



# Executive Summary

The year 2024 marks the beginning of the second half toward the 2030 horizon, outlined in 2015, the year the UN's Agenda for Sustainable Development was created. During the SDG Moment 2024, António Guterres declared that the SDGs are a commitment to a better, healthier, safer, and more sustainable world. The UN Secretary-General highlights three essential drivers for achieving the SDGs: financial progress, climate action plans, and peace. Unfortunately, studies show stagnation or setbacks in the SDGs at a global level. Only 16% of the SDG targets are on track to be achieved by 2030, while the remaining 84% show slow progress or even regression.

It is, therefore, with a profound sense of responsibility in the face of these challenges that CATÓLICA-LISBON, through its Center for Responsible Business and Leadership, in partnership with Banco BPI and the "Ia Caixa" Foundation, launches the third report of the Observatory of the SDGs in Portuguese Companies (Observatory), the **2024 Annual Report: The Observatory of the SDGs in Portuguese Companies**.

The Observatory seeks to accelerate the implementation of the 2030 Agenda within the Portuguese business sector through a comprehensive study of the SDGs worldwide and in Portugal. This work results from an exhaustive data collection process conducted in partnership with various Large companies and SMEs operating in Portugal and strategic partners, making this an ambitious cooperation for development.

## The Observatory is guided by three objectives:

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 continues the study initiated in 2021 and published in the 2022 and 2023 Annual Reports.

**Chapter 1** outlines the Observatory's positioning within the international context, reviewing Year 2 and illustrating the project's global importance and uniqueness.

**Chapter 2** updates the implementation of the 2030 Agenda at global, European, and Portuguese levels. It analyzes the stagnation context of the 2030 Agenda progress worldwide and provides an update on Portugal's positioning regarding each SDG. The legislative table, which includes key international, European, and national sustainability legislation intersecting with the SDGs, has also been updated.

In 2024, the Observatory published three **Research Notes** exploring critical Sustainability issues in the corporate context:

1. Corporate Governance: Strategic Alignment with Sustainability
2. The Strategic Integration of the SDGs for Corporate Success: Some Practical Cases
3. Sustainability Reports: Strategic Incorporation and Communication of the SDGs

These are summarized in **Chapter 3**.

Meanwhile, **Chapter 4** aims to broaden the scope of the study by incorporating new perspectives—including academic and those of various sector specialists—into the description of the 2030 Agenda's implementation within corporate strategies.

**Chapter 5** presents the primary data collected and analyzed during Year 3 of the project. This chapter results from work conducted between 2023 and 2024, including surveys and interviews with companies operating in the Portuguese economy selected for the study: 58 Large Companies and 132 SMEs. Additionally, it offers a comparative analysis of the three years of study and, for the first time, **a comparative analysis across different industries** to which the Large Companies belong.

## The data analysis concluded the following:

**1. Strategic alignment with the SDGs has increased.** A significant evolution in the incorporation of the SDGs into business strategies was observed in Large Companies, rising from 67,2% (Year 2) to 82,8% (Year 3). Increasingly, these Companies are defining their strategies according to the SDGs (26,2% in Year 2 vs. 34,5% in Year 3). In SMEs, the incorporation of the SDGs into their strategies rose from 30,6% to 40,1%. Furthermore, an increasing number of Companies began defining their strategies according to the SDGs (from 1,9% to 6,8%), although most (71,2%) still prefer to select SDGs that align with their business strategies. The number of Large Companies and SMEs viewing the SDGs as a business opportunity also increased from Year 2 to Year 3 (87,9% vs. 78,7% for Large Companies and 66,7% vs. 63,9% for SMEs). Moreover, the perception that the most strategic SDGs support the decision-making process increased (in Large Companies, from 73,8% in Year 2 to 79,3% in Year 3; in SMEs, the absolute number rose from 74 to 88 Companies, though the percentage decreased from 68,5% to 66,7%).

**2.** This increase is particularly evident in Large Companies, **widening the gap compared to SMEs**.

**3.** The **gap between the importance attributed to the SDGs and their implementation** has disappeared in Large Companies, though it remains for SMEs.

**4.** Large Companies continue to **assign greater importance** to SDGs 8, 13, 5, 7, 12, and 9, while SMEs highlight SDGs 8, 9, 7, 12, 4, and 3, giving less relevance to SDG 5. For Large Companies, a gap between importance and contribution was identified for SDGs 13 and 7, indicating that they feel they contribute less to two of the SDGs they consider priorities. In SMEs, the opposite is observed, with a smaller gap in contributions to SDGs 7 and 8.

**5.** For Large Companies, the primary **barrier** to SDG implementation remains the language of

the Agenda, considered distant from business. Lack of knowledge about the SDGs is identified as the second biggest barrier, followed by operationalization challenges and resource shortages. For SMEs, lack of knowledge about the SDGs and their operationalization is the main barrier, followed by insufficient financial and human resources. The perception of the SDGs as a barrier to business opportunities has decreased.

**6.** For Large Companies, the **main motivations for engaging with the SDG Agenda** include impacting the industry as a Sustainability leader, solving social problems, and creating business opportunities. For SMEs, talent attraction and retention, business growth, and competitive advantage stand out. No significant changes were recorded compared to the previous year.

**7.** The number of Large Companies and SMEs publishing **Sustainability Reports** referencing the SDGs has **increased**.

**Chapter 6** shares "Best Practices" in implementing the SDGs into business operations identified during this year's work, which we hope will inspire all involved companies.

**Chapter 7** presents the main conclusions of this year's activities.

Finally, **Chapter 8** details the methodology used to develop the report, from data collection to analysis.

**The Observatory of the SDGs in Portuguese Companies reaffirms its commitment to collaborating with Portuguese companies, promoting sustainable management aligned with the Sustainable Development Goals. To achieve this, we will continue developing this study and providing practical support to companies on the Sustainability journey. We hope this work inspires all readers to develop a more attentive vision and take more effective actions toward the 17 Sustainable Development Goals.**