# The SDG’s and the enterprises

# – how to measure their contribution

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**Abstract**

Statistics Denmark (SD) is responsible for the Danish statistical reporting of the 17 Sustainable Development Goals (SDG). For this purpose, SD has developed an SDG Data Platform, which currently covers about 145 of the total 244 global indicators. The Platform is a central focal point for the Global Goals and is widely used in the Danish society - politically, nationally as well as locally, by industry, voluntary organizations and educational institutions.

Dialogue with stakeholders around the SDG-platform, including private companies, business organizations and investors, has shown a high demand for quantification of the private sector's contribution to the Global Goals, both nationally and internationally. The dialogue has led to initiatives in addition to the official reporting for Denmark.

SD has, therefore, been working on how to measure the involvement and contribution from the business sector to the fulfilment of the SDG’s. A pilot survey among larger enterprises was conducted in the spring of 2019 and useful experience has been gained. Further, it was analysed how existing statistics can show the business sectors performing related to the SDG’s.

The preparation and lessons learned are presented and discussed. Further, main results are shown about the involvement of the business sector. Regarding the use of existing statistics, examples are shown, inspired by a paper produced by the United Nations Conference on Trade and Development (UNCTAD).

**Keywords**: SDG, the Global Goals, Enterprises, publishing

## Statistics Denmark and the SDG’s

By the unanimous adoption in 2015 in the UN General Assembly of the SDGs towards 2030 it became obvious that statistical institutions should contribute to the monitoring and follow up. Therefore, SD started to analyse its possible role on the matter and also to compare the indicators to statistical and other information.

In the first half of 2017 the Danish government presented an action plan related to the SDGs and asked formally Statistics Denmark to take the core and coordinating role in the reporting on the SDG indicators.

The organisation, the work and outcome until now and the future plans are part of another presentation at this conference.

## A pilot survey about enterprises and the SDGs

During 2017 and 2018 it became more and more clear, that the SDGs are relevant for all sectors in society, and also that all sectors in Denmark obviously wants to relate themselves and to contribute to progress in sustainability. In particular in the business sector the interest seems high and more business associations developed policies and referring to the SDGs.

Therefore, SD decided to conduct a pilot study about enterprises and SDGs in order to come up with figures on the matter as well as to learn how to measure a “phenomenon” like this. In the preparation process, the matter was discussed with representatives from business organisations. Some of these had already conducted their own analyses and gained experience.

It is important to be aware that the SDGs are not the only concept on corporate sustainability and responsibility. Corporate Social Responsibility (CSR) has existed as an idea for decades and in Denmark, reporting on CSR has been obliged for several years for larger enterprises. The Global Compact guidelines for business were adopted in the UN in 1999 and several companies in Denmark have committed themselves to these. The UN guiding principles on business and human rights adopted by The Human Rights Council in 2011 is another important framework for enterprises. The business related part of the SDGs is not an alternative to these frameworks, but is to a large extent developed with references to these.

* 1. The population for the pilot survey

SD decided to limit the pilot survey only to private enterprises (legal units) with at least 250 employees (about 600 enterprises), well aware that such a sub-population would hardly be representative for the whole business sector. However, for the purpose of learning it would not be helpful, if most of the respondents only answering “No” to involvement in the SDGs.

It was also decided to include all types of industries in the survey even the SDG’s most expected makes very different sense depending of their kind of activity. However, for the purpose of learning, a narrowed scope would not fulfil the intentions.

The survey, which was voluntary for the enterprises to respond to, was conducted from March to May 2019 and during the dialogue with enterprises it became clear that the population could have been better refined. Some units were part of a complex business organisation, meaning that strategy and overall decision making was not in the single unit selected for the survey, but in a parent company. In some cases the parent company was not selected, as it did not fulfil the criteria of having at least 250 employees according to the Statistical Business Register. Also, some enterprises who are subsidiaries of a foreign parent company found it difficult to answer as SDG involvement begins with strategic decision at top level.

However, despite such cases the selected population were overall feasible in this first step to gain statistical experience and to show a statistical picture of the SDG involvement of (larger) enterprises.

* 1. The questionnaire

## The second challenge was to develop a meaningful questionnaire. To this work it was possible partly to benefit from experience and structure of the existing survey on innovation. Taking on board the SD’s as a guide for the business activities can to some extent be compared to innovation. It was also clear from the beginning that questions had to be only about *qualitative* steps and (at least in this first try) not about monetary or other quantitative figures. Therefore, questions had to be Yes/No or a grade of SDG commitment/interest.

The next difficulty was what exactly to as ask about. Would it be possible to ask about progress on different matters since the adoption of the SDGs in 2015, or would it only be possible to ask about “the state of play on the SDGs” in the beginning of 2019? The conclusion became the last one, as many enterprises have worked with SDG relevant fields for several years, taking renewable energy or gender equality as examples. The SDGs is a new over-arching concept on sustainability, but it includes several well-known areas.

