

FINNISH BUSINESS AND THE SDGS

STUDYING IMPACT



Global Compact
Network Finland

WRITER

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THANK YOU

We want to thank all the companies who have participated SDG Ambition Accelerator programmes and have shared their experiences and practices in this report

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Foreword

SEPTEMBER 2023 marks the half-way point of the 2030 Agenda; the UN and governments will take stock of the progress made on the Sustainable Development Goals (SDGs) since their adoption. The world is not making progress at nearly the pace and scale needed to meet our collective goals. Global health crises like the Covid-19 pandemic, increasing poverty and social injustice threaten people's fundamental rights, the unstable geopolitical situation and wars shake the economy and most of all people's right to safety. And at the same time, we witness the triple planetary crisis of climate change, pollution, and biodiversity loss. It is clear that more ambitious action and stronger collaboration between all actors is needed to put the world on track to achieve the SDGs by 2030.

All 18 000 UN Global Compact participating companies have committed to enhance the 2030 Agenda and Sustainable Development Goals in their businesses. Starting from this year (March 2023), UN Global Compact business participants report their progress towards the Ten Principles of the UN Global Compact and the Sustainable Development Goals with a systematic, transparent, and standardized template.

The enhanced Communication on Progress reporting will give companies the opportunity to publicly express companies' ongoing commitment to the Ten Principles of the UN Global Compact at the highest level, help participating companies monitor performance across the Ten Principles and show their progress on five disclosure areas of governance, human rights, labour, environment, and anti-corruption. These areas are highly connected into SDGs.

Currently, there is no clear picture or knowledge of the full impact which companies have on the SDGs and the surrounding world; this study is our attempt to examine it. This report includes the section "[How do companies' core business impact the SDGs and the surrounding world](#)" and it presents how the core business of the Finnish Local Network participants (192 companies) affects the SDGs and the surrounding world widely. It is a bit blurry selfie of our network, but a good start for discussions. After having Communication on Progress -report data (after summer 2023), we will combine these two data sets and have a clearer picture of the Finnish network's performance, strengths, and challenges when it comes to implementing the Ten Principles and SDGs.

We want to thank the whole Finnish Network for their commitment toward sustainability, and all companies who have engaged with Global Compact's Accelerator programmes, Think Labs, Coalitions and Academy trainings. Special thank you to the companies who shared about their work to advance the SDGs in this booklet.



Marja Inanen
Executive Director,
UN Global Compact Network
Finland

01

SDGs

**At the half-way point
of the 2030 Agenda**

Understanding the SDGs

AT THE HEART of the United Nations 2030 Agenda adopted by all UN member states in 2015, the 17 Sustainable Development Goals (SDGs) reflect a bold vision for humanity and call for worldwide collaboration between governments, businesses, and civil society.

The SDGs reflect a shared objective and ambition across all countries to transform our world for the better: to end poverty and hunger everywhere; to combat inequalities within and among countries; to build peaceful, just and inclusive societies; to protect human rights and promote gender equality; and to ensure lasting protection of the planet and its natural resources. The 17 SDGs are supported by 169 targets that enable us to align, prioritize, drive, and track our progress.

Realizing the ambition of the SDGs will rely heavily on action and collaboration by all actors, and participation from the business world is critical. The SDGs explicitly call upon business to leverage their resources, creativity, and innovative capabilities to solve sustainable development challenges.

Indeed, the Sustainable Development Goals present an unprecedented opportunity for business to contribute to the global development agenda and tap into new market opportunities. Markets involved in delivering the SDGs are growing up to three times faster than the overall economy, and achieving the SDGs is expected to open up more than 12 trillion dollars in market opportunities¹. Success will bring benefits across our economic systems, improving energy, human health, well-being, and the environment, which will directly boost the resilience of business.

Taking action on the Sustainable Development Goals makes sound business sense because business cannot succeed if societies fail and natural resources are depleted. By working to support the achievement of the SDGs, companies recognize that an investment in the achievement of the SDGs lays down the foundation for the business successes of the future.



IMAGE 1: The United Nations' 17 Sustainable Development Goals.

Global progress with the SDGs

THE WORLD is at the halfway mark to 2030 when it is planned to achieve the SDGs. While there are bright spots of progress in a number of areas, overall the world remains drastically behind. For the second year in a row, the world is no longer making progress on the SDGs. The COVID-19 epidemic coupled with conflicts and wars, inflation, energy, and food crises, have slowed down or even reversed progress which had been made in the past few years. These crises have unfortunately shifted policy attention away from medium and long-term goals of the 2030 Agenda.

The latest 2022 UN Sustainable Development Goals Report² demonstrates deterioration of progress towards many targets such as poverty, food security, education, clean water, employment, conflict, as well as health care, and immunization coverage. Almost 100 million more people are living in extreme poverty compared to pre-pandemic levels, and income disparities have widened between countries. Food shortages have become more widespread,

and nearly a third of people lack regular access to adequate food. Furthermore, the world is not on track to ensuring universal quality education since school closures (because of COVID-19) have threatened previous progress. Education has become much more widely accessible but disparities in participation and outcomes remain persistent. Moreover, basic school infrastructure is far from universal globally.

To meet clean water and sanitation targets, the pace of current progress must be quadrupled. Otherwise, it is projected that 1.6 billion people will lack access to safe drinking water in 2030. Regarding gender equality, progress has been made in the past years in accelerating equal opportunities, but the pace must be accelerated. At the current pace, it may take 286 years³ to remove discriminatory laws and close gaps in legal protections.

The progress on climate and biodiversity goals is currently too slow, especially in rich countries. The impacts of climate change are already being felt across the globe, and it poses an additional risk for our wellbeing. Species extinction has been increasing rapidly while oceans are endangered due to marine pollution, eutrophication, and overfishing. Thus, more ambitious action is needed.

Some positive developments relate to better infrastructures and energy: the number of people with access to electricity and internet has been rising. Furthermore, total renewable energy consumption has increased, but it is needed to rapidly accelerate the shift to combat climate change. Regarding industry, innovation, and infrastructure, it is positive that global manufacturing has rebounded after the pandemic. However, what must not be forgotten is that unsustainable patterns of production and consumption are the root cause of the planetary crisis.

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It's abundantly clear that a much deeper, faster and more ambitious response is needed to unleash the social and economic transformation needed to achieve our 2030 goals.



António Guterres
Secretary-General,
United Nations



To summarise, climate change, poverty, loss of biodiversity, and widening social inequalities continue to present major existential threats to our future.

The world is faced with an immense challenge: how can we grow with equity, while protecting our planet?

The good news is that it is still possible to shift the world onto a 1.5°C trajectory, fight global inequalities and injustice and eradicate extreme poverty. Achieving the SDGs by 2030 is within reach. Urgent and coordinated actions by all Member States, the private sector, and civil society are needed. Companies must pursue opportunities to solve these societal and systemic challenges through innovation and collaboration. Implementing the framework requires bold leadership from all industries to transform business models and economies so the SDGs are achieved, leaving no one behind.

Progress with SDGs in Finland

FINLAND'S STRENGTH lies in long-term investments of the society to ensure people's wellbeing and equality. A key challenge for Finland is how to maintain a high level of wellbeing within the limits of the planet. For the second year in a row, Finland has taken the top spot in the annual global ranking of sustainable development. Finland has achieved or is close to achieving SDGs related to social sustainability in particular. However, there are still several goals related to ecological sustainability where Finland has work to do.

According to the SDG Index ranking and report⁴, Finland has achieved its goals related to poverty reduction, clean and affordable energy, and high-quality education. Finland is doing well when it comes to social sustainability and is also close to achieving the goals related to reducing inequality, as well as advancing gender equality, decent work and economic growth, and peace and the rule of law. (Statistics

of Finland is responsible for the national collection, updating and publication of indicator data⁵).

