

SDGs, YEAR 2

ANALYSIS, TRENDS AND BUSINESS LEADERSHIP IN SPAIN *EXECUTIVE SUMMARY*



Global Compact
Network Spain



SUSTAINABLE
DEVELOPMENT

GOALS



All rights reserved.

No reproduction, distribution, public communication or transformation of this document is allowed except with the authorization of its authors, unless otherwise provided by the laws.

© Global Compact Spanish Local Network
C/ Félix Boix, 14 - 4º B, 28036 Madrid
Phone: (+34) 91 745 24 14
asociacion@pactomundial.org

www.pactomundial.org

Direction: Global Compact Spanish Local Network
Editorial consultant and developement: Edamel (www.edamel.com)



SDGs, YEAR 2

ANALYSIS, TRENDS AND BUSINESS LEADERSHIP IN SPAIN

EXECUTIVE SUMMARY



Global Compact
Network Spain





INTRODUCTION	7
1. SDGS ENVIRONMENT ANALYSIS	8
POLITICAL FACTORS	10
A driving force	
ECONOMIC FACTORS	12
Can development be funded?	
SOCIAL FACTORS	14
A society that needs SDGs, but is not aware of them	
TECHNOLOGICAL FACTORS	17
Technology, the great ally of the SDGs	
LEGAL FACTORS	19
Creating the right framework for development	
ECOLOGICAL / ENVIRONMENTAL FACTORS	20
Putting what surrounds us available for the SDGs	
2. SWOT ANALYSIS	22
3. TRENDS	24
4. COMPANIES DOSSIER	28
SDGS IN THE IBEX 35	30
ANALYSIS OF SPANISH COMPANIES	31
KEYS FOR ACTION	33

INTRODUCTION

This document was published on 25 September 2017, on the second anniversary of the approval of the United Nations' Sustainable Development Goals (SDGs), the most ambitious plan aimed at benefiting people, the planet and prosperity until 2030. The Global Compact has a mandate from the United Nations to raise awareness of these and other issues in the private sector, which should be Global Compact's catalyst for achieving the SDGs, contributing to creating multi-stakeholder partnerships focused on this aim.

This document is the executive summary of the "ODS año 2. Análisis, tendencias y liderazgo empresarial en España" report (SDGs year 2. Analysis, trends and business leadership in Spain), which is the third consecutive project focused on SDGs in Spain carried out by the Spanish Local Network. The first one, published in 2015 under "España como agente motor de la agenda de desarrollo 2030" (Spain as the Driving Agent for the 2030 Development Agenda), mapped SDGs with our country's needs and strengths. The second was "El sector privado ante los ODS. Guía Práctica para la acción" (The Private Sector and SDGs. Practical Guide for Action), which adapted each of the 17 SDGs to the reality of private sector companies and organisations and proposed over 200 actions, measurement indicators, and existing best practices.

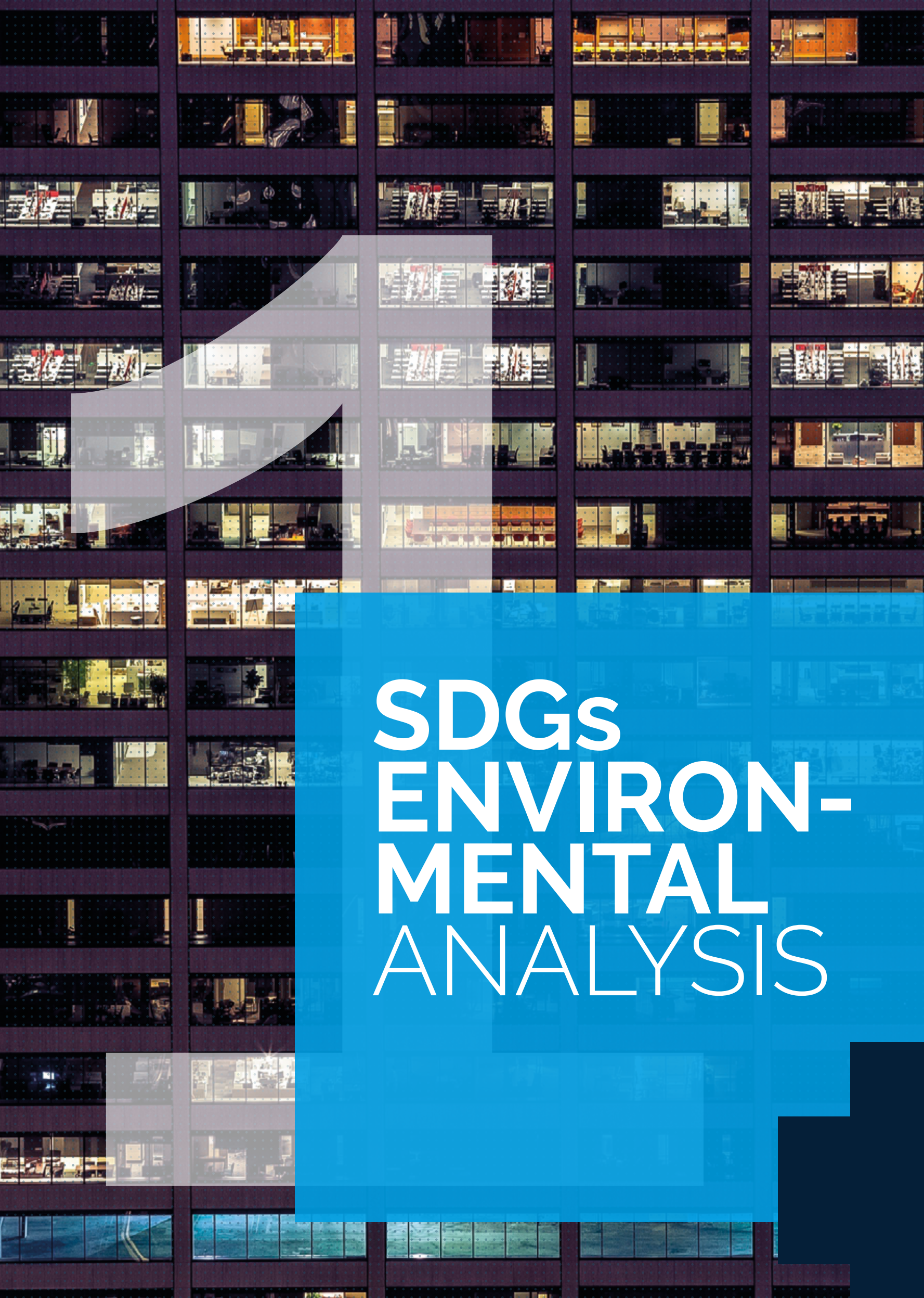
And now, SDGs, year 2: Analysis, trends and business leadership in Spain, aims to contribute knowledge on the subject and remain faithful to the mandate received from the United Nations to work on its goals with the business world. We also want to involve more players, because more are needed to ensure a happy ending for this story.

