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From CSR to an Integrated Approach: *role of private sector in the achievement of the United Nations Sustainable Development Goals*

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CONTENTS

INTRODUCTION

The world has been facing rapid changes in many different contexts such as geopolitics, technology, environment and so forth. Extreme poverty, inequalities, ecosystems degradation, global warming and climate change are just few of the challenges that are currently threatening the sake of our communities. Hence, it is vital for governments, public institutions, businesses, civil society and the other relevant stakeholders to take urgent actions in order to tackle these global issues, while strengthening communities' resilience. In the light of this, multilateral institutions such as the United Nations have played a major role in defining international strategies, establishing global partnerships and creating momentum.

The 25th of September 2015 represents a crucial date for the future of the whole world. The United Nations Sustainable Development Summit adopted, after a series of complicated negotiations, a plan that identifies, recognizes and addresses the challenges negatively affecting people's lives and planet's prosperity. This plan of action is entitled "2030 Agenda" and it is mainly constituted by 17 objectives, also called Sustainable Development Goals or SDGs. Basically, these Goals represent the codification of an international ambition that aims at dealing with all the major global issues that undermine the economic, social and environmental sustainable development.

The roles of the different actors (public and private), often joined in global partnerships for the achievement of the SDGs, are still widely under scrutiny. Partnerships with and within the private sector, as means of implementing United Nations 2030 Agenda, have been increasingly recognized by UN Member States. Global Partnership and the involvement of businesses have become essential instruments for capturing expertise and knowledge while mobilizing financial resources. The paragraph 67 of the 2030 Agenda explicitly recognizes the important role of businesses in addressing the communities' sustainable development.

"Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro-enterprises to cooperatives to multinationals. We call upon all businesses to apply their creativity and innovation to solving sustainable development challenges"[1]

Thus, this thesis seeks to deepen the knowledge on the role played by the private sector in the implementation of the United Nations 2030 Agenda. It has been clear so far that companies, worldwide, are now implementing sustainable practices not only in the form of Corporate Social Responsibility but absorbing them among their long-term strategies. This shift, from simple CSR to an Integrated Approach, considerably re-shapes not the business operations but also the measurement and reporting standards. Despite this, according to the UN IATF Report, the insufficient financing for development remains a major challenge in the implementation of the 2030 Agenda[2]. The investments required to achieve the Sustainable Development Goals are still mainly unfunded and, even if the interest in sustainable financing is rising, the actual transition in not happening at the needed pace.

The thesis will be structured as it follows. Firstly, the main literature about the chosen topic will be reviewed, while providing definitions of the key elements that will be presented throughout the text. Secondly, to better understand the role of the private sector in the United Nations' framework, an overview of the Agenda 2030 and its Sustainable development Goals will be provided together with an analysis of the trends and progresses. The second chapter, instead, will be focused on the role of businesses in the financing for development, taking into consideration also the challenges in measuring and reporting the companies' efforts towards sustainability. Thirdly, the last chapter will constitute a more analytical and case-based section, introducing two national and multinational best-practices in the achievement of the SDGs by the business sector.

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[1] United Nations, 2015. Transforming our world: The 2030 agenda for sustainable development. *Resolution adopted by the General Assembly*.

[2] United Nations Inter Agency Task Force, 2019. Financing for Sustainable Development Report 2019

LITERATURE REVIEW

In order to provide a clearer picture of the phenomena, is it essential to give some brief definitions of the core elements, together with an analysis of the literature about the topic. Studying the role of the business sector in the achievement of the Sustainable Development Goals, it becomes crucial to define what is behind the concept of "sustainability", how it is associated with the term "development" and how this idea of "sustainable development" has changed overtime. Moreover, given that companies are now integrating SDGs into their business models rather than carrying out simple CSR practices, it is important give a definition of the term "CSR" analyzing how it differs from an "Integrated Approach".

1. THE NUMEROUS DEFINITIONS OF SUSTAINABILITY:

According to Moore et al. (2017), clarifying how to address issues of sustainability is "one of the most significant translational research problems of our time" [3]. In fact, two of the main issues in outlining the term "sustainability" are the lack of a generally agreed definition and the variety of synonyms that are used in the literature. Without a standard and shared definition, it is consequently problematic to also operationalize and measure sustainability[4]. It has been clear that, the literature on "sustainability" provides a wide set of alternative definitions often associated with the concepts of maintenance, continuation, institutionalization, routinization, and durability.

[3] Moore, J.E., Mascarenhas, A., Bain, J. and Straus, S.E., 2017. Developing a comprehensive definition of sustainability. *Implementation Science*, *12*(1), p.110.

[4] Proctor, E., Luke, D., Calhoun, A., McMillen, C., Brownson, R., McCrary, S. and Padek, M., 2015. *Sustainability of evidence-based healthcare: research agenda, methodological advances, and infrastructure support.* Implementation Science, 10(1), p.88.

Apparently, this is due do the multiple disciplines (medicine, health systems, science, education, economics) that address this single term by using though different perspective of analysis[5]. As mentioned by Moore et al. (2017), sustainability is usually linked to the concept of time. Programs, strategies and practices are defined as sustainable once they endure overtime, evolving or adapting to changing environment and producing continued benefits for individuals and systems. This is also confirmed looking at the definition provided by the Cambridge Dictionary that refers to "sustainability" as the quality of being able to continue a certain activity in the long-term, without compromising the environment.[6]

As suggested by Glavič (2007), in order to strengthen the communication to communities, organizations, agencies and stakeholders, it is essential to formulate a more complete definition of the term "sustainability". For this reason, we must consider this concept using a more holistic, integrated and systematic thinking[7]. This "System" breaks out and connects the key dimensions of sustainability, namely the environmental, economic and social ones. These components interrelate one another being parts of the whole[8].

Firstly, the environmental principle refers to the ability of the system to generate sustainable performances, by minimizing the use of toxic substances, energy and other resources. This is also strongly connected with the Ecological dimension that, instead, considers the relations among species and the impacts of their actions to the different natural eco-systems.

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[5] Stirman, S.W., Kimberly, J., Cook, N., Calloway, A., Castro, F. and Charns, M., 2012. The sustainability of new programs and innovations: a review of the empirical literature and recommendations for future research. *Implementation science*, *7*(1), p.17.

[6] Dictionary.cambridge.org., 2019. SUSTAINABILITY | meaning in the Cambridge English Dictionary. Available at: https://dictionary.cambridge.org/dictionary/english/sustainability

[7] Glavič, P. and Lukman, R., 2007. Review of sustainability terms and their definitions. Journal of cleaner production, 15(18), pp.1875-1885.

[8] UNESCAP, 2015. Integrating the three dimensions of sustainable development: *A framework and tools.* United Nations, p.9.

Secondly, the economic principle embraces the terms of Environmental Accounting, Eco-Efficiency and Ethical Investments. According to Glavič, these three concepts align the protection of the external environment with the recognition the corporate interests. In practice, this is achieved by investing responsibly, supporting diversity in the workforce and producing competitively priced goods while reducing ecological impacts, lowering resources intensity and assuring the well-being to the communities. Finally, the social principle of sustainability encompasses concepts such as social equity, health equity, community development, social support, human rights, social responsibility, social justice, community resilience, and human adaptation. As reported by McKenzie (2004), introducing the Model of Social Sustainability developed by WACOOS (Western Australian Council of Social Services), social sustainability occurs when processes, systems, governance and relationships actively support the capacity of current and future generations to build healthy and functional communities. Thus, in order to be socially sustainable and provide good quality of life, it is then crucial to follow principles of equity, diversity, interconnectedness, and democracy[9].

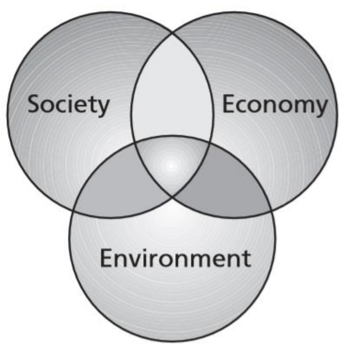
If the relationships and linkages between the environmental, social and economic aspects of sustainability are to be examined, it is noticed that they all are mutually reinforcing and, in the long run, none would exist without the other (Morelli, 2011)[10]. In the literature, as demonstrated by McKenzie (2004) and Scotto et al. (2009), this set of interconnections is commonly represented by two main models. The first model, named Green Economic Paradigm, features three concentric spheres and emphasizes the dependent relation between the economic and social dimensions with the protection of the environment. As can be noticed, the activities in the economy and the ones carried out for the communities' sustainability all must respond the environmental constraints[11].

[9] McKenzie, S., 2004. Social sustainability: towards some definitions.

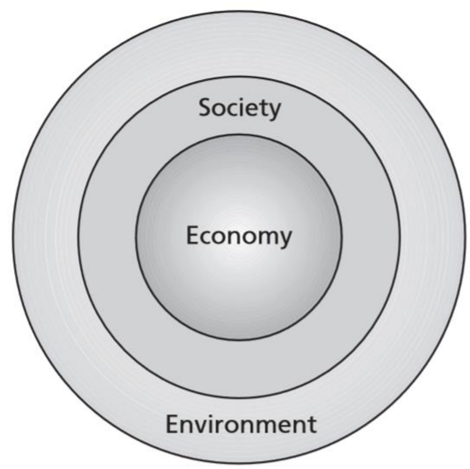
[10] Morelli, J., 2011. Environmental sustainability: A definition for environmental professionals. Journal of environmental sustainability, 1(1), p.2.

[11] Scott Cato, M. and Kennet, M., 2009. Green economics. *London: Earthscan*, pp.36-37.

In contrast, the second model, characterized by a conventional economic view, represents the three dimensions of sustainability as overlapping circles that simply interact rather than depending on each other[12 13]. As can be seen by the figure below, on the left side, they all are drawn as of equal size and therefore importance. However, in reality, the economy carries much more influence in decision making, with society bearing the cost and the environment paying the highest price of all. As argued by Connelly (2007), sustainable development lies in the three-fold overlap at the center, where all the three areas of concern are simultaneously satisfied.



The conventional economic view of the interaction betwen economy, society and environment



The green economics paradigm: economy operates within social relationships and the whole of society is embedded within the natural world

[12] ICLEI (International Concil for Local Environmental Initiatives), 1996. Biennal Report. ICLEI Executive Committe. Available at: http://archive.iclei.org/documents/Global/biennial96-97.pdf

[13] Connelly, S., 2007. Mapping sustainable development as a contested concept. Local Environment, 12(3), pp.259-278.

2. DEFINING THE TERM "DEVELOPMENT":

Once it has been demonstrated how the literature defines the term sustainability, it is essential to deepen our analysis by associating this concept with "development". The question we are basically trying to answer at this point is: What does the international community mean by "development" , when and how is it linked to the idea of sustainability. According to Oxford English Dictionary, definitions of development include such components as "evolution or bringing out from a latent or elementary condition", "growth and unfolding", "gradual advancement through progressive stages"[14]. As Bown (1999) noted, we tend to use the term development in many different contexts such as science, politics, management, psychology, music and so forth.

But, even if its use it is quite diverse, it is important to give this concept a collective nature. In fact, as analyzed by this professor at the University of Glasgow, the idea of development does not imply the actions of single individual human beings, but it rather refers to collectivities of people, communities, very often nations or geographical regions[15]. Moreover, L. Bown argues that the definition of "development" has deeply changed overtime. Firstly, it has been associated with the economic evolutionary theory of growth in output while, in the following years, it has been identified as the economic component that facilitate the process of social change, also called "modernization". In this last perspective, if there is an increase in wealth, the subsequent economic and social benefits will be trickle down through the society itself.

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[14] Oxford Dictionaries | English, 2019. Development | Definition of development in English by Oxford Dictionaries. Available at: https://en.oxforddictionaries.com/definition/development.

[15] Bown, L., 1999. *What do we mean by Development?. Development Education Centre and 80: 20 Educating and Acting for a Better World.*

However, there are also other opposing theories that criticize to the growth-modernization package of development. For instance, the Marxist's or the radical liberal approaches take into consideration the idea of development as capitalist-dominated growth, analyzing its impacts of wealth distribution. Literally, they highlight the negative consequences of development, arguing that this type of progress engenders social-economical divisions rather than inclusion and equity. Another theory has been provided by the new free marketers that, instead, introduced the concept of globalized economy in which development is strengthened only by market-led activities[16].

While some international bodies such as the World Bank support the definition introduced by the new free marketers, the United Nations Development Programme (UNDP) published, in 1990, its own concepts of development, shifting the attention towards a more human dimension. As reported by UNPD[17], development can be defined as follows:

"*Human development is a process of enlarging people's choices. In principle, these choices can be infinite and change over time. But at all levels of development, the three essential ones are for people to lead a long and healthy life, to acquire knowledge and to have access to resources needed for a decent standard of living. If these essential choices are not available, many other opportunities remain inaccessible*."

In summary, as concluded by Bown (1999), the main ingredients to the define development are the change for the better, the continuing process, the application to groups of people and countries, the emphasis on its role in improving human lives, equality in distribution, participation in decision-making, growth and prosperity, chance to lead a long healthy life and to have access to knowledge.

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[16] Olssen*, M. and Peters, M.A., 2005. *Neoliberalism, higher education and the knowledge economy: From the free market to knowledge capitalism*. Journal of education policy, 20(3), pp.313-345.

[17] UNDP (1990). Human Development Report. [online] United Nations Development Programme. Available at: Http://hdr.undp.org/sites/default/files/reports/219/hdr_1990_en_complete_nostats.pdf

In the meantime, achieving development must also imply a deep understanding of the nature of poverty and deprivation, gender inequality and the role of civil society.

3. HOW THESE TWO CONCEPTS INTERACT: SUSTAINABLE DEVELOPMENT

In the last paragraphs it has been highlighted how the economy, academia and society define the two concepts of sustainability and development. Given the core topic of this thesis, namely the role of the private sector in the achievement of the UN "sustainable development goals", it is now interesting to analyze when development becomes sustainable, how the literature associates these two diverse dimensions and how they complement one another.

According to Robert et al. (2005), in the last half of the twentieth century, four key themes emerged as concerns of the people around the globe: peace, freedom, development, and environment[18]. In the 1970s and 1980s, world commissions of notables were created to study such international concerns, with the purpose of linking together these aspirations of humankind, while demonstrating how they all depend one another. A clear example of these commissions was the one established to study the relations within the dimensions of sustainability and development.

The so called "World Commission on Environment and Development" was initiated by the General Assembly of the United Nations in 1982, and its report, *Our Common Future,* was then published in 1987.[19] This commission, chaired by the Prime Minister of Norway, Gro Harlem Brundtland, was consequently then named as "Brundtland Commission". Leveraging on the outcomes of the "World Conservation Strategy of the International Union for the Conservation of Nature" (1980) and the "Stockholm Conference on the Human Environment" (1972), in which the links between environment and development

[18] Robert, K.W., Parris, T.M. and Leiserowitz, A.A., 2005. *What is sustainable development? Goals, indicators, values, and practice. Environment: science and policy for sustainable development*.

[19] Brundtland, G.H., Khalid, M., Agnelli, S. and Al-Athel, S., 1987. *Our common future*. New York.

were first acknowledged, the Brundtland Commission was then the first attempt to give a unique definition of Sustainable Development. As Brundtland argued:

"*The environment does not exist as a sphere separate from human actions, ambitions, and needs, and attempts to defend it in isolation from human concerns have given the very word "environment" a connotation of naivety in some political circles. The word "development" has also been narrowed by some into a very limited focus, along the lines of "what poor nations should do to become richer," … But the "environment" is where we live; and "development" is what we all do in attempting to improve our lot within that abode. The two are inseparable.*

Considering this, the Brundtland Commission finally defined Sustainable Development (SD) as the ability to meet present needs without compromising the capacity of future generations to meet their own ones. In terms of consumptions, by sustainable development, we mean the use and exploitation of today's resources in a way that these will still be available for use by future generations[20]. This is surely the standard and widely accepted definition of Sustainable Development, nevertheless, the ambiguity that surrounds this concept have left space to many critics and reviews. Thus, in the years following the United Nations Brundtland Report, many institutions and international bodies further attempted to clarify the concept behind SD.

First of all, a great contribution has been given by the "Board on Sustainable Development of the U.S. National Academy of Sciences" that sought to bring order to the excessively broad definition of the Brundtland Commission. In its report, *Our Common Journey: A Transition toward Sustainability*, the Board deepened the understanding about the concept of sustainable development, highlighting what must be sustained, what must be developed, the relationship between them, and the reference time horizon[21]. The figure below represents the findings described by the Board's report.

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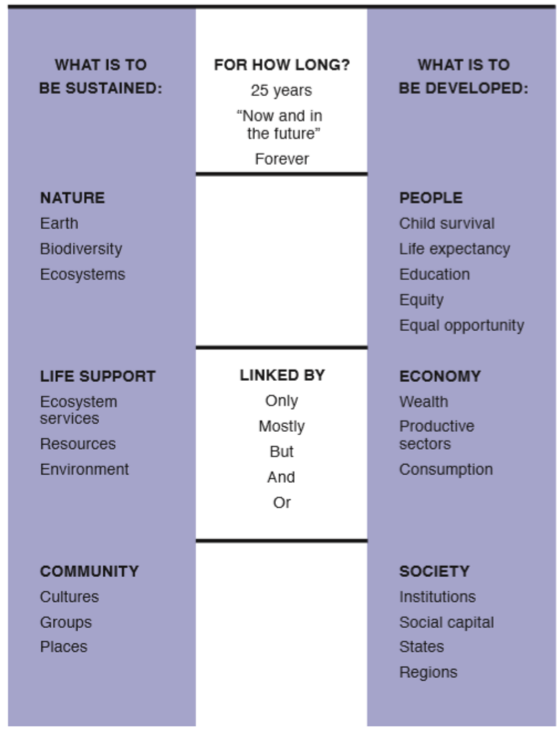
[20] Poon, A., 1999. *The meaning of sustainable development*. The Courier, 175.

[21] National Research Council, Policy Division, Board on Sustainable Development, 1999, *Our Common Journey: A Transition toward Sustainability.* pp.22

Figure 1. Definitions of sustainable development



SOURCE: U.S. National Research Council, Policy Division, Board on Sustainable Development, *Our Common Journey: A Transition Toward Sustainability* (Washington, DC: National Academy Press, 1999).

Whereas, the 2002 World Summit on Sustainable Development together with the Johannesburg Declaration further expanded the standard definition, adding into the spectrum the three pillars of sustainable development: economic, social, and environmental[22]. The Summit, arguing that former definitions of SD were mainly based on the economic perspective, included into the concept also concerns on human development, equity, and social justice. In fact, as also confirmed by Rachel Emas (2015), the main goal of sustainable development (SD) concerns the long-term stability of the economy and environment.

[22] Robert, K.W., Parris, T.M. and Leiserowitz, A.A., 2005. *What is sustainable development? Goals, indicators, values, and practice*. Environment: science and policy for sustainable development.

According to Emas, this is only achievable integrating and acknowledging the economic, environmental, and social dimensions within the decision-making process[23]. In addition, in 2013, the United Nations Sustainable Development Solution Network (UNSDSN) also enlarged the meaning of SD with the inclusion of good governance as a fourth pillar.[24] Conversely, according to Busco et al. (2018) and to Robert et.al (2005), it is also possible to describe Sustainable Development in terms of the goals to be achieved at local, national and global level. The United Nations have, indeed, played a key role being sponsors in the creation of several international frameworks that seek to achieve Sustainable Development. The first attempt was made between the years 2000 and 2015, when the Millennium Declaration and the Millennium Development Goals (MDGs) were designed, adopted, and implemented globally[25]. These eight goals, setting the global priorities around poverty, hunger, inequality and education, had also further defined the concept of SD.

Gaining on the experience of the MDGs, the UN and the international community decided, in 2015, to expand the scope of the targets embracing all the three dimensions of SD, to include both developing and developed countries, to involve the widest number of stakeholders, and to address all the global challenges in an interconnected manner[26]. This led to the release of the Agenda 2030 and its seventeen Sustainable Development Goals (SDGs), marking officially the start of the most inclusive definition of SD in the history[27].

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[23] Emas, R., 2015. *The concept of sustainable development: definition and defining principles*. Pp 1-3.

[24] Busco, C., Granà, F., & Izzo, M. F, 2018. *Sustainable Development Goals and Integrated Reporting.* Routledge.

[25] UN, 2000. *United Nations Millennium Declaration* – General Assembly Resolutions A/RES/55/2

[26] Sachs, J. D., 2012. *From millennium development goals to sustainable development goals*. The Lancet, 379(9832), 2206-2211.

[27] UN, 2015. *Transforming our world: the 2030 Agenda for Sustainable Development* – General Assembly Resolution A/RES/70/1.

4. CORPORATE SOCIAL RESPONSIBILITY AND INTEGRATED APPROACH:

In order to link the definitions given on sustainability, development and sustainable development with the role of the businesses in achieving the UN 2030 Agenda, it is essential to briefly introduce the concept of CSR (Corporate Social Responsibility) in the private organizations and the differences with an Integrated Approach to Sustainability. Despite the greater amount of research about the strategic management of corporate social responsibility, gaps still remain when integrating CSR throughout the existing business operations. The main question that academia and companies are recently trying to address is how to design business models that enable to meet different stakeholders' requirements in an integrated manner.

During the past recent years, there has been a growing realization that corporations are essential actors in influencing the health of a society[28][29]. Therefore, it is now necessary that they all implement actions of corporate social responsibility (CSR), consequently meeting stakeholder expectations. Generally, CSR implies that organizations must behave in a socially responsible manner, but many other definitions are available in the literature following the evolutions that this concept has faced in the last several decades. According to Nijhof et al. (2005), CSR is generally associated with the idea of integrating aspects of human rights, environmental and consumer protection into corporate practices[30].

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[28] Nye, J. S., 1974. Multinational corporations in world politics. Foreign Affairs, 53(1), 153-175.

[29] Shrivastava, P. (1995). The role of corporations in achieving ecological sustainability. Academy of management review, 20(4), 936-960.

[30] Nijhof, A., Bruijn, T. D., Fisscher, O., Jonker, J., Karssing, E., & Schoemaker, M. J. R., 2005. Learning to be Responsible: Developing Competencies for Organisationwide CSR.

Whereas, the World Business Council for Sustainable Development (2000) has identified CSR as the "voluntary" commitment of companies to behave ethically, while fostering the economic development of the communities and their well-being[31].

Furthermore, given its root in the stakeholder theory, CSR does inevitably take into consideration not only the shareholders requirements but also the ones coming from all the other external actors, whose interests are at stake[32]. According to Campbell (2007), companies must and avoid all kind of operations that could potentially cause of harm to the key stakeholders, while implementing all the possible actions at their protection[33]. As mentioned by Asif et al. (2013), CSR is often been associated with the sustainability movement given its focus on corporate's contribution to sustainable development. However, as argued by Steurer et al. (2005) these concepts, even if related by the consideration of multiple stakeholders, they operate at two different levels of action[34]. While CSR seems to be located at the managerial level, the achievement of sustainable development for business is more related to strategic decision-making at corporate level.

In order to clarify what we mean by Integrated Approach, it is crucial to understand the relation within CSR and Sustainable Development. As reported by Tureac et al. (2010) and WBCSD (2000), Corporate Social Responsibility is just an integral part of the whole corporate process towards the Sustainable Development. It concerns mainly the companies' responsibilities of being members of the society, a sort of giving back to

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[31] World Business Council for Sustainable Development, 2000. *Corporate social responsibility: making good business sense.*

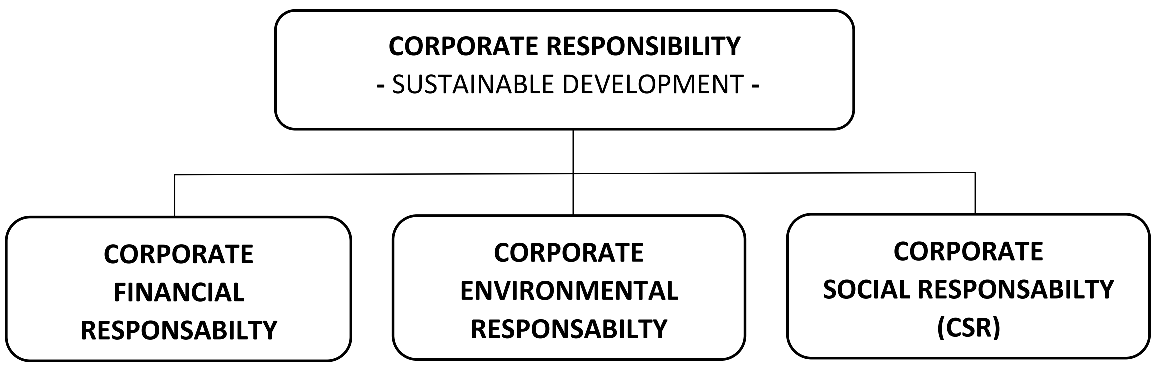
[32] Asif, M., Searcy, C., Zutshi, A., & Fisscher, O. A., 2013. *An integrated management systems approach to corporate social responsibility*. Journal of cleaner production, 56, 7-17.

[33] Campbell, J. L. (2007). Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. Academy of management Review, 32(3), 946-967.

[34] Steurer, R., Langer, M. E., Konrad, A., & Martinuzzi, A. (2005). Corporations, stakeholders and sustainable development I: a theoretical exploration of business–society relations. Journal of business ethics, 61(3), 263-281.

communities for the benefits they provide to the business[35]. As recommended by Ebner et al. (2006) the terms should be used in their original semantic sense.

Scientists, who use CSR as synonym for SD or argue that SD is the basis for CSR, mix up terms and alter their original meaning[36]. As also confirmed by Behringer et al. (2016), the concepts of CSR and SD have progressed separately during the last decades and, after an meticulous analysis, it can be concluded that CSR is one of the models that promotes business contributions to the wider target of Sustainable Development. Thus, CSR address just one of the three key pillars that define the idea of Sustainable Development. The graph below explains this relation, highlighting also the level that each dimension occupies throughout the business operations.



So in order to transform the whole organization into one that considers Sustainable Development a key priority, it is essential to integrate all the three dimensions of responsibility and sustainability, including CSR, in the core business strategy at corporate level.

[35] Tureac, C. E., Turtureanu, A. G., Bordean, I., & Modiga, G., 2010. *Corporate Social Responsibility and Sustainable Development*. Acta Universitatis Danubius. Œconomica, 5(1).

[36] Ebner, D., & Baumgartner, R. J. , 2006. *The relationship between sustainable development and corporate social responsibility.* In Corporate responsibility research conference (Vol. 4, No. 5.9, p. 2006).

The "*Integrated Approach Towards Sustainability"* is now considered as a key tool to achieve simultaneously companies' growth with social, economic and environmental well-being. The Integrated Approach restructures the whole corporate architecture and requires alignment processes that integrate the three interactive dimensions of sustainability not only within the businesses' core strategy, but also along the other functions such as management accounting, measurement, monitoring, and reporting[37].

Most of the literature published over the last decades focuses on sustainable practices, considering them as separate aspects in the management field. However, recent studies have highlighted how misleading is to conceive sustainability as distinct function rather than calling for an Integrated Approach. The available literature on this topic in generally divided into two main streams[38]. The authors, that fit in the first one, consider "integration" as overlap of sustainable practices with the business strategies and systems. Whereas, the ones that belong to the second stream, refer to the "integrated approach" as an "alignment" and "interaction" within these two complementary dimensions. As mentioned by Vitale et al (2019), it is clear that the second stream is an advancement of the first but, despite this, gaps in its literature still remain to be addressed. For instance, some examples of studies about the "Integrated Approach" to sustainability, have been proposed by De Villiers et al. (2016) and Maas et al. (2016). Although it was just a first attempt of understating the phenomena, the model of integration presented by De Villers did capture a partial view, because many functions of the business were not included into the analysis[39].

