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**The companies'
role as facilitating
agents of the
Sustainable
Development Goals**



As Chapter 1 of this Report mentions, the active involvement of the different agents and sectors in fulfilling the 2030 Agenda is crucial. However, due to the power of the companies, their dimension in the global economy, their investment capacity, and significant role in generating wealth have a privileged role in contributing to the Sustainable Development Goals. We know that of the 100 largest world economies, 69 are companies (Oxfam, 2016) and that companies represent more than half of the world's GDP. The great power of financial investment also comes from the **private sector**. In turn, multinational companies have a global reach, the technology, and the capacity to generate solutions on a large scale, as no other economic agent (Sachs & Sachs, 2021). In this respect, we can easily conclude that without the active role of companies, it will be impossible to fulfill the 2030 Goals (Van Tulder et al., 2021).

Therefore, the administrator's and the strategic and operational agendas' roles over the next 7 to 8 years can determine the success or failure of this Agenda. This success or failure may result in a new decade of progress and prosperity or the destruction of the planet and social equity. For this reason, it is crucial that business agendas align themselves with the SDGs so that the private sector becomes a positive, and not negative, contribution to the main challenges of humanity.

Research in this area has shown a great alignment between the SDGs' Agenda and the companies' intention of contributing positively to its goals (Accenture & UNGC, 2019; PWC, 2019; WBSCD & DNV GL, 2018). However, these intentions do not always result in specific actions (Van Tulder et al., 2021) for various reasons (some of which will be identified in Chapter 7 of this Report, in reference to the Portuguese context). There is, therefore, a gap between the companies' intention of contributing positively toward the SDGs and the actions they indeed do take in this respect.

¹ Bluewashing - blue comes from the color blue of the United Nations.

The Center for Responsible Business and Leadership's job on this topic seeks to answer this challenge. This SDGs' Observatory in Portuguese companies, particularly, has in one of its goals (mentioned in Chapter 2 of this Report) the ambition of helping the companies to speed up this Agenda in their strategies and operations. It is a job that we (CRB and companies) jointly do and that will follow the diagnosis presented in this Report.

In António Guterres's words, United Nations Secretary-General, the companies' role is **crucial for the SDGs to be fulfilled and to eradicate poverty in the world**. The problem is that we are not on the right path, and time is running out to fulfill these Goals. Besides some obstacles to the implementation, sometimes associated with the complex language of the SDGs, the companies' cherry-picking of these SDGs, their lack of implementation in the enterprise business' core, and the practice of greenwashing may be delaying the companies' involvement in the 2030 Agenda.

This cherry-picking happens when companies choose the SDGs without looking at strategic criteria or material and elect those that "look best for them" or "are easier to implement." This practice misaligns the SDGs worked on by the company from its strategy and operation. Thus, neither the business benefits from this action nor the company contributes with the maximum capability to the SDGs it proposes to. It is, therefore, not a very advantageous option for the business or the 2030 Agenda. The aforementioned practice of greenwashing, also called "SDGwashing" or "Bluewashing" in the SDGs' case, happens when the choice and commitment to the SDGs are announced but not practiced by the companies.

These practices and obstacles to action limit the potential of the private sector's contribution to the 2030 Agenda. However, unlocking these points and changing the current obstacles to action into opportunities for improvement could help to mobilize financing and the acting of companies in the definite fulfillment of the SDGs. In fact, the private sector, unlike the public sector, has the capacity to finance the annual financial gap of the SDGs, estimated at nearly 2,5 trillion American dollars (Unctad, 2014).

On the other hand, the SDGs represent a business opportunity for the companies estimated at a value higher than 12 trillion American dollars per year (BSDC, 2017). If faced as a business tool, fulfilling these Goals can become a true competitive advantage and source of value creation. Furthermore, they are the guarantee of a license to operate, especially at a time when, at a European Union level or other legal frameworks, there is a clear tendency to impose obligatory and transparent reports on companies in alignment with the 2030 Agenda and its demands, while there is a growing intransigence with the companies that do not comply with sustainability criteria.

This tendency is extended to all stakeholders, from consumers, investors, collaborators, suppliers, and surrounding communities, who demand more and more from companies that sustainability be a management standard.

Therefore, taking these tendencies into account is essential for companies, as well as adopting strategies and business models aligned with sustainability. These strategies guarantee the license to operate, access to financing at accessible prices, long-lasting profit, and potential competitive advantages aligned with creating value for society. Being the only Agenda common to all stakeholders, the SDGs guarantee a safe way for companies and remaining economic agents. They are also capable of reverting the development problems' logic, turning them into opportunities, and allowing companies to act on a micro a strategic level while having a macro and long-term impact (Rygh, 2019).



Working in partnership

The fulfillment of the SDGs and its ambitious Agenda can only be successfully concluded through the joint action of the various stakeholders, hence the importance for companies of the development of skills for working in multisectoral partnerships. Nonet et al. (2022), in a recent Special Issue Journal of Business Ethics, warn us about this, stating that due to their interconnectedness and high level of complexity, the SDGs are described as complex issues that require cross-sectoral partnerships, the inclusion of the perspectives of various stakeholders, and the involvement of different partners to create systemic changes.

In this respect, the companies' role as connecting agents between the various stakeholders is also central, considering that companies can place their power in the service of common and coordinated agendas. For the business world, this job can be facilitated by the fact that companies, especially multinational ones, aggregate a dispersed and comprehensive geographic position with value chains and stakeholders positioned in various regions of the globe. Concerning Small and Medium-Sized companies, their weight in the corporate fabric, their ability to act and influence locally, and being the origin

(positive or negative) of many value chains, also make their role crucial in the multistakeholder action necessary for the fulfillment of the SDGs.

In this way, and considering the undeniable role of the companies in the support for the success of the 2030 Agenda, a larger involvement of the business sector is absolutely necessary on this path for sustainable development. For this to happen, companies must reflect on the obstacles that prevent implementation, seeking to establish multisectoral alliances for the fulfillment of the sustainable development goals they propose themselves to and not forget that society's prosperity is always, and ultimately, their own prosperity.

In the following chapters, we will try to make the current situation of the implementation of the SDGs in the world and in Portugal clear (Chapter 4), specifically in the Portuguese corporate fabric (Chapters 5, 7, and 8), as well as tracing the beginning of what we hope will be a quick path to the implementation of the 2030 Agenda in our companies and in our country.