These pages summarize our country's situation in terms of SDGs: what has been done and what factors come into play, from a very broad perspective: either social and legal, political or economic. Our aim in doing so is to identify what we need to work on nationally. A SWOT analysis of the current situation is also included, from a general point of view, and also from the private sector point of view.

Similarly, we have prepared an analysis of the progress made last year by the signatories of the Global Compact, to know what work has been done and how it has been recorded in the sustainability reports. This includes a comparison with the international scene, to see what position we are in.

We finish with a summary of the trends behind the SDGs: where we're headed. It includes current trends and others that should be trends if we are to be sure the goals will be achieved.

We had two reasons for writing this document: increasing the awareness of the SDGs among the public, as well as providing new data, resources, and encouraging good practices.



SDGs ENVIRON- MENTAL ANALYSIS



The SDGs are the backbone of the 2030 Agenda, insofar as they combine all the challenges of development and help businesses and organisations in the private sector to focus their work based on these Goals. The signatory companies of the Global Compact Network Spain have shown great drive and commitment in facing the challenges proposed.

In this chapter, we analyse the factors that surround the fulfilment of the SDGs within our borders and given our political, economic, social, technological, legal and environmental conditions.

To develop a plural and shared vision, we have organised several conversations with experts who have been working with SDGs in their respective fields for a long time. The result could not have been better.

POLITICAL FACTORS

A DRIVING FORCE

The Sustainable Development Goals require work to be done by all Public Authorities, at international, state, regional and local levels. But what political factors do we have in Spain that affect their implementation and have delayed the creation of a national strategy?

The political organisation of our country sets specific conditions that influence the implementation of the SDGs.

"There is a lot of potential. We are just getting started. Soon we will have news on how we will organise relevant institutions", Juan Francisco Montalbán, Special Mission ambassador for the 2030 Agenda, from the State Secretariat for International Cooperation and for Ibero-American countries (MAEC), who has helped prepare this analysis.



“*There is a lot of potential. We are just getting started. Soon we will have news on how we will organise relevant institutions.*”

Francisco Montalbán

1. THE POLITICAL FRAMEWORK IS KEY FOR IMPLEMENTATION

Spain is an autonomous state. In turn, there are institutions within each territorial entity with legal and institutional functions tasked with designing and implementing development policies or applying legislation. In addition, the different Spanish political entities share powers with the central Government and the different autonomous communities. Politically, local autonomy is the third decision-making core of our country.

On the other hand, without a government president, it's impossible to coordinate ministries that have to achieve the SDGs. In Spain, in 2016, it took ten months to form a Government without a parliamentary majority.

One of the effects of this exceptional situation has been the interim nature of legislative functions and the exercise of powers by the previous government. This is the context for the lack of a national SDGs plan.

2. HOW POLITICS MOVE FORWARD IN OUR COUNTRY AND IN EUROPE

At the United Nations' High-level Political Forum on Sustainable Development held annually, different countries present voluntary reports on progress made in the SDGs. These reports contain the state strategies and the implementation measures. According to sources of the Ministry of Foreign Affairs, the Spanish report will be published in 2018.

Until now, only four autonomous communities have presented or are planning to present a comprehensive SDGs plan that includes the private sector and business dimension, overcoming the focus on international cooperation. Andalusia, Catalonia, Valencian Community and the Basque Country. Although there are more which have begun to work on SDGs through specific actions or through development cooperation.

3. INTERNATIONAL POLITICAL INSTITUTIONS

Since Spain joined the European Union, there have also been external conditions to consider, since the EU reserves certain matters for itself. There are certain EU policies that restrict, condition or predetermine internal policies to some extent (such as budget stability or employment policies).

This is the case, for example, of Iberdrola. Agustín Delgado, the company's director of Innovation, Sustainability and Quality, believes that "in terms of climate change and energy access (SDGs 13 and 7), the European Union holds a strong leading position." But companies have different goals in each country; for example, in Spain the goal is to reduce emissions, whereas in Brazil the goal is access. It is important that we have international partners to operate in more than one country. Commitments and results at a global level can be presented to them".

Many eyes are set on the European Union when it comes to focus on SDGs results and to establish indicators with leadership. Regarding this geopolitical context, Vicente Montes, director at Fundación Rafael del Pino, believes that "the consolidation of the European Project, in 2018, once the Brexit is assimilated and the elections in France and Germany take place, will allow Europe to return to its historical and much-needed leadership position in the defence of human rights and SDGs around the world".

“



It is important that we have international partners to operate in more than one country. Commitments and results at a global level can be presented to them."

Agustín Delgado

“



The consolidation of the European Project, in 2018, once the Brexit is assimilated and the elections in France and Germany take place, will allow Europe to return to its historical and much-needed leadership position in the defence of human rights and SDGs around the world".

Vicente Montes

ECONOMICAL FACTORS

CAN DEVELOPMENT BE FUNDED?

The economic analysis described below covers three points of view. In the first place, it addresses the Spanish economic factors that affect financing for SDGs in our country. Second, how is the economic profile affecting the productive network and with it the entire business world? And finally, how can we finance the 2.4 or 5 billion dollars (according to different sources) needed to internationally finance the SDGs?

1. FUNDING DEVELOPMENT REQUIRES CHANGES AND INNOVATION

From an international point of view, the Addis Ababa Conference (July, 2015) established the global framework for achieving the Sustainable Development Goals. Said framework makes a specific point regarding domestic and international private financial and commercial activities, noting that corporate creativity and innovation is key to solving problems related to sustainable development, and that both companies and international investors play a key role in financing the framework of the United Nations.

The role of companies when it comes to investment is clear. But for the United Nations, the private sector also plays the role of development agent; it is not simply a source of funding.



All companies can help. We are a family business. Our R&D department works on opportunities linked to development. Our technological development, for example, has solved problems related to health, sowing in land where access is difficult or very risky for people...."

Elena Bou

2. THE SDGs IN A COST REDUCTION ERA

The distribution of powers between the State and autonomous communities has a direct impact when analysing economic factors. The implementation of an action depends on the decision of political agents at different levels.

