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The Road to Meaningful Engagement with the Sustainable Development Goals

The State of Integration of the Sustainable Development Goals in Large Swedish Companies

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Abstract

The Sustainable Development Goals (SDGs) give a vision of the world the international community want to reach by 2030. Businesses have been given a key role in delivering solutions for this end, but businesses' engagement have not progressed as quickly as anticipated. This study seeks to (1) understand the state of integration of the SDGs among companies on the Large Cap of the Stockholm stock exchange, (2) investigate whether the engagement with the SDGs has increased sustainability engagement, and (3) the practical aspects of this engagement. The purpose is to create knowledge that can inspire other companies to action and increase their positive impact on society, and to help policy makers craft better policies. To answer the first question, a report analysis of the public reports of the companies on the Large Cap was undertaken. The second and third questions were answered through interviews done with sustainability managers from ten of the companies with the most comprehensive reporting practices. About one third of the companies were reporting comprehensively on SDG engagement, but the interviews also revealed that the reporting did not capture the true level of integration in those companies. The interviews showed that about half of the companies had experienced 'meaningful engagement', but all foresaw them as becoming more important for strategy-setting in the future. Observations of the practicalities of the engagement were compiled, and key success actions were highlighted. The results were discussed through the lens of institutional theory, resource-based view of the firm, and the upper echelons theory, and suggests that over time the SDGs will give a direction for a new 'social licence to operate'. The study concludes that the SDGs present a good framework for business to become champions of sustainability, but that more guidance from governments is needed as well.

Keywords: Sustainable Development Goals, Sustainability strategy, Business strategy, Sustainability reporting, Sustainability work in practice

Executive Summary

The Sustainable Development Goals (SDGs) were adopted in 2015 by the unanimous consent of the United Nations (UN) member states, and set out the vision of what the international community should achieve by 2030, regarding social, economic, and environmental issues (UN, 2015). The SDGs are a continuation of the Millennium Development Goals, but noticeably larger in scope, and require both developed and developing countries to act (Scheyvens, Banks, & Hughes, 2016).

While national governments bear the main responsibility of realising the SDGs, private businesses are also mentioned as a key actor in this endeavour (UN, 2015). So far, the transition toward delivering the 2030 world envisioned is lagging behind the pace needed (UN, 2018b), and the private sector's contribution is deemed poor as of yet (GlobeScan & SustainAbility, 2017), so there is a need to accelerate this contribution as this is seen as a key factor to success (Verboven & Vanherck, 2016). Businesses can gain from active engagement with the SDGs: it can be a source of competitive advantage, a support of the sustainability commitments in the firm, and can be used for risk and opportunity management in the light of likely future rules, regulations and market developments (Sullivan, Thomas, & Rosano, 2018; Verboven & Vanherck, 2016).

However, even though guides – for example the SDG Compass – aimed at helping companies to integrate the SDGs exist, meaningful and effective methods of engagement still elude many companies, and few academic inquiries have explored how companies practically engage with the SDGs. This study focusses on why and how the SDGs are being implemented by private companies listed on the Swedish stock exchange's Large Cap, now that two and a half years have passed since their inception.

A comprehensive literature review was undertaken in order to understand how corporate engagement with the SDGs have evolved on an international level. This revealed that the general development from 2015 until today has gone from understanding why the SDGs are important for business, to more detailed questions of how to effectively engage with the SDGs and report on them. An academic literature review on the topic was also conducted, where it was found that academic inquiry has focussed on how companies perceive the SDGs, what motivations and barriers exist, and reviews on what skills are needed to succeed with integration. Thus, there has not been much exploration of how companies practically integrate the SDGs; this study aims to fill this gap. The purpose is to produce knowledge for companies not engaged with the SDGs, on how companies can integrate. The knowledge is also aimed at supporting policy makers to craft better policies.

The three following research questions (RQs) were rendered to focus the research.

A. What are the trends of SDG engagement by companies on the Large Cap in Sweden?

B. Have the SDGs induced *meaningful engagement* among the Large Cap companies?

C. How do Large Cap companies in practice integrate the SDGs and make them actionable for the company?

To answer these questions, a so-called explanatory sequential mixed methods approach (Creswell, 2014) was taken: first, an analytical framework was devised to evaluate how the SDGs were communicated in the annual reports and sustainability reports, which resulted in quantitative data on the trends of corporate engagement with the SDGs. Then, this data was used to inform the selection of companies for interview and the creation of an interview guide

to gather qualitative data with the purpose of answering RQs B. and C. As part of the literature review, three theoretical frameworks: institutional theory, resource-based view of the firm, and upper echelons theory were identified to inform the interview guide creation and guide the discussion of the interview results. Interviews were done in a semi-structured format with sustainability managers from ten companies: AstraZeneca, Handelsbanken, Sandvik, Skanska, SKF, Stora Enso, Swedbank, Telia, Trelleborg, and Volvo.

In the report analysis 32 out of the 94 companies on the Large Cap did not report on the SDGs and were thus excluded from the analysis. The reports of the remaining 62 companies studied were judged according to the analytical framework, and showed that four categories were common and fulfilled by most companies: 1) they were signatories of the UNGC (55 companies), 2) a general description of the SDGs as a framework was provided (53), 3) SDGs that the company focusses on were selected (54), and 4) the sustainability report was externally verified (46). Other categories that imply a deeper understanding, integration or practical utilisation of the SDGs, were not as commonly reported. These included the SDGs being mentioned in the CEO statement (29), the SDGs being integrated in sustainability strategy (28), the SDGs being connected with other business aspects (13), reflections on the company's negative impacts on the SDGs (8), the company had selected targets to focus on (6), and core business activities were affected (4). Some sector-specific trends also became apparent: certain company groups (real estate, gaming, the newer financial companies, health care) have lagged behind with SDG reporting, while companies in sectors with a large environmental impact (basic materials, consumer goods, industrials) in general are more engaged in reporting. Furthermore, it was found that the number of reporting companies had increased by 25 companies compared to 2016, and the level of detail had improved in general. This analysis provided a preliminary answer to RQ A.

The ten companies mentioned above were singled out as some of the ones with the most comprehensive reporting, and were contacted for deep-dive interviews. The interviews showed that the interviewed companies had done a much deeper integration than their reporting spoke of, so the state of integration is probably more comprehensive than the report analysis showed.

There were three main pillars in the interviews: why the companies had decided to engage with the SDGs, the practical details of integrating the SDGs and their continuous work with them, and how they predicted their and society's engagement with them would develop. In general, the interviewed companies saw the SDGs as an impressive step forward as far as international frameworks are concerned, and they saw many benefits engaging with them. The communications aspect was especially appreciated, as they provide a common language and easy-to-recognise symbols to base communication on. However, it was underlined that while the company representatives saw the corporate sector as essential in attaining the SDGs, they did not consider the corporate sector to have a 'responsibility' in that regard.

Many reasons for engagement were given, where the most commonly mentioned were the SDGs providing a good reference framework for the company's sustainability work; they can be used to reinforce current sustainability commitments; they provide a good framework to scan the market for risks and opportunities; and they are a good communications tool. The implication of these answers is that companies are not acting out of external pressures (this was confirmed in most interviews) as institutional theory would predict, but rather from internal reasons, following the resource-based view. However, it was also clear that while some companies saw potential opportunities springing from SDG engagement, no one saw engagement as a direct way to gain competitive advantage.

The practical side of the engagement did not follow a singular pattern. The majority of the companies went through a series of workshops led by the sustainability function, but often involving employees from other units as well. In some companies, where very comprehensive internal sustainability frameworks resembling the SDGs in scope were in place since before, more simple exercises were done based on the sustainability function. In both cases, the CEO's and upper management's engagement was usually present at the start and end (signing off) stages, but in some cases the active engagement from these parties was continuous. Regarding the daily work, in no cases had the integration of the SDGs reached a level where they affected the worker on the ground. In some cases, however, they were used to base sustainability discussions, and educate and inspire employees. Some key success factors for engagement with the SDGs were given: anchoring the engagement within the core business activities, do not rush the process, engage employees and make sure the CEO supports the engagement, and make sure the SDGs are transformed into something that is actionable on the company level. This answers RQ C.

If the commitment to deliver on the SDGs are kept by the international community, this means that some business models will become obsolete. In that case, the SDGs provide an indication of the future 'social licence to operate'. Looking to the future, almost all interviewees agreed that the SDGs will become increasingly important, both in terms of setting their own business strategy and the direction society will take and which laws and regulations will be put in place. The interviewees did not see a place for regulation on how companies engage with the SDGs, but some welcomed more stringent regulation that shows a clear direction of what the business environment will look like in the future. Many interviewees asked for the leadership from governments to set clear agendas on how to transform their respective economies.

Regarding RQ B., the answer to whether or not 'meaningful change' had been achieved so far was yes and no. Some companies with already advanced sustainability strategies indicated that the SDGs rather helped them confirm their current strategies or increase the geographical scope. Other companies expressed that the SDGs gave them another tool to drive product and service development, indicating that some additionality in terms of sustainability outcome is produced in these cases. Hopefully, this latter use of the SDGs will become more common as more and more companies engage.

This study was of academic significance as it was the first that attempted to delve down into how progressive companies have practically worked with the SDGs, and to attempt to evaluate that engagement. The study also identified some areas that need to be studied further. The study of the practical implementation of the SDGs was limited by the time the author could interview the company representatives, and delving deeper into separate cases could provide insight into specific cases and more detailed information for other companies attempting to engage with the SDGs. Furthermore, studying how small and medium enterprises have engaged and what barriers prevent them from engaging would be of help to create an impetus for companies of all sizes in society to create positive impact.

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1 Introduction

The human world is in a precarious situation, with major environmental planetary boundaries being crossed (Johan Rockström et al., 2009) and increasing tensions in the social fabric stemming from inequality and widespread hunger, amongst other factors (Sachs, 2012; UN, 2015). Indeed, the latest research shows that the Earth might soon be hitting irreversible thresholds and move to a so-called 'hothouse Earth' (the premonition of which has been felt this summer in Sweden), and society is running out of time to solve this issue (Steffen et al., 2018). Many international and national initiatives have been attempted at solving these different issues; one crosscutting and widely supported ambitious attempt is the United Nations 2030 Agenda for Sustainable Development, a framework which sets out 17 sustainable development goals (SDGs) and 169 targets (see Appendix I). These are unanimously supported by the international community, and act as a compass to the desired state of world by 2030 (UN, 2015).

Realising Agenda 2030 is something no actor can do alone. It is clearly stated in "Transforming Our World: The 2030 Agenda for Sustainable Development" – the document that lays out the SDGs – that private business is a key actor to realise this new vision (Para. 39, 41, 52, 60, 67). So far, the transition toward delivering the 2030 world envisioned is lagging behind the pace needed (UN, 2018b), and the private sector's contribution is deemed poor as of yet (GlobeScan & SustainAbility, 2017), so there is need to accelerate that engagement.

But it is not only the world that needs businesses, businesses can also gain from active engagement; acting to contribute to the SDGs can be a source of competitive advantage (Sullivan et al., 2018). Or as the World Business Council for Sustainable Development (WBCSD) put it:

> "*The Sustainable Development Goals (SDGs) provide the private sector with a lens through which to translate global needs and ambitions into business solutions across the value chain. Companies can better manage their risks, unlock opportunities in growth markets and establish an enduring license to operate through careful consideration of how they can impact the SDGs.*" (WBCSD, 2018, p. 3)

Throughout the world, the reality of global challenges exposes businesses to a new world state of affairs rife with new risks and opportunities. The SDGs can be seen as a high-level map to help companies, and other actors, to navigate problems society faces. To quote Chinese technology giant Huawei's head of corporate social responsibility, Holy Ranaivozanany, "We saw that it [the SDGs] was a framework that we could use to reposition our strategy a bit and maximize the role of technology in addressing the goals" (Balch, 2018). So, the SDGs are interesting because they provide a common framework and vision of a future society that different actors can work towards together. They can also support sustainability work in the individual firm, as they can be seen as a precursor to future rules and regulations (Verboven & Vanherck, 2016). Corporate social responsibility (CSR), which started out as voluntary initiatives, was opened up as an area for regulation by the EU in 2011 (Buhmann, 2016); who is to say that the SDGs will not go the same way, or turn into a de facto social licence to operate? So it is not feasible for businesses to expect they can "outlive the SDGs" without acting on them in some way (Yiu & Saner, 2017, p. 40).

However, as described in Chapter 2, more than two years in, while many of the multi-national enterprises (MNEs) have started to engage, it is clear that much remains to be done, and many small and medium enterprises (SMEs) are still far from meaningful engagement, whether it be engaging with the SDGs or just sustainability in general (Caldera, Desha, & Dawes, 2018). This symptom has been described as the "big disconnect", a situation in which businesses claim that they are contributing to sustainability, but those claims are not translated into visible positive effects on the global scale (Dyllick & Muff, 2016). At the same time, about half of the global population do not put their trust in businesses (Edelman, 2018). So, the international community needs the private sector to step up and contribute positively and reduce negative impacts on the SDGs.

Seeing that the Business & Sustainable Development Commission estimated that by attaining the SDGs, a yield of up to USD 12 trillion in returns will be generated (BSDC, 2017) – with other estimates ranging up to USD 30 trillion (Chakravorti, 2015) – the SDGs could also be seen as indications for new areas of significant business investment and return given to firms by international actors. Apart from this economic incentive, the advent SDGs can also be regarded as an attempt to create a benchmark to guide companies' sustainability work into 'beyond compliance leadership' (Orsato, 2009), rather than the traditional command and control regime that has been used in environmental governance (Brorson & Larsson, 2011).

The SDGs do not exist in a vacuum. One of the first major international frameworks for responsible business conduct was the UN Global Compact (UNGC), an initiative to which companies voluntarily sign up, and submit a yearly communication on progress. From 2016, the communication contains a section on work with the SDGs (UNGC, 2016). The number of signed up companies has increased steadily, and as of July 2018, 9 792 companies from 164 countries had signed the UNGC (UNGC, n.d.), which brings hope that the SDGs will spread throughout the business community even faster. Other initiatives, such as GRI[1] and CDP[2] are also proactive. GRI has helped create guidance for companies, such as the SDG Compass, developed ways to link GRI reporting to progress on the SDGs, and suggested ways of measuring the different targets in the SDGs (GRI, n.d.b, n.d.a; GRI & UNGC, 2017). CDP has produced guidance on how reporting to the CDP can be connected to the contribution to the SDGs (CDP, n.d.). So, many of the other sustainability-related frameworks feed into the SDGs. However, it is "also clear that most companies still lack the expertise to make the goals work for their business and a framework through which to evaluate what success looks like" (PwC, 2017, p. 25), signalling that a learning curve is needed for companies of all types and sizes.

1.1 Problem definition

The social and political pressure on the private sector to act has increased, as the importance of environmental issues has become more apparent. Since the 1960s until today, businesses have gradually evolved in how they tackle sustainability issues. Early on, driven by compliance with legislation and regulation, companies moved from addressing health-related issues and clearly environmentally damaging practices, to reducing local waste and air pollution, and recently to incorporating environmental values in managing practices and shifting business models, motivated by answering to increasingly stringent regulatory regimes and translating the creation of social value into increased sales and profit (Brorson & Larsson, 2011; Elkington, 1994; Money & Schepers, 2007). However, as Engert et al (2016) observed, this response often

[1] GRI, or Global Reporting Initative, is an organisation that have introduced global standards for reporting on economic, environmental, and social issues. They were established in 1997, and currently the 4th iteration, G4, is used. See: https://www.globalreporting.org/Pages/default.aspx.

[2] CDP, or Carbon Disclosure Project, is an organisation that have created frameworks for reporting on primarily carbon emissions, but also other issues, such as forest use and water use. They target companies, cities and regions. See https://www.cdp.net/en/info/about-us.

remains passive; managers acknowledge that the changing social and ecological environment is significant for businesses, but seldom integrate it into strategic management.

The extent of companies' sustainability engagement can vary greatly. Dyllick and Muff (2016) suggest three categories that suggest different levels of depth: business sustainability 1.0 (essentially risk management and conducting responsible business), 2.0 (the so-called 'triple bottom line', or incorporating sustainability into the values that the company delivers), and 3.0 (revamping business purpose to create a better society or environment).

> "*Truly sustainable business shifts its perspective from seeking to minimize its negative impacts to understanding how it can create a significant positive impact in critical and relevant areas for society and the planet. A Business Sustainability 3.0 firm looks first at the external environment within which it operates and then asks itself what it can do to help overcome critical challenges that demand the resources and competencies it has at its disposal.*" (Dyllick & Muff, 2016, pp. 165–166)

Moving to the SDGs – first announced in 2012 (UN, 2012) – they can be described as an evolution of the millennium development goals (MDGs) (Sachs, 2012; Scheyvens et al., 2016; UN, 2015), putting more focus on environmental and economic sustainability, active involvement of all countries, and requires more from non-state actors (Scheyvens et al., 2016; UN, 2000, 2012). At the Rio 20+ meeting in 2012, the SDGs were anticipated as the next vessel for uniting humankind in driving towards a sustainable world (UN, 2012). Acknowledging that all actors' participation is important, non-governmental actors were consulted and played an active role in the formulation process (Pingeot, 2014), resulting in goals that are easier to relate to for private businesses. The international community hopes that the SDGs can bring about business sustainability 3.0, as defined by Dyllick and Muff.

The integration of the SDGs into company business strategies and product development are seen as two of the four main drivers to realise the SDGs (the others being developing implementation and management tools, and financial support) (Verboven & Vanherck, 2016). The results and the literature review of this study indicate that the SDGs have encouraged more comprehensive sustainability engagement from some companies, while methods of meaningful contribution still elude many companies. The study at hand will focus on how the SDGs are being implemented by large private companies listed on the stock exchange in Sweden, now that two and a half years have passed since their inception.

Sweden lends itself well to study, as a) a number of Swedish global companies are recognised as sustainability leaders[3], and b) the Swedish International Development Cooperation Agency (SIDA) and some major Swedish companies initiated the Swedish Leadership for Sustainable Development in 2013 to involve private enterprise in the drive for achieving the SDGs (Sundberg, 2017), creating an early commitment from Swedish industry. This proactive stance by SIDA greatly facilitated Swedish companies engage in the SDG agenda according to an interviewee (Personal communications, M. Ripa). Furthermore, c) Sweden is dedicated to deliver on the SDGs and be a leader in delivering them; in 2018 Sweden delivered a strategic plan which lays out how Sweden will contribute to Agenda 2030, in which several focal areas have been laid forth[4], one of which is private sector engagement (Shakarabi & Lövin, 2018),

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[3] For example, Swedish companies are engaged in initatives such as Hagainitiativet which aims at bringing signatory companies to a climate neutral state by 2030 (Hagainitiativet, n.d.) and Swedish Investors for Sustainable Development (SIDA, 2018).

[4] It is not clearly indicated which the foci are in terms of the SDGs, as they are stated in more general terms: An equal society, Sustainable societies, A socially beneficial, circular and bio-based economy, A strong industry with sustainable enterprise,

and on the other hand the 16 nationally determined environmental objectives in Sweden are intended to serve the fulfilment of the SDGs (Naturvårdsverket, 2018).

While there have been studies on, for example, how companies practically integrate the UNGC principles in their organisations (Ayuso, Roca, Arevalo, & Aravind, 2016; Baumgartner & Rauter, 2017), as of yet few studies have focussed on the practical implementation of the SDGs in private businesses, even though guides on how to do this exist (e.g. UNGC, GRI, & WBCSD, 2015; WBCSD, 2017). Apart from case studies describing specific initiatives (as described for example in Chakravorti, 2016; Sundberg, 2017; UNGC, 2015), not much is known on how companies actually work with integration of the SDGs, calling for studies on this particular matter. And it is not a matter of simply doing it; whether or not a company can integrate the SDGs in a competitive way obviously depend on how they do it, and not all SDGs are relevant for all companies (Betti, Consolandi, & Eccles, 2018).

This research focusses on work with the SDGs by companies listed on the Large Cap[5] of the Stockholm Stock Exchange, since a) these represent most of the large Swedish companies, so each of them has the potential to have a large positive effect; b) they are publicly scrutinised by the merit of being listed; c) they follow similar reporting practices, enhancing methodological accuracy. It should be mentioned that there are some studies that have found evidence that SMEs do not necessarily lag behind larger companies in integrating sustainability (Aragón-Correa, Hurtado-Torres, Sharma, & García-Morales, 2008; Revell, Stokes, & Hsin Chen, 2010), but the majority of research states that large companies in general have more resources to dedicate to comprehensive sustainability work, and stand to gain more from this compared to their smaller counterparts (Engert et al., 2016; Lundsgaarde, 2017). This was found to be true regarding UNGC participants (Orzes et al., 2018).

One could say that there are four pillars in investigating company interaction with the SDGs, following the 3W1H: 'why' (do they engage?), 'what' (value do they perceive from that engagement?), 'where' (i.e. in which venues do they engage?), and 'how' (do they on a practical level engage with the SDGs?). The 'why', 'what' and 'where' have already been answered to an extent in previous studies, which is shown in Chapter 2. The 'how' question is not much explored yet and will thus be the main focus of this study. As this study focusses on the Swedish context, where the 'why' and 'what' questions have not been asked extensively, these questions will also be given some room.

1.2 Research questions

Applied to private businesses, the SDGs have the purpose to change private companies in a meaningful way, so that they provide a net benefit to society and the planet, rather than working against them. The purpose of this research is to understand how companies have engaged with the SDGs, and investigate whether or not an indication can be found that the SDGs have the potential to achieve this meaningful change. It also aims at understanding the internal work involved, in order to create knowledge which can be used to inform businesses on how to effectively engage with the SDGs, and to provide knowledge to policy makers for

A sustainable and healthy food-chain, Knowledge and innovation (translated by author). While all being important, the explanations of each focal area indicate that SDG # 2, 3, 4, 5, 8, 11, 12 and 13 are most important for Sweden.

[5] The Large Cap contitutes companies that have a market value larger than EUR 1 billion (Granström, 2017). Market value is equal to number of outstanding shares times the current stock price, and is a representation of the value that the stock market assigns to a company.

creating more efficient policies to help businesses to this end. To this end, three research questions (RQs) have been rendered to focus the research.

A. What are the trends of SDG engagement by companies on the Large Cap in Sweden?

The trends of SDG engagement by Swedish Large Cap companies will be studied through their publicly available annual reports (AR) and sustainability reports (SR) to grasp the general trends of work with the SDG among larger players. SRs lend themselves well to study, as sustainability reporting among large companies has a relatively long history, and the format and information among large companies have become relatively standardised over the last years (Arvidsson, 2017). It should be noted that it has been made mandatory to submit sustainability reports in Sweden since 2017 for larger companies[6] following the amendment of an EU regulation on corporate reporting (2014/95/EU). This development can be expected to have further standardised the output in sustainability reports.

B. Have the SDGs induced *meaningful engagement* among the Large Cap companies?

Here, "engagement with the SDGs" means relating sustainability or other work in companies to the SDGs in some way, and "meaningful engagement" means engagement that creates "additionality", i.e. transforms the company in a way to increase its sustainability profile, whether through incremental change or more transformative change of strategy, compared to if the SDGs were not integrated. It is important to note that this means a relative change on a scale, i.e. any company will change from a baseline which is their sustainability performance before engagement. Another concept that will play a role throughout the report is that of "integration of the SDGs"; "integration" means incorporating the SDGs into sustainability or corporate strategy in some way, and is used interchangeably with "meaningful engagement", depending on the context.

As said, meaningful engagement will alter "strategy", which here refers to "corporate strategy". "Corporate strategy" is defined as development and integrated implementation of a) value proposition to buyers, b) profit proposition, and c) people proposition to motivate employees, by which the company interacts with market, competitors and environment in order to achieve corporate objectives and ensure long-term survival and profitability (inspired by Kim & Mauborgne, 2009; Kotler, Berger, & Bickhoff, 2016). "Sustainability strategy", thus, refers to as the development and integrated implementation of business activities related to reducing negative impacts or generating positive impact on the environment and society. "Corporate sustainability", for reference, means "meeting the needs of a firm's direct and indirect stakeholders [...] without compromising its ability to meet the needs of future stakeholders as well" (Dyllick & Hockerts, 2002, p. 131).

In other words, this RQ asks whether or not the SDGs are pushing companies to integrate sustainability into their business to a higher degree than before. Topics to be explored more in depth are: Do the SDGs have a meaningful impact on the sustainability work, or are they rather just being fitted into an already existing company-level sustainability framework? Are the SDGs affecting business-strategical decisions, such as investments/divestments and product development? Do companies perceive the SDGs as the thing that is going to help them integrate sustainability in a way that adds value?

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[6] This applies to companies that fulfil two of the following three criteria: more than 250 employees, annual turnover surpasses SEK 350 million, assets surpassing SEK 175 million (Regeringskansliet, 2016; Sandow, 2016).

C. How do Large Cap companies in practice integrate the SDGs and make them actionable for the company?

This RQ asks more practical details regarding the companies' work with the SDGs, by exploring details of how integration is done internally. Topics to be explored in depth are: How do companies align their goals with the SDGs? How do companies evaluate and act on negative impacts? Which departments are engaged in the process and how are responsibilities distributed? How is upper management and the board involved in the process? Is there any follow-up being conducted? How does engagement with external stakeholders, e.g. investors or NGOs, affect this process?

1.3 Hypotheses

Apart from designing the data collection and analysis to answer the RQs, several hypotheses regarding companies' interaction with the SDGs were developed to aid the interview guide design and subsequent analysis. The hypotheses have been developed based on relevant literature and theoretical frameworks used within the study (see Chapter 2.2 and 2.5 for details).

H_1: The closer companies work with external institutions (e.g. governments, investors) that are engaged with the SDGs, the more likely they themselves engage meaningfully.

This hypothesis is derived from institutional theory (see Chapter 2.5.1), which states that external pressure on companies from regulatory and institutional organisations will tend to move companies in a direction of adapting prevailing norms.