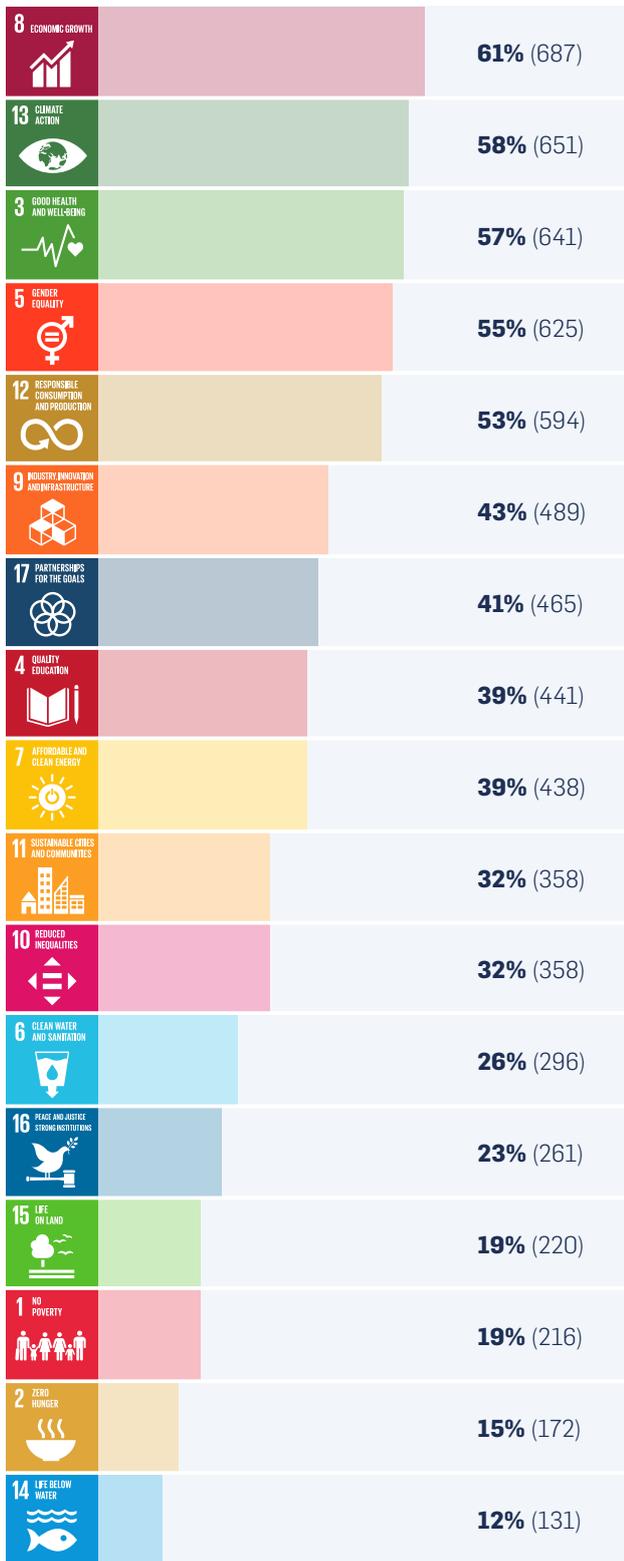
Based on a recent evaluation of implementation of the 2030 Agenda in Finland⁶, Finland faces challenges with ecological sustainability, including the fight against climate change, the need for more sustainable consumption and production patterns and halting biodiversity loss. When measuring spillover effects, i.e. effects on other countries' abilities to achieve the SDGs, Finland is responsible for significant negative spillover effects.

Achieving the goals set in the 2030 Agenda is not enough to secure people's wellbeing within the limits of the planet's carrying capacity. That's why the National Commission on Sustainable Development has compiled a roadmap for the 2030 Agenda (a new national sustainable development strategy) that takes a systemic approach to tackling Finland's sustainability challenges⁷.



IMAGE 2: Finland has achieved or is close to achieving SDGs related to social sustainability, clean energy, peace and the rule of law. Finland faces challenges for example with ecological sustainability, climate change, consumption and production patterns (Picture drawn inspired by Sustainable Development Report 2022. Original source: Prime Minister's Office).

Business must step up



THE PRIVATE SECTOR must accelerate its sustainability efforts. The 2022 UN Global Compact CEO Study⁹ showed that business leaders were off track to deliver on their climate and sustainability goals and time is running out. Today's business leaders face complex and interlinked challenges ranging from economic uncertainty and geopolitical tensions to the climate crisis. CEOs reported that businesses overall are unprepared to navigate the challenges of climate change, and biodiversity is still overlooked on their agenda.

According to the UN Global Compact 2021 Annual Survey⁹, companies currently prioritize SDGs 8 (Decent work and economic growth), 13 (Climate action), 3 (Good health and wellbeing), 5 (Gender equality), and 12 (Responsible consumption and production) the most in their operations. On the other hand, the least addressed SDGs are: 14 (Life below water), 2 (Zero hunger), 1 (No poverty) and 15 (Life on land). For example, 48 % of members of UN Global Compact do not address ocean in their operations at all.

The most prominent challenges which companies currently face in advancing the SDGs relate to extending strategy throughout the supply chain and across all business functions, and the lack of financial resources and knowledge.

IMAGE 3: Companies' most prioritised SDGs globally (Source: UN Global Compact 2021 Annual Survey).

To alleviate the complexity for businesses, global frameworks like the Ten Principles and the 2030 Agenda provide straightforward schemes for sustainability efforts. The SDGs and Ten Principles are powerful tools since they stimulate companies to take the right actions. Furthermore, the enhanced Communication on Progress -reporting (CoP) enables all participating companies to measure and demonstrate their progress annually and encourages continuous improvement.

UN Global Compact challenges companies to set bolder goals aligned with their purpose, governance, and strategy — and address barriers to speed and scale — with enterprise-wide integration that hardwires the SDGs into business management, business processes, and information technology landscapes. Global Compact also supports companies in collaborating better with their partners to spread change in their broader ecosystems. By raising ambition, deepening integration, and embracing new technologies business can take a leadership role in changing the course.

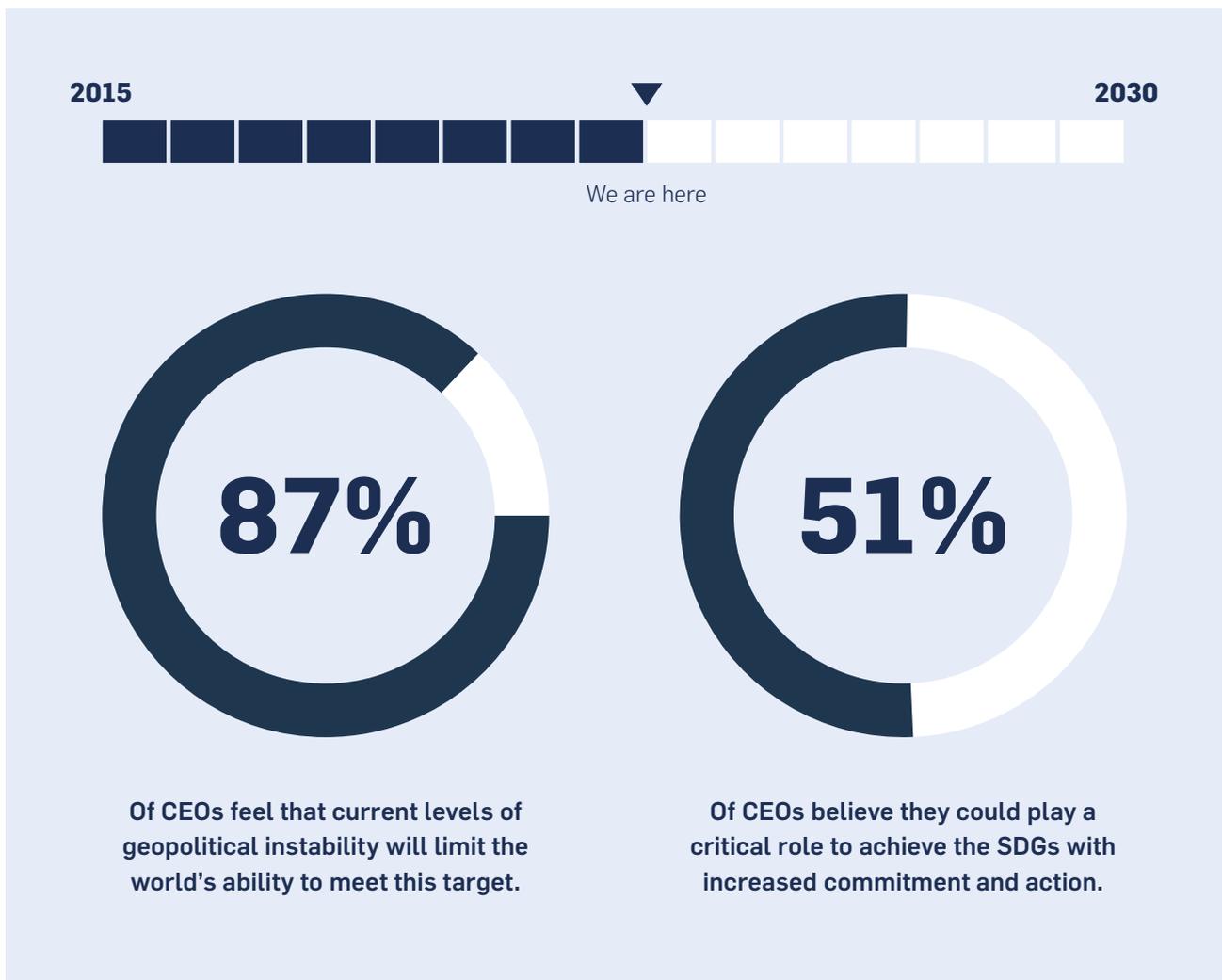


IMAGE 4: Time is running out to achieve the SDGs by the 2030 Agenda (Source: CEO Study, 2022).

