doing so, the leading company has the potential to transform the way in which business is done beyond the boundaries of its own organization.**

**A leading company embeds support for the SDGs across organizational functions, making its actions and communication consistent. The focus on the SDGs is recognized across the business, including by all senior leaders. Top-level ethical behavior and commitment are embedded throughout the organization and underpin the performance required to advance the SDGs. It is particularly important that there is consistency between what the company says and what it does throughout its business, from advertising and marketing to corporate strategy and government affairs.**

**A leading company’s action on the SDGs includes proactive collaboration with others. Collaboration complements the leading company’s own capabilities so as to achieve the best possible outcomes for the SDGs. The company forges partnerships with other businesses, government, civil society organizations, academia, investors, and local communities. These partnerships are facilitated by the leading company publicly advocating SDG action.**

**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 and is linked to; risk management processes to prevent adverse impacts; and procedures to allow access to remedy, including through grievance mechanisms, for any remaining impacts that result from its actions or decisions.**

**Accountable leadership means being transparent and engaging stakeholders proactively on challenges and progress towards the SDGs. This fosters trust from government, investors, employees, customers and communities. A leading company knows and shows how it is improving its performance, allowing these stakeholders to make informed decisions. A leading company is not only transparent, but 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. For example, it should continue to respect international standards even if these are not legally mandated in the country where it operates [see Box 1].
How to use the SDG Briefs

Leadership Qualities in Action

The Blueprint’s SDG Briefs challenge business to think critically about how the five leadership qualities can be applied to its strategies in support of the achievement of the SDGs. The Briefs call on companies to take ambitious actions that are built on strong foundations of integrity and responsibility. Companies are encouraged to adopt holistic and systemic solutions to achieve the scale of impact required for realizing the SDGs. Self-reflection is crucial to this, and the Briefs challenge companies to take full account for all of their impacts, both positive and negative. The SDGs are all interconnected; and so are company impacts.

The Briefs describe some of the key connections between business and each of the SDGs. They then describe how the leadership qualities of Ambition, Collaboration, Accountability, Consistency, and Intentionality can be applied to each Goal to achieve leadership.

Leadership on the SDGs cannot be measured by a tick-box exercise. The SDG Briefs offer critical questions, insightful narratives, and example practices that should inspire every business – no matter its size, sector, or geography – to think creatively about its contributions to the 2030 Agenda and to challenge peers to do the same. The Blueprint for Business Leadership on the SDGs is not a complete guide, and will never be a finished product. As new challenges and new solutions arise, the Briefs will be updated to reflect that there is always more work to be done.

The Briefs pick up once you have mapped your organization’s entry points across the SDGs (through a process of principled prioritization (as described in the Introduction – the true starting point to the Blueprint). They outline how leadership on each Goal might look; demonstrate the importance of the five leadership qualities in defining leadership; make explicit the interconnection of action on one Goal to impacts on others; and, building on these elements, provide more detail on how businesses can take leading action.

The briefs are not an exhaustive representation of business action on the SDGs. For instance, the Briefs only touch on the building of comprehensive accountability systems that ensure respect for human rights across an organization and its business relationships. Yet placing human rights at the center of innovation and investment results will amplify the contribution of business to the creation of the world we want.

Elements of the SDG Briefs

Opening Narrative

An overview of the role of business to contribute to the Goal through the lens of leadership

Business Actions

Overarching actions that business can take to contribute to these targets that can potentially be leading. Each business action specifies a type and scope of activity that produces the strongest positive impact. Business Actions will be independent of time and context. The business actions cover product, process, and business model innovations; supply chain cooperation and supplier selection; multi-stakeholder partnerships; community engagement for behavioral change; policies and practices across own operations

Guiding Questions

The Guiding Questions serve to challenge companies to determine whether the action would satisfy the five leadership qualities, within the context of the Goal.

Interconnectedness

The Global Goals are inherently interconnected; action taken toward one Goal can support or hinder the achievement of others. Identifying and addressing these interconnections will help business to build holistic and systemic solutions that amplify progress and minimize negative impacts.

This section highlights ways that the business action on that Goal may contribute to other Goals; identifies opportunities to maximize positive impacts, and areas to manage the risk of negative impacts on other Goals.

Business Action Deep Dives

Include additional context on key considerations for business looking to implement the Action. Includes illustrative examples of business practices that are leading in today’s context and highlights elements of the leadership qualities and interconnectedness that merit particular attention

Related Resources:

SDG Compass – To align strategies with the SDGs
SDG Reporting – Analysis of the Goals & Targets – to communicate your support of the SDGs