H_2: The more frequently companies interact with peers in sustainability-related fora, the more like they will engage meaningfully with the SDGs.

Based on institutional theory which says that under uncertain circumstances, engaging with peers on a certain subject will prompt companies to move in a similar direction.

H_3: The more a company can find ways to tie the SDGs into their core business activities (services and products), the more likely they are to engage meaningfully with the SDGs.

According to the resource-based view of the firm (RBV; see Chapter 2.5.1), companies derive competitive advantage partially from the resources it possesses. Therefore, the more a company sees the SDGs in the light of a potential source of competitive advantage, the higher the likelihood that it will integrate them into its organisation beyond the sustainability function, and into core business activities.

H_4: Gaining board and/or CEO support for SDG engagement will significantly boost the impact of the SDGs on the company.

According to the upper echelons theory (see Chapter 2.5.1), upper management has a huge influence on the decisions and direction of an organisation. Therefore, if the board and/or CEO actively support or initiate the SDG engagement, there is a higher likelihood of meaningful engagement.

H_5: The more the company has been engaged with sustainability before their engagement with the SDGs, the integration process will be smoother and require less of an effort.

According to RBV, companies will build up sustainability-related know-how as an asset over time. This implies that companies with a track record will have a less steep road to travel when integrating the SDGs, will likely rely less on external resources for this process, and will be able to use previously determined sustainability aspects in their SDG-related work.

H_6: Companies' meaningful engagement with the SDGs tend to increase over time.

RBV anticipates that companies will increasingly find utility and meaning in sustainability-related initiatives over time, and the SDGs should be no exception. As the company engagement deepens, new possibilities and opportunities should open up and make the engagement more meaningful.

1.4 Limitations and scope

The research at hand focusses on the Large Cap companies (94 companies when the scope was set, in May 2018) of the Swedish Stockholm Stock Exchange. This is a limitation in that it excludes some large Swedish companies that are not publicly traded, such as IKEA, COOP, and Volvo Cars, and all companies not large enough to enter the Large Cap. Further, the main findings were generated from interviews with ten of these companies, which creates a biased sample to judge the state of integration of the SDGs in Swedish industry as a whole. However, as larger companies often lead the way for others to follow (DiMaggio & Powell, 1983), the results can serve as an indication, or precursor, of the direction that is being taken.

While the impact from larger companies is more visible, it is believed that SMEs are responsible for most of the pollution in the world; an oft-quoted, now old, source states that they are responsible for 70% of the environmental pollution in the world (Hillary, 2000). While the exact extent of pollution traceable to SMEs in 2018 might not be known, it most surely remains significant. The ambition is that the research will generate findings relevant to companies of all sizes in all countries, but there is a risk that the outcomes will be particular for the companies studied and/or large companies from Sweden, and will not be immediately relevant for SMEs.

Only the AR and SR of the Large Cap were examined to determine which companies to study; this could be a limitation in that no 'objective' background information about the companies' SDG engagement is assessed at this stage.

The study considers companies' general engagement with the SDGs and does not attempt to limit the study to certain SDGs. Thus, there is a risk that the findings are not detailed enough to promote engagement with specific SDGs. Similarly, the study focusses on why and how companies are integrating the SDGs, so other aspects will not be discussed extensively.

The study's main findings will be generated through interviews with company representatives, but as the study is executed during the summer months of Sweden, it was a limitation that some company representatives denied participation in the study due to time limitations. Furthermore, as time limited the number of companies that could be interviewed, there is a risk that some important insights have been overseen. There is also a risk that the interviewees accessed do not tell the naked truth or know details on the topic matter.

In order to do a complete assessment of the state of corporate integration of the SDGs, personnel from different departments and roles should be interviewed to get a more complete picture. For example, a study on the integration of the UNGC principles in a Spanish bank revealed that only the CSR responsible personnel had adequate knowledge on the UNGC principles and their influence on the business (Garayar, Heras-Saizarbitoria, & Boiral, 2016).

In this study, however, a conscious decision was made to only interview sustainability managers. The reason for this is that the study tries to do inter-company comparison and go beyond the single company; extending the study to multiple departments for each company interviewed would require much more resources, time, and a research design not feasible for the extent of this study.

1.5 Ethical considerations

This study does not handle any data sensitive to individuals. Care was taken in interviews to treat interviewees with respect and avoid any kind of discrimination. Interviewees were asked whether or not a recording of the interview was acceptable; everyone accepted. That data is stored in a local hard drive that cannot be accessed via the Internet. In terms of company-related sensitive data that might emerge in the interviews, care was taken not to mention this in the final product. Interviewees were asked to review the sections pertaining to the data they provided before the publishing of this study.

1.6 Intended audience

This study studies how companies work with the SDGs on a practical level, and as such the outcomes of the research will be relevant to other companies as an information source with condensed information on how to work with the SDGs effectively. It will also provide an opportunity for comparison for the respondents. Policy makers (primarily national, as the scope of the study is limited to Sweden, but also to other governments and international organisations, as the companies interviewed are global corporations) will also be provided knowledge and insight on how companies view the SDGs and their engagement with them, which can help them generate policies which can effectively help the private sector accelerate its engagement. The study also intends to move the academic quest forward of understanding how companies work with the SDGs.

1.7 Outline of the paper

In Chapter 2, a literature review is undertaken, where the following aspects are reviewed: the development of the SDGs, the SDGs and their structure, practical guidance produced on engaging with the SDGs, conferences and surveys on corporate engagement, academic literature regarding corporate engagement with the SDGs, and relevant theoretical frameworks.

Chapters 3 lays out the methodology that was used to produce this research. In essence, a report analysis of the public reports of companies on the Swedish Stock Exchange's Large Cap was done, followed by semi-structured interviews with ten of the leading companies' sustainability managers.

In Chapter 4 the results of the report analysis and the interviews are laid out according to the various themes that were identified in the process. These results are then discussed in Chapter 5, reflecting on the answers using the literature review and comparison among the respondent's answers.

Finally, in Chapter 6 the conclusions are presented, accompanied by suggestions for further research and the final thoughts of the author.

2 Literature review

In this section, a literature review concerning the SDGs, private sector engagement, and overview of relevant theoretical frameworks is undertaken. The first part (Chapter 2.1) of the literature review is done to support the understanding of the reader, to better understand the results of this study. The following parts were done in order to understand what kind of research has already been undertaken, and which theoretical frameworks are appropriate to understand how companies act regarding the SDGs. The purpose of this was to inform the design of the study, and to better understand the results.

2.1 The Sustainable Development Goals

2.1.1 The development of the SDGs

Sustainable development was popularly defined in the Brundtland report as: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (UN, 1987). While neither the document that announced the SDGs ("The Future We Want") nor the document that defined them ("Transforming Our World: The 2030 Agenda for Sustainable Development") use this definition, the influence of it can be seen throughout the documents.

The SDGs follow up on earlier international sustainable development commitments, and are to be seen as an evolution of the MDGs as they intend to deliver on what the MDGs could not, while expanding the scope significantly (Sachs, 2012; Scheyvens et al., 2016; UN, 2015). The difference between the MDGs and the SDGs are capsulated well by Scheyvens et al:

> "*[w]hile the MDGs were primarily focused on human development outcomes centred on poverty alleviation, the SDGs take a more holistic approach, broadening the range of goals to capture aspects of the so-called 'triple bottom line' approach to sustainability. What distinguishes the SDGs from the MDGs is the prominence given to (i) environmental sustainability, (ii) economic development, with a focus on inclusive growth, (iii) proposed universal application to all countries and (iv) an increasing concern with non-material aspects of development*". (Scheyvens et al., 2016, p. 373)

There are more differences that are noteworthy: the MDGs set the nation states as the sole main actor (UN, 2000); the MDGs were developed with a "top-down approach" (Kharas & Zhang, 2014); the MDGs generally lacked the needed financial investments (Sachs, 2012); the MDGs were more akin to an international aid agenda, while the SDGs require transformation in all countries across the globe, not only in the developing ones (Fukuda-Parr, 2016; Kharas & Zhang, 2014). To avoid similar flaws in the SDGs, the international community intentionally adopted a multi-stakeholder approach involving nine major stakeholder groups, of which one was business and industry (UN, 2012).

These groups played an important role in the goal formulation process (Pingeot, 2014). During the consultation phase more than 4.5 million responses were generated, indicating the comprehensive scope of this process (Kharas & Zhang, 2014). For business and industry, consultation fora were undertaken in the different regions of the world with all types and sizes of businesses (UNGC & UNIDO, 2014). The importance of actively consulting the industry groups was instrumental to get active support from businesses, as one of the interviewees in this research highlighted (Personal communication, C. Båge-Friborg).

As a side note, it should be noted that some authors are troubled by the new position that business and industry have started to occupy with the new agenda, because in their view this might distort or shift the focus of the development agenda, impede the needed societal structural change they perceive, and slow down the pace of transformation (Pingeot, 2014; Scheyvens et al., 2016). Pingeot (2014), for example, notes that many of the leading corporations come from the oil and mining sectors, and that SMEs are not given the same level of access to discussions as their larger peers. The more common view among international leaders, though, as noted in Chapter 1, is that businesses are indispensable in transforming the world.

2.1.2 The SDGs

The SDGs – the deliverable of the "Transforming Our World: The 2030 Agenda for Sustainable Development" document – are a set of 17 non-legally-binding goals with 169 accompanying specific targets (see Appendix I) that calls to action spanning over the three dimensions of sustainability: social, economic, and environmental sustainability (UN, n.d.). The international community aims at realising these by 2030. The goals and targets build on previous UN frameworks and agreements, and are described as "integrated and indivisible", i.e. they cannot be met in isolation of each other (UN, 2015).

Figure 2-1. The 17 SDGs and their official symbols

Source: United Nations Foundation (n.d.)

As with the MDGs, the main responsible actor for achieving the SDGs are national governments (UN, 2015, Para. 41, 47). However, partnerships and multi-stakeholder engagement are also seen as key to realise them. As mentioned above, seven key stakeholder groups have been identified, out of which one is businesses (the others are national governments, sub-national governments, local governments, civil society organisations, academia, and development partners) (Verboven & Vanherck, 2016). A certain degree of responsibility, or a role, is placed on business:

> "*Governments, international organizations,* ***the business sector*** *and other non-State actors and individuals* ***must contribute*** *to changing unsustainable consumption and production patterns, including through the mobilization, from all sources, of financial and technical assistance to strengthen developing countries' scientific, technological and innovative capacities to move towards more sustainable patterns of consumption and production.*" (UN, 2015, Para. 28, emphasis added by author)

There is also a clear mandate of following up on the progress toward the goals (UN, 2015, Para. 47). One of the critiques against the MDGs was the lack of measurability for some of the items in the Millennium declaration, which prompted for the need of measurability and quality data if the SDGs are to succeed (Kharas & Zhang, 2014; Sachs, 2012). The targets under the goals are still very high-level, and for many it is not immediately clear what kind of KPI should be applied. In 2018, 232 indicators were adopted that have been developed by the Inter-Agency and Expert Group on SDG Indicators (IAEG-SDGs) (UN, 2018a). It should be mentioned that the indicators themselves do not set quantitative targets but rather stay in the form of "increase" or "decrease". Apart from these official indicators, UNGC and GRI have suggested potential indicators that would suit businesses for each of the targets (GRI & UNGC, 2017).

In the academic community, some concern has been voiced that the SDGs are mutually exclusive; if one goal is attained, it undermines the possibility of reaching others, especially between goals focussing on either environmental or social aspects (International Council for Science, 2015; Spaiser, Ranganathan, Swain, & Sumpter, 2017). The debate is not settled, however; other sources point to how the SDGs reinforce one another and can be reached in totality with careful governance (International Council for Science, 2017; Väätänen & Teplov, 2017).

2.1.3 Practical guidance on the SDGs for businesses

If one examines the SDGs and the targets, it becomes clear that they were written with national development agendas in mind, and can therefore be difficult to translate into actionable items for businesses. To help businesses, multiple guidelines on engaging with the SDGs have been developed, of which the SDG Compass is the most notable. Here, three such guides will be briefly reviewed.

The SDG Compass

The SDG Compass was developed in collaboration by Global Reporting Initiative (GRI), UNGC and World Business Council for Sustainable Development (WBCSD) to help guide companies in contributing to the SDGs. In general, the Compass supports an 'outside-in' perspective, i.e. setting the sustainability agenda based on global realities and aspirations, rather than on historical performance by the company (which would be the 'inside-out' perspective) (UNGC et al., 2015). It suggests a series of five steps to integrate the SDGs into the business model, which are summarised below.

1. Understanding the SDGs – Companies should understand the SDGs, what they are, what they aim to achieve, and how they can impact one's business. For example, how they can help companies to find future business opportunities and enhance corporate sustainability.
2. Defining priorities – Colloquially, this would correspond to "mapping" the business against the SDGs; which SDGs are of highest importance to one's business, and where can the largest contribution be made. It is important to look at both the possible positive and negative impacts, at both current and future impacts, and to consult with external stakeholders. This is supposed to be a high-level exercise, matching the core competencies and offerings of the company with impacts on the SDGs across the value chain. Next, appropriate indicators should be established and data collected to effectively measure the implementation. Finally, based on the mapping, prioritisation among the SDGs should be done.
3. Setting goals – Building on the work in step 2., company sustainability goals should be set together with relevant KPIs. Basing this on the SDGs will ensure that the social dimension is not ignored in the goal-setting. It is important to set both long-term and short to medium-term milestones.

4. Integrating – This means anchoring the SDGs beyond the sustainability function in the company, and anchoring the goals set in the previous step within the business at large by connecting them to the business case and integrating them with performance reviews and remuneration levels. Engaging in partnerships is also highlighted as important.
5. Reporting and communicating – SDG 12.6 states the importance of private companies reporting on their sustainability progress, which is also the last step: disclosing engagement with the SDGs effectively to stakeholders in a transparent manner.

The Compass has been criticised as not suiting SMEs, and not being tangible enough in its explanation to be valuable as a hands-on tool for smaller businesses (Verboven & Vanherck, 2016). However, UNGC and GRI are, together with PwC, developing two documents called "An Analysis of the Goals and Targets" and "Integrating the SDGs into Corporate Reporting: A Practical Guide" that go more into detail (GRI & UNGC, 2017, 2018).

PwC's guide to successful engagement with the SDGs

PwC has developed a similar guide, with some differences: it skips the first learning step of the Compass and does not go into the same level of detail on how to relate the SDGs to the business. Furthermore, it places more importance on what one external stakeholder – the governments – wants, rather than the more holistic approach of the Compass.

1. "Agree which SDGs your business and its value chain have an impact on directly and indirectly, in the countries you operate in[;]
2. Agree the methodology and measure your business impact across all these SDGs[;]
3. Understand where your business has a positive or negative impact on each SDG[;]
4. Understand the priorities of the governments your business operates under[;]
5. Prioritise reducing negative impacts and increasing positive impacts according to what needs to be achieved by governments[;]
6. Incorporate this learning into business planning and strategy[;]
7. Evidence how you impact on the SDGs and your contribution" (PwC, 2015, p. 28).

Chakravorti's "where-to-begin" guide

The final guide mentioned here is a simplified guide, presented by Chakravorti (2017), and could be seen as quick advice to businesses that want to start working with the SDGs.

1. Segment the SDGs – Create a "story" which contains a logic including which SDGs are most important to the company.
2. Identify where the company fits – Analyse how the identified goals intersect with the company activities across the value chain.
3. Make the business case – Establish why and what kind of engagement should be made where in the business to make commercial sense, i.e. anchoring it in the business.

2.1.4 Conferences and surveys on business engagement with the SDGs

In order to get an understanding of the evolution of international business engagement with the SDGs since before the launching until today, a literature search of conference agendas and business surveys where the SDGs were featured was conducted[7]. There was no relevant database accessible for this, so Google, relevant news outlets (e.g. Sustainable Brands, Ethical Corporation, World Resources Institute) and international organisations' websites (e.g. The United Nation's (UN), UN Global Compact's (UNGC) and European Commission's websites) were searched for relevant material and conferences where the company engagement with the SDGs was a major topic. Consequentially, many larger conferences on the SDGs where businesses' engagement was not prominent were excluded, such as Corporate Citizenship Conference, High-level Political Forum, and World Sustainable Development Summit. In these, the focus was on the progress of the SDGs in general and did not focus on businesses' interaction with the SDGs to the extent that a detailed analysis was warranted. For reports, reports made by prominent consulting firms and think-tanks were selected. Using Google, the search terms "sustainable development goals" or "SDGs" were combined with "conference", "summit", "report", "business", "survey", and "engagement". Some of the conference agendas identified were not accessible via the internet, and responsible persons did not respond to inquiries about these, so they were excluded.

The material was published annually or biennially, and the material for the period of 2013 (two years before the launch of the SDGs) until 2018 were assessed where possible. The conference agendas selected for review are shown in Table 2-1. All of the conferences are of global nature, and focus on sustainability aspects.

Table 2-1. Conference agendas reviewed

Conference	Overview	Notes
Business for Social Responsibility	BSR was launched in 1992 to create a platform for making business into a force for good. Annual conferences have been ongoing since 1993.	Agendas for 2013-2017 were collected.
GreenBiz	GreenBiz provides news related to business sustainability since 1991, and also provides learning platforms, such as conferences for companies looking for insights.	GreenBiz have had conferences since 2015.
Ethical Corporation's Responsible Business Summit	Ethical Corporation provides businesses with insight, research and conferences regarding sustainability. The first conference was in 2002.	Programs for 2016-2018 were collected; earlier were not available online anymore, and no response was given to a request for them.
Sustainable Brands	Launched in 2006, Sustainable Brands has created an online community with tools to help companies develop 'sustainable' brands.	All agendas, except 2015's, were collected, as the 2015 website was not responding.

The following survey reports were reviewed:

- BSR's "State of Sustainable Business" (2013-2017);
- Ethical Corporation's "State of Responsible Business" (2016-2018);

[7] It should be noted that there is a plethora of case studies that could also serve to gain some understanding of the evolution of engagement, such as those provided by the UNGC (the SDG Matrices), SIDA, and in reports by the large consultancy firms. These were excluded from this review as they capture micro-movements, and to avoid introducing bias as one of their functions is to put the relevant company in a good light.

- KPMG's "Survey of Corporate Responsibility Reporting" (2013, 2015, 2017);
- PwC's "Make it your Business: Engaging with the Sustainable Development Goals" (2015) and "Reporting Challenge: Exploring business communication on the global goals" (2017).

A 'directed content analysis' was undertaken of the reports and the conference agendas, as certain themes were anticipated by the author, and focus lay on identifying changes in the narrative and topics (Hsieh & Shannon, 2005). The general development has been going from understanding why the SDGs are important for business, to more detailed questions of how to effectively engage with the SDGs and report on them, as more and more companies have tried to integrate them. Below, the results of the analysis are ordered annually, to show how it has evolved temporally. A more general description of how businesses' engagement with the SDGs has evolved can be found in Chapter 2.4.

2013

Although all of the conferences basically deal with different aspects of business and sustainability, none of the conferences or surveys analysed contained any references to the SDGs, sustainable development, or even the MDGs.

2014

The SDGs are for the first time featured in a conference agenda, at the BSR conference, with no mention at the Sustainable Brands event. It is clear that the SDGs were an exploratory topic in 2014: "How will the post-2015 SDGs differ from the MDGs, and what's the opportunity for business to engage? What have we learned about how business can contribute to global development?" (BSR, 2014a). In the surveys, the 2014 BSR survey mentions the SDGs as the top "[s]ignificant [s]ustainability [d]evelopments in the [n]ext 12 [m]onths" (BSR, 2014b) that companies will be looking at. These indicate a growing awareness in the business community, as businesses are starting to get ready for this new development.

2015

Among the conferences, again in 2015 only BSR explicitly touches upon the SDGs: a how-to-implement session was held, furthermore encouraging companies to be proactive in their engagement (BSR, 2015a). There is, however, considerable development in the surveys. The 2015 BSR report says that one in three companies anticipate themselves to use the SDGs to set goals, and it is also mentioned by professionals as one of the most important external drivers of sustainability work (BSR, 2015b). The PwC report of 2015 dedicated to businesses' response to the SDGs goes much more into detail. Apart from it being noteworthy for being the first report dedicated to the SDGs and business, some facts worthy of mention are:

- the business community is much more aware of the SDGs than the public;
- 71 % of companies intend to act, but only 29 % are setting goals, and a mere 13 % have identified necessary tools;
- Even though most businesses have some kind of strategy when it comes to engagement with the SDGs, it is mostly akin to cherry-picking the ones that fit the current model of the business, rather than changing their own business model. (PwC, 2015)

2016

The year after the announcement of the SDGs they are featured at all the conferences studied. At the BSR conference, selected companies reported on their progress on implementing the SDGs into their operations (BSR, 2016a), and similar sessions dealing with best practice, integrating the SDGs with business goals, and discussing why the SDGs are relevant were held at the Sustainable Brands conference (Sustainable Brands, 2016). At GreenBiz 16 as well, sessions dealing with businesses' integration and best practice were held, but also a session similar to the ones at BSR 2015: lessons learnt from dealing with sustainable development earlier. Also, a roundtable was held on strategies relating to a SDG #12 (Responsible Production and Consumption) (GreenBiz, 2016). These goal-specific strategies were discussed also at the Responsible Business Summit, together with why and how businesses should change, as well as the required capabilities to do so (Ethical Corporation, 2016a).

In the reports, 2016 sees a positive development in that BSR reports that the respondents say that "the SDGs are informing their company's strategy more than they anticipated", with the 33 % intended action figure rising to 35 %, and another 17 % (for a total of 52 %) who have already started using the SDGs for goal setting (BSR, 2016b). Ethical Corporation reports similar results, with 46 % of business representatives stating that they intend to engage with the SDGs, and the report reiterates PwC's 2015 findings by showing that the certain goals have larger engagement than others as they lie closer to the core business activities (SDG #13 [Climate Action] and #8 [Decent Work and Economic Growth] rank highest, while #14 [Life Below Water] and #2 [Zero Hunger] rank lowest) (Ethical Corporation, 2016b).

2017

In 2017, again, all conferences feature the SDGs. However, the topics show an evolution. At the BSR 2017 conference, new topics were debated, such as financing for the SDGs, effective monitoring and evaluation, and how to avoid so-called 'SDG-washing' (BSR, 2017a). At GreenBiz 17 the focus was on gaining the tools to help companies create win-win-win solutions, such as how to combine the SDGs with GRI (GreenBiz, 2017). At the Sustainable Brands conference, familiar topics such as best practices and integrating the SDGs with strategy and brand were discussed (Sustainable Brands, 2017), closely mirroring that of the Responsible Business Summit with case studies and a session on integrating the SDGs with operations and communications (Ethical Corporation, 2017b).

The surveys also show a slightly increased commitment: BSR's survey in 2017 shows that almost twice an amount of businesses have engaged with the SDGs (30%), but the total amount of positive business representatives (including 24% intending to use the SDGs) has barely increased since 2016 (BSR, 2017b). Ethical Corporation's report feature similar data: 57% of respondents indicate that they are integrating the SDGs into their businesses, but there are also indications of the SDGs being used to just "adjust or confirm the direction of strategy" (Ethical Corporation, 2017a). KPMG reports that around 40% of businesses mention the SDGs in their corporate responsibility reports, and see this as a growing trend (KPMG International, 2017). PwC provide a more extensive view on corporate reporting and the SDGs in 2017, and share several interesting discoveries:

- 37% of the surveyed companies have selected priority goals and another 25 % mention them in their reporting;

- Goal prioritisation results in goals close to the original strategy of the company, indicating a limited transformative power as of the moment;
- Quantified goals and reporting are rare (PwC, 2017).

2018

By 2018, it can be seen that the majority of relevant topics have already been dealt with in earlier years, and new topics are not to be seen. Attention to detail seems to continue in 2018, where measurement methods, integration into communications and company-wide engagement sit on the agenda for Responsible Business Summit 2018 (Ethical Corporation, 2018a). Again, there is a move to incorporate the SDGs with other frameworks, as UNGC hosted a session at the Sustainable Brands conference on how to combine work with the UNGC principles to achieve the SDGs, and case studies meant to inspire were also featured (Sustainable Brands, 2018). At GreenBiz 18, a session which covers everything from how the SDGs impact risk and opportunity management to collaboration (GreenBiz, 2018).

Ethical Corporation is the only survey assessed in this study that has produced a report for 2018 at the time of writing, and it carries some positive results: an increased number of companies indicate that they are integrating the SDGs into their operations: 69% of large companies globally. However, only 12% out of these have reached a level of maturity where "[t]he SDGs are now integrated across departments with clear goals set" (Ethical Corporation, 2018b, p. 17). Furthermore, 49% of companies indicate that they use the SDGs as a sustainability reporting framework, with companies in Asia being at the forefront in this regard, interestingly enough. The report also reveal that SDGs #13 (Climate Action), #8 (Decent Work and Economic Growth) and #3 (Good Health and Well-Being) see the most engagement from businesses (Ethical Corporation, 2018b).

2.2 Academic literature on the SDGs and the private sector

The review summarises the academic findings regarding corporate engagement with the SDGs[8], and identify knowledge gaps. Currently, there is no clear picture of what academic research has been done to this date.

A literature search was conducted, and selected articles were reviewed using content analysis. According to Fink (2014, p. 3), a research literature review should be "systematic, explicit, and reproducible". Here, Fink's methodology was followed in a slightly altered way; the following steps were used to identify relevant literature:

1. Google Scholar, Scopus and LUBSearch were identified as search engines.
2. The search terms were decided upon: "sustainability development goals" together with terms such as "companies", "integration", "business", "private sector", "barriers", "implementation" and "review".
3. Practical screening criteria to reduce the number of hits were set to: publications in English published between 2013 and 2018.