Further, the more detailed content of the questionnaire had to be decided, and overall it ended up with the following structure:

* Overall focus at the SDGs? (Yes/No)
* Strategies, policies and monitoring referring to SDGs (Yes/No)
* Reasons for choosing SDG as a reference (Grades)
* Contributions to selected targets in the SDGs (Grades)
* Intentions to focus at SDGs in the next 2-3 years (Yes/No)

Regarding the strategies and policies, questions were asked as well at overall level as on specific fields (products, production processes, procurement, research, staff policy, etc.) if (new) decisions were taken with reference to the SGDs, the overall concept or particular goals or targets.

Regarding the possible reasons for adopting the SDGs, the categories in the questionnaire were investor interest, recruitment, marketing (domestic/abroad) and effectiveness in the production processes. It was also possible to answer Yes/No on a general wish to perform better on corporate social/sustainable responsibility.

### Selection of the SDG targets

The most difficult part was the questions about the single SDGs. To make the questions as specific and relevant for the enterprises as possible, it was decided to refer to the SDG *targets* and not the SDG *goals*. Out of the 169 SDG-targets, 21 were selected considered as being the most relevant for the enterprise sector. These were rephrased into statements meaningful for enterprises to respond at so the single enterprises in their answers could indicate their level of contribution (or not). Possible answers were “At a high degree”, “At some degree”, “At a low degree and “No/Not relevant”.

The 21 targets covers issues regarding environmental, equality, social and (other) human rights areas. Space was left open in the questionnaire for other targets or goals.

Not all the selected targets were equally relevant for all enterprises in the population. In general targets on equality and education make sense for all, while targets/questions on waste and energy makes very different sense depending on type of industry. Target 8.7 on combatting forced labor and child labor only makes sense for enterprises importing oy buying services in countries, where such violations of human rights might happen. The most activity-specific target selected was target 3.b on access to cheap medicine in developing countries. Even irrelevant for most enterprises, it was taken into the questionnaire as it was expected to be extremely relevant for a certain group of enterprises.

A core problem in the formulation of the questions was how to define an initiative as important enough to qualify as a “SDG contribution”. In general the phrasing was like: The enterprise contributes “by *particular* initiatives“ to a specific target, indicating that “business as usual” and (just) following the laws should not be enough to count as a SDG contribution. However, it was not possible to make everything crystal clear and avoid interpretation by the responding enterprise.

The questionnaire was only developed in Danish language. However, the results shows well the content and the structure.

### Evaluation of the questionnaire

SDs overall assessment is that the questionnaire worked quite well, even if some phrasing could be improved for the benefit of clarity. Further, it could make sense with more versions of the questionnaire, e.g. depending on type of industry, or if enterprises are importing or exporting. It is very important to make the share of irrelevant question for the single enterprises as low as possible. Routing in the questionnaire could be a tool for that purpose.

The questionnaire was for this pilot survey developed in an excel sheets, which limits possibilities for built-in validation procedures and other rules. By using an online form, smarter solutions could be possible.

In a coming survey it could be an idea to add a few questions about the direct impact (during a certain period) of focusing at the SDGs, selecting a few measurable items (use of energy, use of water, production of waste, share of women in management etc.)

* 1. Validation of collected data

SD looked at a large part of the answers submitted from in total 178 enterprises. Compared with other information about the enterprises and the related activities, the answers in general looked reliable. It has to be accepted that the answers basically are the opinion and assessment by the company itself and cannot be subject to a strict validation procedure.

However, also some unreliable answers were detected, e.g. that enterprises not working at all with medicine, submitted Yes-answers about contributing to SDG-target 3.b: cheap medicine in developing countries. Correcting such mistakes/illogics is possible and relevant to do before further compilation.

* 1. Compilation

The response to the survey consists of 178 replies, equivalent to 30 per cent of the sample. The response rate was almost the same independent of type of industry or other characteristic. Nevertheless, it was decided not to mount up to the full population of larger enterprises, as there were no available information to indicate any potential skewness (on focus on SDGs or not) for these not responding.

It was, therefore, decided to compile at the very simple way. Adding the answers and compile percentages for all the questions, for all responding and by grouping type of industry. Further, by using other statistics, the enterprises were sorted up by “activities abroad”, where two groupings were made. One was a grouping depending on external trade statistics, defining the enterprises as exporting or as importing, as this may have impact on which SDG areas could be relevant. The other was a grouping depending on subsidiaries abroad or not, as it also may have an impact on how enterprises work with the SDGs.

Table 1. Responding enterprises in the SDG-survey 2019, by type of industry

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Manufacturing and utility services | Trade and transport | Business services | Other industries | All |
| 46 | 46 | 41 | 45 | 178 |

Table 2. Responding enterprises in the SDG-survey 2019, by type of external activity

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Exporting | Importing | With subsidiaries | Without subsidiaries | All |
| 61 | 97 | 62 | 116 | 178 |

Note: The enterprises (20) with no import or export are excluded from the break down by external trade. Enterprises with as well export and import are placed where the value is highest.

More breakdowns could have been relevant, e.g. if enterprises report on CSR or not, if commitment to Global Compact or not, if using the UN guiding principles on business and human rights or not. However, SD has not yet the complete information on these matters.