However, there is some coordination from the Ministry of Economy, which imposes certain spending limits. But it is not only the national or autonomous governments that decide where and how the budget should be spent; in many cases, the European Union's policy also sets the path to follow. One of the issues that has conditioned spending in recent times is the need to control the autonomous communities' deficit.

3. BUSINESS MAKE-UP

From a microeconomic point of view, Spain is defined by an industrial fabric made up of small and medium-sized enterprises. Thus, it makes sense that 76% of the Global Compact Network Spain consists of these types of companies. Companies that have shown signs of specific issues amplified by the recent crisis.

On the other hand, the gradual internationalization of Spanish companies can have a very positive effect towards extending the SDGs.

It should not be forgotten that smaller companies also play a key role. This is the understanding of Elena Bou, Director of sustainability of the Revenga Smart Solutions Group: "All companies can help. We are a family business. Our R&D department works on opportunities linked to development. Our technological development, for example, has solved problems related to health, sowing in land where access is difficult or very risky for people..."



SOCIAL FACTORS

A SOCIETY THAT NEEDS SDGS, BUT IS NOT AWARE OF THEM

The demographic composition influences the achievement of Goals with an important social dimension. Furthermore, the nature of our society, the volume of messages it receives, the signs of what it finds interesting and what it doesn't, have shaped a very significant reality, which is not only relevant to the implementation of the Agenda, but is particularly relevant to the message reaching Spanish citizens.

1. THE DANGERS OF INEQUALITY

The increasing ageing rate, the low birth rate, the gender gap, the migration flows over recent years in the 20th century and the lack of investment in health and social services during the crisis of the last decade have revealed the deficiencies and weaknesses of the Spanish welfare state, leading to a new situation in Spain: poor workers and pensioners and benefits claimants at risk of social exclusion, leading to the aggravation of social inequalities over the past several years.

2. HUMANITY'S AGENDA HAS NOT BEEN FULFILLED IN SOCIETY

Given the problems our society faces regarding development, the SDGs' message has not yet taken hold. This can be frustrating for professionals who are working with the 2030 Agenda.

For Regina Palla, Deputy Director for Sustainability at Compañía Española de Financiación del Desarrollo, COFIDES S.A., S.M.E, "The message has been confused. It has coincided with the Paris Summit, the Addis Ababa and society as a whole may have not been able to absorb all the information. There is still some way to go in terms of information. "There are other initiatives that have had more impact than the SDGs, such as the Paris Summit".

The dissemination of the SDGs amongst organisations is uneven. The most committed ones have undertaken information and awareness actions for their employees and stakeholders.

The experts we talked to also agree that "there is concern around the issue of consumption, the environment, making sure companies are compliant, a sensitive breeding ground regarding this issue... but it is not usually associated as being part of a single global Agenda, as no longer something affecting only poor countries", according to Alejandra Agudo, expert editor on SDGs for Planeta Futuro, El País. "We need to break away from this framework and make the Goals known; otherwise, there will be no accountability for their compliance", she argues.

“



The message has been confused. It has coincided with the Paris Summit, the Addis Ababa and society as a whole may have not been able to absorb all the information. There is still some way to go in terms of information".

Regina Palla

3. ALL SOCIAL AGENTS PLAY A ROLE

It could be concluded that awareness of the Agenda is growing, but there are always people outside our spheres of influence. Juan Ramón Silva, General Manager for Sustainability at ACCIONA, puts it this way: "This path will last 15 years, and we need to involve all possible players, to create a favourable opinion in society that calls on governments and companies to change their models, making it possible to reach the Goals of the 2030 Agenda... it is important to understand the size and scope of said goals to know what kind of effort we are talking about and how different stakeholders will have to take part".

“



We need to break away from this framework and make the Goals known; otherwise, there will be no accountability for their compliance".

Alejandra Agudo

“



This path will last 15 years, and we need to involve all possible players, to create a favourable opinion in society that calls on governments and companies to change their models, making it possible to reach the Goals of the 2030 Agenda... "

Juan Ramón Silva

4. DOES SOCIETY CALL FOR SDGS?



















Comparing the Goals that affect the concerns of the Spanish people and the business opportunities representing these Goals (Global Opportunity Report 2017)¹, we can identify the points in common. Goal 8, "Decent work and economic growth" is the only one of equal interest to society and companies alike, since issues such as creating quality jobs, economic growth,

youth employment, strengthening small and medium-sized enterprises and abolishing employment discrimination affect both social and economic spheres.

Problems such as corruption or lack of trust in political parties are also some of the main concerns of Spanish people, which is aligned in with Goal 16: "Peace, Justice and strong institutions". However, this Goal is not perceived by companies as one with the greatest business potential.

1 Global Compact, DNV and Sustainia, 2017.
<http://www.globalopportunitynetwork.org/report-2017/>

Correlation between Spanish concerns - related SDGs

Concern	Related SDG		
Unemployment	  	1, 8, 10	71.20 %
Corruption and fraud	 	10, 16	49.1 %
Economic issues	  	1, 8, 10	21.7 %
Politics		16	20.90 %
Healthcare		3	10.30 %
Education		4	9.2 %
Social problems	   	1, 2, 5, 10	9 %
Job quality		8	7.6 %
International terrorism		16	5.8 %
Citizen insecurity		16	3.5 %

■ Barometer Spanish Sociological Investigations Center.
June 2017

TECHNOLOGICAL FACTORS

TECHNOLOGY, THE GREAT ALLY OF THE SDGs

Technology plays a very important role in implementing the Agenda, which can be read in two different ways. On the one hand, it is fundamental to achieving the Goals, for what it means for productivity, the optimization of resources, the provision of services, etc., but the same technology has opened a new gap between people, the digital gap, in addition to starting a debate on its possible effects on employment.

1. TECHNOLOGY OPENS A WAY OVER WHICH WE NEED TO BUILD BRIDGES

Technology is at the fore of the 2030 Agenda. The United Nations directly relates it to other strengths, such as energy, empowering women, interconnections or knowledge. In fact, technology is one of the means to implement the SDG 17.

However, this does not mean we can ignore the great digital gap in our country, mainly corresponding to age.

2. INNOVATION AS A MANTRA

The transformation of Spanish multinationals from traditional businesses to digital era businesses, through increased investment in innovation explains why Goal 9 "Industry, innovation and infrastructure" is the one which IBEX 35 companies have expended most effort on, while the SDGs 5 and 8 have been the focus of companies in general. This reflects how closely innovation is linked to business leadership, and shows where the most important contributions of companies towards sustainable development might come from.