[8] As a side note, regarding the SDGs from other aspects, research has been undertaken in scattered fields. For example, investigating the scientific basis of the SDGs (International Council for Science, 2015); quantitative models that can support national and regional policymaking (Allen, Metternicht, & Wiedmann, 2016); governance challenges (Bowen et al., 2017; Elder, Bengtsson, & Akenji, 2016); possible contradictions between the SDGs (Spaiser, Ranganathan, Swain, & Sumpter, 2017); the importance of measuring and reporting in order to attain the SDGs (Hák, Janoušková, & Moldan, 2016; Kharas & Zhang, 2014); the legal foundation of the SDGs in international law and the importance of national law (Ladan, 2018); how blockchain might be utilised to further the SDGs (Kewell, Adams, & Parry, 2017).

4. The titles of all the articles were screened. The abstracts of articles with relevant titles were read, and those dealing mainly with the private sector's engagement with the SDGs in some fashion were selected for a read-through. Opinion pieces were excluded, as their purpose is to argue for something, rather than scientific inquiry.
5. Identified articles were read through to judge which articles should be analysed in depth.
6. To make sure no relevant articles were overseen, the references sections of the identified articles were consulted.

The various combinations of search terms yielded 82 to 2 192 articles after the practical screening, on LUBSearch and Scopus. From these, 27 were selected for closer scrutiny in step 5. Out of these 10 were chosen for analysis, and step 6 yielded two more articles that were included. Apart from these 12 peer-reviewed articles, two master theses were included in advice from supervisors as being relevant to include in the study, i.e. Bonnamy (2016) and Frid (2016). The selected articles and theses are shown in Table 2-2. For a full reference, see the bibliography.

Table 2-2. Academic articles and theses reviewed

Year	Author	Title
2014	Pingeot, L.	Scrutinizing the Corporate Role in the Post-2015 Development Agenda
2016	Bonnamy, A.	(Master thesis) The integration of the Sustainable Development Goals in private sector activities – The case of Sweden
2016	Frid, G.	(Master thesis) Integrating sustainability in the core business – From global goals to local application
2016	Jones, P.; Hillier, D.; Comfort, D.	The Sustainable Development Goals and Business
2016	Malan, D.	Corporate Support for the SDGs – A South African Perspective
2016	Scheyvens, R.; Banks, G.; Hughes, E.	The Private Sector and the SDGs: The Need to Move Beyond 'Business as Usual'
2016	Verboven, H.; Vanherck, L.	Sustainability Management of SMEs and the UN Sustainable Development Goals
2017	Fleming, A.; Wise, R.; Hansen, H.; Sams, L.	The sustainable development goals: A case study
2017	Morioka, S. N.; Bolis, I.; Evans, S.; Carvalho, M.	Transforming sustainability challenges into competitive advantage: Multiple case studies kaleidoscope converging into sustainable business models
2017	Yakovleva, N.; Kotilainen, J.; Toivakka, M.	Reflections on the opportunities for mining companies to contribute to the United Nations Sustainable Development Goals in sub – Saharan Africa
2018	Axon, S.; James, D.	The UN Sustainable Development Goals: how can sustainable chemistry contribute? A view from the chemical industry
2018	Jones, P.; Comfort, D.; Hillier, D.	Common Ground: The Sustainable Development Goals and the marketing and advertising industry
2018	Sullivan, K.; Thomas, S.; Rosano, M.	Using industrial ecology and strategic management concepts to pursue the Sustainable Development Goals
2018	Yiu, L.; Saner, R.	Business Diplomacy in Implementing the Global 2030 Development Agenda: Core Competencies Needed at the Corporate and Managerial Level

The articles were reviewed using an open coding analysis method described as 'conventional content analysis' by Hsiesh & Shannon (2005): using an inductive approach and open coding of the articles to systematically identify common themes. In the following sub-sections, the results of the analysis are presented according to themes, theoretical foundations, and findings.

2.2.1 Research themes

The research themes are important to identify, since they depict what topics researchers are dedicating resources to. What immediately emerges is that the research being done is spread out over many topics; perhaps natural due to the unexplored nature of the topic. The major topics include:

- Producing or utilising case studies to explore how companies actually perceive and approach the SDGs (Bonnamy, 2016; Fleming, Wise, Hansen, & Sams, 2017; Frid, 2016; Morioka, Bolis, Evans, & de Carvalho, 2018), something that is seen as a potent methodology this early on;
- Exploration of barriers, challenges and opportunities based on theory and literary review (Morioka et al., 2018; Scheyvens et al., 2016);
- Review of skills and strategies that businesses need to consider in order to effectively integrate the SDGs (Frid, 2016; Yiu & Saner, 2017);
- Potential conflicts between the global nature of the goals and the local implementation by companies (Malan, 2016; Scheyvens et al., 2016);
- Sector-wide responses to the launch of the SDGs (Axon & James, 2018; Jones, Comfort, & Hillier, 2018).

Going beyond these it is difficult to find common themes: Pingeot (2014) explores how the private sector impacted the pre-implementation discussions; Jones et al (2016) looks at different initiatives to engage businesses; Bonnamy (2016) looks at corporate drivers for engagement; Sullivan et al (2018) tries to find commonalities between the SDGs and a managerial theory (industrial ecology); Verboven and Vanherck (2016) compare tools that can help SDG implementation in SMEs; Jones et al (2018) study marketing companies' engagement with the SDGs through analysing reports and media communication.

2.2.2 Theoretical foundation in academic literature

One purpose of the literature review was to find inspiration for an appropriate theoretical framework for this study. However, while other literature review articles on general business sustainability suggest many applicable theoretical frameworks (e.g. Connelly, Ketchen, & Slater, 2011; Engert et al., 2016; Lozano, Carpenter, & Huisingh, 2015), few of the reviewed articles explicitly utilise known theories in their academic pursuit.

Five papers make explicit references to frameworks. Fleming et al (2017) uses the so-called values-rules-knowledge theory, a decision-making theory not mentioned in the other relevant literature; Malan (2016) applies the integrative social contracts theory, which could be called an expanded 'licence to operate'-theory. Organisational theory is applied by Yiu and Sander (2017). Apart from these, Frid (2016) develop a tentative framework for evaluating and adopting the most relevant SDGs into organisations, and Sullivan et al (2018) relate the SDGs to industrial ecology.

2.2.3 Notable findings in the academic literature

The findings of the 14 studies reviewed span over a wide range of topics, not only limited to corporate interaction with the SDGs, and go into details that cannot be recounted here. Therefore, notable findings on the various aspects of corporate interaction will be focussed upon here.

Regarding business-related drivers to why companies should engage with the SDGs, using the SDGs to create some kind of increased competitive advantage (market or non-market) is the most commonly discussed driver (e.g. Bonnamy, 2016; Morioka et al., 2018; Yakovleva, Kotilainen, & Toivakka, 2017). Other drivers mentioned are those of the SDGs inspiring new arenas of investment and business development, primarily in the developing world (Frid, 2016; Yakovleva et al., 2017), attracting customers with strong sustainability values affinity (Bonnamy, 2016), moral responsibility to society and stakeholders (Scheyvens et al., 2016; Yiu & Saner, 2017), engaging with the SDGs to prevent unexpected shifts in the regulatory and legal environment (Verboven & Vanherck, 2016), and the existence of sustainability departments that drive this work internally (Bonnamy, 2016).

Opportunities are closely interlinked with drivers. One often mentioned opportunity (and requirement and challenge!) is that of new collaborations and stakeholder dialogues (Bonnamy, 2016; Yakovleva et al., 2017; Yiu & Saner, 2017), including new opportunities for research and development with those new actors (Fleming et al., 2017; Yakovleva et al., 2017). The SDGs are also observed by many as an impetus which can be used to develop already existing internal sustainability work, and that companies with pre-existing work stand to gain most (Bonnamy, 2016; Fleming et al., 2017; Frid, 2016); they can also serve to help align employees' value-systems with those of the business (Morioka et al., 2018), and even change the core business markedly in some cases (Fleming et al., 2017). Finally, another big opportunity is using the SDGs in external communications and marketing, to seek proper recognition and differentiation from other firms for the organisation's sustainability work (Bonnamy, 2016).

Challenges in engaging with the SDGs was another common topic; not surprising as environmental work in organisations has traditionally been seen as a detractor from value creation (Porter & Kramer, 2011). Some authors fundamentally challenge the notion that businesses can contribute to sustainable development, due to corporate ills such as short-termism, devotion to profit, and its history of doing harm (Malan, 2016; Pingeot, 2014; Scheyvens et al., 2016).

Even if one 'believes' in businesses' abilities, some more general challenges are observed:

- Difficulty to access relevant information and knowledge for implementation (Fleming et al., 2017; Frid, 2016);
- Difficulties in connecting the SDGs to core activities (Fleming et al., 2017; Malan, 2016);
- Internal resistance to change (Bonnamy, 2016; Yiu & Saner, 2017);
- Proper monitoring (Jones et al., 2016);
- Translating the SDGs into business goals (Fleming et al., 2017; Malan, 2016; Yakovleva et al., 2017);
- Lack of proper regulatory regimes (Scheyvens et al., 2016);
- Lack of sector-wide responses and the need to support companies through industry networks (Axon & James, 2018; Jones et al., 2018).

The truly large challenge, according to Jones et al (2016) and Yiu and Saner (2017), is the disruptive implication the SDGs can have on the core business and the need for systemic transformation to address this.

Apart from challenges, the integration of the SDGs pose requirements on companies; the capability of multi-stakeholder dialogues, skilled and value-driven employees that are capable of taking responsibility are required to succeed, as well as clearly stating the values that drive the organisation and its employees (Fleming et al., 2017; Morioka et al., 2018; Yiu & Saner, 2017). The SDGs can also serve as a framework platform for this communication (Bonnamy, 2016), which has to be transparent and contain relevant information (Yakovleva et al., 2017; Yiu & Saner, 2017). Another important capability is the ability to translate the SDGs into relevant and coherent goals for the organisation (Bonnamy, 2016; Frid, 2016; Yiu & Saner, 2017).

Several neutral observations of different kind about the engagement of the private sector are also made in the literature. As can be expected, it has been observed that businesses tend to select goals closest to the core activities (Bonnamy, 2016; Fleming et al., 2017; Frid, 2016), something which is encouraged by the SDG compass; on the opposite side, some companies have actually tried to relate their activities to as many goals as possible (Frid, 2016). Related to this, some research suggest that companies can have more impact on certain SDGs and therefore should focus on them initially (Sullivan et al., 2018; Verboven & Vanherck, 2016).

While the SDGs are important, it has been observed that they usually do not serve as the deciding factor for companies on whether or not to engage in sustainability (Bonnamy, 2016). For some businesses, especially in the emerging economies, sustainability will for the time being be seen as an 'extra' thing to do (Scheyvens et al., 2016). Indeed, this may not only be restricted to emerging economies, as it has been found that some companies that made commitments at the launch of the SDGs have not managed to deliver on those so far (Jones et al., 2018). It has also been observed that a new rhetoric regarding the role of businesses in sustainable development has gradually emerged and has become very prominent with the advent of the SDGs, something which is underscored by the prominent position of the private sector in the consultations it was part of discussing the post-2015 agenda (Pingeot, 2014; Scheyvens et al., 2016).

2.3 Research gaps

The academic literature reviewed mentioned surprisingly few topics that need to be explored regarding corporate interaction with the SDGs. Exploring country-specific data and performing international comparison (Bonnamy, 2016; Yakovleva et al., 2017), looking into effective external communications on the SDGs (Frid, 2016), and investigating the true possibility of the private sector to contribute to sustainable development (Scheyvens et al., 2016) were identified. Apart from these, the author identified a host of other topics through the literature review (of which the second is explored in this study):

- What can be learnt from the plethora of case studies available already;
- Developing generally applicable knowledge on how to integrate the SDGs into businesses based on experiences of the companies who have advanced the furthest;
- The state of integration amongst SMEs, and how they view the goals;
- Quantitative assessment of the implications of the SDGs on businesses in different sectors and how affected businesses deal with this enigma.

2.4 Timeline of company engagement with SDGs at the international level

Here, a synthesized picture of how companies have dealt with the SDGs from 2013 until 2018 is presented with an international scope.

Before 2015, corporate engagement mainly took the form of being present in the consultation phase, in other words by lobbying, mainly through interest organisations rather than as single entities, trying to forward its interest for the post-2015 agenda (Pingeot, 2014). For example, businesses underlined how important it is to encourage "growth" for the new agenda to work (UNGC & UNIDO, 2014). Outside of these consultation arenas, businesses focussed on trying to understand the ramifications and opportunities of the agenda (BSR, 2014a).

In the year of the launch, 2015, businesses became a responsible party for sustainable development (Malan, 2016), and the SDGs had sailed up as the topic businesses saw as the most important new sustainability-related topic of the year (BSR, 2015b). Many businesses expressed intent to integrate the SDG in some way, as seen in BSR's conference and PwC's report (BSR, 2015a; PwC, 2015). However, many still had no clear picture of how to translate the SDGs to actionable company goals, and the SDG Compass was released the same year to support the integration process (UNGC et al., 2015).

By 2016 the SDGs had become a common theme in sustainable business conferences, with focus on required capabilities and sharing best practices of the companies leading the way. It is also clear that globally many large corporations are exploring how to relate to the goals, with almost one fifth of surveyed MNEs having commenced initiatives (BSR, 2016b). This increased engagement can also be seen in published research papers investigating the private sector's actions, motivations and barriers. In 2016 there was a clear increase in the number of articles, which also reveals that this was a pivotal year. Since 2016, some sector-wide work has also been seen, beginning with Global System for Mobile Communications Association (GSMA) for the IT and communication sector (GSMA, 2017). While this is positive, many sectors are seemingly lagging behind, as some academic researchers are calling for more such work (Axon & James, 2018; Jones et al., 2018).

In 2017 and 2018, many businesses have started to actively engage with the SDGs in some way, but the private sector as a whole across the globe is a mosaic; the surveys reveal that there are many frontrunners, but even more laggards, even among large companies. Still, it should be acknowledged that corporate understanding of the goals has been evolving, as can be seen by the SDGs becoming a staple at related conferences; the seminar topics are progressively delving into more detailed and technical territory as well. This is reflected in the academic literature as well, where case studies, analyses of necessary capabilities and papers questioning sector-wide responses are published. Still, at the time of writing, no clear trends in the direction of academic questioning can be discerned. What is clear, though, is that the academic questioning is considerably more cautious in its expressions when it comes to determining how well companies are doing in integrating the SDGs, compared to the survey reports.

While progress is constant, the spread of knowledge on how to integrate the SDGs will take time, and is featured time and again in various conferences. In response to the increased activity, several more services have been developed in order to help companies improve on their work with the SDGs, such as the tools provided by Trucost (Trucost, n.d.), PwC (PwC, n.d.) and Alliance Trust Investments (PRI, 2016): these tools and initiatives help companies to map their business against the SDGs and project costs and returns associated with investments and international progress on the goals.

The above narrative can be presented visually as in Figure 2-2. The right axis shows time progressing from bottom to top. The bubbles in the diagram show the relevant research themes that have been explored. In the middle, the extent and topics of business engagement have been depicted with different colours representing different arenas. The increasing width signifies increased engagement. This entire process can be seen as the private sector collectively responding to the normative pressures from the international community and trying to understand what will be needed from private enterprise in the future (DiMaggio & Powell, 1983).

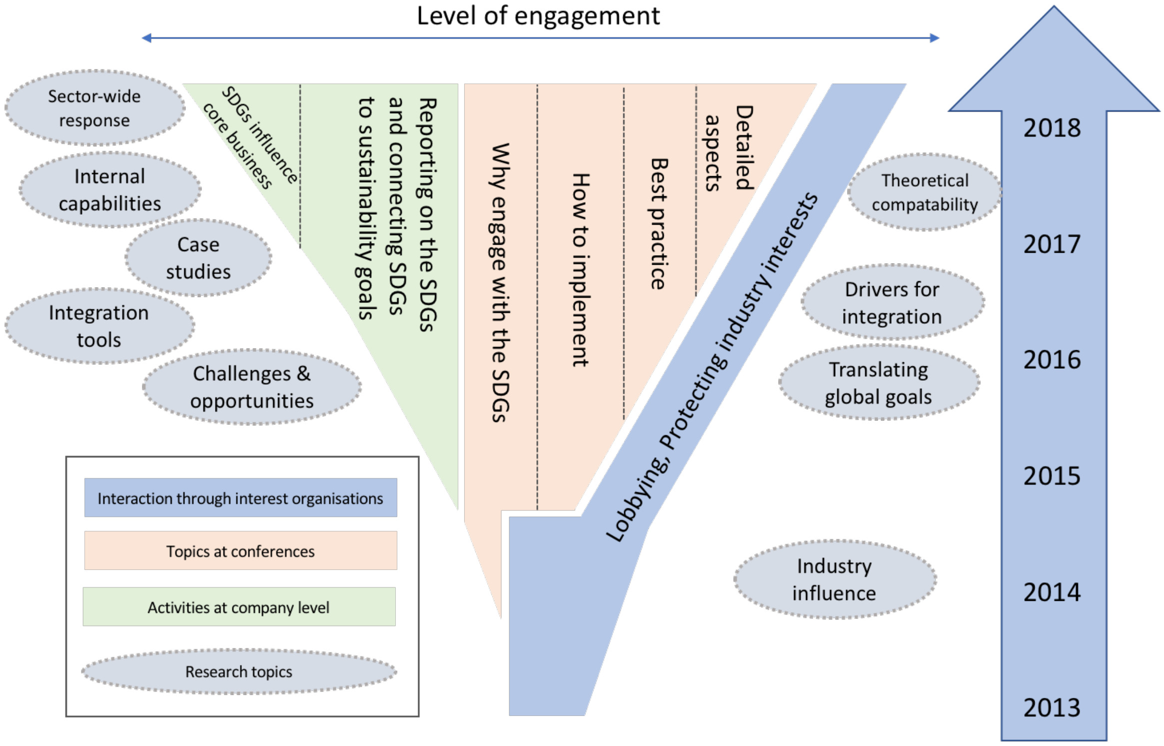


Figure 2-2. Evolution of company engagement with the SDGs

Source: Created by author

Note: This is an illustration of the private sector's increased engagement with the SDGs. The bubbles show relevant research topics, and the cone in the middle signifies increased engagement with increased width (there is no difference in whether it goes left or right), as well as what type of action has been engaged at what time.

2.5 Theoretical framework

In order to inform the creation of the interview guide and serve as the framework of the hypotheses in Chapter 1 and the discussion in Chapter 5, three theoretical frameworks were consulted. The SDGs do not provide a regulatory regime that companies have to act upon. Therefore, other factors than coercion will guide engagement. These frameworks help to explain the results of the study. There is no intention of using the results to improve on existing theories.

There is a plethora of theories available to describe why companies do what they do, ranging from theories focussing on external pressures, to theories focussing on internal resources or population-based models for explanation. When it comes to companies acting in a sustainability context, many of these are relevant. From the point of studying sustainability from a marketing perspective, Connelly et al (2011) mention transaction cost economics, agency theory, institutional theory, organisational ecology, resource dependency theory, resource-based view of the firm, upper echelons theory, social network theory, and signalling theory as the main theories of interest. These are all relevant when discussing sustainability from a general perspective as well. There are more theories of interest available, such as: stakeholder theory, where the environment can be seen both as a stakeholder the firm needs to take into account and something other stakeholders hold them accountable for (Mitchell, Agle, & Wood, 1997), and a developed version of the resource-based view of the firm: the natural-resource-based view of the firm, which treats the environment as an important resource (Hart, 1995).

Herein, the institutional theory, the resource-based view of the firm (RBV) and the upper echelons theory were deemed to be of most interest in explaining how and why companies engage with the SDGs practically. They are described briefly below.

2.5.1 Institutional theory

Institutional theory's main premise is that companies need to efficiently navigate an environment involving external pressures from regulators, in order to gain legitimacy (Connelly et al., 2011). Institutional theory is based on the idea that institutional pressures in forms of rules, regulations and conformity to norms will tend to make organisations evolve in a direction which makes them similar in structure and in the actions they undertake, as they strive for social legitimacy (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). Specifically what is studied here is areas where institutional pressures are large; in a free market environment, other elements would affect organisations to develop in other ways (DiMaggio & Powell, 1983).

DiMaggio & Powell (1983) introduce the concept of isomorphism, which means that different units tend to develop to resemble each other under certain environmental pressures. They talk about three kinds of isomorphism:

- 'Coercive isomorphism' relates to change due to "both formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function" (DiMaggio & Powell, 1983, p. 150). In other words, this means regulation (be it pollution control or accounting principles), or social norms in the specific society (such as how breaks are planned) will force organisations to act in a certain way. The corporate action on environmental pollution in the 1960s (as explained in Chapter 1.1), was clearly driven by this pressure.
- 'Mimetic processes' is of relevance when there is uncertainty concerning how to solve a problem; the organisation will then tend to mimic what other organisations with a high level of legitimacy have done before them. If a company is not sure of upcoming regulation, or an environmental problem happens on-site, it might look to its peers to see how they responded in similar situations.
- 'Normative processes' refer to how the educational base of professionals and the networks that are developed by them encourage mutual learning and copying, leading to isomorphism. A tangible example of this would be the conferences referenced in

Chapter 2.2, which serves as an arena for bringing home learning from peers on how to work with the SDGs.

Oliver (1991) criticises the above view as being guided by predominantly preconscious views of society, where the organisation is passive in making choices. This is likely to have changed in today's world. Oliver modifies the theory by incorporating resource dependency theory, to create a view of how companies act when responding to the external environment where the organisation is not as passive as the one described by DiMaggio & Powell (1983), but rather actively acting to remediate the effects imposed by the external environment (Oliver, 1991). In this new view, Oliver suggests 15 possible ways for companies to react to the external pressures, where the traditional institutional theory viewpoint would be one of the first three responses.

Table 2-3. Strategic responses to institutional processes

Strategy	Tactics	Typical actions
Acquiesce	Habit	Following invisible, socially taken-for-granted norms
	Imitate	Mimicking institutional models
	Comply	Obeying rules and accepting norms
Compromise	Balance	Balancing the expectations of multiple constituents
	Pacify	Placating and accommodating institutional elements
	Bargain	Negotiating with institutional stakeholders
Avoid	Conceal	Disguising nonconformity
	Buffer	Reducing insight by institutional actors
	Escape	Changing goals, activities, or domains
Defy	Dismiss	Ignoring explicit norms and values
	Challenge	Contesting rules and requirements
	Attack	Assaulting the sources of institutional pressure
Manipulate	Co-opt	Importing influential constituents
	Influence	Shaping values and criteria
	Control	Dominating institutional constituents and processes

Source: Adapted from Oliver (1991), p.152

Oliver then suggests several hypotheses about corporate behaviour, of which the important ones for this study are:

Hypothesis 1: The lower the degree of social legitimacy perceived to be attainable from conformity to institutional pressure, the greater the likelihood of organizational resistance to institutional pressures. Since the SDGs are not a regulatory measure, the level of adoption partially depends on how important the company sees them for gaining social legitimacy.

Hypothesis 2: The lower the degree of economic gain perceived to be attainable from conformity to institutional pressure, the greater the likelihood of organizational resistance to institutional pressures. If a company can link their work with the SDGs to economic gain, this increases the likelihood of engagement.

Hypothesis 5: The lower the degree of consistency of institutional norms or requirements with organisational goals, the greater the likelihood of organizational resistance to institutional pressures. The more related the current work of the organisation is to the SDGs, the easier it will be to integrate them.

Hypothesis 9: The lower the level of uncertainty in the organization's environment, the greater the likelihood of organizational resistance to institutional pressures. The more certain the organisation can be of how the SDGs dictate the future landscape it has to navigate, the higher the probability that it will engage with them.

2.5.2 Resource-based View

The main premise of the resource-based view (RBV) is that creating competitive advantage is not only based on navigating the market; internal resources are necessary to develop competitive capabilities. This theory was developed to contrast the focus on external factors in shaping strategy in the 1980s, exemplified by Porter's 'five forces model' (1979) (Barney, 1991; Hart, 1995). The resources highlighted in RBV refers not only to financial capital, but "include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm" (Barney, 1991, p. 101).

The basic premise of RBV is that companies try to achieve 'sustained' competitive advantage, i.e. advantage that lasts over time (Barney, 1991). For this purpose, companies' resources must be:

1) valuable (i.e. the resources must be able to generate value and opportunity, and remove barriers and threats in the market environment);
2) rare (i.e. not many actors possess the same resources);
3) inimitable (i.e. it is difficult to imitate, copy, or develop the resources generating competitive advantage, or it is difficult to identify exactly what is generating it); and
4) non-substitutable (i.e. it is difficult to substitute the resource with another one that could provide a similar function).

Company strategy should aim at producing the circumstances where these characteristics are attainable (Barney, 1991; Hart, 1995). Linking to sustainability, it can be one such venue where differentiation can be produced (Connelly et al., 2011).

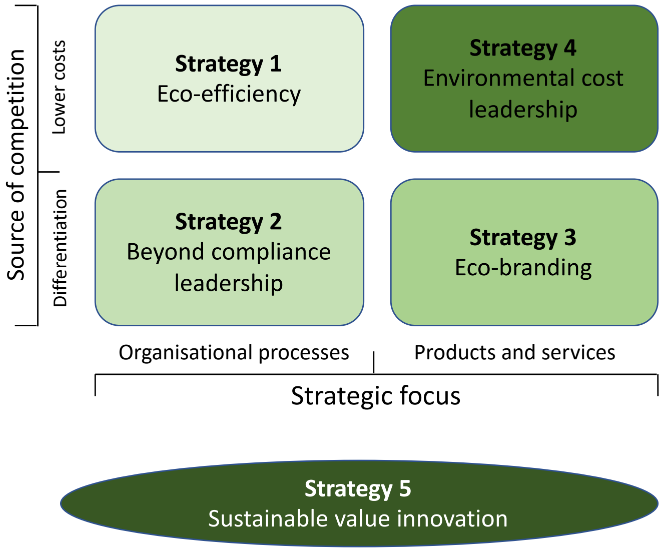
Hart attempts to update RBV to remedy the following: "this theory [...] still contains one serious omission: It systematically ignores the constraints imposed by the biophysical (natural) environment" (Hart, 1995, p. 986). Hart states that "it is likely that strategy and competitive advantage in the coming years will be rooted in capabilities that facilitate environmentally sustainable economic activity—a natural-resource-based view of the firm" (Hart, 1995, p. 991). From this, he develops a framework with three main strategies (Table 2-4). It is important to note that Hart sees these strategies as important from both an internal and external perspective: internally they increase competitiveness, and externally they heighten the legitimacy of the company. Hart foresees that when companies undertake environmental work, its legitimacy will increase over time.

