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The 2023 SDG Business Blueprint

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Foreword

Time for a reality check on the Global Goals

Steve Kenzie, Executive Director, **UN Global Compact Network UK**

The 2030 Agenda - launched with such enthusiasm in 2015 - has reached an important milestone. Unfortunately, at the halfway point to 2030, there's no escaping the reality that the world is off-track to achieve the UN Sustainable Development Goals.

Progress on the SDGs has never been sufficient to achieve them, but the impact of COVID and the war in Ukraine has us going backwards. Eight years since the SDGs were adopted with a promise to end poverty, reduce inequalities and tackle climate change – that promise lies in peril.

The devastating consequences of war, energy and food crises, climate change, and threats to democracy are undermining efforts to create a more sustainable world. In this moment of humanity's most severe challenge, we must unite in a collective effort to achieve the UN Sustainable Development Goals – the only universally agreed blueprint for the future we want.

Our role at the UN Global Compact Network UK is to build a coalition of responsible businesses and inspire them with the ambition to contribute to the Goals and enable them with tools and knowledge to convert that ambition into action.

It is great then, that 77% of businesses surveyed believed they are aligned to some of the Global Goals. But it's not enough. The point of the SDGs is not to continue business as usual only with colourful icons adorning our sustainability reports.

Now is the time for leadership. With governments and other stakeholders, the private sector must be brave - it remains the greatest catalyst for global action. Companies need to raise their sustainability ambitions. How high? The SDGs provide an objective reference for what their ambition should be. Companies need to adopt the SDGs and internalise the SDG targets. This is the meaningful ambition that will lead to the transformational change we all want to see.

> "The SDGs are big and bold objectives, delivering them by 2030 is a huge, maybe even impossible, challenge."

Businesses and investors need policy clarity and incentives to unlock the investment opportunities needed to deliver solutions more effectively for the people and planet – businesses cannot operate independently of their environments, but there are no excuses not to be ambitious.

To say that change is inevitable isn't controversial. Similarly, it is obvious that a lot of what we accept as business as usual in 2023 will not be acceptable in 2030 and beyond. The SDGs are big and bold objectives, delivering them by 2030 is a huge, maybe even impossible, challenge.

However, one needs to have a profoundly pessimistic worldview to believe that the vision for the future presented by the Goals will never be achieved. Accepting the inevitability of this future can unlock progress. Good managers are always looking ahead to future-proof their organisations, action now that contributes to achieving the SDGs does this, up to and including changing business models.

We need business leaders to see the SDGs as a driver of growth, not just reputation (though they can be both) and busy themselves making progress, not just pledges.

The future is now - it may be a cliché, but it's also true. We are at a critical turning point. The actions we take in the months and years ahead will determine whether, as UN Secretary-General António Guterres has warned, we will look back on the SDGs as an "epitaph for a world that might have been" or a major step towards a world where everyone lives in peace and prosperity on a healthy planet.

Introduction

The 17 Sustainable Development Goals (SDGs) – which define our global priorities and aspirations for 2030 – represent a crucial opportunity to end extreme poverty, fight inequality and injustice, and protect our planet. Achieving the Goals requires an unprecedented effort across all aspects of society – and business sits at the heart of it.

But with less than seven years left to deliver on the ambition of the SDGs, it's clear that business must step up if we're to have a positive impact on society which the Goals ultimately exist to drive.

How can we bridge the gap between ambition and action? What can sustainability and energy professionals do to drive engagement with the SDGs and ensure the framework is leading to tangible actions within this decade?

Delivered as part of edie's SDG Week, the SDG Business Blueprint report explores whether businesses are prioritising, or de-prioritising, the SDGs as part of their corporate sustainability strategies.

The report features timely examples of how corporates can embed and to embrace the Global Goals, not just in their reporting, but through tangible projects, solutions and services. The report also features the results of an in-depth edie survey of more than 100 in-house sustainability and ESG professionals and therefore provides a timely temperature check as to whether organisations are still prioritising the SDGs in the face of the cost-of-living crisis – which itself is intrinsically linked to the Global Goals.

Contents

This insight report is published by edie, the industry-leading, purpose-driven business media brand which empowers sustainability, energy and environmental professionals of all levels to make business more sustainable through award-winning content and events.

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September 2023

Survey results:

at a glance infographic

17% OF BUSINESSES ARE ALIGNED WITH ALL 17 GOALS

78% OF BUSINESSES WANT THE FINANCE SECTOR TO DO MORE ON THE JUST TRANSITION AND SDGS

27% OF BUSINESSES ARE ANALYSING PROGRESS AT A SPECIFIC SUB-TARGET LEVEL

33% OF CORPORATE CHIEF EXECUTIVES ARE "VERY ENGAGED" IN DELIVERING A JUST TRANSITION

$4.2trn ANNUAL COSTS OF DELIVERING THE SDGS FULLY BY 2030

90% OF HEALTHCARE SERVICES DISRUPTED GLOBALLY DUE TO COVID-19

64% OF THE WORLD HAS SHOWN LIMITED TO NO PROGRESS ON SDG TARGETS

83% OF BUSINESSES DO NOT BELIEVE THE SDGS WILL BE ACHIEVED BY 2030.

The SDG Progress update

There are less than seven years left to achieve the 2030 agenda for the SDGs and recent disruptions including the coronavirus pandemic and subsequent recession risk derailing global efforts to deliver a sustainable future.

The UN's latest annual report tracking progress towards each of the 17 Goals, published in July 2023, found that the world is "woefully" unprepared to deliver the SDGs by 2030, with progress having halted or even reversed on some Goals during the pandemic.

