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Moving towards the Sustainable Development Goals: the role of Brazilian companies and Multinational Enterprises

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INTRODUCTION

How are firms responding to the Sustainable Development Goals? The current generation should satisfy their social, environmental and economic needs without compromising the ability of the future generation to do so. That was the first formal definition of sustainable development, at the Brundtland Report, in 1987. Since than a lot of effort has been made in that direction, at the same time that some development's problems became worst, what led to the launch of the Agenda 2030 and 17 Sustainable Development Goals (SDGs) by the United Nations in 2015. The aim of the 2030 Agenda is to mobilize all countries governments, civil society and organizations in the direction of Sustainable Development. The SDGs focus on the ending of poverty and other deprivations must go hand-in-hand with strategies to improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve oceans and forests. They represent an unprecedented opportunity for organizations to align their own sustainability goals with broader societal goals (UNDP, 2010).

Despite the role of governments, all types of organizations, for profit, not for profit, domestic and multinational, play a vital role in achieving the SDGs not only because they influence the state of the world's development, based on their own activities, but also because they can play a crucial role as a source of finance, as drivers of innovation, and as engines of economic growth and employment (Fukuda-Parr, 2016). On the other hand, long-term business success also hinges on the realization of the SDGs. A study conducted by the Business & Sustainable Development Commission indicates that if the SDGs are achieved, new market opportunities amounting to at least USD 12 trillion a year could be unlocked by 2030 (Business and Sustainable Development Commission, 2017). Thus, integrating SDGs into business strategies can be positive to the world's development as well as it can generate positive performance and generate competitive advantage to organizations – avoiding harm and risks and enjoying opportunities.

For that, strategic planning should take into account external context issues and its internal resources in order to provide clear and effective directions for decision making. In order to help decision makers with that role, the GRI, the UN Global Compact and the World Business Council for Sustainable Development (WBCSD) developed the SDG Compass Guide, well known as Compass (Compass, 2016).

The Compass is one of the most important guides to help the implementation of the SDGs. It explains how the SDGs affect businesses and offer tools and knowledge to put sustainability at the heart of the business strategy (Compass, 2016). The guide was developed with a focus on large MNEs, but small and medium enterprises and other organizations are also encouraged to use it, with adaptations, if needed. It was designed for use at organizational level, but may be applied at product, site, divisional or regional level (Compass, 2016).

Following the Compass processes, one of the main challenge organizations face in planning and implementing the SDGs strategies, besides understanding the SDGs, has to deal with defining the priorities. There is a consensus that not all 17 SDGs will be equally relevant for every organization. To benefit from the opportunities and challenges presented by the SDGs, defining where organization priorities are can help to focus the efforts. The extent to which an organization can contribute to each, and the risks and opportunities they individually represent, will depend on many factors. Taking a strategic approach to the SDGs, the Compass suggest that first an organization need to conduct its own assessment and also throughout the value chain. This assessment can help to identify the positive impacts can be scaled up and the negative impacts to be reduced or avoided.

During the mapping process, it is recommended to take context into account, such as the proximity of operations and other segments of the value chain to geographical areas that have a low performance related to the SDGs. For example, if your company has labor-intensive operations or supply chains in regions with low wages and poor enforcement of labor rights and standards, this will likely define an area of potential high impact. Similarly, current or potential operations in countries where there are human needs that the company's products can help to address – such as medical needs or access to sustainable energy – may also indicate an area of potential high impact. In some cases, industry sector data is available to help identify high impact areas and additional tools can also help this process (see 'Tools for mapping high impact areas across the value chain'). The mapping process includes engaging with external stakeholders to identify views and concerns which relate to the company's current or potential impact across the SDGs. Stakeholder engagement should be inclusive with due concern for the perspectives of marginalized and vulnerable groups. Stakeholders will not always provide a complete understanding of all potential high impact areas, particularly with regard to the potential positive impacts the company may have. Therefore, the mapping of high impact areas also involves an internal assessment of existing and potential linkages between the company's activities and the themes covered by the SDGs (Compass, 2016).