3. TECHNOLOGY THAT HELPS US MEASURE

Regarding big data and the innovations introduced by technology in the new Agenda, there is the need for good measuring. Part of the reason for this is strategic; the other reason, equally relevant, is the existence of means to do so.

This is confirmed by José Manuel Sedes, Vodafone's Sustainable Business & Quality Manager: "measuring is a key challenge. To establish sector indicators that we can use to measure everything, correlating to national indicators used by governments, which will provide answers for the challenges faced around the world".



Measuring is a key challenge. To establish sector indicators that we can use to measure everything, correlating to national indicators used by governments, which will provide answers for the challenges faced around the world."

José Manuel Sedes

LEGAL FACTORS

CREATING THE RIGHT FRAMEWORK FOR DEVELOPMENT

The 2030 Agenda can be a powerful framework that favours action, but is not binding in itself. To reach their Goals, each State will have to take all necessary measures, including legislative ones.

1. LEGAL CONDITIONING FACTORS IN THE SPANISH CASE

The configuration of the Spanish state predetermines the existence of eighteen large units of legislative decision. These are the General Courts (Congress and Senate) and seventeen regional parliaments, configured according to the statutory terms that have been established in each autonomous community. Thus, in Spain, state laws exist alongside autonomic laws, with fields of application in accordance with the territorial representation of the different Parliaments.

We should also explain the role of the Constitutional Court and judicial organisation in this legal context. Our courts are organised into four jurisdictional divisions according to subject matter and territory. All of them should be SDGs guarantors. If their decisions consider sustainable development as the cross-cutting principle, it is possible that they can take a leading role in implementing the SDGs.

2. RIGHTS AS BACKGROUND

In legal matters, we must start with the constitutional regulation of citizens' rights, among which we must mention fundamental rights. Setting the protection of fundamental rights in all aspects in motion leads to the possibility of legally implementing many of the elements proposed in the SDGs.

However, experts agree that in their formulation, SDGs are weak in terms of human rights, as Joaquín Nieto, ILO Office Director for Spain, readily acknowledges. This implies that "it is very difficult to maintain a responsible SDG policy that is not strict about Human Rights. Meaning that companies, who could do a great job in this regard, even surpassing certain Governments, have to resort to John Ruggie's Guiding Principles on Business and Human Rights. These two agendas go together".



It is very difficult to maintain a responsible SDG policy that is not strict about Human Rights. Meaning that companies, who could do a great job in this regard, even surpassing certain Governments, have to resort to John Ruggie's Guiding Principles on Business and Human Rights. These two agendas go together.

Joaquín Nieto



ECOLOGICAL / ENVIRONMENTAL FACTORS

PUTTING WHAT SURROUNDS US AVAILABLE FOR THE SDG

This section includes analyses and reflections related to the environment of SDGs, in broad terms. That is, not only from a strictly ecological point of view, but, as the Spanish Academy of LAnguaje (RAE) puts it, as a "set of external circumstances". This includes the natural environment, but also the corporate environment. Who is around me and who is my partner?

1. ENVIRONMENTAL CIRCUMSTANCES IN SPAIN

During the 20th century, Spain has suffered massive migration to cities and rural depopulation, leading to certain inefficiencies that in turn became political, social and economic challenges for territories with a strong agricultural activity. Paradoxically, the regulation of matters regarding the Common Agricultural Policy is subject to Community policies and EU agreements with non-member countries, reducing Spain's room for manoeuvre.

Something similar happened in the area of energy (renewables, fossil and nuclear are a paradigm) and industry. In general, the different environmental manifestations do not always remain in a single focus area, leading to coordination problems, duplication or gaps.

From the point of view of environmental protection, there are certain inefficiencies in terms of criminal and administrative liability. This is because the cross-over of state, autonomous, and local powers sometimes leads to protection gaps for mountainous regions, coastal areas, water basins.

2. THE IMPORTANCE OF CLIMATE

Climate is one of the strengths of the 2030 Agenda. Additionally, it helps society make a distinction between climate and development, simplifying matters significantly, and identifying one of the SDGs' attributes. As noted by Jaime Gregori, Fundraising, Alliances with Companies and Social Responsibility Director at the Spanish Red Cross: "There are two facts that are news

around the world and that have caused people to think about global issues. The great migratory movements of refugees, which has made people aware that something needs to be done about wealth distribution and development; and climate change, the other great factor the Agenda depends on".

But if there is a valid context for the environmental analysis of the SDGs, it is the one derived from the COP 21 conference in Paris, held in November 2015. There are those who believe that the implementation of these agreements, aimed at controlling the planet's temperature rise, shall also be an indicator of what happens with the 2030 Agenda. The same principles apply to climate: collective action, government commitment, private sector participation and measurement.

3. POWER AND THE NEED FOR PARTNERSHIPS

One of the paradigm shifts addressed by this Agenda is to strive to create solid and inclusive development partnerships. In the opinion of Joaquín Garralda, dean of Academics at IE Business School: "I think Goal 17 about partnerships is the most important, since with everyone's collaboration the rest can be achieved; otherwise, the challenge would be far too great. It is a paradigm shift; the solutions will come when everyone faces them together".

The purpose of SDG 17 is to revitalise the world alliance for sustainable development, and from all the possible types of partnerships, the United Nations "encourages governments to work with companies to apply the Sustainable Development Goals"².

Federico Buyolo, General Manager for Cooperation and Solidarity at Generalitat Valenciana, gives an example: "we are working on the SDG innovation Hub. A centre for concentrating innovation linked to the SDGs. Working on solutions to achieve the SDGs. It involves the university, researches, patents, companies and the financial sector and Generalitat Valenciana as the catalyst".

“



There are two facts that are news around the world and that have caused people to think about global issues. The great migratory movements of refugees, which has made people aware that something needs to be done about wealth distribution and development; and climate change.

Jaime Gregori

“



I think Goal 17 about partnerships is the most important, since with everyone's collaboration the rest can be achieved; otherwise, the challenge would be far too great. It is a paradigm shift; the solutions will come when everyone faces them together.

Joaquín Garralda

“



we are working on the SDG innovation Hub. A centre for concentrating innovation linked to the SDGs. Working on solutions to achieve the SDGs. It involves the university, researches, patents, companies and the financial sector and Generalitat Valenciana as the catalyst.