Previous estimates from the UN suggest that the pandemic has pushed at least 83 million additional people into chronic hunger; disrupted routine health services in 90% of countries and hampered gender equality and education.

In September 2015, delegates from 193 nations came together to introduce the 17 SDGs, also known as the Global Goals. Businesses, citizens, NGOs, trade bodies and others joined with world leaders and ministers to develop them to replace the Millennium Development Goals developed 15 years prior.

At the time of the SDGs' inception, the UN described them as a "universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity". While it is important to note that these "universal" goals are primarily targeted as mechanisms for nations and governments to build towards, many businesses have moved to champion the Global Goals as a North Star for their organisation and the role that the private sector has in society.

Since they were created in 2015, more than 10,000 companies, most national governments and thousands of investors have pledged to support the UN's SDGs in some way.

However, previous studies have highlighted the many challenges that businesses face in setting targets that are actually measurable against the Global Goals, and what data and monitoring mechanisms exist to report against them.

Now, concerns persist that the SDGs, despite encompassing every part of the global economy thematically, are dropping down both the corporate and political agenda as a result of disruptive issues that are pressing society and the economy, including the ongoing war in Ukraine which has caused additional ripple effects in the form of skyrocketing gas prices.

The coronavirus pandemic delivered backwards progress on Goals relating to public health and good work in many economies, especially vulnerable developing nations. Indeed, the UN stated that global immunization rates are yet to rebound to pre-pandemic levels in regions including Africa and Latin America.

As a result, UN Secretary-General Antonio Guterres said that while many countries in the Global North are facing economic challenges, those in the Global South are "staring into a financial abyss" when assessing how they can achieve the SDGs.

The topline finding from the UN was that the costs of delivering the SDGs fully by 2030 now sit at $4.2trn annually, almost double the annual costs compared to 2019.

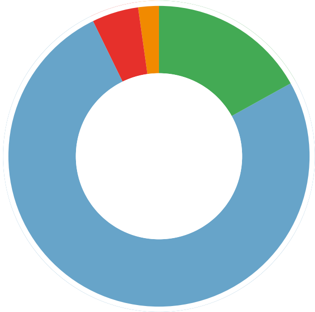
A funding gap has emerged. The UN has pledged an additional $54.5m to help developing nations achieve the SDGs, after its annual reporting last year outlined backward progress in several geographies on several goals due to the pandemic. The new funding, which was announced at the start of 2022, will be allocated to projects across Kenya, Madagascar and Zimbabwe in Africa, as well as Suriname and North Macedonia.

According to the UN Sustainable Development Solutions Network (SDSN), global progress on the SDGs has been "static" for the third year in a row.

The SDSN report warns that not a single SDG will be achieved by 2030 at the current rate, and on average less than 20% of the SDG's underlying targets are on track to be achieved.

The report highlights that there is a risk that the gap in SDG outcomes between high-income countries (HICs) and low-income countries (LICs) will be larger in 2030 than it was in 2015, putting a decade of progress against the Goals at risk.

Currently, two-thirds (64%) of the world demonstrates limited to no progress on SDG individual targets at the midpoint of the 2030 agenda, whereas 15% of the countries note a reversal in progress.



HOW ALIGNED ARE THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) WITH YOUR ORGANISATION'S SUSTAINABILITY STRATEGY?

Aligned with all 17 Goals 17%
Aligned with some of the goals...76%
No alignment 5%
Not sure 2%

Governmental commitments and efforts to the SDGs remain low, with no single G20 country having a sufficient mix of policies and actions to achieve the objectives, except for the UK with an "almost sufficient" level of policy.

According to UN Global Compact Network UK's second 'Measuring Up' report last year, only 23 of the 169 SDG-based targets had seen improvements since 2018. For most of the targets – 65 of them – no change had been seen.

The outlook is undeniably bleak, but nations and corporates alike have shown how quickly they can respond to crises as they develop, such as the response to the coronavirus pandemic. With reports calling on UN Member States to support a comprehensive reform of the global financial architecture, and to ramp up financing flows by at least $500bn by 2025 to spur progress against the Goals, we are entering a critical delivery period for this framework for humanity.

Corporate considerations

As European nations grapple with the geopolitical uncertainties of the war in Ukraine and developing nations continue to suffer from the fallout of the coronavirus pandemic window of opportunity has emerged for a selection of businesses to pick up leadership positions by championing the SDGs.

In order to do so, however, awareness of both the Goals and the action plans that can be implemented will need to grow substantially.

A survey of 1,000 British SMEs has found that less than two in ten are aware of the SDGs. Similarly, just half of large businesses know what the Global Goals are. Commissioned by standards developer and business improvement services firm BSI, the survey polled decision-makers of more than 1,000 UK-based SMEs across a range of sectors. Just 18% said they are aware of the SDGs.

BSI's findings could, as a standalone, indicate that businesses are using different frameworks to design and implement their environmental and social strategies. Yet the survey also found that 40% of organisations have no established sustainability goals with time-bound, numerical targets.

To gain an informed understanding of corporate approaches to the SDGs, edie ran a survey for its audience of in-house sustainability and energy professionals. The survey ran for one month in August 2023 and garnered responses from 100 corporate representatives. Respondents worked for a range of different-sized organisations across all sectors of the UK economy.

When asked "How aligned are the Sustainable Development Goals (SDGs) with your organisation's sustainability strategy?" 77% said they were aligned with "some of the goals", while just 17% claimed to be aligned with all 17 SDGs. Only 5% said their organisation had "no alignment" with the Global Goals.

Survey respondents were also asked to outline how their organisation was "analysing progress against the SDGs" to see whether the Goals were just being used to badge up existing commitments or whether companies were actually re-evaluating corporate actions to align with the Global Goals.

