

UN GLOBAL COMPACT NETWORK UK

SUSTAINABLE DEVELOPMENT GOALS PLAYBOOK FOR SMALL-MEDIUM ENTERPRISES



Global Compact
Network UK

IM irwinmitchell

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With thanks to Irwin Mitchell, and all our colleagues at the UN Global Compact Network UK for their valuable input in developing this resource.

FOREWORD



[The 2030 Agenda](#) was launched in 2015 with hope. The UN Sustainable Development Goals (SDGs) represent the change needed to create the future we want. We have now reached the halfway point and if we are to achieve the goals by 2030, we need to raise our ambitions.

The SDGs provide a unique chance for all sectors to rally around a common global agenda. The private sector was at the table in 2015, and it remains a vital catalyst for global action. Companies – no matter how small – need to engage with the SDGs, not just for society and the planet: Future success will be the reward of those who place sustainability at the core of their business model. Sustainability is a competitive necessity and a key driver for innovation and long-term success.

We are already seeing companies penalised for failing to address the transition to a zero-carbon economy or ignoring the negative societal impacts within their organisations. By integrating the

SDGs into their business strategy and operations, SMEs can lower costs and risk, strengthen customer loyalty, unlock new revenue streams, and improve relations with employees, suppliers, and other stakeholders.

Research shows that sustainability strategies offer SMEs a [competitive advantage](#); however, SMEs consistently report [difficulties taking action in this area](#). Our role at the UN Global Compact Network UK is to build a coalition of responsible businesses, inspire them with the ambition to contribute to the Goals, and then, with tools and knowledge, enable them to convert that ambition into action.

To that end, we have partnered with our Network member, Irwin Mitchell, in developing the **SDG Playbook for SMEs** to help smaller companies discover the competitive advantages associated with embracing the SDGs. We hope you will find it useful.



Steve Kenzie
Executive Director at the UN Global
Compact Network UK

FOREWORD



Environmental, social, and governance (ESG) issues are becoming increasingly important for businesses of all sizes in the UK and across the world in an era where business leaders can't ignore the need to be responsible and evolve around a clear purpose.

Adopting an ESG framework encourages businesses to truly understand the short and long-term implications of their actions across their entire value chain. It requires businesses to consider the impact of their operations on different stakeholders – employees, partners, suppliers, investors, shareholders, and communities. It's underpinned by having policies, plans, and practices that go beyond compliance to truly embed a commitment to doing business responsibly into organisational culture, to not only meet regulations, but exceed them.

The benefits of building an effective ESG strategy are significant. Cost reductions, business growth and customer acquisition, future-proofing, risk management, and better talent attraction and retention are just some of the reasons why it should be high on our list of priorities.

At Irwin Mitchell, we are passionate about doing business responsibly – it's at the heart of our values and purpose, and sits

at the very core of everything we do. As part of our commitment to helping businesses across all sectors and sizes, whether they're based in the UK or overseas, achieve their ESG ambitions, we're proud to have partnered with the UN Global Compact Network UK on this playbook.

One of the huge benefits of the UN Global Compact and the framework of the SDGs is that the principles can be adapted to help every business make a positive societal and environmental difference. The playbook is intended to provide a step-by-step guide to support businesses getting started on the journey with a process map, practical suggestions, and shared examples from other organisations.

As one of the UK's largest full-service legal and financial firms, we understand, both from our clients and through our experience of building Irwin Mitchell's Responsible Business strategy, the unique challenges facing SMEs looking to embed a robust ESG framework. Our dedicated teams are committed to helping businesses to identify, assess, and address ESG issues in a manner that aligns with their business goals, purpose, and legal obligations.



Vicky Brackett
Group Chief Commercial Officer
Irwin Mitchell

INTRODUCTION



In 2015, the UK Government joined every other country worldwide and committed to [Transforming our world: the 2030 Agenda for Sustainable Development](#), and through it the [17 Sustainable Development Goals \(SDGs\)](#).

The Goals provide a holistic framework that defines our global priorities and aspirations for 2030. They represent a crucial opportunity to end extreme poverty, fight inequality and injustice, and protect our planet. Achieving the Goals requires an unprecedented effort across all aspects of society – and business sits at the heart of it.

The SDGs are not just another sustainability framework, but the only universally agreed blueprint to turn meaningful ambition into transformational change.

Yet, with just seven years to go and already halfway through the 2030 Agenda, we are far from achieving the Goals in the UK.

THE UK'S PERFORMANCE ON THE SDGS

In 2022, the UN Global Compact Network UK engaged a wide range of stakeholders in an open, transparent, and inclusive process to take stock of the UK's progress in achieving the SDGs. [Measuring Up 2.0](#) provides a Goal-by-Goal assessment of the UK's performance against the 17 Goals and their associated targets.

Of the 132 Targets relevant to the domestic delivery of the SDGs, we found that the UK only performs well on 17%. There are gaps in policy or inadequate performance for 64% of them, and 11% where there is little to no policy to address the Target and where performance is poor or declining.

This represents a missed opportunity for society and for business.

SDG STOCKTAKE: THROUGH THE EYES OF THE PRIVATE SECTOR



The [SDG Stocktake](#), produced by [Accenture](#) in partnership with the UN Global Compact, offers an appraisal of the private sector contributions to the SDGs thus far and charts out a detailed path for businesses to make an accelerated impact ahead of 2030.

The Stocktake found that 96% of business leaders agree that businesses play a crucial role in achieving the Goals. The report highlights examples of businesses engaging effectively to contribute to the Goals as well as how they are measuring and reporting on their impacts.

The report also sets out ten key pathways, from innovating responsibly to protecting nature, as well as supporting policymaker asks, to accelerate the ambitious action needed by the private sector to move us forward, faster.