SDGs are achieved in a principle-based manner

THE KEY to achieving the SDGs is behaving and operating in a principled manner. Building a resilient and sustainable business in an age of exponential change requires alignment with the Ten Principles of the UN Global Compact. Derived from UN Declarations and Conventions, these universal principles represent the fundamental values that business should embed in their daily strategies and operations. Without these foundational elements anchoring our approach to the SDGs, we risk undermining progress and putting people at risk.

”

As a fundamental first step on their sustainability journeys, we need companies to ensure they are doing business responsibly, in alignment with United Nations values and the Ten Principles of the United Nations Global Compact. An overall commitment to doing business responsibly is one of the most powerful contributions companies can make to the 2030 Agenda.



Amina Mohammed
Deputy Secretary-General,
United Nations,
SDG Business Forum, 2018¹⁰

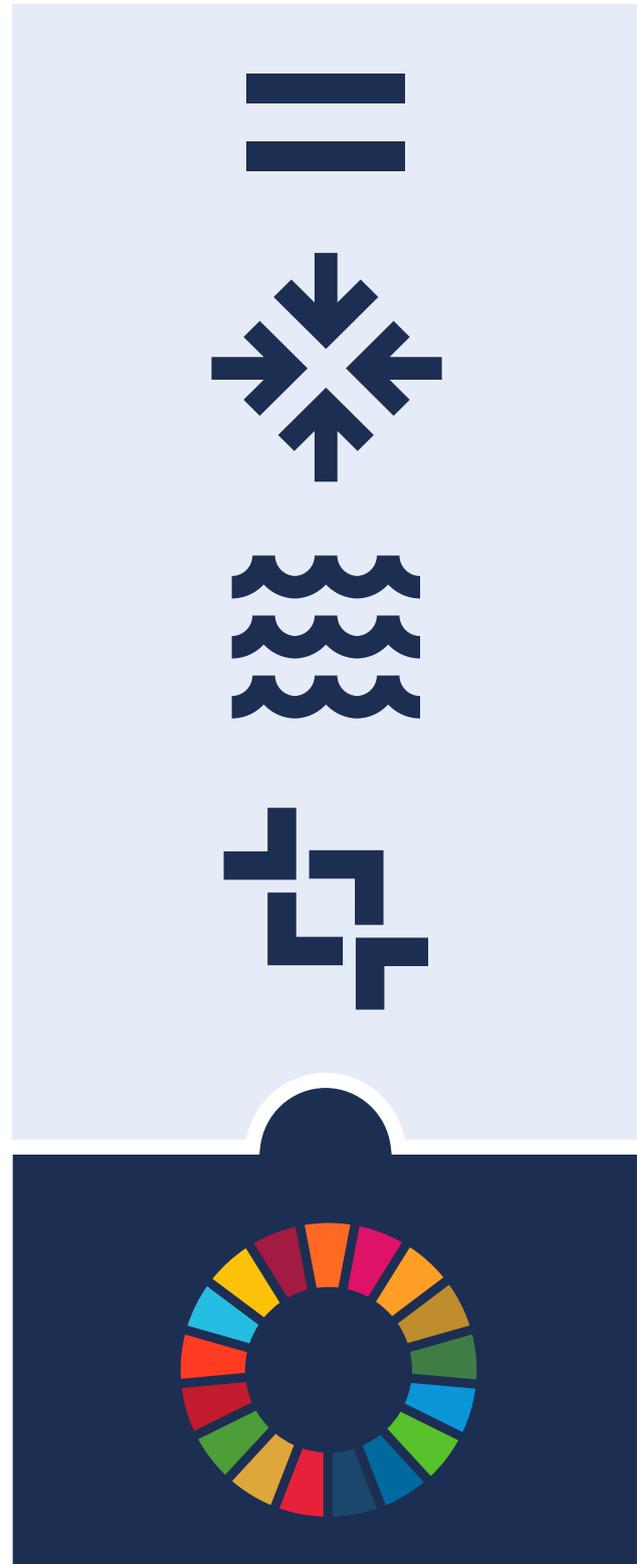


IMAGE 5: UN Global Compact's Ten Principles and the SDGs.

02

IMPACT

How do companies' core business impact the SDGs and the surrounding world?

UN GLOBAL COMPACT NETWORK FINLAND

wanted to study how the participating Finnish companies' core business impacts the surrounding world and contributes to the Sustainable Development Goals. The study was conducted by The Upright Project, which quantified the whole network's net impact and alignment with the SDGs. The quantification was made using Upright's net impact model and SDG alignment methodology.

The net impact reveals how the products and services, which companies provide, impact the environment, health, society, and knowledge. SDG alignment metrics reflect the share of revenue from products and services that are aligned or misaligned with each SDG.



What are the costs and benefits a company creates in relation to the economy, society, knowledge, environment and health?

Which sustainable development goals does the company contribute to? And how?

The study was conducted in January 2023, when the local network of Finland consisted of 192 companies, of which 118 were large scale companies and 74 were SMEs. Total revenue for the Finnish network (192 companies) is 373 690 million \$, of which large scale companies' revenue is 371 066 million \$ and SMEs' revenue is 2 727 million \$. Total personnel is 717 769. The network also has around ten non-business participants, which were not included in the study.

The net impact and SDG alignment mirror the Finnish network's composition i.e., participating companies and sectors where they operate.

First, for each company, the net impact of every product and service was measured, and then aggregated to achieve a net impact measurement for each company. Net impact was measured across four dimensions: environment, health, society, and knowledge. Similarly, the alignment and misalignment to the SDGs of each product and service companies provide, were analyzed. Net impact and SDG alignment were weighted with the revenue information i.e., how big part of the revenue the product/service represents of the company's total revenue. A company can have positive and negative alignments depending on the products/services it produces: some products of the same company can be aligned with the SDGs while some products can be misaligned. Methodology explained in [Appendix 1](#).

The net impact of Local Network Finland

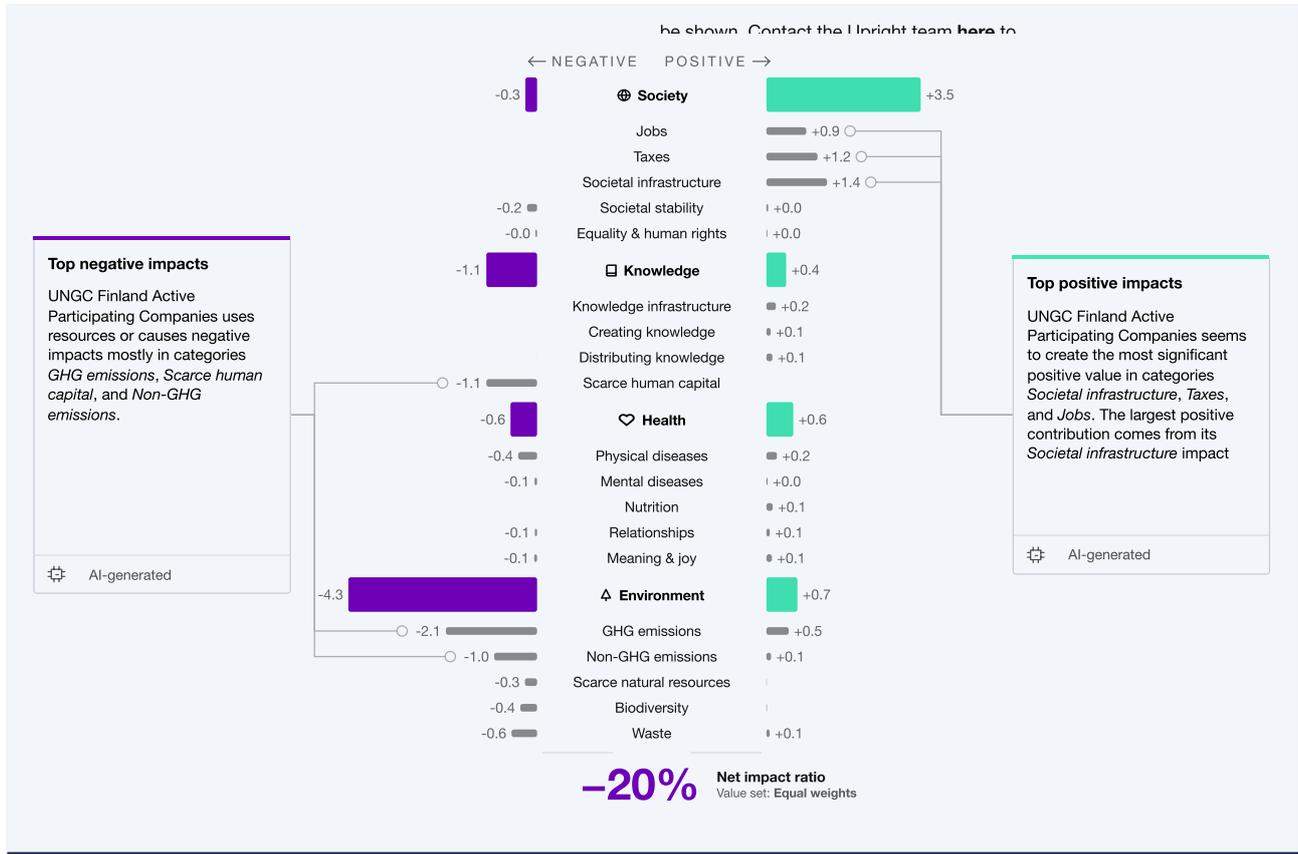


IMAGE 6: Revenue-weighted net impact, UN Global Compact Network Finland active participating companies, N = 192. (Image credit: Upright)