In sum, the Compass suggests that priorities should be defined based on: organization impacts in all value chain stages and on local context peculiarities regarding development. All types of organizations are vital to the achievement of the SDGs. However, multinational enterprises can play an important role on that. It seems to be consensual that multinationals should be important actors in moving towards sustainability (Ali et al., 2018; Tulder and Zanten, 2018; Chen, Newburry and Park, 2009). It is widely known that MNEs have very specific characteristics, such as geographic scope, growth strategies, capabilities, degree of diversification, size, power, and impact on the planet and on society (Dunning, 1988; Fleury & Fleury, 2011). Gupta and Govindarajan (2000) argue that multinational corporations, given their internal knowledge and efficiency in management, are more efficient in learning to be sustainable. Blowfield (2012) state that multinationals are more prone than national companies to take a proactive role in sustainable development due to their global presence.

Miscalculations in issues related to sustainability can generate serious negative impacts in MNEs' image and performance in a global dimension. MNEs positioning in relation to specific development issues can have a great impact in their reputation and returns with employees, regulators and costumers. Thus, researches state that sustainability should be a process through which MNEs modify their operations in a country in order to guarantee their continued existence by addressing the needs of stakeholders as they change over a country's short-term and long-term development (Chen, Newburry & Park, 2009).

However, a diagnosis of how MNEs are actually dealing with sustainability varies across the studies. Tulder and Zanten (2018) concluded that MNEs were rather passive sustainable development agents, according to exploratory survey results from 81 companies from the Financial Times Global 500 from Europe and North America. Results also indicated that MNEs are more engaged with SDGs that "avoid harm" than those that "do good", also more with those that are actionable within their value chain. In that sense, based on local and on global issues, we believe that multinational enterprises (MNEs) will not only consider issues of sustainability that are important to one specific country where they do business. Rather, MNEs would be willing to consider global issues as well, once their business competitive context encompass global markets.

RESEARCH PROBLEM AND OBJECTIVES

Researchers have been studying the role of multinational enterprises (MNEs) in pursuing the SDGs (Ali et al., 2018; Tulder & Zanten, 2018). However, there is still little research about it, especially because SDGs are recent to the business context, as they were published in 2016. Before that, some research in that direction were published under the name of “sustainable development strategies” and “corporate social responsibility (CSR)” (Kourula, Pisani, & Kolk, 2017). Out of applied research, more frameworks for business sustainability have recently been proposed and flourished such as shared value, sustainable value, conscious capitalism, double purpose (Hart & Milstein, 2003; Porter & Kramer, 2011) to name a few. However, specific research on MNEs are very limited (Kolk & Tulder, 2010). Kolk and Tulder (2010) searched for two key words, sustainable development and CSR, between 1990 and 2008 in leading journals in four categories: general management, functional areas, international business and specialized journals. In international business in particular, from the 3.017 articles analyzed, only 43 (1,4%) had the key word CSR and 47 (1,5%) had Sustainable Development.

Thus, our study contributes towards addressing this problem by analyzing how companies in Brazil are integrating the SDGs in their strategy. More specifically, we want to understand how Brazilian companies and MNEs, doing business in Brazil, prioritize the SDGs they work with. Our assumption is that organizations prioritize the SDGs by addressing the needs of internal and external stakeholder groups as they change over a country's short- and long-term development (Compass, 2016).

In the next section of this study we develop our theoretical review and hypotheses, starting with a discussion on business context and the role of the SDGs, then we explain the Global Compass Guidelines. Additionally, we argument about the organizational drivers for implementing sustainability strategies. Finally, we present Brazilian and global concerns on indicators related to the SDGs.

THEORETICAL REVIEW

Sustainability within the business context and the SDGs

Many companies are actively integrating sustainability into their business strategies, and they are doing so by pursuing goals that go far beyond earlier concern for image and reputation, for example, saving energy, developing green products, and retaining and motivating employees, all of which help companies capture value through growth and return on capital (Hart & Milstein, 2003).

Sustainability strategies aims at creating long-term value by taking into consideration how a given organization operates in the ecological, social and economic environment. The assumption is that developing such strategies can foster company sustainable competitive advantage (Porter & Kramer, 2011).

In the 1990s, capitalism was getting re-defined as capable of meeting the world’s needs. Sustainability suddenly emerged as something that was compatible with profits and enhance value also in large multinational corporations. Caroll (2016) suggested that this happened as the global competition increased in the 1990s, and companies’ international images and brand reputation became more vulnerable. Interest of businesses in sustainability during the 1990s also focused on improving their own internal resource efficiency and to avoid harm (Young & Tilley, 2006). Since the 2000s, businesses around the globe started to perceive sustainability challenges as innovation opportunities and the foundation for survival.