How the UK is performing on the Sustainable Development Goals

TARGETS	NO POVERTY 1	ZERO HUNGER 2	GOOD HEALTH AND WELL-BEING 3	QUALITY EDUCATION 4	GENDER EQUALITY 5	CLEAN WATER AND SANITATION 6	AFFORDABLE AND CLEAN ENERGY 7	DECENT WORK AND ECONOMIC GROWTH 8	INDUSTRY, INNOVATION AND INFRASTRUCTURE 9	REDUCED INEQUALITIES 10	SUSTAINABLE CITIES AND COMMUNITIES 11	RESPONSIBLE CONSUMPTION AND PRODUCTION 12	CLIMATE ACTION 13	LIFE BELOW WATER 14	LIFE ON LAND 15	PEACE, JUSTICE AND STRONG INSTITUTIONS 16	PARTNERSHIPS FOR THE GOALS 17
1	●	●↓	●	●	●	●	●	●↑	●	●↑	●	●↑	○x	●↑	●↑	●	●
2	●	●	●	●	●	●	●	●	●	●↑	●	●	●	●	●	●	●x
3	●↓	●	●↑	●	●	●	●	●	●	●↓	○x	●↑	●	●	●↑	●↓	●
4	●	●↑	●	●	●	●		●	●↑	●↑	●	●		●	●	○x	●
5	●	●↑	●↓	●	●	●		●	●	●	●↑	●		●	●↑	●	●x
6			●↑	●↓	●	○x		●↑		●	●	●		●	●	●	●x
7			●	●↓				●↓		○	●	●↑		●	●x	●	●x
8			●					●				●			●	●	●x
9			●↑					●x							○x	●	●x
10								●↓								●	●x
11																	●x
12																	●x
13																	●x
14																	●↑
15																	●x
16																	●
17																	○x
18																	●↑
19																	●
a	●	●	●↓	●	○x	●	●	●	●	●	●↑	●	●x	●x	●	●	
b	●	●	●↓	●↓	○x	●↑	●	●↑	●	●	●↓	●x	●x	●	○x	●	
c		●	●x	●	●				●	●x	●	●↓		●	●		
d			●														

- The UK is performing well and has appropriate policy in place to address the Target
- There are some gaps in policy coverage, the UK is not performing well enough, or performance is deteriorating
- There is little or no policy in place that adequately addresses the Target, performance is very poor or deteriorating
- The Target is not considered relevant to the UK domestic context or scope of this project
- There is a data gap or the Indicator does not measure relevant data for the UK domestic context and data is unavailable for a more accurate Indicator
- ↑ Progress has improved since the assessment in 2018
- ↓ Progress has deteriorated since the assessment in 2018
- x Progress is not comparable, for example if a Target is considered outside the scope or there is a data gap in one assessment, but has a performance rating in the other assessment.



The business case

There is a multifaceted business case for smaller companies to embrace sustainability. Stakeholders – from regulators to investors to customers to employees – expect all companies to be improving their sustainability performance and they are ready to reward companies that embrace this agenda and punish those that do not. The SDGs provide a widely recognised, holistic sustainability framework for businesses of all sizes.

MITIGATING RISK FROM LEGISLATION

Although the UK government has been disappointingly quiet about domestic delivery of the SDGs, they haven't been inactive. Every Government department produces an Outcome Delivery Plan, which explicitly describes how they are contributing to achieving the Goals. This is influencing policy and can be expected to do so in the future. As the only universally agreed roadmap, internalising SDG-aligned goals and targets can help SMEs anticipate regulatory, policy, and market developments in a way that other sustainability frameworks cannot.

Even if regulations do not apply to SMEs directly, increasing legislation around the themes of the SDGs means larger companies are undertaking more rigorous scrutiny of the smaller companies in their supply chains.

The [Modern Slavery Act](#), which addresses SDG 8, requires businesses within the scope of the Act to publish a public Statement about the steps they are taking to ensure there is no forced labour in their supply chains. These companies may not be willing to work with SMEs that do not have evidence of engaging their supply chain with proactive steps to eradicate forced labour.

Similarly, in 2019, the UK legislated a binding target to reach [net zero by 2050](#) in alignment with SDG 13. All sectors of the economy and all companies, no matter how small, will have to decarbonise to meet this target.

Furthermore, larger companies currently subject to mandatory [Taskforce for Climate-related Financial Disclosures \(TCFD\)](#) regulations with significant scope 3 emissions are legally required to measure and report on these emissions. This is leading to increased demand upon companies of all sizes in their supply chains to disclose climate-related data, set emissions reduction targets, and decarbonise.

Irwin Mitchell has listed the [key legislation](#) required for regulatory and legislative compliance across the ESG space for businesses in the UK. It cannot be stressed enough that even when regulations do not apply directly to SMEs, they may still have an impact on smaller companies through their value chains.

WHAT'S NOW AND WHAT'S NEXT?

In its [What's Now & What's Next](#) report, Irwin Mitchell explains some of the most pressing obstacles businesses face in meeting their ESG targets this year, how to remain compliant with upcoming legislation, and the long-term benefits of doing business responsibly.

The report explores SDG-aligned issues such as how you can meet the Government's new biodiversity targets, and why it matters to your supply chain, where you need to be aware of the threat of Modern Slavery in your supply chain, what economic challenges businesses are likely to face this year, how upskilling colleagues can help fill the skills gap preventing the UK from reaching net zero, and how you can build a business that stands the test of time.

BUILDING REPUTATION

Businesses that integrate the SDGs into their operating methods and culture are better equipped to create value and secure long-term success. The SDGs provide a framework for businesses to become better at what they do. Now, more than ever, stakeholders not only expect, but demand that companies make a positive impact on society.

The [2023 Net Positive Employee Barometer survey](#) found that two-thirds of UK employees want to work for a company that positively impacts the world, and almost two-thirds say efforts by businesses to tackle environmental and societal challenges do not go far enough. Many employees who responded to the survey believe their senior leaders do not care. By prioritising the [2030 agenda](#), SMEs can combat this perception, and improve [organisational talent acquisition and retention](#).

REDUCING COSTS

Integrating sustainability measures aligned with the environmentally focused SDGs (Goals 6, 7, 12, 13, 14, and 15) helps to reduce operational costs by encouraging more efficient use of materials and resources, such as energy and water. The [UK Business Climate Hub](#) has more information on the benefits of installing renewable energy systems and heat pumps, as well as the behavioural changes that can save SMEs money, and reduce carbon emissions.

ACCESS TO FINANCE

Aligning with a globally recognised movement can help SMEs secure sustainable financing options. Increasingly, investors in the UK, particularly those that are signatories to the UN-supported [Principles for Responsible Investment \(PRI\)](#), use environmental,

SUSTAINABLE FINANCE FOR SMEs

NatWest's [A Springboard to Sustainable Recovery report](#) found that the UK's six million SMEs can achieve 50% of the UK's Net Zero decarbonisation goals by decreasing their own emissions. However, the report found that SMEs lack access to the funding, knowledge, and training needed to support progress.