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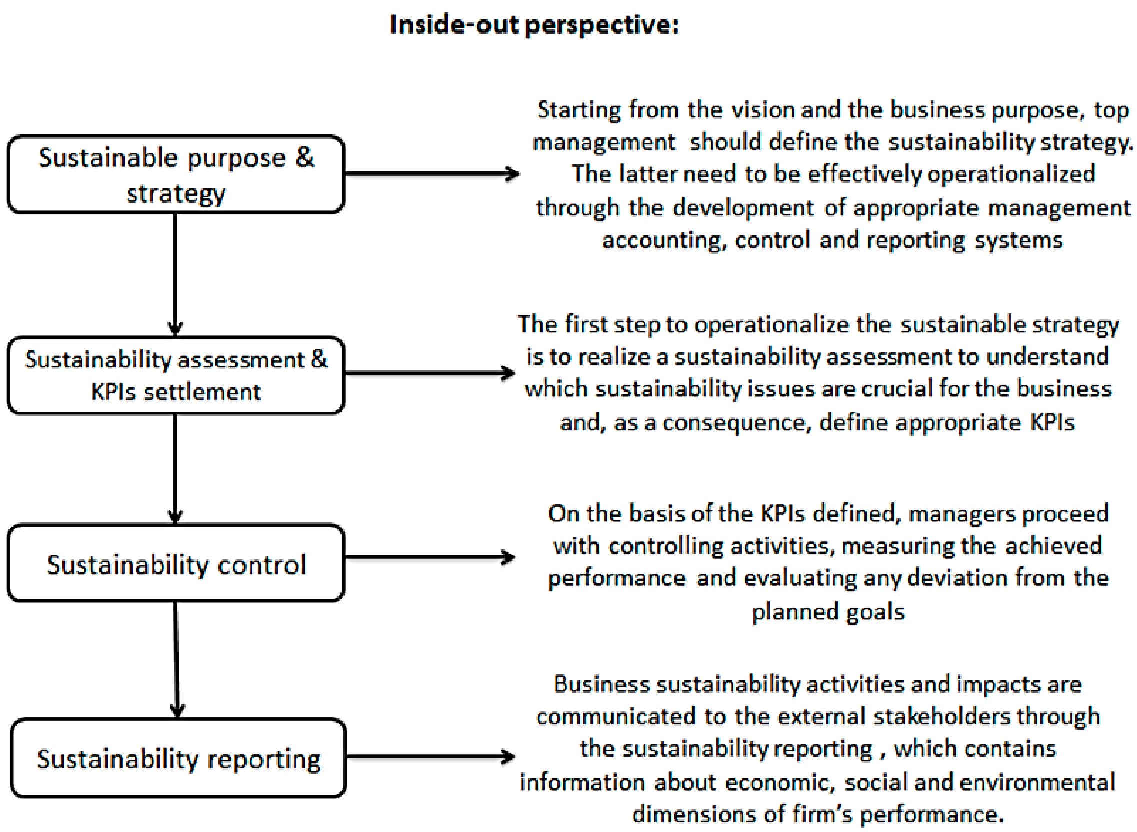
[37] Vitale, G., Cupertino, S., Rinaldi, L., & Riccaboni, A. (2019). *Integrated Management Approach Towards Sustainability: An Egyptian Business Case Study.* Sustainability, 11(5), 1244.

[38] Gond, J.P.; Grubnic, S.; Herzig, C.; Moon, J, 2012. *Configuring management control systems: Theorizing the integration of strategy and sustainability*. Manag. Account Res, 23, 205–223.

[39] De Villiers, C.; Rouse, P.; Kerr, J. A new conceptual model of influences driving sustainability based on case evidence of the integration of corporate sustainability management control and reporting. J. Clean. Prod. 2016, 136, 78–85. [

Conversely, Maas et al. proposed a more holistic approach, which considers integration as a process of alignment of all the companies' phases, from setting the strategy to the external reporting[40]. This model does confirm that Sustainable Development is, indeed, the result achieved at the corporate level, once the three dimensions of sustainability (economic, environmental and CSR) are aligned and integrated within all the business operations. The figure below gives an idea of the Mass's findings.

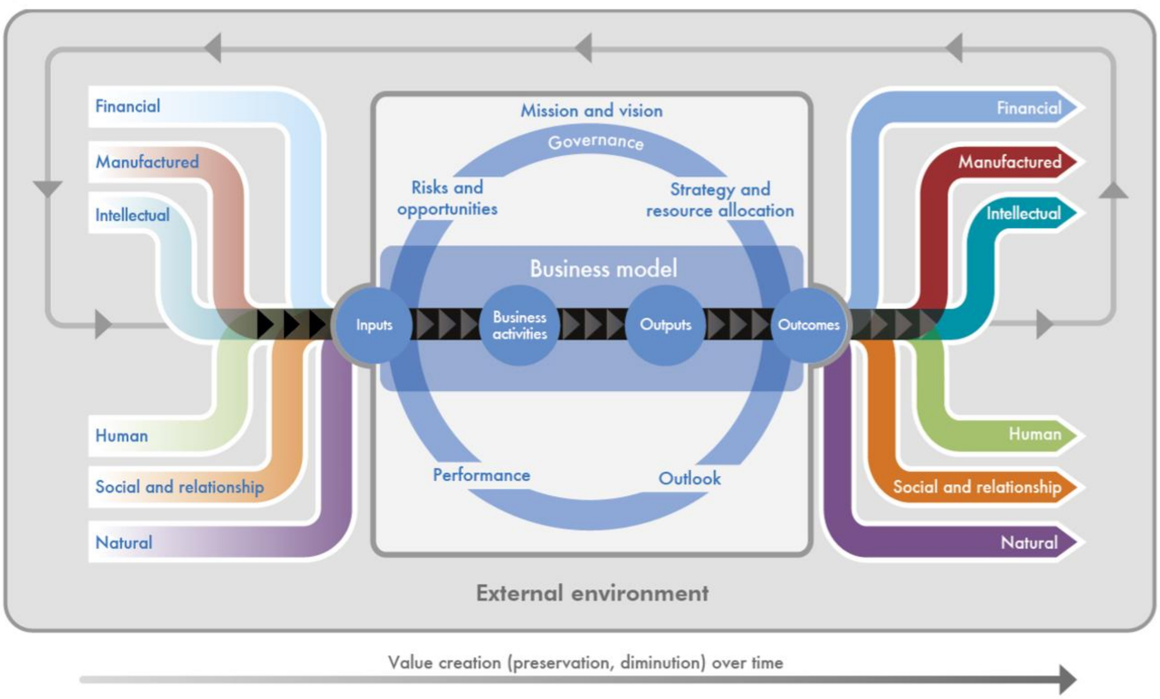


Source: Own adaptation from Burritt and Schaltegger [15] and Maas et al. [11].

[40] Maas, K.; Schaltegger, S.; Crutzen, N. Integrating corporate sustainability assessment, management accounting, control, and reporting. J. Clean. Prod. 2016, 136, 237–248

But interestingly, it is worth mentioning that this integrated framework to corporate's sustainability it is actually driven from another internal condition, namely Integrated Thinking. This term refers to set of all mechanisms and conditions that lead to an inclusive process of decision making, management and reporting, based on the linkages and dependencies among the different factors that affect the organizations' ability to create value[41][42]. According to the IIRC Framework, Integrated Thinking is defined as "*the active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects. Integrated thinking leads to integrated decision-making and actions that consider the creation of value over the short, medium and long term.*"[43]

Figure 2: The value creation process:



[41] Busco, C., Frigo, M. L., Paolo, Q., & Angelo, R. (2013). *Redefining corporate accountability through integrated reporting: What happens when values and value creation meet*?

[42] Busco, C., Granà, F., & Izzo, M. F, 2018. *Sustainable Development Goals and Integrated Reporting. Routledge.*

[43] The International Integrated Reporting Council (IIRC) (2013*). International <IR> Framework*.

This idea is then, practically, observed when evaluating companies role in the creation of value. Reaffirming the assumptions of the stakeholders' theory, Integrated Thinking underlines that the value created by organization goes beyond the only financial capitals. Manufactures, Intellectual, Human, Social (CSR), Relationship and Natural capitals they all participate in the long-term sustainability of the organization. To better understand the concept of integrated thinking, it is important to picture it as a philosophy with which we do not perceive an organization as financially driven and isolated from the external environment, but rather as a complex entity that connects "performances with proposes" in an integrated manner. Sustainable Development, within this picture, is the long-term goal of this organization that, plotting all the financial and non-financial capitals together, is finally able to respond to all the stakeholders, integrating and satisfying the three social (CSR), economic and environmental pillars of sustainability.

CHAPTER I:

Overview of the Agenda 2030 and SDGs

In the past recent years, we have assisted to an increasing concern over the challenges that affect our planet, economies and societies. Billions of people still leave in poverty, income and wealth inequalities are rising together with gender discriminations, unemployment, natural disasters, humanitarian crisis, environment degradation and loss of biodiversity. These visible and urgent risks to the well-being of people and the environment are pressuring governments, the international community and development partners to take actions and tackle the drivers of these threats to sustainable development, which have often worldwide consequences. In light of this, the United Nations and the membership, committed to not leave anyone behind, have worked persistently on new recommendations, strategies and goals that can strengthen the ability of communities to address these challenges and reduce their negative impacts.

In order to understand the role of the private sector in addressing the UN Sustainable Development goals, it is necessary to give a general overview on the 2030 Agenda. This chapter will be structured as follows. Firstly, the path towards the Agenda 2030 and its Sustainable Development Goals will be underlined, focusing on the adoption of the Millennium Development Goals (MDGs) and their transformation into SDGs. This will be followed by a brief introduction on the Agenda 2030, defining its technicalities, peculiarities and purposes. Thirdly, information on how to measure progresses in achieving the SDGs (KPIs) will be provided together with a definition of its key stakeholders. Moreover, the fourth section will introduce the means of implementation of the 2030 Agenda for Sustainable Development, focusing above all on the role of Global Partnership and development cooperation. This section will introduce the importance of having multiple actors committed to this international framework that integrates also businesses and private sector. Lastly, a brief overview on the trends, gaps and progresses will be provided to better understand the current context towards the achievement of the Sustainable Development Goals.

1. FROM MILLENNIUM DEVELOPMENT GOALS TO SUSTAINABLE DEVELOPMENT GOALS

The United Nations has always played a key role in protecting the international community, creating momentum, setting priorities and establishing clear guidelines. Our planet has been facing numerous challenges from the economic, social and environmental stand points such as poverty, hunger, diseases, unmet schooling, gender inequality, environmental degradation, unemployment, conflicts and migration and so forth. As highlighted by Delbrück (1997), given the global nature of these challenges, addressing them effectively goes far beyond the capabilities of single States as independent entities. This has increased the necessity of adopting internationally agreed frameworks that enable all the relevant actors (government, public institutions, civil society and corporations) to joint their effort, and implement actions to tackle global threats.

In this context, the United Nations has become a crucial actor playing a key role in this process of coordinating the international response. In spite of this, there are three main areas in which the United Nations' role can be further detected. Firstly, it serves as forum for the determination of the public interest in the globalizing international community. Secondly, it promotes participation of nonstate actors in the policymaking process, dispute resolution, and in building networks for global governance. Thirdly, it facilitates and strengthens progressive interactions in the field of global concerns [44].

Thus, with the vital guidance of the United Nations System, it has been possible, during the last recent years, to make the first steps towards the resolution of these global challenges. Starting from the year 2000 when 189 countries signed the UN Millennium Declaration, which encompassed the eight Millennium Development Goals (MDGs) for development, health and poverty eradication.

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[44] Delbrück, J. (1997). The role of the United Nations in dealing with global problems. Indiana Journal of Global Legal Studies, 277-296.

These global objectives, which were supposed to be achieved from year 2000 to 2015, were released to tackle the massive challenges faced by the world's poorest countries. According to Sachs (2012), by combining global priorities (poverty, hunger, poor education, disease, gender inequality, and environmental degradation) within a set of comprehensible eight goals, and by establishing measurable and time constrained targets, the MDGs helped to promote awareness, political accountability, social response, and public pressures. As also confirmed by Bill Gates, the MDGs became a standard global approach against poverty for the 15 years . The figure below, help in giving an overall idea of what were the priorities covered by the MDGs as established by the General Assembly Resolutions A/RES/55/2.

More specifically, according to the Resolution 55/2, the UN Member States agreed upon setting these goals on fundamental values of freedom, equality, solidarity, tolerance, respect for nature and shared responsibilities.

The same resolution also called for a more coordinated actions among the UN System, WTO (World Trade Organization), Bretton Wood Institutions as well as other multilateral bodies to better address problems of peace and development. In the meantime, it also reaffirmed the importance of engaging non-state actors such as the private sector, non-governmental organizations and civil society as essential partners for the achievement of the MDGs.

Despite this, reaching the end of the MDGs period and as reported by the Millennium Development Goals Report 2015, controversial results were achieved under this first attempt to eradicate poverty and promote development[45]. While the global action proved to be effective, in the light of the successes reached with the MDGs, it was also highlighted that progress were uneven across regions and countries, leaving important gaps to be filled. A quite important number of people were still being left behind, especially the most vulnerable, the poorest and those disadvantaged for their sex, ethnicity, age and so forth.

As argued by Ban Ki-moon, Secretary General of the UN from 2007 to 2016, the MDGs helped more than 1 billion people to fight extreme poverty, created new projects against hunger and facilitated the access to education for girls. Furthermore, the MDGs had demonstrated to be essential in showing to the public opinion the immense value of setting comprehensible and ambitious goals. For the first time, people and their immediate needs had been priorities in the decision-making of both developing and developed countries. Nevertheless, Ban Ki-moon also underlined that the results achieved were far from acceptable. Despite all the impressive progresses, inequalities persist and gains were mostly uneven. The data on poverty showed that it was intensely concentrated in some parts of the world, and just the 60% of the extremely poor people lived in just five countries. Progresses did not account for women and disparities within rural and urban areas were still quite remarkable. In conclusion the UN Secretary General stated that further improvements required political will, collective and long-term commitments.

[45] Department of Economic and Social Affairs of the United Nations (2015). The Millennium Development Goals Report 2015. United Nations.

And, in order to be more effective, the international framework of the MDGs needed a greater integration of economic, social and environmental dimension of sustainable development.

Thus, as it was clear at the end of the MDGs era, linking goals and targets to global challenges was, despite the gaps, a successful strategy and the world, in the next 15 years, would have needed another similar but more integrated, ambitious, inclusive and universal framework. For this reason, and leveraging on the findings coming from the MDGs experience, the United Nations has negotiated and adopted a new international post-2015 development agenda: the 2030 Agenda for Sustainable Development. This new international framework was then released in September 2015, with the adoption by the General Assembly of the Resolution 70/1 named "Transform our world: the 2030 Agenda for Sustainable Development" [46].

The 2030 Agenda, accompanied by its 17 Sustainable Development Goals (SDGs), 169 targets and 232 indicators, provides the international community with a new roadmap to support the fight against the major environmental, social and economic challenges. Lasting until the year 2030, the 2030 Agenda and the SDGs are still the products of what has been arguably the most inclusive process in the history of the United Nations. In fact, transparency, multi-stakeholderism, and collaborative approach were fundamental aspects throughout the process of negotiations. Members States, Civil Society, Private sector have all been effectively consulted and included in outlining the 2030 Agenda[47] [48] [49].

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[46] United Nations, 2015. Transforming our world: The 2030 agenda for sustainable development. *Resolution adopted by the General Assembly*.

[47] Sachs, J. D., 2012. From millennium development goals to sustainable development goals. The Lancet, 379(9832), 2206-2211.

[48] Busco, C., Granà, F., & Izzo, M. F, 2018. Sustainable Development Goals and Integrated Reporting. Routledge.

[49] Ullah, F., 2015. *Inclusiveness is the key to implementing the SDGs*. [online] United Nations Association. Available at: https://www.una.org.uk/5-inclusiveness-key-implementing-sdgs

As mentioned in the preambular paragraph of the Resolution, the SDGs seek to build on the MDGs and complete what they were not able to achieve. Differently from the latter, the SDGs have been specifically made broader in order to consider a wider range of issues, including also inter-connected topics across the economic, social and environmental dimensions of sustainable development. Eradicate poverty, health, education and environment are still key priorities of the UN System but, with the SDGS, the spectrum have been widened to encompass a greater number of challenges. These new goals, recognize that ending poverty must be achieved together with strategies that foster economic growth and support other social needs such as social protection, employment, climate change and environment degradation. All must go hand-in-hand.

Moreover, with the framework provided by the SDGs, 193 countries around the world have all pledged to support sustainable and inclusive economic growth, social inclusion, protection of the environment and creation of new partnerships for peace, justice and inclusiveness[50]. Conversely to their predecessors, the SDGs are universally applicable in developing and developed countries. However, it is worth mentioning that these goals, as the MDGs, are not legally binding but it is expected, in order to fully achieve them, that governments integrate this internationally agreed framework with their national policies and initiatives. Even if they primarily target States and public institutions, the SDGs are designed as well to involve a wide range of organizations in a multi-stakeholder approach. Most importantly, they recognize the key role that business can and must play in their adoption, implementation and achievement.

It is worth mentioning that each SDGs has a specific sub-set of targets (169 in total) that describe with more detail the actions that must be taken in order to reach the main objective. Furthermore, every goals has been connected with specific indicators (232 in total) that keep track of progresses and gaps. It is crucial to consider the SDGs as a system. Even if framed as 17 separate and diverse elements, each goals is interlinked with the others, actually creating an indivisible structure. For this reason, in order to completely reach the goals by 2030, we must implement actions that reduce to the minimum the negative trade-offs, while maximizing the positive impacts of the mutual reinforcement among them. If well understood, these interlinkages facilitate the integration of these goals into the national policies or business models, while inevitably reduce the resources and the time required for their achievement [51].

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[50] UNSSC, 2015. *The 2030 Agenda for Sustainable Development*. United Nations System Staff College.

[51] Xin ZHOU, Mustafa MOINUDDIN, Ming XU, 2017*. Sustainable Development Goals Interlinkages and Network Analysis: A practical tool for SDG integration and policy coherence*. Xin ZHOU, Mustafa MOINUDDIN.

Sustainable Development Goals

Goal 1. End poverty in all its forms everywhere

Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3. Ensure healthy lives and promote well-being for all at all ages

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5. Achieve gender equality and empower all women and girls

Goal 6. Ensure availability and sustainable management of water and sanitation for all

Goal 7 Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10. Reduce inequality within and among countries

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12. Ensure sustainable consumption and production patterns

Goal 13. Take urgent action to combat climate change and its impacts*

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Ref: A/RES/70/1 Transforming our world

2. AGENDA 2030, CHARACTERISTICS AND TECHNICALITIES

In September 2015, 193 countries decided with the Resolution of the United Nations 70/1 to adopt the 2030 Agenda for Sustainable Development, pledging to achieve its goals over the fifteen years ahead. As we have defined in the previous section, SDGs are an essential part of this new roadmap that guides governments, businesses and civil society in addressing the economic, social and environmental challenges that affect our time.

Despite what many people believe, SDGs are just focus areas of the 2030 Agenda, and as such are necessary to achieve sustainable development. The Agenda must be considered as a bigger and more complex puzzle in which the SDGs are essential pieces. To truly understand, implement and reach what prescribed in the 2030 Agenda, we all must analyze it in its entirety. The main role of the 17 goals is just to translate, into concreate and measurable targets, the key values and principles that outline the 2030 Agenda[52]. Taking a step back and look at this framework with an holistic and integrated perspective becomes crucial. The purpose of the 2030 Agenda for Sustainable Development is then to inspire the international community in rethinking creatively to the development challenges, with an innovative proposal. In practice, it delineates a plan of action that involves all segment of society (States, private sector, academia, NGOs etc.), which must take substantive steps towards sustainable development, in accordance with their personal capacities[53].

The core of the 2030 Agenda is based on five different dimensions (5Ps), namely people, prosperity, planet, partnership and peace. This can be translated in the fact that transformative development decisions, which shift the world into a more sustainable and resilient path, must consider all these five elements together.

[52] M. Elder., M. Bengtsson, and L. Akenji. 2017. 'Making SDG Implementation Easier: Thinking about Goals as Means', IISD SDG Knowledge Hub.

[53] UNSSC, 2015. *The 2030 Agenda for Sustainable Development*. United Nations System Staff College.

Five Dimensions of the 2030 Agenda

People
We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment.

Planet
We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.

Prosperity
We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

Peace
We are determined to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.

Partnership
We are determined to mobilize the means required to implement this Agenda through a revitalized Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.

Ref: A/RES/70/1 Transforming our world

Moreover, the 2030 Agenda also embodies other core underpinning principles that drive its adoption, implementation and realization. In particular, it is worth mentioning the universality, leaving none behind, interconnectedness and indivisibility, inclusiveness, and multi-stakeholder partnerships. The 2030 Agenda has a universal scope and pledged all countries, regardless their level of income or development, to give their effective contribution to its implementation. It is, indeed, applicable in all situations and in all times. Moreover, none must be left behind. In this regard, the Agenda 2030 seeks to benefit all the vulnerable people with specific concerns over the ones in need and deprivation.

Thirdly, this plan of action is based on the interconnectivity and indivisibility of the goals it encompasses. Each SGDs in connected to the others and the whole Agenda must be considered in its entirety, rather than a list of single and separated objectives. In addition, the Agenda is inclusive in the sense that calls for the participation of all the segments of the society, from the public and private sectors to the civil society and academia. Lastly, the 2030 Agenda is based on a multi-stakeholder partnership approach and, therefore, to support the achievement of the SDGs, a joint action is essential to mobilize and share sufficient knowledge, expertise, financial resources and technology[54] [55] [56].

Once it has been clearly introduced the definitions of the 2030 Agenda and its Sustainable Development Goals, it can definitely be useful to give an overview of the process that brought to the release of this international framework. Everything started with the approaching of the year 2015, when the Millennium Development Goal's period was about to expire. At that moment, the United Nations arranged the third international conference on sustainable development called "United Nations Conference on Sustainable Development (Rio+20), and held in Rio de Janeiro in June 2012. This conference was quite an important occasion because it celebrated simultaneously the 20-year follow up of the "1992 United Nations Conference on Environment and Development (UNCED)" and the 10th anniversary of the "2002 World Summit on Sustainable Development (WSSD)". Rio+20 was organized by the UNDESA and resulted in 10 days of High-Level Event in which attended numerous participants such as Member States, private sector, civil society, NGOs and so forth.

[54] UNSSC, 2015. *The 2030 Agenda for Sustainable Development*. United Nations System Staff College.

[55] United Nations, 2015. Transforming our world: The 2030 agenda for sustainable development. *Resolution A/RES/70/1 adopted by the General Assembly*.

[56] OECD, 2018. *Development Co-operation Report 2018: Joining Forces to Leave No One Behind*, OECD Publishing, Paris https://doi.org/10.1787/dcr-2018-en

The conference itself had three main objectives. It renewed the political commitment for sustainable development, evaluated progresses and gaps, and addressed the new and emerging challenges[57]. However, this event demonstrated to be of crucial for another reason. In its outcome document “The Future We Want”, Member States reaffirmed the utility of setting new targets and agreed on launching a transparent and inclusive intergovernmental process, which aimed at outlining the post-2015 agenda for sustainable development[58]. As can be read from the 248 paragraph of the Resolution *A/RES/66/288:*

[248. We resolve to establish an inclusive and transparent intergovernmental process on sustainable development goals that is open to all stakeholders, with a view to developing global sustainable development goals to be agreed by the General Assembly. An open working group shall be constituted no later than at the opening of the sixty-seventh session of the Assembly and shall comprise thirty representatives, nominated by Member States from the five United Nations regional groups, with the aim of achieving fair, equitable and balanced geographical representation. At the outset, this open working group will decide on its methods of work, including developing modalities to ensure the full involvement of relevant stakeholders and expertise from civil society, the scientific community and the United Nations system in its work, in order to provide a diversity of perspectives and experience. It will submit a report, to the Assembly at its sixty-eighth session, containing a proposal for sustainable development goals for consideration and appropriate action.]

As is it clear from above, Rio+20 did not come up directly with the 2030 Agenda and the SDGs, but it rather delegated a 30-members Open Working Group to prepare a specific and complete proposal over the two years ahead, and before the 68th General Assembly. The OWG was, basically, left free in deciding on methods and modalities of work as long as it ensured full involvement of the relevant stakeholders, which would have provided to the negotiations the right diversity of experiences and knowledge. In the meantime, Rio+20 requested to an ad hoc group the “Secretary-General's High-Level Panel of eminent persons on the Post-2015 Development Agenda” to advise on the vision of the next global framework.

[57] United Nations, 2009. *Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the outcomes of the World Summit on Sustainable Development*. *Resolution A/RES/64/236 adopted by the General Assembly*.

[58] United Nations, 2012. *The Future we want*. *Resolution A/RES/66/288 adopted by the General Assembly*.

From a financial perspective, an Intergovernmental Committee of Experts on Sustainable Development (ICESD) was engaged to analyze the financial needs, the models and resource mobilization required to implement the future 2030 development agenda.[59] with the Resolutions 67/555 and 67/L.48/Rev constituted the OWG and identified its members[60], an extensive public consultation process started, listening opinions from all the actors involved such as member states, civil society, private sector, academia, and intergovernmental organizations. In conclusion of the negotiations, once the Open Working Group gathered for thirteen sessions, the report containing the draft proposal of the 2030 Agenda and its SDGs was formulated and ready to be approved by the GA. The Resolution A/68/970, which presented the OWG proposition, was then sent by Hungary and Kenya (Chairs of the OWG) to the President of the 68th General Assembly in July 2014 [61]. Finally, the 2030 Agenda for Sustainable Development and its 17 Goals were then adopted by the General Assembly, with the already mentioned Resolution 70/1, in the next September 2015.

3. KPIs, RELEVANT STAKEHOLDERS AND GLOBAL PARTNERSHIPS

To give the reader a clear idea of what is in practice the 2030 Agenda, it is important at this point to introduce some of its interesting technicalities. The following paragraphs give information on the follow-up of the Agenda, the measurement of its progresses (KPIs), the relevant stakeholders involved and lastly its means of implementation, with a specific focus on "Global Partnerships".

[59] Palmer, E. (2015). Introduction: The 2030 Agenda. *Journal of Global Ethics*, *11*(3), 262-269.

[60] United Nations, 2013. *Open Working Group of the General Assembly on Sustainable Development Goals. Resolution A/RES/67/L.48/Rev adopted by the General Assembly*

[61] United Nations, 2014. *Report of the Open Working Group of the General Assembly on Sustainable Development Goa*ls . *Resolution A/RES/ A/68/970 adopted by the General Assembly*

As prescribed by the Resolution 70/1, follow-up and reviews of the progress achieved in the implementation of the Agenda must take place at all levels: national, regional and global[62]. At national and subnational levels, each Member State is encouraged to carry out regular, inclusive, country-led and voluntary reviews of the results reached (VNRs), ensuring the full participation of relevant stakeholders including private sector. These national reviews will be then used as a basis for global reviews in the (HLPF). Conversely, at regional and sub regional levels, the follow-up will draw upon the cooperation within regional commissions and organizations as well as upon the data collected at national level. Lastly, at global level, in order to keep track of the progresses achieved and to assess the contribution to the implementation of the Agenda 2030, it has been essential to settle an international meeting where all the UN members can share their experiences towards Sustainable Development. Thus, as mandated by the outcome document of the UN Conference Rio+20, i.e. Resolution 66/288 "The Future we want", the High Level Political Forum (HLPF) has been established as the only platform with a global role on the review and follow-up of the 2030 Agenda and its SDGs. This high level meeting, as a universal, inclusive and intergovernmental forum, is then convened once a year under the auspices of the ECOSOC, and once every four years, at the level of Head of States, under the auspices of the General Assembly (A/RES/67/290) in New York [63].

Generally, as reaffirmed in the paragraphs 84 and 85 of the A/RES/66/288, the HLPF will grant to the UN Members an opportunity to a) provide political leadership, guidance and recommendations for sustainable development; b) enhance integration of the three dimensions of sustainable development; c) create a dynamic platform to plan future advancement of the 2030 Agenda; d) consider new and emerging sustainable development challenges; e) follow up and review of the progresses in the implementation of sustainable

[62] United Nations, 2015. Transforming our world: The 2030 agenda for sustainable development. *Resolution A/RES/70/1 adopted by the General Assembly*.

[63] United Nations, 2013. *Format and organizational aspects of the high-level political forum on sustainable development A/RES/ 67/290 adopted by the General Assembly*

development commitments and of the means utilized; f) improve cooperation and coordination within the United Nations system on sustainable development initiatives; g) promote inclusion and participation of major groups and other relevant stakeholders at the international level in order to better make use of their expertise; h) promote the sharing of best practices, lessons learned and experiences in the implementation of sustainable development; i) promote system-wide coherence and coordination of sustainable development policies.[64]

Practically, as mentioned in the 2030 Agenda (RES/70/1), the Secretary General of the UN, must prepare a report that outlines the arrangements for the presentation of the national voluntary reviews, while defining the themes and the SDGs that will be reviewed at the future HLPFs. The goals and the themes of this year HLPFs (ECOSOC and GA) have been clearly identified in the RES 70/299, which states that the theme is "*Empowering people and ensuring inclusiveness and equality*" and the SDGs under scrutinity will be 4, 8, 10, 13, 16 and 17, which is review each year [65].

[64] United Nations, 2012. *The Future we want*. *Resolution A/RES/66/288 adopted by the General Assembly*.

[65] United Nations, 2016. *Follow-up and review of the 2030 Agenda for Sustainable Development at the global level. Resolution A/RES/70/299 adopted by the General Assembly*.

In conclusion of each HLPF, a Ministerial Declaration that renews, updates and reaffirms the commitment to the 2030 Agenda must be voted and adopted. Interestingly, despite this year hosts both the HLPFs in the ECOSOC and in the General Assembly, just one outcome document will result from these double sessions[66].

Another important characteristic about the 2030 Agenda is about the indicators that measure the progress achieved. These KPIs apart from giving numeric expressions of the results reached implementing the 2030 Agenda, they also provide information on how the world is doing in fighting the sustainable development challenges. A country that integrates poverty, hunger, education, unemployment, climate change, biodiversity loss, among its policies and initiatives must measure the progress achieved. KPIs become then essential.[67] The literature on measuring sustainable development is quite controversial as it is its definition. It is generally agreed that in other to measure the social and economical dimensions of SD we should refer to the Human Development Index (HDI), while to measure the environmental impact we must consider the Ecological Footprint (Moran et al, 2008).