Out of applied research, since the 80s, more approaches for business sustainability have been proposed and flourished such as shared value, sustainable value, conscious capitalism, and double purpose (Hart & Milstein, 2003; Porter & Kramer, 2011,) to name a few. Despite all, in 2014, the state of the world development was still far from the Millennium Development Goals (MDGs). The MDGs were drawn up by a group of experts in the ‘basement of UN headquarters’ and focused on 8 goals, 21 targets and 63 indicators.). The MDGs captured the multidimensional aspect of development and hence integrated themes such as poverty, inequality, education, health, environment under its framework. The main objective was to deal with the goals in developing countries financed by developed countries from 1990 till 2015. Albeit the criticism, the MDGs were integrated into the national development plans and strategies of many countries. It helped focus attention to many social development issues and emphasized the importance of tackling multi-dimensional poverty. An UNDP survey found that out of 118 countries, 86% had adopted one or more of the goals, targets or indicators as part of their national-level objective setting (UNDP, 2010). Somehow the MDGs contributed to the sustainable development in mobilizing international community, leaders, politicians, civil society and sectoral ministries and departments to focus on achieving these time-bound and measurably goals. Businesses, for the most part, did not focus on the MDGs as they were largely aimed at developing countries.

In order to move forward towards sustainable development and in order to engage companies, the nations of the world came together in September 2015 to agree on a new ambitious global program for development. The resulting agreement, Agenda 2030, consists of 17 SDGs (Figure 1). The SDGs seek to end poverty, protect the planet, and ensure prosperity for all. The UN invited the business community to participate in the multiyear stakeholder process of developing the SDGs and continues to be seen as an important partner in their implementation. Since then, individual businesses and private sector organizations have shown genuine interest in using the SDGs in some form (Jones, Hillier, & Comfort, 2016) but they face many challenges in the process. In that context, the SDG Compass Guide was launched in 2016 to provide guidance to organizations that decided to take the SDGs into their business strategies.

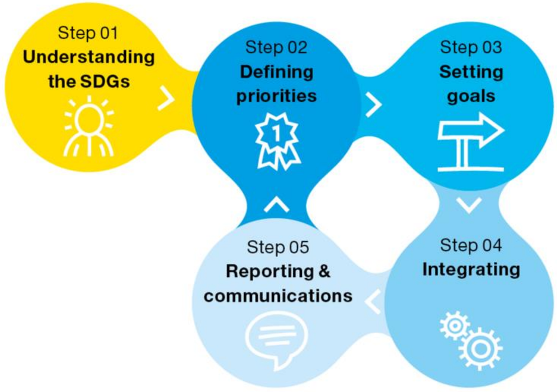
Figure 1. The Sustainable Development Goals - SDG.

Source: Compass, 2016.

The SDG Compass – a guide for organizations

One of the main contributions of the SDG Compass is a detailed step-by-step process on how companies can align their actions with the SDGs to contribute to sustainable development. The contents of the individual steps are briefly explained in figure 2. The five steps approach are: understand the SDGs; define priorities; set goals; integrate; report (Compass, 2016). Companies can apply the five steps to set or align their course, depending on where they are on the journey of ensuring that sustainability is an outcome of core business strategy.

Figure 2. Five steps to implement the SDGs.



Source: Compass, 2016

The five steps of the SDG Compass rest on the recognition of the responsibility of all companies to comply with all relevant legislation, respect international minimum standards and address as a priority all negative human rights impacts. However, not all SDGs are equally relevant to businesses. Therefore, it is important to identify the main areas of action within a company that can contribute to positive sustainable development through the applicable SDGs. To do so, companies need to carry out an impact analysis (recognizing the most impactful value chain areas), collect appropriate data (quantifying of entrepreneurial activities and so on) and prioritize the strategic SDGs (Compass, 2016). In other words, it's important for companies to actively shape their sustainability strategies especially by finding ways to address their negative impacts. Based on that we can develop our first hypothesis: companies (Brazilian and MNEs) prioritize the SDGs based on the negative impacts they generate. Our assumption is that companies will try to minimize the negative impacts through internalization of the negative externalities.

Local x Global State of the Development – are there country specific SDGs?