As a result, in 2022, NatWest launched its [Green Loans and Green Asset Finance](#) propositions for qualifying SMEs. Together, the propositions aim to help qualifying SMEs finance business assets to support their sustainability ambitions, such as solar panels, electric vehicles, or heat pumps on commercial buildings, ensuring that more small businesses can access funding to help transition to more sustainable practices, in turn reducing costs in the long term.

social, and governance (ESG) or SDG-related criteria to assess risks and opportunities associated with their investments.

In June 2020, PRI published a [five-part framework for investors](#) to understand and shape the real-world outcomes of their investments in line with the SDGs.

Companies with high ESG scores experience [lower costs of capital](#) compared to companies with poor scores. Innovative financing mechanisms such as sustainability-linked loans or green bonds are made to support companies working towards sustainability commitments.



FOUR STEPS TO INTEGRATING THE SDGs



Integrating the SDGs into core business functions offers SMEs a competitive advantage and an opportunity to future proof their business. However, SMEs consistently report difficulties with where to start.

This playbook signposts resources that can provide further guidance for organisations looking to deepen their understanding

of the SDGs, and how to take action on them. A full list of resources is provided in the Appendix.

While acknowledging that a one-size approach does not fit all, and that the scope of the SDGs can be daunting, we have simplified SDG integration for SMEs into four key steps, and provide a systematic process to implement the SDGs:



STEP ONE: MAPPING IMPACTS AND IDENTIFYING PRIORITIES

How to assess the positive and negative impacts your business operations have on the SDGs.



STEP TWO: SETTING AMBITIOUS GOALS

How to set sustainability goals at the level of ambition needed to achieve the SDGs, and strategically integrate them across your business.



STEP THREE: COMMUNICATING AND REPORTING

How to communicate to stakeholders the importance of taking action for the SDGs and the positive impact this will have on your financial performance.



STEP FOUR: PARTNERSHIPS FOR THE GOALS

How to engage in partnerships that help build brand reputation, mitigate risk, reduce operational cost, and advance action for the SDGs.



Step one: Mapping impacts and identifying priorities

The first step to integrating the SDGs in any organisation should be to assess the positive, and negative, impacts your business is currently having on the SDGs throughout the entire value chain and then identify areas to prioritise for action.

Businesses face increasing demands from their stakeholders to be more transparent about their ESG performance. Mapping impacts demonstrates that a company is aware of and managing its ESG-related risks and opportunities. It is also essential preparation for likely future requests to report on progress and

measure impact. It is vital that all of your business impacts are identified. Wherever possible, impacts should also be quantified and backed up by robust and credible data.

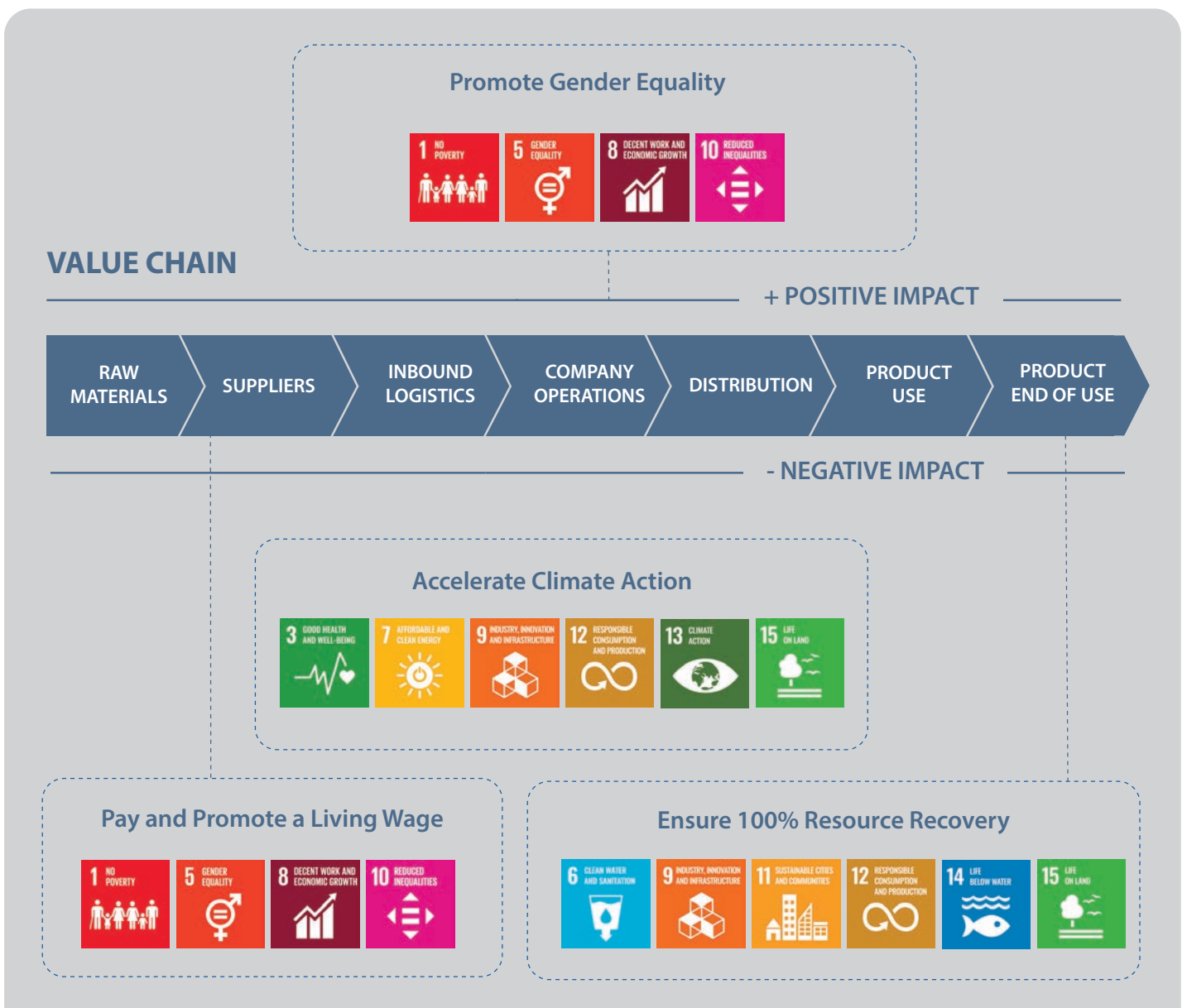
While it might be tempting to focus only on the positive impacts, only through acknowledging negative impacts can companies start to bring about the transformative change necessary to unlock finance options, improve employee retention, reduce operational costs, and mitigate risk.