WHEN STUDYING the net impact of the whole network (192 companies) weighted by revenue, the picture is net negative, driven by the negative impacts on the environment. The reason for this is that the biggest companies in the network (and in Finland) include companies from energy and industrial sectors, which create intensive GHG emissions.

For positive impacts, the largest contribution is to the society, as the largest corporations not only create jobs and pay taxes but provide critical societal infrastructure in forms of e.g., energy, pension funds and financial services.

This picture is very similar to the picture of the Finnish economy as a whole, or the picture of Nasdaq Helsinki. It shows that businesses use natural (or environmental) capital to produce societal good and welfare. Similar results can be drawn out of national studies of Finland, presented earlier ([page 6](#)).



IMAGE 7: Equally-weighted net impact, UN Global Compact Network Finland active participating companies, N = 192. (Image credit: Upright)

Looking at the equally weighted group, the story is more positive, as there are now more positive impacts visible also in health and knowledge categories. The picture is net positive.

Equal weight means that the group's results have been calculated as the arithmetic average of individual companies' results. In other words, each company's weight in the group's results is $1/N$, where N is the number of companies in the total group.

The SDG selfie of Local Network Finland

WHEN LOOKING at the revenue weighted list of participating companies, the largest companies drive the group's overall results. So, only significant changes in the core businesses of the largest Finnish companies would change the picture in the short term. The biggest companies in the Finnish network act in the energy, industrial, and financial sectors.

KEY (Images 8-13)

% of revenue

- Strongly misaligned
- Moderately misaligned
- Strongly aligned
- Moderately aligned
- Weakly misaligned
- Weakly aligned



IMAGE 8: Revenue-weighted alignment with SDGs, top 3 most aligned and misaligned SDGs, UN Global Compact Network Finland active participating companies, N = 192. (Image credit: Upright)



IMAGE 9: Revenue-weighted alignment with all SDGs, UN Global Compact Network Finland active participating companies, N = 192. (Image credit: Upright)

On the positive side, the largest alignments are in SDGs 8 (Decent work and economic growth), 9 (Industry, innovation and infrastructure), and 13 (Climate action). All companies contribute to economic growth and productivity, creating positive alignment with SDG 8. For SDG 9, some big companies are strongly aligned to target 9.1 as they provide infrastructure products and services for various industries. Some forerunner companies provide products and services which are strongly aligned with SDG 13. Regarding SDG 10 (Reduced Inequalities), the alignment is slightly positive because of the pension funds which provide income to pensioners, equalizing income differences.

In addition, there are additional minor positive alignments across the SDGs: For instance, the food and beverage industry generally has some positive alignments to SDG 2 (Zero hunger). Also, for SDG 3 (Good health and wellbeing), health sector companies are positively aligned, whereas some food and (alcohol) beverage companies have products that are misaligned with targets 3.4 (Non-communicable diseases, mental health and well-being) and 3.5 (Harmful use of alcohol).

For SDG 12 (Responsible consumption and production), companies in the waste management sector have aligned revenues to targets 12.2 (Sustainable management and efficient use of natural resources) and 12.5 (Reduce waste generation). Moreover, companies who provide e.g., repair and maintenance services have alignment to target 12.2.

On the negative side, the largest misalignments are in SDGs 13 (Climate action), 7 (Affordable and clean energy), 11 (Sustainable cities and communities), 6 (Clean water and sanitation), 9 (Industry, innovation and infrastructure), and 14 (Life below water). Here, especially some of the largest corporations are still generating revenue through GHG intensive products and services bringing down the whole group, especially in SDGs 13 and 7. For SDG 11, businesses which negatively impact air quality, also affect cities and communities. For SDG 6, there are Finnish food and beverage companies that have misaligned revenue, as they all require considerable amounts of water in their food and beverage products.

Like the net impact results, this is more or less a selfie of the Finnish national economy and a quite similar picture to what we would have for Nasdaq Helsinki.

Equally weighted SDG selfie

When all companies get equal weights, the picture changes: the misalignments are much smaller than in the revenue weighted group.

On the positive side, SDG 8 (Decent work and economic growth) has the largest impact. In addition, there are other major positive alignments to SDGs 3 (Good health and wellbeing), 4 (Quality education), 7 (Affordable and clean energy), 9 (Industry, innovation and infrastructure), 11 (Sustainable cities and communities), 12 (Responsible consumption and production), and 13 (Climate action). For SDG 4, some educational organizations (companies) are aligned to target 4.4. Moreover, companies functioning in the news and media sectors have also revenues aligned to SDG 4. For SDG 7, some companies provide and enable renewable

energy to the grid and therefore, help increase the use of renewable energy. Also, certain companies which provide sustainable transport services, and companies producing products and services contributing to housing have revenues aligned to SDG 11.

The largest misalignment is to SDG 6 as the food and beverage, clothing and energy sector companies have large water footprints. Other misalignments include SDGs 3, 12, 13, and 15 (Life on land). For SDG 12, companies in the advertising and marketing business, have revenues moderately misaligned to target 12.2. For SDG 15, companies producing meat products have strong misalignment on target 15.5. Moreover, companies who have businesses related to forestry products, have revenues misaligned to SDG 15.



IMAGE 10: Equally-weighted alignment with SDGs, top 3 most aligned and misaligned SDGs, UN Global Compact Network Finland active participating companies, N = 192. (Image credit: Upright)



IMAGE 11: Equally-weighted alignment with all SDGs, UN Global Compact Network Finland active participating companies, N = 192. (Image credit: Upright)

Group of SMEs

Looking at the group including only SMEs, positive alignments outweigh the misalignments. Compared to the whole network and big companies, the biggest misalignment i.e., SDG 13, is significantly smaller.

Without large corporations, the group has the largest alignments to SDGs 8, 9, 11, 13. For instance, companies leasing electric vehicles or offering GHG emission reduction consulting are aligned with SDG 9. For SDG 11, companies producing water meters, smart green

walls, and flame retardants are all contributing towards sustainable cities and communities with their products.

On the negative side, SDGs 6 and 13 stand out moderately. Some companies providing hydropower operations and wholesale of meat and dairy products are misaligned with targets 6.1 (Safe and affordable drinking water) and 6.4 (Water-use efficiency, water scarcity). For SDG 13, for instance, the maritime industry and coating services have misaligned revenues.



IMAGE 12: Revenue-weighted alignment with SDGs, top 3 most aligned and misaligned SDGs, SME participants of UN Global Compact Network Finland, N = 74. (Image credit: Upright)



IMAGE 13: Revenue-weighted alignment with all SDGs, SME participants of UN Global Compact Network Finland, N = 74. (Image credit: Upright)

Aspirational and government-focused nature of SDGs create challenges for assessing business impact

AS THE SDGS are focused on what should be achieved rather than what should be avoided, an impact analysis based on SDGs only will be skewed towards the positive side. So, SDGs capture negative impacts poorly.

SDGs and the 169 targets were formulated initially for countries and governments. The explicit descriptions of the SDG targets determine what products are relevant for (mis)alignment. For many targets, the descriptions are explicit and can easily be adapted for products and services, while for some targets the definitions are broad and require more interpretation. The SDG indicators are formulated to track progress on a country level and thus, they are not always translatable into products and services. Where the indicators are relevant, they usually contain the same information as the targets.

The SDGs are great for guiding the direction of improvement, but do not provide a framework for comparing impacts or managing tradeoffs by themselves. In addition, the goals are integrated in a way that development in one goal also affects the others, meaning that the goals are not mutually exclusive.

Furthermore, demonstrating companies' social responsibility through the SDG alignment measurement is more challenging than environmental responsibility. Companies disclose in their CR reports how they act and work to achieve social responsibility but only few companies' core business (i.e., products and services) directly fosters gender equality or ends poverty or reduces inequalities. Therefore, to capture the full social impact of companies, these metrics should be supplemented with additional data on how responsibly companies operate.