> "The SDSN report warns that not a single SDG will be achieved by 2030 at the current rate, and on average less than 20% of the SDG's underlying targets are on track to be achieved."

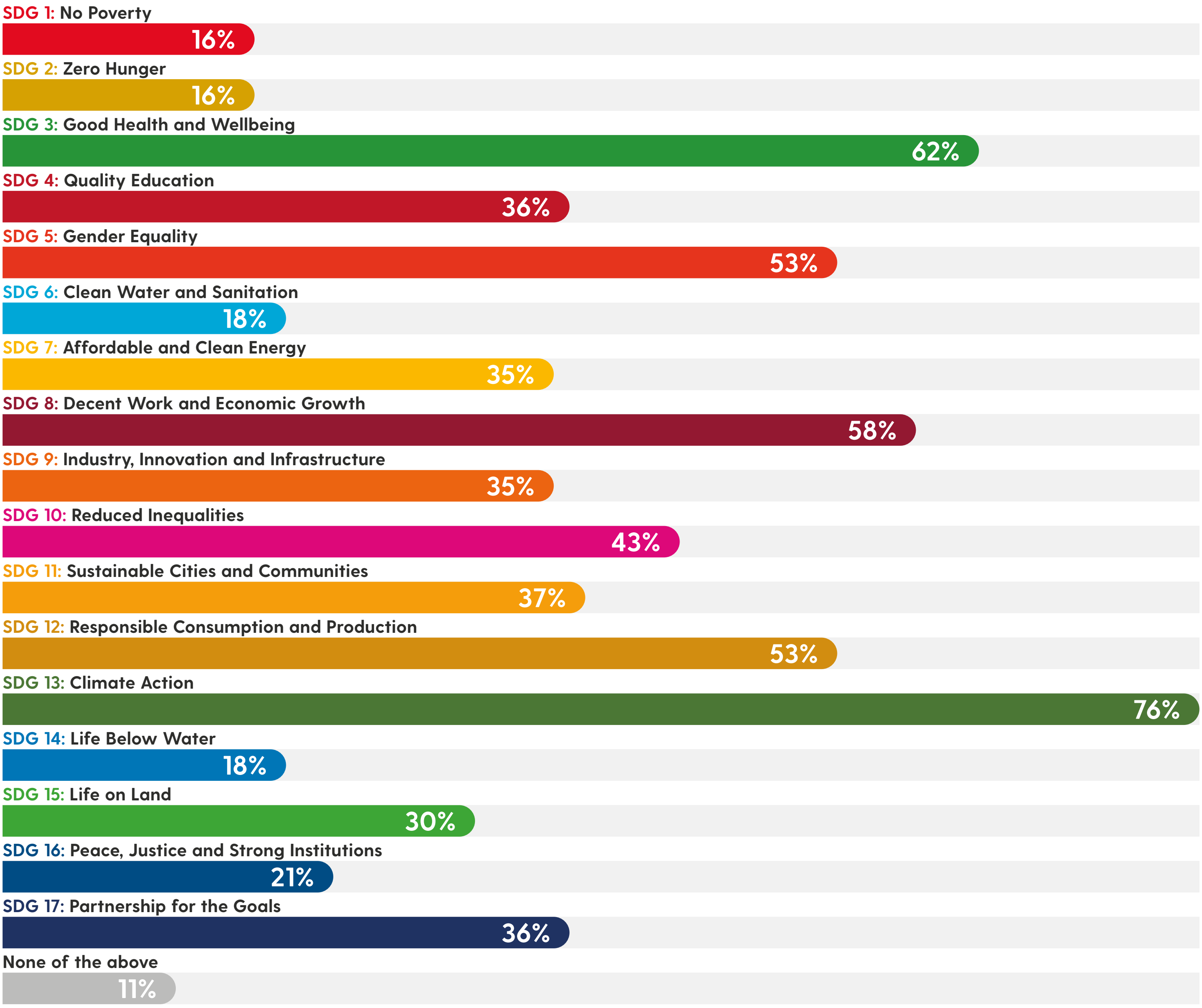
In total, 42% claimed that their organisation had analysed progress at an overarching Goal level (for example Goal 13: Climate Action). 27% of respondents said they were analysing the Goals at a sub-target level. The same number of respondents (27%) stated that they hadn't analysed progress against targets at all, suggesting a disconnect between wishing to align with the SDGs and actually finding ways to report and progress against them.

Of the companies that are reporting against the SDGs it is clear that not all goals are as relevant as others. edie's Survey found that Goal 13: Climate Action was reported against by 76% of businesses, although this is unsurprising given the target audience for the survey was sustainability professionals.

Aside from climate action, SDG 8: Decent Work and Economic Growth (58%), SDG 12 Responsible Consumption and Production (53%), SDG 5: Gender Equality (53%) and SDG 11: Sustainable Cities and Communities (37%) round up the top five.

Both the context and the survey results suggest that corporates have a mountain to climb to embed the SDGs into existing or new strategies, but optimism remains that doing so could see businesses become a catalyst for the world's to-do list.

WHICH OF THE 17 SDGS IS YOUR BUSINESS ACTIVELY PURSUING AND REPORTING AGAINST?
*RESPONDENTS WERE ABLE TO SELECT ALL THAT APPLIED



The SDG challenges and barriers

With global progress against the SDGs flatlining for a third year running it is understandable that the Global Goals may have fallen down the corporate agenda due to the current economic recession and environmental crises.

The window to act to deliver the SDGs shrinks with every passing day, yet an academic article published in the journal Nature Sustainability, assessing the political impact of the SDGs, concluded that "nothing has changed where it matters".