DEFINING PRIORITIES

Identifying priorities in line with company objectives enables organisations to map the impact of the SDGs across the value chain. This exercise does not need to be a detailed analysis of each SDG at each stage of the value chain; instead, it should be a high-level map of operations, and where impacts can be expected.

For example – you may identify the opportunity to reduce negative impact through the supply chain by asking suppliers to disclose their wage policy, to ensure payment of living wages to those beyond your direct employ. In your company operations, you could focus on advancing gender equality by increasing female representation across all levels of management and paying equal wages for work of equal value.

You could also focus on advancing climate action, by adopting a science-based emissions reduction target. Or, you could reduce negative impacts by improving the reusability and recyclability of your products. This assessment across the full value chain may reveal opportunities for impact that would otherwise be missed.



Industry Impact

NOTE: THE BENCHMARKS ARE LISTED IN ABBREVIATED FORM, FOR THE FULL DESCRIPTIONS PLEASE REFER TO SDG AMBITION BENCHMARK REFERENCE SHEETS

	Mining & Metal	Oil & Gas	Chemical	Utilities	Tele-communications	Construction	Technology	Automotive	Household Goods	Food & beverage	Retail	Life Sciences	Financial Services	Professional Services
Gender balance	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️
Net-positive water impact	⚙️	⚙️	📦	⚙️	⚙️	⚙️	🧠	⚙️	📦	🧠	📦	⚙️	📦	📦
Living wages	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	🧠	⚙️	⚙️	⚙️	⚙️
Zero waste to landfill	⚙️	⚙️	📦	⚙️	⚙️	⚙️	🧠	🧠	📦	🧠	📦	⚙️	📦	📦
Zero discharge of hazardous pollutants	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	🧠	⚙️	⚙️	🧠	🧠	⚙️	📦	📦
100% sustainable input	📦	📦	📦	📦	📦	🧠	📦	📦	📦	📦	📦	📦	📦	📦
Science-based emissions reductions	⚙️	📦	⚙️	📦	📦	⚙️	📦	📦	📦	🧠	🧠	⚙️	📦	📦
100% resource recovery	⚙️	🧠	🧠	⚙️	🧠	🧠	🧠	🧠	🧠	🧠	🧠	🧠	📦	📦
Land degradation neutrality	⚙️	⚙️	📦	🧠	⚙️	⚙️	🧠	🧠	🧠	🧠	⚙️	🧠	📦	📦
Zero bribery	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	📦	⚙️	⚙️	📦	🧠	⚙️	⚙️	⚙️
Equal pay for work of equal value	⚙️	⚙️	⚙️	⚙️	⚙️	⚙️	📦	⚙️	⚙️	📦	🧠	⚙️	⚙️	⚙️
Zero incidences of injury in the workplace	⚙️	🧠	⚙️	⚙️	⚙️	⚙️	🧠	🧠	🧠	🧠	🧠	⚙️	⚙️	⚙️
SDG-aligned corporate finance	📦	📦	📦	📦	⚙️	📦	📦	📦	📦	📦	🧠	⚙️	📦	⚙️

Key

+ Greater Impact - Less Impact -

Product & Services Direct Operations Value Chain

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MAPPING IMPACT

While analysing impact areas, organisations should take their context into account. For example, if your business has labour-intensive operations in regions with a low standard of labour rights and low wages, this will likely demand prioritisation. By extension, this will likely be determined by your industry.

To help illustrate the role each industry can play in achieving the SDGs through setting goals aligned with the SDGs, the UN Global Compact has prepared an analysis of relative industry impact and priority areas across the SDGs. It highlights areas where businesses can have the most significant impact through direct operations, products and services, or influence across the broader value chain (from suppliers to end consumers). Considering the industry impact areas above, SMEs can identify where positive impacts might be advanced, and negative impacts reduced.

ASSESSING MATERIALITY

No one expects an SME to address all of its impacts right away, but stakeholders want to see progress. A materiality assessment will allow you to make informed decisions about where to focus your limited resources for maximum impact. The following questions can be used as a helpful starting point as you assess materiality:

- What risks are most common in your industry right now? Are the current risks likely to be the same in the future? Consider both people and planet.
- How severe are those risks? Both to your company and the wider industry?
- Which SDGs are most relevant to those risks?

Considering the answers to those questions, and the identified priorities, SMEs can outline where positive impacts can be advanced, and negative impacts can be reduced. Organisations can then move on to Step Two: Setting Ambitious Goals.

DOUBLE MATERIALITY

Companies are encouraged to judge materiality from two perspectives:

1. The impact on the company's value
2. The environmental and social impact of the company

The [Global Reporting Initiative](#) expanded its definition of materiality to urge companies to report on those topics that reflect impacts on the economy, environment, and people, including human rights, more closely aligning with the SDGs. The double materiality requirement applies to companies with business activities in the European Union (EU), who are already subject to [Non-Financial Reporting Directive \(NFRD\)](#) from 2024 onwards. Listed SMEs are expected to report on double materiality beginning in 2026.

While reporting regulations relating to double materiality do not apply directly to SMEs yet, mapping impacts from a double materiality perspective at this stage can help SMEs anticipate reporting requirements demanded from larger organisations as they audit their supply chains, as well as better prepare for the future when similar demands are made of SMEs.

TOOLS FOR MAPPING PRIORITIES AND BEYOND

The [SDG Action Manager](#), developed by the UN Global Compact and B Lab, is a web-based impact management solution that walks companies through the mapping process from start to finish, as well as helping you to track progress.