The HDI gives information on the overall well-being of a nations, and it encompasses four sub-indicators life expectancy at birth, adult literacy rate, gross school enrolment ratio and GDP per capita. Whereas, the Ecological Footprint measures the quantity of biosphere required by human activities. Despite their wide employment and the clearance of the picture they delineate, as reported by Moran (2008), both the metrics demonstrated to be quite approximative. Apparently, more complete and precise indicators are found to be necessary in the measurement of the progresses towards sustainable development.

[66] Hub, I., 2019. High-level Political Forum on Sustainable Development (HLPF) 2019 Convened by ECOSOC | SDG Knowledge Hub | IISD. [online] Sdg.iisd.org. Available at: http://sdg.iisd.org/events/high-level-political-forum-on-sustainable-development-hlpf-2019/

[67] Moran, D. D., Wackernagel, M., Kitzes, J. A., Goldfinger, S. H., & Boutaud, A., 2008. Measuring sustainable development—Nation by nation. Ecological economics, 64(3), 470-474.

For this reason, the United Nations, in the Resolution 70/1, decided that the SDGs and the 2030 Agenda must have been sided by a set of global indicators, which were then developed by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG-SDGs). A list of 232 (244 counting repetitions) indicators was then agreed by the UN Member States, and subsequently adopted by the General Assembly. Each goal has its own set of indicators that measure, monitor and inform on its progresses.[68]

Another interesting characteristic of the 2030 Agenda is its Multi-Stakeholders approach to the sustainable development challenges. Precisely, multiple actors have been always involved since the negotiation of the agenda, and the UN systems is still calling for their important contributions in order to achieve the targets settled with its adoption. The main idea is that, to actually make a change and reverse the social, economic and environmental impacts of the new challenges we face, it is crucial that everybody commits somehow to the cause. As can be read from the SDGs official website, Major Groups and other Stakeholders (MGoS) have been integral pieces to the development and implementation of the 2030 Agenda for Sustainable Development, through the launch of projects and initiatives, knowledge-sharing, promotion and monitoring[69]. Practically, the MGoS work most of the times work in partnerships with state and non-state actors. Parts of the MGoS are the Business sector, Children and Youth, Farmers, Indigenous Peoples, Local Authorities, NGOs, Scientific & Technological Community, Women, Workers and Trade Unions, Persons with Disabilities, Volunteers, Ageing, Education and Academia.

In conclusion of this section in it important to provide information on the means utilized for the implementation of the 2030 Agenda. This international framework is not just a set of prescriptions and requires real actions and commitments to achieve its goals.

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[68] United Nations, 2017. *Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development.* Resolution A/RES/71/313 adopted by the General Assembly.

[69] Sustainabledevelopment.un.org., 2019. *Major Groups and other stakeholders - Sustainable Development Knowledge Platform.* [online] Available at: https://sustainabledevelopment.un.org/mgos

So, the question at this point is: How do we get there?. The section "Means of Implementation" of the GA Resolution 70/1 recognizes that, to fully implement the 2030 Agenda, it is crucial to mobilize all the available resources and to joint in a Global Partnership which links, in spirit of solidarity, Governments, Private sector, Civil Society, the United Nations system and other actors. Secondly, it also calls for each country to make the highest effort in achieving the SDGs, through the transfer of financial resources, capacity-building, environmental technologies and so forth. Thirdly, it reaffirms that public finance, domestic and international (ODA – Official Development Assistance), plays a vital role together with the private one, regardless if it comes from micro-enterprises, cooperatives or multinationals. The SDG 17 directly prescribes that by 2030 we all must *"Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development"*. According to this goal, Finance, Technology, Capacity-Building, Trade and Systemic Issues all should be mobilized to achieve the other SDGs.

<table>
<tr><td>Finance</td><td colspan="2">▪ Improve domestic capacity for tax and other revenue collection
▪ Adopt and implement investment promotion regimes
▪ Implement fully their official development assistance
▪ Mobilize additional financial resource to developing countries
▪ Fostering debt financing, debt relief and debt restructuring</td></tr>
<tr><td>Technology</td><td colspan="2">▪ Enhance North-South, South-South and Triangular Cooperation on access to science, technology and innovation
▪ Enhance knowledge sharing
▪ Promote the development, transfer of environmentally sound technologies
▪ Operationalize capacity-building mechanisms on information and communications technology</td></tr>
<tr><td>Capacity Building</td><td colspan="2">▪ Enhance international supportive capacity-building measures</td></tr>
<tr><td>Trade</td><td colspan="2">▪ Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO
▪ Increase the exports of developing countries
▪ Realize implementation of duty-free and quota-free market access</td></tr>
<tr><td rowspan="3">Systemic Issues</td><td>Policy Coherence</td><td>▪ Enhance Macroeconomic stability and policy coherence</td></tr>
<tr><td colspan="2">Strengthen Global and Multi-Stakeholder Partnerships</td></tr>
<tr><td>Data, Monitoring and Accountability</td><td>▪ Increase the availability of high-quality, timely and reliable data
▪ develop measurement mechanisms
▪ support statistical capacity-building</td></tr>
<tr><td colspan="3">Ref: A/RES/70/1 Transforming our world</td></tr>
</table>

Another fundamental framework that regulates the means of implementation of the 2030 Agenda is the so called Addis Ababa Action Agenda (AAAA). This Agenda was outlined in July 2015 in occasion of the "Third International Conference on Financing for Development" and subsequently adopted by the UN General Assembly in its Resolution 69/313. As also the UN Secretary-General Ban Ki-moon mentioned, "*This agreement is a critical step forward in building a sustainable future for all. It provides a global framework for financing sustainable development.*"[70]. AAAA, basically, provides a new roadmap for financing sustainable development by associating financial flows and policies with economic, social and environmental priorities. Drawing upon all sources of finance, technology, innovation, trade, debt and data (as indicated by the SDG 17 of the 2030 Agenda), the Addis Ababa Action Agenda gathers more than 100 initiatives to guide actions by governments, international organizations, the business sector, civil society, and philanthropist if the achievement of the SDGs[71]. A deeper description of the AAAA will be provided in the next chapter, focusing especially on the role of domestic and international private finance.

To conclude this section, it is worth mentioning that particular importance, in the context of the 2030 Agenda, has been assigned to the partnerships and county-led development cooperation as means of implementation. Engaging all the relevant stakeholders, introduced in the previous paragraphs, in a unique Global Partnership that brings together Government, businesses, civil society, the UN System, is essential to achieve the collective ambitions prescribed in the 2030 Agenda. The Agenda is a universal call for action and everybody must participate to ensure that none is left behind.

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[70] Un.org., 2015. *Third International Conference on Financing for Development*. Available at: https://www.un.org/esa/ffd/ffd3/press-release/countries-reach-historic-agreement.html

[71] UNDESA, 2015. *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*. United Nations. Available at: https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

In order to make substantial progresses, it is necessary to mobilize both existing and additional resources and this makes Multi-Stakeholders partnership crucial[72]. Creating groups within local communities or convince governments in joining efforts with private businesses will surely play a significant role in the achievement of the SDGs.

Furthermore, the core objective of this thesis is to clarify the role played by the private sector in the implementation and achievement of the 2030 Agenda. Basically, we want to highlight how partnership and development cooperation, above all when they involve non-state actors such as businesses, become crucial means to address global challenges. The model of development-cooperation model was created back in 1960s by the OECD (Organisation for Economic Co-operation and Development) and, at that time, industrialized countries decided to help the most vulnerable by transferring capital and knowledge. Consequently, we assisted to a substantive flow of resources, in the form of ODA (Official Development Assistance), that helped the economic and social development of the extremely poor countries. However, with the shift from MDGs to SDGs, the challenge to sustainable development has deeply changed as they are the development-cooperation strategies. The unprecedented global threats that our people, planet and prosperity are facing today call for a more globalized response. Thus, with a broader Agenda to be implemented, it is essential that the Development-Cooperation System is updated to strengthen international collaboration mechanisms within multiple actors, including private businesses. The Development-cooperation, in the era of the SDGs, does not involve just financing the developing world, but it rather refers to the effective management of the relationship for results. Therefore, working together and leveraging on the interdependencies will maximize the benefits, speeding up the process to achieve the SDGs by 2030[73]. The private contribution will be better examined in the following chapter.

[72] Un.org., 2015. *Partnerships: why they matter?* Available at: https://www.un.org/sustainabledevelopment/wp-content/uploads/2018/09/Goal-17.pdf

[73] OECD Development Co-operation Directorate, 2019. *TRANSFORMING DEVELOPMENT CO-OPERATION TO DELIVER THE 2030 AGENDA*. OECD.

4. CURRENT TRENDS, GAPS AND PROGRESSES

The last section of this first chapter aims at giving some information on the current trends, gaps and progresses in the implementation of the Sustainable Development goals. Once we have delineated the whole picture around the 2030 Agenda, an analysis of the results we have reached with its adoption might be meaningful. According to the Sustainable Development Report 2018, people worldwide are now facing significant increases in the quality of their lives but, as it has been reported, the transformation towards sustainable development is not happening at the right pace. The world needs a faster and more effective response by Governments as well as other stakeholder, in order to reach the ambitions settled with the 2030 Agenda[74].

As affirmed by the Secretary-General to the United Nations, Antonio Guterres, maternal mortality ratio in Sub-Saharan Africa has declined by 35%, childhood marriage has decreased by 40%, in LDCs the number of people with electricity has doubled, unemployment is globally reduced and 100 initiatives to sustainable consumptions and production have been launched. However, these achievements are not sufficient to meet the SDGs by 2030, especially if vulnerable and marginalized groups are considered. For instance, as declared by Guterres, there still is a significant youth unemployment compared to the adults', 2.3 billions of people do not have access to basic sanitation services, 1 billion of people living in rural arear still lack of electricity, 9 of 10 of people in cities breath polluted air, gender inequalities inhibit female success, conflicts, drought and climate disasters are increasing with the rise of the global temperature. In this context, the SG calls for a greater urgent commitments of political leaders and the other stakeholders, which collaboratively can make a difference.

According to the SDGs Report 2018, the core results achieved in the implementation of the 2030 Agenda can be summarized as it follows:

[74] UN DESA, 2018. *The Sustainable Development Goals Report 2018,* UN, New York, https://doi.org/10.18356/7d014b41-en.

- *GOAL 1 (No poverty)* - Despite poverty has been reduced significantly, the worst types still persist; 11% of the world population (783 million) live below the poverty line; the percentage of workers living with less than 1.90$ a day has declined from 26.9% in 2000 to 9.2% in 2017; the economic losses due to natural disasters have been estimated at over 300$ billion.
- *GOAL 2 (Zero hunger)* – Even though it declined in the past, huger seems to appear again and it usually linked to key factors such as conflicts, drought and climatic events that affect food security; the proportion of undernourished people have increased from 777 million to 815 million; 151 million children under the age of 5 have suffered of malnutrition while 38 million are overweight.
- *GOAL 3 (Health and well-being)* – People seem living better quality of lives in the past 10 years, but many are still dying needlessly of avoidable diseases; maternal mortality ratio has declined by 37% and the skilled health workers increased from 60 to 80% between 2012-2017; under-5 mortality rate dropped by 47%; the HIV incidence has reduced with exception of the women in Africa; non-potable, unsafe sanitation and lack of hygiene are still major causes of death (870.000 in 2016); polluted air have led to 7 million deaths globally.
- *GOAL 4 (Education)* – 58% of the children (617 million) and adolescents studying at primary and secondary schools are not meeting the minimum standards in reading and mathematics; Disparities on gender, urban-rural location are still remarkable; 34% of the schools in LDCs have access to electricity and less than 40% have been equipped with basic handwashing facilities.
- *GOAL 5 (Gender equality)* – Despite some discriminations against women have diminished, gender inequality hindering social progress; child marriage and genital mutilation have declined but they are still quite remarkable in concentrated areas; women spend three times more the hours of the men in doing domestic and care unpaid work.
- *GOAL 6 (Water and Sanitation)* – Numerous people still are not having access to safely managed water supply and sanitation services, respectively 3 ad 6 out of 10.

- *GOAL 7 (Affordable and clean energy)* – Advancements in electrification and in industrial energy efficiency have strengthen the access to affordable, reliable and modern energy sources; people living without electricity dropped to 1 billion from 2000 to 2016; in LDCs the proportion of people with electricity doubled over the same time period; the share of renewables also increased by two points %; global energy intensity dropped by 2.8% from 2014-2015.
- *GOAL 8 (Economic growth)* – Even if we assist to a global decline in unemployment rate and increase in labor productivity, greater efforts must be done to provide employment opportunities to youth, eliminate informal jobs, reduce inequalities, create safer and securer working environment and support access to financial services; men earn 12.5% more than women in 40 out of 45 countries under examination; young people are three times more likely to be unemployed than adults; 35% of adults in low-income countries have a bank account compare to the quasi totality in high-income countries.
- *GOAL 9 (Sustainable infrastructure)* – Progresses have been made in the manufacturing industry and global carbon intensity has reduced by 19% from 2000 to 2015.
- *GOAL 10 (Reduce inequalities)* – Important actions have been implemented to reduce the gap among Developing countries, LDCs, SIDS and Developed countries. For instance, zero-tariff for exports from developing and LDCs, 315$ billion OECD receipts (158$ in the form of ODA + OOF + Private).
- *GOAL 11 (Sustainable cities)* – Cities around the world are subject to rapid urbanization and this hinders the ability to provide adequate housing and infrastructure at support of the growing population; according to WHO, 91% of the urban populations breath polluted air that does not meet the quality standards; damage to housing due to natural disasters has picked from 1990 to 2013.

- *GOAL 12 (Sustainable consumption and production)* – Dividing economic growth from use of resource is one of the most complex challenges our time and it needs of policies, infrastructure and sustainable business conducts along the value chains. In 2018, 108 countries have adopted relevant policies to make production and consumption more sustainable. According to KMPG, 93% of the largest multinationals have started to report on sustainability, integrating non-financial aspects with their financial disclosure.
- *GOAL 13 (Climate action)* – 2017 was one of the warmest ever given its 1.1°C above the pre-industrial levels. Melting glaciers, sea level rise, extreme weather conditions, concentration of greenhouse gases are all calling for urgent and effective action at all level. Far off-track in meeting the targets of the Paris Agreement.
- *GOAL 14 (Life below water)* – Strengthening the sustainable use of the oceans requires efficient actions, which reverse the impacts of growing overfishing, ocean acidifications and the coastal eutrophication; level of acidity have increased by 26% as well as the number marine biodiversity protective areas (KBAs) from 30% to 44% between 2000 and 2018.
- *GOAL 15 (Life on land)* – Protection mechanisms for terrestrial ecosystems and forests have improved; land degradation is now threatening numerous countries together with the alarming trend in biodiversity. This dangerous trend is mainly given by unsustainable agriculture, deforestation, unsustainable harvest and trade and alien species moving out their habitat; ODA in support of biodiversity has fallen by 21% (total of 7 billion).
- *GOAL 16 (Peaceful and inclusive societies)* – Human trafficking (28% children and 71% women), armed conflicts and other forms of violence hinder the achievement of this objective. More than 570 trafficking flows have been detected and 73% of children have had their births registered.
- GOAL 17 (Partnerships) – ODA amounted at 146 billion in 2017; remittances to low income countries have been three times higher than the ODA they receive.

CHAPTER II:

Financing for Development and the role of private sector

As it has been clearly described in the previous chapter, the achievements of the 2030 Agenda are not happening at the required pace to reach fully all the SDGs by 2030. For this reason, the United Nations are now increasingly asking to engage and involve the all the stakeholders, whose actions can speed up the process towards global sustainable development. As also mentioned by the Resolution 70/1, joining in partnerships is one of the most important mean to implement the 2030 Agenda. In the light of this, partnerships with private sector, companies, multinationals have all a significant role to play. They can be, beside the governments and civil society, an important source of finance to address the SDGs, while transforming the whole business models to stimulate directly positive impacts on the society, economy and environment.

This chapter aims at deepen the understanding about financing the 2030 Agenda, focusing particularly of the role of private businesses. Firstly, a brief description on FfD (Financing for Development) will be provided to highlight the private sector role as a source of domestic and international finance for the 2030 Agenda. Secondly, information will be given about the private sector as source of non-financial capitals, expertise and innovation to the achieve the SDGs. Lastly, once identified the central function of the UN Global Compact as partnership to engage businesses, the last two sections will address the integration of the 2030 Agenda and the SDGs into the business models (strategy, value chain, measurement and reporting), consequently achieving the UN goals by operating sustainably.

1. AAAA, FINANCING FOR DEVELOPMENT AND IATF REPORT 2019

As it has been defined in the previous chapter, the United Nations System, with the adoption in 2015 of the Addis Ababa Action Agenda, have created a specific global framework to guide the financing process of the 2030 Agenda and the Sustainable Development Goals.

Basically, the AAAA incorporates and presents, into a concise document, all the major means to actually achieve sustainable development and dividing them in seven key areas of action: domestic public resources; domestic and international private business and finance; international development cooperation; international trade as an engine for development; debt and debt sustainability; addressing systemic issues; science, technology, innovation and capacity building[75]. In this regard, the AAAA establishes a specific platform to review and follow-up the process of financing for development. The forum called "Financing for Development" (FfD) and its related Inter-Agency Task Force (IATF) provide the UN System and the Members States with annual reports and recommendation, which highlight the progress achieved and the necessary corrective actions needed to improve the financing of 2030 Agenda. The conclusions reached during the FfD and the findings of the IATF Report will then feed into the HLPF (High-Level Political Forum) to support the review of the SDGs and the Agenda itself[76].

As it is reported in the IATF Report 2019, there have been progresses in financing the sustainable development, since the adoption of the AAAA. Private sector is getting increasingly involved and the SDGs are being frequently incorporated into business plans, public budgets and partnerships efforts. However, as stated by Antonio Guterres, Secretary General of the United Nations, this is not happening at the right speed.

Many SDGs investments end up unfunded, private investments in infrastructure (43$ billion) are decreasing, inequalities and uneven financial inclusiveness are spreading worldwide. Therefore, the mobilization of sufficient financing resources is still a major challenge to implement the 2030 Agenda.

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[75] UNDESA, 2015. *Addis Ababa Action Agenda of the Third International Conference on Financing for Development*. United Nations. Available at: https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

[76] United Nations Sustainable Development, 2019. *Financing for Development* - United Nations Sustainable Development. Available at: https://www.un.org/sustainabledevelopment/financing-for-development

In this regard, the Under Secretary General for Economic and Social Affairs, Liu Zhenmin, affirms that the achievement of the SDGs needs the adoption of a long-term perspective. Public and Private incentives must be coordinated with the objectives of the Agenda, so that all the decisions, including the financial ones, have sustainability as core concern.

Thus, the private sector and businesses become a key partners in implementing the 2030 Agenda because, firstly, they mobilize financial resources through sustainable projects, philanthropy or FDIs, and secondly they incorporates SDGs directly in their business models, fostering the sustainability of their operations. Given the core topic of this thesis, it is important to give an official overview on what is disclosed by the AAAA and the IATF Report 2019 with regards to the private sector role in implementing the 2030 Agenda. This will definitely give an idea of what the United Nations System officially requires by businesses and companies to scale-up the efforts towards a more developed and sustainable world. The main focus will be on one of the seven areas of actions defined by the AAAA, namely "Domestic and International private business and finance".

As prescribed in the paragraph by the AAAA, all the political forces must affirm a strong commitment in creating an enabling environment that facilitates the private financing of the 2030 Agenda. The UN Systems calls for the actions of the private actors acknowledging its intrinsic diversity ranging from multinationals, to cooperatives and SMEs. Therefore, multi-stakeholder partnerships with these private entities will ease the flow of resources, knowledge, expertise, technology and complement the achievements made by Governments for the SDGs. In the Addis Ababa Action Agenda, it is particularly remarked the importance of the private activities, investments and innovation as sources of productivity, inclusive economic growth and employment.

International private capital flows, specifically FDIs, are vital to complement the national efforts. Especially, FDIs contribute to the sustainable development by increasing positive spillovers of know-how and technologies, providing new local opportunities, and integrating domestic suppliers and entrepreneurs into regional and global value chains[77]. However, this can be achieved only if the national regulatory frameworks align private and public sustainable development strategies, while creating the right enabling environment to incentivize private sustainable decisions and promote long-term quality of investments. The projects undertaken in this context must promote full and decent employment, sustainable patterns of production and consumption, structural and sustainable industrial transformation. Nevertheless, given the uneven geographical distributions of these type of investments, the AAAA also encourages companies to carry out FDIs where is mostly needed, for instance, developing countries, least developing countries (LDCs), landlocked developing countries (LLDCs), small islands developing states (SIDS), and countries in conflict or post-conflict situations. Moreover, the AAAA recognizes that the insufficiency of investments is mostly due to absence of infrastructure in the recipient economies. Thus, the agenda calls for national governments to pursue resilient and quality infrastructure investment plans, while stimulates long-term institutional investors (which manages a large amount of capitals) to allocate resources in financing infrastructure, especially in developing countries[78]. Furthermore, apart from FDIs and financial inclusiveness, the AAAA also supports companies to embrace environmental, social and economic elements in their core business models, considering both return on investments and non-financial impacts. This is a totally different form of addressing the 2030 Agenda and the SDGs. It not just about financing sustainable investments or projects or facilitating access to finance to the most vulnerable, but in this sense companies transform their entire value creation process and start “doing well by doing good”.

[77] Accolley, D. , 2003. The determinants and impacts of foreign direct investment.

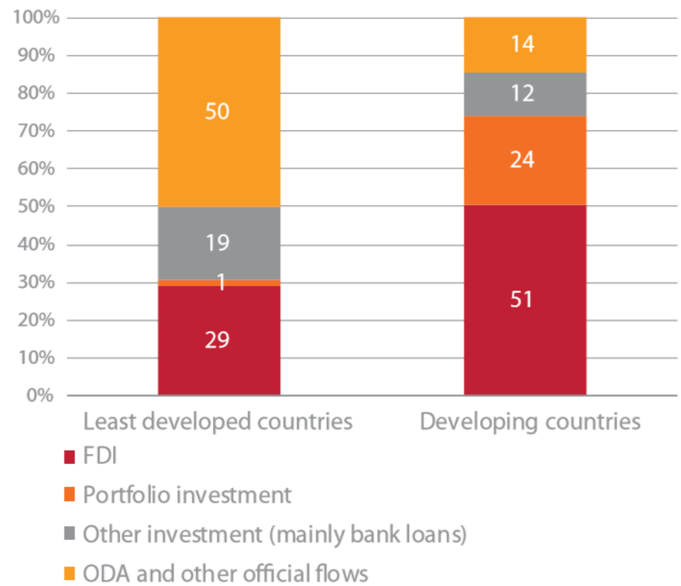
[78] Sanchez-Robles, B. (1998). Infrastructure investment and growth: Some empirical evidence. Contemporary economic policy, 16(1), 98-108.

According to the IATF Report 2019, due the confusion in defining sustainable investment and the lack of agreement in measuring its impacts, the growing interests of the private sector towards 2030 Agenda and the SDGs has not lead yet to sufficient transformative changes. The next sections will provide more specific information about that but, in the meantime, it is necessary to present the fundamental findings of the IATF[79]. Interestingly enough, the IATF Report 2019 gives information on the overall trends that affects the private markets in financing the 2030 Agenda. It provides data on FDIs, Private investment in infrastructure and capital markets development, and relates them to their ability to achieve the Sustainable Development Goals.

As far as the FDIs are concerned, the report describes that this type of cross-boarder financial flows have quadrupled during the last two decades, and it is the more stable compared to the other types, namely PTF investments and cross-border bank loans. However, the global trajectory of the FDIs over the last three years 2015-2018 is rather weak. Foreign Direct Investments by private companies have decreased by 19% to 1.2$ trillion from the 1.9$ trillion in 2015. As stated my the IATF, this is mainly due to structural issues, decreasing rate of returns on international investments and impacts of the digital economy. Moreover, the geographical distribution of FDIs has been uneven across regions. Asia receives the highest inflow (66%), followed by Latin America and Caribbean (25%) and lastly Africa, LLDCs, LDCs, and SISDs. This conclusion is obviously quite controversial if we consider that these last countries are the most vulnerable and need of the highest amount of capital to achieve the SDGs. The graphs below show these two main findings from the IATF Report 2019.

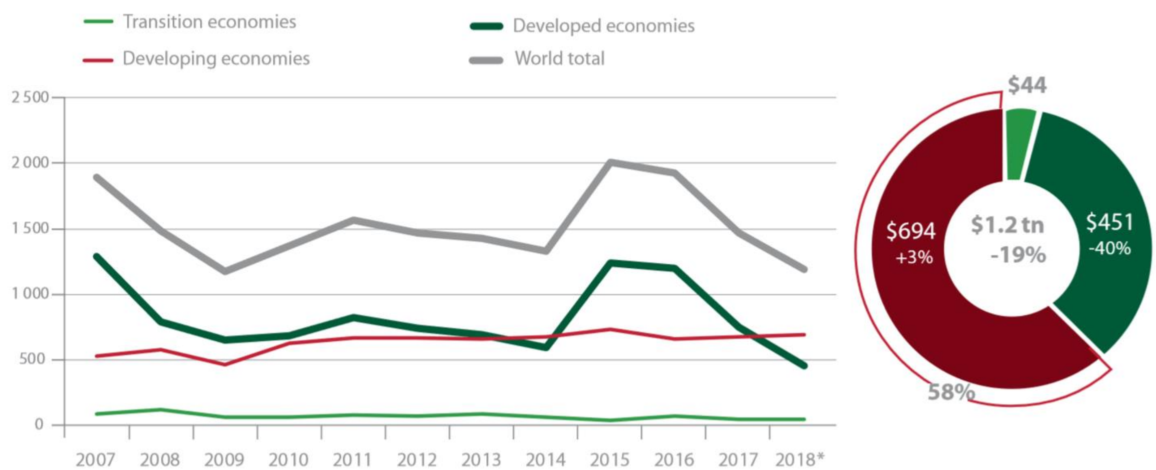
[79] United Nations, Inter-agency Task Force on Financing for Development, Financing for Sustainable Development Report 2019 (New York: United Nations, 2019), available from: https://developmentfinance.un.org/fsdr2019.

Selected sources of external finance, developing economies and LDCs, 2013-2017
(Percentage)



Source: Adapted from UNCTAD World Investment Report 2018.

FDI flows, by region, 2010-2018
(Billions of United States dollars)

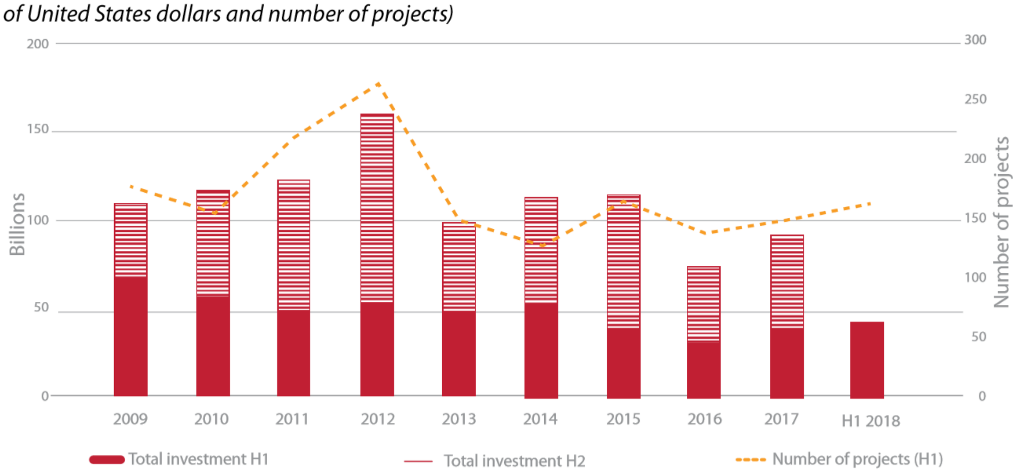


Source: UNCTAD FDI database.

As concerns the investments in infrastructure, described as crucial by the Addis Ababa Action Agenda to reach the SDGs, despite many initiatives have been undertaken by private companies worldwide, there has not been any major advancement. In 2018 the undertaken 164 projects concerning water, energy, transport, information and communication technology infrastructures, amounted at 43.5$ billion. Even though there has been a 7% increase since the 2017, this value of private investment is still very low compared to the peak reached in 2012. This is clearly described in the figure below. Moreover, IATF reported the public investments in infrastructure are still dominating the private ones and the reason behind is that, conversely to public spending, private projects must respond to certain degrees of profitability that compensate investors of the risks they bear. This obviously, in absence of subsidies, guarantees and incentive, lowers the capacity of private firms to invest in developing countries' infrastructure, consequently slowing their development process.