It would also have been possible to merge data from the pilot survey to e.g. statistical information on innovation and/or research, to further analyse what characterizes enterprises focusing at the SGDs.

* 1. Main results

The overall result from the pilot survey is that two thirds of the responding enterprises tell that they are focusing at the SDGs – and that this is likely to increase to three out of four within 2-3 years’ time. A recent study from the UK has shown a similar level.

The percentage is almost the same independent of type of industry, meaning that i.e. enterprises providing services find the SDGs as relevant at these producing goods. Further, there are no overall difference between exporting and importing enterprises, whilst a bit fewer enterprises with subsidiaries abroad have committed themselves to the SDGs than those without subsidiaries. However, this picture will, according to the figures, shift in near future, indicating that it takes more time and is more complicated to work with the SDGs for enterprises with activities in more countries.

The contribution to the selected targets range from 2 to 60 percent, which partly show different priorities, but also that some targets are not relevant for all enterprises in the survey.

The overall results, which partly are included in the presentation, are available at <https://www.dst.dk/en/Statistik/Sdg/aktiviteter/virksomheder/pilot>

All results are available at a spreadsheet, which can be found at <https://www.dst.dk/en/Statistik/Sdg/aktiviteter/virksomheder>

## Enterprises – what is behind the SDG commitment?

With the purpose to provide new additional information about the enterprises, SD offered the participants in the survey the possibility to be part of a list of SDG active enterprises, making it possible for all users to get examples of what SDGs means to different types of enterprises. Conditions to be part of the list were that the enterprises described the activity at their website, directly or by a report. This also means that all information in this part is fully identifiable for the enterprises – a way of dissemination not previously undertaken by SD.

Thirty enterprises decided to contribute and it resulted in a comprehensive overview what the SDG means for single enterprises and what until now has been done to contribute to fulfilment of the SDGs. The enterprises were asked to provide at short presentation and a link to further reporting. Statistics Denmark did not assess the content of the reporting to this list and the information is the view of the enterprises themselves. The format of the list is as below:



The full list is available at:  
<https://www.dst.dk/en/Statistik/Sdg/aktiviteter/virksomheder/corps>

Statistics Denmark has not yet considered about the future of this new feature in providing and showing information about the SDG’s.

## Existing statistics, enterprises and SDG’s

In relation to possible contribution to fulfilment of the SGDs from the enterprises, it is important to be aware of information (existing or new) showing the development for the business sector on relevant SDGs. It seems relevant to link business information to SDG targets and the general indicators for the countries.

To this end, UNCTAD has developed a concept and a correspondence list, making it possible to follow the development in the single entity or the business sector, also compared to other sectors. The list is a part of the UNCTAD note: *Enhancing the comparability of sustainable reporting: Selection of core indicators for entity reporting on the contribution towards the attainment of the Sustainable Development Goals* (August 2018).

The list contains information on several areas. Under “Economic area”, information on value added, taxes, subsides, investments and research and development was included. Use of water and energy, recirculation of waste, emissions was listed under “Environmental area”, while equality, training, wages, occupational injuries and collective agreements was under the heading “Social area”. The last area was “Institutional area”, where management and anti-corruption indicators were listed. Overall, the document also considers indicator 12.6.1 concerning number of companies publishing sustainability reports.

A large part of the proposed information is already covered in existing statistics (in Denmark and several other countries), which makes it possible to benefit immediately from the guidance from UNCTAD and show a basket of statistics related to SDG and businesses.

In connection to the pilot survey on SDGs and the enterprises, SD decided to show a selection of statistics broken down by type of industry making is possible to show development at detailed level.

Statistics were selected on the economic field, the environmental field and on gender equality issues. An example on the environmental area was emission of greenhouse gasses by type of industry (related to SDG-indicator 9.4.1), showing much lower emission since 2010 from the utility sector and also that the huge part are from the transport sector, including emissions from (sea) transport abroad. However, the economic importance in value added or other economic indicators has to be included in analyses. HH

Another example is *Members of the boards of management by industry and gender*, related to SDG-indicator 8.5.1. From this information, showing in average less than 20 per cent women in the management boards, that the Business sector has some way to go to fulfil the target on equality in this field.

The selected statistics can be found at:

<https://www.dst.dk/en/Statistik/Sdg/aktiviteter/virksomheder/stats>

SD has not yet considered about the use and development in existing statistics to make the information on Denmark and the SDGs more comprehensive. However, it is obvious that several existing statistics, broken down by type of industry or other information, significantly can improve the information about the fulfilments of the SDG targets and also highlight areas for specific initiatives.

## Conclusion

The work on enterprises and SDGs has shown that a lot of information on the business sector can be collected or organized by statistical institutions with a view to disclosing the business sector’s performance and contributions vis-à-vis the SDG goals.

Further initiatives are expected in the coming years to make a follow up, depending of the (expected) interest from users. However, having in mind that the timeframe for the SDGs is until 2030, new statistic results are not necessary every year.

For the moment, SD is also awaiting the outcome of the project “Danish SDG Baseline”. This project has the aim to come up with additional indicators particularly meaningful in a Danish context, and will most expected also highlight new relevant indicators in the business field.