The researchers behind the article found "little evidence" of governments changing policy and legislation to deliver the vision laid out by the SDGs, despite more references to SDGs by policymakers and business leaders. The article concludes that reforms in national and sub-national governments and UN agencies have been "modest" at best since 2015.

This stagnant policy approach doesn't help matters but as we've seen with the ongoing net-zero transition in the UK (whereby policy continues to be questioned and delayed) corporates can and will step up in the void where political leadership should be.

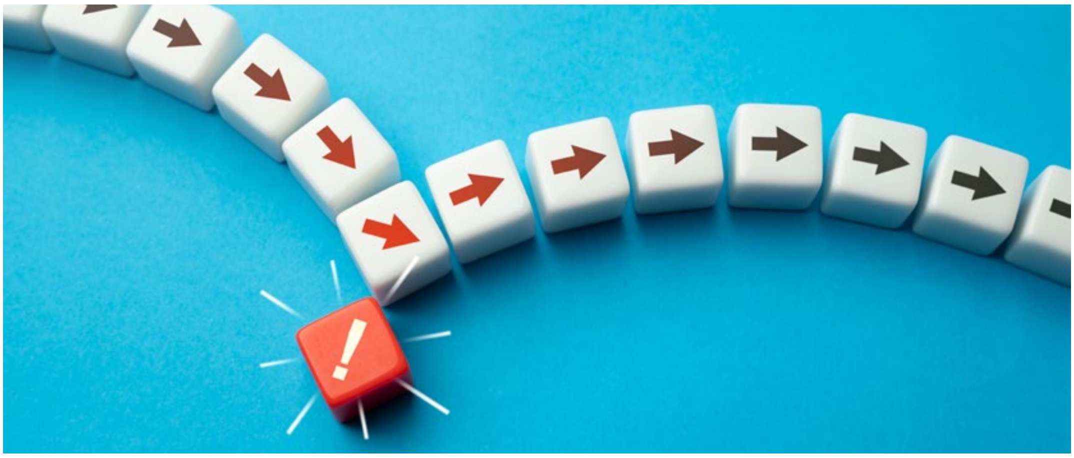
However, the all-encompassing aspect of the SDGs throws up some unique challenges for businesses, many of which may be dissuaded from targeting the goals because not all of them will be relevant to each business.

Awareness issues

One of the major barriers halting the uptake of SDG-themed reporting and targets is that despite the broad scope of the Global Goals having multiple touch points with different parts of the business, awareness of them is still siloed in sustainability departments.

> "It is no exaggeration to say the future of our world will be shaped by what governments and businesses do on the SDGs – and whether they are held accountable against them. All responsible businesses should want to be held accountable for ensuring this."

PAULIINA MURPHY, ENGAGEMENT DIRECTOR, **WORLD BENCHMARKING ALLIANCE**



Research from the World Business Council for Sustainable Development (WBCSD) found that the SDG agenda mainly sits in and is managed by the sustainability department, or branching into the c-suite and the CEO of companies that are actively engaged with the Global Goals. As such, integrating the SDGs across other key functions, including finance, is still a major barrier.

Even though more research continues to be published highlighting both the economic and wellbeing benefits of delivering the SDGs (more on this in the next section) very few organisations have been able to accurately articulate the business case for approaching 17 Goals that are so ambitious and all-encompassing in their scope.

Further research from the WBCSD also highlights that companies would feel more inclined to act if there were clearer regulatory guidance on how to do so. The Council argued that clearer policy signals that actually drive progress toward the SDGs rather than flatlining for the fourth year running would provide greater certainty for businesses to act on the Goals.

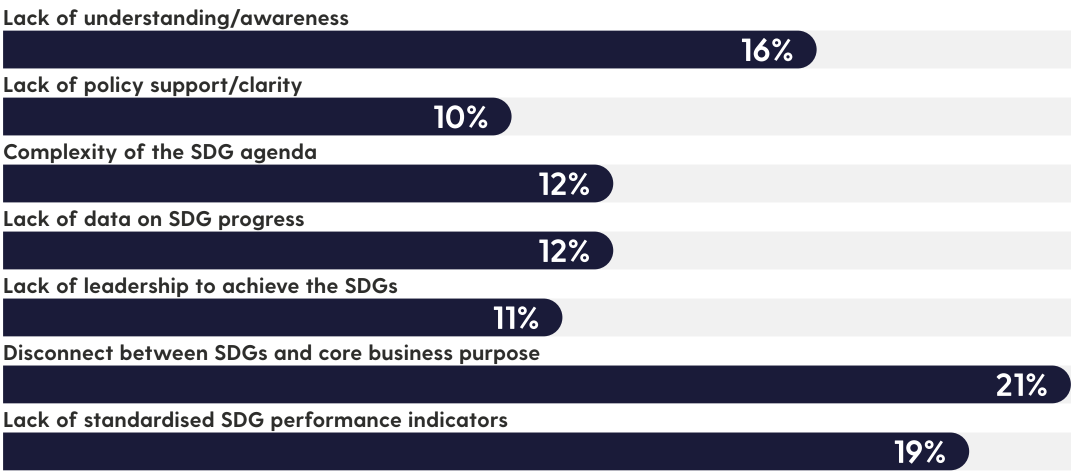
Indeed, the two biggest challenges cited by corporate respondents to edie's SDG survey was the "disconnect between some SDGs and business purpose" (21%), the lack of standardised SDG performance indicators (19%) and a general lack of understanding and awareness of the Goals (16%).

> "A staggering 83% of edie survey respondents claimed that the Global Goals would not be achieved by 2030."