Federico Buyolo

² United Nations, 2017: http://www.un.org/sustainabledevelopment/es/wp-content/uploads/sites/3/2016/10/17_Spanish_Why_it_Matters.pdf

The background of the image shows a hand holding a pen and writing on a notepad. A large, semi-transparent red rectangle is positioned on the right side, partially covering the notepad. A white semi-circle is located in the upper left quadrant, overlapping the red rectangle and the background. The text 'SWOT ANALYSIS' is written in white, bold, sans-serif capital letters on the red rectangle.

SWOT ANALYSIS



W

WEAKNESSES

1. Not known by the general public.
2. Lack of government action in Spain.
3. Human Rights: The great absence in the SDGs.
4. 17 SDGs and 169 targets in the 140-character world.
5. Insufficient education about these values.

T

THREATS

1. Changes in international politics.
2. Shortage of direct executive routes with international organisations.
3. Simplification of the message to make it easier to communicate.
4. The confusion between what is transformative and what only appears to be.
5. Two speeds between SMEs and large companies.

S

STRENGTHS

1. The SDGs synthesize the needs already identified.
2. The universal and inclusive nature of the Agenda.
3. Innovation.
4. Companies are already involved.
5. Companies' ability to act with various stakeholders.


O

OPPORTUNITIES


1. Partnerships as the only way.
2. Education / information / communication.
3. Financing.
4. Improve indicators and procedures.
5. Business for companies.

The background image is a nighttime cityscape. In the upper half, several tall skyscrapers are visible, their windows glowing with light. A large, semi-transparent white circle is overlaid on the left side of the upper half. In the lower half, a highway interchange with multiple lanes is shown, with light trails from vehicles. A semi-transparent green circle is overlaid on the right side of the lower half, and a semi-transparent white circle is overlaid on the left side of the lower half. The text is centered within the green circle.

13 TRENDS IN SDGs FOR 13 YEARS



In terms of fulfilling the 2030 Agenda, there are certain preference trends displayed by some of the main agents and players, which have been identified by the Global Compact Network Spain or pointed out by experts. They mention a total of 13, one for every remaining year for these SDGs.





1. Awareness

The urgency of raising awareness among all sectors of the population is identified as a rising concern, because without changes to people's priorities, there will be no transformation. The SDGs will achieve the relevance they deserve when everyone relates to the Goals.

2. Inclusive business

The new universal challenges posed by the SDGs require the development of new business models to ensure profitability and sustainability. For this, it is essential to listen to the needs of all players involved in the production process, especially the most vulnerable populations, and make them an essential part of the business.

3. Political agenda

Although the Spanish report on the country's contribution will be published in 2018, we expect and hope that the Government of our country will push to meet the goals of the 2030 Agenda. This momentum will help disseminate the Agenda among citizens, creating the necessary institutional framework.

4. Europe

Either of its own actions or with other powers stepping back, eyes have turned to the European Union, in the hopes that it will take the lead to fight in favour of human rights and SDGs.

5. Equality

Putting an end to inequality has gained relevance and complexity in the SDGs and will continue to do so. Inequality between urban and rural areas and between rich and poor countries remains a great problem for humanity. Or the inequality between men and women. The closing of economic, political, social, cultural, environmental, territorial and cognitive gaps.

6. Climate change

It is "only" one SDG, but it has its own goals. It is a prominent issue with a great deal of media attention, making it an agenda within the 2030 Agenda. The urgency to tackle climate change will not decrease, but quite the opposite.

7. Smart cities

Cities expansion has allowed for fast social and economic progress, but has also introduced emerging issues that we must tackle with the SDGs in mind. Almost everyone is in the city: people, politicians and companies.



8. Circular economy

All concepts involved are related to sustainability: waste reduction, innovation, environmental impact, new professions, collaboration... a layer at the heart of the SDGs, generating opportunities for business, production and the mindset of all stakeholders.

9. Quality employment

SDG 8 has been the most cited among the private sector since the adoption of the Agenda. But not only in Spain; also at international level, it is the Goal that generates the most business opportunities and on which most work is being done.

10. Partnerships

SDG 17 is the most repeated, the most referenced, the one preferred by experts, the key to achieve the other Goals, but it is not the most worked on. From among all possible alliances, the creation of industry associations is claimed with the most intensity.

11. Artificial intelligence

How to give relevance to the power of machines to achieve the Agenda of Humanity. It is a complex debate and, at the same time, a necessary evolution, because by 2030, more needs to be done with less.

12. Big Data

Control, measurement and data management will be, and is already, a revolution for sustainable development. It is not just about measuring. It is opening a window to the optimization, sharing, and promotion of information, putting it at the service of the people.

13. Private sector

Not only because they are agents included for the first time in the SDGs, but also because they have promptly and responsibly upheld the legacy, companies are and will continue to be key agents for achieving the Goals and forming effective partnerships.



COMPANIES **DOSSIER**



The Global Compact, as an entity mandated by the United Nations to carry out its purposes with the private sector, has been providing information, resources and knowledge on the Sustainable Development Goals for over three years.

Below is an analysis of the commitment, strategy and work carried out by IBEX 35 companies in this area. This analysis comes from an individual study on the sustainability reports presented by these entities in 2017.

It is followed by a company progress analysis, which SDGs have been the most worked on in the last few months, both nationally and compared to the remaining international entities participating in the initiative. All this data is official data from the United Nations Global Compact. The sample includes 3670 international companies, and 388 national companies. The data was collected between 15 September 2016 and 20 June 2017.

Companies, especially large ones, are already incorporating development goals as their own. This is a two-way street: companies will contribute to professionalization and with this improve actions aiming for development, but the SDGs framework will allow companies to get a matrix for the quality of their procedures, as it allows them to redefine the company value, not only in economic terms, but particularly the social and environmental value.

SDGS IN THE IBEX 35

26 of the 35 IBEX 35, the main Spanish stock index, companies, that is, 74%, have already committed to the Sustainable Development Goals as part of their sustainability reports. Just one and a half years after the SDGs came into force, over two thirds of companies in the stock-exchange index have committed to the framework outlined by the United Nations in their sustainability reports, which shows how much work has been done in the private sector in Spain regarding the SDGs. Of these 26 companies, 25 are signatories to the United Nations Global Compact.

20 out of 35 companies, 57% of the IBEX 35, have aligned their core business with the Sustainable Development Goals. These companies have gone a step beyond the commitment, taking internal action to analyse their positive and negative contributions to each SDG and identifying priority Goals. All 20 companies joined the Global Compact. This last point leads us to conclude that belonging to the Global Compact encourages commitment to the world-wide sustainable development Agenda, as well as the strategic orientation of large companies to push for positive change.

