HOW TO TAKE A PRINCIPLES-BASED APPROACH TO THE GLOBAL GOALS

1  Why A Principles-based Approach

The Ten Principles of the United Nations Global Compact are foundational to sustainable business, bringing together the most important and universal standards of conduct across human rights, labour, the environment and anti-corruption. Establishing a stronger narrative about the relationship between the Ten Principles and the UN Sustainable Development Goals (SDGs) will help you ensure that opportunities for business growth are strongly-rooted in business responsibility. For business to make its greatest contribution to sustainable development, it must adopt a principles-based approach and ensure all actions are in accordance with the same values throughout their operations.

Adopted by 193 countries at an historic UN Summit in 2015, the 2030 Agenda for Sustainable Development and its 17 Global Goals is an ambitious plan of action for people, planet and prosperity. It is a people-centered, rights-based agenda focused on leaving no one behind, and it explicitly recognizes business as a key partner. The fulfillment of private sector responsibilities, as embedded in international standards and agreements, is essential to achieving the Global Goals and the Agenda’s broader vision of peaceful and inclusive societies.

Seventy-five per cent of UN Global Compact participants say that they are taking action on the Global Goals today. Contributing to the Global Goals is neither a substitute for, nor unrelated to, implementation of the Ten Principles. In fact, the two are interwoven. A principles-based approach means that a company recognizes that making a positive contribution to the Global Goals does not offset any potential negative impacts. For instance, while product innovation, philanthropy or public advocacy may have positive impacts, these actions might also create negative impacts as a result of a company neglecting its responsibilities related to human rights, labour, environment and anti-corruption. A company may invest in new climate infrastructure such as wind farms, for example, yet they also need to ensure local communities are not put at a disadvantage through poor working conditions, loss of livelihood or access to clean water.

At the same time, adopting a principles-based approach also helps highlight connections between the Global Goals and uncovers strategic opportunities to magnify and multiply your company’s positive impacts. For example, a company that introduces a supply chain programme that goes beyond wage issues to address issues of well-being and access to health care increases and multiplies their impact beyond Goal 8 on Decent Work to also impact Goal 2, 3 and 5 on Zero Hunger, Good Health and Well-being and Gender Equality. Embedding the Ten Principles is crucial for your business to support the Global Goals from start to finish: when creating your strategy, when delivering it and afterwards as you take stock of your impacts.

2  Take Action: Prioritize – Act – Learn

The Blueprint for Business Leadership on the SDGs outlines three key steps for all businesses that want to ensure their actions on the Global Goals are rooted in the Ten Principles.

1. Prioritize

By integrating the Ten Principles into business strategies and operations, participants of the UN Global Compact are already making a significant contribution to the Global Goals. Indeed, many are already mapping how their work is having an impact across the Goals. A next step entails a thorough assessment of the company’s greatest risks of negative impact throughout its end-to-end operations and where it can take action to maximize positive impact for the Global Goals, i.e. through new business opportunities. This is very different than focusing on a single Goal, cherry-picking or simply repackaging what you already are doing under the banner of the Global Goals. Principled prioritization means that while market opportunities can be an important driver of prioritization, a company should always uphold its essential obligations to the Ten Principles and consider the impacts it might have as a result of the interconnectedness of the Global Goals.
2. Act

When your priorities have been identified, your company should design and implement time- and context-specific actions in support of the Global Goals that are intentionally rooted in the Ten Principles. A principles-based approach requires that you think critically about impacts across all business activities and operations. Questions to ask include:

1) Do your products and services support the Global Goals in a way that is aligned with the Ten Principles?
2) Do your business model and operations support the Global Goals in a way that is aligned with the Ten Principles?
3) Do your interactions with communities, stakeholders and consumers support the Global Goals in a way that is aligned with the Ten Principles?
4) Are you being intentional to ensure that you are not causing harm to the achievement of any Global Goals across those three areas?

Businesses should continually refer to these questions throughout the implementation or development of products, services and activities in order to ensure that as they work towards the Global Goals, they are not unintentionally causing harm.

3. Learn

A company commits to learn about and from the impacts of its actions on the Global Goals, sharing lessons both internally and externally. A principles-based approach evolves by taking action on the Global Goals in a way that is closely interconnected to the company’s entry points and then over time, expanding beyond these. Ultimately, the interconnectedness of the Global Goals means that the leading company must adapt its business activities in all areas where the 2030 Agenda may be influenced. This requires the company to learn about its impact through continuous monitoring and assessment. Learning ensures that the company is resilient to staff turnover and allows all actors to benefit from its experience. By sharing what it has learned, the company also ensures that other actors benefit from its experience, thus amplifying impact.
3 Remember that the Global Goals are deeply interconnected

The Global Goals are inherently interconnected. This means that action taken towards one Goal can support or hinder the achievement of others. Unlocking the interconnectedness of the Global Goals will help businesses to build holistic and systemic solutions that amplify progress and minimize negative impacts. To learn more about how action on one Goal may contribute to other Goals, please reference the 17 SDG Briefs of the Blueprint for Business Leadership on the SDGs.