All of these challenges have added to the notion that the SDGs are not on track to be achieved by 2030. A staggering 83% of edie survey respondents claimed that the Global Goals would not be achieved by 2030. Given that two-thirds (64%) of the world demonstrates limited to no progress on SDG individual targets and 15% of the countries have actually recorded deteriorating performances, it is easy to see why businesses feel so left in the dark about this challenge.

Indeed, survey respondents were asked to explain their thoughts as to why the SDGs won't be achieved. One particular respondent claimed that the SDGs were "yesterday's news and they have almost been forgotten by big businesses", while others felt that there was "political apathy and distraction" surrounding the Goals and that consumers were "understandably focused on their own situations" during a cost-of-living crisis.

WHAT IS THE BIGGEST CHALLENGE YOU ARE FACING WHEN IT COMES TO INTEGRATING THE SDGS IN YOUR ORGANISATION?



The SDG opportunities and priorities

Despite the many challenges facing businesses, some corporates remain steadfast in their belief that the SDGs can act as a North Star for strategies that deliver prosperity for society while responding to the climate crisis.

It might sound odd, but actually knowing the scope and the severity of the task ahead in delivering the SDGs is the first step for businesses to start to act.

Corporates will need to be aware of that $4.2trn annual funding gap for the SDGs and realise that collectively they can spur real progress, especially in developing countries which need to be supported with investments for infrastructure, food security, climate change mitigation and adaptation and health and education. All of these needs are listed in the SDGs and can be championed by businesses, although not at the financial scale required.

The UN itself describes the private sector as an "indispensable partner and has a critical role to play in advancing the global development agenda". Research from the UN notes that in developing nations, on average, 60% of GDP comes from the private sector, while also generating 90% of jobs and 80% of capital flow.

The private sector is also one of the main hubs for innovation that can shift markets and unlock new financial streams that can deliver against the SDGs and the 169 underlying targets.

It is not just a case of businesses giving without reward either. According to the Business and Sustainable Development Commission, achieving the SDGs could open a $12trn market opportunity for businesses that operate in food and agriculture, cities, energy and materials, and health and well-being. These sectors account for around 60% of the economy and the research states that these returns could actually be 2-3 times higher, provided a substantial increase in labour and resource productivity. In short, if all parts of the private sector focus on the SDGs, the world and the economy can become much more prosperous.

Some of the main opportunities for corporates, as listed by the UN, include:

- Generating revenue through new market opportunities and innovation
- Retaining and attracting the best workers and employees
- Increasing supply chain resiliency through improved sustainability
- Becoming more attractive to investors
- Being 'ahead of the curve' with future regulatory compliance that will likely focus on risk and sustainability.

Corporate priorities

So, if the benefits are this widespread what are corporates who are championing the SDGs recognising right now?

As edie's corporate SDG survey highlighted, 77% of businesses believed they are aligned to some of the Global Goals, with Climate Action, Gender Equality and Good Health and Wellbeing all key areas of focus for the private sector.

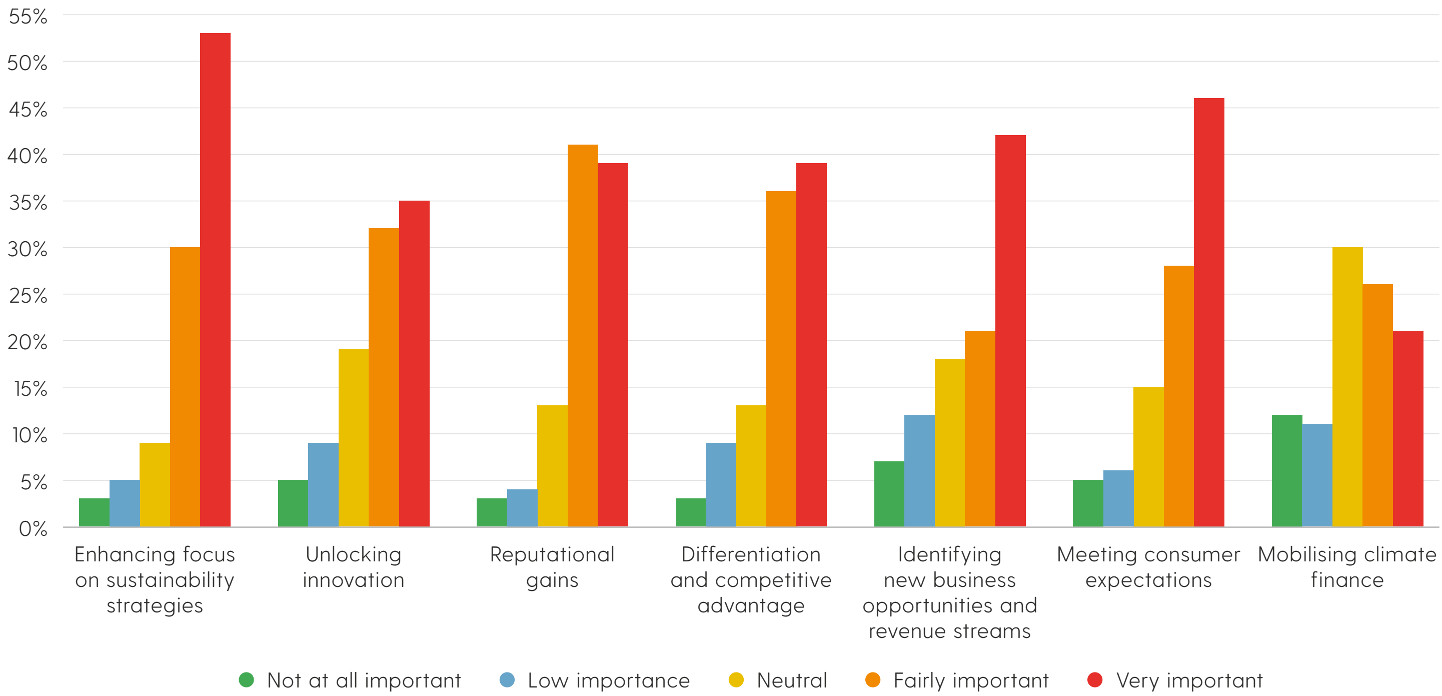
The survey also found that more than half of businesses (53%) believe that the SDGs are "very important" as a tool to help advance sustainability strategies, compared to just 3% who claim they are "not at all important". Just under half (45%) claimed that delivering bespoke plans against the SDGs were very important in "meeting customer expectations", while 41% claimed that they helped deliver reputational gains as well.