Table 2-4. Conceptual framework for natural-resource-based view of the firm

Strategic capability	Environmental driving force	Key resource	Competitive advantage
Pollution prevention	Minimise emissions, effluents and waste	Continuous improvement	Lower costs
Product stewardship	Minimise life-cycle cost of products	Stakeholder integration	Pre-empt competitors
Sustainable Development	Minimise environmental burden of firm growth and development	Shared vision	Future position

Source: Adapted from Hart (1995), p.992

Orsato (2009) further develops these strategies, and offers a holistic picture of the different strategies companies can take when they integrate environmental strategies into their core business, utilising RBV with some of the insights of Porter on competitive advantage, namely that of product differentiation and cost-efficiency. It is important to note that Orsato points out that any strategy decision made will include a trade-off; one cannot do everything, since resources are limited.



Source: Adapted from Orsato (2009), p.30,38

Table 2-5. Orsato's five environmental strategies for companies

Strategy	Summary
Eco-efficiency	Traditional pollution control and energy efficiency in organisational processes, which also lead to improved cost control and profitability.
Beyond compliance leadership	Attempts at going beyond regulatory compliance, to become a leader on environmental work in the sector. The aim is to induce stricter regulation that will leave competitors behind, or appeal to consumers.
Eco-branding	Adopting a price premium on goods and services with an environmental benefit and attempting to secure customers through this.
Environmental cost leadership	Combining lower-cost production of goods or services than those of the competition, while attaining a lower environmental impact per unit.
Sustainable value innovation	An attempt at creating a new unique value proposition or business model which appeals to consumers or customers while simultaneously reducing environmental impact. This is a type of strategy that goes beyond the typology described by Hart (1995) and integrates sustainability into the core business strategy of the firm.

Source: Adapted from Oliver (2009)

2.5.3 Upper echelons theory

The upper echelons theory is a theory which in a nutshell states that organisational outcomes are a result of the decision-making in the upper echelons (=upper management) (Connelly et al., 2011). This theory was mainly put forward by Hambrick and Mason (1984), who, based in a sociological and psychological view, posits that upper management decision-making is limited based on "bounded rationality, multiple and conflicting goals, myriad options, and varying aspiration levels" (Hambrick & Mason, 1984, p. 194). In other words, it recognises that organisations and their decisions are not necessarily rational, and that it might seem like such decisions regarding external pressure and internal resource development is easy. In reality, the management who makes the decisions is limited in their perception, and their belief system and educational background severely influences the decision process.

For the purpose of this study the following insight is brought along: the upper echelons theory states that the belief system of the upper management of firms will impact greatly how companies approach the SDGs, and might influence how the staff will work with them practically as well.

2.5.4 Synthesis of theoretical framework

A visual representation of different forces acting upon the sustainability strategy of the firm is shown in Figure 2-3. The main external forces are pressure from institutions, social and institutional norms, and the imitation of peers. On the internal side, the character of the upper management, the organisation and business strategy of the company, accumulated internal knowledge and sustainability personnel, ongoing work in terms of following regulation, finding new business opportunities and managing risk, and the development of products and services, will influence the sustainability strategy.

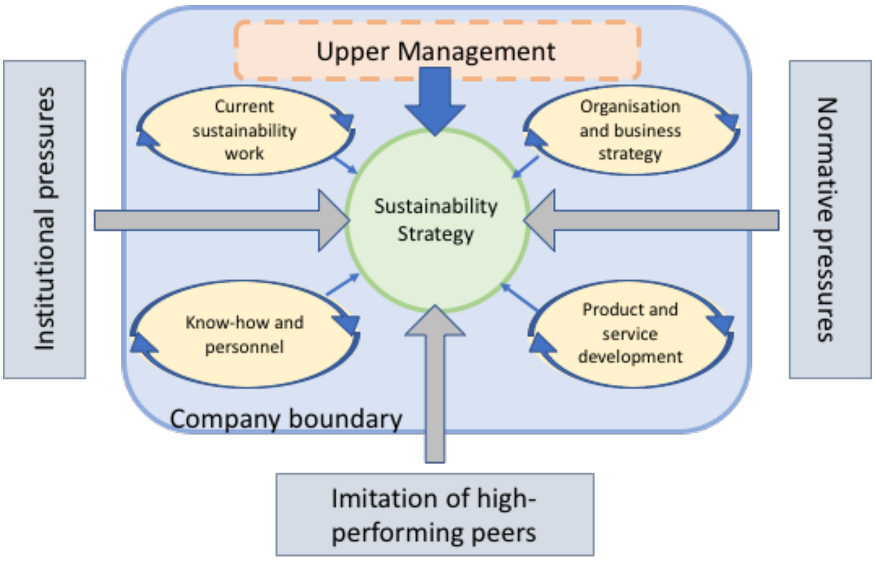


Figure 2-3. Synthesised view of the firm based on institutional theory, RBV and upper echelons theory

Source: Created by author

3 Method

In this section a clarification of the methodology used to conduct the research is explained. Two main research methods were used, following a so-called explanatory sequential mixed methods approach (Creswell, 2014): a content analysis of annual reports and sustainability reports to create quantitative data, which was then used to inform the selection of companies for interview and the creation of an interview guide. Interviewing was chosen as the main methodology of the study, as the topic is new and not much is known about the integration of the SDGs in companies, and therefore it is difficult to access other types of data. The report analysis and literature review were mainly used to answer RQ A., and the interviews with company representatives to answer RQs B. and C.

3.1 Report analysis

3.1.1 Scope of analysis

The companies on the Swedish Large Cap were chosen for report analysis. This was done to paint a general picture of corporate engagement with the SDGs by the large players in Sweden. Documents written for an external audience such as reports could be criticised for giving a biased view of corporate activities (in other words, that companies are engaging in 'SDG'-washing), but research suggests that reporting on issues tend to spill over into actual change in organisations, and that reporting companies are more likely to be champions of sustainability (Engert et al., 2016; Hsueh, 2017; Morioka & de Carvalho, 2016; Topping, 2012). Other research suggests that this is not necessarily true in all cases (Matisoff, Noonan, & O'Brien, 2013), but here the decision was taken to use that information to select companies anyway.

The 2016 and 2017 annual reports and sustainability reports of each company on the Stockholm Stock Exchange Large Cap were retrieved from the companies' websites. All of the reports except one were available in English. From these a library was created in NVivo, and they were subsequently analysed using a framework created by the author (described in this chapter). This framework can be seen as a kind of 'directed content analysis' (Hsieh & Shannon, 2005): first an analytical framework was constructed with criteria to attempt to judge how far the company had come in its work with the SDGs, and throughout the analysis additional angles were added as they were encountered in the reports.

The decision was made to primarily focus the study on the 2017 reports, as that would provide a snapshot of where Swedish companies were at the end of 2017. However, 2016 reports were briefly studied as well, to note how much each company had progressed in their reporting practices.

Many of the companies are choosing to report in a so-called 'integrated report' (IR)[9], in which case the sustainability report (SR) is integrated in the annual report (AR); indeed, in 2017 65 out of the 94 companies (69%) utilised the IR format. In the case of separate reporting, the SR was the main target of analysis, and the AR was only referred to see whether the SDGs were referenced in the CEO statement.

[9] IR is a way to overcome the dominant position of the financial information and increase the relevance of non-financial information, and has been increasingly used as of late (Reimsbach, Hahn, & Gürtürk, 2018). Some shadow of doubt is cast on whether or not IR actually increases the importance of non-financial information in investor behavior, but it seems that investors in general seem to consider sustainability-related information to a relatively high degree irrespective of its format (Reimsbach et al., 2018).

It should be noted that the companies on the Stockholm Large Cap are categorised into: Basic Materials, Consumer Goods, Consumer Services, Financials, Health Care, Industrials, Oil & Gas, Technology, and Telecommunications. Some modifications were made to this categorisation to make the results easier to survey, based on the companies ICB-codes[10].

- Real estate was separated from financials as the real estate and other financial service companies showed very different tendencies;
- Since there is only one company in the oil & gas sector (Lundin Petroleum), it was moved to basic materials;
- The companies in the technology and telecommunications sectors were few and had similar profiles, so they were joined into one sector.

3.1.2 Analytical framework

The reports were analysed according to the analytical framework described below, with most categories yielding a 'yes' or 'no' answer. Examples for each category are given in the results section. Thus, no deeper analysis was undertaken to analyse aspects such as the semantics or frequently recurring phrases, or investigating the news flow or other company documents in order to determine the degree of truth in the reports.

A point-system was conceived of, which had the purpose to preliminarily rank the companies in how good they are at reporting on the SDGs. The points given for each category is mentioned under the headings. This exercise does not intend to rank the companies according to how well they integrate the SDGs in reality, but to compile a list with companies prioritised for interview. The maximum number of points that can be given is 15 points. The data created from this analysis will be used to answer RQ A, as well as inform the interview selection process.

No mention of SDGs

If the SDGs were not mentioned in the sustainability report or the annual report, the company was removed from the study.

General description of SDGs (1 point)

An overview of the SDGs was given, describing them in general, touching upon purpose and the UN's role. A mere mention of the SDGs without any explanation of them did not yield a point.

Separate chapter on SDGs (1 point)

The SDGs were given a separate chapter or heading where they were clearly the main topic.

Specific SDGs selected (1 point)

The company had selected specific SDGs that they intended to focus on to maximise impact.

[10] "Industry Classification Benchmark (ICB) is a globally recognized standard, operated and managed by FTSE Russell for categorizing companies and securities across four levels of classification" (FTSE Russell, n.d.), and is used by Nasdaq for subcategorisation of securities at the Stockholm Stock Exchange too.

Specific targets selected (2 points)

The company had selected targets that they intended to focus on to maximise impact. Two points were given since it was deemed that this is a strong indicator that the company has a deeper understanding of the SDGs.

SDGs referred in CEO statement (1 or 2 points)

The SDGs were mentioned in some way in the CEO statement. If the CEO touched upon the SDGs in the IR (or the AR in the case of separate reporting), two points were given since it was deemed that this is a strong indicator of dedicating resources. If they were only mentioned in the SR, 1 point was given.

SDGs integrated in sustainability strategy (1 point)

Indications or explicit references were made on the SDGs being integrated in the company's sustainability strategy, or are expanding the scope of the sustainability work.

SDGs integrated with other business aspects (2 points)

Indications or explicit references were made on the SDGs being integrated with other aspects than the sustainability strategy in the company. In other words, the SDGs were mentioned in some context outside of sustainability work, such as business areas or stakeholder dialogue[11]. This is seen as a strong indicator that the company is dedicating resources engagement with the SDGs.

SDG KPIs (1 point)

Key performance indicators (KPIs) had been set up to measure the impact the company was having on the selected goals. It should be noted that this can be slightly ambiguous, as many companies indeed had sustainability-related goals since before that feed into the SDGs in some manner. If the KPIs showed no clear connection to the SDGs, no point was given.

Core business activities affected by SDGs (2 points)

Indications or explicit references were made to investment/divestment decisions, or new products/services being developed due to the company's engagement with the SDGs. Two points were given since this is seen as a strong indicator that the company is dedicating resources engagement with the SDGs.

Potential negative impacts mentioned (1 point)

The company mentioned that its current activities were having or might be having a negative impact on attaining some of the SDGs. This is important, since one important aspect of

[11] It could be questioned if it is proper to separate sustainability strategy and business strategy as it has been done here, or whether or not if it is proper to include stakeholder dialogue under "other business aspects". This separation was done to try to separate companies that primarily focus on the SDGs from a sustainability point of view, and those that see them as something that will need to be incorporated in all aspects of the business.

engaging with the SDGs it to not only aim at contributing positively, but also minimise negative impact (WBCSD, 2018).

Externally verified (1 point)

An external audit is a way to control the quality of the content that is being reported, and heightens the probability of the information being truthful (Carrington, 2014). It was recently highlighted that the proportion of companies on the Swedish Stock Exchange whose sustainability report is audited has been sinking (Stiernstedt, 2018). During the analysis, it was noticed that the auditor's report on the sustainability report was of varying extent in how much they verified (some only covered the GRI reporting part, whereas others covered the entire content). Nevertheless, if some kind of audit was made, 1 point was given. As this was taken to be one among many indicators, the scope and quality of the audit was not considered, even though evidence has been found that the audit performed on non-financial data is not as rigorous as that of financial data (Reimsbach, Hahn, & Gürtürk, 2018).

Signatory of UN Global Compact (1 point)

The UNGC yearly requires a communication on progress from the signatories. In this communication, the UNGC has started including questions on companies' work with the SDGs (UNGC, 2016), which induces UNGC participants to take a stance on the SDGs.

Mode of description

Crilly et al (2016) state that organisations that implement sustainability practices and strategy consistently talk specifically about their work, while companies that do not 'walk the talk' make more sweeping claims. However, there was not sufficient time to operationalise this to working level for the purpose of this study. Therefore, while notes were taken, no points were given.

3.2 Interviews

After the report analysis, in-depth interviews with sustainability managers in 10 companies were done. The data from this exercise was used to provide insights on RQ B and C.

3.2.1 Selection of interviewees

Companies to be interviewed were chosen according to a scoring system devised based on the report analysis. Companies not mentioning the SDGs and investment companies were not considered in the selection process (investment companies were excluded, since when they were mentioning the SDGs, they did it mainly to highlight how their investments were helping to attain the goals), resulting in a long-list of 62 companies.

Due to time constraints, the author aimed at interviewing five to ten companies. Companies were contacted in the order of the higher to lower points based on the report analysis. According to the score, companies were assigned a contact priority level, as indicated in Table 3-1: high (eleven companies), medium (ten), and low (ten) (see Chapter 4 for the analysis that produced this list, and Appendix VI for a detailed sheet containing the analysis). As long vacations are commonplace at Swedish companies during summertime, preparations were made to contact up to about 30 companies.

Table 3-1. Priority list of companies for contact regarding interview

Point range	Priority	Companies
9-13	High	AAK AB, AstraZeneca PLC, Ericsson, Sandvik AB, Skanska AB, SKF AB, Stora Enso Oyj, Svenska Handelsbanken, Swedbank AB, Telia Company AB, Trelleborg AB
7-8	Medium	BillerudKorsnäs AB, Fingerprint Cards AB, ICA Gruppen AB, JM AB, Nordea Bank AB, Skandinaviska Enskilda Banken, SSAB AB, Tieto Oyj, Volvo AB
6	Low	Ahlstrom-Munksjö Oyj, ASSA ABLOY AB, Axfood AB, Bonava AB, Electrolux AB, Essity AB, Hennes & Mauritz AB, HEXPOL AB, Modern Times Group MTG AB, Munters Group AB

The companies' sustainability divisions were contacted in the order of the list to ask for an interview. When the emails of the managers were publicly available, personal emails were sent; when they were not available, an email was sent to the general inquiry address for sustainability issues. Together with the email, a request letter was attached (see Appendices II and III).

It was decided in consultation with the supervisor to only talk to the sustainability managers, and not people from other departments. There have been studies were people from other departments have been interviewed as well in order to determine how far the sustainability efforts have spread (e.g. Garayar et al., 2016), but due to the time constraints and difficulty of setting up a sound methodology to control for bias, this approach was abandoned.

3.2.2 Interview guide

An interview guide was created, with the aim of answering the RQs and testing the hypotheses described in Chapter 1, based on the theoretical frameworks described in Chapter 2.3, the results of the report analysis (Chapter 4.1), and the operationalisation of the concepts in Chapter 1.2. The main purpose of the interviews was to understand the practical work behind integrating the SDGs, and to deem the "meaningfulness" of the integration. As mentioned in Chapter 1.2, "meaningful engagement" means engagement that has improved strategy from a sustainability point of view.

The questions were determined in discussions with the supervisors. An internal interview guide was created both in English and Swedish, as some interviewees preferred English. A simplified version of these were sent to the interviewees before the interview. See Appendices IV and V for the interview guides.

3.2.3 Performing the interviews

The interview took the shape of semi-structured format, as the author is knowledgeable about the topic, but was not sure of what answers might surface (Gubrium, Holstein, Marvasti, & McKinney, 2012); the interviews mostly followed the pattern of the interview guide, but the order of the questions was sometimes rearranged during the interviews to allow for a natural flow. Furthermore, care was taken to not ask leading questions and interviewees were in most cases not prompted to respond regarding a certain aspect of the questions and were allowed to talk freely. For example, when asked about the reasons for engaging with the SDGs, the interviewer did not ask: "Was adding transparency to your sustainability work also a driver for introducing the SDGs in your organisation?"; instead, when no more reasons were thought of, the interview moved on to the next question. This was done to judge better what the interviewee considered the most important aspects and not introduce the bias of the author's expectations.

The interviews spanned 30-60 minutes; four were made in person, and six were made over the phone. In-person interviews tended to last slightly longer. All of the interviews were recorded and transcribed, for posterity and triangulation. Transcription and consolidation of notes were done as soon as possible after the note to reduce the risk of misinterpretation of the results. Before the finalisation of the report, the answers recorded in the results sections were checked by the interviewees, to reduce the risk of misinterpretation and misrepresentation of the answers.

3.2.4 Interview analysis

The statements given in the interviews were categorised first according to the interview guide and were then further grouped into themes that were deemed to reflect different aspects of the companies' engagement with the SDGs. The answers were then analysed and discussed in Chapter 5, and were juxtaposed using the hypotheses posited in Chapter 1 and the results of the literature review in Chapter 2.

3.3 Validity

Validity, or the 'correctness' of the inferences drawn from the research, can be threatened by internal and external factors. Internal threats refer to such factors that relate to conducting the study by the researcher (e.g. respondents give untruthful recounts, or the researcher does not behave in a neutral manner), and external threats refer to inaccurate inferences from the research data (Creswell, 2014). In this research, the two are controlled for in the following way.

Triangulation for internal validity was done through sending the interview results to the interviewees to check that there were no misrepresentations or misinterpretations done by the author in presenting the results. In order to check for external validity, rival theories were used to design the data collection method and interpret the results.

4 Results

In this chapter, the results of the report analysis and interview survey are presented.

4.1 Report analysis

Out of the 94 companies on the Large Cap, 32 companies were excluded from the analysis, as their integrated report (IR) or sustainability report) SR did not mention the SDGs. The remaining reports of the 62 companies studied were judged according to the framework presented in the previous Chapter. Figure 4-1 shows the distribution of the number of companies that satisfied the different categories in 2017. A deep-dive into the results for each category follows in Chapter 4.1.1. As stated earlier, 69% out of all companies employed IR. Out of the 62 included companies, 46 applied IR (74%), and there was no clear trend among top performers in this aspect.

The four most common characteristics of the reporting regarding the SDGs were 1) companies were signatories of the UNGC (55 companies), 2) a general description of the SDGs was provided (53), 3) SDGs that the company can impact were selected (54), and 4) the sustainability report was externally verified (46). On the other hand, categories that imply deep integration or practical utilisation of the SDGs, such as the core activities being affected, or selecting specific targets were extremely few, and were featured in four (4.3%) and six (6.4%) reports respectively.

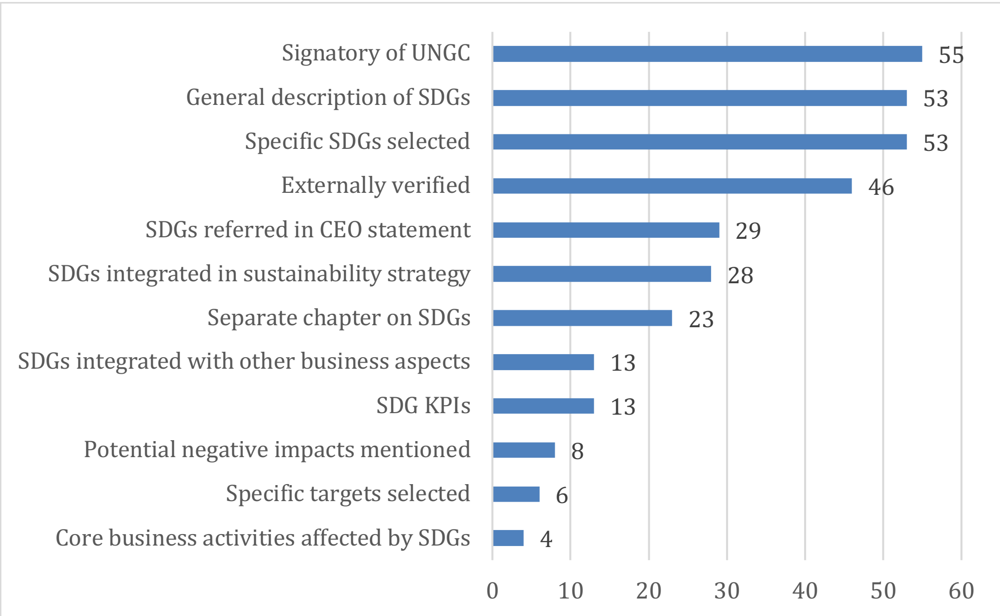


Figure 4-1. Number of companies fulfilling the criterium in each of the 12 categories set

Note: A chart of how many of the 62 companies 'scored' a point in each of the categories of the report analysis following the framework set up in Chapter 3.1. The raw analysis data that was used to produce this chart can be found in Appendix VII.

4.1.1 Trends in each category of analysis

Below follows a brief description of observations made during the analysis for each of the categories, except for those of "Signatory of UNGC" and "Externally verified", as those did not provide any variations between companies.

General description of SDGs

Nearly all of the companies that did write about the SDGs in some way did also include a more or less comprehensive description of the SDGs. Air treatment company Munters provides an example which describes the SDGs in a few words, touching upon their overarching aim and responsibilities.

> *"In 2015, heads of state and government from the UN's 193 member countries signed the 17 global goals for sustainable development known as Agenda 2030. For these global goals to become reality by 2030, all parts of society – governments, organizations, the business community, the public sector and private individuals – must get involved and contribute." – Munters 2017 Annual Report, p.20*

Others mentioned the SDGs but did not explain them, such as outdoor product manufacturer Thule, and were not counted.

> *"We undertake strategic, long-term initiatives in line with the United Nations' 2030 Agenda for sustainable development, which was adopted by the UN's general assembly in 2015 and which all member countries signed up to." – Thule 2017 Annual Report, p.12*

SDGs referred in CEO statement

Almost half (29 out of 62) of the analysed companies included a CEO statement that referred to the SDGs. Out of these, 15 mentioned them in the IR or AR, and the remaining 14 in the SR. The majority of the companies in this category coincided were the same as those that scored highest overall, or 21 of the 31 highest scoring (above '6' in total score).

The manner of mentioning the SDGs varied greatly. Many companies causally mentioned the SDGs, such as ball bearing manufacturer SKF.

> *"We now step up our efforts to contribute to the UN Global Compact and the Sustainable Development Goals." – SKF 2017 Annual Report p.8*

Other CEOs spent more effort on elaborating the goals, such as cosmetics company Oriflame's CEO, who offered some more insight on their strategical work with the SDGs in the CEO statement.

> *"When revamping our Sustainability strategy in 2018, I hope to see some engaging long-term goals that guides us towards contributing to both the UN Sustainable Development Goals as well as challenge ourselves to sustain the forefront position we have in our industry." – Oriflame 2017 Sustainability Report, p.6*

Here, it serves to emphasise that not reporting on the SDGs is not equal to not dedicating efforts to sustainability efforts. For example, technology solutions provider ABB ranked low with a total of 4 points, but it is clear from their report that they take sustainability very seriously, as the majority of the AR's CEO statement is about sustainability, while not mentioning the SDGs.

Separate chapter on SDGs

23 out of 62 companies had a separate chapter on the SDGs where they dedicated some space to explain the SDGs. The appearance of these were fairly generic, and efforts worthy of special mention were noted.

Specific SDGs selected

The majority – 53 out of 62 companies – had selected specific SDGs to focus on and provided an explanation of that effort. All of the highest scoring companies except Telia (telecommunications) noted the SDGs in their reports. Here too, a variety of approaches were observed. The most common approach is exemplified by BillerudKorsnäs (paper manufacturer), where several SDGs were chosen as they were linked to the business model and product of the company.

> *"The SDGs that BillerudKorsnäs has the greatest opportunity to influence are SDGs 8, 12, 13, 14 and 15, SDGs that can also be linked to existing activities and targets within BillerudKorsnäs." – BillerudKorsnäs 2017 Annual Report, p.28*

One company: car safety solutions provider Autoliv, had only chosen one goal, SDG #3 (Good Health and Well-Being). They promote this through their product: safety in traffic. Other companies, such as Husqvarna and SSAB, showed a more complex approach, where they had differentiated in how they impact the goals. Husqvarna separates three categories: impact through operations, value chains products, and engagement with local communities (to "impact society at large") and SSAB two: impact through operations and products.

Figure 4-2. Husqvarna's categorisation of their impact on the SDGs

Source: Husqvarna 2017 Sustainability report, p.7

Two companies that deserve special mention are Ericsson (technology developer) and Stora Enso (forestry). Ericsson, through their spread of mobile broadband, envisions impacting all of the SDGs, and are working with projects under each of the goals. They are the only company on the Swedish Stock Exchange with this broad approach. Stora Enso is the only company that goes into details on who is responsible for integrating the SDGs into the organisation, and makes explicit reference to the SDG Compass as a source of guiding when working with this.