Investment commitments in infrastructure projects with private participation in emerging market and developing economies, 2009–H1 2018

(Billions of United States dollars and number of projects)

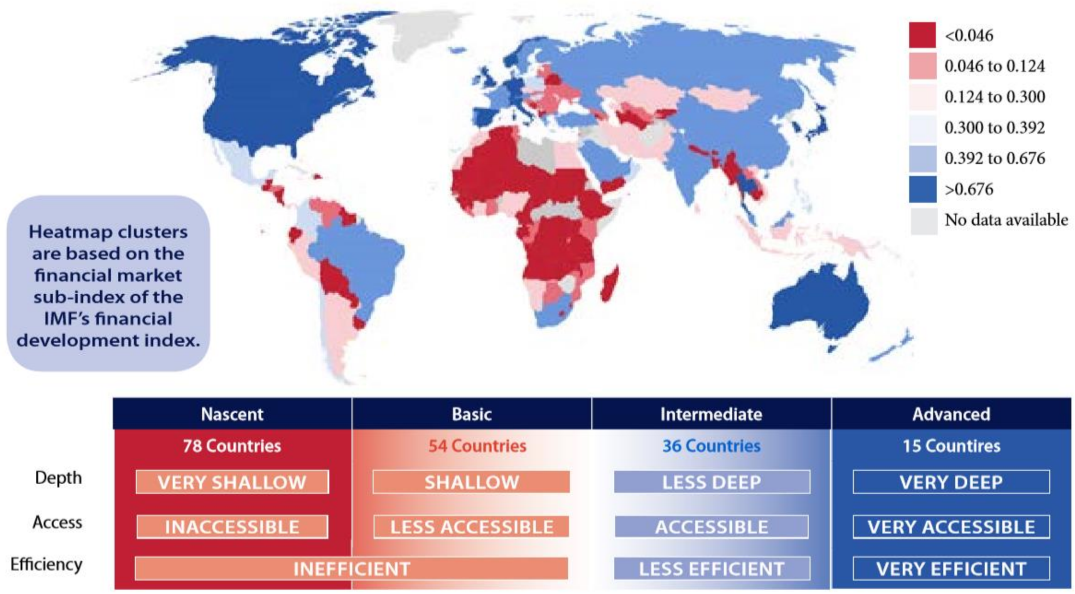


Source: World Bank Private Participation in Infrastructure (PPI) project database.

Last but not least, the report gives information on the development of capital markets. Considering the positive impacts on resources allocation and risks diversification and acknowledging the negative results of over-financialization (2008 crisis and raising inequalities), the report suggests the depth, breadth and development of capital markets are important contributors to mobilize private finance towards the achievement of SDGs.

As it is clear from the figure below, the capital markets have developed unevenly across countries and market segments, hindering the capacity of private actors to access credit and undertake sustainable investments. As it has been reported for FDIs, same concerns can be raised for the development of capital markets. Interestingly enough, capital markets in developing countries, which demand for the highest efficiency in terms of size and access, are instead the most underdeveloped compared to the ones in developed economies.

World Map of Financial Market Development, 2016
(Financial Markets score)



Source: World Bank based on IMF's Financial Development Index database.
Note: The boundaries and names shown and the designations used on the maps do not imply official endorsement or acceptance by the United Nations.

In conclusion of this section, it is clear from the AAAA and the results provided by the IATF Report that the private sector plays an essential role in financing the sustainable development, promoted by the 2030 Agenda. However, substantial challenges are faced by companies nowadays making the environment less attractive, less inclusive e significantly risky to undertake investments. For this reason, national governments must develop regulatory frameworks that create the right enabling environment to support private operations in implementing the 2030 Agenda. Public-Private partnership is, indeed, the most effective mean to finance and achieve the SDGs.

2. BUSINESS'S BENEFITS OF ADOPTING THE AGENDA AND THE SDGs:

Since the adoption in 2015 of the 2030 Agenda, SDGs have attracted greater attention of companies and businesses. Despite national governments are still playing a central role, private sector are seen as significant contributor given its resources, ability to innovate, its scale and reach. As it has been previously described, companies are active on two major fronts. Firstly, they help to fill the funding gap of financing the SDGs through domestic and international investments. Secondly, they are increasingly integrating the 2030 Agenda in their business models, placing sustainable development concerns in all the core operations, and shaping crucial functions such as corporate strategy, measurement, monitoring and reporting. Although there have been positive signs of progression in linking businesses' performances with the sustainable development purpose, many companies are still trapped in the un-sustainable cycle of short-term profits motives[80].

Generally, companies and decision makers are driven by revenues, profits, business expansion, returns of investments and other financial performances as crucial factors of the organizational growth[81]. However, companies' impacts of their operations often overcome the business boundaries and affect environment and society, both positively and negatively. Hence, this has increased the importance of considering not only the shareholders' interests but all the stakeholders that have concerns over the companies' impacts. This idea has gained particular attentions among business communities, CEOs, board members, managers, which have started to add elements of social, economic and environmental sustainability in the business perspective. The 2030 Agenda and its Sustainable Development Goals, as internationally agreed framework, can guide companies in connecting their performance to a greater purpose, playing as a bridge between companies strategies and global priorities.

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[80] Agarwal, N., Gneiting, U., & Mhlanga, R. , 2017. *Raising the Bar: Rethinking the role of business in the Sustainable Development Goals.* Oxfam.

[81] Busco, C., Granà, F., & Izzo, M. F, 2018. *Sustainable Development Goals and Integrated Reporting. Routledge.*

As stated by Ban Ki-moon (ex UN Secretary-General), "business is a vital partner in achieving the Sustainable Development Goals. Companies can contribute through their core activities, and we ask companies everywhere to assess their impact, set ambitious goals and communicate transparently about the results". Even the Resolution 66/288 "The Future We Want", which started the process of outlining the 2030 Agenda, considers as essential the role played by the private sector in achieving the sustainable development targets. Literally, at the paragraphs 46 and 47 it states:[82]

"*We acknowledge that the implementation of sustainable development will depend on the active engagement of both the public and the private sectors. We recognize that the active participation of the private sector can contribute to the achievement of sustainable development, including through the important tool of public-private partnerships. We support national regulatory and policy frameworks that enable business and industry to advance sustainable development initiatives, taking into account the importance of corporate social responsibility. We call on the private sector to engage in responsible business practices, such as those promoted by the United Nations Global Compact"*

"We acknowledge the importance of corporate sustainability reporting and encourage companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments and relevant stakeholders with the support of the United Nations system, as appropriate, to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account experiences from already existing frameworks and paying particular attention to the needs of developing countries, including for capacity building"

Hence, unlike their predecessors MDGs, the SDGs explicitly call for the creativity and innovation of the private sector to address the sustainable development challenge. But what incentives do companies have in developing and delivering solutions to achieve the 2030 Agenda and the SDGs? If this requires substantial investments in time and resource, hindering profits in the short run, why should the business sector contributes to this challenge initially adopted at governmental level?

[82] United Nations, 2012. *The Future we want*. *Resolution A/RES/66/288 adopted by the General Assembly*.

As reported by the SDG Compass Report, developed by Global Reporting Initiative (GRI), United Nation Global Compact (UNGC) and World Business Council for Sustainable Development (WBCSD), achieving the 2030 Agenda can unlock a wide range of opportunities for businesses, which will surely affect their long-term profitability[83]. This is also confirmed by the pwc "SDG Report Challenge 2018" which argues that the potential growth linked with implementing the 2030 Agenda is estimated around 12$ trillion, and millions of jobs can be created or retained.[84] Conversely, the SDG Compass Report highlight five different benefits for companies when they integrate or invest in the SDGs: 1) creation of new business opportunities; 2) improvement in the value of corporate sustainability; 3) strengthening of stakeholder relations and catching up with policy developments; 4) stabilization of markets and societies; 5) use of a common language and shared purpose.

Looking at the 2030 Agenda and the SDGs as opportunities rather than a threats, will surely unleash a greater set of advantages for the companies who deliver innovative sustainable solution for its achievement. Innovative technologies can increase the efficiency in the use of resources (renewable, green building), substituting traditional manufactured products with ICT can reduce the waste and emissions, extending the operations into previously untapped markets (Health, Education, Energy etc.) can enlarge the consumer base while improving lives of billions of people. Hence, a growing market will also ease the access to capital for businesses that provide innovative sustainable solutions and include SDGs. Secondly, with governments offering incentives, young consumers demanding for sustainable alternatives, employees looking for successful companies, integrating sustainability concerns in the value creation process, businesses can protect and create additional value.

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[83] United Nations Global Compact, GRI, wbcsd, 2015. *SDG Compass Guide. The guide for business action on the SDGs.*

[84] PWC, 2018. *SDG Reporting Challenge* 2018. Available at: https://www.pwc.com/gx/en/sustainability/SDG/sdg-reporting-2018.pdf

Committing to the 2030 Agenda and increasing business' sustainability can develop new markets, reinforce the brand, boost sales, attract and strengthen new consumers and talents. Thirdly, companies that align operations with global priorities and consider all the stakeholders as crucial in the value creating process, surely promote stronger relations with the external environment. Improving trust, reduce legal and reputational risks and build the architecture for future development in sustainable policies are the direct benefits for companies advancing the SDGs. Fourthly, businesses cannot survive in declining society from an economic, social and environmental stand points. Investing in the achievement of the SDGs means also lifting billion of people out of poverty (expanding the market base), improving education (creating trained and skilled labor force), empowering women (attracting female consumers as numerous as the population of China), aligning resource consumption with planet capacity (lowering companies dependencies over natural resources), and stabilizing financial systems (reducing risks of doing business). Lastly, the 2030 Agenda and the SDGs provide a common internationally agreed framework of action and language that supports companies in engaging more consistently with stakeholders. An overarching structure, which encompasses few, standardized and understandable goals, assists businesses in disclosing more effectively on their impacts and performances, while raising comparability within organizations and industries.

However, as reported by OXFAM in its paper about the role of business in the SDGs, we need to be aware of a "business case" approach to the 2030 Agenda. This, indeed, looks at the SDGs just as providers of commercial opportunities, as a marketing strategy and as a win-win solution, and it is subjected to some significant limitations. In reality, even though OXFAM acknowledges that the Agenda produces the long-term benefits explained in the paragraph above, finding these synergies among commercial success and sustainable development is not always so immediate for businesses. In fact, often profit motives collide with sustainability goals, additional costs are associated with more sustainable practices and, consequently, short-term oriented companies do not produce the required outcome.

Moreover, the simple “business case” approach does not challenge companies in looking beyond their capacity and restructure their operations but, instead, focuses on established strategies and find commercial linkages with the SDGs. In this simplistic idea, it is likely that companies choose the less complicated goals or the easiest to be achieved in their industry, without taking the challenge of addressing all the 17, often interlinked and difficult to measure, SDGs. Furthermore, considering the most powerful stakeholders definitely pays off better and faster than accounting for marginalized and poor people.

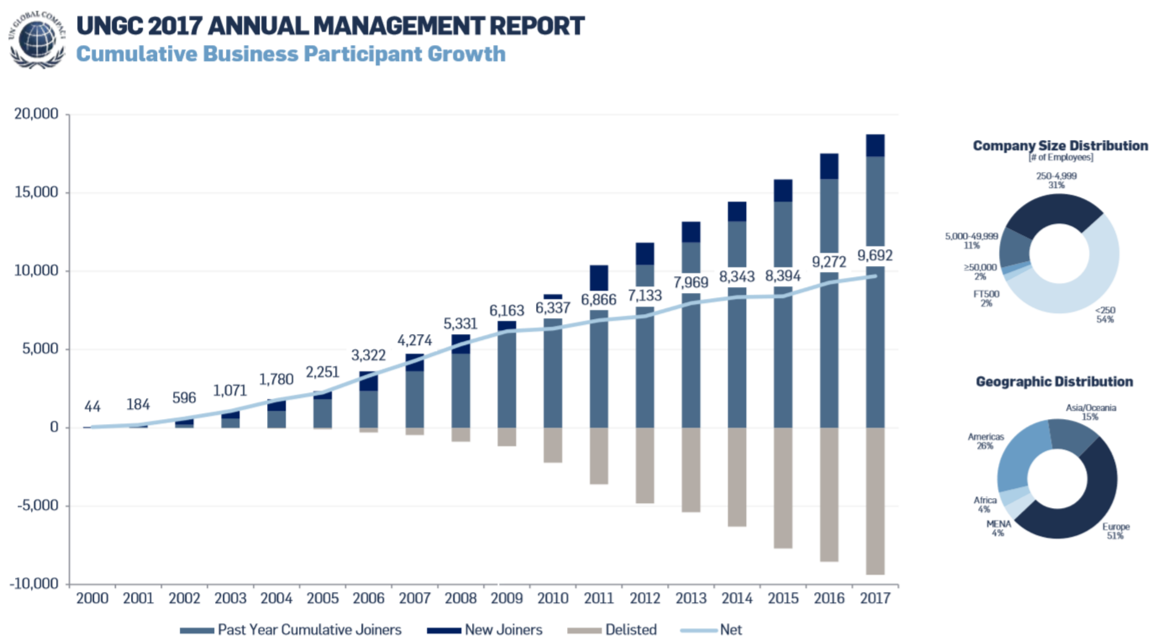
Hence, according to OXFAM, these limitations of a business case approach to the 2030 Agenda are the key reasons of the gaps we are witnessing in the companies’ actions for sustainable development. This mindset of commercial benefits coming from the SDGs, is likely to drastically limit the areas and sectors where companies can add the highest positive value for the achievement of the Agenda. Thus, a deeper approach to the SDGs that empowers ambitions, encourage transformative changes, and considers these goals from a sustainable rather then a business perspective, will surely rebuilt trust and support companies to undertake actions.

3. UNGC AND ITS 10 PRINCIPLES FOR SUSTAINABLE BUSINESSES:

According to Ortas et al. (2015), over the last 20 years the world has assisted to a significant increase in Corporate Social Responsibility initiatives such as GRI (Global Reporting Initiative, ISO (International Organization for Standardization) and so forth. In this specific section it worth to highlight one of the most prominent initiatives undertaken globally to guide businesses towards a more sustainable path, the so called United Nations Global Compact (UNGC) [85].

[85] Ortas, E., Álvarez, I., & Garayar, A., 2015. *The environmental, social, governance, and financial performance effects on companies that adopt the United Nations Global Compact. Sustainability*.

As can be seen from the graph below, the UNGC involves more than 13000 participants, 9,692 of which are businesses coming mainly from Europe and Americas. The rest of the entities that have signed this international pact are non-business actors such as governments, trade unions, foundations, NGOs, Academia and so forth [86] .



According to Ortas (2015), the UNCG was firstly presented in 1999 by the UN Secretary-General Kofi Annan and subsequently launched in the year 2000. Since then we have assisted to a growing trend in the participation of the Global Pact which, through the creation of an extensive network, encourages businesses in adopting socially responsible conducts and to report on their sustainable results. The UNGC, as principle-based framework for companies, mainly responds to two core objectives. Firstly, it must make sure that the 10 principles on which the whole framework is based are properly embedded by businesses worldwide, and secondly it must catalyze actions to the broader sustainable development challenges, i.e. SDGs and 2030 Agenda.

[86] UNGC, 2019. *UN GLOBAL COMPACT 2017 ANNUAL MANAGEMENT REPORT*. Available at: https://www.unglobalcompact.org/docs/publications/UNGC-2017_Annual_Mgmt_Report.pdf

In practice, the UNGC provides to businesses a learning network rather than a compliance-based platform, which facilitates the sharing of know-how and tools to achieve sustainable development. This pact, as reported by Ortes (2015), has totally transformed the idea about the contribution of the private sector to the objectives of the United Nations. It shifted the traditional UN's perspective of interstate negotiations to a voluntary multi-actor model where companies are seen as crucial, and reformed the relation between UN system and businesses from largely reactive to a far more proactive one.

The UNGC is based on a set of 10 principles, that can be subcategorized in areas of human rights, labor, environment, and anti-corruption. These Ten Principles, provide companies with a universal definition of how a responsible business must carry out its activities, guiding them towards "do no harm" to the planet. Hence, UNGC, in a spirit of integrity and compliance, encourages its participants to align their strategies and operations to the 10 principles[87]. However, It has been clearly reported in the UNGC "White Paper Report" that these principles drive business community confused when compared to the sustainable development challenges promoted by the 2030 Agenda and the 17 SDGs. To clarify the connection between these two essential frameworks, the UNGC asks the private sector to firstly behave responsibly according to its principles and then exploit opportunities to solve broader challenges. The Ten Principles must be considered as foundation for all the businesses that seek to achieve the SDGs by 2030. Therefore, companies must initially account for any negative impacts they generate in the society and environment, and then adjust business' conducts to avoid hindering future progresses for the SDGs. If the business world seriously adopts the UNGC Ten principles, respecting employees, reducing environmental pollution and eliminating bribery and extortion, there will consequently be significant advancements to the SDGs as well.

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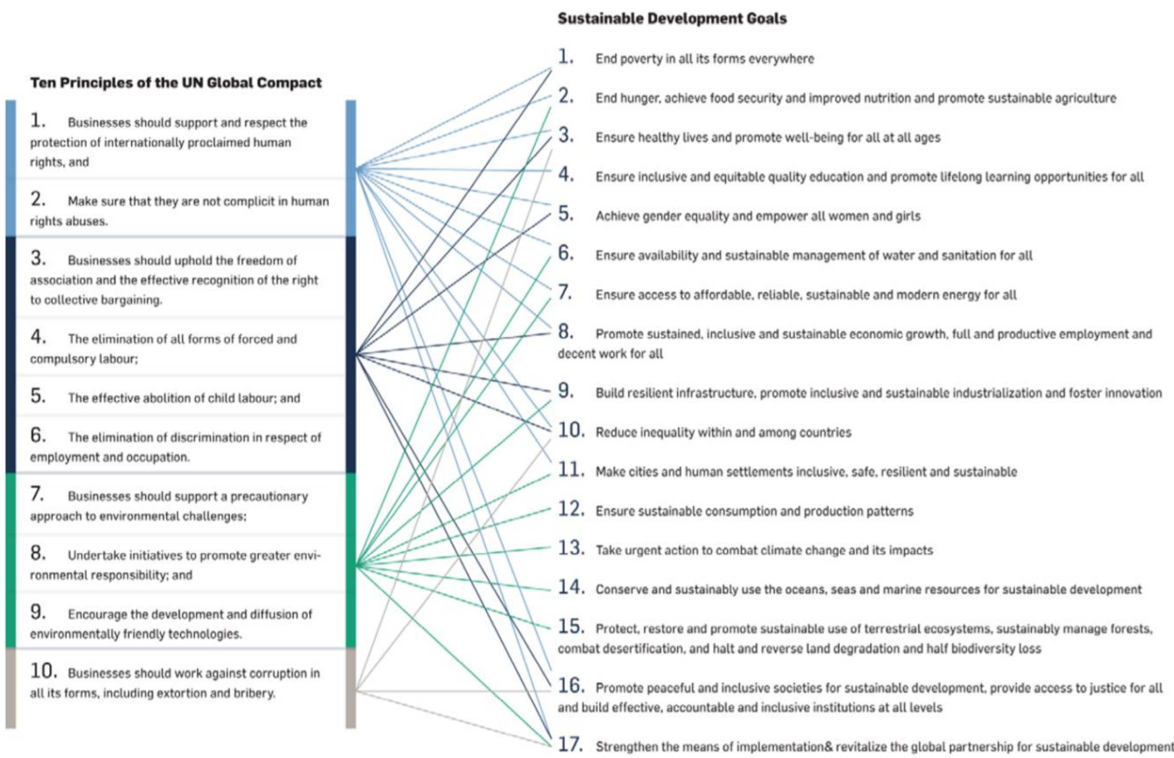
[87] UNGC, 2019. *ITALIAN BUSINESSES: PRACTICES TOWARDS A SUSTAINABLE DEVELOPMENT*. Global Compact Network Italy Foundation. Available at: https://www.globalcompactnetwork.org/files/pubblicazioni_stampa/pubblicazioni_network_italia/Report-Italian-Businesses-Practices-Towards-Sustainable-Development.pdf [Accessed 23 May 2019].

Both frameworks interplay one another and can benefit from each other if companies implement them effectively. [88]

As John Ruggies (2016) observed:

"*Where people's human rights are not fully respected, their ability to enjoy the fruits of development are much reduced, and the disparities between the poor and most vulnerable and the rest of society only grow. By contrast, where companies focus resources on reducing the risks to people's human rights along their value chains, they not only reduce harm but also help advance development.*"[89]



[88] UNGC, 2016. *White Paper: The UN Global Compact Ten Principles and the Sustainable Development Goals*. Av at: https://www.unglobalcompact.org/docs/about_the_gc/White_Paper_Principles_SDGs.pdf.

[89] Ruggie, J., 2016. *The Sustainable Development Goals and the Guiding Principles.* Shiftproject.org. Available at: https://www.shiftproject.org/resources/viewpoints/sustainable-development-goals-guiding-principles.

4. TRANSFOMING THE BUSINESS: INTEGRATED APPROACH TO THE SDGs

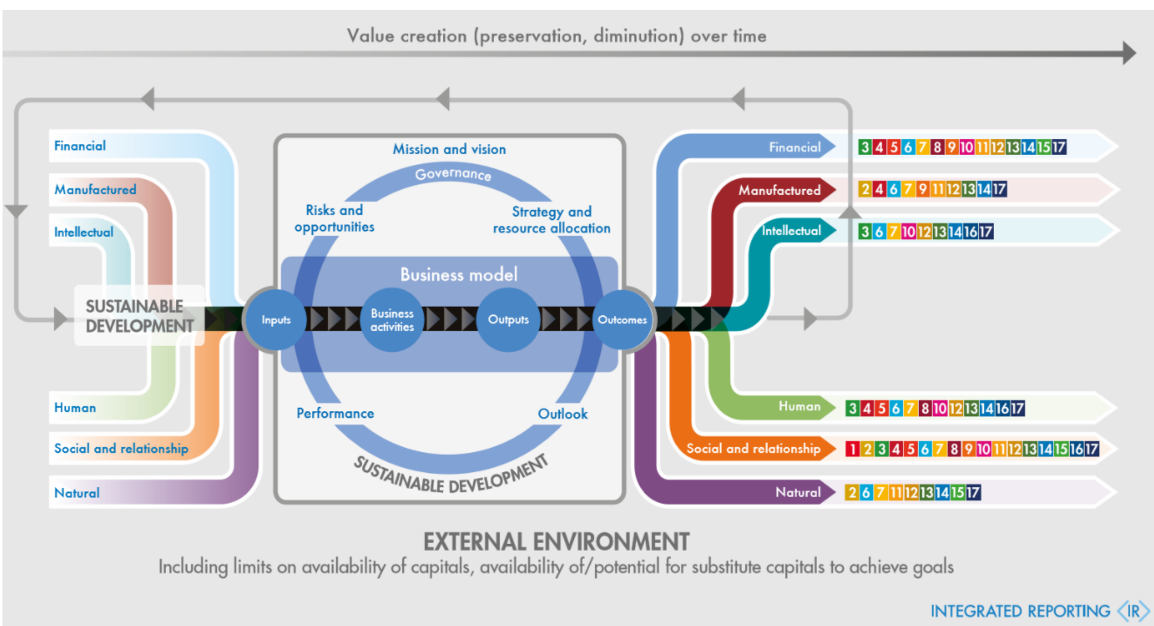
As is has been clearly explained in the previous section, adopting the 2030 Agenda and developing solutions to achieve the SDGs, unlock profitable opportunities for businesses. Thus, by incorporating the UN framework, businesses not only become more responsible to the planet and communities, but also sets up a clear path for long-term success. Companies will, therefore, create a strong competitive that can be exploited either internally or over competitors. This vision goes further beyond the simplistic social investments, CSR initiatives, and philanthropic projects. Apparently, companies are increasingly welcoming the 2030 Agenda and its 17 Goals at core level, transforming the whole business models and creating systems that are integrated, sustainable, multi-stakeholder and long-term oriented. Hence, we are witnessing to a shift in the business approach towards sustainability form CSR to an Integrated Strategy, which considers the 17 SDGs as essential parts of the corporate direction.

According to Busco et al. (2018), under this new approach, businesses and CEOs have increasingly been asked to be a “force for good”, linking performances to purpose and strategies with sustainable development. Busco et al. have named these new type of companies “Business2030” in order to emphasize the active and positive role that a business can play for the SDGs and for the society. Interestingly, the Business2030, as a revolutionary way of thinking to do business, aligns long-term commitments and responsible actions to create greater value for a multiple stakeholders, in terms of business’ outcomes but also societal impacts.

Furthermore, as defined by the IIRC <IR> Framework, the core and essential ingredient in this new approach of doing business is an “Integrated Thinking”. As we have clearly defined in the literature review, Integrated Thinking refers to an inclusive process of decision making, management and reporting, which is based of the integration of different factors that affect the ability of an organization to create long-term value.

In light of this, different capitals, as store of value, are used by businesses to benefits their stakeholders and all of them must be considered as essential, in an integrated perspective.

Financial, manufacturing, intellectual, human, social, relationship and natural factors all affect the value-creation process over time. Hence, adopting an Integrated Thinking, we consider financial and non-financial capitals (resources and relationships) as inputs and outputs of the business activity. Basically, companies do not just operate by financial resources and do not generate just financial impacts, but they create value for their stakeholders considering also the other six factors. The integration of economic, natural, human and social aspects into the business models can easily underline the linkage between IT and 2030 Agenda. The "Integrated Thinking" as a new mind-set to conceive businesses, is the prerequisite, is the tool, that allows organizations to adopt the SDGs and embrace the now required transformative change. The 2030 Agenda and its goals, without an everyday thinking or a principle guiding all the diverse business functions, would probably become a just a "checklist" to report on.[90]



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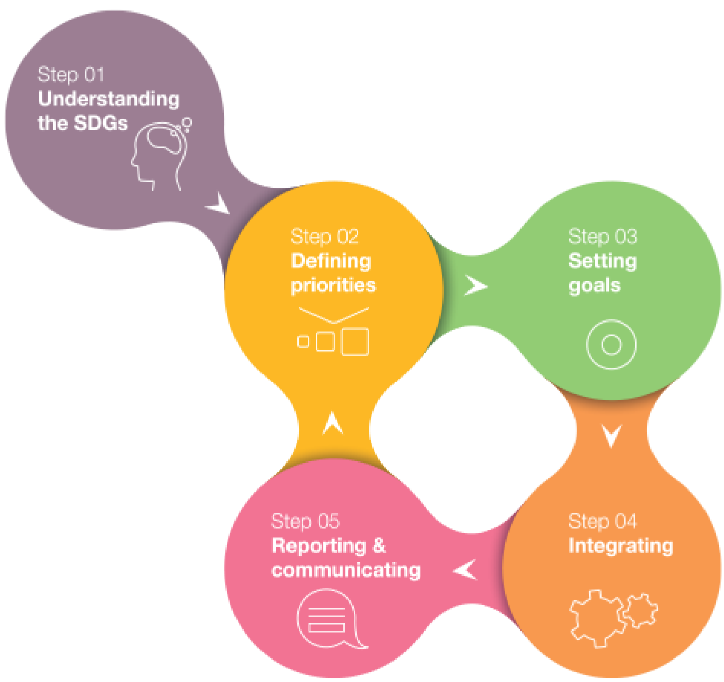
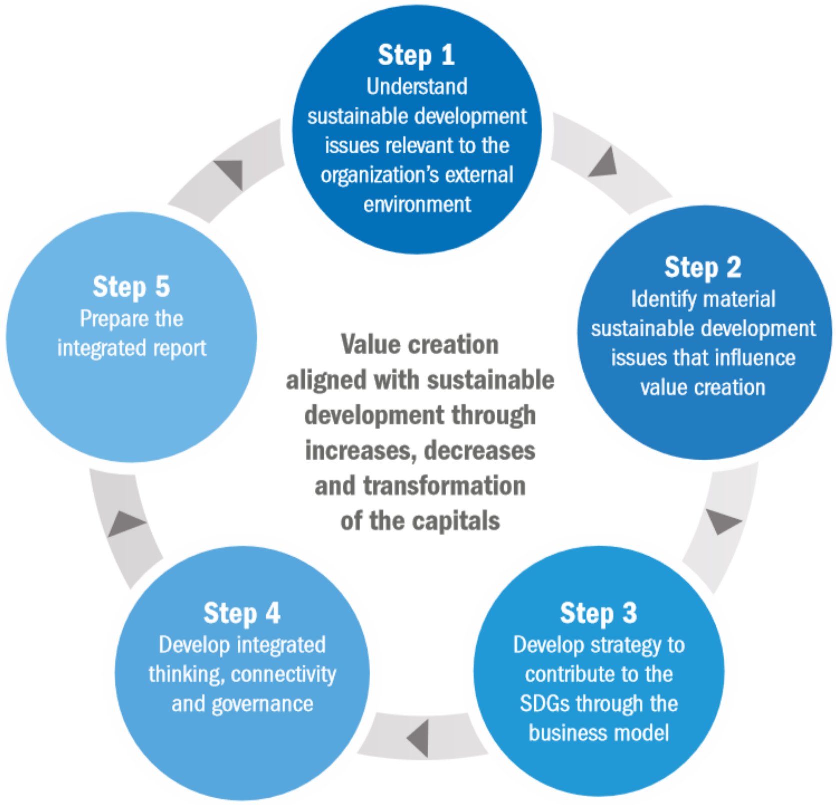
[90] Busco, C., Hickey, L., Pavlovic, A. and Riccaboni, A., 2018. *Toward Business 2030.* Strategic Finance, 100(6), pp.26-35

The question that must now be addressed is: how do we actually transform “integrated thinking” into action, and implement this change at corporate level?. The SDG Compass, developed by UNGC, GRI and WBCDS, is a pragmatic tool that can be used by businesses to better align their strategies and maximize their contribution to the Sustainable Development Goals. Despite the SDG Compass has been created to support multinationals in the transition towards sustainability, its recommendation can be surely applied to inspire medium and small enterprises[91]. According to this model, an efficient alignment between strategies and 2030 Agenda requires companies to go through five different stages: understanding the challenge (SDGs), definition of priorities, setting of the goals, integration, reporting and communication. Even if mostly converging to the SDG Compass, the IIRC have also developed its own model to integrate the 2030 Agenda into the business strategies, i.e. <IR> Framework. This last one highlights the same five phases of the SDG Compass but it mostly compare them with their impacts to the value-creation process.