However, more needs to be done in order to unlock dedicated SDG-related innovation and funding. The survey found that of the business benefits that can be recognised through the Global Goals, "mobilising climate finance" ranked last, with 11% stating it was "not at all important". Additionally, 7% that the SDGs were "not at all important" in "identifying new business opportunities and revenue streams".

Data deep dives

While businesses strive to unlock new financing and innovation to further boost the reputational benefits of

HOW IMPORTANT ARE THE FOLLOWING BENEFITS TO YOUR BUSINESS WHEN IT COMES TO ENGAGING WITH THE SDG AGENDA?



> "Research from the UN notes that in developing nations, on average, 60% of GDP comes from the private sector, while also generating 90% of jobs and 80% of capital flow."

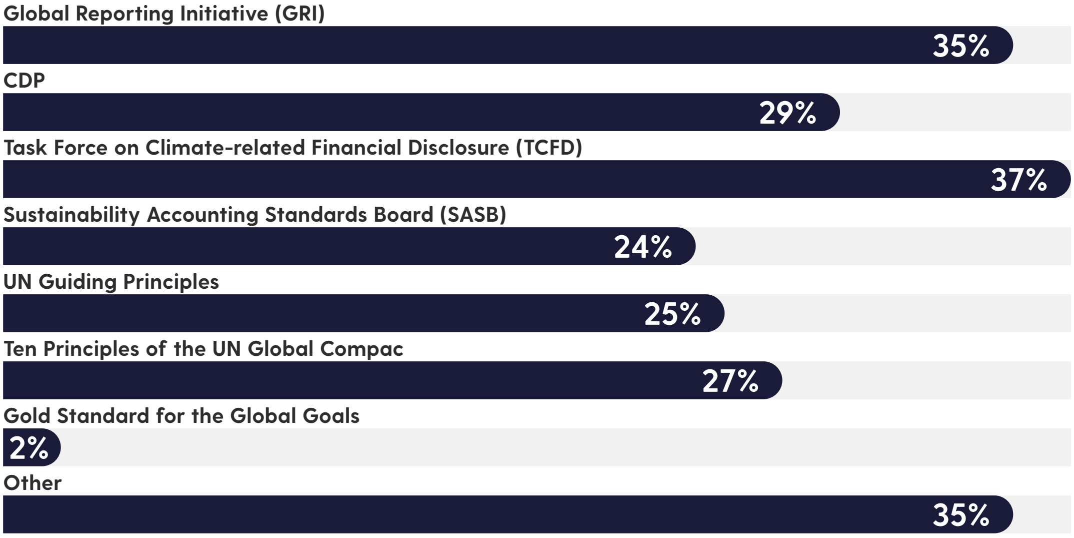
championing the SDGs, many are looking at how they can report against the Global Goals.

With 10% of businesses stating that a lack of standardised SDG performance indicators is hindering progress, it is clear that there is no one-size-fits-all approach to demonstrating how a company is approaching the SDGs through annual and standalone reporting.

According to edie's survey respondents, there is a real patchwork of different options that organisations are turning to in order to report against the SDGs.

> "Corporates will need to be aware of that $4.2trn annual funding gap for the SDGs and realise that collectively they can spur real progress"

WHICH OF THE FOLLOWING REPORTING STANDARDS AND FRAMEWORKS IS YOUR ORGANISATION USING TO HELP REPORT PROGRESS AGAINST THE SDGS? *RESPONDENTS WERE ABLE TO SELECT ALL THAT APPLIED



Perhaps surprisingly, the Task Force on Climate-Related Financial Disclosures (TCFD) was highlighted by 37% of respondents as the framework they are using to report on certain SDGs metrics. The TCFD is designed to envelop climate and sustainability data into annual reporting, so this could indeed act as a valuable framework to report on ESG, and therefore SDG metrics, alongside wider financial implications.

Second on the list of common frameworks utilised by firms is the GRI (35%) as well as CDP (29%). It is worth noting that there are multiple dedicated SDG frameworks (more on these in the next section of the report), such as the UN Guiding Principles, and the Ten Principles of the UN Global Compact, however, these were slightly less common for corporate use based on the survey results.

Businesses and the SDGs: A step-by-step guide

As the edie survey and report has shown, many organisations are struggling to navigate the breadth of the Global Goals in order to develop new targets to help deliver them. This section provides succinct advice on how to start your SDG journey.

Mapping the touchpoints that an organisation has with the Global Goals is no easy feat. As the edie survey explained, only 17% of companies have aligned against all the Goals, compared to 76% against a selection of them. And of these, 27% weren't analysing or reporting progress against the SDGs and sub-targets.

So, just how can it be done?