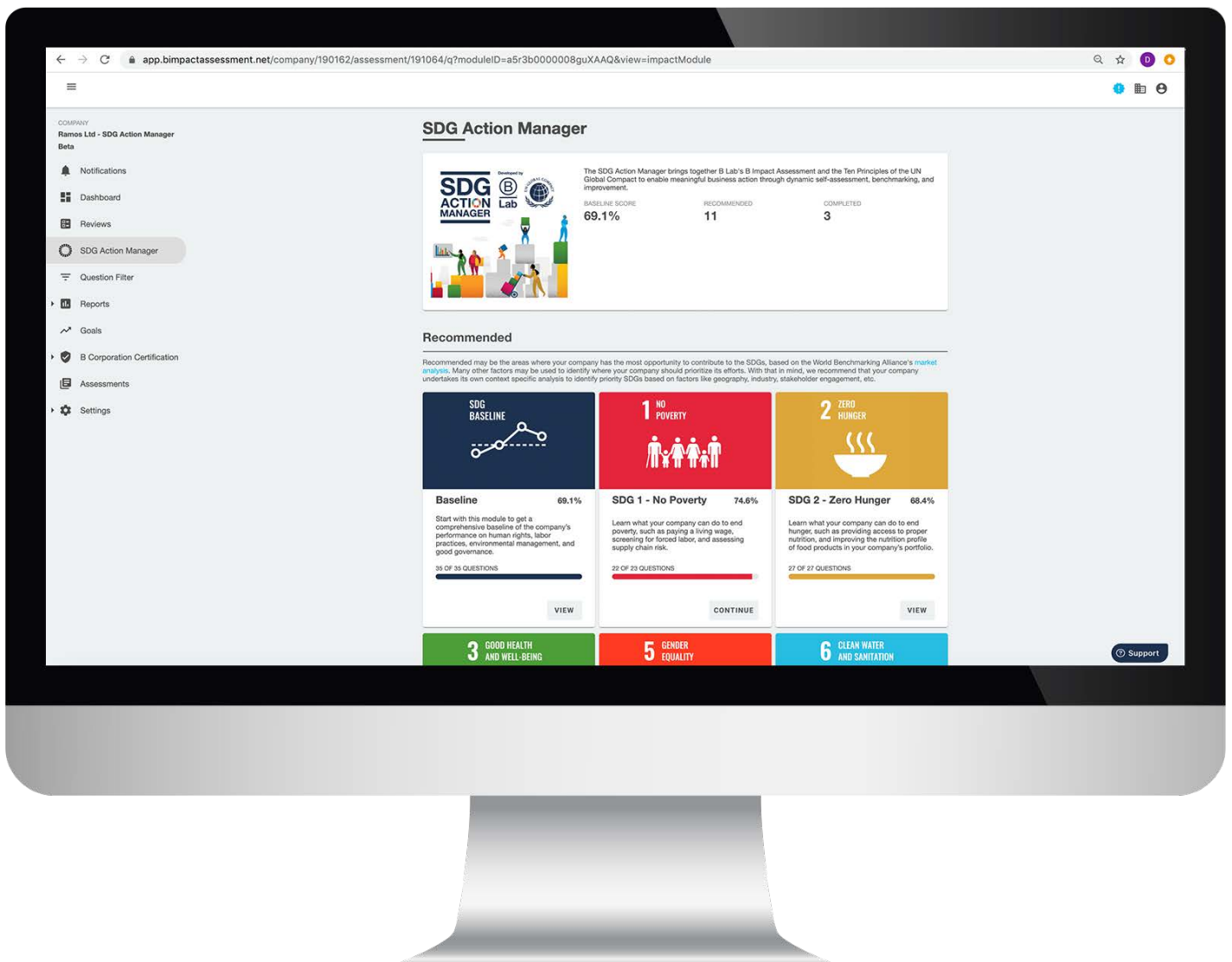
The tool enables companies to:

Find your starting point. Learn which SDGs matter most to you based on your company profile, and how to take action. Understand and share your impact. Get a clear view of how your operations, supply chain, and business model create positive impact, and identify risk areas for each SDG.

Set goals and track improvement. Stay motivated and visualise your progress on the dashboard.

Collaborate across your company. Invite colleagues to join the SDG Action Manager, contribute expertise, and see real-time progress and performance.

Learn at every step. Determine high-impact action based on thought-provoking yet actionable assessment questions, benchmarks, and improvement guides.



Step Two: Setting and Achieving Ambitious Goals



Once SDG impacts have been mapped and priorities have been defined, it can still seem challenging to set ambitious goals and implement them strategically.

The UN Global Compact, in consultation with business leaders and partner organisations, has developed 13 SDG Ambition Benchmarks, to simplify the task and translate ambition into action. These benchmarks are supported with comprehensive reference sheets that include clear pathways and sample actions for companies to take, as well as how companies can assess progress against those goals.

The benchmarks focus on the areas of the SDGs where the private sector could have the greatest impact and create significant momentum in global efforts to achieve the Goals by 2030.

In light of the industry impact mapping exercise, the UN Global Compact Network UK has identified three priority areas where SMEs can realise business benefits while also advancing the SDGs: Gender Equality (SDG 5), Climate Action (SDG 13), and Living Wage (SDG 8). These areas might not be the priorities that you have selected above. If your organisation has chosen a different impact area, you can use the [SDG Ambition Benchmark reference sheets](#) to help you set and achieve ambitious goals.

BENCHMARK
GENDER BALANCE AT ALL LEVELS OF MANAGEMENT

SDG IMPACT | **TIMELINE** 2020 | **SCOPE** | **SECTORS** | **INDUSTRY & SERVICES** | **DATA SOURCES**

Benchmark Information

The gender balance at all levels of management is a key indicator of an organisation's commitment to gender equality and diversity. It is a critical factor in attracting and retaining talent, and in driving innovation and growth. This benchmark aims to ensure that all levels of management are representative of the workforce, and that women and men have equal opportunities for advancement and leadership.

BUSINESS IMPACT ON GENDER BALANCE IN LEADERSHIP

Organisations with a high level of gender balance in leadership are more likely to be successful in the long term. This is because diverse teams are more innovative and better equipped to solve complex problems. Additionally, organisations that are committed to gender equality are more likely to attract and retain top talent, which is essential for long-term success.

Illustrative Industry Impact

Organisations that have a high level of gender balance in leadership are more likely to be successful in the long term. This is because diverse teams are more innovative and better equipped to solve complex problems. Additionally, organisations that are committed to gender equality are more likely to attract and retain top talent, which is essential for long-term success.