11 of the 35 companies, 31% of the IBEX 35, have included in their sustainability reports a correlation of GRI indicators, material matters or sections of the report with the Sustainable Development Goals. This shows the benefits of aligning the SDGs with other standards and exercises that companies carry out with regards to their sustainability reports.

No IBEX 35 company included SDG training for employees or suppliers in their report. Many IBEX 35 companies have already carried out the first steps to contribute to the SDGs; however, a key issue is training for managers, employees and suppliers, to achieve a corporate culture that is linked to sustainable development and align joint actions that contribute to the SDGs.

On the other hand, 3 IBEX 35 companies, representing 8%, have made significant public commitments measurable in terms of a given SDGs. This is one of the most important steps for the coming years, since it is through measurable goals that companies compel themselves internally, implementing real and measurable actions that contribute to the SDGs in the private sector.

Of the 35 companies, a total of 12, 34% of the IBEX 35 are working on Goal 17 of partnerships to promote the SDGs. Another urgent issue is enhancing alliances focused on the SDGs, promoting platforms and spaces for dialogue, in which companies and organisations of all kinds, civil society, public institutions and other players such as the scientific and academic community can form alliances to jointly contribute to the Sustainable Development Goals.

The Goal most present in the sustainability reports of the IBEX 35 is Goal 9 "Industry, innovation and infrastructure", followed by Goal 8 "Decent work and economic growth", Goal 13 "Climate action", Goal 5 "Gender equality", and Goal 7 "Affordable and clean energy".

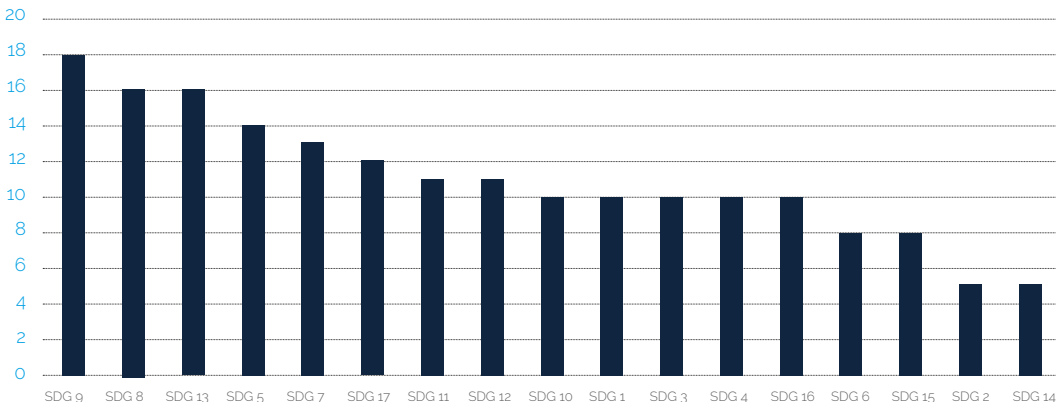
All the data corresponds to a study on sustainability reports of IBEX 35 companies published in 2017, carried out by the Global Compact Network Spain.

On the other hand, Goal 8 "Decent work and economic growth" and 5 "Gender equality" are closely linked to the business field, so it makes sense that they are priorities for IBEX 35 companies. However, only 2 of the 35 companies have 40% female representation on the boards of directors and³ only 55% of IBEX 35 companies have some form of human rights training for their employees.

Goal 13 "Climate action" is ranked as the third most worked on by IBEX 35 companies.

The Goal least worked on by IBEX 35 companies is Goal 14 "Life below water", followed by Goal 2 "Zero hunger", and Goal 15 "Life on land". These Goals are less aligned with the core business of stock-exchange index companies; however, some of them carry out actions and projects around them, mainly through social action projects.

The SDGs most worked on by IBEX 35 companies



3 Atrevia, IESE. Women on IBEX 35 company boards, 2017: <http://women.iese.edu/wp-content/uploads/sites/2/2017/03/MUJERES-IBEX-35.pdf>

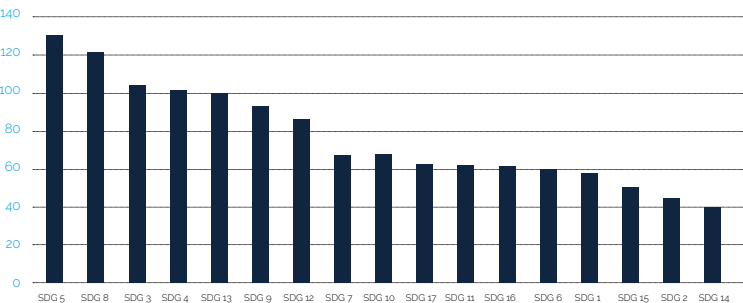
ANALYSIS OF SPANISH COMPANIES

1. SDGS MORE PRESENT AT NATIONAL LEVEL

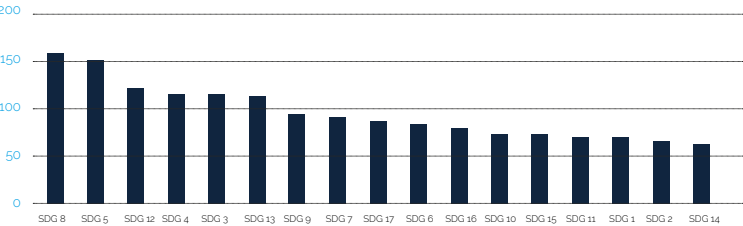
Nationally, the Goals most present in sustainability reports are, first, Goal 5 “Gender equality”, followed by Goal 8 “Decent work and economic growth”, Goal 3 “Good health and well-being”, Goal 4 “Quality education”, and Goal 13 “Climate action”.

The Goals least present in the sustainability reports from Spanish companies are Goal 14 “Life below water”, Goal 2 “Zero hunger” and Goal 1 “No poverty”. These Goals are more focused on social action, or topics less related to business. There is a challenge in finding ways in which the private sector can contribute to these Goals and enhance the partnerships with different stakeholders to work on them together..

The SDGs most worked on in Spain, by large companies



The SDGs most worked on in Spain, by SME



Francisco Hevia, director of Corporate Responsibility and Communication at Calidad Pascual, is convinced that, for SMEs, possibilities and opportunities are “the same. In the end, what we need to consider is where our efforts go, what the value chain is, and what we can contribute. And understand that your everyday work is adding a little grain of sand. For example, a small farmer with a family business: he can work on the decent work Goal; he can preserve biodiversity; he can produce food that is good for peoples’ health; he can avoid bad practices... From the smallest to the largest, everyone has its share of responsibility”.