[91] United Nations Global Compact, GRI, wbcsd, 2015. *SDG Compass Guide. The guide for business action on the SDGs.*



Essentially, companies must start familiarizing with the existing normative frameworks, the 2030 Agenda and its Goals, trying to highlight the opportunities and the responsibilities that are associated to them. As underlined by Adams (2017), the external environment must be understood for its capacity to affect the value-creation process. [92]The opportunities linked to the integration of the 2030 Agenda within the business strategy have been clearly described in the second section of this chapter. Conversely, as concerns the responsibilities, the Ten Principles of the UNGC mention that it is primal duty for companies to ensure the promotion of human rights and to avoid any harms generated by its operations and value creation process. According to the SDG compass, priority must be given to reverse negative impacts and risks to human right, regardless the costs or benefits of companies.

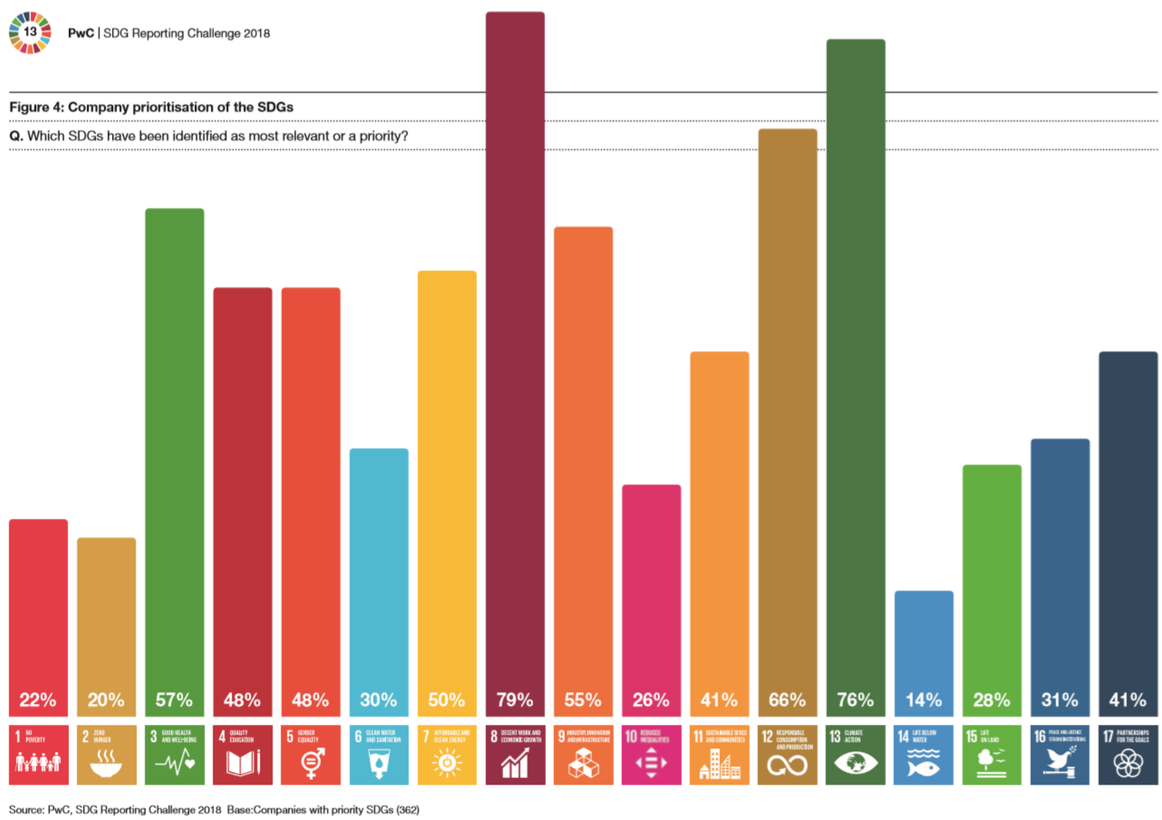
[92] Adams, C.A., 2017. *The Sustainable Development Goals, integrated thinking and the integrated report*. Published by the IIRC and ICAS.

Looking at the <IR> Framework, instead, the objective of this phase is to highlight short, medium and long-term risks that affect sustainable development and, therefore, must be considered in the new integrated business models. For example, inequality and poverty reduce the market for products and services or the rising prices for fossil fuel energy creates an energy availability risk, consequently challenging manufacturing businesses.

Secondly, companies, seeking to transform the organization and the core business model to welcome the SDGs, must also define the key sustainable development priorities to direct more effectively their efforts and better achieve the SDGs. Not all the 17 goals are equally significant for the business. As it has been confirmed by the experts, the selection of the SDGs depends also on factors such as industry, product or service provided, geographical markets and so forth. Thus, how do businesses identify the key priorities? The SDG Compass and, similarly, the <IR> Framework state that, to answer this question, companies must assess all the positive and negative impacts generated by their operations at each stage of their value-chain, and see how they affect the progresses for the related SDG. Both the frameworks agree on engaging with external stakeholders, as their expectations, interests and concerns will surely help identifying the company's impact to the single SDGs.

The SDG Compass, differently from the <IR> Framework, provides a deeper analysis of how to carry out this stage of integration. It affirms that companies must begin with an impact assessment and high-level mapping of the value-chain, highlighting positive, negative, current and potential impacts of each business operation in the progression of the related SGDs' targets. Mapping helps in identifying critical areas in which concentrate the efforts, but collecting data and measuring the impacts with effective indicators will express more clearly the core business challenges. Lastly, the company is ready to pick the most relevant SDGs and define the priorities. This choice can be taken according to the materiality, likelihood and magnitude of the impacts, the potential opportunities of growth that relate or the importance given by the key stakeholders (Materiality Assessment). However, according to OXFAM (20q7), companies must be careful in excessively "cherry picking" among the SDGs, because this leads to companies falling in comfort-zones and pursing cost-savings or profit strategy instead of sustainable development.

This will easily lead to easy credits for the company but leaving fundamental gaps in the full implementation of the 2030 Agenda. As stated by OXFAM, SDGs do not challenge just the unsustainable business models but the existence of entire industries and, for this reason, all of them must to be considered in the integration of business models [93]. However, as can be seen from the graph above, companies are mainly prioritizing the SDGs 8, 13, 12 reflecting the fact that, if they do not deeply examine the whole spectrum of global challenges, these 3 goals are the obvious ones for business activities. Companies have just to keep doing business as usual, requiring no drastic transformation or further commitments.



[93] Agarwal, N., Gneiting, U., & Mhlanga, R. , 2017. Raising the Bar: Rethinking the role of business in the Sustainable Development Goals. Oxfam.

The third stage of this process refers to the setting of the goals and outlining the new business strategy. The definition of precise, measurable, time-constrained, sustainability goals guides the companies' efforts specifically towards the priorities that have been established in the previous assessments. Basically, at this stage organizations align their corporate goals with the 2030 Agenda and the SDGs. While the <IR> Framework mainly introduces the resource allocation plan to achieve the strategic objectives, the SDG Compass provides the readers with a clear path to follow in the definition of the goals. Firstly, companies must determine the scope of the goals and associate to each one measurable KPIs. Usually the scope is established according to the conclusion reached in the impact assessment and value-chain mapping. Whereas, setting KPIs is far more challenging. Some issues such as carbon emission or water scarcity might be easier to measure and monitor compared to the other sustainable development challenges (poverty eradication, zero hunger etc.). The importance of selecting KPIs lies in the fact that they are then used as tools to quantitatively express, monitor and communicate progress. Hence, it is essential that companies choose among the commonly-used indicators, in order to enhance the comparability across organizations. Secondly, once the goals and KPIs are defined, companies must establish a time horizon, by which achieve these strategic goals. This phase significantly increase the probability of reaching the targets. Setting a long baseline enables a better communication and shows that companies are more committed to the SDGs but, as direct consequence, it lowers the accountability and force companies to set short and medium term goals. Thirdly, companies must set a specific level of ambition to each goal and, clearly, the more ambitious ones are linked with more impactful actions and greater performances. Setting an high bar produces also positive externalities in the industry. When a company becomes leader in address a certain sustainable development challenge (living wage for workers), surely pushes other competitors to keep up, fostering the achievement of the SDGs. Within this phase, we assists to a switch of perspective in setting the goals that favors the meeting of global needs. In fact, what was previously established using an inside approach, now it increasingly considers external needs, data and societal impacts.

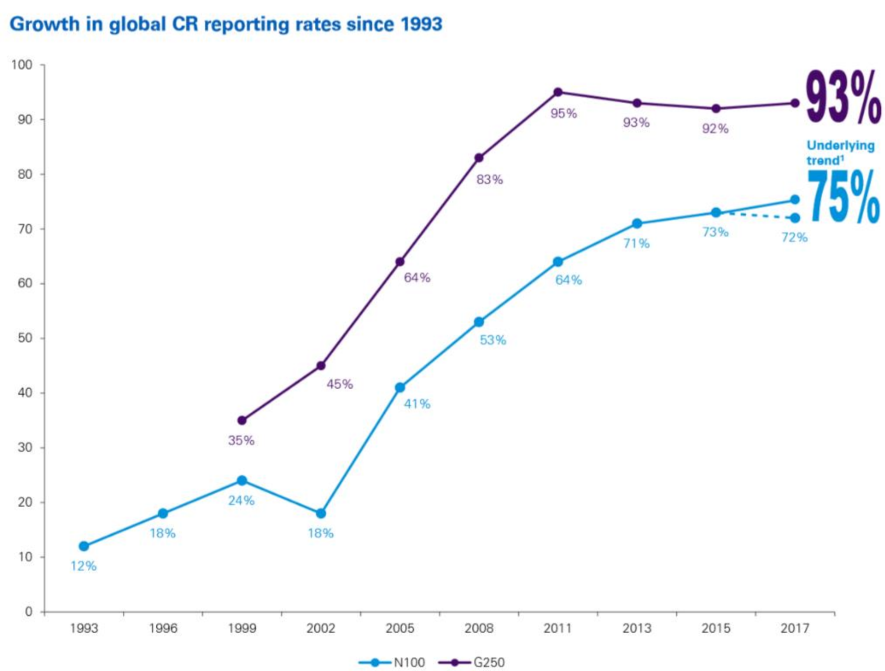
Lastly. The SDG Compass suggests that companies must communicate inside and outside their boundaries their ambition towards SDGs, because it will inspire and engage others in doing similarly and create dialogue with external stakeholders.

Fourthly, companies must spread throughout the whole organization integrated thinking mechanisms, which lead the single business functions to an greater understanding of the interrelationships among the seven capitals and to full integration of the established sustainability goals. Furthermore, these goals must become part of the whole business strategy, alongside the financial, operational, sales and productivity targets. This actually transforms the organization as whole, encompassing not only the final products or services, but also target segments, supply chain management, use of raw materials, transport, distribution, disposal of waste and reporting standards. Essentially, sustainability must be integrated into the mission and vision of the business reflecting the fact that the future success of the company is linked to sustainable developments. At this point, the companies might change also their relational approach to partnerships. 90% of 38.000 companies surveyed in 2014 have answered that addressing the SDGs cannot be done in isolation. Hence, in integrating the 2030 Agenda within their business, companies engage in value-chain partnerships, sector initiatives and multi-stakeholder partnership with public and civil society actors. However, according to the PWC report, companies are facing this new challenge at different degrees commitments, some are embracing the business transformation while others seem simply mentioning the SDGs in their reports.[94]

72%	of companies in our study mentioned the SDGs in their corporate and sustainability reporting
50%	of companies have identified priority SDGs
23%	disclosed meaningful Key Performance Indicators (KPIs) and targets related to the Goals – suggesting the selection of priority SDGs isn't backed up by meaningful action or monitoring
27%	of the total companies mentioned SDGs as part of their business strategy

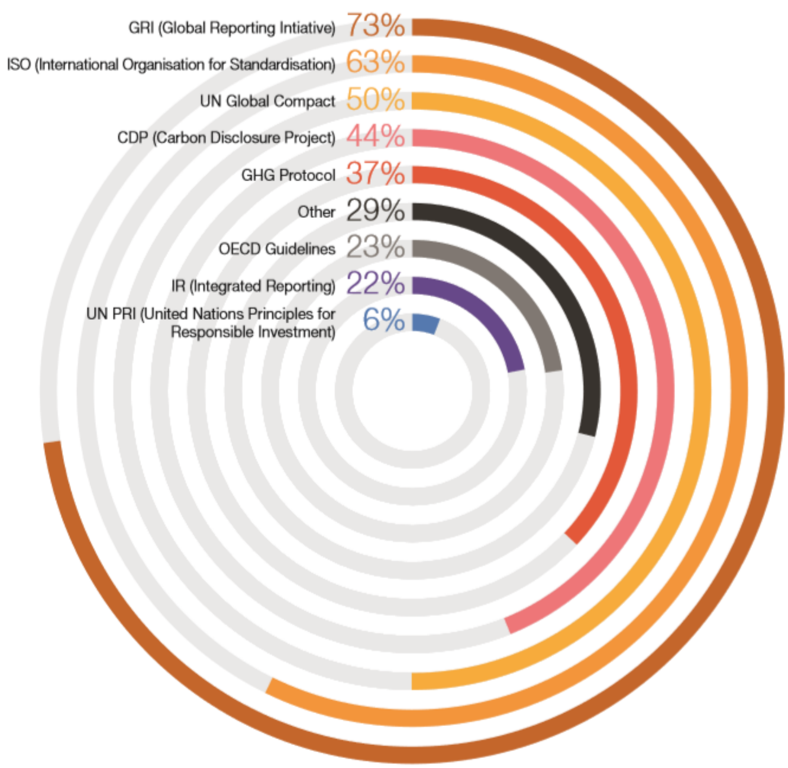
[94] PWC, 2018. *SDG Reporting Challenge* 2018. Available at: https://www.pwc.com/gx/en/sustainability/SDG/sdg-reporting-2018.pdf

Fifth and last stage of the Integration process is the "reporting and communication". During the past recent year, with the growing stakeholders' demand for sustainability disclosure, companies have increasingly started to externally communicate their progresses towards SDGs. According to the KPMG Survey on Corporate Sustainability Reporting, people does not want to know simple statistics on companies' sustainability or how they link responsible activities to the SDGS, it is clear now that stakeholders require businesses to disclose about the impacts they generate on society and environment. It is all about impacts rather than statistical data. The graph below shows the improvements in the adoption of corporate sustainability reporting among N100 (4.900 businesses including the top 100 by revenues of 49 countries) and G250 (top 250 business ranked by Fortune) companies. It clear that, since 1997, there has been a growing concern over the communication of the achievements towards sustainability, with respectively the 93% and 75% of businesses now adopting sustainability reporting.[95]



[95] KPMG, 2017. *KPMG's Survey of Corporate Responsibility (CR) Reporting*. Available at: https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/10/kpmg-survey-of-corporate-responsibility-reporting-2017.pdf

According to the SDG Compass, effective SDGs integrated reporting does not just facilitate communication to the external environment but it also strengthens trust, stimulates internal changes, supports investment decisions and the enhances the value created. The <IR> Framework similarly promotes that the Integrated Reporting function must provide information on how connecting multiple capitals contributes to the SDGs. Moreover, to a more effective reporting, companies should provide information on the results achieved in the main material issues. These, in the context of sustainability, are the most significant priorities for stakeholders and the ones in which companies can generate the highest environmental, social and economic impacts. Furthermore, in order to be as comparable as possible, while communicating externally with a common language, it is important to adopt internationally agreed standards of reporting. As demonstrated by pwc in the figure below, the most adopted frameworks providing different techniques of disclosing progresses towards SDGs are the GRI, ISO, UNCG standards and IR at 22%.



Source: PwC, SDG Reporting Challenge 2018 Base: All companies (729)

Commonly Referenced Standards Setting and Reporting Initiatives

	Year founded	Type	Audience	Form of report	Focus
CDP	2000	Reporting and rating	Investors and other stakeholders	CDP questionnaire	Provide investors with climate change, water, and carbon data
DJSI	1999	Rating	Investors	RobecoSAM questionnaire	Evaluate the sustainability performance of the largest 2,500 S&P firms through a family of indices
GISR	2011	Rating	Investors and other stakeholders	Center of Ratings Excellence (CORE) program	Steward an ESG ratings standard to accelerate the contribution of organizations worldwide to sustainable development
GRI	1997	Reporting	Broad set of stakeholders	Sustainability report	Empower sustainable decisions through established standards and a global, multistakeholder network
IIRC	2010	Reporting	Providers of financial capital	Integrated annual report or standalone report	Establish integrated reporting and thinking within mainstream business practice for both public and private sectors
SASB	2012	Reporting	Investors in U.S. public companies	SEC 10-K, 20-F filings	Establish and improve industry-specific metrics for investors in the United States

Source: Deloitte, *Sustainability Disclosure: Getting Ahead of the Curve*, p. 3

CDP= former Carbon Disclosure Project
DJSI=Dow Jones Sustainability Index
GISR=Global Initiative for Sustainability Ratings
GRI=Global Reporting Initiative
IIRC=International Integrated Reporting Council
SASB=Sustainability Accounting Standards Board

As reported by Jill D'Aquila (2018), the most utilized reporting standards can all be summarized as in the table above developed by Deloitte. In the sext section we will focus more in depth on these sustainability standards and the relations with each other.[96]

[96] Jill M. D'Aquila, C. (2018). *The Current State of Sustainability Reporting* - The CPA Journal. [online] The CPA Journal. Available at: https://www.cpajournal.com/2018/07/30/the-current-state-of-sustainability-reporting/

In conclusion, in order to pursue this transformational change in the companies' business models, there are three key ingredients that are noted to be essential. According to UNGC, indeed, leadership, a focus on human resources and transparency are core driver of change towards sustainable development.[97] The role of the CEOs is vital to communicate and lead the commitments at corporate levels. Giving authority to choices facilitates the process of change. Hence, the organization and the managers are more likely to accept a deep review of the strategies and the integration of the 2030 Agenda, if the CEOs and, more generally, the board members are there to inspire commitments, and link performances to purposes[98]. As stated by Busco et al. (2018), the CFOs and the accounting management can also play a leading role in this alignment process. Apparently, they can become designers and enablers of innovative processes of measuring and reporting which, shifting the attention from business outcomes to how those outcomes affect the society, facilitate the creation of purpose-driven organizations. The useful information obtained from measuring and reporting will be then used as tools to achieve a greater purpose rather than being themselves the only proxy of business' success[99]. Secondly, it is essential that companies are focused on human resources. According to an analysis carried out by the UNGC and the Institute of Management of the Sant'Anna School, the integration of sustainability in the business models will not concretely happen in absence of an ethical and sustainable culture in the organization. The personnel it-self, in the first place, must acknowledge the important impacts that integrating SDGs generates to the planet and communities. Lastly, transparency is seen as crucial in the process of reporting and disclosure to stakeholders.

[97] UNGC, 2019. ITALIAN BUSINESSES: *PRACTICES TOWARDS A SUSTAINABLE DEVELOPMENT.* Global Compact Network Italy Foundation. Available at: https://www.globalcompactnetwork.org/files/pubblicazioni_stampa/pubblicazioni_network_italia/Report-Italian-Businesses-Practices-Towards-Sustainable-Development.pdf

[98] Busco, C., Granà, F., & Izzo, M. F, 2018. *Sustainable Development Goals and Integrated Reporting. Routledge.*

[99] Busco, C., Hickey, L., Pavlovic, A. and Riccaboni, A., 2018. Toward Business 2030. Strategic Finance, 100(6), pp.26-35

5. COMMUNICATING ON THE SDGs*: THE SUSTAINABILITY DISCLOSURE*

After the recent financial crises in 2008 and the common corporate scandals, people has increasingly perceived companies as main causes of the social, economic and environmental issues our world is currently facing. Hence, this has inevitably lead CEOs and entrepreneurs to get engage more significantly with the communities, which conversely have been expecting a more responsible and impact-oriented business conduct. For this reason, principles, values, beliefs and standards of doing business are shifting as they are the most practical business functions such as the reporting[100]. In fact, current annual reports are being recently perceived as complex, and mainly addressed to accountants and experts. The reporting standards utilized are not design to effectively provide a forward-looking perspective on strategy, risks and performance. The great focus just on financial performances and the lack of information about the corporate non-financial impacts (on the business and society), is increasingly driving businesses in missing their purpose of creating value. Value that, in the reality, does not rely just on financial capitals, creditors or investors, but it encompasses a wider set of stakeholders that must be identified and supported. This has inevitably raised the need of a new form of reporting mechanisms that can account for the growing demand of sustainability disclosure, and can provide a more complete picture of how the businesses creates value and affects the society.

As we have previously mentioned, the last phase of the integrating the 2030 Agenda in the business models is the reporting and communication of the progresses reached in the achievement of the SDGs. Both shareholders and the other stakeholders, must be aware of the company's outcomes and performances with a due consideration over the utilization of all the seven capitals promoted by the "integrated thinking".

[100] Busco, C., Frigo, M. L., Paolo, Q., & Angelo, R. (2013). Redefining corporate accountability through integrated reporting: What happens when values and value creation meet?.

Financial and non-financial factors contribute to the value-creation process and as such must be measured, monitored and the performances communicated to the external environment. Thus, sustainability disclosure goes beyond the simple external communication of the social and sustainable initiatives undertaken by the business, but it becomes an essential tool in promoting also internal conversations to actually achieve the SDGs. The information collected and disclosed in a sustainability report can , indeed, be used by people at the decision-making level to guide investments and strategies towards a sustainable business model.

As framed by the GRI (Global Reporting Initiative) and the UNGC, effective reporting on the sustainability of a company should follow some specific guidelines [101]. Firstly, companies should adopt a specific international reporting standard choosing among the most common such as GRI Guidelines, CDP, IIRC Integrated Reporting or SASB. Secondly, they must communicate SDGs related information when appropriate in order to explain how each SDGs connects with the companies' priorities and their long-term strategies. Thirdly, the report must present the business sustainable development priorities, giving reasoning behind the choice, showing the key performances and proposing future plans. In this regard, it is important to communicate both positive and negative impacts generated by the company when pursuing global challenges.

In case of adverse externalities, the report must also provide information on actions and remedies taken to reverse the effects. Moreover, information on indicators, data and KPIs utilized in the measurement of the progress is also expected to be presented in the report. According the UNGC-GRI guidelines, a sustainability report can be defined as effective when it is concise, consistent, current and comparable (4Cs). Specifically, the integrated report must be priorities-focused and limited to the essential material evidences, avoiding confusion and overload.

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[101] UNGC – GRI, 2018. Intergrating SDGs into a Corporate Reporting: a practical guide. Available at: https://www.unglobalcompact.org/library/5628

Furthermore, it is expected to be performance-driven to enable assessments, understanding and management of the useful insights coming from the information reported. Thirdly, the sustainability report must refer to current or future potential opportunities rather than providing a simple picture of the past companies' achievements. Lastly, it must comparable, meaning that reporting on sustainable development should allow users, stakeholders and readers to easily benchmark the information reported with the peers.

In practice, a wide number of organizations, agencies and coalitions have emerged to establish more or less specific guidelines for companies with the goal of making their sustainability reporting practices precise, accurate and reliable and comparable. Due the number of these organizations, the different reporting standards available to companies in the disclosure of their priorities, commitments and progresses towards the SDGs, are quite numerous and often competing or incompatible. However, in this context, there are some agencies that, in spirit of collaboration, seek to define reporting frameworks that are as less conflictual as possible.

Joshi et al. (2016) compares the key characteristics of the most common reporting models outlined by the four main agencies; namely, Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), the Sustainability Accounting Standards Board (SASB), and the Carbon Disclosure Project (CDP). He underlines that these four frameworks mainly differ one another in terms of target stakeholder groups, definition of materiality, data collection, and aggregation agency, scope of performance metrics, and report generation models[102].In this section we focus in particular on the GRI and IIRC because, even considering their intrinsic differences, they are the only ones that actually started their activities with the intent of developing compatible and complementary sustainability reporting standards.

[102] Joshi, S., & Li, Y. , 2016. What is corporate sustainability and how do firms practice it? A management accounting research perspective. Journal of Management Accounting Research, 28(2), 1-11.

Consequently, this has made the adaptability of these two frameworks way easier and more effective for business whose goal is to fully document the progresses towards SDGs[103].According to Magrassi (2015), the Global Reporting Initiative was launched in the year 2000 when CERES (Coalition for Environmentally Responsible Economies) and UNEP (United Nations Environmental Programme) joined their efforts with the aim of outlining guidelines for the disclosure of businesses' ESG results (Environment, Social and Governance). By the time, this initiative has led to the presentation of the SR Guidelines in the year 2000 which, subsequently, have been updated until its fourth and last version (G4). Conversely, the IIRC (International Integrated Reporting Council) was launched in the year 2010 as an association of investors, regulatory bodies, companies, NGOs, standards setters and NGOs. Interestingly enough, nowadays the official partners of IIRC are also GRI, SASB, IFRS Foundation an CDP. Since the beginning, the objective of this coalition has always been to develop an international reporting framework (IR Framework) that, differently from the other standards, could link financial reporting (IFRS) and sustainability reporting (SR Guidelines of GRI) in a compatible manner. In 2013, the IIRC launched the first draft of the <IR> Framework which encompassed the first idea of Integrated Report. The table presented in the following page summarizes the key differences between these two reporting standards.

[103] Magrassi, L., 2015. GRI Sustainability Reporting Guidelines e IIRC Integrated Reporting Framework. Available at: https://www.fondazionenazionalecommercialisti.it/node/862

Agency	**GRI**	**IIRC**
Sustainability Reporting Standards	Sustainability Reporting Guidelines G4	<IR> Framework (Integrated Reporting)
Approach	Static	Dynamic
Targets	Stakeholders	Investors
Information	4Cs	4Cs
Web-based disclosure	SDD (Sustainable Disclosure Database)	IRED (IR Examples Database)
Conformity with Reporting Obligations	Autonomous and unbundled from financial obligatory disclosure	Complementary with economic-financial disclosure
SMEs Applicability	Certain	Debatable

As can be read from the table above, Magrassi (2015) highlights quite a considerate amount of differences between these two international frameworks. However, he argues that despite those differing aspects, the Integrated Reporting of the IIRC and the SR Guidelines of the GRI do not actually create evident conflicts to each other. An organization, to better perform in the sustainability reporting, can utilize simultaneously the Indicators developed by GRI (core strengths of the framework) within the dynamic idea of sustainable business prompted by the <IR> Framework. Nevertheless, Magrassi recognizes that, in this fragmented context where multiple reporting standards more or less compete with each other, there has been an increased need of developing a single, internationally agreed and common instrument. Because, it is clear now that the lack of a unique framework hinders the diffusion and adoption of sustainability reporting measures, consequently affecting the contribution of the private sector to implement the 2030 Agenda and the communication of the progresses achieved towards the SDGs.

6. IIRC, <IR>FRAMEWORK AND INTEGRATED REPORT:

As it has been clearly introduced in the previous section, measurement and reporting on the business strategies towards SDGs and their progresses is of a key importance for management accountants. Interestingly enough, reporting on SDGs, or stainability in general, unlocks two significant effects: internal and external. The former type of reporting is essential to drive companies' in effectively integrate the sustainable development into the business models, in the decision -making and in all the functions and operations, at the bottom of the organizational charts. External reporting is, conversely, useful to communicate to the key stakeholders and investors the impacts (financial and non-financial) that the business generates throughout the value-creation process , while promoting trust and partnership opportunities[104]. Hence, it is important for companies to align strategies, practices and reporting with sustainability and the SDGs[105].

According to the SDG 17, in order to implement the 2030 Agenda and Achieve the SDGs by 2030, people, organizations and governments must engage in partnership that could promote a more coordinated, compatible and integrated action towards sustainability. This is what has been done with the formation of the IIRC as coalition among investors, agencies, companies policy makers and standard setters. The IIRC aimed at drafting an integrated reporting framework which, avoiding conflicts with the already developed standards, would have encompassed social, environmental and economic information in a single format document. Hence, the intention of the IIRC was not to set a specific benchmark in the reporting practices, but offering balance between flexibility and prescription preferring a principle-based rather than a rigid rule-based approach.

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[104] Busco, C., Fiori, G., Frigo, M. L., & Angelo, R., 2017. Sustainable Development Goals: integrating sustainability initiatives with long term value creation.