BENCHMARK
SCIENCE BASED EMISSIONS REDUCTION IN LINE WITH A 1.5°C PATHWAY

SDG IMPACT | **TIMELINE** 2020 | **SCOPE** | **SECTORS** | **INDUSTRY & SERVICES** | **DATA SOURCES**

Benchmark Information

The benchmark calls for science-based targets (SBTs) that are consistent with the 1.5°C pathway. This is a critical step in addressing climate change and reducing greenhouse gas emissions. The benchmark aims to ensure that all organisations have a clear and measurable target for reducing their emissions, and that these targets are aligned with the science-based targets set by the Science Based Targets initiative (SBTi).

BUSINESS IMPACT ON CLIMATE ACTION

Organisations with science-based targets are more likely to be successful in the long term. This is because these targets are based on the latest science and are aligned with the 1.5°C pathway. Additionally, organisations that have science-based targets are more likely to attract and retain top talent, which is essential for long-term success.

Assessing Against the Benchmark

Organisations can assess their progress against the benchmark by comparing their current emissions to their science-based target. This can be done using the Science Based Targets initiative (SBTi) calculator. Organisations that are on track to meet their target are more likely to be successful in the long term.

ILLUSTRATIVE INDUSTRY IMPACT

Organisations that have science-based targets are more likely to be successful in the long term. This is because these targets are based on the latest science and are aligned with the 1.5°C pathway. Additionally, organisations that have science-based targets are more likely to attract and retain top talent, which is essential for long-term success.



Promote Gender Equality (SDG 5)

Irwin Mitchell's [podcast](#) explores how diversity and inclusion can improve productivity and employee retention, and lead to growth. Using the pathways and metrics in the [Gender Balance at all Levels of Management Benchmark](#), and the [Equal Pay for Work of Equal Value Benchmark](#), SMEs can unlock the economic and social benefits of full and equal participation of women in the workplace.

GENDER EQUALITY CASE STUDIES

[Target Gender Equality](#), an accelerator programme of the UN Global Compact, is designed to enable companies to set and reach ambitious corporate targets for women's leadership and gender equality in the workplace.

Over three years, the programme has generated hundreds of case studies and corporate good practices from companies of all sizes. Explore the case studies [here](#).

THE WOMEN'S EMPOWERMENT PRINCIPLES

The [Women Empowerment Principles \(WEPs\) Gender Gap Analysis Tool](#) helps companies identify their gaps and opportunities regarding gender equality in the workplace, marketplace, and community. Simply put, in order to set ambitious yet realistic targets for gender equality, you have to know your starting line.

The tool is free and anonymous. Answering just 18 multiple-choice questions will get you a personalised heat map and breaks down gender equality strategies into distinct stages of commitment, implementation, measurement, and reporting.

SMEs can strengthen their commitment to SDG 5 by signing up to the [WEPs](#), a set of Principles established by the UN Global Compact and UN Women, offering guidance to businesses on promoting gender equality.

SDG AMBITION APPROACH

Example detail below follows the approach outlined in the SDG Ambition Integration Guide and supports ideation for benchmark integration.



* All KPIs and metrics listed are directional, drawing on existing reporting standards. Each organization should adopt goal-setting measures aligned to their reporting methodologies and business context.

SDG AMBITION APPROACH

Example detail below follows the approach outlined in the SDG Ambition Integration Guide and supports ideation for benchmark integration.

RAISING AMBITION



* All KPIs and metrics listed are directional, drawing on existing reporting standards. Each organization should adopt goal-setting measures aligned to their reporting methodologies and business context.



Accelerate Climate Action (SDG 13)

SMEs can address stakeholder expectations, increase competitiveness, and anticipate regulatory, policy, and market developments by using the [Science-based Emissions Reduction in Line with a 1.5C Pathway Benchmark](#). Adopting this benchmark helps business assess their operations against the latest climate science, validated by the [Science-Based Targets initiative \(SBTi\)](#). These targets have rapidly become the most effective and credible way for companies to align their corporate goals with the [Paris Agreement](#), limiting warming to 1.5°C, and demonstrating their climate action credentials.

For more information on how SMEs can develop comprehensive environmental strategies, check out the UN Global Compact Network UK's [Environmental Sustainability for SMEs](#) series.

SME CLIMATE HUB

The [SME Climate Hub](#) provides a one-stop shop to make a climate commitment and access best-in-class tools and resources.

The tools and resources support measuring your emissions, developing your climate strategy, reducing your own emissions and the emissions in your value chain, and exemplifying complementary offset projects.

CASE STUDY: FORSTER COMMUNICATIONS

[Forster Communications](#) recognise that in addition reducing its own emissions, albeit on its relatively small carbon footprint as an SME, it has significant leverage and influence as a supplier and a buyer.

In January 2020, Forster launched its [Climate Positive Plan](#) and was the first communications agency to include its whole value chain – employees, clients, and suppliers – and the wider community in its plans. As of September 2023, 100% of its suppliers had committed to achieving net zero through Scopes 1 and 2 emissions by 2030.

Forster is helping its clients improve their climate performance and has committed to only work with clients who have publicly committed to reducing their emissions. By choosing to have conversations with clients and encouraging climate action, the number of clients with emission reduction targets has increased from 52% to 82% over the last year, and the organisation is on track to reach 100% in the coming months.

SDG AMBITION APPROACH

Example detail below follows the approach outlined in the SDG Ambition Integration Guide and supports ideation for benchmark integration. It does not present criteria for setting an SBT.

RAISING AMBITION



BUSINESS INTEGRATION

* All KPIs and metrics listed are directional, drawing on existing reporting standards. Each organization should adopt goal-setting measures aligned to their reporting methodologies and business context.

** Reductions in Scope 1, 2, and 3 emissions must be in line with SBTi Criteria, provided here: <https://sciencebasedtargets.org/resources/files/SDG-Criteria.pdf>

Note: Approach under consultation with Science Based Targets initiative to ensure alignment



Provide and Promote a Living Wage (SDG 8)

Developing policies in line with decent work principles can be achieved through the [100% of Employees Across the Organisation Earn a Living Wage Benchmark](#) pathways, which include evaluating wage policies and scaling policy outreach beyond direct employees.

While providing payment of living wages is often seen as a cost, it can offer many benefits to businesses – such as increased staff motivation, productivity, and improved supply chain relationships and performance – and should be seen as an investment.

THE LIVING WAGE FOUNDATION



[The Living Wage Foundation](#) establishes a real Living Wage rate for the UK. Unlike the Government's National Living Wage, the real Living Wage for London and the rest of the UK is independently calculated based on what people actually need to get by.