Illustrative example of the interconnectedness of business action on Goal 6: Clean Water and Sanitation

Maximize likelihood of positive impact on:

Water and sanitation have an especially strong link to people-oriented Goals. It is a prerequisite for the realization of other human rights. Improving the use of water resources in business operations will also boost the ecological integrity of natural ecosystems.

Minimize likelihood of negative impact on:

Efforts to reduce water waste and misuse can have unintended effects on water-dependent systems through changes in pricing and availability. Impacts, especially on local communities, must be managed to deliver sustainable development, which should result from watershed-level water management practices.

4 Anchoring your Global Goals Action in Human Rights

The 2030 Agenda is, fundamentally, a human rights agenda. Many of the Goals — including the Goals on Gender, Decent Work, and Clean Water — explicitly reflect human rights. But human rights are also essential to helping us reach all of the Global Goals. By doing business through a human rights lens, business leaders are inviting the lateral thinking needed to make genuine progress towards all 17 Global Goals. The Ten Principles of the UN Global Compact and the UN Guiding Principles for Business and Human Rights provide such a framework, and help businesses consider the full spectrum of impacts, both positive and negative. With this in mind, there are four key ways businesses can take to centre human rights in their business activities as part of a principles-based approach:

1. Break down the silos between your core business strategy and your sustainability strategy. When principles are an integral part of how you do business at every level, your sustainability efforts become more than just a box to tick. Your corporate sustainability report should not be something you file at the back of a drawer. Instead, create policies and enact practices that are felt by your employees, customers, partners and stakeholders — every step of the way.

2. Assess your company’s human rights impacts, and put that at the centre of your strategy to advance the Global Goals. By letting the perspectives of communities and workers illuminate blind spots, businesses can see the bigger picture, identifying unintended harms and exposing missed opportunities.

3. Use the Ten Principles as a ‘checklist’ for Global Goals strategizing. These principles are neither a destination nor something to look at once, but rather a critical framework to keep coming back to. Consider each principle at all stages of a project or product lifecycle, from design and delivery to reflection.

4. Collaborate and advocate for a global principles-based movement. Communicate about the Ten Principles and the Global Goals — not just with impacted stakeholders, but with your entire value chain and the general public. Use your influence to create a community of principles in which good business practices build more good business practices. This is how we rebuild communities of trust: not one or a dozen isolated examples of good practice, but a movement.
Resources on Global Goals Action & Leadership

**Blueprint for Business Leadership on the SDGs**  
UN Global Compact

**Lead:** The *Blueprint for Business Leadership on the SDGs* aims to inspire all business — regardless of size, sector or geography — to take leading action in support of the achievement of the Sustainable Development Goals (SDGs). It illustrates how the five leadership qualities of Ambition, Collaboration, Accountability, Consistency and Intentional can be applied to a business’ strategy, business model, products, supply chain, partnerships, and operations to raise the bar and create impact at scale. The 17 SDG briefs included in the *Blueprint* outline the connections between the Goals in great detail, with many examples across issues and sectors.

**The SDG Compass**  
GRI, UN Global Compact, WBCSD

**Implement the Global Goals:** The *SDG Compass* guides companies on how they can align their strategies as well as measure and manage their contribution to the realization of the SDGs. The *SDG Compass* presents five steps that assist companies in maximizing their contribution to the SDGs: understanding the SDGs, defining priorities, goal setting, integrating sustainability and reporting.

**SDG Industry Matrix**  
UN Global Compact and KPMG

**Sectoral Examples:** The *SDG Industry Matrix* showcases industry-specific examples and ideas for corporate action related to the SDGs. Presented in a series, each matrix highlights bold pursuits and decisions made by diverse companies for each SDG. Industries include: Financial Services; Food, Beverage & Consumer Goods; Climate Extract; Healthcare & Life Sciences (English); Industrial Manufacturing; Transportation; Energy, Natural Resources, and Chemicals.

Resources on Integrating Human Rights into Business Strategy

**Guiding Principles for Business and Human Rights**

**Overview: UN Guiding Principles on Business and Human Rights**  
Shift

The Guiding Principles seek to provide an authoritative global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity.

What’s transformative about the Guiding Principles? What’s critical to know about them? This page provides a brief overview about what makes the Guiding Principles a game changer.

**Business, Human Rights and the Sustainable Development Goals: Forging a Coherent Vision and Strategy**  
Shift – commissioned by the Business and Sustainable Development Commission

This report makes the case that the single greatest opportunity for companies to contribute to human development lies in advancing respect for the human rights of workers and communities touched by their value chains.
Academy Follow Up: Share your Story

Throughout 2018, the UN Global Compact will be collecting examples and stories from companies taking a principles-based approach to the Global Goals. Please consider the following questions and Share your examples with us by emailing academy@unglobalcompact.org:

- What does a principles-based approach to the Global Goals mean to you and your company?
- How are you prioritizing your Global Goals activities?
- What actions are you taking? How do you incorporate the Ten Principles into your Global Goals strategy?
- What happens when you view the Global Goals through a human rights lens? How do you assess your company’s human rights impacts?
- What challenges are you facing? What is working, and what is having the most impact?