Specific targets selected

In contrast to how many companies that selected goals, only six (6) chose targets to focus on, possibly implying that most companies have not yet made a deep dive into exactly how they could impact the goals. Vegetable oil and fat producer AAK provides the best example of clear reporting on impacts on specific targets, whereas the rest of the five companies does not provide as detailed explanations.

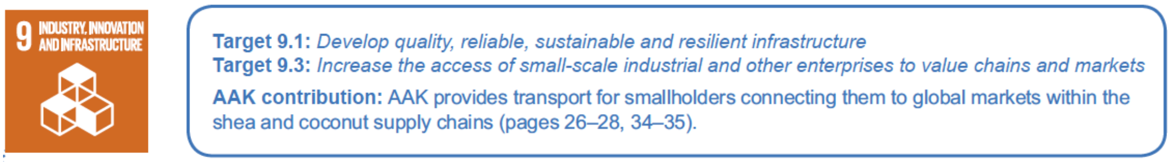


Figure 4-3. AAK example of reporting on specific targets

Source: AAK 2017 Sustainability report, p.9

SDG KPIs

Only 13 companies provided KPIs linked to the SDGs. It should be mentioned that many companies provided KPIs in relation to their sustainability work in general, but if no clear link was made to the SDGs, the company was excluded from this category. Food retailer Axfood provides a clear example of providing KPIs. Their targets also showcase how many KPIs related to the SDGs tend to be qualitative in nature.

> *"Of the UN's SDGs, "Responsible consumption and production" and "Climate action" are the two most relevant for Axfood. The sustainability targets are monitored yearly, either through key ratios or by checking on the progress of the work." – Axfood 2017 Annual Report, p.126*

Achieved In progress Target not achieved

Target	Coupling to Sweden's Environmental Objectives	Coupling to the UN's Sustainable Development Goals	Results and comments 2017	Status
Sustainable products – Axfood & Dagab				
By 2020 at the latest, Axfood's store chains will sell only green-listed seafood products.			A step forward with ASC-labelled smoked and brined salmon in stores.	
Axfood and Axfood's store chains will work actively to highlight good sustainability choices.			Willys' "Veg for everyone" and Hemköp's "Vary with veg" and "A greener meat counter" campaigns.	
By 2022 at the latest, the requirements that Axfood has today for Integrated Production (IP), Global GAP or other equivalent system for fruits and vegetables will also be met for its private label products that contain primary vegetable ingredients.				
By 2020 at the latest, Axfood's private label products (Garant, Garant Ekologiska varor, Prime Patrol and Eldorado) will include information about the primary ingredients' country of origin in all categories with certain exceptions, such as composites without a clear primary ingredient.				

Figure 4-4. Examples of Axfood's KPIs related to the SDGs

Source: Axfood 2017 Sustainability report, p.126

Note: It is worth noting that Axfood connects their KPIs to Sweden's Environmental Objectives as well.

SDGs integrated in sustainability strategy

28 out of 62 companies indicated that they have integrated the SDGs in a framework for determining their sustainability strategy in some fashion. This took on different shapes, from the SDGs informing the sustainability goals of the company, as in the case of Fingerprint, to those like AAK where the SDGs are part of an integrated model where other elements, such as the UNGC principles and CSR policies co-inform the sustainability agenda.

> *"Two years later, we have integrated the SDGs as a framework for how we describe our impacts on society and moved from the theoretical to the opportunistic with several examples of how ICT is enabling progress toward the SDGs (see page 14–15 for details)." – Ericsson 2017 Sustainability Report, p.5*

> *"Our sustainability goals are aligned to the UN's Global Sustainable Development goals." – Fingerprint 2017 Annual Report, p.9*

> *"As a global company AAK recognizes that businesses have to play an important role in that process and we have decided to include the SDGs in our model [of sustainable growth]." – AAK 2017 Sustainability Report, p.4*

SDGs integrated with other business aspects

13 out of 62 companies showed indications that the SDGs are being used in other parts of the organisation than the sustainability-related ones. Banks Handelsbanken and SEB provide straight-forward examples of an indication.

> *"During 2017, Handelsbanken actively worked to integrate the Sustainable Development Goals in its operations." – Handelsbanken 2017 Sustainability Report, p.24*

> *"SEB recognises the importance of integrating sustainability aspects into its own business as well as contributing to sustainable development globally and thus supporting, for example, the United Nations' Sustainable Development Goals (SDG)." – SEB 2017 Annual Report, p.67*

Aside from that kind of general description, other companies such as Stora Enso defined more specifically how they worked with the SDGs.

> *"Our work to integrate the SDGs into our strategy continued in 2017. We engaged with our divisions and functions and our stakeholders with external expert support." – Stora Enso 2017 Sustainability Report, p.5*

Potential negative impacts mentioned

Very few (8) companies mentioned that they might have a negative impact on the goals in their current way of operating. This was mostly mentioned in relation to trying to minimise these effects, such as that of Ahlström-Munksjö. No company went into specifics of what their negative impact might be.

> *"As we work towards continuous improvement for each of our materialities, we will either contribute to, or reduce negative impact on, at least 11 SDGs across our value chain." – Ahlström-Munksjö 2017 Annual Report, p.27*

Core business activities affected by SDGs

The least common category was that of the SDGs being an impetus to businesses to change business model, make investments or develop new products. Ericsson, Trelleborg, and Telia mention the SDGs as an inspiration in innovation.

> *"Since their launch in late 2015, the Sustainable Development Goals (SDGs) have become an important framework for us when setting our research strategy" – Ericsson SR 2017, p.44*

> *"Our sustainability approach Digital impact is aligned with the United Nations Sustainable Development Goals (SDGs) with the purpose of making sure business strategy and activities such as innovation contribute to the SDGs." – Telia 2017 Annual Report, p.22*

The only other example is that of Handelsbanken, which has developed a new product based on the SDGs.

> *"In 2017, Handelsbanken issued its first equity-linked bonds based on the 17 Sustainable Development Goals (SDGs) adopted by the UN. The equity-linked bonds track indexes that are exposed to companies that, through their behaviour and their products, contribute to the SDGs." – Handelsbanken 2017 Sustainability Report, p.23*

Mode of description

Finally, while no points were assigned to this category, some observations were made on how the engagement of the companies with the SDGs were described. In general, most companies used very general and sweeping statements, not going into detail. Out of the 15 companies that were deemed to use specific language about their engagements, the 8 highest scoring were all included, indicating a connection between reporting thoroughly and language used.

4.1.2 Trends across different sectors

In the analysis, it was observed that different industry sectors show different levels of progression when it comes to reporting on the SDGs. Figure 4-5 shows the spread of points between companies across eight industry segments. The colours represent ranges of how many categories were satisfied by how many companies from each industry sector. Below the figure, tendencies for each sector are noted in Table 4-1.

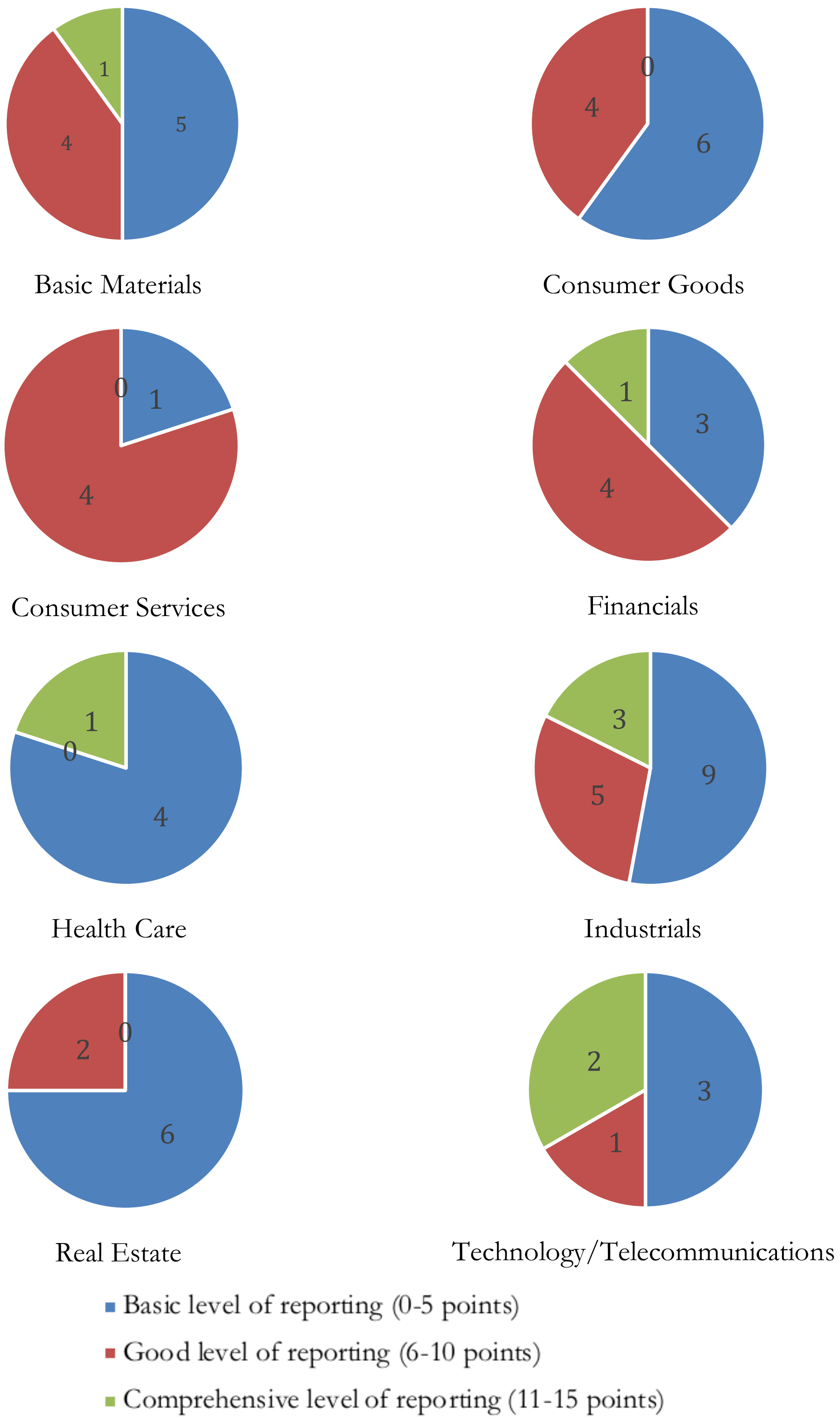


Figure 4-5. Level of reporting on the SDGs across sectors

Source: Created by author

Note: The charts show the spread of how many companies fulfilled how many of the categories. For example, the blue '5' in basic materials means that 5 companies from this sector fulfilled 0-5 categories in the analysis.

In other words, blue represents basic level of reporting, red good level of reporting, and green great level of reporting. In the financial sector, the investment companies that did mention the SDGs but were excluded from the results in 4.1 are included to show the trends of the whole sector.

Table 4-1. Sector-specific tendencies in SDG reporting

Sector	Observations
Basic Materials	All of the companies (9) reported on the SDGs in this sector, making it unique. Apart from Stora Enso (11), most companies in the sector score between 4 and 7 points.
Consumer Goods	10 companies out of 11 (90.9%) in this sector reported on the SDGs, making it the second 'best' sector. On the other hand, none of the companies are among the leaders. While almost all of the CEOs mention the SDGs in the statement, none shows clear signs of integration of the SDGs with non-sustainability-related business aspects.
Consumer Services	5 companies out of 9 (55.6%) in this sector reported on the SDGs. All of the large retail companies (Axfood, Hennes & Mauritz and ICA) reported, while only 2 out of 6 gaming companies in the sector reported. Still, the retail companies' reporting was in the mediocre range, all landing on 6 or 7 points, with none showing clear signs of integration of the SDGs in non-sustainability-related business aspects.
Financials	8 companies out of 14 (57.1%) in this sector reported on the SDGs. All of the traditional banks (Nordea, SEB, Handelsbanken, Swedbank) reported on the SDGs, while newer banks did not. Among the investment companies, 4 out of 7 reported. Interestingly enough, 3 out of the big banks show signs of incorporating the SDGs with other business aspects, all scoring 8-11, making it one of the most progressive sub-sectors in Sweden.
Health Care	5 companies out of 6 (83.3%) in this sector reported on the SDGs. The scoring of the sector is generally low, with the exception of AstraZeneca (11).
Industrials	Being the largest sector by far on the exchange, 17 companies out of 23 (73.9%) reported on the SDGs. It is difficult to discern clear trends, but three of the four highest-scoring companies (Sandvik, Skanska, Trelleborg) reside here. The two consulting companies included here score low (ÅF) or do not report at all (Sweco). The majority (13) score 7 or less.
Real Estate	Generally, across the sector the reporting on the SDGs is of low level and many companies do not report on them. None of the companies score above 10 points, with JM (8) and Bonava (6) scoring highest. 8 companies out of 14 (57.1%) in this sector reported on the SDGs.
Technology/ Telecommunications	6 companies out of 8 (75%) in this sector reported on the SDGs. Two of the highest scoring companies (Ericsson and Telia) are in this sector, with the rest scoring low to moderate.

All in all, it is observed that some company groups (real estate, gaming [part of consumer services], the newer financial companies, health care) have generally been slow at progressing with the work on SDG reporting, while more companies in sectors with a large environmental impact (basic materials, consumer goods, industrials) are engaged in reporting. There seems to be no clear trends that dictate where the leaders in the subject matter come from.

4.1.3 Comparison with 2016 reports

In parallel with the analysis of the 2017 reports, the 2016 reports were also briefly reviewed. This analysis was done to see if there had been any evolution in how the SDGs are reported on, compared to 2016. The main results of this analysis can be summarised in the following bullet points.

- 25 companies that did not report on the SDGs in 2016 started to report on them in 2017.

- Compared to 2016, 15 companies improved the detail of their reporting or changed their reporting approach on the SDGs in 2017. This often entailed becoming more detailed in how they report on them, or going from just mentioning the SDGs in general in 2016 to describing which SDGs matter to them.
- 17 of the companies showed no real difference in how they reported on the SDGs in 2017 compared to 2016. Sometimes the wording had been changed slightly with the message remaining the same. In a few cases, the wording had not been updated at all.
- 5 companies showed a reduced reporting on their engagement with the SDGs, removing some of the facts available in the 2016 report. For example, one company removed the mention of the SDGs from the CEO statement, and another removed the description of which SDGs they focus on.

4.2 Interviews

Out of the 62 companies that were studied in 4.1, the top-scoring companies were contacted. In total 16 companies were contacted, out of which ten agreed to be interviewed. All except one was conducted in Swedish, why it was chosen not to use direct citation in this section. The company representatives that were interviewed are shown in Table 4-2. The companies are ordered in alphabetic order, and not in the order of the interviews. In this section, formal referencing after each sentence is omitted. See the bibliography for details about the interviews, and Appendix VI for brief profiles of the companies interviewed.

Table 4-2. Company representatives interviewed

Company	Sector	Interviewee
AstraZeneca PLC	Health Care	Fredrik Hellman, Global Sustainability | Environmental Sustainability & Compliance Lead
Sandvik AB	Sandvik	Christina Båge-Friborg, Head of Sustainable Business
Skanska AB	Industrials	Eva-Lena Carlén-Johansson, Manager Sustainability Programs, Group Green & CI, Group Safety
SKF AB	Industrials	Jonas André, Manager, Stakeholder Communications and Engagement, Group Sustainability & Compliance
Stora Enso Oyj	Basic Materials	Noel Morrin, Executive Vice President, Sustainability
Svenska Handelsbanken	Financials	Alexander Campiglia Hedvall, Sustainability Analyst
Swedbank AB	Financials	Fredrik Nilzén, Head of Group Sustainability
Telia Company AB	Telecommunications	Henrik Weinestedt, Sustainability Director
Trelleborg AB	Industrials	Rosman Jahja, Vice President Corporate Responsibility
AB Volvo	Industrials	Malin Ripa, Senior Vice President CSR Management

Before giving the results of the interviews, a similar graph was made to that of Figure 4-1 in order to juxtapose how the interviewed companies stood in relation to the entire group of 62. It is interesting to note that there are no large differences in the order of which categories were most common, although it is much more common that the CEO mentions the SDGs and that they are integrated into the overall sustainability strategy. Furthermore, the overall rate was much higher for each of the categories. In the following sub-sections, the results are noted in eight different themes.

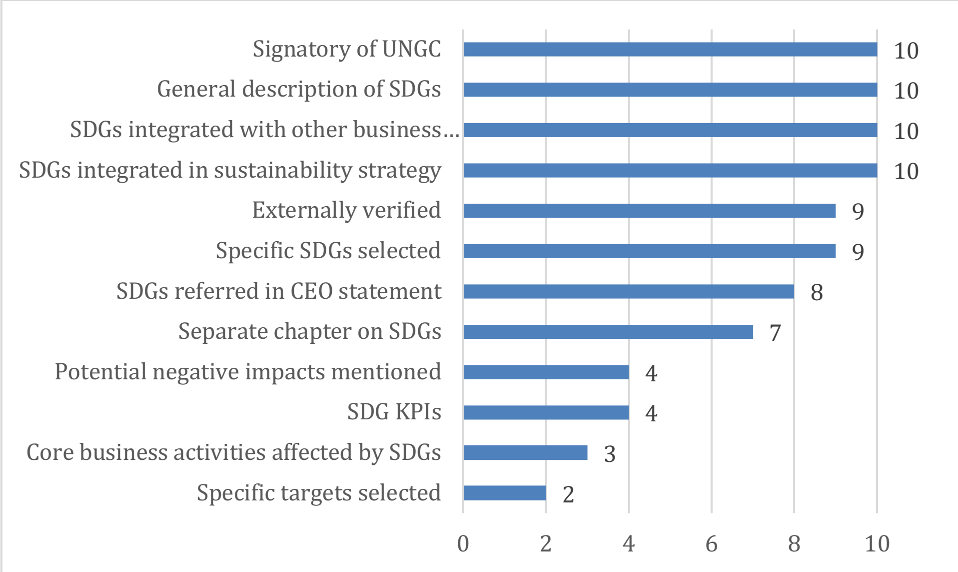


Figure 4-6. Performance in report analysis of the companies interviewed

4.2.1 General view on the SDGs

Before going into specific details on the various aspects that were covered in the interviews, it serves to recount how the interviewees see the SDGs in general from a corporate point of view, as this was a topic that was often revisited in the interviews, even when interviewees were not prompted about it.

One viewpoint mentioned by all companies is that the SDGs provide a common language or nomenclature that can be utilised when talking about sustainability and development; something which the interviewees felt was lacking before. For example, Christina Båge-Friborg from Sandvik mentioned that the SDGs represent a possibility to illustrate how the private sector can contribute to achieving global sustainable development and how the differences between the private and governmental sectors can be overcome. Related to this, Jonas André from SKF also mentioned that the SDGs were an interesting and novel way to 'slice the cake' of sustainability that creates better understanding. Eva-Lena Carlén-Johansson from Skanska said that the SDGs are more relevant to businesses than the MDGs were, and Alexander Hedvall from Handelsbanken thought that in general they represent a fantastic step forward. This last opinion was echoed by most respondents.

Another relatively common viewpoint expressed was that while businesses indeed have a role to play, it should not be forgotten that the primary responsibility in achieving the SDGs lie with the national governments. For example, Rosman Jahja from Trelleborg said that they see the SDGs as new business opportunities, and that while businesses are essential to achieving the SDGs, they do not see it as a responsibility. Malin Ripa from Volvo also saw the SDGs as possible future markets and product focus areas, but said that they need to be thought of in conjunction with the UNGC principles, which constitute the lower threshold of what a company should do. Still, all respondents underlined that the SDGs have managed to present difficult topics in a very accessible and useful way, that can help businesses communicate with customers and public authorities.

Finally, Christina Båge-Friborg expressed that the most important thing about the SDGs, from the corporate point of view, is that the private sector was involved in negotiating the goals, which has led to higher rates of corporate buy-in than what would have been the case otherwise. A sense of urgency was put forth by Malin Ripa, who stated that businesses now have all the frameworks and tools needed, and the time has come for companies to focus on implementation, not discussion.

4.2.2 Reasons for engaging with the SDGs

All respondents dedicated quite some time to explain why their company decided to engage with the SDGs. Most interviewees gave several and very different reasons for why the companies engage with the SDGs. Reasons that were similar and garnered several mentions are shown in Figure 4-7.

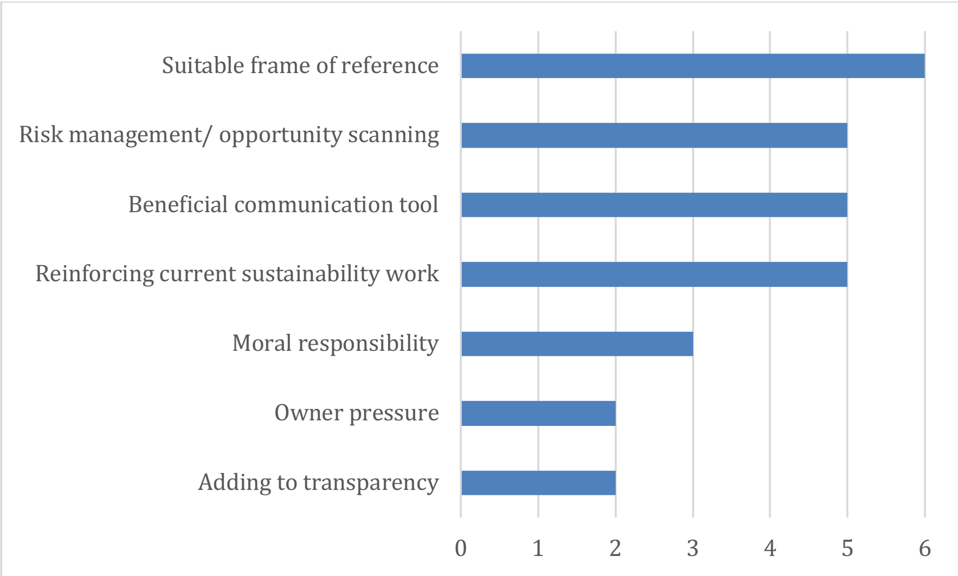


Figure 4-7. Reasons for engaging with the SDGs given in the interviews

The most common reason was that the SDGs provide a suitable frame of reference to relate one's business or sustainability strategy to. As Fredrik Nilzén from Swedbank described it, they saw that they wanted to communicate about the impact that their business has, and the SDGs provide a suitable framework to do just that. Henrik Weinestedt from Telia expressed a similar view, and added that for Telia, who were changing their corporate focus after being involved in some corruption scandals, the SDGs came at a very opportune time, and helped them reorient their sustainability strategy from risk management to creating shared value (CSV) in a systematic way.

The SDGs reinforcing sustainability work already being done in the company was also common; six companies saw the SDGs as a tool to give fuel to the sustainability work already being done in the company, as said by Eva-Lena Carlén-Johansson. Similarly, Jonas André expressed that the SDGs reinforce the work and give direction to the sustainability strategy, and have even helped them prioritise within their sustainability strategy. Some companies, on the other hand, such as Telia, Sandvik and AstraZeneca mentioned that since the sustainability work was fairly developed since before the advent of the SDGs, they have not changed anything material in how sustainability is dealt with and was therefore not a reason for engagement for them. Going beyond just sustainability work, Fredrik Hellman said that AstraZeneca see the SDGs as a framework that can actually help them further their business strategy by connecting core business to the health agenda presented in the SDGs.

As previously mentioned, the SDGs are also seen as an excellent communication tools with their clearly recognisable language and symbols, and six companies mentioned this as an important reason in engaging with them. Christina Båge-Friborg from Sandvik said that the SDGs give them the opportunity to in a clearer way communicate their work with public actors in a common language, and Fredrik Nilzén and Rosman Jahja reinforced this view, saying that not only do the SDGs give them a good language to communicate with customers about their products and services, but also with their supply chain (in the case of Swedbank) and in product development (in the case of Trelleborg). Alexander Hedvall from Handelsbanken also touched upon the communicative aspect, but saying that the SDGs give them a good tool to communicate internally about sustainability.

Managing for future risks and opportunities was another common reason: AstraZeneca, Handelsbanken, and Stora Enso expressed that their respective sustainability councils with senior sustainability experts and other managers had picked up on the SDGs as 'a new movement on the horizon' that must relate to in order to be updated in stakeholder engagements. Volvo looked more at the opportunity side, especially in the form of potential future markets rather than new products, and also saw it as a compass which will guide law-making in the future; engaging with the SDGs helps them prepare for that future in a more holistic way.

One reason that divided the companies was that of external pressures. None of the companies had experienced NGOs or governments explicitly pressuring them to engage with the SDGs, surprisingly enough. However, two companies, Stora Enso and Telia, did receive pressure indirectly, Telia through being partially owned by the Swedish state, which mandates acting on the SDGs, and Stora Enso through its largest shareholder Solidium, a fund owned by the Finnish state, which encourages all its investments to engagement.

Finally, some respondents, AstraZeneca, Skanska, and Swedbank, mentioned taking a moral responsibility (e.g. it would be irresponsible not to take a stance). Swedbank also saw it as a way to add to owner transparency, and Trelleborg as a way to ensure that the company is providing a 'net benefit' to society, i.e. that their products are producing more good than harm.

4.2.3 Practicalities – The process of engaging with the SDGs

Throughout the interviews, it became apparent that the companies that have successfully engaged with the SDGs tend to follow similar pathways to that engagement.