The UN Global Compact's enhanced Communication on Progress (CoP) -reporting framework is the primary mechanism for participating companies to disclose to what extent and how they have organized corporate action and operations to make progress in the areas of governance, human rights, labour, environment, and anti-corruption. CoP data of Finnish Local Network companies will become available approximately September 2023.



03

BENCHMARKS

**Driving ambitious
action on the SDGs**

THROUGH COLLABORATION and consultation with leading experts and partners, UN Global Compact has developed specific SDG Ambition Business Benchmarks that companies can use to define their own goals and targets for performance based on environmental, social and governance criteria.

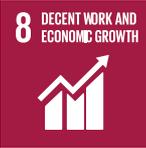
These benchmarks translate the SDGs for business and challenge organizations to set more ambitious goals and targets in areas where business action will be vital for achieving the SDGs by 2030. They are applicable across all industries and their implementation is adaptable, allowing companies to tailor objectives to the most relevant areas in their industries.

These benchmarks represent the major shift in how companies set goals and targets. The benchmarks aim to move from what seems possible to what is necessary, highlighting areas where business is positioned to have a substantial impact in response to the SDGs. They are designed to be impact-oriented and absolute in nature, allowing clear quantitative measurements. Furthermore, they focus on areas that are broadly applicable across industries and geographies. The benchmarks have been developed with more than 100 experts and partners for example from UN Women, SBTi, Future Fit, IUCN, World Benchmark Alliance, and others.

When aligning corporate purpose and strategies to the SDGs and considering taking actions aligned with SDG benchmarks, it is important that companies consider both where a business can have the greatest contribution (directly through operations or products or indirectly) and how those actions will help drive traditional business objectives and create new forms of customer value.

Finally, the SDG Business Benchmarks are designed to address the interconnected nature of the Sustainable Development Goals. Action taken in line with a specific benchmark will drive impact on multiple SDGs. They will help companies to build holistic and systemic solutions for their organization that amplify positive impact and mitigate negative. [The SDG Ambition Business Benchmark Reference Sheets¹¹](#) provide information on each benchmark, including illustrative details and guidance regarding the steps to integrate them into a company's business systems.

Importantly, the UN Global Compact continues to add benchmarks to this list over time as science evolves and consensus is reached on the establishment of absolute thresholds in other areas, including human rights and nature.

SDG AMBITION BENCHMARKS	SDG Impact	
	Primary	Additional
Gender balance across all levels of management		1, 4, 8, 10, 16
Net-positive water impact in water-stressed basins		11, 12, 13, 14, 17
100% of employees across the organisation earn a living wage		1, 2, 3, 4, 5, 10, 13
Zero waste to landfill and incineration		6, 9, 11, 13, 14, 15
Zero discharge of hazardous pollutants and chemicals		3, 6, 9, 11, 13, 15, 17
100% sustainable material inputs that are renewable, reusable or recyclable		6, 9, 11, 13, 14, 15, 17
Science-based emissions reduction in line with a 1.5°C pathway		3, 9, 12, 14, 15
100% resource recovery, with all materials and products recovered and recycled or reused at end of use		6, 9, 11, 12, 14, 15, 17
Land degradation neutrality including zero deforestation		3, 6, 9, 12, 13
Zero incidences of bribery		Cross-cutting
Equal pay for work of equal value		1, 8, 10

From benchmarking to delivering impact: A Finnish business approach

THIS SECTION HIGHLIGHTS examples of Finnish companies taking actions inspired by selected SDG Ambition Business Benchmarks. UN Global Compact has supported these companies for example in defining their own goals and targets, raising ambition, and outlining action plans by providing guidance, tools, and resources through our Accelerator programmes, think labs and other engagement opportunities. These examples will provide further insight on how companies can draw inspiration from the Benchmarks and adapt and tailor objectives to their own business.

Promoting equal pay and living wage in a multinational company

SPOTLIGHT ON UPM

UPM is a Finnish forest industry company with a more than 100-year-old history of creating renewable and recyclable raw materials. Today, its business consists of six business areas ranging from energy to paper and biorefining. UPM has over 17 000 employees with a revenue of 11.7 billion EUR (2022).

Under its revised 2030 social responsibility targets introduced in 2022, UPM is focusing on what it calls 'fair rewarding,' which has two targets - one related to gender pay equity and the other related to living wage.

BENCHMARKS:



EQUAL PAY FOR WORK OF EQUAL VALUE

SDG IMPACT: 1, 5, 8, 10
TIMELINE: 2030
SCOPE: Operations



100% OF EMPLOYEES ACROSS THE ORGANISATION EARN A LIVING WAGE

SDG IMPACT: 1, 2, 3, 4, 5, 10, 13
TIMELINE: 2030
SCOPE: Operations, Value Chain

Ensuring gender pay equity to all employees

UPM set out to find and fix unexplained gaps in pay among its roughly 17,200 employees spread across the 44 countries where the forestry giant operates. This work is in line with the UNGC benchmark "Equal pay for work of equal value".

The multinational producer of wood-based products, such as biochemicals, biofuels, pulp, paper and label materials found 400 cases of workers with unexplained gender pay gaps in its 2021 debut equity review - 2.3% of its workers, in 10 countries. Their pay was adjusted at the start of 2022. UPM is committed to conduct the review annually. The company continued the practice of company-wide review in 2022 and implemented pay adjustments for unexplained gaps.

UPM's pay equity reviews look for gender pay

gaps that cannot be explained for example by job performance, work experience, job grade or location - factors that typically determine salaries. Seeking the root cause of the gaps, UPM found its annual salary reviews, promotions and bonus decisions were free of gender-related disparities. Instead, it found the gaps originated largely in gender-related lower starting salaries for women.

As a remedy, the company is training managers and HR organizations on making salary decisions and offers when hiring new employees. This is particularly important as women often tend to ask for less money than male candidates do for the same job. It is important to pay for the position that the company is filling in and not pay for the candidate or based on gender.

Committed to ensure all employees' pay meets at least their local living wage

According to UPM, a living wage means remuneration that allows a worker to afford a decent standard of living, including food, water,

housing, education, healthcare, transport, clothing, and other essentials, including provision for unexpected events. A living wage is

neither static nor has a single, globally uniform definition at the moment.

UPM recognizes the benchmark "100% of Employees Across the Organization Earn a Living Wage" and has joined in the Living Wage Think Lab, designed to promote SDG 1 against poverty, SDG 8 promoting decent work and economic growth, SDG 5 for gender equality and SDG 10 for reduced inequalities.

The Think Lab helped UPM identify and scale steps to ensure a living wage for all workers, share expertise, data, key performance indicators and progress reporting with other trailblazer companies.

The year 2022 was "very exceptional" for UPM and companies all over the world

in defining a living wage, given global price inflation and high costs for food and fuel. UPM is committed to ensure that all employees' pay meets at least a local living wage and that the situation is analysed annually. If the global assessment shows unexpected wage gaps, they are corrected. UPM works with an independent third party and they provide UPM with benchmark data for company's operating countries and cities.

UPM's social responsibility targets are ambitious. The next step is to start promoting living wages also with suppliers. There are a lot of people employed across UPM's supply chain, so this will be an even more important part of UPM work impact-wise.

Setting science-based net-zero targets

SPOTLIGHT ON POSTI

THROUGHOUT its 400-year-old history, Posti Group has delivered things that matter to people. Today Posti's business consists of delivery services for letter, publication and parcel products, e-commerce services, comprehensive supply chain solutions, such as warehousing and in-house logistics services, as well as a broad range of transport services for businesses. Posti's net sales are around 1.65 billion EUR (2022) and the company employs approximately 20,000 people. Posti Group Corporation is a public limited company owned entirely by the Finnish state.

Posti has, for a long time, committed to global sustainability principles such as the UN Global Compact initiative and has had trusted third parties like Ecovadis to evaluate its performance. When the company set its ambitious emission goals, it was important to make sure that they

BENCHMARKS:



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

SDG IMPACT: 3, 9, 12, 14, 15

TIMELINE: 5-10 Years

SCOPE: Operations, Products & Services, Value Chain

follow the latest environmental science, and committing to SBTi was natural for the company.

Posti was the first Finnish company and globally the first company in its industry to have its net-zero targets approved by the Science Based Targets initiative in 2022. Posti aims to be net zero by 2040. This target includes greenhouse gas emissions from Posti's own operations as well as the value chain.

According to the IEA, the transport sector

is the world's third most polluting industry and the sector's emissions are still increasing. The demand for goods logistics is also increasing, and therefore it is extremely important that the industry can break this connection and achieve net-zero. With SBTi's Net-Zero Standard the logistics industry can work towards this goal.