.In the end, what we need to consider is where our efforts go, what the value chain is, and what we can contribute. And understand that your everyday work is adding a little grain of sand”.



Francisco Hevia

Nationally, Goal 3, “Good health and well-being” and Goal 9, “Industry, innovation and infrastructure” are more present in the sustainability reports of large companies than of SMEs.

On the other hand, small and medium-sized Spanish companies work more on Goal 12 “Responsible consumption and production” than large companies, which shows the increase of awareness of SMEs towards socially and environmentally sound manufacturing and production processes. This is important because SMEs make up 99.98% of the Spanish business fabric⁴ and many of them are suppliers of goods and services for large companies.

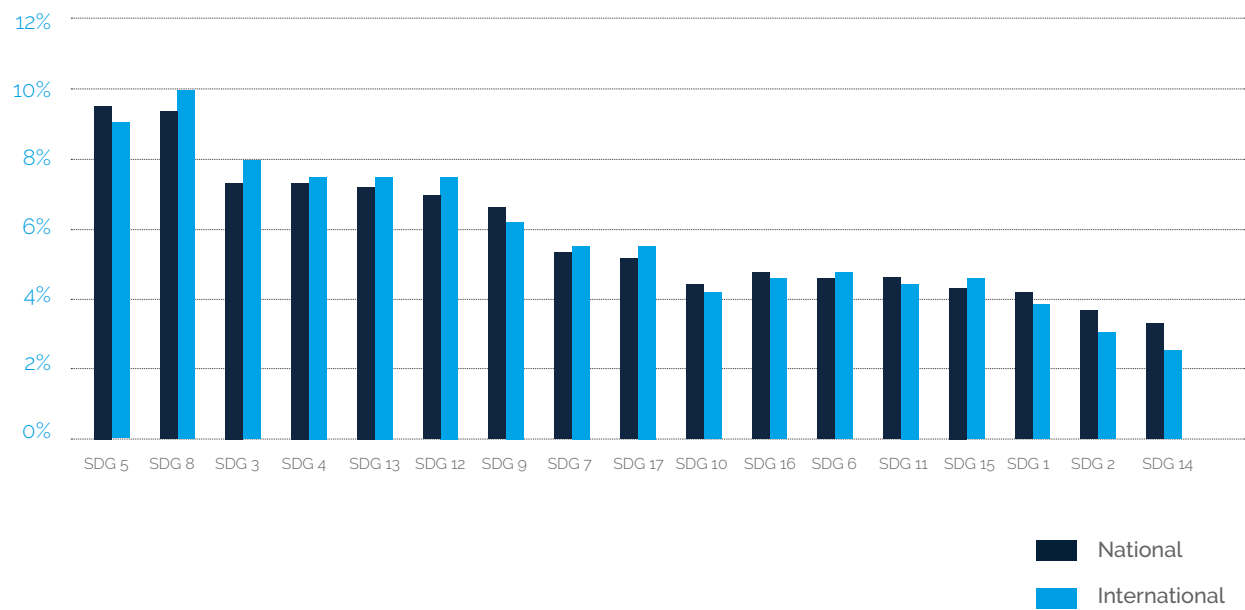
⁴ Ministry of Economy, Inland Revenue and Competition, SME figures, 2017: <http://www.ipyme.org/es-ES/ApWeb/EstadisticasPYME/Documentos/Cifras-PYME-mayo-2017.pdf>

2. SPAIN - INTERNATIONAL COMPARISON

The Goals most worked on by Spanish companies mostly match the results at a global level. The same Goals appear in the three first and last ranking positions, although the most present in the sustainability reports from Spanish companies is Goal 5, "Gender equality". And as for the worldwide set of companies it is Goal 8 "Decent work and economic growth".

With minor variations, Goal 12, "Responsible consumption and production", is the most worked on by companies at global level, and Goal 4 "Quality education" is a priority for Spanish companies. A significant difference is found in Goal 10, "Reduced inequalities", which is more worked on by Spanish companies. In contrast, Goal 15, "Life on land" is more strategic for companies globally than for Spanish companies.

Spain-International comparison graph



KEYS FOR ACTION

Spanish companies have reacted quickly and effectively to the call made by the United Nations to contribute to sustainable development, through their own activities and by forming partnerships. Especially large companies, which have begun to align their strategy with the new Goals since the SDGs presentation, applying, in most cases, the SDG Compass method⁵. The whole world acknowledges the influence of large companies, so this is an opportunity to be seized.

The Sustainable Development Goals offer a common framework for all global players: the private sector, public institutions and civil society, which allows the contributions from all stakeholders to be assessed in a similar way. This offers a world of opportunities for companies to become key players when it comes to locally and internationally drive sustainable development.

Some important factors are listed below so that companies are perceived as leading companies in the achievement of the SDGs, from a general point of view. The actions aimed at each of the SDGs can be found in the Practical Guide for the SDGs⁶.

1. Incorporate more sustainable business models: such as inclusive business, disruptive innovation that is sustainable, or circular economy strategies. Models that besides being profitable, directly contribute to the SDGs.

2. Build business strategies linked to the SDGs: incorporate the variable of sustainability into the business strategy of the company and align with the SDGs and identify potential quantifiable goals aligned with them that can be incorporated into the strategy in the short, medium and long term.

3. Develop sector and cross-sector plans: work together in the exchange of good practices, examples and experiences related to the SDGs among companies in the same sector. Likewise, the exchange of experiences between groups of companies from different sectors is advisable, to acquire an overall vision of the work on the SDGs.

4. Innovate with products and services that contribute to the SDGs: study within the company's business strategies, new innovative products and services that can contribute to achieving the SDGs and invest in their research and development.

5. Allocate resources to the SDGs: support through platforms, alliances, activities of the company, projects, knowledge and donations to directly and indirectly finance the SDGs.

6. Contribute to national and international forums: reflect the leadership of the company, participating in national and international forums and publicly support international commitments regarding sustainability.

7. Measure and report on the work regarding the SDGs: communicate the progress made by the entity in the short, medium and long term, and reflect them in the sustainability reports to make the company's performance visible, inform the stakeholders and promote the message of the SDGs to as many organisations as possible.

8. Form partnerships with other players: form alliances with other companies and organisations, civil society, public institutions and other players, as well as the scientific and academic community to jointly contribute to the Sustainable Development Goals.

⁵ Global Compact, GRI and WBCSD, 2015. http://www.pactomundial.org/wp-content/uploads/2016/10/SDG_Compas_Spanish-one-pager-view.pdf. Translated into Spanish by the Global Compact Network Colombia.