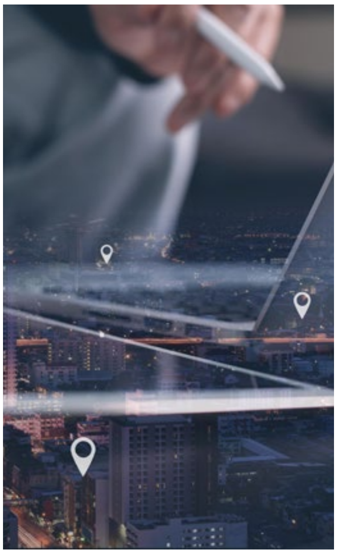
Step 1: Mapping

One place to start is to map the major themes in your existing sustainability strategy, or a new one if you are currently in the process of developing an update. These strategies will be different based on the sector you operate in, but provide an ideal starting point to align them with the relevant SDGs. Food producers, for example, will likely have a big impact on agriculture, and consumers. Therefore, Goals 2 (Zero Hunger), 12 (Responsible Consumption and Production, 13 (Climate Action) and 15 (Life on Land) are all applicable..

This mapping task doesn't have to be done in isolation and numerous tools and frameworks exist to help you in this exercise. The SDG Compass, SDG Industry Matrix and the SDG Action Manager can all be utilised to assess corporate performances based on the data they have to hand and can even help uncover potential opportunities and targets that could be set against the Global Goals.

While, the SDGs are broad in nature and not applicable to every company, each of the 17 Goals is accompanied by a set of underlying targets that are based on more tangible impacts and challenges. Again, not all of these sub-targets will be viable for organisations, but some can help inform corporate strategies.

Take SDG 12: Responsible Consumption and Production as an example. This obviously chimes with the overall aims of the circular economy so businesses may well be able to overlap existing commitments to the sub-targets of SDG 12. While a sub-target like 12.9 "Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production", may not be a tangible option for some companies, 12.3 "By 2030, halve per capita global food waste at the retail and consumer levels" certainly is for retailers and food producers. This has led to the creation of the Champions 12.3 initiative, which consists of government, business and civil society leaders who have all pledged to deliver that sub-target.



Step 2: Baselines and integration

Once the relevant SDGs have been identified, corporates will need to start integrating them into strategies, operations and even KPIs to help drive progress.

Firstly, businesses will need to be aware of the datasets that they need to collect. In an era rife with greenwashing over corporate sustainability claims, businesses will need to utilise reporting frameworks like the TCFD and GRI to showcase progress against any SDGs they claim they are working toward. Now is not the time to start SDG-washing.

> "As the edie survey explained, only 17% of companies have aligned against all the Goals, compared to 76% against a selection of them."

Dedicated SDG frameworks do exist, including the UN Guiding Principles, Ten Principles of the UN Global Compact and the Gold Standard for the Global Goals which can help you report and collect relevant data.

Accessing the data and utilising the relevant frameworks will give you the basis to set measurable goals and then embed these goals into your organisation like you would with any other existing sustainability targets. If the target is quantifiable, such as halving food waste by 2030, there is no reason these can't be tied to KPIs for parts of the organisations.

Step 3: Progress and Action

Once the targets have been set and embedded internally it should be easier to create momentum. As with any sustainability initiative, there are numerous ways to explore progress. Some may turn to trials to rollout renewable systems for operations as a starting point for SDG 7, for example, or may even offer clean energy tariffs for staff.

Others may be more consumer/community-facing with their ambitions. Some manufacturers, for example, are providing off-grid clean cooking, energy and heating initiatives for developing nations. There is even an opportunity for companies to invest in these projects as part of carbon offsetting initiatives, essentially paying to offset emissions across their value chain while supporting SDG-aligned projects. It is incredibly important, however, that these projects actually deliver benefits and that corporates aren't just greenwashing by paying to move the problem elsewhere.

Many corporates will also realise the complexity of the SDGs and feel that tackling them alone is a fruitless endeavour. Maximising impact will require collaborating with other actors, such as rival firms, academia, the supply chain and governments. Many global facilities exist to do just this, including the UN Global Compact, the Business for 2030 coalition, and the Business Call to Action.

Collaboration can also help get other areas of the business involved. In 2022, the Chief Financial Officers' Coalition for the SDGs was launched by the UN Global Compact to ensure that corporate finance was aligned with the Goals.

The CFO Coalition for the SDGs will see CFOs collaborating with other experts to develop principles, frameworks and recommendations for the proper integration of SDGs into corporate financial plans.

It then aims to facilitate the widespread adoption of these approaches; there is an ambition to create a $10trn market for SDG-directed private finance by 2030, up from $500bn in 2020.

Step 4: Reporting and revisiting

As mentioned in the previous section of this report, frameworks such as the TCFD and GRI are being used to report on SDG metrics alongside financial data, adding more impetus to the targets and progress as a result. It is not the case that corporates should be using the SDGs as colour-coded badges to spruce up reports, but rather showcase measurable and transparent progress against strategic aims.

The world changes quickly and disruptive challenges like wars and pandemics can emerge at a pace. These may cause companies to revisit their current SDG action plans and see whether they are still fit for purpose. Many firms will report on aspects like gender equality and climate action, but will also need to consider how trends can open new considerations and SDG challenges that a corporate may have scope to address.

An airline, for example, may not think it has much impact on SDG 15: Life on Land, or SDG 12: Sustainable Consumption and Production, but as more firms try to access biofuels and crops to be converted into Sustainable Aviation Fuels (SAFs), all of a sudden this impact becomes apparent.

Businesses should constantly reevaluate their materiality matrixes and see whether there is an opportunity to add more SDG-related goals to their strategy moving forward.