[105] UNGC (2018). *Accelerating National SDG Implementation*. Available at: https://www.unglobalcompact.org/library/5626

Integrated Thinking, as core principle, have than enabled the <IR> to be easily adopted by individual companies regardless their circumstances, while allowing for a sufficient degree of comparability.[106]

In past recent years, given the financial crises and the lowering credibility of businesses, we have then assisted to a growing demand in sustainability disclosure, with investors affirming the need for an integrated approach. As stated by Larry Fink, CEO of BlackRock: "We are asking that every CEO lay out for shareholders each year a strategic framework for long term value creation". The key answers to Mr. Fink's statement, has been provided by Sandra Peters, Head of Global Financial Reporting Policy, of the CFA Institute, who argued that IIRC and its <IR> Framework, promoting the Integrated Reporting, seem in line with the information, on finance and sustainability, demanded by the stakeholders and the society. For this reason, this section aims at deepening the understating of Integrated Reporting as a revolutionary way of "thinking" to the business, its value creation process, measurement and reporting functions [107].

According to Kaya et al. (2016), IR has emerged in the business sector as an integrated, strategic and holistic tool to represent and communicate how the companies achieve long-term value. Differently from the typical financial statements, which disclose mainly financial capital performances, the annual report, drafted according to the IR Framework, pictures the organizational value-creation process as a whole, highlighting also the key role of the non-financial capitals (human, intellectual, social, relationship and natural). Thus, IR marks the shift from a merely materialistic perspectives of value to a more holistic one.

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[106] Busco, C., Frigo, M. L., Paolo, Q., & Angelo, R. (2013). Redefining corporate accountability through integrated reporting: What happens when values and value creation meet?

[107] KPMG, 2016. *Integrated Reporting - How <IR> provides insights into the business strategy and prospects*. Available at: https://assets.kpmg/content/dam/kpmg/xx/pdf/2016/12/integrated-reporting-insight-into-strategy-investors-kpmg.pdf

The emphasis on the full range of factors that affects the long-term value of the company improves the quality on the information provided to investors, who can allocate their capital more effectively, productively and sustainably. Practically, the Integrated Annual Report shows, in one full document (usually 200 pages), all the financial and non-financial inputs and outputs of the business and how they interrelate to each other.[108]

Given its key objective of depicting the value creation process and its impact on the social, environmental and economic contexts, the Integrated Report can effectively be the right tool to communicate how companies embed the 2030 Agenda into the business strategy and which progress they achieve towards the SDGs. According to Adams (2017), the contribution of private corporations to the SDGs affects the stock of capitals available to the organization. Therefore companies are further pushed to report on how these capitals are transformed, increased or reduced within the material actions towards sustainable development, and how this impacts the business value creation.

The IR enable the company to do that in a consistent, concise, comparable and current annual report.[109.] Essentially, an annual report designed with an IR approach can be outlined looking at the main concepts, principles and elements it is built on.[110] Firstly, two are the core concepts that constitute an integrated report: the contribution of seven types of capital in the long-term value creation process the business (financial, human, social, relationship, natural and intellectual); and, the emphasis on the business model as the set of processes that plot together all these inputs with the purpose of creating value added in the short, medium and long term.

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[108] Kaya, C. T., Erguden, A., & Ar, Z. S., 2016. *Essence of integrated reporting: a holistic framework for sustainability and value creation.* International Journal of Academic Research in Accounting, Finance and Management Sciences, 6(1), 29-34.

[109] Adams, C.A., 2017. *The Sustainable Development Goals, integrated thinking and the integrated report*. Published by the IIRC and ICAS.

[110] Pwc, 2012. *Integrated Reporting - The Future of Corporate Reporting*. Available at: https://www.pwc.com/mu/en/events/cra/integrated-reporting.html

The outputs, as products of the transformation of the inputs, will then generate outcomes that impact the business it-self, the society and the environment.

Secondly, the principles that must be adopted in an IR are: Strategic focus and future orientation, connectivity of information, stakeholder responsiveness, materiality and conciseness, reliability and completeness, consistency and comparability. These mean that the annual report based on <IR> must provide useful insight on the business ability to create value, on the use of capitals and their external impacts; it must connect each components to the value created; it must support the key stakeholders and promote their needs; it must be concise and materially focused on the main issues affecting the value creation; it must include all the matters, both positive and negative, in a balanced manner; the information must be presented consistently overtime, allowing for comparability with other organizations.

Thirdly, in order to understand the practical structure of the annual report based on IR, we must consider seven core elements. It usually starts with an organizational overview and external environment assessment, which introduce the business model, the activities of the company and its potential to create and sustain value. Thereafter, a description of the potential risks and opportunities faced by the business is provided together with an overview of the operating context (key resources and their relations).

Another section is intended to communicate the core business objectives (including the SDGs priorities) and the strategies adopted to reach those goals. In the fourth area of interest, the Integrated report describes the organizational governance, its structure and its remuneration policies, linking those to the performances, and showing how the company include sustainability (SDGs) into its strategy. Lastly, the IR compare the performances achieved with the settled strategic objectives, and defines its future outlook.

As argued by Eccles et al. (2010), the corporate's benefits of the adopting the <IR> Framework and the Integrated Reporting can be listed as follows: it enables a better understanding of the linkages between financial and non-financial performances; it develops internal measurement and monitoring mechanisms to provide reliable non-financial information; it lowers risks; it fosters loyalty of stakeholders (communities, investors, employees and costumers); and, it strengthens the companies' relationships with the external stakeholders that are sensitive about sustainability[111]. Furthermore, according to White (2010), integrated reporting should not be intended as a business exercise to "show off" but as a challenge that tries to combine two fundamentally different aspects of corporate disclosure, the financial statements and the sustainability reports. One compulsory and the other voluntary, both converge in an integrated reporting architecture that assimilates new challenges and metrics which navigate into the social, environmental and economic dynamics.[112] However, despite being recognized as the correct tool for a sustainable and successful business, the IR is still quite unused by companies. While we assist to good examples such as Coca Cola, Unilever, Pepsi, Eni that understand the logic behind IR, some others seems slowing up its adoption. The main reason is the short-term focus of their investors that would not give additional value to the long-term approach promoted by IR.

US, Canada, China, India and South Korea are all clear examples of this short-term business attitude, while Europe and Brazil, given the high quantity of social data, represent the geographical areas where the IR is the most adopted. [113] Another explanation to the low adoption of this standard has been provided by Frias et al. (2014).

[111] Eccles, R. G., & Krzus, M. P. (2010). One report: Integrated reporting for a sustainable strategy. John Wiley & Sons.

[112]White, A. (2010). The five capitals of integrated reporting: toward a holistic architecture for corporate disclosure. The Landscape of Integrated Reporting, Cambridge: Harvard Business School.

[113] Kaya, C. T., Erguden, A., & Ar, Z. S., 2016. Essence of integrated reporting: a holistic framework for sustainability and value creation. International Journal of Academic Research in Accounting, Finance and Management Sciences, 6(1), 29-34.

Frias states that factors such as the monopolistic position, companies' size and profitability, business growth and industry may perhaps affect the adoption of IIRC Framework. According to his findings, companies in power position are less likely to publish integrated reports, to hide relevant information and preserve abnormal profits. While business growth and industry seem not to be of significant impact, size and profitability are positively related with the adoption of IR [114].

[114] Frias-Aceituno, J. V., Rodríguez-Ariza, L., & Garcia-Sánchez, I. M. (2014). Explanatory factors of integrated sustainability and financial reporting. Business strategy and the environment, 23(1), 56-72.

CHAPTER III:

National and International best practices

As it has been clearly described in the last chapter, the engagement of the private sector towards the 2030 Agenda and the SDGs has been rapidly increasing in the last recent years. The international framework for sustainable development launched by the United Nations in 2015 has been transforming the way businesses plan, operate, monitor and report. Companies have understood that their future success depends also on their ability to contribute at the global challenges addressed in the 2030 Agenda (poverty, hunger, pollution, climate change, inequalities etc.). Therefore, is now important to provide some examples of best practices that can enhance our understanding on the role od companies in achieving the SDGs.

The first example presented in this chapter refers to a company selected at national level, while the second concerns an international business. This double approach, aims at underlining firstly the Italian private sector's contribution to the SDGs, and secondly it provides globalized perspective of the phenomena. The first example has been picked from the Fortune "Change the World" list 2018, which includes the top 63 companies that are "doing well by doing good". These companies do not get on the list by only doing charity (or CSR) but by rearranging their business operations in a way that have a positive impact for the world, making profits while fixing the planet[115]. Generally, the Fortune "Change the World" list have highlighted two emerging trends in the private contribution to the sustainable development. Differently from the past years, companies seem investing considerate time and resources in re-scaling their workers giving them better technological skills and tools to effectively navigate throughout their careers.

[115]Fortune. (2019). *How These 63 Innovative Companies Are Changing the World for Good. http*://fortune.com/change-the-world

Secondly, business are becoming more aware of the environmental impacts as a threat of the planet and consequently of their business. In the light of this, Enel, among the 63 companies listed by Fortune, has been chosen as an example of Italian best practice towards SDGs. Conversely, the second example has been picked from the participants of the UN Global Compact who are the most committed globally to the 2030 Agenda. Within the group of more than 13.000 companies, we wanted to focus on a multinational business that can also being precursor of Integrated Thinking, IIRC Framework, and Integrated Reporting. Hence, The Coca-Cola Company has been chosen as second international best practice.

1. ENEL: LONG-TERM VISION ON SUSTAINBILITY AND "OPEN POWER"

"For us, sustainability is a key value and represents, together with innovation, the engine of inclusive growth in conditions of dynamic balance. It is increasingly integrated into our industrial and financial strategies, creating value and synergies with the external world and accelerating the achievement of the United Nations Sustainable Development Goals (SDGs)"[116]

Enel is a multinational energy company and leader among the electricity and gas operators. Started in 1962 as a public company but, due the intense process of liberalization of the Italian electricity market, Enel then was listed in 1999 at the Milan Stock Exchange and became private.

Millions of euro

	2018	2017	Change	
Italy	**38,398**	38,781	(383)	-1.0%
Iberia	**19,492**	19,994	(502)	-2.5%
South America	**14,742**	13,154	1,588	12.1%
Europe and Euro-Mediterranean Affairs	**2,361**	2,411	(50)	-2.1%
North and Central America	**1,438**	1,187	251	21.1%
Africa, Asia and Oceania	**101**	96	5	5.2%
Other, eliminations and adjustments	**(860)**	(984)	124	12.6%
Total	**75,672**	**74,639**	**1,033**	**1.4%**

116 Enel, 2018. *Sustainability Report 2018.* Available at: https://www.enel.com/investors/sustainability-reports

Despite this, the Italian Ministry of Foreign Affairs is still one of the major shareholders owning the 23% of the capital. With its 73million end users, 90 GW of energy capacity and it 2.2 million km of distribution network, this company currently operates also outside the Italian borders, strengthening its presence across 34 countries and all the five continents. Enel, as one of the private leaders in the energy transition to renewables, is also the European energy company with the widest customer base (around 68 million customers) with the highest reported EBITDA, precisely €16.2 billion, and with a Net Income of €4 billion which increased by 9% from 2017. Although Enel serves the global market, Italy is still the major source of revenues and the country with the highest capital expenditure (€2.4 billion) followed by South America and Iberia.

Employing around 69.000 workers globally, this company produces energy from different sources such as renewables (39%), coal (26%), nuclear (10%), combined cycle (15%), oil and gas turbine (10%). In the field of the renewables, Enel generates the highest amount of energy from hydroelectric plants (68%) followed by wind (22%), geothermal (6%) and solar (5%). As leader in the energy transition process this company is based on strong values of Responsibility, Innovation, Trust and Proactivity[117].

After the efficient rebranding of Enel in 2015, this company have since then embraced a new strategy based on the concept of "Open Power", which transformed the whole company's strategic and operational approach. Innovation and sustainability must go hand by hand because sustainability cannot be achieved without innovation, and an innovation is useless if it is not sustainable. Enel, with its "Open Power" strategy, promotes a type of innovation that is cultural, rather than technological, and that is supported by being open to ideas that come from both inside and outside the company. In this Enel's culture, sustainability and innovation are seen as products of co-creative processes and become essential ingredients of long-term value.

[117] Enel, 2018. *Annual Report 2018.* Available at: https://www.enel.com/content/dam/enel-com/governance_pdf/reports/annual-financial-report/2018/annual-report-2018.pdf

This strategic approach to sustainability and the relentless commitments towards renewables have granted this company the 28th position (1st in Italy) among the most sustainable companies ranked by Fortune in "Change the World" list.

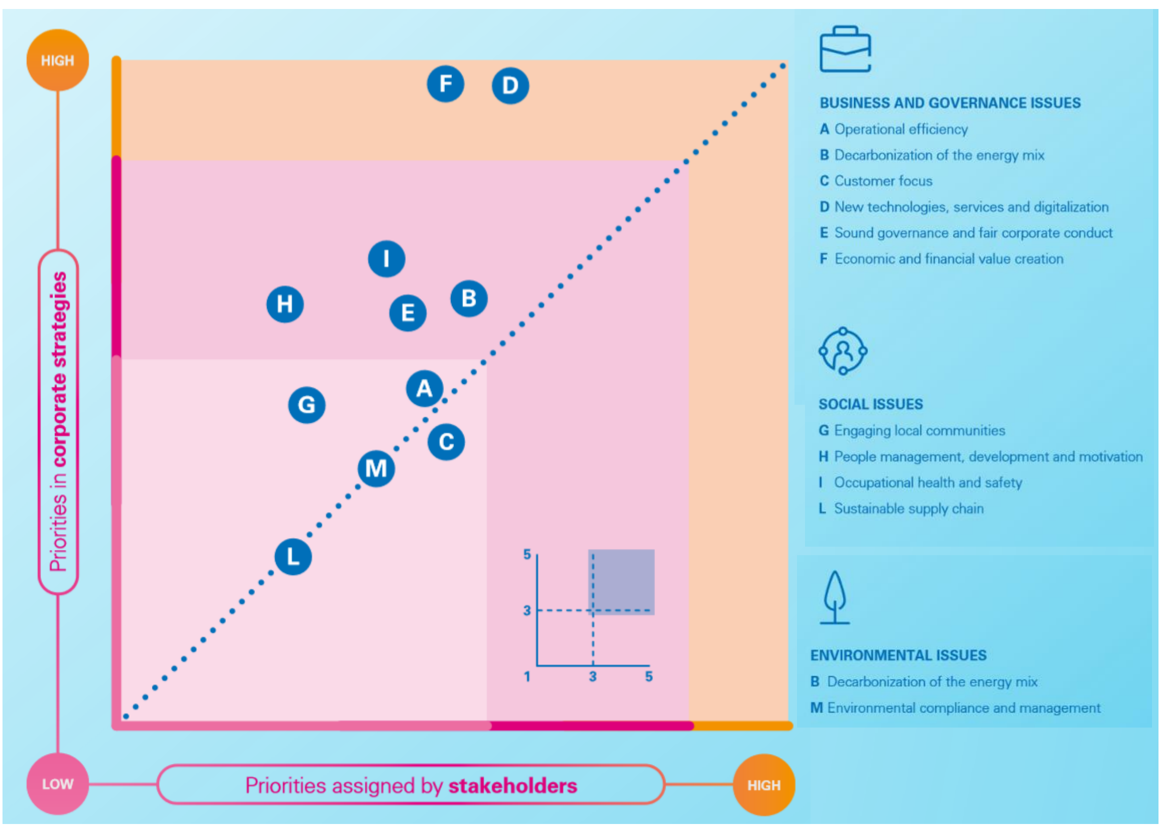
Recently, we have assisted at many industrial sectors undertaking structural changes, creating new business and employment opportunities, but also to a growing need of innovating business models and rethinking to how available resources are used. The energy sector is also one of them, and it is experiencing intense changes such as the competitiveness of renewable sources, digitalization of assets, new regulations and the increased awareness over the companies' economic, environmental and social impacts.

For instance, due to the European Directive 2014/95 and its Italian correspondent Legislative Decree 254/16, large public companies had to start reporting on their non-financial performances, pushing groups such as Enel to publish consolidated non-financial statements, sustainability reports and integrated annual reports. In this regard, I might be of interest to say that Enel is member of the IIRC, and also of the member of the Board of UN Global Compact, whose principles of human rights, labor standards, environmental protection and anti-corruption are strongly embedded in the business. Nevertheless, beside the IIRC Framework and the reporting guidelines of the UNGC, Enel takes into consideration also the GRI Guidelines and the SDG Compass in disclosing its non-financial information.

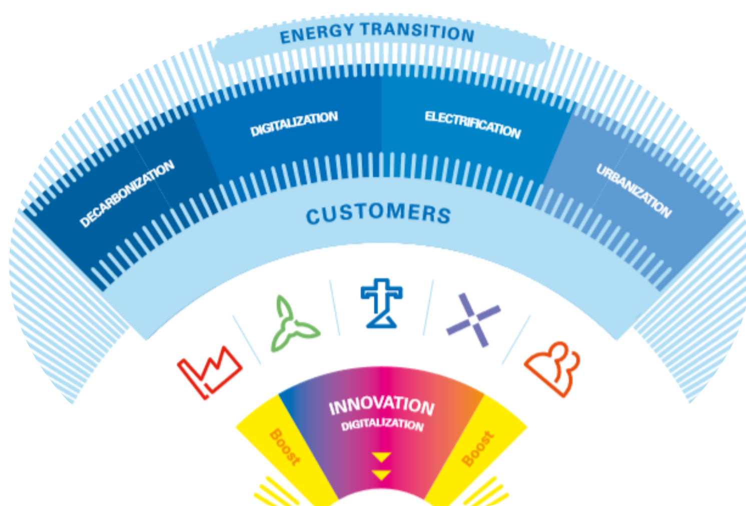
In the letter to stakeholders of the 2018 Sustainability report, the CEO Francesco Starace acknowledges the importance of sustainability as engine of inclusive growth. He also reaffirms the commitments of Enel to further integrate sustainability into the industrial and financial strategies of the company, which consequently contributes to the achievement of the UN Sustainable Development Goals. As we have mentioned earlier in the text, the energy sector is experiencing numerous pressures in adopting the 2030 Agenda and strengthening the efforts to address global challenges. For this reason, Enel, being global leader in the industry, obviously must play a crucial role.

The company has, indeed, proceeded with the integration of the SDGs into its business models, selecting as key priorities the reduction of CO2 emissions (SDG 13), the access to education (SDG 4), the provision of affordable and clean energy (SDG 7) as well as the creation of employment and sustainable economic growth (SDG 8). Interestingly enough, Enel has recently further expanded its commitments towards the 2030 Agenda introducing additional targets to address SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities).

Following the path explained in the second chapter, Enel has integrated the 2030 Agenda into the business model through a first materiality assessment, which defines the company's priorities in terms of stakeholders' needs and potential impacts that would be generated by the business.



Together with a profound risk analysis, which have highlighted climate change and cyber-attacks as risks of major impact to Enel, an evaluation of the stakeholders' expectation was carried out during the materiality assessment. Engaging with internal and external actors is at the core of the "Open Power" strategy to create value. As described in the Enel's 2018 Annual Report, the materiality analysis has pointed out five key priorities across the three sustainable development dimensions (ESG- environment, social and governance), namely decarbonization of the energy mix; new technologies, services and digitization; environmental compliance and management; robust governance and transparent conduct; efficiency in operations. Once the materiality assessment was concluded, the emerging results have fed into the specific targets and objectives of the Enel's 2019-2021 Strategic Plan and the 2019-2021 Sustainability Plan. Focusing now on the latter, Enel recognizes the importance of an effective energy transition to the creation of a sustainable long-term development which can only be achieved by combining value from urbanization, electrification, digitalization and decarbonization trends.



The Enel's Sustainability plan, promotes the adoption of a sustainable business model along the entire value chain, which must be aligned with the 17 Sustainable Development Goals. In this regard, Enel supports the achievement of these goals, integrating its own strategy with the United Nations goals and measuring and managing its own direct contribution to achieving them.

Given the outlined material priorities and the 6 key SDGs (4, 7, 8, 9, 11, 13), Enel has also analyzed how each of the 17 SDGs is linked to the key pillars and backbone values of the company and to the objective of boosting innovation and digitalization. Once the linkages have been defined, Enel has established additional sub-targets, time horizon and KPIs, and associated them to the company's contribution towards each key SDG. Operationally speaking, Enel have committed to install additional renewable, nuclear and thermal capacity by of 2021 (SDG 7.2), consequently driving 62% of production towards the emission-free target (SDG 13). As far as the improvement for a better service is concerned, specific goals have been defined to achieve the SDG 9 (Industry, innovation and infrastructures) and 11 (Sustainable cities and communities). For instance, Enel committed to install to 47 million smart meters and 455,000 charging stations for electric mobility by 2021, and to invest €5.4 billion in digitalization. In the meantime, in order to promote the development of the communities where Enel operates, the company has estimated to support 2.5 million beneficiaries of quality education (SDG 4); 10 million beneficiaries of affordable and clean energy (SDG 7.1); 8 million beneficiaries in terms of decent work and sustained, inclusive and sustainable economic growth in the (SDG 8)

Enel's commitment to the SDGs

SDG	Boost	Pillars				Backbones				
	Innovation and digitalization	Growth across low-carbon technologies and services	Operational improvement for a better service	Engaging local communities	Engaging the people we work with	Occupational health and safety	Sound governance	Environmental sustainability	Sustainable supply chain	Economic and financial value creation
1 No poverty				●						
2 Zero hunger				●						
3 Good health and well-being				●	●	●				
4 Quality education				○	●					
5 Gender equality				●	●					
6 Clean water and sanitation								●		
7 Affordable and clean energy		●	●	○						
8 Decent work and economic growth				○	●					●
9 Industry, innovation and infrastructure	●	●	○	●						●
10 Reduced inequalities				●						
11 Sustainable cities and communities	●	●	○							
12 Responsible consumption and production	●	●						●	●	
13 Climate action		○								
14 Life below water								●		
15 Life on land								●		
16 Peace, justice and strong institutions							●			
17 Partnerships for the goals	●	●		●	●		●			

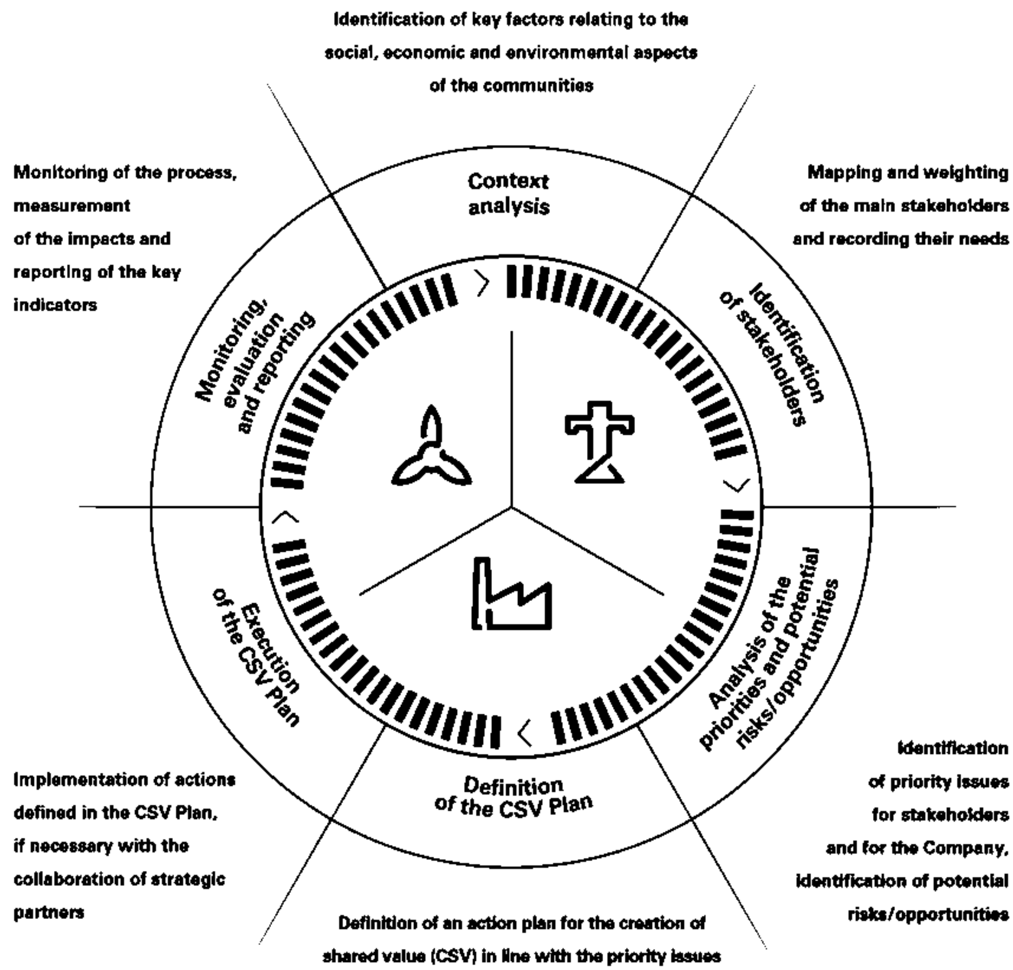
● Enel's commitment ○ Public commitment taken with United Nations and at the Capital Markets Day

Furthermore, as can be read from the company website the integration of sustainable development and the SDGs into the Enel's business model, have pushed the company to review also its mission and vision. Currently, having the "Open Power" strategy as core ingredient of the business, Enel is seeking to: 1) open energy access to more people - reach more people and connect more people to safe and sustainable energy; 2) open the world of energy to new technologies - in particular through renewable sources and smart grids; 3) open new ways for people to manage energy - helping them use and manage energy more efficiently, specifically through smart meters and digitalization; 4) open new uses of energy - developing new services that use energy to respond to global challenges, 5) open new partnerships.

In order to achieve the key SDGs and deliver the service in accordance with the mission and vision, Enel has integrated the sustainability aspects and the engagement of stakeholders all along the value chain, creating in 2018 what they have named "Creating Shared Value Model". The CSV model is enforced at all levels of the Enel organization, but particularly to business development, engineering and construction functions, as well as asset management and maintenance. CSV is implemented throughout six phases which are better represented in the following page from a context analysis to the final monitoring and reporting of progresses.

Plan 2018 > 2020 Engaging local communities

ACTIVITIES/SDGs	2020 TARGETS	2018 RESULTS	CATEGORIES
Implementation of new projects support of the communities in which Enel operates in order to create shared value (CSV) and to foster the energy culture 1 2 3 5 10 17		Around 1,600 projects	S Community relations G Partnerships
Diffusion of the Creating Shared Value (CSV) model in the operational units (Business Development, Engineering & Construction, Operation & Maintenance) 9		Over 750 total CSV applications	I Industrial growth S Community relations



As far as the reporting phase is concerned, after an insightful analysis of the Annual Report, Sustainability Report and the Consolidated Non-Financial Statements (published in compliance with the Legislative Decree 254/16), It is clear that Enel is recognizing the importance of disclosing on the impacts it generates to the economy, society and environment. In doing so, it relies mainly of the GRI Guidelines and that is clear because, even if there is a strong focus on stakeholders and value chain, it has been challenging to find information on the utilization of the seven capitals promoted by the Integrated Reporting (IIRC). Moreover, it is, indeed, clearly stated in the Methodological Section, that Enel leverages on the GRI Core Standards and then supplement them with the reporting guidelines dedicated to the electric utilities sector issued in 2013 by the GRI (Electric Utilities Sector Disclosures).

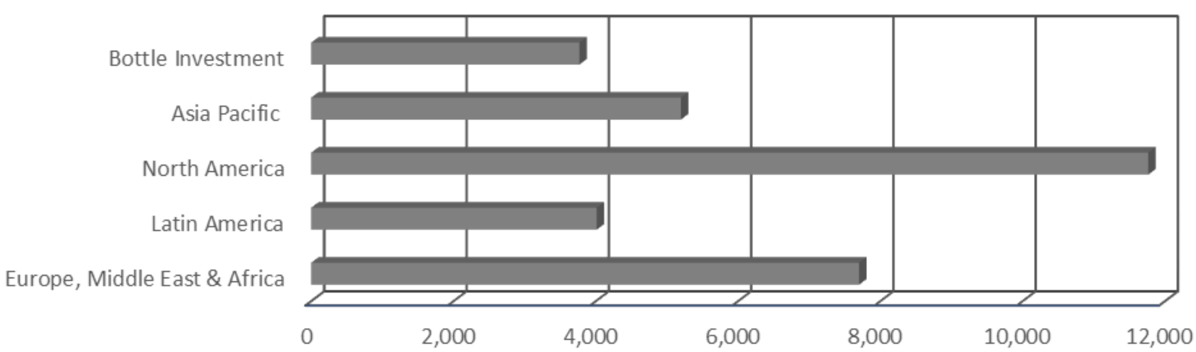
Particularly, the integrated annual report of Enel, encompassing both financial and non-financial information, has been drafted according to the principles of materiality (relevance), stakeholders focus, sustainability context, and completeness of the data collected. Enel reports specifically on its sustainability providing of all the necessary information in a specific section “Long-term sustainable growth” , in which targets and progresses towards SDGs and 2030 Agenda are plainly pointed out. Furthermore, as the quality of the information reported is concerned, Enel seems respecting the GRI requirements of balance, reliability, comparability, accuracy, timeliness and clarity. The sustainability Key Performance Indicators (KPIs), reporting and monitoring process have, in fact, been subject to numerous controls. Firstly, the collection, checking and processing of the chosen KPIs are under the managers’ responsibility. Secondly, the Sustainability Planning and Performance Management unit, which operates within the Innovation function, must consolidate the information and coordinate the entire drafting process. The three reports were then analyzed and assessed by the Enel Control and Risk Committee and by the Corporate Governance and Sustainability Committee. Once approved by the Board of Directors, the integrated reports have been subject to an audit procedure carried out by an independent company (EY).