⁶ Global Compact Network Spain. September 2016. http://www.pactomundial.org/?smd_process_download=1&download_id=6292

PARTNERS WITH GOOD PRACTICES IN SDGS IN THE FULL REPORT

ACCIONA, Agroamb, Alianza Shire, Ángel Camacho, ASTIC, Banco Santander, Bankia, BBVA, Caixabank, Sociedad Estatal de Correos y Telegrafos, Corresponsables, Cuatrecasas, DIA, DKV, Ecodes, EDP, EMUASA, Enagás, Endesa, Ferrovial, Fundación Novia Salcedo, Fundación Rafael del Pino, Antolín Group, Calvo Group, Cortefiel Group, Revenga Group, Iberdrola, Leroy Merlin, Mahou San Miguel, Mercadona, Metal Ferrol, Metro de Madrid, Nechi Group, Ostelea, Portaventura, Quironsalud, Red Eléctrica España, Repsol, Sareb, SIGRE, Sociedad General de Aguas de Barcelona, SPB, Telefónica, Vodafone.

REMAINING COMPANIES PUBLISHED IN THE EXTENDED VERSION

["Sustainable Development Goals and climate change".](#)

Valvanera Ulargui, Managing Director at the Spanish Office for Climate Change (OECC).

["A countless number of value-added opportunities for the private sector"](#) **Xavier Longan**, responsible for Programs of the United Nations' SDGs Action Campaign.

["The CSIC's Artificial Intelligence Research Institute has developed an app to help create solidarity networks"](#)

Mercè Fernández and Carles Sierra. Representative of the CSIC Delegation in Catalonia and Research Professor at CSIC and deputy director of the Artificial Intelligence Research Institute (Instituto de Investigación en Inteligencia Artificial, IIIA-CSIC), Associate Professor at the Technology University of Sydney, respectively.

["Smart Cities: new technologies' role in implementing the New Urban Agenda"](#) **Carmen Sánchez-Miranda**,

Head of Office of the United Nations Human Settlements Programme (UN-Habitat) in Spain.

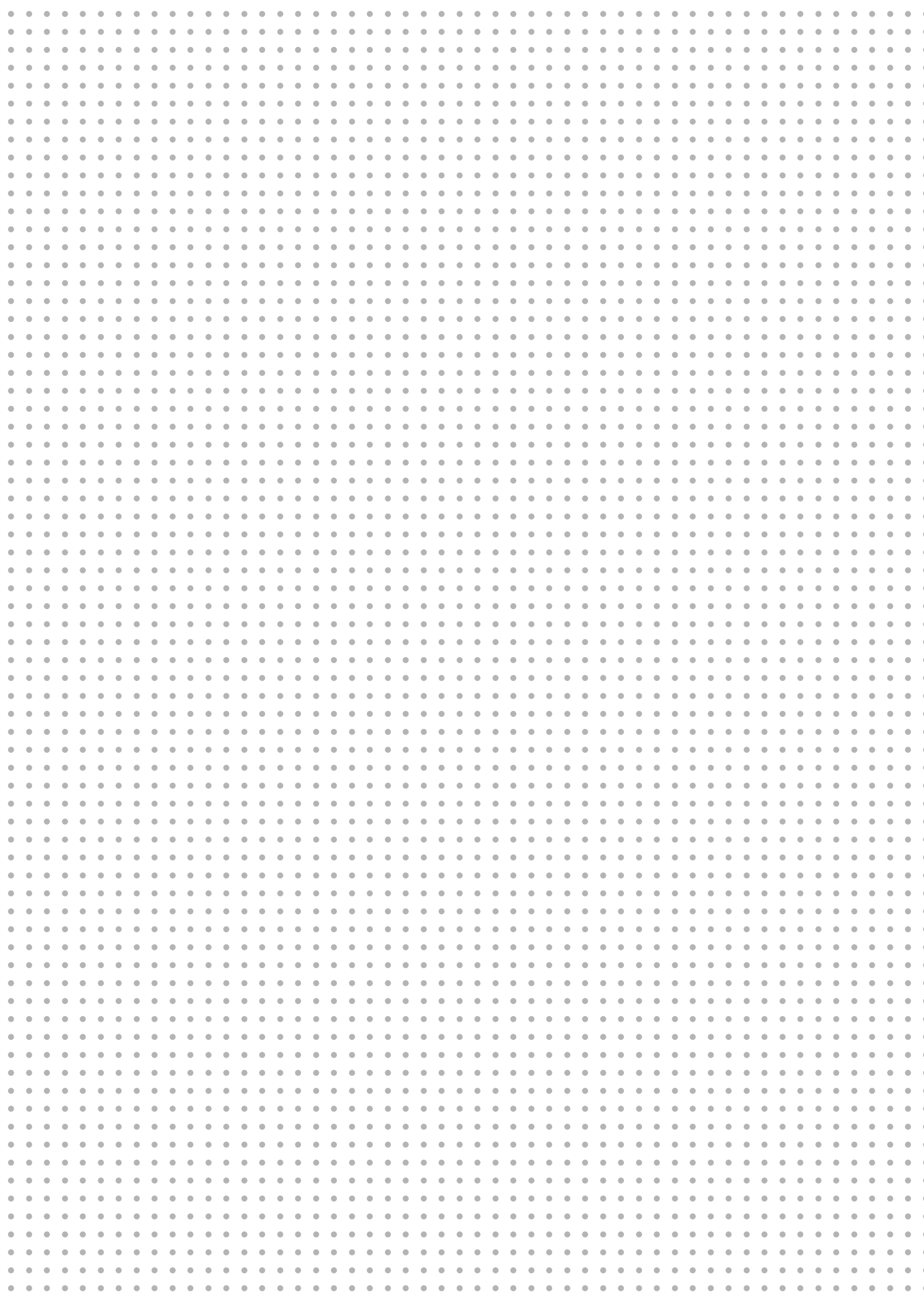
["Big Data for Social Good... data to improve our world"](#)

Elena Valderrábano, Global Director for Corporate Ethics and Sustainability at Telefonica.

["Let's mimic nature"](#) **Víctor Viñuales**, Executive Director for Ecology and Development.

["Work challenges in a new era"](#) **Joaquín Nieto**, ILO Office Director for Spain.

["Quality employment, time-sustainable employment and inclusive employment, the first challenge of the SDGs in Spain"](#) **Carmen Casero**, Managing Director for Autonomous Work, Social Economy, and Corporate Responsibility.





Global Compact
Network Spain

pactomundial.org