After the SDGs were caught on the radar of the companies, many started engaging with them through a series of workshops or smaller meetings, after setting up a task force or something similar to lead this work (Handelsbanken, Skanska, SKF, Stora Enso, Swedbank, Telia). It was apparent that the process of integrating the SDGs had a bearing on the general materiality analysis work in the companies, with half mentioning this explicitly. The exact nature of the workshops varied: from being relatively short, a couple of weeks in the case of Telia to spanning more than a year in Stora Enso's case, with the most common being a couple of months. Other companies, such as Volvo and Trelleborg, who already had a well-developed sustainability strategy or concept similar to the SDGs – Blue Dimension in the case of Trelleborg – did smaller exercises that were more focussed and shorter in time. Regarding the estimated costs of engaging with the SDGs, most indicated that they employed some kind of consequential cost analysis, but that is not specific to SDG engagement; this is done for all strategy and sustainability-related decisions.

The size of the workshops varied, ranging from a small group focussed on sustainability specialists (Sandvik and Telia) to much larger involving many other functions, as in the case of SKF (with involvement from business development, investor relations, and media and press), and Skanska (who arranged large-scale workshops with different business units and a major workshop including the entire upper management, with close to 750 people). Two companies, Handelsbanken and Skanska, actually saw individual sections of the company organise their own workshops as well. A common feature, though, was that in all cases the sustainability function was driving the process. It seemed to be uncommon to involve external consultants, but this was included at Stora Enso, to get confirmation on their own assessment and some extra advice. Most companies deemed that their own internal knowledge of the issues was enough. Sandvik epitomises this, by having the Head of Sustainable Business, Christina Båge-Friborg, lead the process, as she had extensive knowledge in the area and has both private and public sector experience. Rosman Jahja said that in the case of Trelleborg, they want to 'own' their knowledge, and therefore avoided external consultants, even though that might create more professional, or at least "glossy", results.

Most of the companies explicitly stated that they had looked into the SDGs on target level and had mapped their impacts according to those, although it was not apparent from the report review, where only two of the interviewed companies mentioned target-level engagement in the IR or SR. For example, Jonas André from SKF said that they delved into target level and then started to map their current activities to figure out which efforts they should prioritise. Handelsbanken had a similar approach, but they let all the major functions of the bank map their activities against the goals and the targets in terms of risks and opportunities, and then let them also grade them in terms of importance, after which the sustainability function produced a synthesis map. Sandvik matched their offering and operations to the different targets, clearly showing how the company impacts the SGDs at target level; the results are disclosed publicly on their website and in the AR. Fredrik Nilzén from Swedbank emphasised that the most important aspect of the exercise of engaging with the SDGs was the internal knowledge gained, and the impact that new knowledge has on the organisation.

One aspect where the companies showed different approaches was the involvement of the board and the CEO in the process. Some companies, such as Handelsbanken, Telia, and SKF, did not have active involvement from the uppermost echelons, opting for only informing of the process and discussing the results with the group management once the majority of the work was done, while others received a more active involvement from upper management. Swedbank, Skanska and Stora Enso were actively informing the board and the CEO and receiving feedback and support; Noel Morrin from Stora Enso underlined that the CEO, supported by the Group Leadership Team, had actually determined the SDGs they would publicly support. One company, AstraZeneca, actually had the process being led by the sustainability council, where the CEO and other top management sit, with the sustainability function more acting as support in preparing material and questions. A more in-between case was observed at Trelleborg, were the CEO and board were positive and involved at the start of the process, and then let the sustainability function develop their approach based on their existing Blue Dimension concept.

4.2.4 Practicalities – Ongoing work with the SDGs

Regarding the ongoing work in the companies, it emerged from the interviews that the SDGs in general do not play a role in the everyday of the workers and running the company; this was most clearly expressed by Christina Båge-Friborg, who said that sustainability is extremely important in the daily work as this has its point of departure in the company's operations, and not necessarily in the SDGs. Malin Ripa from Volvo echoed this, saying that even though the

SDGs or sustainability are in the background of most work, the worker on the floor does probably not connect his or her work to the SDGs. Some more nuanced views also surfaced. For example, the sustainability functions at SKF and AstraZeneca are trying to engage their workers more in this aspect, where they also have experienced that the SDGs have helped employees become more aware of sustainability aspects related to their work. Jonas André and Fredrik Hellman both expressed enthusiasm about engaging the workers on a daily basis about the SDGs, as it will provide personal motivation for the workers and create pride in their work. Swedbank reported that they are currently designing a new internal education program where the SDGs will used as a framework, as they found workers are not sufficiently familiar with these topics yet, something which Handelsbanken already has tried to do extensively through internal information campaigns.

Regarding follow-up work, while all companies do trace their sustainability work with established KPIs, none have established specific SDG-KPIs (SKF are investigating the possibility of switching their KPIs to feed into the SDGs). In relation to this, the respondents were asked whether or not the engagement with the SDGs help work with other frameworks, such as UNGC, CDP, or GRI. All of the interviewees who gave meaningful comments on this question, said that they see these different frameworks as complementary, and that the SDGs have not particularly improved this work in a noticeable manner; rather, previous engagement with other initiatives made engaging with the SDGs more straight-forward.

Furthermore, it emerged from the interviews that the SDGs feature heavily in stakeholder dialogues. A general theme was that investors are seen as the most active stakeholder group when it comes to the SDGs, as evidenced by Rosman Jahja's statement: 2018 has seen an explosion in requests of dialogue regarding sustainability work, including the SDGs, compared to earlier years, where investors were by far the most active group. Fredrik Nilzén from Swedbank echoed this, and said that being able to talk about the SDGs is of great help when communicating with debt investors. Regarding other stakeholders, on the other hand, Christina Båge-Friborg from Sandvik stated that other groups, such as NGOs, were surprisingly silent on this topic. Noel Morrin from Stora Enso was more moderate in his response, and stated that it is difficult to know which stakeholder groups to involve, as the company is active over a large geographical area, and there are many relevant ones; in general, they try to approach those that seem likely to have an opinion, positive or negative.

Apart from these, there were several examples mentioned only by a few companies. For example, Volvo uses the SDGs as a compass when developing projects, in order to maximise the societal utility from each project; Swedbank uses the SDGs when communicating expectations to supplier, and the CEO of Swedbank Robur is currently part of the Swedish delegation to Agenda 2030; AstraZeneca included the SDGs as a framework when asking employees in a crowdsourcing webinar about how they should develop their long-term strategy; Skanska included an evaluation of the contribution to the SDGs when they made available green bonds to investors; Handelsbanken constitutes a quite special case, where their fund management unit have actively engaged with the SDGs to map their fund portfolios, and have a product where they invest in companies acting on the SDGs, and "shorting"[12] those that have a negative impact.

[12] Going short on a financial product is the opposite of going long, i.e. buying a security and hoping for it to go up in price. Investopedia explains it well: "short selling makes it possible to sell what one does not own. The short seller achieves this by borrowing the stock from a broker, and immediately selling the stock at its current market price, with the sale proceeds credited to the short seller's margin account. At a future point in time, the short seller will cover the short position by

4.2.5 Keys for success and challenges to incorporating the SDGs

When prompted about key success factors and challenges, many pieces of advice were offered. Below, a list going from most common to least common is offered. In parenthesis it is shown who voiced this opinion. By far the most important factor seem to be to properly anchor SDG engagement in the core business, and not let it be something 'extra'.

Note should be taken that companies that did not mention a specific success factor do not necessarily think that they are not important, as the question was framed as: "What would be the most important advice you could give someone who wants to engage with the SDGs?".

- Strive to anchor one's work with the SDGs with the core activities or business case of the company (AstraZeneca, Handelsbanken, Sandvik, Skanska, SKF, Stora Enso, Swedbank, Volvo);
- Let it take time, do not rush, and do not do too much at once (AstraZeneca, Sandvik, Stora Enso);
- Avoid being misled by the general tone of the SDGs, and deliberately transform these into company-specific goals (Sandvik, Swedbank);
- Make sure that the CEO and upper management are actively supporting the work (AstraZeneca, Stora Enso);
- For internal and external communication on the SDGs, it is important to have a clear logic on why the company works with certain SDGs and what the purpose of that engagement is (Stora Enso, Telia);
- Engage employees on the topics (AstraZeneca, Handelsbanken);
- Only select a few goals that make sense from the business and engage with heavily with them (Trelleborg, Volvo);
- Consider what can be done more of, instead of focussing on reductions (SKF);
- Tell success stories (AstraZeneca);
- Find the opportunities for your company (Handelsbanken).

Some challenges were also touched upon:

- Reporting on engagement in an effective way in terms of what impact has been achieved (Skanska, Swedbank, Volvo);
- Lack of appropriate data in measuring success (Swedbank, Telia);
- Translating the SDGs into relevant targets for private companies (Swedbank, Telia);
- Explaining how the SDGs fit together and their relevance to the company on a business-level (Sandvik, Stora Enso).

4.2.6 The impact of SDGs on sustainability and business strategy

The interviewees had very different views on how the SDGs impact sustainability and business strategy, with some indicating that they already had an effect on one or the other, while others indicated that beyond the matching, no real impact were felt on current business models.

The most common use of the SDGs is exemplified by Swedbank: the SDGs act as another target vision, and help to focus the sustainability work, but has not influenced what is being

buying it in the market and repaying the loaned stock to the broker. The difference between the sale price and the purchase price represents the short seller's profit or loss" (Picardo, 2003).

done per se. SKF is an outlier and goes a bit further, and states that the SDGs are one of many factors that help them set their sustainability agenda, and has helped them prioritise which areas to focus on better. Among the companies who have not changed their sustainability strategy notably are companies like Sandvik and Volvo. Christina Båge-Friborg explained that since Sandvik's sustainability work is very advanced already and the SDGs are global in their scope, the SDGs add that global perspective to the existing strategy of the company, and can be seen as another way of expressing that work. Malin Ripa expressed a similar opinion, but added that the SDGs are more important for circumferential strategy decisions, such as those related to partnerships or looking into new markets.

Moving to business strategy, there are signs that the SDGs are beginning to have a role among the frontrunners. Fredrik Hellman from AstraZeneca expressed that the SDGs have already helped them focus their business case and explore new market opportunities, both in pharmaceuticals, but also in health education. For SKF, the SDGs have further reinforced the view that what they are providing is a service, and their products are means to that end, which has led to new views on how they should develop their offering. For Trelleborg, the SDGs serves as a foundation in product development, informing the sustainability dimension of news products. Others, such as Stora Enso and Sandvik expressed that while the SDGs have not changed their strategy per se, they have offered a new way of viewing their products, and how they affect society beyond the borders of their company.

There seems to be specific uses for the banking sector: Swedbank have already launched a new product which is linked to the SDGs, and they have been using the SDGs when communicating with suppliers about sustainability expectations, and Handelsbanken's fund management is actively mapping their portfolios against the SDGs, even though the overarching business strategy has not been affected. As mentioned above, Handelsbanken have also developed a fund dedicated to focus on companies that bring positive impact to the SDGs.

4.2.7 Future projected development

All of the interviewees expressed that the SDGs will play an increasingly larger and important role for their company in the future, although the expression of this varied slightly.

Handelsbanken, Swedbank, Stora Enso, SKF, Skanska, and Trelleborg saw that the SDGs will play an important role in the sustainability and business strategy setting in the future. For example, Eva-Lena Carlén-Johansson from Skanska said that the SDGs has given them a framework to switch to a long-term approach in a business that is primarily project-driven, and Fredrik Nilzén from Swedbank said that he anticipates that the SDGs will play a role already this year in setting the business agenda for 2019. Volvo sees things a bit differently, as their product development lead times are very long and their plans, together with an accompanying sustainability vision, have been around for decades; now is the time for implementing all the frameworks in such a way that the employees can autonomously take decisions that consider the SDGs and sustainability.

Another theme was that many of the respondents anticipate that cross-sectorial partnerships will play an increasingly important role in the future, induced by the advent of the SDGs. Another possible future development mentioned, was that of being required to measure the impact on the goals.

4.2.8 The perceived role of the public sector

A common theme is that none of the companies perceived a role for regulators and government in their traditional role of regulation and providing incentives to push the private sector into working with the SDGs, or regulate on how they approach this. In general, the interviewees were pleasantly surprised at how easily the private sector has embraced the SDGs.

However, they did see many other possible ways that the public sector can help private companies with their work. For example, Fredrik Nilzén from Swedbank saw that the government has a large role to play in terms of collecting data and creating databases that entire industries can use, and which might be too costly to do for individual actors. Both Fredrik Nilzén and Jonas André saw an important role for the national governments in terms of ensuring that national systems, such as financial systems and taxation, work well with international systems.

Another important role perceived by some interviewees, was that while the national governments are indeed working hard on Agenda 2030, they need to provide more specific guidance and direction on what they want to achieve within their national borders, as this would provide private businesses with a more stable external environment to focus on investing and developing their businesses properly (Stora Enso and Trelleborg). Related to this, some companies commented that governments in general should be more courageous and introduce necessary environmental and social regulation as they saw fit, as companies will adapt in the end (Handelsbanken, Trelleborg and Volvo). Connected to this, Fredrik Nilzén commented that industry organisations can be very important for the work across a whole industry, like GSMA for the mobile industry who is doing a great job on organising the industry and getting the main players on board. Sandvik, on the other hand, felt that the focus that the Swedish government is putting on Sweden is too narrow from their point of view as a global business.

Malin Ripa presented an important future role for the public sector in order to maximise the benefit to society from Swedish companies and innovations. She said that the government should develop Team Sweden (a governmental support system for exporting goods and solutions) and take a more holistic approach in exporting Swedish technology, where the industry could provide technological know-how and business models, and the public side could facilitate the discussion with other governments and help with setting up efficient education schemes.

5 Analysis and discussion

Baumgartner and Rauter (2017) state that the questions of 'why', 'when', and 'how' are important when implementing a strategy. In the following section, after the state of integration of the SDGs in Swedish industry is briefly discussed, the 'why'-question will be reflected upon in two sub-sections; why did the front runners engage with the SDGs and what are the implications on their businesses? As the 'when' is not material in this case, the 'how'-question will be assessed after 'why', followed by some reflections on the methodology applied in the research.

As a general note of introduction, during the interviews, it became apparent that the interviewees had some converging and diverging views regarding the SDGs and their impact on their business. In terms of similar views, all the respondents agreed that the common language and the communicative power of the SDGs were excellent. They also agreed that it is beneficial for businesses to have a clear indication of where the world is headed. The major point of divergence was whether or not the respondent saw the SDGs as having an influence on their strategy or not, with half agreeing and half disagreeing. Similar to the last chapter, when it is clear from the text that the source of information was from an interview, references were omitted.

5.1 State of integration of the SDGs in Swedish industry

This research focusses on the state of integration of the SDGs in Swedish industry among the largest companies listed on the Swedish stock exchange. This creates a biased sample to judge the state of integration of the SDGs in Swedish industry as a whole, but as larger companies often lead the way for others to follow (DiMaggio & Powell, 1983), the results can serve as an indication, or precursor, of the direction that is being taken.

It was observed that 62 out of 94 companies reported in one way or another on the SDGs, which largely corresponds to the results in the report issued by KPMG in 2017; here Swedish companies are seen as leading the international movement toward reporting on the SDGs, with 60 out of the 100 largest corporations reporting on them, although "[r]eporting needs to evolve so that it can quantify, verify and effectively communicate what impact companies are actually having on the goals" (KPMG International, 2017, p. 40), indicating that the quality in reporting is lacking still. This observation is also supported by the study results, which indicate that only 28 out of the 62 companies that mention the SDGs indicate that are actually integrating them into their sustainability strategy or more, and most report fairly generally and do not go into detail. It also serves to note that the reporting practices varied greatly, showing that companies are still trying to find their way on how to report on the SDGs.

Ethical Corporation (2018b) reported that 69% of large global companies are integrating the SDGs into their business, which is a higher rate than what the results of the report analysis done here suggests for Sweden. This might be due to Ethical Corporation using a different definition of 'integration', international giants are better than their Swedish counterparties, or that Swedish companies are just not reporting to such a level that an external reader of the IR or SR can judge the level of integration correctly.

When further questioning if companies are 'integrating' the SDGs in a way that actually creates additionality, surveys such as that of Ethical Corporation cannot provide an answer. This study, while having a too small sample to give any clear indication of the general state of the industry, out of the ten interviewed companies, half indicated that the SDGs are having an impact on strategy already. Furthermore, the interviews revealed that the companies surveyed had progressed much farther than their reports suggested. Regarding the reporting and measuring on the SDGs, respondents from Handelsbanken, Swedbank, Telia, Trelleborg and Volvo commented on the need for being able to measure impact and report in a complete but simple way, but also pointed out the difficulty of doing just that. It should also, however, be noted that the interviewees all belonged to companies who, looking from their ARs and SRs, perform the best in Sweden regarding the SDGs, so there is a bias that should be acknowledged here.

Another aspect that serves to reflect upon is that of which sectoral differences. The report analysis concluded that companies from technology-related sectors and primary sectors (basic materials companies) report more comprehensively on their engagement with the SDGs, compared to those who are dealing more directly with the consumer. Looking at health care, a sector that had relatively good reporting levels, Fredrik Hellman from AstraZeneca reflected that the pharmaceutical industry fits right in with one goal, SDG #3 (Good Health and Well-Being), and the SDGs help them to put their business in a context and explore possible new markets, or rethink activities from a broader perspective. Another sector that has a similar position is that of mining (unfortunately no mining companies were interviewed in this research). As explained by Boliden: "Paradoxically enough, the biggest contribution Boliden can make to reducing global carbon dioxide emissions is to expand production" (Boliden Annual Report 2017, p.2). By putting the business in a larger context, using the explanatory power that the broader perspective that the SDGs lend can be significant. The transport sector, represented here by Volvo, is an enabler of the SDGs as almost everything in the SDGs require some form of transport, which in turn facilitates actively using the SDGs to guide the development of projects. However, for this sector, the SDGs have rather helped them put the business in a more global perspective, as they have dealt with sustainability issues for a long period of time already.

All in all, this leads the author to believe that the most progressive companies have integrated the SDGs to a fairly high level, but the state of reporting on the SDGs among even large companies suggests that most companies have not yet reached 'meaningful engagement'.

5.2 Why the SDGs?

As was seen in the literature review from the conference agendas, much time is spent in high-level fora encouraging companies to work with the SDGs and explain the benefits of this, but this study shows that the reasons are relatively generic. Seeing that the SDGs are global in their scope and address most global challenges and provide a language for efficient marketing, it could be said that they lend a framework which companies can easily use to identify action areas for one of the strategies defined by Orsato (2009): beyond compliance leadership. In other words, they provide areas where companies can become market leaders with new solutions to answer challenges and gain competitive edge through reputation management by doing more than regulation requires. The SDG Compass echoes and expands on this idea, albeit with different words; it sets up five main reasons to why businesses should engage with the SDGs:

a. Identifying future business opportunities;
b. Enhancing the value of corporate sustainability;
c. Strengthening stakeholder relationships and keeping the pace with policy developments;
d. Stabilizing societies and markets;

e. Using a common language and a shared purpose (UNGC et al., 2015)[13].

All of the reasons mentioned by the SDG Compass were brought up in the interviews, but the interviewees put different levels of emphasis on them. Six interviewees stated a. "identifying future business opportunities" as an important reason (AstraZeneca, SKF, Stora Enso, Swedbank, Trelleborg, Volvo), and, as stated in Chapter 4, providing a suitable reference framework and strengthening the sustainability work, together with the role of the SDGs as a communications tool (which would correspond to b. and e. in the list above) were seen as important reasons for engaging with the SDGs. Other interviewees stated that the SDGs were too broad and general to offer new business opportunities, but there are attempts to help companies in this field by identifying general opportunities stemming from the SDGs (e.g. BSDC, 2017; Index Initative, 2015), so this might be of greater importance for companies not very advanced yet in their sustainability work.

Reasons c. and d. given in the SDG Compass were not given as much weight in the interviews. Regarding c., this was surprising, as Oliver (1991) prophesises that norms that are widely accepted by society and have a high degree of likelihood to influence future regulation should motivate companies to engage, as they reduce uncertainty, which has been mentioned in relation to the SDGs as well (Buhmann, 2016; UNGC et al., 2015; Verboven & Vanherck, 2016). Four interviewees: those from Handelsbanken, Stora Enso, SKF and Volvo did mention "keeping the pace with policy developments", which could also be thought of reducing the costs of inaction (WBCSD, 2017). None seemed to see the second part of c.: "strengthening stakeholder relationships" and d. "stabilizing societies and markets" as main reasons, even though some interviewees said that those were certainly benefits that would spring from engaging with the SDGs. Regarding d. in particular, several interviewees stated that the responsibility for this is clearly on the side of the government.

Apart from the above discussed reasons, the academic literature review pin-pointed some additional reasons that were mentioned in the interviews, namely increasing competitive advantage and attracting customers, responsibility to society and stakeholders, and the existence of sustainability departments that drive integration. Interestingly enough, none talked about gaining a competitive advantage or attracting customers. Perhaps this was due to an anticipation that all companies would act upon the goals rather sooner than later, thus lowering the potential to increased competitive advantage due to the homogenous nature of engagement with the SDGs (Barney, 1991). Responsibility was mentioned by three interviewees, but all interviewees talked about the SDGs being important in terms of being a framework that the international community and civil society had agreed upon, a fact that lowers the hurdle of engaging with them according to institutional theory (Oliver, 1991). While the last one was not explicitly pointed out as an important driver (perhaps due to its self-evident nature), in all interviews it was alluded to as a powerful driver (for example, Alexander Hedvall from Handelsbanken said that they have many sustainability experts in the bank with their "ears to the rail" who picked up this as something important).

One specific reason that was not mentioned in literature was one that Volvo discussed, as they constitute a special case; they were involved in the pre-adoption discussions on how to formulate the SDGs, so for them it was a matter of course to relate their business to them.

[13] These five reasons are not just touted by international organisations and suggested in theoretical framework; the academic literature find plenty of evidence that each of these reasons do play their role in promoting sustainability work (Engert, Rauter, & Baumgartner, 2016).

Returning to the theoretical frameworks, in her analysis of why firms take decisions that improve their sustainability profile, Oliver (1991) posits several hypotheses on how a company will act responding to external institutional pressures. Four of Oliver's hypotheses are of particular interest to business response to the SDGs, as mentioned in Chapter 2.5.1; applied to the SDGs, companies are less likely to embrace them if: a) there is low social legitimacy to be gained, b) the economic rationale is not clear, c) the SDGs are not consistent with internal goals, and d) the degree of uncertainty is high. The interviewees more or less agreed that these do not apply when it comes to the external influences, facilitating the integration of the SDGs; using Oliver's typology, the companies can be said to be acting out of something between 'complying' (obeying rules and accepting norms) and 'balancing' (balancing the expectations of multiple constituents). However, these external pressures were not the main reason why companies engaged.

In general, it can be said that most of the reasons mentioned by the respondents point toward internal motivations being the main source of inspiration for acting on the SDGs, and indeed are following either 'sustainable development'-strategy of Hart (1995) or 'sustainable innovation'-strategy of Orsato (2009). This means that RBV presents a better case for explaining the companies' motivations. This is opposite to the UNGC; most companies seem to be motivated by external pressures there (Orzes et al., 2018). The upper echelons theory predicted that upper management decisions would be an important reason. While most respondents in this study said that upper management support is indeed important, no one mentioned this as an important reason for why they decided to engage with the SDGs. Possibly, this factor is more important in smaller companies (Aragón-Correa et al., 2008).

A modified version of Figure 2-3 was created to visualise how the various pressures are represented in the answers. Institutional pressures and imitation of peers were mostly absent from the discussion, and thus excluded. Upper management's influence was smaller than anticipated. Normative pressures were also smaller than anticipated, and were represented rather by 'societal expectations' and 'social norms' than industry learning together through conferences, etc. The internal pressures dominated, and are thus unchanged.

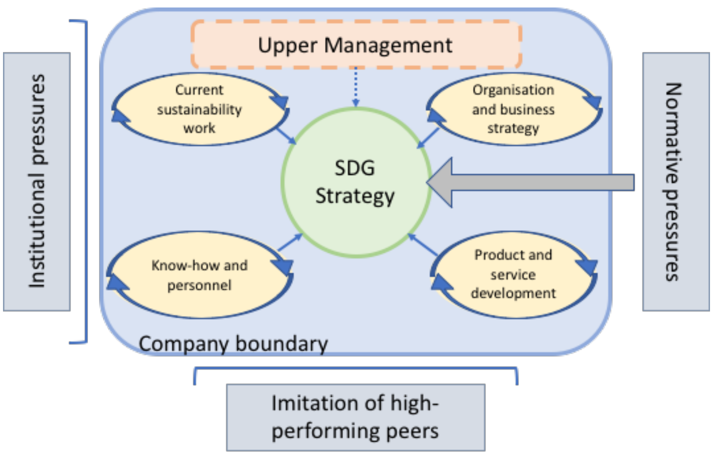


Figure 5-1. Pressures acting on interviewed companies to engage with the SDGs

Source: Created by author

Note: This diagram shows a modified version of Figure 2-3 to suit the results of the interviews. The extent of the influence of upper management, institutional pressures, and imitation were lower than expected, based on the literature review.

5.3 Revisiting the hypotheses

In Chapter 1, six hypotheses were set up that in part guided the creation of the interview guide. Below, a short discussion follow on each of the hypotheses.

H_1: The closer companies work with external institutions (e.g. governments, investors) that are engaged with the SDGs, the more likely they themselves engage meaningfully.

This hypothesis seems to be correct based on the results generated in this study. The two companies that had large state actors among their owners mentioned did engage partially due to that relationship, and Volvo, while not being pressured by investors, did engage with the SDGs partially because of being engaged through SIDA since before 2015. The importance of companies working with governmental and inter-governmental agencies in the formation of the SDGs was underlined by Christina Båge-Friborg from Sandvik, and is consistent with what Oliver (1991) would dub the "influence" strategy.