2. COCA COLA: REDUCING IMPACTS BY CONNECTING SDGs & STRATEGY

Once the case of Enel has been described, it is essential to provide a second example to deepen the understanding of how the private sector contributes to achieve the UN Sustainable Development Goals. Differently from Enel, the company that will be outlined in this section is also one of the key advocates of the <IR> Framework and its Integrated Thinking. This is choice is due to the fact, a company as such enables to simultaneously point out the business sector’s efforts towards 2030 Agenda and the SDGs, while providing useful insight on how these commitments for sustainability can be practically monitored and reported by utilizing an official reporting standard, distinguished from the GRI. Hence, looking among the participants at the UN Global Compact (UNGC), the name of Coca Cola immediately stood out.

The Coca-Cola Company is the world's largest beverage company, owning, licensing and marketing more than 500 nonalcoholic beverage brands. Among the most famous, it is worth mentioning the sparkling drinks brands such as Coca-Cola, Diet Coke, Fanta and Sprite. Started to serve the US market in 1886, now The Coca Cola Company serves more than 200 countries across all four geographical operating groups, and distributing its products throughout the widest beverage distribution system which connects bottling and distribution operators, partners, wholesalers and retailers. The success of the company builds upon the ability to engage with consumers by marketing a wide variety of beverage choices to meet their desires, needs and lifestyle choices, and on the capacity their people to execute effectively, every day. According to their 2018 Annual Report, Coca Cola closed the current year with a Total Revenues of $31 billion, an EBIT of $8.7 billion, and a Net Consolidated Income of $6.4 billion[118]. As can be read from the table below, the company's successes are unequally distributed around the four geographical groups, with US as the widest markets accounting for 36% of the worldwide revenues.

Year ended December 31,	2017			2018		
(Dollars are in millions)	Net Operating Revenues	Operating Income	Unit Case Volume Growth	Net Operating Revenues	Operating Income	Unit Case Volume Growth
Europe, Middle East & Africa	$ 7,374	$ 3,625	1%	**$ 7,702**	**$ 3,714**	**2%**
Latin America	4,029	2,218	(2)%	**4,014**	**2,321**	**0%**
North America	10,750	2,591	0%	**11,768**	**2,453**	**1%**
Asia Pacific	5,176	2,147	1%	**5,197**	**2,278**	**4%**
Bottling Investments	10,460	(962)	(41)%	**3,771**	**(649)**	**(15)%**

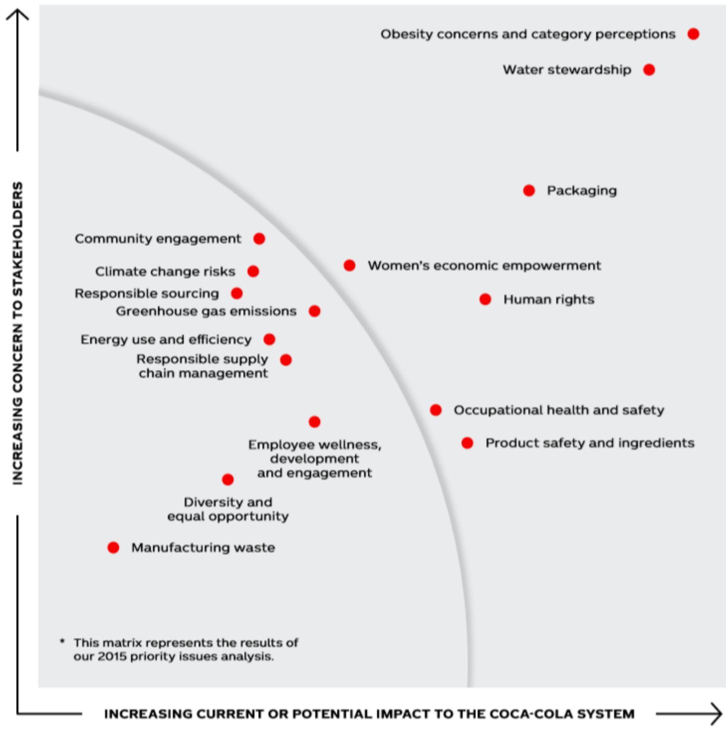


[118] Coca Cola Company (2018). *Annual Report 2018*. Available at: https://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2019/annual-shareholders-meeting/2018-Annual-Report-on-Form-10-K.pdf

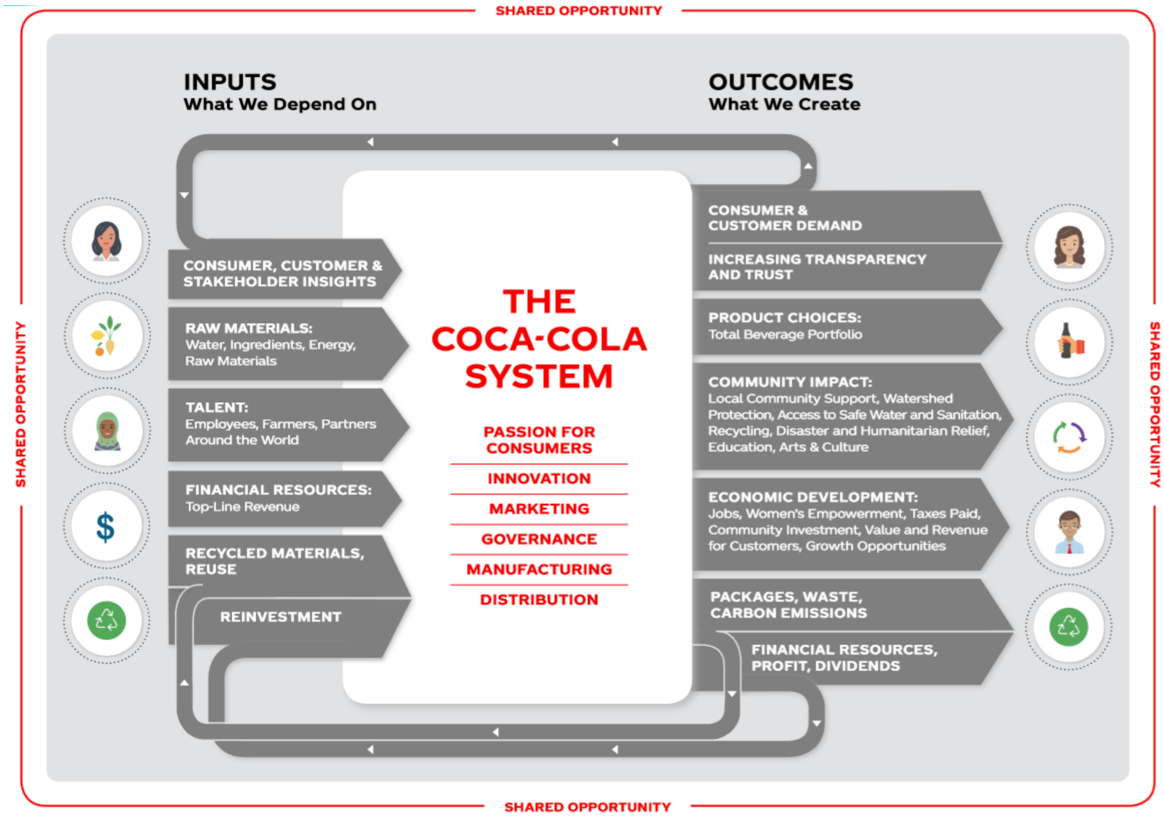
In the opening letter to the 2018 Business and Sustainability Report, the CEO of Coca Cola Company have reaffirmed the commitment of his company in creating shared value together with the communities they operate in. For James Quincey, Chief Executive Officer, companies in leading position such as Coca Cola have responsibilities and the growth of the business must be accompanied by a proportionate development of the society, without harming the planet and the resources we all depend on[119]. Operating responsibly is not just seen as a solution of the many challenges we face but, for this company, it becomes a crucial ingredient of doing business with the purpose of creating opportunities to communities, employees, shareholders and customers. Hence, the idea of doing business "in the right way" accounting for sustainable development has been integrated at the core of The Coca Cola Company's strategy.

The business model of this company has been profoundly transformed to integrates sustainable priorities among the various profitability targets. This process, as explained in the second chapter and as demonstrated with the example of Enel, has been carried out as well in the case of Coca Cola through a materiality assessment. Practically, priorities have been selected according to the their relevance to stakeholders and to the scale of the impacts which can be generate by the company. In summary as represented by the matrix below, Coca Cola has decided to focus the efforts towards the upper-right area of the graph identifying as priorities: sugar reduction to combat obesity and adapt to the changing consumers' lifestyle; recyclable packaging to cut down any form of plastic pollution above all in the oceans; protection of water supply as main ingredient of the final products and key factor for community development; address the climate challenge; foster gender equality and protect diversity.

[119] Coca Cola Company (2018). 2018 Business & Sustainability Report. Available at: https://www.coca-colacompany.com/content/dam/journey/us/en/private/fileassets/pdf/2019/Coca-Cola-Business-and-Sustainability-Report.pdf



Despite focusing on these four main priorities, Coca Cola acknowledges that many of the challenges highlighted in the materiality matrix can be interconnected one another and, for this reason, they reaffirm the need of a long-term vision to expand the business in a way that creates shared value for all. This is reflected in the company's business model. Adopting the format promoted by the IIRC Framework, Coca Cola underlines that its process of value creation depends on numerous type of inputs, that differs by the mere financial resources. As can be noticed by the "octopus" presented in the company's Sustainability Report, financial and non-financial capitals such as social and relationships (consumer, costumers, stakeholders), natural (raw materials, ingredients, water, energy), human and intellectual (talents, employees, farmers, partners) must all be plot together into the value creation process. Inevitably, once all these factors are transformed by the Coca Cola Systems, the outcomes can go further beyond the profits of selling sparkling drinks, but they generate positive (often negative) impacts to the society, economy and environment.



It is clear from the graph above that the company has surely integrated and embedded sustainable development throughout all its business model, affecting all the functions from R&D, marketing, governance, manufacturing and distribution. Hence, as it was for Enel, it is clear now that the "integrated approach" to sustainability in happing and companies, to survive and succeed, must take significant actions in supporting the change. However, this transformation cannot happen without specific goals and target to guide the process. Once the priorities of the company have been selected, Coca Cola, as in the case of Enel and many others, have also linked them to the international framework promoted by the United Nations. For this reason, despite having mapped all the 17 SDGs, Coca Cola has decided to put a greater emphasis on the ones connected to materiality assessment, and in which it can generate the highest impacts[120].

[120] Ragland, J. (2018*). Coca-Cola and the Sustainable Development Goals: A Story of Making Global Change Happen Comes Full Circle*. Coca Cola Journey. https://www.coca-colacompany.com/stories/coca-cola-and-the-sustainable-development-goals-a-story-of-making-global-change-happen-comes-full-circle

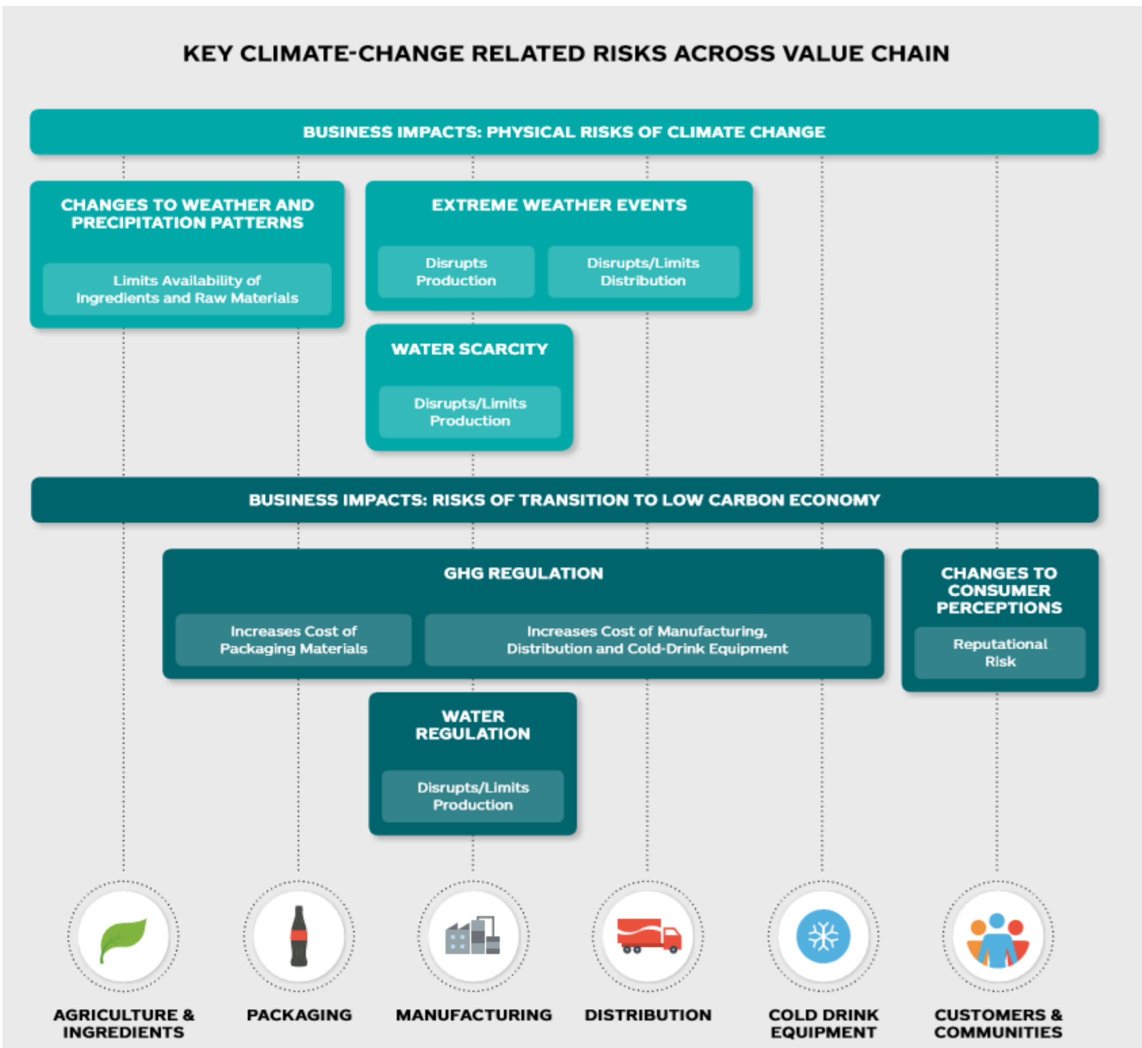
Thus, the SDGs where the company is championing can be listed as follow: Gender equality (SDG 5), Clean water and sanitation (SDG 6), Decent work and economic growth (SDG 8), Sustainable production and consumption (SDG 12), Climate Change (SDG 13), Life below water (SDG 14), Partnerships (SDG 17). Nevertheless, Coca Cola's strategy to address these five SDGs has been to develop its own streamlined 2020 sustainable goals and targets that, measured through the GRI Indicators, directly support the company's advancements towards also the other interconnected SDGs.

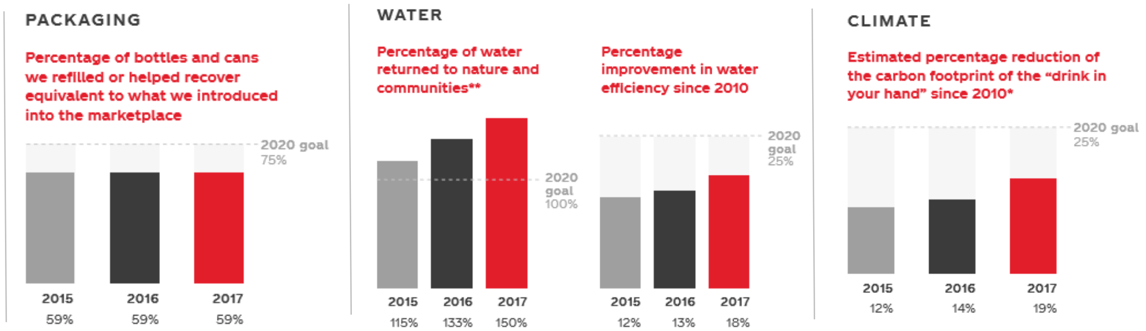
TOPIC	2020 GOAL	PROGRESS 2017
AGRICULTURE	Sustainably source our key agricultural ingredients.	Continued to procure 100 percent of our coffee and tea from more sustainable sources; procured 51-75 percent of our lemons and beet sugar from more sustainable sources; procured 26-50 percent of grapes; procured 0-25 percent of cane sugar, corn, oranges and apples from more sustainable sources
CLIMATE PROTECTION	Reduce the carbon footprint of "the drink in your hand" by 25% (2010 baseline).	19%
GIVING BACK	Give back at least 1 percent of the Company's operating income annually. (Total $; %OI)	$138MM; 1.6%
HUMAN & WORKPLACE RIGHTS	Achieve at least 98% compliance with independent franchise bottling partners and 95% compliance with our Supplier Guiding Principles (SGP) among our suppliers.	87% of bottling partners and 88% of direct suppliers achieved compliance with our SGP
PACKAGING & RECYCLING	Work with our partners to recover and recycle the equivalent of 75% of the bottles and cans we introduce into developed markets.	59%
WATER STEWARDSHIP	Safely return to communities and nature an amount of water equivalent to what we use in our finished beverages and their production.	150%; (248.3B liters of water replenished)
	Improve water efficiency in manufacturing operations by 25%. (liters of water used per liter of product produced by the Coca-Cola system; % improvement since 2010)	1.92; 18%
WOMEN'S ECONOMIC EMPOWERMENT	Enable the economic empowerment of 5 million women across our global value chain - cumulative (as per Coca-Cola's definition)	2,400,000

As it has been reported in the Sustainability report of the company, Coca Cola is launching numerous initiatives at support of its 2020 Sustainable Goals. Great emphasis has been put above all at the climate change, water security and plastic pollution. As we all know, plastic pollution is becoming a global threat to the environment. Bottles, cans and other containers end often end up in waterways or littering our communities. For this reason, leading company such as Coca Cola have developed their own initiatives with the purpose of reducing the packaging waste and its environmental impacts. The objective of the Coca Cola is to make 100% of the packaging recyclable by 2025 and, in order to do so, this company launched in 2018 an initiative called "World Without Waste", which galvanizes a system-wide effort to design more recyclable packaging, increase collection and partner with communities, NGOs and competitors. Moreover, additional examples on the crucial role played by Coca Cola towards the SDGs can be seen on its commitments towards water supply and climate change.

Freshwater is consistently used to grow the agricultural ingredients and it is also the main element in numerous drinks marketed by Coca Cola. As we all know, water is a shared resources and its scarce availability have often spurred conflicts between the company and the community. 2.1 billion people around the world lack of safely managed drinking water, 4 billion people (2/3 of the world population) experiences water scarcity for at least two months a year, and floods, drought, storms and wildfires causes by climate changes are reducing even more the access to this essential resources. Coca Cola, since 10 years ago, have realized how significant is water for its business success and the community development. For this reason, they are now strongly committed in returning the water used in the manufacturing process back to the communities, and in increasing the efficiency to reduce the need of this resource in the production.

As regards the climate challenge, Coca Cola acknowledges the need and the urgency of actions to address climate change, which is already strongly impacting their business and their value chain. In order to understand how effectively this company is treating the climate risk, we must look at the graph in the next page. It is clear that Coca Cola have underlined, for each phase and each participant in its value chain, the risks an negative impacts that climate change can generate. From the agricultural phase, to the distribution and final sale to consumers, addressing the climate challenge can definitely foster business success and communities resilience. Coca Cola have then established to reduce the carbon footprint used to manufacture each drink by 25% by 2020.





As it has been highlighted for Enel, the integrated approach to sustainability ends up affecting not only strategy and operations, but also the last phase of a business cycle: monitoring and reporting. Currently, there are no U.S. regulatory requirements for US businesses to provide mandatory nonfinancial disclosures specified in the directive or to publish any sort of CSR report. Hover, multinational U.S. companies that operate worldwide must often adapt to the hosting country regulations. For example, operating in EU, the company must implement the non-financial reporting requirements coming from the Directive 2014/95/EU (in Italy - Legislative Decree 254/16). However, this may not be a great challenge for some companies, since many of the largest American players have already started to disclose on their sustainability[121].

Specifically, Coca Cola, to externally communicate on its commitments towards SDGs and sustainability in general, adopt a in the meantime both the UN Guiding Principles, the GRI and the <IR> Framework. As regards the Integrated Report promoted by IIRC, it is clear that Coca Cola with its focus on stakeholders, value chain and adopting an effective integrated thinking within its business model, and a long-term approach (7 financial and non- financial capitals), seems quite in line with what is prescribed in the <IR> Framework. However, it must be clear that, conversely to the definition of IR as a single document including all the required information, Coca Cola is still publishing double reports: an

[121] Weber, J. (2018). Mandatory Nonfinancial Reporting in the EU. The CPA Journal. Available at: https://www.cpajournal.com/2018/07/25/mandatory-nonfinancial-reporting-in-the-eu.

annual report and a sustainability report. As stated by Jamal Booker, Reporting Manager of the Global Public Affairs, Communications and Sustainability function at the Coca-Cola Company, this approach to the sustainability disclosure is due to the fact that the information of the sustainability report are often not available in time for the drafting of the annual document.[122]

[122] Yu, L. (2018). Integrated Reporting U.S. Community - Coca-Cola's Integrated Thinking: Does an integrated report need to be one report?. Iruscommunity.org. Available at: https://iruscommunity.org/integrated-reporting-programs-and-videos/6933287

CONCLUSION

In conclusion, as presented throughout the thesis, numerous global challenges are currently threatening the future of our communities. Extreme poverty, inequalities, polluted air and oceans, loss of biodiversity, extreme weather conditions, unemployment, political instabilities are some of the main issues we all, more or less, face in our individual contexts. The United Nations as an internationally recognized organization has, since the year 2000 with the release of the Millennium Development Goals, called for all the people worldwide to take actions in addressing these challenges. NGOs, Governments, public institutions, academia, civil society and businesses can all be significant drivers of change. This call for action has been reaffirmed with the substitution of the MDGs with the SDGs and the 2030 Agenda. Within this new internationally agreed framework, guiding the path towards sustainable development, private sector and businesses have been strongly encouraged to consider their impacts to the society, economy and environment. Given the considerate scale of their operations, their networks, their capacities, their innovation and their knowledge of the communities, companies' support to the achievement of the 17 SDGs has found to be essential. The UN System have acknowledged that without the engagement of the private sector the vision of a more inclusive and sustainable world is likely to become a failing utopia.

Despite the insufficient financing of the SDGs, we have recently assisted to a growing number of companies integrating sustainability within their business models. The simplistic, voluntary, project-focused, and profit-oriented Corporate Social Responsibility (CSR) has been progressively integrated into a more systemic and holistic sustainability strategy (Integrated Approach). The United Nations and businesses have realized that financing projects to pursue social benefits might be not sufficient in the context of the SDGs, which instead encompass all the dimensions of sustainable development: social, economic and environmental.

For this reason, companies have increasingly understood that, in order to effectively address the global challenges, they must adopt the 2030 Agenda and integrate the SDGs as core contributors in their value creation process. Hence, the transformation of the business models, the engagement of all the stakeholders (not just shareholders), the SDGs guiding the corporate strategies and the investment decisions, have consequently affected business operations, which have been redirected to reduce the negative impacts towards societies and planet.

This sort of "giving back" to the stakeholders the value that businesses requires to carry out their activity, has been increasingly recognized throughout all the private sector. Stakeholders, customers, employees, and international communities in general, in the light of the 2008 financial crises which saw banks and businesses as major causes, are demanding companies greater attentions about their needs and real commitments to reach the SDGs by 2030. An integrated approach to sustainability, as outlined in the second chapter, can be the answer of what is required by the private organizations to link their performances to a purpose. Not only financial performances are the driver of businesses' success because the companies which operate in a failing society will not even have the opportunity to succeed. However, the integration of sustainability in the core strategy of the business requires specific standards and guidelines supporting the change. For this reason, the GRI, the UNGC and the IIRC have created, more or less, prescriptive instruments to address this integration process.

As mentioned by the SDG Compass and the <IR> Framework, developed respectively by UNGC and IIRC, the integration of sustainable development into the business models can be carried out through 5 main steps. The two best practices described in the third chapter, Enel and Coca Cola, clearly describe how these 5 steps-process is actually widely used in practice. Integrating the 2030 Agenda requires companies to define their sustainable development priorities, link them to the most impactful and meaningful SDGs, reorganize the strategy and the business, execute the new plan and, lastly, monitor and report the results achieved.

According to the IR Framework if a company implement this process with an integrated thinking, the outcomes of its activities and the long-term value created will be reflected not only in financial terms, but also natural, human, intellectual, social, relationship, and manufactural.

In the second chapter, we have described how disclosing on sustainability is essential in the private sector contribution to the 2030 Agenda. Investor and communities are now demanding companies to be key players in addressing global challenges, and to be transparent in communicating their progresses. However, most of the annual report of the past years, a part from providing information on profits and other financial performances, did not show any particular non-financial element. In light of this, the private sector needed complementary reporting standards that could reflect the emerging concerns over sustainability and represent the business with a more complete picture, including all the capitals financial, natural, human, intellectual, social, relationship, and manufactural that actually contribute to the long-term value creation. The GRI Guidelines and the IR developed by the IIRC, confirmed to be some of the mostly adopted standards in reporting business sustainability and progresses towards SDGs.

In the last chapter, it has been highlighted how two key global players, one from Italy and the other from US, have integrated the 2030 Agenda into their core strategy, and how they have reported on the results achieved. Despite the different industries, in which Enel and Coca Cola operate, have influenced the choice of their sustainable priorities both are proved to be committed to the whole 2030 Agenda. Enel, with its "Open Power" strategy, has made the openness to stakeholders a major source of innovation which consequently spur sustainability. Completely reshaping the business model (CSV Model), Enel now considers SDGs and the 2030 Agenda as priorities in the way they can guide the process towards an effective energy transition and to the creation of a sustainable long-term development.

Similarly, Coca Cola, a US company in the beverage industry, has demonstrated to be increasingly concerned of the impacts it generates towards the communities and the potential benefits that can provide them, leveraging on the massive scale of its operations. For this reason, integrating the SDGs into its business models, Coca Cola recognizes its important role in supporting long term success while strengthening communities' resilience. Less plastic pollution, fight against climate change, innovation in the agricultural practices, ensuring access and sanitation of freshwater to communities, and empowering women are the main drivers of the Coca Cola's commitments towards SDGs.

Despite the advancements in the sustainability reporting, the greater availability of guidelines to adopt the 2030 Agenda, and the growing amount of experiences and best practices collected worldwide the private sector's efforts towards SDGs are not happening at the required pace. Extreme poverty, climate change, litter pollution, unsustainable consumption and production and environmental degradation are still major plagues to our economies, societies and planet. In order to finally address these issues we all must do something and everyone must participate because the related consequences can disrupt the whole world as we know it now. Joining efforts into partnerships that involves businesses, governments, NGOs, Academia and civil society, is the key to succeed at this global challenge. Shifting from CSR to and Integrated Approach have defined a strong upgrade of the private sector contribution to the SDGs but we need more, the society needs more. The time to act has arrived. 11 years to the end of the Agenda must encourage the inactive ones to become proactive and the silent to raise a voice.

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SUMMARY

The world has been facing rapid changes in many different contexts such as geopolitics, technology, environment and so forth. Extreme poverty, inequalities, ecosystems degradation, global warming and climate change are just few of the challenges that are currently threatening the sake of our communities. Hence, it is vital for governments, public institutions, businesses, civil society and the other relevant stakeholders to take urgent actions in order to tackle these global issues and strengthen communities' resilience. In the light of this, multilateral institutions such as the United Nations have played a major role in defining international strategies, establishing global partnerships and creating momentum.

The 25th of September 2015 represents a crucial date for the future of the whole world. The United Nations Sustainable Development Summit adopted, after a series of complicated negotiations, a plan that identifies, recognizes and addresses the challenges negatively affecting people's lives and planet's prosperity. This plan of action is entitled "2030 Agenda" and it is mainly constituted by 17 objectives, also called Sustainable Development Goals or SDGs. Basically, these Goals represent the codification of an international ambition that aims at dealing with all the major global issues that undermine the economic, social and environmental sustainable development. Consequently, the achievement of these SDGs needs the contribution and support of everyone, including both public and private actors, civil society and so forth.