To achieve this milestone, Posti first completed an accurate emissions inventory and set short-term science-based targets for 2030. The company then had extensive internal discussions about the ambition of the short and long-term targets and company management supported the goal of striving for net-zero.

As one concrete activity, in late 2022 Posti developed a green vehicle roadmap to achieve its goal of fossil-free transportation and expand 100% fossil-free delivery to new areas. The plan involves introducing thousands of electric, biogas, and hydrogen vehicles to its fleet over the next seven years, making the transition to a fossil-free fleet a concrete and financially viable solution.

Posti has also been actively co-developing global emission calculation guidance for logistics chains together with the Smart Freight Centre, WBCSD and 30+ international companies. That is an important tool in the green transition of

logistics. Shared standards and practices are needed for improving the logistics' GHG data to a level needed for decision making: what is not measured cannot be lead.

Posti is already well on its way towards its goals. From the 2011 level, their own emissions have dropped by 60%. For example, the company already transports more than 10 million packages a year without fossil fuels. In 2022, Posti drove light and heavy vehicles 18 million kilometers using electricity and renewable fuels. By the end of 2022, Posti had hundreds of electric vans, and currently their fleet of 28 biogas trucks is the largest in Finland.

The next big challenge with regards to Posti's emission targets is to create a roadmap for the use of subcontracted transportation. Whilst it's challenging but possible to convert its own fleet green, working with partners demands a different take: big companies need to create solutions together with smaller ones. Posti's own as well as subcontracted transportation will be fossil-free by 2030 and all the rest of scope 3 emissions need to be net-zero by 2040.

Posti recommends all companies regardless of their industry to engage in ambitious climate work through science-based targets.

Engaging the supply chain with Science Based Targets

SPOTLIGHT ON FISKARS GROUP

FISKARS GROUP is the global home of design-driven brands for indoor and outdoor living. Fiskars Group was founded in 1649, has net sales of 1,248.4 million EUR (2022), over 6,500 employees globally, and presence in 29 countries.

Fiskars Group has ambitious, science-based climate targets: the company is committed to

BENCHMARKS:



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

SDG IMPACT: 3, 9, 12, 14, 15

TIMELINE: 5-10 Years

SCOPE: Operations, Products & Services, Value Chain

reducing its own emissions by 60% and distribution and transportation emissions by 30% by 2030. In addition, the company aims to commit 60% of its suppliers (by spend) to the Science Based Targets (SBT) initiative by 2024.

Setting science-based targets has had tangible effects on the way Fiskars Group operates. The SBTs brought a much-needed, credible framework for sustainability work as well as increased understanding among internal stakeholders about the importance of climate issues. The SBTs have also been integrated into the business and decision-making processes – for example, environmental aspects must be taken into account when making investment decisions for the future. Fiskars Group deems it important that the tools and frameworks they use are based in science – this means you can trust your actions to have credible impact.

Fiskars Group has made good progress in achieving its goals: the company's own emissions have decreased by 42% since 2017, and emissions from transportation and distribution have decreased by 15% since 2018. Fiskars Group has been able to reduce their own emissions by optimizing energy efficiency and using renewable energy wherever possible. The energy investment of approximately 10 million euros in the Iittala glass factory announced in October 2022 will also have an impact on reducing Fiskars Group's emissions in the coming years. Transportation and distribution emissions are more difficult to influence, but by carefully selecting distribution partners and discussing possibilities to reduce emissions with them, the company has achieved desired results.

Long-term collaboration is key to successful supply chain engagement

Fiskars Group has an ambitious supplier engagement target: the goal is to get 60% of suppliers by spend to set science-based targets for at least their scope 1 and 2 emissions. Currently, 25% of suppliers have set targets.

Reducing emissions in the value chain is a challenge most companies are faced with. Fiskars Group has tried to tackle these challenges by persistent cooperation with several actors in the supply chain. These actors have different challenges related to reducing emissions. For example, understanding of scope 3 emissions and their reduction possibilities vary, and sourcing of renewable energy can be difficult in some countries where suppliers are located.

The company collaborates with all suppliers but has carefully selected the suppliers with whom climate-related collaboration would create the biggest opportunities for emission reductions. The selected suppliers

have reacted well to this initiative and have appreciated Fiskars Group's efforts to provide support in emission reductions. Support has been provided, for example, with the help of a separate sustainability team located in Asia. Local know-how and language skills are a big advantage, and have made it possible, for example, to organize training in local languages. Fiskars Group has also made simplified tools available to suppliers so that they can get started as easily as possible. The company collects emissions data from suppliers annually to stay up to date on the suppliers' progress.

Even after great progress, the company is by no means ready when it comes to climate work. The Science Based Targets initiative is a great approach to deliver credible and ambitious climate action and it helps to stay level-headed amidst all the regulations, frameworks, and tools.

Setting ambitious goals for gender equality and diversity

SPOTLIGHT ON SOLITA

SOLITA is a technology, data and design company, established in Finland in 1996. Today Solita operates in six countries with over 1,700 employees. Lack of diversity is a shared concern within the tech industry, and a topic Solita wants to actively influence. Solita had already set diversity targets, but after participating in the UN Global Compact SDG Ambition Accelerator in spring 2021, the company took a more structured approach and defined new goals and actions to improve diversity, gender equality and inclusion in their company.

The high-level goals set as a result were to achieve the above-market gender balance (30/70) by the end of 2023, have no all-male panels in leadership teams after 2021 and increase the company's cultural diversity every year. The company also made a commitment to strengthen the inclusiveness of their culture and community. To drive change and achieve their goals, the company established an internal working group and structured efficient resources that would take responsibility for and oversee gender balance and diversity, equity, and inclusion (DEI) related activities.

Since committing to ambitious goals, the company has conducted a company-wide training campaign and workshops on DEI to build awareness and understanding among leadership and employees, followed by establishment of discussion forums and channels around DEI topics to encourage open exchange between employees and build trust and culture. The company also ran a thorough analysis of their recruiting practices and made strategic improvements and built supporting processes to boost the new-hire rate of women and juniors as well as the cultural diversity of new hires. Solita has also built stronger collaboration with various

BENCHMARKS:



GENDER BALANCE AT ALL LEVELS OF MANAGEMENT

SDG IMPACT: 1, 4, 8, 10, 16

TIMELINE: 2030

SCOPE: Operations

universities to expand and diversify their reach of new talent. Furthermore, Solita has developed their onboarding processes of new hires to cover topics like DEI and corporate sustainability and has begun to analyze and improve internal processes related to salary and compensation, career paths, etc., to support gender balance and diversity at all levels of the organization.

In addition to measuring and tracking progress on above topics, Solita has begun to improve ways to measure employees' experience of inclusion within the company. The company has also made their internal diversity dashboard visible to all employees to build transparency and accountability.

In the fall of 2022, Solita did an extensive employee lifecycle process mapping from a DEI perspective, together with the Swedish non-partisan organization Allbright. Follow-up actions on the results are planned and in the making. 2023 is also the first year that Solita has a separate DEI budget, and a person devoting 50% of their working time to this topic.

Solita has been growing and expanding rapidly geographically at the same time as the DEI transformation process has been taking place. One challenge is that locations where the company operates and has expanded to can be culturally and politically very different, which means that each location has its own nuance when it comes to gender equality and DEI issues. In some locations change is easier and faster to

implement than in others. The company must pay close attention to how they approach these topics in each location. There is a lot of work to be done in the tech industry overall to reach gender balance, but the company feels that they are on the right track. The current gender balance of the company is ca. 27/73, which is a clear improvement from being ca. 22/78 in 2021 (excluding companies acquired in 2022).

Taking a more ambitious and strategic approach to promoting gender balance and diversity has resulted in improved new hire rate of

women (33% of new hires were women in 2022) and increased number of women in leadership positions at Solita. Importantly, differences in the overall employee experience between men and women within the company have become smaller. Overall, Solita employees feel that the company culture has improved and become more inclusive. Indeed, the company finds that in order to create real, long-lasting change, they must first focus on building supporting culture and openness around their vision to make the implementation of future activities and processes easier.

Making an impact through raw material choices

SPOTLIGHT ON NOKIAN TYRES

NOKIAN TYRES develops and manufactures innovative premium tyres for passenger cars, trucks and heavy machinery. Nokian Tyres plc was founded in 1988. In 2022, segments net sales totaled 1,350 million EUR, and at the end of 2022 the company employed some 3,300 professionals. Aiming to be the industry leader in sustainability, Nokian Tyres' sustainability goals are ambitious, and the company works on them actively.