Since its establishment in 2011, over 300,000 employees have received a pay rise amounting to over £1.8bn as a result of the campaign, and 93% of businesses have seen benefits since accrediting.

The Living Wage Foundation has developed a number of resources to help organisations implement the Living Wage with guidance on the accreditation process, case studies, and advice from existing Living Wage providers.

SDG AMBITION APPROACH

Example detail below follows the approach outlined in the SDG Ambition Integration Guide and supports ideation for benchmark integration.



* All KPIs and metrics listed are directional, drawing on existing reporting standards. Each organization should adopt goal-setting measures aligned to their reporting methodologies and business context.



Step Three: Communicating and Reporting

As previously noted, sustainability is no longer optional, it is a competitive necessity. However, to realise all the benefits of being a sustainable business, it isn't enough to just operate sustainably, it is also necessary to communicate about your activities and impacts.

All businesses, including SMEs, need to present an authentic, transparent, and accountable narrative of how they are creating societal and planetary value for their stakeholders, addressing areas such as the environment, supply chain, and labour practices.

This narrative will require data to support it. The UN Global Compact's SDG Ambition Benchmarks suggest useful indicators to help you quantify the impacts of your activities.

COMMUNICATING THE BUSINESS CASE FOR YOUR SDG ACTIVITIES

It is important to educate employees and stakeholders about the importance of taking action to secure the wellbeing of people and the plant. Effectively communicating the business case for SDG action can be broken down into four steps:

- Understand how value is looked at from a sustainability lens across Revenue/Cost/Trust/Risk.
- Articulate the benefit by creating a value tree for your SDG-related activities, outlining the business areas that will be impacted.
- Estimate the quantitative value of the proposed actions, while accounting for investments required to achieve any benefits.
- Build awareness and excitement for the value of adopting sustainability goals at the level of ambition required to achieve the SDGs, using the [SDG Icons and graphics as a communication tool](#), such as in Irwin Mitchell's [Responsible Business Report](#).

When crafting messages, remember to tailor them to your audience.

REPORTING

[Sustainability reporting](#) continues to develop at a fast pace, creating challenges for businesses trying to design coherent and consistent reporting that meets jurisdictional requirements, as well as investors' and other stakeholders' expectations.

It's crucial to ensure that when you report on your sustainability activities, there is no disconnect between what you say and what you do, as this may lead to accusations of [greenwashing](#).

Reporting on your sustainability goals at the level of ambition required to achieve the SDGs in a comprehensive, transparent way sets a baseline for you to continue to build an authentic narrative on the value you are creating for stakeholders as you progress, thus further helping secure buy-in.

Resource-stretched SMEs may not have established reporting and data collection mechanisms in line with reporting standards that are required of larger companies, but might still be asked to provide this information as part of larger company's scope 3 reporting requirements, Modern Slavery Statements, or even just terms of engagement.

The [UN Global Compact Communication on Progress \(CoP\)](#) enables participating SMEs of the UN Global Compact to:

- Measure and demonstrate progress to stakeholders and the public on the Ten Principles and the SDGs in a consistent and harmonised way.
- Build credibility and brand value by showing their commitment to the Ten Principles and the SDGs.
- Receive insight, learn, and continuously improve performance by identifying gaps, accessing guidance, and setting sustainability goals.
- Compare performance against peers with access to one of the largest free, public, and comparable corporate sustainability data sources.



Step Four: Partnerships for the Goals

The value of collaboration, and the importance of working together, is explicitly built into the design of Agenda 2030, with SDG 17 outlining various partnership targets.

Engaging in partnerships for the Goals can help SMEs decide how to engage, as well as encourage a sense of shared responsibility across the business.

SMEs can explore at least three types of partnerships to help build brand reputation, mitigate risk, reduce operational cost, and advance action for the SDGs:

- Value chain partnerships, within which companies in the value chain combine complementary skills, technologies, and resources and bring new solutions to market;
- Sector initiatives that bring several industry leaders together in efforts to raise standards and practices across the entire industry and overcome shared challenges;
- Multi-stakeholder partnerships, where governments, private sector, and civil society organisations join forces to tackle complex challenges.

The [UN Global Compact Network UK](#) offers engagement opportunities for SMEs to connect with peers from their own industry and across sectors to accelerate their progress towards sustainable business development. Through over a hundred events every year, the UN Global Compact Network UK creates networking opportunities to help you find strategic partners to advance the SDGs.

SDG AMBITION ACCELERATOR

For bespoke, tailored, guidance on implementing the SDGs in your organisation, join the SDG Ambition Accelerator. The programme is a three-month course to better equip you to set your own ambitious and realistic corporate sustainability goals. Learn more [here](#).

SDG AMBITION
Network United Kingdom

SDG Ambition is an initiative to challenge thousands of companies to raise their level of ambition to meet the needs of society and planet by fully integrating sustainability into business strategy and operations.

TAKE AMBITIOUS BUSINESS ACTION TOWARDS ACHIEVING THE SDGs
JOIN TODAY! ▶

APPLY NOW FAQs HEAR FROM PAST PARTICIPANTS

Programme Overview
The need for SDG Ambition today is clear. The world is not delivering progress towards the 17 Sustainable Development Goals (SDGs) at the pace and scale needed. While it is still possible to shift the world towards a 1.5°C trajectory and achieve the SDGs by 2030, it will take urgent, scalable and multi-stakeholder action to dramatically accelerate progress.

As we approach the 2030 Agenda deadline, companies are under increasing pressure from stakeholders to set and achieve ambitious corporate goals that tackle complex sustainability challenges, build business resilience, and enable long-term growth.

SDG Ambition is a three month accelerator programme that supports participating companies of the UN Global Compact in setting ambitious corporate targets and accelerating the integration of the SDGs into core business management - helping you meet growing stakeholder demands and investor expectations.

“Already COVID-19 threatens decades of progress made towards achieving the Sustainable Development Goals. As we build back in an inclusive and sustainable way, we have a once in a lifetime opportunity to achieve the SDGs. But we cannot do it without business leadership.”
Assistant Secretary General of the United Nations

#winningbusiness

APPENDIX

ADDITIONAL RESOURCES

The following resources can help SMEs expand their knowledge of the SDGs, their importance, and how organisations can integrate them into core business functions.

