



Executive Summary

The Sustainable Development Goals (SDGs) are the only universal Agenda that calls for dynamic cooperation between the public, private sectors, and civil society to promote sustainable and prosperous development for humanity in harmony with nature. This Agenda is becoming increasingly important as the world is experiencing a context of poly-crises associated with high geopolitical, economic, social, and environmental instability, and in a moment where multilateralism and cooperation are the only possible paths to progress.



In this context, António Guterres, Secretary-General of the United Nations, urges, for 2023 onwards, for an ambitious and transformative “Pact for the Future,” capable of offering solutions for a more just, peaceful, and sustainable world. Despite the progress already achieved in recent decades and since the launch of the 2030 Agenda, climate and social challenges are beginning to reach alarming levels for humanity in what has already been dubbed the “Era of Global Boiling.” The SDG Agenda, having only met 15% to 18% of its goals, is halfway through its journey and needs the contribution of everyone, especially the business sector, for its total fulfillment.

Therefore, it is with a great sense of responsibility for all these challenges that CATÓLICA-LISBON, through its Center for Responsible Business and Leadership, in partnership with BPI, Fundação “la Caixa” and Fundação Francisco Manuel dos Santos, launches the second report from the Observatory of the SDGs in Portuguese companies, the “Annual Report 2023: Observatory of the SDGs in Portuguese companies”.

This report aims to contribute to the debate on this topic with a comprehensive study of the context of the SDGs in the world and in Portugal, an analysis of the evolution of the 2030 Agenda in Portugal, mainly in the business sector, and the presentation of the conclusions that invite us to reflect and take action. It results from an exhaustive data collection in partnership with 61 Large Companies and 108 SMEs operating in Portugal, and some strategic partners, who make this work an ambitious cooperation for development.

As an impact-oriented School of Business and Economics, we were proud to receive, in September 2023, the news that the United Nations distinguished this project as one of the 25 best practices of Higher Education Institutions worldwide. This distinction reinforces our motivation and commitment! With all the partners who want to join us, we

will conduct a series of studies and actions over the coming years to promote the evolution of the 2030 Agenda in the Portuguese business sector, in close cooperation and with positive spillovers with the Portuguese Government and society.

On this path, we will continue to be guided by the three goals of this Observatory:

- 1. Promote a clear understanding of the involvement of Portuguese companies with the Sustainable Development Goals;**
- 2. Promote and disseminate good practices in the implementation of the SDGs at the core of the corporate strategy;**
- 3. Stimulate knowledge about the SDGs among the business community and promote their implementation in the private sector.**

This report is a sequence of the first report, launched in 2022 (which can be consulted here). In this context, we begin by presenting a positioning of the Observatory in the international context (**chapter 1**), a new and enlightening chapter on the importance and uniqueness of this project worldwide. Next, **chapter 2** presents an update on the implementation of the 2030 Agenda at the global, European, and Portuguese levels, where conclusions are drawn about the stagnation of the 2030 Agenda in the world and about the positive evolution, though many challenges, in our country. The legislative table is also updated, presenting the leading global, European, and national legislation in the field of Sustainability and their intersection with the SDGs..

Chapter 3 (Current themes under analysis) is the major novelty of this 2023 report. It brings to debate a topic whose discussion and deepening can clarify the various stakeholders who work on Sustainability themes in a corporate environment. This year, we chose to clarify and differentiate the concepts of ESG and SDG (where they intersect and differ), allowing us to reinforce the conceptual map available to managers, investors, and public policymakers.

In turn, **chapter 4** aims to broaden the scope of this study by incorporating different external perspectives (academic and different professionals working in the sector) in describing the context of the implementation of the 2030 Agenda in business strategies..

Chapter 5 presents the primary data collected and analyzed throughout Year 2 of the project. This

chapter is the result of work carried out between 2022 and 2023 that includes consultation, through questionnaires and interviews, with 61 Large Companies (selected) operating in the Portuguese economy and 108 Small and Medium-sized Companies (SMEs). It also results from the analysis of the Sustainability Reports of these companies. In this chapter, the companies involved are characterized, and a comparison is made with data from Year 1. In-depth and specific analyses of the data collected are also presented.

Chapter 6 shares the "Good Practices" for implementing the SDGs in the core of corporate strategies, identified throughout this year of work, and which, we hope, will be an inspiration for all companies involved. This is followed by **chapter 7**, where the main conclusions of the Observatory in 2023 are identified. The report ends with **chapter 8**, which describes the project's methodology and enlightens readers about the methods and procedures used throughout the investigation.

From the data analysis, it was possible to conclude that:

- 1. Portugal is a relatively advanced country in progressing the 2030 Agenda (along with Europe),** but it still faces many challenges in achieving some strategic objectives for our economy and society..
- 2. Portuguese companies have diverse behaviors in their ambition and performance toward the 2030 Agenda. Larger companies,** driven by legal requirements and market demands, **demonstrate greater progress in implementing and strategically aligning with the SDGs compared to SMEs.** Despite these results, the progress of SMEs in their alignment, knowledge, and incorporating the SDGs into their strategy has improved substantially in the last year. There are still cross-cutting challenges across the business sector. empresarial.
- 3. Portuguese companies are highly aware of the importance of the Sustainable Development Agenda and, through their actions, demonstrate commitment to complying with it. This results in numerous "Good Practices"** that can leverage joint actions.
- 4. Despite this effort, gaps exist between the importance attributed and the actual implementation of the SDGs in Large Companies and SMEs.** However, these gaps are accompanied by a greater strategic alignment of Portuguese companies with the 2030 Agenda compared to the previous year.

The Observatory of the SDGs in Portuguese companies allows the monitoring and enhancement of the adoption of the SDGs by Portuguese companies to leverage their capacity, efficiency, and potential contribution to the 2030 Agenda. As a dynamic project, we hope this second report will be an instrument of broad contribution to Portuguese companies, science, and society. We hope this work inspires all readers to take a closer look and take more effective action to support the 17 Sustainable Development Goals.