Nokian Tyres is currently participating in the UN Global Compact SDG Ambition Accelerator programme. The programme has given them new inspiration and understanding on how to set even more ambitious, impactful, and achievable sustainability targets in the future. The programme has also given the company insight on how targets are effectively introduced within the company to generate buy-in. Throughout the Accelerator, Nokian Tyres has focused on

BENCHMARKS:



100% SUSTAINABLE MATERIAL INPUTS THAT ARE RENEWABLE, RECYCLABLE OR REUSABLE

SDG IMPACT: 6, 9, 11, 13, 14, 15, 17

TIMELINE: 2030

SCOPE: Operations, Products & Services

the topic of sustainable material inputs and the learnings and outcomes from the programme will later be introduced to the company's sustainability working group representing several departments.

Nokian Tyres perceives the SDG 9 – Sustainable industry, innovation and infrastructure – as a sustainable development goal that the company's core functions are well capable of developing. The development and innovations have positive sustainability impacts on the entire

tyre industry as well as other sectors. One of Nokian Tyres' current sustainability targets linked to SDG 9 is to increase the share of recycled and renewable raw materials in tyres to 50% by 2030.

Even though the target is still some years away, the Nokian Tyres Green Step concept tyre introduced in January 2022 moved the company closer to reaching its goal, as it consists of 93% either recycled or renewable materials. New innovations were made during the process of designing the Green Step, which will be incorporated in future tyres. For example, one of the most demanding tasks was to find the right balance between raw material selection and tyre properties.

Transitioning toward sustainable raw materials is something that Nokian Tyres cannot succeed in alone. To be able to increase the share of sustainable raw materials in tyres, active collaboration is needed with

external stakeholders and new innovations from different sectors. For example, the global research of renewable elastomers to replace synthetic rubbers is active, but their commercial availability is still limited in the tyre industry. Even though the target is still some years away, actions and innovation are needed today.

The open competition *Fast Race, Big Change* that Nokian Tyres organized in 2022 is one of the steppingstones toward the target and an example of collaboration between different sectors. Students, academics, startups, and other businesses all over the world were invited to innovate solutions for more sustainable tyres.

The winner was Reselo, a Swedish company, with their renewable rubber that utilizes birch bark sourced from residue from the global pulp, paper, and plywood industry. The biorefinery concept Reselo uses is also designed to further minimize the environmental impact of their material.

Transitioning toward sustainable material inputs to achieve climate targets

SPOTLIGHT ON KONECRANES

KONECRANES is a group of lifting businesses serving a broad range of customers including manufacturing and process industries, shipyards, ports and terminals. In 2022, group sales totaled 3,4 billion EUR, and the group has around 16500 employees in 50 countries.

In spring 2021, Konecranes had committed to the Science Based Targets initiative and were participating in the UN Global Compact SDG Ambition Accelerator. They already had a clear

BENCHMARKS:



100% SUSTAINABLE MATERIAL INPUTS THAT ARE RENEWABLE, RECYCLABLE OR REUSABLE

SDG IMPACT: 6, 9, 11, 13, 14, 15, 17

TIMELINE: 2030

SCOPE: Operations, Products & Services

understanding of the company's climate impacts and the biggest emission categories. 98 percent of Konecranes' climate impact is created within its value chain. With steel being their most carbon-intensive raw material, Konecranes decided to work with it as a material input during the Accelerator aiming to feed the results directly into their climate program. The Accelerator tools supported Konecranes in sharpening their roadmap on decarbonizing the steel purchases and provided a framework, enabling them to follow a clear structure to define sub-goals, pathways, and actions around the topic of sustainable steel, and become more system-oriented in their solutions.

For Konecranes to be able to reach their goal of decarbonizing the steel purchases, it is essential to collaborate with suppliers who share their climate ambition. With the Accelerator tools Konecranes made further analysis on three pathways that would help the company to reach their science-based emission reduction targets by 2030 – targets that became validated in early 2022: work with suppliers that have science-based or similar ambitious climate targets, increase the use of recycled steel, and reduce the use of steel overall in Konecranes products. To secure adequate human resources and coordinate responsibility and actions on the goals, Konecranes established a working group that reviews and oversees activities for each year. The working group meets monthly and monitors how the work towards these goals is progressing.

Since then, Konecranes has been in contact with their most significant steel suppliers to find out their maturity level in terms of data availability. The goal is to get supplier-level data on emissions and recycling rate of purchased steel, which have previously been based on averages. While the maturity of suppliers is not yet at the desired level and much of the needed data still must be estimated, the company

feels that they are on the right track to improve the accuracy of data together with suppliers through open dialogue in the next six months. In addition, Konecranes has developed clearer analytics to make the data available in-house to those who need it. This will allow the company to make better purchase and design decisions.

Konecranes has seen improvement in data capabilities, which allows them to make more robust conclusions about their products' material and eco efficiency. This has already helped Konecranes steer their product development to a more sustainable direction. Better data visibility will also help the company understand whether more demanding standards can be set for suppliers in the future. To this end, Konecranes must continue to work closely with their suppliers to support and steer them on their common sustainability journey. The company must be open and clear about their goals and what they expect from their suppliers now and in the future. This is also a topic that calls for a collective action and support from all actors within the industry. At the same time, Konecranes must continue to communicate the business case of sustainable products to their customers globally.

The commitment and engagement of Konecranes employees is key in the journey for reaching the ambitious climate targets. As a large multinational company, Konecranes continues to engage with employees internally to make sure that everyone knows about the company goals and how they can contribute. Konecranes is already witnessing strong engagement from employees, and the company's climate ambition inspires them to innovate new solutions also in other categories in addition to steel, which will contribute to the company's journey for reaching the ambitious science-based emission reduction targets.

SDG Ambition Accelerator helps companies to take strategic action



SDG AMBITION¹² is an accelerator programme developed by UN Global Compact and Accenture that aims to challenge and support participating companies of the UN Global Compact in setting ambitious corporate targets and accelerating integration of SDGs into core business management. SDG Ambition enables companies to move beyond incremental progress and step-up transformative change to unlock business value and building business resilience.

Participants in the SDG Ambition Accelerator undertake a 6-month journey to setting ambitious goals that are aligned with the SDG Ambition Benchmarks and developing a roadmap and technical strategy to improve measurement and performance towards achieving those goals.



The SDG Ambition Accelerator programme helped us with a clear, structured approach for setting ambitious sustainability targets and creating robust action plans towards them.



Tiina-Liisa Forsell,
VP Operational Excellence,
VTT

Throughout the Accelerator, participants work collaboratively with colleagues and peers to:

1. RAISE AMBITION:

- Understand the level of ambition required to meet the SDGs and the new expectations for goal setting
- Conduct principled prioritization of the SDGs and related Business Benchmarks based on impact assessments
- Set ambitious goals and identify the pathways, actions, and initiatives to achieve them
- Define sub-goals to track progress and guide communication with stakeholders
- Build a business-case around their SDG Ambition Vision to generate buy-in, ownership and accountability for their goals across the business

2. ENABLE BUSINESS INTEGRATION:

- Establish performance metrics for evaluating progress and impact, which will inform decision-making and determine required data flows
- Determine the business processes needed to enable data flows and drive action
- Identify system opportunities and key design decisions to drive improved measurement and performance towards achieving ambitious goals
- Develop a roadmap to enable achievement of goals

By the end of the Accelerator, participants have one or more revised or new goals aligned with an SDG Ambition Benchmark on a priority topic, a mapped integration journey that outlines how they will achieve it, and a clear plan of action to implement the SDG Ambition Approach going forward. Participants receive guidance and support from experts at UN Global Compact and Accenture throughout the Accelerator.

Since its launch in 2020, the SDG Ambition Accelerator has engaged over 1600 companies worldwide. 26 Finnish companies have participated, and 16 more companies are currently taking part in the third round of the Accelerator. Participant evaluations show 81% overall satisfaction with the programme, and over 75% agree that the Accelerator has helped them identify new ways to contribute to the SDGs and set ambitious goals.

”

The [SDG Ambition Accelerator programme] gave us concrete practical exercises as well as valuable insights on how to efficiently integrate sustainability into our daily operations.

St1 Nordic Corporate Sustainability Report, 2021

”

The SDG Ambition Accelerator programme supported Martela in internal discussions on challenges and opportunities on the way towards carbon neutrality by 2035.



Anne-Maria Peitsalo,
Director, Sustainability &
Quality, Martela Group

APPENDIX: Methodology for producing net impact and alignment with the SDGs

Methodology for producing net impact data

The net impact of a company is the net sum of costs and benefits that the company creates. Costs (i.e., negative impacts) and benefits (i.e., positive impacts) include all types of costs and benefits - including externalities. Since net impact is a measure of costs and benefits, it can also be referred to as the net value creation of a company. Upright measures net impact in four dimensions: environment, health, society, and knowledge, and a total of 19 subcategories. The framework is designed to be balanced: Consider both costs and benefits, comprehensive: Capture all types of costs and benefits that companies create and mutually exclusive: No double-counting of benefits or costs. Examples of costs include e.g., GHG emissions by a car factory, usage of highly-skilled labor by an IT company, and damage to human health caused by sugar-sweetened beverages. Examples of benefits include e.g., improvements in health caused by a cancer medicine, knowledge created by research equipment, and pollution removed by a catalytic converter.