Even for the companies not directly involved with governmental institutions, many mentioned investors as an external institution that is pushing companies to take a stance on the issue, providing an impetus on engaging with the SDGs. Jonas André from SKF mentioned that the Task Force on Climate-related Financial Disclosure has prompted investors to require more quantitative data (Task Force on Climate-related Financial Disclosures, 2017), and Henrik Weinestedt from Telia expressed that investors are increasingly asking about quantified data about impact on the SDGs. These kind of pressures can lead companies to dedicate more energy to actually calculating such data and paying increasing attention to the SDGs, improving their engagement as a result (Morioka & de Carvalho, 2016). Other external institutions, such as NGOs, do not seem to play a major role in getting Swedish companies to engage with the SDGs.

The interviewees were doubtful to whether or not governments have a role to play in regulating on how companies should work with the SDGs; regulation to guide companies to attain certain targets, on the other hand, were welcome. Also, governments giving clear indications on how they want to develop the country (in relation to the SDGs) was seen as positive, as the future legal environment becomes more certain and companies can focus on doing business. Malin Ripa from Volvo also saw closer cooperation with the Swedish government to export solutions that work toward the SDGs as an important step to increase meaningful engagement.

H_2: The more frequently companies interact with peers in sustainability-related fora, the more like they will engage meaningfully with the SDGs.

The evidence from the research at hand remain inconclusive about this hypothesis. The literature review of conference agendas show that the topic of the SDGs has been gaining in size and maturity, indicating that peer learning is an important tool in learning and inspiring about SDG engagement, as is anticipated by institutional theory (DiMaggio & Powell, 1983), and the author participated in two webinars on the same topic, where indeed this aspect of engaging with like-minded and knowledgeable peers to push forward the SDG agenda seemed important (Anton & Long, 2018; Long, 2018).

On the other hand, in the interviews, while Swedbank mentioned that the SDGs are discussed when meeting with sector colleagues, none of the interviewed companies stated this as something being a significant factor for driving their SDG engagement. The reason for this might be that the interviewed companies are already advanced in their engagement, and thus the importance of fora drops. For example, Malin Ripa stated that the time for discussion is past, as most companies now know what needs to be done.

However, in the case of action, half of the respondents stated that they believe that partnerships will become more important as time progresses (AstraZeneca, Sandvik, Skanska, Telia), so this aspect might grow in significance over time for these actors as well. Partnerships could be seen as one type of forum, and this engagement should lead to action on the SDGs spreading to other companies as well (Dyllick & Muff, 2016).

H_3: The more a company can find ways to tie the SDGs into their core business activities (services and products), the more likely they are to engage meaningfully with the SDGs.

As evidenced by the fact that nine out of ten interviewees mentioned anchoring the SDGs to the business core activities as one of the defining factors of successful engagement, this can be seen as evidence that this hypothesis is correct. Their view is supported by academic evidence (Engert et al., 2016). However, it should be noted that out of these companies, only five companies provided 'proof' that they have reached 'meaningful engagement' as defined in this study.

The extent that the SDGs need to influence overarching business strategy to achieve a change towards a truly sustainable business (what Dyllick and Muff dubbed 'business sustainability 3.0') of course depends on the current strategy of the company. Alexander Hedvall from Handelsbanken stated that the SDGs and their established business strategy of focussing on the customer, cutting costs, and being rooted in the local economy do not necessarily conflict with sustainability in general, or the SDGs in particular. In this case, only tweaking might be needed. Similarly, Rosman Jahja and Malin Ripa said that their sustainability strategies already in place are similar to the SDGs in scope and intention, so the impact of the SDGs per se is limited. SKF showcased an example where the SDGs have had a more profound impact already; they are rethinking their business and moving toward seeing their product (ball bearings) as a means to achieving a function. In other words, they are moving toward a so-called product-service system, which can bring about positive impact on the SDGs (Baumgartner & Rauter, 2017).

H_4: Gaining board and/or CEO support for SDG engagement will significantly boost the impact of the SDGs on the company.

The answers in the interview seem to indicate that support from the upper echelons will indeed boost engagement with the SDGs, as it grants internal legitimacy and urgency that the responsible people can refer to. While no company engaged with the SDGs because of their CEO or board, and only AstraZeneca and Stora Enso mentioned this as a key success factor, all interviewees said that either the CEO and upper management had either actively supported the process or at least signalled their support post-integration.

Similarly, the literature review indicated that this hypothesis is true. Hambrick and Mason (1984) suggest that a strong CEO that leads the company to greatness will be a key factor, and social enterprises certainly depend on leaders with a strong sense of value and morals (Lundström, Zhou, von Friedrichs, & Sundin, 2014).

Handelsbanken's case is worthy of mention: they present an interesting case of how a company can work without active engagement from upper management. Since Handelsbanken operate in a highly decentralised fashion, the role of the upper management in processes such as engaging with the SDGs is different. It means they cannot just push it from the upper management, but that each unit and the responsible people in them has to actively engage with the SDGs and integrate them into their routines. This has not proved to be a problem though, as they have a well-established tradition and methodology for this way of working.

All in all, support from CEO and upper management seem to indeed boost the impact of the SDGs on the company, but is at the same time not a prerequisite.

H_5: The more the company has been engaged with sustainability before their engagement with the SDGs, the integration process will be smoother and require less of an effort.

This hypothesis can also be claimed to be correct. All of the interviewed companies had a track record of engagement with sustainability, so it was not possible to check for this bias in this research, but all respondents said that their earlier sustainability-related work and strategy fed into the process of engaging with the SDGs. The academic literature also repeatedly underlined this fact (Bonnamy, 2016; Fleming et al., 2017; Frid, 2016). However, to prove or disprove the hypothesis, research comparing companies with and without track records would be necessary.

H_6: Companies' meaningful engagement with the SDGs tend to increase over time.

Based on the interview results, this hypothesis is tentatively correct (depending on how the future unfolds). Nine out of ten companies said the SDGs will become increasingly important over time in strategy. As an example, Stora Enso spent an extensive period learning about the SDGs and considering how to engage with them starting in 2016, which led to successful engagement later on.

The report analysis also showed that there had been some development between 2016 and 2017. How much the difference in reporting between two years means might be called into question, but it was clear in the analysis that progress is being made in reporting among the companies that are involved with the SDGs, and that more companies are engaging with the SDGs. The surveys by BSR, Ethical Corporation and KPMG reviewed in Chapter 2 also indicate that meaningful engagement increases over time.

Unfortunately, what this bespeaks is that while there is future potential, the SDGs have not yet started having the sweeping transformative impact on private corporations that the international community has been hoping for. Indeed, some of the companies interviewed did show signs that the sustainability and business strategies are beginning to change, or will in the future, but it should also be kept in mind that the actors brought up in this research represent the crème de la crème of Swedish enterprises in this area. It should be noted, though, that many companies indicated that their business models had incorporated sustainability in general to a high degree, even if the SDGs per se did not play a role yet.

It should also be kept in mind that there is usually a learning curve involved when introducing new elements into sustainability work (Baumgartner & Rauter, 2017), which might be why the influence on business strategy is not very marked thus far.

5.4 Practical actions to advance SDG engagement

As stated in the Chapter 2, not much is known about how companies actually work to integrate the SDGs, and this was explored in the interviews. The SDG Compass and the other guides described in Chapter 2 offer standardised steps on how to engage with the SDGs and make them work for a specific company. The Compass had the following five steps:

1. Understanding the SDGs
2. Defining priorities
3. Setting goals
4. Integrating
5. Reporting and communicating

Since the interviews covered much ground, there was a limit to the depth at which the practical work could be discussed, and in some cases the interviewee was not familiar with the entire process the company had gone through.

Regarding the first step suggested by the Compass, this was not stressed very much in the interviews, except by Noel Morrin from Stora Enso who said that they spent quite some time on understanding the SDGs, and Fredrik Nilzén, who said that the knowledge gained about the SDGs through the process of engaging with them was of value. The reason for this not being featured more probably lies in that many of these companies already had developed sustainability approaches and personnel with extensive knowledge about sustainability and the SDGs, making implementation easier (as H_5 suggested in the previous section). In some cases, companies had even been part of the process of providing input to the formation of them, ensuring a high internal knowledge-level.

While step 2-4 are clearly separate in the compass, in the interviews the three were talked about in the same breath, and interviewees did not seem to see them as clearly separate steps. As the responsible in the companies already had some knowledge of the SDGs, the first step the companies took was to set up some kind of steering group that would oversee the work of integrating the SDGs. In some cases, it was composed of mostly of sustainability-function-related people, but in most cases other functions were broadly represented as well, as the companies saw that the SDGs go beyond what the sustainability function's main responsibilities and affect the business case. Rooting sustainability-thinking across the organisation is important for it to be successful (Baumgartner & Rauter, 2017), and 'embedding sustainability across all functions' is stressed in step 4 of the compass (UNGC et al., 2015).

The second step in the compass includes a recommendation to include external stakeholders in the process, apart from mapping the value chain toward the goals and targets. While all companies indicated that they had done the second part, not all included external stakeholders in this process. Only Stora Enso and Volvo explicitly stated that they involved external experts or stakeholders in this process. Many of the other companies mentioned that stakeholder interaction is prominent the materiality analysis, so maybe it was not seen as necessary to involve them in this process too. After the process of integrating the SDGs, though, the SDGs are featured heavily in other stakeholder dialogues.

The third step include setting specific timelines, goals and KPIs for the SDG engagement, as well as publicly announcing this commitment. Interestingly enough, none of the companies had goals or KPIs specific to contributing to the SDGs, while some had correlated their other sustainability goals to this end. This is probably because the companies had already robust KPIs for the general sustainability work. Still, Telia, Trelleborg and Handelsbanken indicated that measuring the impact on the SDGs to assure accountability is likely to become more important over time, something that also Dyllick and Muff (2016) underline as vital. Volvo and Telia showed considerable doubt about the possibility of reporting on impact: how is one company supposed to obtain all the necessary information? Regarding announcing commitment, all of the interviewees' companies had done this, and was one of the reasons why they were selected for interviews.

For companies not as advanced as those of the respondents, there are coordinated attempts at facilitating the equivalent of step 2 and 3; in the literature review, the sector coordination approach spearheaded by GSMA was mentioned, and in 2018 the WBCSD outlined guidelines for establishing these kind of sector roadmaps (WBCSD, 2018). Other initiatives, such as a report released by the Index Initiative in 2015, outlined the major areas companies from various industries can bring about impact (Index Initative, 2015). There are also other more quantitative tools available, such as the Trucost SDG Evaluation Tool (Trucost, n.d.) and PwC's Global Goals Business Navigator (PwC, n.d.), which help with identification and quantification of impact. It seems as if sustainability champions generally not rely on these kinds of tools, as only one interviewee (SKF) indicated that they had drawn inspiration from such an external source.

Step 4 of the compass (integrating the SDGs within the business) was one of divergence when it came to the SDGs. Most companies indicated that the SDGs were being embedded across many functions in the companies, and all underlined the significance of anchoring the SDGs within the core business when asked about what key actions should be undertaken when engaging with the SDGs. It was also clear that many respondents saw that the SDGs or sustainability goals are not anchored sufficiently well within their own or in other companies yet. As Malin Ripa emphasised, until the core business has been sufficiently anchored within the goals, large-scale positive impact on society will not happen. In terms of the SDGs, only three companies (AstraZeneca, Handelsbanken, SEB) spoke of examples of new products that had sprung from the SDGs, while some others talked about how they are starting to influence product development and strategy-setting in general, indicating that the integration process is something that will slowly take root. Another important action indicated by the Compass in this step is to engage in partnerships; this has not been a feature thus far, but as indicated in Chapter 4, many respondents saw this as an important feature of the future direction of their engagement. For step 5, almost every single respondent underlined the usefulness of the SDGs as a communicative tool, and not much more comment is needed.

In conclusion it can be said that the SDG Compass is providing a relatively accurate description of how progressive companies have actually engaged with the SDGs, even if largely different approaches exist among companies. For large companies that already have a robust sustainability strategy implemented some of the steps (namely 1 and 3) can be seen as slightly superfluous. It also serves to note that none of the companies really followed the advice from PwC, who focussed on identifying the expectations from the government and guide one's work according to that. While many agreed that controlling that the company's vision does not stray away from society's target vision (i.e. the SDGs and other national plans), they were not dominated by these in setting their sustainability agenda. On the other hand, the simplified guide by Chakravorti (2017) described in Chapter 2.1.3 seems to capsulate well how the top performers are working with the SDGs, albeit the guidance might be slightly too simplistic to base their work on for companies not well versed in sustainability.

5.5 What will the SDGs mean for businesses?

From this research, it is clear that while progressive companies see many different benefits from engaging with the SDGs, they have not yet become something that one absolutely needs to relate one's business to, or something that regulators will regulate on in the near-term. Malin Ripa expressed that the SDGs are another framework (albeit well formulated and highly ambitious) similar to previous ones, that companies need to spend time and effort on to understand and act on.

There has been doubt cast that other similar frameworks, such as the UNGC, have not had the effect of pushing businesses to business sustainability 3.0 (Garayar et al., 2016; Orzes et al., 2018). Other research indicates that sustainability frameworks in general do not change the core business, and that the impact is limited to peripheral activities, such as reducing waste streams and increasing production efficiency (Matisoff et al., 2013). Several interviewees in this research expressed a similar opinion of the SDGs, while some other indicated that the SDGs have had a more transformative impact on their company, and will continue to have.

The question of whether or not the SDGs will provide the spark to bring about truly meaningful change remains shrouded in doubt. Malin Ripa said once the mass-produced products and main services of companies are fully in line with the SDGs, that is when the real difference will be seen, and the question is whether or not the SDGs will have that effect. At the same time, Malin Ripa further hinted that society should not expect too much from companies alone, and that in order to achieve significant positive impact on society, governments and NGOs need to actively team up with companies, and the SDGs are definitely a step in the right direction as there now is a common agenda and language.

In the long-term however, if the international community stays committed to delivering on the SDGs (which is not a given), they are giving a clear direction to what society the international community is aiming for, and as such gives an indication to what kind of businesses will be tolerated to operate. This does not only mean reducing negative impacts, but it also means limits to what kind of business that will be tolerated by society. It should not be forgotten that the SDG agenda threatens the ability to generate profits in certain markets and with certain business models, and this is something that the respondents were aware of.

There is a limit to how much and with which speed consumer demand can drive companies to change business models, even if the SDGs stake out the general direction. To drive companies to change at the pace society needs to avoid catastrophic consequences such as runaway climate change and 'hot-house Earth' (Steffen et al., 2018), governments need to enact effective regulation that helps companies do these changes without sacrificing competitiveness, both in developed and developing countries (IHRB, 2015). The interviewees did not see a need for the government to regulate on how companies engage with the SDGs, but a need for more effective regulation that gives clear indications to companies was sought after. Perhaps due to the fact that the interviewees are already top-of-class, and could easily adapt to more stringent regulation.

5.6 Reflections on methodology

For future research, it serves to reflect on the methodology applied in this study. It can be said that the selection process of the interviewees, namely to do a structured analysis of the 2017 AR and SR of Swedish companies on the Large Cap, served the purpose and provided a good population to pursue these questions. All respondents were well acquainted with the SDGs, and could provide insights from companies that obviously were far along in the process. One could criticise the fact that the methodology resulted in an interviewee population biased to the industrials and financials sector, but those companies did provide the most thorough reports in general, and companies from other sectors, such as technology, consumer goods, consumer services, and real estate that the author reached out to in order to create a more varied sample unfortunately denied participating.

Furthermore, the semi-structured interview format provided a good basis for discussion, and the author was able to address all the topics with all the respondents in spite of most respondents being very busy and could not offset more than 30-45 minutes for an interview.

Unfortunately, this led to varying level of answer detail in certain sections. This in turn led to some difficulties in discussing the answers. In order to obtain more data on the various aspects discussed in the interviews, a survey to supplement the more qualitative data of the interviews could be created and sent out to larger sample. This was decided against, as the risk of receiving a low response frequency during summer time was seen as high.

Due to the time limitations in the interviews, some interviewees not being part of the actual process, and the approach of interviewing several companies, the author could not delve in as much into the actual practicalities as was desired. In hindsight, one could question how much it would be worth to go into the nitty-gritty details spanning across several companies; it became apparent that the details of this work were significantly different among the companies, as circumstances in terms of sector, in-house knowledge, and motivations differed widely. In order to provide inspiration to other companies looking to engage with the SDGs, it would probably be of more value to produce a multitude of in-depth case studies, that could then be used as inspiration in developing a specific approach in any given firm. Still, the results of this research are of value, as they can point to general trends and also give inspiration for such research.

6 Conclusions

This research set out to understand how progressive large Swedish companies are working with the Sustainable Development Goals (SDGs). As the SDGs were introduced in 2015 and not all companies have started to engage yet, it was chosen to focus on the large Swedish companies leading the way; both to understand how these progressive companies are actually perceiving and working with the SDGs, and to distil knowledge that can help other companies start their journey.

The results of this study are of interest to mainly three groups:

Companies looking to engage with the SDGs – this study provides insight into how the most progressive companies in Sweden have dealt with the SDGs and how the see them. This study can be seen as a benchmark for comparison, and will hopefully inspire more companies to become engaged.

Policy makers – while this confirmed that the industry does not see a place for outright regulation on how companies should embrace the SDGs, several hints were given to what kind of help industry would like to see from policy makers.

Academics – Previous to this study, no academic research has been done that summarises the academic knowledge on the topic of business engagement with the SDGs, and no study had begun to explore the details of how companies actually engage with the SDGs. This study adds academic knowledge in this field, and provides further research topics.

6.1 Answering the RQs

In Chapter 1, three RQs were set to guide the research. Preliminary answers to these questions based on this study are given below. For other relevant reflections, see Chapter 5.

A. What are the trends of SDG engagement by companies on the Large Cap in Sweden?

A report analysis of the SR and IR of the companies registered on the Large Cap of the Swedish Stock Exchange as of April 2018 was undertaken. The research shows that out of the 94 companies on the Large cap, 62 were writing about the SDGs in their SRs or IRs, and 28 showed some kind of integration into business or sustainability strategy. However, the interviews done with 10 of the companies with the most comprehensive reporting, showed that most of these companies have integrated the SDGs to a higher degree than the reporting anticipated. This leads the author to believe that the companies that do actually write about the SDGs have come farther than the first part of the analysis suggests. It was not explored in this study how the companies that did not discuss the SDGs in their reports intend to act, or why they have not acted yet.

International comparisons indicate that Swedish large companies are advanced than large companies from other countries in this aspect (KPMG International, 2017). Furthermore, 25 more companies (27%) from the sample initiated their reporting on them in 2017, telling that there is a strong trend toward reporting on the SDGs among large companies.

B. Have the SDGs induced *meaningful engagement* among the Large Cap companies?

The answer to this question is: yes and no. 'Meaningful engagement' in this study means additionality, i.e. has the SDGs contributed to an increased focus on sustainability or not. Half of the companies interviewed reflected that the SDGs had prompted them initiate development of new products or solutions, change the direction of product and service development, or look at new markets. However, there had been no instances of larger investments or divestments springing directly from SDG engagement. The other half indicated that the SDGs have not changed their business or sustainability strategy materially as those were already well developed, but had given them new clearer ways of communicating their work with various stakeholders, and helped them keep broaden their minds and make sure they are on the right track.

Apart from change in strategy, the interviewees found other benefits from engaging with the SDGs. Some saw it as a precursor of a new 'social licence to operate' that guides new regulation and legislation, and thus used it for risk and opportunity management. Others found the exercise of integrating the SDGs to spark ideas on how to reimagine their products or services in a way that reduces negative impact or increases positive impact on the goals. Also, the SDGs helped to put sustainability higher on the agenda in the companies in several cases, facilitating the work to change the business model over time.

Furthermore, almost all of them witnessed that they believe the SDGs to become increasingly important for their company in sustainability and business strategy, and for society in general, a view that is supported by the literature review done in Chapter 2. International leaders hope that the SDGs will be the vision, framework, and tool that tip the balance and radically makes business shift the trajectory onto one of sustainable business. The results of this study cannot give say support this, at least not at this point in time. Whether or not the SDGs provide the bridge to business sustainability 3.0 remains to be seen.

C. How do Large Cap companies in practice integrate the SDGs and make them actionable for the company?

A detailed run-through of how the interviewed companies integrated the SDGs was given in Chapter 5.4. While companies' approaches varied in time and effort spent, number of people involved, and what expertise they involved, in general they followed the SDG Compass, described in Chapter 2.1.3. Some key differences emerged: none of the interviewed companies have started to actively follow up on their SDG work yet using KPIs, and companies preferred to focus on increasing their positive impact much more than looking at the potential of reducing negative impact. The involvement of upper management and CEO also varied, with most companies' upper management not being actively involved in the process, but supporting it nonetheless, and embracing the results. It was clear that while in most cases sustainability functions led the process, the active involvement and buy-in from other functions was key in most companies. External experts were rarely used, as most companies preferred to 'own' the process.

Reflecting on their journey up to this point, the following key actions emerged that any organisation can follow:

- Any engagement with the SDGs should be anchored in the current mission and work of the organisation;
- Let the process take time, and be deliberate in research and consideration;
- Create relevant organisational targets in a language that makes sense to the organisation;
- Secure the CEO's and upper management's support;

- Use robust logic in any communication about why, or why not, the organisation engages with an SDG;
- Engage and empower employees.

Regarding the continuous daily work and the SDGs, they have not begun to influence the daily work of employees to a meaningful degree. In some cases, though, the SDGs are being used to motivate employees or to focus discussions on sustainability.

6.2 Further research topics

This study provided some preliminary answers to how and why Swedish companies on the Large Cap engage with the SDGs, but much remains to be done to understand and accelerate SDG engagement among companies across the board. It was encouraging to see that the interviewed Swedish companies are driving for a sustainability transformation, that they see opportunities in it, and that they pride themselves with this. Indeed, the results were promising in the sense of the future direction of these companies. At the same time, this study confirmed that many companies on the stock exchange do not seem to pay attention to the SDGs, or sustainability in general (even though sustainability reporting is mandatory). This study did not explore why so many companies have not yet engaged with the SDGs, something which is left for future research.

An attempt was made in this study to understand how companies in practice integrate the SDGs in a way that brings value to the company, but due to the approach taken, there was only time to scratch the surface. Using the results of this study to construct case studies that goes into depth at individual companies on the process could be an effective research method to produce more detailed information that could be of benefit to other companies.

Exploring how SMEs and large companies outside of the Large Cap engage with the SDGs did not constitute a part of this study. This has not been done in other studies either, so their actions and attitudes are still shrouded in obscurity. The results of this study can be used to encourage those companies to start acting on the SDGs and transform their business as well, but more research is needed in understanding why some SMEs are not acting yet, and what barriers need to be removed in order for them to pursue active engagement with the SDGs.

In the research, the companies' attitudes toward potential governmental moves was briefly explored. In general, they did not see a role for the government to actively regulate on how or whether companies engage with the SDGs. However, many other possible 'interventions' were given in the interviews. Exploring just how governments should contribute to businesses' work with the SDGs is something that needs to be studied further.

6.3 Final thoughts

One of the main questions the author had moving into this research was whether or not the SDGs have the potential to bring about truly meaningful change in the corporate sector. Dyllick and Muff (2016) describe a common concern for academics and civil society: the sustainability wave rolling over the corporate sector has not resulted in a significant improvement in the global situation. This is an admittedly valid concern shared by the author; one cannot deny that even though some companies – including the ones interviewed in this study – have come a long way, there is a multitude of companies that continue with business as usual, and many national governments do not take their responsibility in pushing the agenda. On top of this, there is general population growth, a black economy that does not follow regulations or international conventions, and so on, which dim out the global effects from these corporeate leaders of sustainability. Certainly, all companies, including those that already are advanced, need to do much more. But, focussing on this divide presents a fairly simplistic view which risks not giving credit where credit is due.

One of the weaknesses of corporate engagement with the SDGs is the fact that it rests on a voluntary basis. Thus, corporate engagement is lauded, but the actual delivery and its impact is not evaluated by any external actors, which can easily lead to businesses engaging in so-called 'SDG-washing'. This is a common issue not limited to the SDGs. For example, the UNGC, while requiring a signing up process and a yearly communication, suffers from decoupling: companies cannot be punished for not living up to the standard (Orzes et al., 2018). For the SDGs, increased transparency is needed so civil society can better judge the language used versus what is actually done. Regulation that can guide businesses to easier make decisions that contribute to the SDGs is also desired.

Still, the author argues that the SDGs present a framework to bridge this divide described by Dyllick and Muff; using the SDGs gives a language that can be used – by both business leaders, governments, and civil society – to describe every decision and action of companies in the light of a larger framework, and judge its positive or negative impacts accordingly. Following institutional theory, over time, the use of this common language will hopefully incrementally change what is considered to be an adequate business decision (i.e. not premiering shareholder value increase as the main indicator of a good decision), which was also shown to be the expectation of the interviewees in this study.

Increasingly, companies are started with solving a social ill or environmental problem as their goal (Lundström et al., 2014). But society needs the 'old' companies to change too if society is to reach the global goals set out in 2015, and it seems like some of those companies have started to heed that call (Deloitte Insights, 2018). As stated in the introduction, society is in dire need for all actors to act quickly, to become stewards of the Earth, instead of extractors (Steffen et al., 2018). Hopefully, the SDGs will serve as a compass to renavigate businesses to this end, where businesses serve as champions for environmental and social justice.

Former U.S. President John F. Kennedy once famously said: "By defining our goal more clearly – by making it seem more manageable and less remote – we can help all people to see it, to draw hope from it and to move irresistibly towards it" (Kennedy, 1963). In order to solve our current crises, things need to happen, and they need to happen fast, but as nations and private businesses alike have started to act upon the SDGs, maybe there is hope yet.

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Interviews

André, J. (2018, July 4). Phone Interview.

