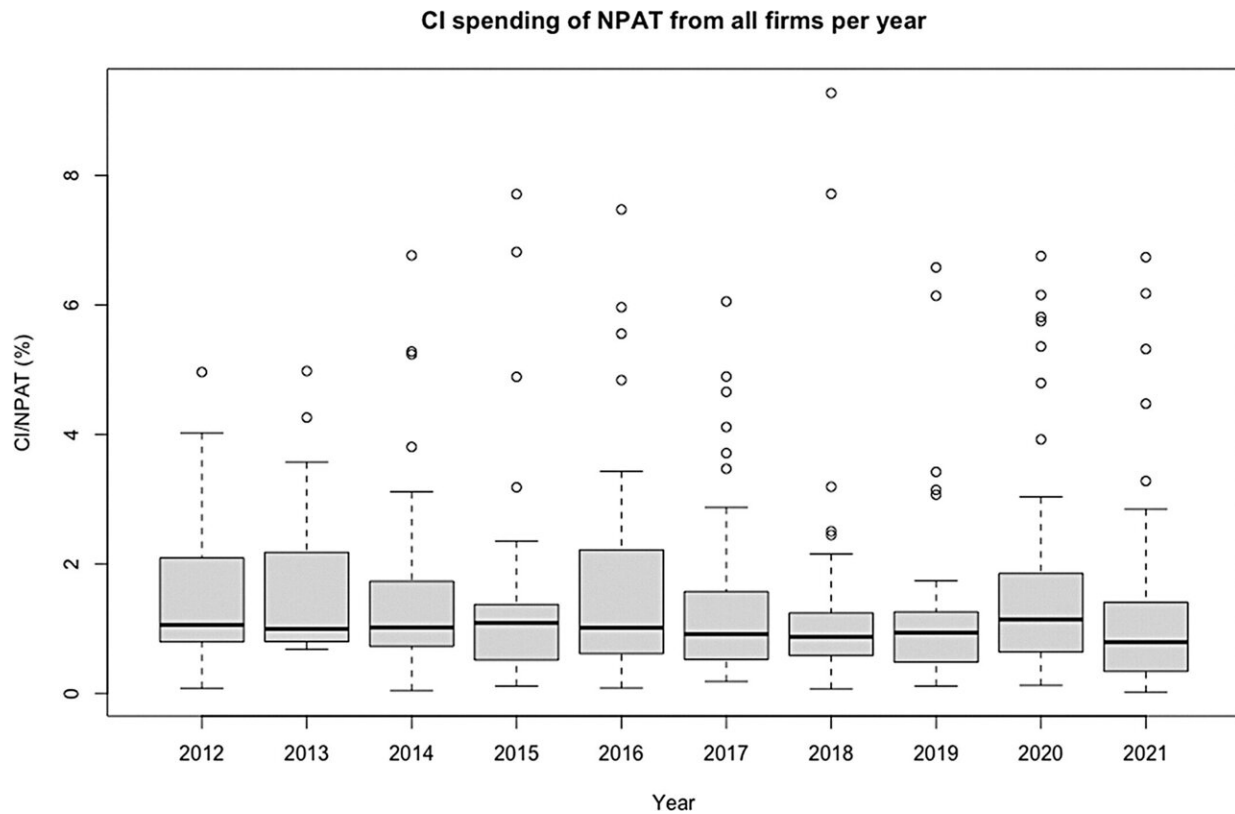


Sustainable development goal-washing found among Canada's top companies

January 17 2024



Community investment (CI) spending of NPAT from all firms per year. Credit: *Business Strategy & Development* (2023). DOI: 10.1002/bsd2.315

Canada's biggest companies often speak of their plans to be more sustainable, but a new study found corporations aren't fully backing up those commitments.

A team of University of Waterloo researchers concluded that corporate investing in communities fell despite an increase in companies committing to the United Nation's Sustainable Development Goals (SDGs) over the last decade.

Researchers investigated the community investment of Canada's 58 leading private-sector companies as a percentage of their [net profit](#) after tax to determine whether introducing SDGs created a material impact on how firms are supporting philanthropic endeavors.

The study, Assessing the impact of the sustainable [development](#) goals on corporate philanthropy: A study of Canada's leading private sector companies, [appears](#) in the journal of *Business Strategy & Development*. Dr. Jeffrey Wilson, a professor in Waterloo's School of Environment, Enterprise and Development, co-authors this research.

The findings ran contrary to researchers' expectations, proving that despite commitments made, investment aimed at supporting economically disadvantaged communities declined.

The results provide evidence of SDG-washing, indicating that corporations' public commitments to global sustainability movements aren't translating into socially responsible investments for Canadians.

"The companies studied in our research are accountable for roughly \$1 billion in community investment every year," said David Benjamin Billedeau, Ph.D. candidate in the School of Environment, Enterprise and Development.

"This gap between promise and practice is not just a missed opportunity, it's a wake-up call. These companies have the potential to drive real change. Instead, we're observing a trend of 'SDG-washing,' where public pledges are not translating into increased investments in Canadian

communities."

Among the companies studied, those that pledged to use their operations and resources to support the SDGs were found to have a lower average of community [investment](#) relative to their net profits after tax. Meanwhile, companies that had not formally committed to the SDGs were donating more of their overall profits.

The researchers highlighted the need to help corporations deliver on their promises and offered several solutions to ensure that the ambitious targets set by the SDGs are not merely aspirational but attainable. These include policymakers mandating [financial contributions](#), enforcing regulations, and encouraging transparent reporting practices.

"Greenwashing isn't just about emissions. We need to really check if companies are living up to their promises on sustainability and helping [communities](#)," Billedeau said. "Our study aims to show where Canada's leading private sector companies are falling short and to push for real change."

More information: David Benjamin Billedeau et al, Assessing the impact of the sustainable development goals on corporate philanthropy: A study of Canada's leading private sector companies, *Business Strategy & Development* (2023). [DOI: 10.1002/bsd2.315](https://doi.org/10.1002/bsd2.315)

Provided by University of Waterloo

Citation: Sustainable development goal-washing found among Canada's top companies (2024, January 17) retrieved 4 July 2024 from <https://phys.org/news/2024-01-sustainable-goal-canada-companies.html>

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