Thus, this thesis seeks to deepen the knowledge on the role played by the private sector in the implementation of the United Nations 2030 Agenda. It has been clear so far that companies, worldwide, are now implementing sustainable practices not only in the form of Corporate Social Responsibility but absorbing them within their long-term strategies. This shift, from simple CSR to an Integrated Approach, considerably re-shapes not only the business operations but also the measurement and reporting standards. This thesis can be taken as a journey that analyze the challenge towards a more sustainable world, in which companies are required to be among the greatest contributors. The society, the environment and the failing economies are demanding a crucial transformation in the way of doing business and the UN 2030 Agenda can be the main guideline in facilitating and supporting the happening of this now "vital" change.

LITERATURE REVIEW

To understand the role of the business sector in the achievement of the Sustainable Development Goals, it becomes crucial to define what is behind the concept of "sustainability", how it is associated with the term "development", and how this idea of "sustainable development" has changed overtime. Moreover, to understand the companies' strategic shift from CSR to an Integrated Approach, the controversial literature on these topics must also be provided. Defining "sustainability" is far more than simple. Two of the main issues that are found in the literature are the lack of a generally agreed definition and the variety of synonyms used. The literature on "sustainability" provides a wide set of alternative definitions often associated with the concepts of maintenance, continuation, institutionalization, routinization, and durability. As mentioned by Moore et al. (2017), sustainability is usually linked to the concept of time. Programs, strategies and practices are defined as sustainable once they endure overtime, evolving or adapting to changing environment and producing continued benefits for individuals and systems.

Conversely, according to Glavič (2007) there is an increasing need of formulating a more integrated, systemic and holistic definition of the term "sustainability", which must encompass also environmental, economic and social dimensions. Hence, in this perspective, being sustainable means reducing the impacts to natural eco-systems, promoting the economic development of communities through responsible investments, and strengthening social equity, social support, human rights, social responsibility, social justice, community resilience, and human adaptation. If the relationships and linkages between the environmental, social and economic aspects of sustainability are to be examined, it is noticed that they all are mutually reinforcing and, in the long run, none would exist without the other (Morelli, 2011). Thus, as argued by Connelly (2007), we can talk about Sustainable Development when all the three dimensions of concern are simultaneously satisfied and the society, economy and environment all progress together.

Moving on to outline the term "development", according to Oxford English Dictionary, it often refers to "evolution or bringing out from a latent or elementary condition", "growth and unfolding", "gradual advancement through progressive stages". As Bown (1999) noted, we tend to use the term development in many different contexts such as science, politics, management, psychology, music, obviously affecting the establishment of a single complete definition. As argued by the same author, the concept of development has also changed overtime.

Starting from idea promoted by the economic evolutionary theory of growth in output, to the process of social change and “modernization” and to the Marxist’s ideas of wealth and equity. Furthermore, some international bodies, such the United Nations Development Programme (UNDP), have also come up with their own concept of development, shifting the attention towards a more human dimension. In the UNDP’s definition, “development” is the key ingredient to unlock inaccessible opportunities for people, so they can live a decent and healthy life, acquire knowledge and access to necessary resources.

Given the core topic of this thesis, namely the role of the private sector in the achievement of the UN “Sustainable Development Goals”, it is now interesting to analyze when development becomes sustainable. The so called “World Commission on Environment and Development”, initiated by the General Assembly of the United Nations in 1982, also called “Brundtland Commission” , with its report “*Our Common Future*” established what is now the generally agreed definition of Sustainable Development (SD). The Brundtland Commission defined Sustainable Development (SD) as the ability to meet present needs without compromising the capacity of future generations to meet their own ones. Due to the broadness of this concept, many institutions and international bodies further attempted to add new elements into consideration. The 2002 World Summit on Sustainable Development together with the Johannesburg Declaration further expanded the standard definition, adding into the spectrum three key dimensions, i.e. economic, social, and environmental. Therefore, the long-term Sustainable Development of a community is only achievable by acknowledging and integrating all the three economic, environmental, and social dimensions within the decision making. In the light of this three-dimensional perspective, the United Nations, with the adoption of the 2030 Agenda, has officially marked the start of the most inclusive definition of SD in the history. The attention towards both developing and developed countries, the engagement of a wide number of stakeholders (including businesses) and the 17 SDGs, as basis of the 2030 Agenda, characterize the most systemic, holistic and ambitious attempt of defining SD.

In order to link the definitions provided about sustainability, development and Sustainable Development with the role of the businesses in achieving the UN 2030 Agenda, it is essential to briefly introduce the concept of Corporate Social Responsibility (CSR) and its differences with an Integrated Approach to sustainability. During the past recent years, there has been a growing realization that corporations are essential actors in influencing the health of a society. Therefore, it is now necessary that they all implement actions of corporate social responsibility (CSR) to consequently meet all the stakeholders’ expectations. Despite the numerous definitions in the literature, the term CSR generally implies that organizations must behave in a socially responsible manner.

Thereafter, as reported by Asif et al. (2013), given that companies contribute to the protection of communities through CSR, this term has often been associated with the idea of Sustainable Development. However, as argued by Steurer et al. (2005) these two concepts, despite the common multi-stakeholderism, they operate at two different levels in the organizations. While CSR is addressed at the managerial level, the integration of Sustainable Development into the business models relates to strategic decisions at corporate level. Furthermore, another key difference lies in the fact that Corporate Social Responsibility is just a single part of the whole corporate process towards the Sustainable Development and it refers to companies' responsibilities of being members of the society, a sort of giving back to communities (Tureac et al., 2010; WBCSD, 2000). Thus, as CSR addresses just the social dimension of Sustainable Development, to transform the whole organization into one that fully contributes in solving the global challenges, it is essential to integrate all the three dimensions of sustainability, including CSR. For this reason, in this thesis we compare the simple CSR with an "*Integrated Approach Towards Sustainability"*. Integrating and aligning the corporate business models with Sustainable Development and the 2030 Agenda is considered the essential strategy to link simultaneously companies' growth with social, economic and environmental responsibilities.

To conclude this section, it is worth mentioning that the integrated approach to corporate sustainability is intrinsically driven by an essential condition, the so called Integrated Thinking. Introduced for the first time by the IIRC (International Integrated Reporting Council), the Integrated Thinking is a new philosophy of conceiving the way of operating the business. Basically, Integrated Thinking incorporates all the definitions given in the previous paragraphs (sustainability, development, SD and CSR) and connects them to the ability of the company to generating shared long-term value. In this idea, the organization is not just a financially driven and isolated entity, but it becomes a complex set of numerous types capitals (financial and non-financial) whose outcomes affect communities, economies and environment. Integrated Thinking connects companies' "performances with proposes" in an integrated manner. Hence, in an organization that welcomes this philosophy from the corporate to the operational levels, Sustainable Development becomes the long-term vision to fully responds to all the stakeholders (not only financial investor), while contributing to address the global challenges defined by the 2030 Agenda.

OVERVIEW OF THE 2030 AGENDA AND SDGs

The United Nations has always played a key role in protecting the international community, creating momentum, setting priorities and establishing clear guidelines. Our planet has been facing numerous challenges from the economic, social and environmental stand points such as poverty, hunger, diseases, unmet schooling, gender inequality, environmental degradation, unemployment, conflicts, migration, and so forth. As highlighted by Delbrück (1997), given the global nature of these challenges, addressing them effectively goes far beyond the capabilities of single States as independent entities. This has raised the necessity of adopting internationally agreed frameworks that enable all the relevant actors (government, public institutions, civil society and corporations) to joint their efforts, and implement actions to tackle global threats. Thus, with the vital guidance of the United Nations System, it has been possible, during the last recent years, to make the first steps towards the resolution of these global challenges. The MDGs and the SDGs are clear examples of this international commitment.

In the year 2000, 189 countries met at the UN and signed the UN Millennium Declaration, which encompassed the first eight Millennium Development Goals (MDGs) for development, health and poverty eradication. These global objectives, which were supposed to be achieved from year 2000 to 2015, were released to tackle the massive challenges faced by the world's poorest countries. According to Sachs (2012), by combining global priorities (poverty, hunger, poor education, disease, gender inequality, and environmental degradation) within a set of comprehensible eight goals, and by establishing measurable and time constrained targets, the UN helped to promote awareness, political accountability, social response, and public pressures. However, reaching the end of the MDGs' period and as reported by the Millennium Development Goals Report 2015, controversial results were achieved. Despite the MDGs helped more than 1 billion people to fight extreme poverty, created new projects against hunger and facilitated the access to education for girls, inequalities persisted and gains were mostly uneven across regions and countries, leaving important gaps to be filled.

For this reason, reaching the end of the MDGs period and leveraging on the findings coming from the MDGs experience, the United Nations, in 2013, negotiated and adopted a new international post-2015 development agenda: the 2030 Agenda for Sustainable Development. Adopted by the General Assembly's Resolution 70/1 named "Transform our world: the 2030 Agenda for Sustainable Development", the 2030 Agenda, accompanied by its 17 Sustainable Development Goals (SDGs), 169 targets and 232 indicators, provided the international community with a new roadmap to support the fight against all the major environmental, social and economic challenges.

As mentioned in the preambular paragraph of the Resolution, the SDGs seek to build on the MDGs and complete what they were not able to achieve. Differently from the latter, the SDGs have been specifically made broader in order to consider a wider range of issues, including also inter-connected topics across the economic, social and environmental dimensions of Sustainable Development. Eradicate poverty, health, education and environment are still key priorities of the UN System but, with the SDGS, the spectrum has been widened to encompass a greater number of challenges. These new goals recognize that ending poverty must be achieved together with strategies that foster economic growth and support other social needs such as social protection, employment, climate change and environment degradation. All must go hand-in-hand.

In fact, it is crucial to consider the SDGs as a system. Even if framed as 17 separate and diverse elements, each goal is interlinked with the others, creating an indivisible structure. In order to fully reach the goals by 2030, governments and businesses must implement actions that reduce to the minimum the negative trade-offs, while maximizing the positive impacts of the mutual reinforcement among all the SDGs. If well understood, these interlinkages facilitate the integration of these goals into the national policies or business models, while reducing the resources and the time required for their achievement. Therefore, the 2030 Agenda must be considered as a complex puzzle in which SDGs are the essential pieces. In order to effectively implement the prescriptions of the Agenda, it is then necessary to take a step back and look at this framework with a holistic and integrated perspective.

The core of the 2030 Agenda is based on five different dimensions (5Ps), namely people, prosperity, planet, partnership and peace. So, the transition towards a more sustainable and resilient world, must consider all these five elements together. Additionally, the 2030 Agenda also embodies other core underpinning principles characterizing its adoption, implementation and realization, i.e. universality, leaving none behind, interconnectedness and indivisibility, inclusiveness, as well as multi-stakeholder partnerships. In particular, the 2030 Agenda has a universal scope and pledges all countries to contribute, regardless their level of income or internal development. It is, indeed, applicable in all situations and in all times to ensure none is left behind. In this regard, the Agenda 2030 seeks to benefit all the vulnerable people with specific concerns over the ones in need and deprivation. Thereafter, this plan of action is based on the interconnectivity and indivisibility of the goals it encompasses. Each SGDs in connected to the others and the whole Agenda must be considered in its entirety, rather than a list of single and separated objectives. In addition, the Agenda is inclusive in the sense that calls for the participation of all the segments of the society, from the public and private sectors to the civil society and academia. Lastly, it is based on a multi-stakeholder partnership approach.

In this regard, to achieve the SDGs by 2030, the Agenda calls for a joint action as essential mean to mobilize and share knowledge, expertise, financial resources and technology.

To conclude this section and better understand the reasons why the UN are now demanding greater commitments from the public and private sector to achieve the SDGs, we must look at the results achieved in the last recent years. As affirmed by the Secretary-General to the United Nations, Antonio Guterres, in the opening letter to the SDGs Report 2018, maternal mortality ratio in Sub-Saharan Africa has declined by 35%, childhood marriage has decreased by 40%, in LDCs the number of people with electricity has doubled, unemployment is globally reduced and 100 initiatives to sustainable consumptions and production have been launched. However, these achievements are not sufficient to meet the SDGs by 2030, especially if vulnerable and marginalized groups are considered. For instance, as declared by Guterres, there still is a significant youth unemployment compared to the adults', 2.3 billions of people do not have access to basic sanitation services, 1 billion of people living in rural arear still lack of electricity, 9 of 10 of people in cities breath polluted air, gender inequalities inhibit female success, conflicts, drought and climate disasters are increasing with the rise of the global temperature. In this context, the SG has called for urgent actions from political leaders and the private sector, which just collaboratively can make a difference.

FINANCING FOR DEVELOPMENT AND THE ROLE OF PRIVATE SECTOR

As it has been clearly described in the previous chapter, the achievements of the 2030 Agenda are not happening at the required pace to reach fully all the SDGs by 2030. For this reason, the United Nations are now increasingly asking to engage and involve all the stakeholders, whose actions can speed up the process towards Sustainable Development. As also mentioned by the Resolution 70/1, joining in partnerships is one of the most important mean to implement the 2030 Agenda. In the light of this, partnerships with and within private sector, companies, multinationals have all played a significant role. Private entities can be, beside the governments and civil society, important actors to address the SDGs and stimulate positive impacts on the society, economy and environment. Hence, there are two main ways by which businesses can contribute to the 2030 Agenda and the SDGs.

Firstly, by financing the development, making the capitals flow where are mostly needed and, secondly, by integrating Sustainable Development within their business strategies, functions and operations.

As far as the financing for development is concerned, the United Nations System, with the adoption in 2015 of the Addis Ababa Action Agenda, have created a specific global framework to guide the financing process of the 2030 Agenda and the Sustainable Development Goals. The AAAA, practically, incorporates and presents, into a concise document, all the major sources to finance the SDGs and divide them in seven key areas: domestic public resources; domestic and international private business and finance; international development cooperation; international trade as an engine for development; debt and debt sustainability; addressing systemic issues; science, technology, innovation and capacity building.

As it is reported in the IATF Report 2019, there have been progresses in financing the sustainable development, since the adoption of the AAAA. Private sector is getting increasingly involved and the SDGs are being frequently incorporated into business plans, public budgets and partnerships efforts. However, as stated by Antonio Guterres, Secretary General of the United Nations, this is not happening at the right speed. Many SDGs investments end up unfunded, private investments in infrastructure (43$ billion) are decreasing, inequalities and uneven financial inclusiveness are spreading worldwide. Therefore, the mobilization of sufficient financing resources is still a major challenge to implement the 2030 Agenda. In this context, the FDIs, private investment in infrastructures and capital markets must all be considered as key elements in financing the developing world and achieve the SDGs targets.

International private capital flows are vital to complement the national efforts in promoting Sustainable Development. Especially, FDIs contribute by increasing positive spillovers of know-how and technologies, providing new local opportunities, and integrating domestic suppliers and entrepreneurs into regional and global value chains. But, this can be achieved only if the national regulatory frameworks align private and public strategies, while creating the right enabling environment to incentivize private sustainable decisions and promote long-term quality of investments. As far as the FDIs are concerned, the IATF report describes that this type of cross-border financial flows have quadrupled during the last two decades, and it is the more stable compared to the other types, namely PTF investments and cross-border bank loans. However, the global trajectory of the FDIs over the last three years 2015-2018 is rather weak. Foreign Direct Investments by private companies have decreased by 19% to 1.2$ trillion from the 1.9$ trillion in 2015.

As stated by the IATF, this is mainly due to structural issues, decreasing rate of returns on international investments and impacts of the digital economy. Moreover, the geographical distribution of FDIs has been uneven across regions. Asia receives the highest inflow (66%), followed by Latin America and Caribbean (25%) and lastly Africa, LLDCs, LDCs, and SISDs. This conclusion is obviously quite controversial if we consider that these last countries are the most vulnerable and need of the highest amount of capital to develop and achieve the SDGs.

Thereafter, as concerns the investments in infrastructure, despite many initiatives have been undertaken by private companies worldwide, there has not been any major advancement. In 2018, the undertaken 164 projects concerning water, energy, transport, information and communication technology infrastructures amounted at 43.5$ billion. Even though there has been a 7% increase since the 2017, this value of private investment is still very low compared to the peak reached in 2012. Furthermore, the public investments in infrastructure are still dominating the private ones because, conversely to public spending, private projects must respond to certain degrees of profitability that compensate investors of the risks they bear. This obviously, in absence of subsidies, guarantees and incentive, lowers the capacity of private firms to invest in developing countries' infrastructures.

Same conclusion can be presented in the case of capital markets. The report suggests the depth, breadth and development of capital markets are important contributors to mobilize private finance towards the achievement of SDGs. But, as described in the IATF Report, the capital markets have developed unevenly across countries and market segments, hindering the capacity of private actors to access credit and undertake sustainable investments. As it has been reported for FDIs, same concerns can be raised for the development of capital markets. Interestingly enough, capital markets in developing countries, which demand for the highest efficiency in terms of size and access are instead the most underdeveloped compared to the ones in developed economies.

Beside the significant advantages that could be achieved through effective FDIs, capital markets and infrastructure investments, the private sector can contribute to the global sustainability by incorporating SDGs directly in their business models, aligning their strategies to the 2030 Agenda and promoting SD throughout the whole organizations. Generally, companies are driven by revenues, profits, business expansion, returns of investments and other financial performances as crucial factors of the organizational growth. However, the impacts of their operations often overcome the corporate boundaries, affecting economies, environment and society, both positively and negatively.

This has, inevitably, increased the importance of considering not only the shareholders' interests but all the stakeholders that are affected by companies' decisions and operations. This idea has gained particular attentions among business communities, CEOs, board members, managers, which have started to integrate elements of social, economic and environmental sustainability in the business strategies. In line with what has been told in the previous sections on "Integrated Approach" and "Integrated Thinking", the 2030 Agenda and its Sustainable Development Goals can guide companies in connecting their performance to a greater purpose, playing as a bridge between companies' financial objectives and global priorities.

At this point, the question is why should companies, recognize the impacts they generate to the communities, integrate the SDGs and overcome the profit orientation that has always guided the usual way of doing business? As reported by the SDG Compass Report, adopting and achieving the 2030 Agenda can unlock a wide range of opportunities for businesses, which will surely affect their profitability and their long-term success. This is also confirmed by the pwc "SDG Report Challenge 2018" which presents that the potential growth, linked with implementing the 2030 Agenda, is estimated around 12$ trillion with millions of jobs that can be created or retained. Particularly, the SDG Compass Report highlights five different benefits for companies when they integrate or finance the SDGs: 1) creation of new business opportunities; 2) improvement in the value of corporate sustainability; 3) strengthening of stakeholder relations and catching up with policy developments; 4) stabilization of markets and societies; 5) use of a common language and shared purpose. Thus, by incorporating the UN framework, businesses not only become more responsible to the planet and communities, but also set up a clear path for long-term success. Acknowledging that there is not succeeding business in a failing world, companies' commitments to the Agenda can go further beyond the simplistic social investments, CSR initiatives, and philanthropic projects, to welcome a full integration of 2030 Agenda and its 17 SDGs, which transforms the entire business models into more sustainable, multi-stakeholder and long-term oriented systems ("Businesses 2030").

To facilitate this transition the SDG Compass, developed by UNGC, GRI and WBCDS, together with the <IR> Framework, developed by the IIRC, are pragmatic tools that can be used by businesses to make this "integration" happen. Even if mostly converging to the SDG Compass, the IIRC have developed its own five-phased model to integrate the 2030 Agenda into the business strategies (<IR> Framework), dividing the process into the following steps:

- 1 Step - Understand the relevant sustainable development issues
- 2 Step - Identify the most material priorities affecting the value creations
- 3 Step - Develop the strategy around the selected issues and connect them to the SDGs
- 4 Step - Adopt Integrated Thinking in governance and operations
- 5 Step - Disclose and report on the progresses achieved towards the selected SDGs

After the recent financial crises in 2008 and the common corporate scandals, people has increasingly perceived companies as main causes of the social, economic and environmental issues our world is currently facing. Hence, this has inevitably led CEOs and entrepreneurs to engage more significantly with the communities, which conversely have been expecting a more responsible business conduct as well as a more precise disclosure on the impacts they generate. In the light of this, the traditional annuals reports have been increasingly perceived as too complex and mainly addressed to accountants and experts. The typical reporting standards utilized are not designed to effectively provide a forward-looking perspective on strategies, risks and overall performances. The main focus on financial results and the lack of information about the corporate non-financial impacts (on the business and society) have inevitably raised the need of new forms of reporting standards that can account for the growing demand of sustainability disclosure, and can provide a more complete picture of how the businesses creates value. Value that, in the reality, does not rely just on financial capitals, creditors or investors, but it encompasses a wider set of stakeholders that must be identified and supported.

In practice, a wide number of organizations, agencies and coalitions have recently emerged to establish more or less prescriptive guidelines for companies with the goal of making their sustainability reporting more precise, accurate and reliable and comparable. The four main standard setters are the following: Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), the Sustainability Accounting Standards Board (SASB), and the Carbon Disclosure Project (CDP). Magrassi (2015) recognized that, in this fragmented context where multiple reporting standards more or less compete with each other, there has been growing need of setting a single, internationally agreed and common sustainability disclosure tool. The Integrated Report, developed by the IIRC and supported by the <IR> Framework, can be the right tool to overcome the limits in reporting on sustainability. The IR shows, in one full document (usually 200 pages), all the financial and non-financial inputs and outputs of the business and how they interrelate with each other. Given its key objective of depicting the value creation process and its impacts on the social, environmental and economic contexts, the Integrated Report can effectively communicate on how companies embed the 2030 Agenda into the business strategy, and which progress they achieve towards the SDGs.

NATIONAL AND INTERNATIONAL BEST PRACTICES

The international framework for Sustainable Development, launched by the United Nations in 2015, has been transforming the way businesses plan, operate, monitor and report. Companies have understood that their future success depends also on their ability to contribute at the global challenges addressed in the 2030 Agenda (poverty, hunger, pollution, climate change, inequalities etc.). Therefore, is now important to provide some examples of best practices that can enhance our understanding on the role of companies in achieving the SDGs.

ENEL: LONG-TERM VISION ON SUSTAINBILITY AND “OPEN POWER”

Enel builds its success on a new strategy based on the concept of “Open Power”, which has transformed the whole company’s strategic and operational approach. Innovation and sustainability must go hand by hand because sustainability cannot be achieved without innovation, and an innovation is useless if it is not sustainable. Enel, with its “Open Power” strategy, promotes a type of innovation that is cultural, rather than technological, and that is supported by being open to ideas that come from both inside and outside the company. In this Enel’s culture, sustainability and innovation are seen as products of co-creative processes and become essential ingredients of creating long-term value. This strategic approach to sustainability and the relentless commitments towards renewables have granted this company the 28th position (1st in Italy) among the most sustainable companies ranked by Fortune in “Change the World” list.

Furthermore, the company has proceeded with the integration of the SDGs into its business models, selecting as key priorities the reduction of CO2 emissions (SDG 13), the access to education (SDG 4), the provision of affordable and clean energy (SDG 7) as well as the creation of employment and sustainable economic growth (SDG 8). Interestingly enough, Enel has recently further expanded its commitments towards the 2030 Agenda introducing additional targets to address SDG 9 (industry, innovation and infrastructure) and SDG 11 (sustainable cities and communities).

This company has integrated the 2030 Agenda into the business model through a first materiality assessment, which defines the company’s priorities in terms of stakeholders’ needs and potential impacts that would be generated by the business.

The materiality analysis has pointed out five key priorities across the three sustainable development dimensions (ESG- environment, social and governance), namely decarbonization of the energy mix; new technologies, services and digitization; environmental compliance and management; robust governance and transparent conduct; efficiency in operations. Once the materiality assessment was concluded, the emerging results have fed into the specific targets and objectives of the Enel's 2019-2021 Strategic Plan and the 2019-2021 Sustainability Plan. In order to achieve the key SDGs, Enel has integrated the sustainability aspects and the engagement of stakeholders all along the value chain, creating a new and reformed business named "Creating Shared Value Model".

Recently, we have assisted at many industrial sectors undertaking structural changes, creating new business and employment opportunities, but also to a growing need of innovating business models and rethinking to how available resources are used. The energy sector is also one of them and it is experiencing intense changes such as the competitiveness of renewable sources, digitalization of assets and new regulations. For example, due to the European Directive 2014/95 and its Italian correspondent Legislative Decree 254/16, large public companies had to start reporting on their non-financial performances, pushing groups such as Enel to publish consolidated non-financial statements, sustainability reports and integrated annual reports.

COCA COLA: REDUCING IMPACTS BY CONNECTING SDGs & STRATEGY

The Coca-Cola Company is the world's largest beverage company, owning, licensing and marketing more than 500 nonalcoholic beverage brands. The success of the company builds upon the ability to engage with consumers by marketing a wide variety of beverage choices which meet their desires, needs and lifestyle choices. In the opening letter to the 2018 Business and Sustainability Report, the CEO of Coca Cola Company have reaffirmed the commitment of his company in creating shared value together with the communities they operate in. For James Quincey, Chief Executive Officer, companies in leading position such as Coca Cola are accountable of the external impacts they generate and so their growth must be accompanied by a proportionate development of the society, avoiding harming the planet and the resources we all depend on. Hence, the idea of doing business "in the right way", considering Sustainable Development Goals, has been integrated at the core of The Coca Cola Company's strategy.

The business model of this company has been profoundly transformed to integrates sustainable priorities among the various profitability targets. The key priorities have been selected according to their relevance to stakeholders and to the scale of the impacts which can be generate by the company (materiality assessment). Thus, Coca Cola has decided to focus the efforts towards the following main Sustainable Development issues: sugar reduction to combat obesity and adapt to the changing consumers' lifestyle; recyclable packaging to cut down any form of plastic pollution above all in the oceans; protection of water supply as main ingredient of the final products and key factor for community development; address the climate challenge; foster gender equality and protect diversity.

Once the priorities of the company have been selected, Coca Cola, as in the case of Enel and many others, has also linked them to the international framework promoted by the United Nations. For this reason, despite having mapped all the 17 SDGs, Coca Cola has decided to put a greater emphasis on the ones connected to materiality assessment, and in which it can generate the highest impacts. Thus, the SDGs where the company is championing can be listed as follow: Gender equality (SDG 5), Clean water and sanitation (SDG 6), Decent work and economic growth (SDG 8), Sustainable production and consumption (SDG 12), Climate Change (SDG 13), Life below water (SDG 14), Partnerships (SDG 17).

In its personal 2020 Sustainability Strategy, which connects the material priorities to the SDGs, great emphasis has been given above all to the climate change, water security and plastic pollution. Firstly, the objective of the Coca Cola is to make 100% of the packaging recyclable by 2025 and, in order to do so, this company launched in 2018 an initiative called "World Without Waste", which galvanizes a system-wide effort to design more recyclable packaging, increase collection and partnerships with communities, NGOs and competitors. Secondly, Coca Cola, in the last 10 years ago, have realized how significant is water for its business success and the communities' development. For this reason, they are now strongly committed in returning the water used in the manufacturing process back to the communities, and in increasing their efficiency to reduce the need of this resource in the manufacturing phase. Lastly, Coca Cola acknowledges the need and the urgency of actions to address climate change, which is already strongly impacting their business and their value chain. The approach to climate change has been quite more technical compared to the others. Coca Cola have underlined, for each phase and each participant in its value chain, the risks and negative impacts that climate change can generate. Recognizing that addressing the climate challenge affects the business from the agricultural phase, to the distribution and final sale to consumers, Coca Cola have decided to reduce the carbon footprint used to manufacture each drink by 25% by 2020.

CONCLUSION

In conclusion, numerous global challenges are currently threatening the future of our communities. Extreme poverty, inequalities, polluted air and oceans, loss of biodiversity, extreme weather conditions, unemployment, political instabilities are some of the main issues we all, more or less, face in our individual contexts. The United Nations as an internationally recognized organization has, since the year 2000 with the release of the Millennium Development Goals, called for all the people worldwide to take actions in addressing these challenges. This call for action has been reaffirmed with the substitution of the MDGs with the SDGs and the 2030 Agenda. Within this new internationally agreed framework, guiding the path towards Sustainable Development, private sector and businesses have been strongly encouraged to consider their impacts to the society, economy and environment. Given the considerate scale of their operations, their networks, their capacities, their innovation and their knowledge base, companies' support to the achievement of the 17 SDGs has become essential.

Companies can contribute to achieve the SDGs in two main modalities, by financing the developing world through FDIs, investment in infrastructures and capital markets or by transforming their business models, putting SD at the core of their strategies. In past recent years we have assisted to a growing number companies that are aligning their strategies to the 2030 Agenda, marking the shift from the voluntary, project-focused, and often profit-oriented Corporate Social Responsibility (CSR) to a more integrated systemic and holistic sustainability strategy, i.e. the Integrated Approach. But, despite the advancements in the sustainability reporting, the greater availability of guidelines to support the adoption of the 2030 Agenda, the experiences and best practices collected worldwide the private sector's efforts towards SDGs are not happening at the required pace. In order to finally address the global challenges, we all must do something and everyone must participate because the related consequences of inaction can disrupt the whole world as we know it now. Joining efforts into partnerships, changing the business conduct, shifting from CSR to an Integrated Approach, and setting more effective sustainability reporting standards have surely strengthened the private sector's contribution to the SDGs but we need more, the future generations need more. The time to act has arrived. 11 years to the end of the 2030 Agenda's era must encourage the inactive ones to become proactive and the silent to raise a voice.