Båge-Friborg, C. (2018, July 3). Phone interview.

Campiglia Hedvall, A. (2018, August 3). Phone interview.

Carlén-Johansson, E. (2018, July 4). Personal interview.

Hellman, F. (2018, July 19). Personal interview.

Jahja, R. (2018, August 15). Personal interview.

Morrin, N. (2018, July 4). Phone interview.

Nilzén, F. (2018, June 29). Phone interview.

Ripa, M. (2018, September 4). Personal interview.

Weinestedt, H. (2018, June 29). Phone interview.

Appendix I – The 17 Sustainable Development Goals

The SDGs together with the 169 targets are laid out in the document "Transforming Our World: The 2030 Agenda for Sustainable Development". The context and progress of each goal, its targets and indicators can be explored on the UN's following website: https://sustainabledevelopment.un.org/sdgs

#1 End poverty in all its forms everywhere

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

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

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

#5 Achieve gender equality and empower all women and girls

#6 Ensure availability and sustainable management of water and sanitation for all

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

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

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

#10 Reduce inequality within and among countries

#11 Make cities and human settlements inclusive, safe, resilient and sustainable

#12 **Ensure sustainable consumption and production patterns**

#13 Take urgent action to combat climate change and its impacts

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

#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

#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

#17 Strengthen the means of implementation and revitalize the global partnership for sustainable development

Appendix II – Request for interview letter (English version)

Request for interview on Stora Enso's work with the SDGs

Dear Mr./Ms. (name),

I am currently studying at the International Institute for Industrial Environmental Economics, Lund University, and am working on my master thesis. In my thesis, I examine how the large companies on the Swedish Stock Exchange work on integrating the Sustainable Development Goals (SDGs) into their business models and sustainability strategies. In the first part of the study, I reviewed how the companies in the Large Cap report around the SDGs in their 2017 annual and sustainability reports.

Through this work, I identified (company name) as one of the companies who were the most advanced in working with the SDGs. I am interested in delving into how companies that are successful in this work actually works with the SDGs on an internal and practical level, and am therefore sending you this request. I would be very grateful if you could grant me 30 minutes (or more if you have the time) for a telephone/Skype interview on this topic. Do you have any possibility to talk during week x? Otherwise, I am also available during weeks y-z if that suits better.

I am interested in discussing practical aspects regarding your work with the SDGs:

- How you consider the SDGs and their connection with your business model and strategy;
- How the SDGs inform your sustainability strategy work;
- How Stora Enso has worked on an internal level to integrate the SDGs into the organisation.

I plan to send a more detailed list of questions before the interview. In the thesis output, you and your company's anonymity will be protected; no statements made by you will be explicitly connected to you or your company, unless you wish otherwise.

The results of this study will hopefully lead to generalisable results on how other companies can work with the SDGs to successfully integrate them in their business quicker, and to provide insights to policy makers, which can produce policy that can help you advance your work faster.

With kind regards,

David Helsing

Master student at the International Institute for Industrial Environmental Economics,

Lund University

Appendix III – Request for interview letter (Swedish version)

Förfrågan om intervju angående ert arbete med de globala hållbarhetsmålen

Hej (namn),

Jag studerar vid Internationella Miljöinstitutet (International Institute for Industrial Environmental Economics), Lunds Universitet, och skriver mitt examens-arbete just nu. I mitt examens-arbete studerar jag hur stora svenska företag arbetar med att integrera de globala hållbarhetsmålen (Sustainable Development Goals: SDGs) i deras affärsmodeller och hållbarhetsarbete. I det första skedet av studien gick jag igenom rapportering kring målen i de officiella årsredovisningar och hållbarhetsredovisningar från 2017.

Genom denna genomgång har jag identifierat (företagsnamn) som ett av de stora företagen på Stockholmsbörsen som har kommit längst i sitt arbete med de globala hållbarhetsmålen. Jag är intresserad att undersöka hur företag som aktivt arbetar med hållbarhetsmålen faktiskt går till väga i sitt arbete. Därmed är jag intresserad av att intervjua er angående detta. Jag skulle vara mycket tacksam om vi kunde anordna en intervju på ca 30 minuter (eller mer i den mån ni har tid), antingen via telefon/Skype, eller om det finns möjlighet att anordna ett fysiskt möte kommer jag gärna förbi. Har du någon möjlighet prata under vecka x? Annars har jag möjlighet vecka y-z också (ju tidigare desto bättre).

Jag är intresserad av att diskutera praktiska frågor kring ert arbete med hållbarhetsmålen:

- Hur ni tänker kring hållbarhetsmålen och deras koppling till er affärsmodell och strategi
- Hur hållbarhetsmålen informerar ert arbete med hållbarhetsstrategi
- Hur ni praktiskt har arbetat för att integrera hållbarhetsmålen i organisationen

Jag kan även skicka en mer detaljerad lista med frågor om det skulle önskas, före intervjun. I uppsatsen kommer er och ert företags anonymitet skyddas, och inga uttalanden kommer att kopplas direkt till er eller ert företag.

Resultaten av denna studie kommer förhoppningsvis leda till kunskap kring hur framstående företag som lyckats integrera hållbarhetsmålen tänker kring dem och arbetar med dem internt, vilket kan användas för att hjälpa andra företag att göra samma resa, och för att hjälpa politiker besluta om styrmedel som faktiskt kan hjälpa företag i denna resa.

Med varma hälsningar,

David Helsing

Master student vid Internationella Miljöinstitutet, Lunds Universitet

Appendix IV – Interview guide (English)

The following guide was used during the interview. Before the interview, the main questions (the questions noted with numbers) were sent to the interviewees.

Introduction: Setting, ca. 30 minutes; permission to record interview; describe purpose of interview, how I see the SDGs and private sector interaction, gaps of knowledge, purpose of thesis

Questions:

Initial Q: What is your role in the organisation, and can you tell me in your words what you and your organisation are doing with the SDGs that you find most important to

1. Why did you decide to engage with the SDGs?

a. What were the main driving forces for you to engage in the SDGs (internal/external)?

b. Do you see any business opportunities or possibilities to gain competitive advantage in the fields presented by the SDGs?

c. Did you have any institutional pressures?

d. Are you acting out of ethical reasons?

2. Could you describe the process of how you worked with the SDGs when you decided to engage with them?

a. What kind of sustainability goals were implemented already before you engaged in the SDGs?

b. How did you choose which goals/targets to focus on?

c. Did you take into account your potential negative impact on any of the goals?

d. Did you use any kind of scenario-thinking?

e. Did you use any kind of consequence analysis when deciding on measures?

f. Who was in charge and which departments were involved in the process? Did you involve any external parties?

g. Was the board or the CEO involved?

3. Could you describe your current ongoing work with the SDGs?

a. Who has responsibility now?

b. How are other business units (apart from sustainability-related units) involved, and are they paying attention to the SDGs in their work in some way? How do they view the SDGs?

c. What is the stance of the board? Are they interested in the SDGs?

d. (If the company has set KPIs) How do you set the KPIs and how do you follow up? What is your target horizon for impacting the SDGs?

e. (If the company has not set KPIs) How do follow up with your work on the SDGs?

4. Does your work with the SDGs correlate with other frameworks you engage with, e.g. UNGC, CDP or GRI?

a. Do you perceive that your work with the SDGs has improved your work with these?

5. Do you engage with external stakeholders, such as investors or NGOs, in any way regarding your work with the SDGs?

a. What kind of interaction?

b. What is their attitude?

c. Do you talk with other companies (your peers) about how you work with the SDGs?

6. Has your work with the SDGs impacted your sustainability strategy?

a. Have the SDGs broadened your scope?

b. Have the SDGs inspired any new initiatives? (E.g. strategy to minimise negative impact, or tangible new initiatives to impact even more)

7. Has your work with the SDGs impacted your business strategy or core activities?

a. Have the SDGs influenced or been taken into account in any investment or divestment decision so far?

b. Have the SDGs inspired any product development or market decisions so far?

8. How would you define meaningful engagement with the SDGs for your company?

9. How do you see your future work with the SDGs develop?

a. Do you think they will have a larger impact on the sustainability strategy?

b. Do you think they will have a larger impact on the business strategy?

10. What are your key learnings from your engagement with the SDGs? What works to make engagement with them successful?

a. What works?

b. What doesn't work?

c. What short advice would you give to companies that consider to implement the SDGs?

11. What kind of general regulatory measures do you think would help you and your colleagues in the private sector to impact the SDGs even more?

12. Extra question if we have time: What is your outlook on the SDGs in general?

a. How do you see companies' responsibility in achieving the SDGs?

Finally: Reiterate purpose and use of data, as well as when the thesis will be available

Appendix V – Interview guide (Swedish)

The following guide was used during the interview. Before the interview, the main questions (the questions noted with numbers) were sent to the interviewees.

Introduktion: Ca. 30 minuter; tillåtelse att spela in; beskriv syfte med intervju, hur jag ser på SDG och den privata sektorn, akademiska kunskapshål, syfte med uppsatsen

Frågor:

Inledande fråga: Vad är din roll och ditt uppdrag inom organisationen, och skulle du kunna berätta i dina ord hur ni arbetar med hållbarhetsmålen, och vad du tycker är viktigast i det arbetet

1. Varför bestämde ni er för att engagera er med hållbarhetsmålen?

a. Vad är de drivande krafterna som har fått er att engagera er (interna och externa)?

b. Ser ni några nya affärsmöjligheter eller möjlighet till att få utökad konkurrenskraft genom hållbarhetsmålen?

c. Har ni upplevt någon press från myndigheter eller regering?

d. Hur ser ni på ert moraliska ansvar?

2. Skulle du kunna beskriva processen hur ni arbetade med att integrera hållbarhetsmålen efter att ni bestämt er för att engagera er med dem?

a. Vilka slags hållbarhetsmål har ni haft i organisationen före ni började interagera med de globala hållbarhetsmålen?

b. Vem hade ansvar, och vilka avdelningar var inblandade? Var några externa aktörer inblandade?

c. Hur valde ni vilka mål / targets att fokusera på? (Hade ni någon hjälp från externa aktörer?)

d. I denna process, tittade ni på potentiella negativ påverkan ni har, eller upptäckte ni någon negativ påverkan ni inte tänkt på tidigare?

e. Använde ni något slags scenariotänk?

f. Gjorde ni någon konsekvensanalys?

g. Var styrelsen/VD involverade? Var de drivande isåfall?

3. Skulle du kunna beskriva hur ni fortsatt arbetar med hållbarhetsmålen?

a. Vem har nu ansvar?

b. Hur är andra avdelningar involverade i det dagliga arbetet? Påverkar målen dem i deras dagliga arbete?

c. Vad är styrelsens ståndpunkt?

d. (Om ni har KPIs) Hur satte ni KPIs och hur följer ni upp? Vad är er horisont när det kommer till hållbarhetsmålen?

e. (Om ni inte har KPIs) Hur följer ni upp ert arbete med målen?

4. Hur är ert arbete med hållbarhetsmålen relaterat till ert deltagande i andra initiativ, som UNGC, CDP och GRI?

a. Hur upplever ni att ert arbete med hållbarhetsmålen har påverkat ert arbete med andra initiativ?

5. För ni några slags diskussioner med externa stakeholders, t.ex. investerare eller NGOs, angående hållbarhetsmålen?

a. Vilken slags interaktion?

b. Hur är deras attityd?

c. För ni dialog med andra företag kring detta?

6. Hur har ert arbete med hållbarhetsmålen påverkat er hållbarhetsstrategi?

a. Har hållbarhetsmålen utökat 'scopet' för er strategi?

b. Har hållbarhetsmålen inspirerat några nya initiativ? T.ex. för att minska negativ påverkan.

7. Hur har ert arbete med hållbarhetsmålen påverkat er affärsstrategi och kärnverksamhet?

a. Har hållbarhetsmålen påverkat något investerings- eller divesteringsbeslut hittills?

b. Har hållbarhetsmålen inspirerat någon ny produkt eller intåg i ny marknad?

8. Hur skulle du definiera meningsfullt engagemang med hållbarhetsmålen?

9. Hur ser du att er framtida arbete med hållbarhetsmålen utvecklas?

a. Tror du att de kommer ha ett större inflytande på er hållbarhetsstrategi?

b. Tror du att de kommer ha ett större inflytande på er affärsstrategi?

10. Vad är era mest viktiga lärdomar från arbetet med hållbarhetsmålen? Vad har gjort ert arbete en succé?

a. Vad fungerar?

b. Vad fungerar inte?

c. Har du några snabba råd till företag som vill engagera sig med målen?

11. Vilka slags politiska styrmedel (reglering, etc.) skulle kunna hjälpa er och den privata sektorn att arbeta än bättre med hållbarhetsmålen?

12. Extra fråga ifall vi har tid: Vad är din generella åsikt angående agenda 2030 och hållbarhetsmålen?

a. Hur ser du på företags ansvar när det gäller att uppnå agenda 2030?

Slutligen: upprepa syfte och hur data skall användas, samt när uppsatsen kommer publiceras

Appendix VI – Profiles of interviewed companies

In this appendix a brief profile of each of the companies that were interviewed for this thesis is shown.

AstraZeneca PLC

Year founded: 1999 (merger of Sweden-based Astra founded in 1913 and UK-based Zeneca)

Headquarters location: Cambridge, UK

Business areas: biopharmacy (focus areas: cancer diseases, cardiovascular and metabolic diseases, respiratory diseases)

Number of employees: 61 100 (2017)

Yearly turnover: USD 22 465 million (2017)

SDGs focussed on: #3 (Good Health and Well-Being), #4 (Quality Education), #12 (Sustainable Consumption and Production), #13 (Climate Action), #17 (Partnerships for the Goals)

Sandvik AB

Year founded: 1862

Headquarters location: Stockholm, Sweden

Business areas: equipment for metal cutting, mining and construction, production of stainless steel and other special alloys

Number of employees: 43 024 (2017)

Yearly turnover: SEK 90 905 million (2017)

SDGs focussed on: #3 (Good Health and Well-Being), #5 (Gender Equality), #7 (Affordable and Clean Energy), #8 (Decent Work and Economic Growth), #9 (Industry, Innovation and Infrastructure), #12 (Sustainable Consumption and Production), #13 (Climate Action)

Skanska AB

Year founded: 1887

Headquarters location: Stockholm, Sweden

Business areas: construction project developer, infrastructure project developer

Number of employees: 40 759 (2017)

Yearly turnover: SEK 157 877 million (2017)

SDGs focussed on: #5 (Gender Equality), #6 (Clean Water and Sanitation), #7 (Affordable and Clean Energy), #8 (Decent Work and Economic Growth), #9 (Industry, Innovation and Infrastructure), #11 (Sustainable Cities and Communities), #12 (Sustainable Consumption and Production), #13 (Climate Action)

SKF AB

Year founded: 1907

Headquarters location: Gothenburg, Sweden

Business areas: ball bearings, sealing

Number of employees: 43 814 (2017)

Yearly turnover: SEK 77 938 million (2017)

SDGs focussed on: #3 (Good Health and Well-Being), #6 (Clean Water and Sanitation), #7 (Affordable and Clean Energy), #8 (Decent Work and Economic Growth), #9 (Industry, Innovation and Infrastructure), #11 (Sustainable Cities and Communities), #12 (Sustainable Consumption and Production)

Stora Enso Oyj

Year founded: 1998 (merger of Stora, founded in 1347, and Enso, founded in 1872)

Headquarters location: Helsinki, Finland

Business areas: forestry, pulp and paper manufacturer

Number of employees: 26 206 (2017)

Yearly turnover: EUR 10 045 million (2017)

SDGs focussed on: #12 (Sustainable Consumption and Production), #13 (Climate Action), #15 Life on Land

Svenska Handelsbanken

Year founded: 1871

Headquarters location: Stockholm, Sweden

Business areas: banking, credit, investing (primary markets: Nordic countries, the UK)

Number of employees: 11 832 (2017)

Yearly turnover: SEK 29 766 million (2017)

SDGs focussed on: #4 (Quality Education), #8 (Decent Work and Economic Growth), #9 (Industry, Innovation and Infrastructure), #11 (Sustainable Cities and Communities), #16 (Peace, Justice and Strong Institutions)

Swedbank AB

Year founded: 1820

Headquarters location: Stockholm

Business areas: banking, credit, investing (main markets: Sweden, baltic states)

Number of employees: 14 588 (2017)

Yearly turnover: SEK 42 438 million (2017)

SDGs focussed on: #3 (Good Health and Well-Being), #4 (Quality Education), #5 (Gender Equality), #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 (Sustainable Consumption and Production), #13 (Climate Action), #17 (Partnerships for the Goals)

Telia AB

Year founded: 2002 (merger of Telia – originally Kungl. Telegrafverket – founded in 1853 and Sonera, founded in 1917)

Headquarters location: Solna, Sweden

Business areas: telephone provider, mobile network provider

Number of employees: 20 700 (2017)

Yearly turnover: SEK 79 867 million (2017)

SDGs focussed on: Not announced

Trelleborg AB

Year founded: 1905

Headquarters location: Trelleborg, Sweden

Business areas: polymer production (coated systems, industrial solutions, offshore & construction, sealing solutions, wheel systems)

Number of employees: 23 152 (2017)

Yearly turnover: USD 31 581 million (2017)

SDGs focussed on: #2 (Zero Hunger), #3 (Good Health and Well-Being), #6 (Clean Water and Sanitation), #7 (Affordable and Clean Energy), #9 (Industry, Innovation and Infrastructure), #11 (Sustainable Cities and Communities), #13 (Climate Action)

Volvo AB

Year founded: 1927

Headquarters location: Gothenburg, Sweden

Business areas: trucks, buses, construction equipment, marine propel systems, diesel engines for power production

Number of employees: 99 488 (2017)

Yearly turnover: SEK 334 748 million (2017)

SDGs focussed on: #3 (Good Health and Well-Being), #9 (Industry, Innovation and Infrastructure), #11 (Sustainable Cities and Communities), #13 (Climate Action)

Appendix VII – Result sheet from report analysis

		Aspect													
		General talk of SDGs	CEO statement	Separate chapter on SDGs	Selected specific SDGs	Selected targets	SDG KPIs	SDGs integrated in sustainability work	Other business aspects and the SDGs	Reflection on possible negative impacts on SDGs	Core activities affected by SDGs	Externally verified	Signatory of UNGC		
Company name	Sector	SDGs are mentioned and explained. 1 point for 'y'	CEO mentions the SDGs. 1 point for 'y (in SR)' and 2 for 'y'	Self-explanatory. 1 point for 'y'	The company has selected core SDGs they are contributing to. 1 point for 'y'	The company has selected sub-goals to focus on. 2 points for 'y'	The company has introduced KPIs for the goals or targets they are focussing on. 1 point for 'y'	There are explicit references to the SDGs being integrated in sustainability work. 1 point for 'y'	SDGs referenced outside of sustainability context or connected to other business areas. 2 points for 'y'	Clear reflection of the negative impact the company are currently having. 1 point for 'y'	Ex: Mention of new markets entered inspired by the SDGs; investment/divestment decisions taken with SDGs in mind. 2 points for 'y'	The sustainability report is verified by a third party. 1 point for 'y'	1 point for 'y'	Total points (max 15p)	Contact priority
Ericsson	Technology	1	1	1	1	2	0	1	2	0	2	1	1	13	High
Sandvik AB	Industrials	1	2	1	1	2	1	1	2	0	0	1	1	13	High
Skanska AB	Industrials	1	2	1	1	0	1	1	2	1	0	1	1	12	High
Trelleborg AB	Industrials	1	2	1	1	0	0	1	2	0	2	1	1	12	High
AstraZeneca PLC	Health Care	1	0	1	1	2	1	1	2	0	0	1	1	11	High
Stora Enso Oyj	Basic Materials	1	2	1	1	0	0	1	2	1	0	1	1	11	High
Telia Company AB	Telecommunications	1	2	0	0	0	0	1	2	1	2	1	1	11	High
Svenska Handelsbanken	Financials	1	1	0	1	0	0	1	2	1	2	1	1	11	High
Swedbank AB	Financials	1	2	1	1	0	0	1	2	0	0	1	1	10	High
SKF, AB	Industrials	1	2	1	1	0	0	1	2	0	0	1	1	10	High
AAK AB	Consumer Goods	1	1	0	1	2	1	1	0	0	0	1	1	9	High
JM AB	Real Estate	1	2	1	1	0	1	1	0	0	0	0	1	8	Medium
Nordea Bank AB	Financials	1	2	0	1	0	0	1	0	1	0	1	1	8	Medium
Skandinaviska Enskilda Banken	Financials	1	0	1	1	0	0	1	2	0	0	1	1	8	Medium
Tieto Oyj	Technology	1	2	0	1	0	1	1	0	0	0	1	1	8	Medium
BillerudKorsnäs AB	Basic Materials	1	0	0	1	2	0	0	0	1	0	1	1	7	Medium
Fingerprint Cards AB	Industrials	1	1	0	1	0	1	1	0	0	0	1	1	7	Medium
Husqvarna AB	Consumer Goods	1	1	1	1	0	0	0	0	1	0	1	1	7	Medium
ICA Gruppen AB	Consumer Services	1	0	1	1	0	1	1	0	0	0	1	1	7	Medium
SSAB AB	Basic Materials	1	2	1	1	0	0	0	0	0	0	1	1	7	Medium
Volvo, AB	Industrials	1	0	0	1	0	1	1	2	0	0	0	1	7	Medium
Bonava AB	Real Estate	0	0	0	1	0	1	0	2	0	0	1	1	6	Low
Modern Times Group MTG AB	Consumer Services	1	1	1	1	0	0	0	0	0	0	1	1	6	Low
Ahlstrom-Munksjö Oyj	Basic Materials	1	1	0	1	0	0	1	0	1	0	0	1	6	Low
ASSA ABLOY AB	Industrials	1	1	0	1	0	0	1	0	0	0	1	1	6	Low
Electrolux, AB	Consumer Goods	1	1	1	1	0	0	1	0	0	0	0	1	6	Low
Essity AB	Consumer Goods	1	2	0	1	0	0	0	0	0	0	1	1	6	Low
Hennes & Mauritz AB	Consumer Services	1	0	1	1	0	1	0	0	0	0	1	1	6	Low
HEXPOL AB	Basic Materials	1	0	0	1	0	1	1	0	0	0	1	1	6	Low
Axfood AB	Consumer Services	1	0	0	1	0	1	1	0	0	0	1	1	6	Low

Munters Group AB	Industrials	1	0	1	1	2	0	1	0	0	0	0	0	6	Low
Getinge AB ser. B	Health Care	1	0	1	1	0	0	0	0	0	0	1	1	5	-
Lundin Petroleum AB	Basic Materials	1	0	1	1	0	0	0	0	0	0	1	1	5	-
NIBE Industrier AB	Industrials	0	0	1	1	0	0	1	0	0	0	0	1	4	-
Securitas AB	Industrials	1	0	1	1	0	0	0	0	0	0	1	1	5	-
Thule Group AB	Consumer Goods	0	2	0	0	0	0	1	0	0	0	1	1	5	-
Alfa Laval AB	Industrials	1	2	1	0	0	0	0	0	0	0	0	1	5	-
Axis AB	Technology	1	1	0	1	0	0	0	0	0	0	1	1	5	-
Nobia AB	Consumer Goods	1	0	0	1	0	0	1	0	0	0	0	1	4	-
Atlas Copco AB	Industrials	1	0	0	1	0	0	0	0	0	0	1	1	4	-
Castellum AB	Real Estate	1	0	0	1	0	0	0	0	0	0	1	1	4	-
Holmen AB	Basic Materials	1	0	0	1	0	0	0	0	0	0	1	1	4	-
Lundin Mining Corporation	Basic Materials	1	1	0	0	0	0	0	0	0	0	1	1	4	-
NCC AB	Industrials	1	0	0	1	0	0	0	0	0	0	1	1	4	-
Svenska Cellulosa AB SCA	Consumer Goods	1	0	0	1	0	0	0	0	0	0	1	1	4	-
ABB Ltd	Industrials	1	0	1	1	0	0	0	0	0	0	1	0	4	-
Ahlsell AB	Industrials	1	1	0	1	0	0	0	0	0	0	0	1	4	-
Kungsleden AB	Real Estate	1	0	0	1	0	0	0	0	0	0	1	1	4	-
Swedish Orphan Biovitrum AB	Health Care	1	0	0	1	0	0	0	0	0	0	1	1	4	-
Millicom International Cellular S.A.	Telecommunications	0	0	0	1	0	0	0	0	0	0	1	1	3	-
SAAB AB ser. B	Industrials	1	0	0	0	0	0	0	0	0	0	1	1	3	-
ÅF AB ser. B	Industrials	0	0	0	1	0	0	0	0	0	0	1	1	3	-
Com Hem Holding AB	Telecommunications	1	0	0	1	0	0	0	0	0	0	0	1	3	-
NetEnt AB	Consumer Services	1	0	0	1	0	0	0	0	0	0	0	1	3	-
Wallenstam AB	Real Estate	1	0	0	1	0	0	0	0	0	0	1	0	3	-
Wihlborgs Fastigheter AB	Real Estate	0	2	0	0	0	0	0	0	0	0	1	0	3	-
Boliden AB	Basic Materials	0	0	0	1	0	0	0	0	0	0	0	1	2	-
Elekta AB	Health Care	0	0	0	1	0	0	0	0	0	0	0	1	2	-
Hufvudstaden AB	Real Estate	1	0	0	1	0	0	0	0	0	0	0	0	2	-
Oriflame Holding AG	Consumer Goods	0	1	0	0	0	0	0	0	0	0	0	1	2	-
Arjo AB ser. B	Health Care	1	0	0	0	0	0	0	0	0	0	1	0	2	-
Autoliv Inc.	Consumer Goods	1	1	0	0	0	0	0	0	0	0	0	0	2	-
Swedish Match AB	Consumer Goods	0	0	0	0	0	0	1	0	0	0	0	0	1	-