The Upright net impact model consists of two main parts: the macromodel, and the company model. The primary output of the Upright net impact model is net impact.

The macromodel integrates information from a variety of sources to produce estimates of the impact of all products and services. The main data source used by the macromodel is a database of 200M+ scientific articles. Other data sources include databases from the World Bank, IMF, WHO, OECD,

Eurostat, IPCC, CDC, USDA, IHME, and others. The macromodel consists of three major algorithms: (i) extraction of causal links from scientific literature, (ii) generalization of scientific knowledge, and (iii) allocation of impact across value chains.

The company model combines the information produced by the macromodel with information on specific companies, most importantly information on what those companies are doing (i.e., what their products and services are) to produce an estimate of the impact of each company.

Upright's framework is different from common sustainability and impact frameworks (such as UN SDGs, SASB, and the GRI reporting standard) in that it aims to capture all value created by companies on the surrounding world whereas traditional sustainability and impact frameworks only consider a limited selection of "impact topics".

Upright's net impact model takes into account the whole upstream and downstream value chain for each product and service. More information about allocation of impact across value chains can be found [here](#).

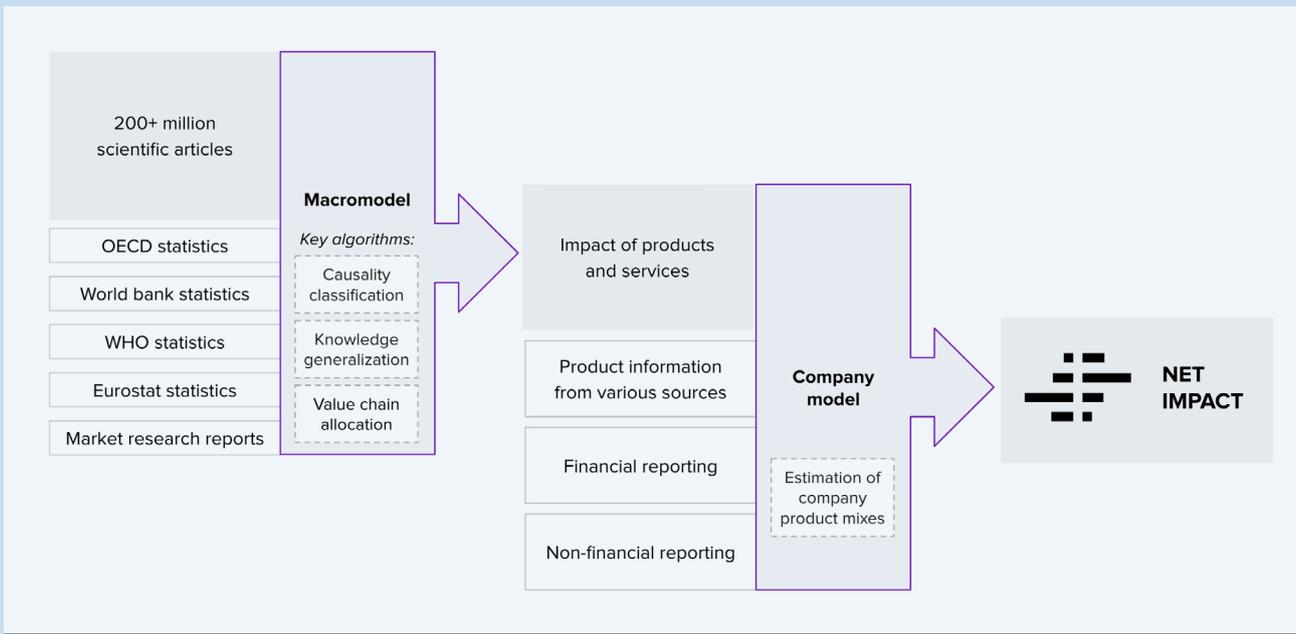


IMAGE 14: Overview of the Upright net impact model (Image credit: Upright).

Upright's methodology for producing data on companies' alignment with SDGs

Upright's SDG alignment metrics reflect the share of revenue from products and services that are aligned or misaligned with each Sustainable Development Goal (SDG). The SDG alignment of products and services is classified using the following scale (classes): Strongly (mis)aligned, moderately (mis)aligned, weakly (mis)aligned, and neither aligned nor misaligned. Strongly aligned products have a clear direct impact on the SDG, whereas moderately aligned and weakly aligned products have a lesser direct or indirect impact on the SDG.

Covered SDGs include all 17 SDGs except SDG 17 (Partnerships for the Goals), which does not have a meaningful relationship with products and services.

The classification of each product's alignment is determined based on a combination of:

- The SDI AOP Taxonomy: The Sustainable Development Investments (SDI) Asset Owner Platform (AOP) has created a standard for mapping investments to the SDGs. Their taxonomy defines industries on a product category level that contribute to the UN SDGs.
- Upright's own net impact data: E.g., SDG 3 - Good health and wellbeing overlaps with Upright's own impact category Physical diseases. Therefore, products contributing negatively to Physical diseases (exceeding a certain impact score threshold) also contribute negatively to SDG 3. This approach enables detailed mapping of large groups of products to the SDGs.

- SDG targets and indicators: The explicit descriptions of the SDG targets determine what products are relevant for (mis)alignment. For many targets the descriptions are explicit and can easily be adapted for products and services, while for some targets the definitions are broad and require more interpretation. The indicators below the targets are less useful in developing the methodology: they are often indicators on a country level and not always translatable into products and services. Where the indicators are relevant, they usually contain the same information as the targets.
- Scientific research and individual assessment: In case products cannot be easily mapped to the SDGs based on the SDG targets and the Upright net impact data, the mapping is based on product-specific individual assessments done by the Upright analysts. The assessments rely primarily on publicly available scientific research.

Company-level metrics are produced by combining a company's product mix (i.e. revenue shares by product) with information on the SDG alignment classes of its products.

Aggregate SDG-aligned revenue share

This metric seeks to provide a simply aggregate figure that joins revenue from different alignment classes by counting moderately and weakly aligned revenue only partially as follows:

= revenue from products that are **strongly** (mis) aligned with **SDG X**

+ revenue from products that are **moderately** (mis) aligned with **SDG X * 0.5**

+ revenue from products that are **weakly** (mis) aligned with **SDG X * 0.25**

Upright uses the same data on company product mixes for SDG alignment data that it is using for producing net impact data. Upright produces estimated revenue breakdowns by product by using the revenue subdivisions reported by the company as a starting point and refining it based on market statistics, other market research, and quantitative metrics produced from company publications (websites, annual reports, regulatory filings) that relate to the revenue shares being estimated. Additionally, some companies disclose supporting information directly to Upright.

SDGs capture negative impacts poorly

Upright's SDG metrics include data on both SDG alignment (i.e., positive impacts) and SDG misalignment (i.e., negative impacts). However, since the SDGs are focused on what should be achieved rather than what should be avoided, an impact analysis based on SDGs only will be skewed towards the positive side.

The SDGs do not provide a framework for comparing impacts or managing trade-offs by themselves. In addition, the goals are integrated in a way that aspirations to reach one can affect the others, meaning that the goals are not mutually exclusive.

Read more about the methodology at:

docs.uprightplatform.com

ENDNOTES

- 1** Better Business Better World (2017) The report of the Business & Sustainable Development Commission
- 2** The-Sustainable-Development-Goals-Report-2022.pdf ([un.org](#))
- 3** GenderSnapshot.pdf ([un.org](#))
- 4** Sustainable Development Report - Sustainable Development Report ([sdgindex.org](#))
- 5** UN indicators for sustainable development (Agenda2030) | Statistics Finland
- 6** Assessing the implementation of the Agenda2030 in Finland ([tietokayttoon.fi](#))
- 7** Strategy of the National Commission on Sustainable Development 2022–2030 : A prosperous and globally responsible Finland that protects the carrying capacity of nature - Valto ([valtioneuvosto.fi](#))
- 8** United Nations Global Compact-Accenture CEO Study
- 9** Annual Survey | UN Global Compact
- 10** SDG Business Forum, 2018 [press.un.org/en/2018/dsgsm1205.doc.htm](#)
- 11** SDG Ambition Benchmark Reference Sheets | UN Global Compact. [unglobalcompact.org/library/5790](#)
- 12** SDG Ambition Accelerator, [unglobalcompact.org/take-action/sdg-ambition](#)



Global Compact
Network Finland

FINNISH BUSINESS AND THE SDGs:
Studying Impact