READ

[Ambition Guide: Setting Goals for the Decade of Action](#)
(United Nations Global Compact)

[Measuring Up 2.0](#) (UN Global Compact Network UK)

[SDG Stocktake](#) (Accenture, United Nations Global Compact)

[Transforming our world: the 2030 Agenda for Sustainable Development](#) (United Nations)

LISTEN

Subscribe and listen to these podcasts that dive into important conversations around the SDGs and their implementation.

Outrage and Optimism

Pod for The Cause from The Leadership Conference on Civil & Human Rights

SDG Insider (GRI)

The World We Want (RELX)

ACT

[Climate Ambition Accelerator](#)

[Science Based Targets Initiative](#)

[SDG Action Manager](#)

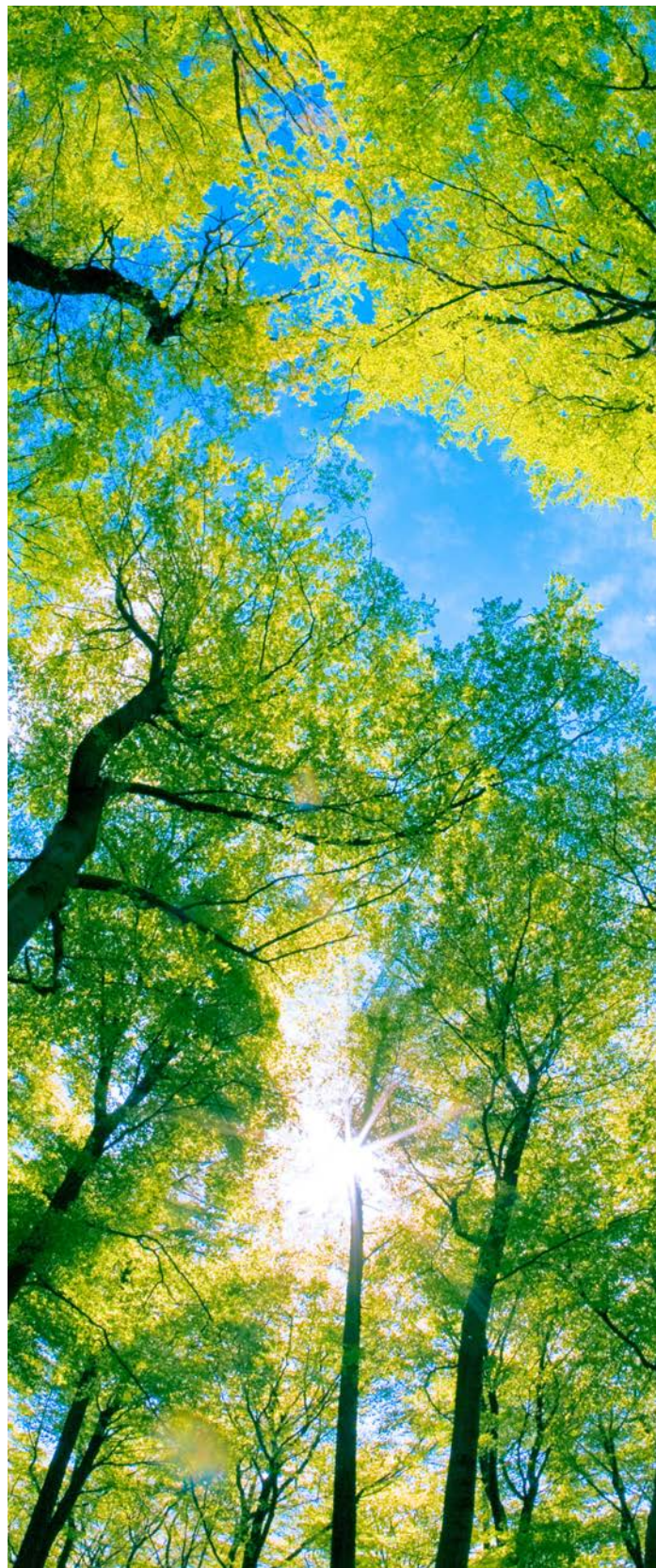
[SDG Ambition Accelerator](#)

[SME Climate Hub](#)

[SDG Compass](#)

[Target Gender Equality Accelerator](#)

[Women's Empowerment Principles](#)



ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the United Nations Secretary-General, the UN Global Compact is a call to companies worldwide to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Its ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through ambitious, accountable companies and environments that enable change. With more than 20,000 companies and 3,800 non-business signatories based in over 160 countries, and 62 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative — one Global Compact uniting business for a better world.

For more information, visit www.unglobalcompact.org

ABOUT THE UN GLOBAL COMPACT NETWORK UK

The UN Global Compact Network UK is part of the world's largest responsible business initiative, the United Nations Global Compact, connecting UK companies and other organisations in a global movement dedicated to driving sustainable growth. Through an extensive programme of activity, it promotes practical sustainability leadership, shared knowledge across sectors, and actively shapes the responsible business environment to create a world we want to live and do business in.

The United Nations Global Compact's universally recognised Principles, rooted in UN treaties, provide a robust foundation from which it leads UK business action on the Sustainable Development Goals (SDGs).

For more information, follow them on [LinkedIn](#) (UN Global Compact Network UK) and [X](#) (@globalcompactUK) or visit unglobalcompact.org.uk

ABOUT IRWIN MITCHELL

We're legal and financial advisors with a difference.

Giving the best possible advice is about more than knowledge and expertise. It means understanding the people and businesses you work with as deeply as possible, whether in the UK or overseas. It means taking the time to listen to what matters most to them.

Our teams specialise in ESG-related services in a wide range of sectors, both in the UK and across the globe. We offer finger-on-the-pulse expertise, alongside our commitment to doing the right thing for our clients, our communities, and our environment.

With us by your side, you'll have a trusted advisor and partner. If you're a company just starting your journey and need guidance on how to comply with regulations, or you're a larger business wanting to evolve your existing sustainability strategy, we're dedicated to helping you deliver your robust ESG goals. This will set you up for the future and protect your reputation in the here and now.

Discover more at irwinmitchell.com/business/esg

The inclusion of company and individual's names and/or examples in this publication is intended strictly for learning purposes and does not constitute an endorsement of the individual companies or persons by the UN Global Compact Network UK.

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