In focus: Just Transition

While corporates target-setting for net-zero emissions continues to gather pace there is a unique opportunity for the business community to account for societal needs listed in the SDGs while still spurring decarbonisation and climate action.

The concept of the Just Transition has its roots in trade unionism, and originally referred to protecting the livelihoods of workers at risk of losing jobs and the communities around them due to changing environmental policies. The term is now generally seen more broadly as ensuring that the socioeconomic benefits of creating a more environmentally sustainable society are felt equitably, especially as the net-zero transition gathers pace.

Through the lens of the SDGs it is easy to see how a focus on Goal 13: Climate Action can cascade across other Global Goals if corporates attempt to deliver a "just" net-zero transition that ensures that no part of society is left behind.

Organisations need to realise the interdependencies of decarbonisation, social mobility and net-zero will not be fully delivered if parts of society resist the transition because they are ignored and left behind.

Huge parts of the economy and many nations and regions are built on the foundations of carbon-intensive activities and sectors that will need to transform in order to be a viable part of the low-carbon economy. Businesses, governments and investors alike will need to work together to ensure that no communities are left behind and that a net-zero future is an equitable one too.

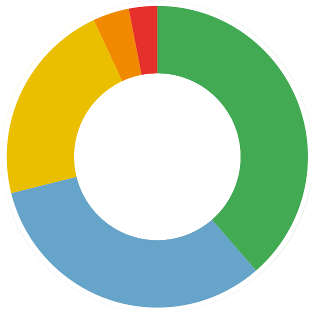
However, concerns persist as to whether businesses are encompassing the needs of the Just Transition in their corporate strategies or whether the pillars of planet and society are still being treated in isolation

"edie's survey found that actions and understandings of the Just Transition are largely situated in the c-suite, which should help embed it into corporate processes."

As part of edie's SDG Business survey, we asked respondents, "to what extent do you agree that the Just Transition is a vital part of your organisation's sustainability strategy?"

While 22% claimed they were "unsure" what a Just Transition meant for their organisation, 39% claimed that they "strongly agreed" that it was a vital part of their strategy, while only 4% strongly disagreed.

While it is promising that businesses realise how important the Just Transition is to their overarching strategies,



TO WHAT EXTENT DO YOU AGREE THAT THE JUST TRANSITION IS A VITAL PART OF YOUR ORGANISATION'S SUSTAINABILITY STRATEGY?

Strongly agree	39%
Agree	33%
Unsure	22%
Strongly disagree	4%
Disagree	2%

public commitments to the cause are still lacking. edie's survey found that more than two-thirds of organisations (67%) are yet to make a public commitment to the Just Transition. This would again highlight the lack of standardisation around the topic and how the values and needs of a Just Transition can differ from country to country based on societal needs.

Many businesses point to the investment and finance communities to help spur action toward a Just Transition, which in turn can catalyse progress against the SDGs. According to edie's survey, 78% of corporate sustainability professionals believe that the global investment community is not doing enough to mobilise funds to enable the Just Transition.

Much like with the SDGs, businesses are attempting to align processes internally on this subject despite the wider acknowledgment from banks and national governments.

edie's survey found that actions and understandings of the Just Transition are largely situated in the c-suite, which should help embed it into corporate processes.

According to survey respondents, 33% of corporate chief executives are "very engaged" in delivering a Just Transition, compared to 10% who are "not at all engaged". This level of engagement is matched by the boardroom (27% of which are very engaged) and marketing (29%). As for the least engaged functions, 15% of IT departments are "not at all engaged," while legal (14%) and finance (12%) are also struggling with understanding the Just Transition.

"To get our planet, economies and societies onto a better path we need more leadership, and better leadership, with business once more playing a vital role."

PAUL POLMAN

Industry Viewpoint

The integration of approaches to deliver a Just Transition

Chinyelu (Chi) Oranefo,
Director, Sustainability & ESG Finance
Lloyds Bank, Corporate and Institutional Banking

The Just Transition is about ensuring that actions taken to transition to a low-carbon future take into consideration the impact on people and communities. Companies, workers, and citizens should not be disproportionately burdened and should have access to the benefits of the transition. Adopting a Just Transition approach supports organisations to integrate environmental and social considerations to drive an effective, efficient, and considered transition to net zero.

With 39% of participants in edie's SDG Survey saying they "strongly agreed" that Just Transition was a vital part of their organisation's sustainability strategy, it seems that the balance could be tipping in favour of a more holistic approach. Nevertheless, developing a Just Transition plan is complex and requires an assessment of material impacts and dependencies, as well as consulting multiple stakeholders to understand where efforts should be prioritised.

For Lloyds Bank (part of Lloyds Banking Group), a Just Transition is at the heart of how we will help Britain prosper by creating a more sustainable and inclusive future for people and businesses, shaping finance as a force for good. By increasingly putting our purpose in action, we are demonstrating that we take our responsibility to both society and the environment seriously through our own activity and how we work with our customers and clients.

There will be no 'one size fits all' approach to the Just Transition. It cannot be a 'tick-box exercise' because every sector has different stakeholders, transition risks and mitigation actions.

Organisations wishing to drive the Just Transition must develop a strategy that considers social impact alongside reductions in carbon emissions.

Effective communication and engagement will support stakeholder 'buy-in' as both the benefits and consequences of the transition are fully anticipated, articulated, and shared.

The need to layer these considerations and associated actions is becoming increasingly acute as we note the increasingly urgent nature crisis and as we grapple with other societal pressures like the cost of living.

We look forward to building on our engagement with clients as we help support them navigate the challenges and the business opportunities a Just Transition brings.