In order to describe global and Brazilian state of development we used the GapFrame. The Gap Frame is a normative framework that translates the Sustainable Development Goals (SDGs) into nationally relevant issues and indicators for business. It provides a national assessment showing where a country is today as compared to where it should be in the future (Muff, Kapalka & Dyllick, 2017). It also provides a global perspective on the most critical issues and indicators for business. The Gap Frame supports the global SDG by enriching the SDG Compass, a planning tool developed by GRI, UNGC and WBCSD. It was developed in a multi-step expert-consultation approach by translating the 17 SDGs into 24 issues relevant to all nations and business (Muff, Kapalka & Dyllick, 2017). Scale ranges from 1 to 10. From 1till 5 the issue is considered a *threat* and calls for urgent attention and significant improvement. *Critical issues* are the ones that score between 5.1 and 6.6 meaning that they are from the safe space and are harming the well-being of living beings on the planet. Any issue with an average score between 6.7 and 7.4 is considered as being on the *watch list*. These issues need closer examination to determine if things are moving into the right direction. *Safe space* ranges from 7.5 to 8.8 and can be considered as "good enough". Any score above 8.8 is considered approaching an ideal state or *towards ideal*.

At the world level (Table 1), the sustainability issues considered as threats are Waste treatment, Social integration, Clean energy, Innovation, Peace & cooperation, Land & forests, Structural resilience, Business integrity, and Transparency. Critical issues are Sustainable consumption, Biodiversity, Clean air, Carbon quotient, and Living conditions.

At the Brazilian level (Table 2), based on formal statistics and on the GapFrame scales, sustainability issues considered a "threat" are Waste Treatment, Oceans, Equal opportunity, Business Integrity, Innovation, Structural Resilience. Transparency, Social integration, Land and Forests, Sustainable consumption, Public Finance and Water are critical issues

Table 1. Ranking of Threats and Critical Sustainability Issues in the World

Threats	SDG
1. Waste treatment	11, 12
2. Social integration	16
3. Clean energy	7
4. Innovation	9
5. Peace & cooperation	10, 16, 17
6. Land & forests	2, 15
7. Structural resilience	16
8. Business integrity	16, 17 + Agenda 2030
9. Transparency	16, 17 + Agenda 2030
10. Education	4
Critical Issues	**SDG**
1. Sustainable consumption	12
2. Biodiversity	14, 15
3. Clean air	13
4. Carbon quotient	13
5. Living conditions	6, 7 and 11.

Table 2. Ranking of Threats and Critical Sustainability Issues in Brazil

Threats	SDG
1. Waste treatment	11, 12
2. Oceans	14
3. Equal opportunity	8 ,10
4. Business integrity	16, 17 + Agenda 2030
5. Innovation	9
6. Structural resilience	16
Critical Issues	**SDG**
1. Transparency	16, 17 + Agenda 2030
2. Social integration	16
3. Land & forests	2, 15
4. Sustainable consumption	12
5. Public finance	16, 17 + Agenda 2030
6. Water	6

Source: developed by the authors based on the GapFrame, 2016

Almost all the world's societies acknowledge that they aim for a combination of economic development, environmental sustainability, and social inclusion. However, following the GapFrame, we can argue that some countries have local problems related to sustainability that are not that critical at the world level. Thus, domestic organizations would take specific local problems into account in order to prioritize the SGDs. MNEs, on the other hand, would have market incentives to consider sustainability problems at the local and global levels. Based on the argument that the local needs and the global needs could influence the SDGs organizations select to work with, we can develop our second hypothesis: Multinational Enterprises prioritize SDGs that are of concern at local level (Brazil) and at global level.

In the next section of this paper we explain the methodological aspects of the research.

METHODOLOGY

This paper investigates how companies in Brazil, domestic and multinationals, are integrating the SDGs into businesses strategies. Given the newness of the SDGs and the transdisciplinary nature of sustainable development, the academic literature was relatively scarce and insufficient. The literature review therefore was expanded to include information from reputable websites (Global Reporting Initiative, United Nations Global Compact, WBCSD). The literature review helped us with the development of the hypotheses. In order to discuss the hypotheses we developed a structured questionnaire and conducted a survey with companies that are signatory of the Global Compact in Brazil. The questionnaire was developed and pre tested with experts and some companies from February till April, 2018.

Data was gathered from 132 companies through a survey with 25 questions. The survey was based on the SDG Compass (2016), Business Reporting on the SDGs: an Analysis of the Goals and Targets (2017) and Integrating the Sustainable Development Goals into Corporate Reporting: A Practical Guide (2018). In the end of the period, from June 19th until October 8th of 2018, after 2 follow ups with respondents, we got back 160 answers. 10 of those answers were from non-profit organizations, but for the purpose of this research they were not considered in our analyses. Also, for 15 companies that had more than one respondent, we considered the answer of the employee with the highest hierarchical position and that has been working in the company the longest.

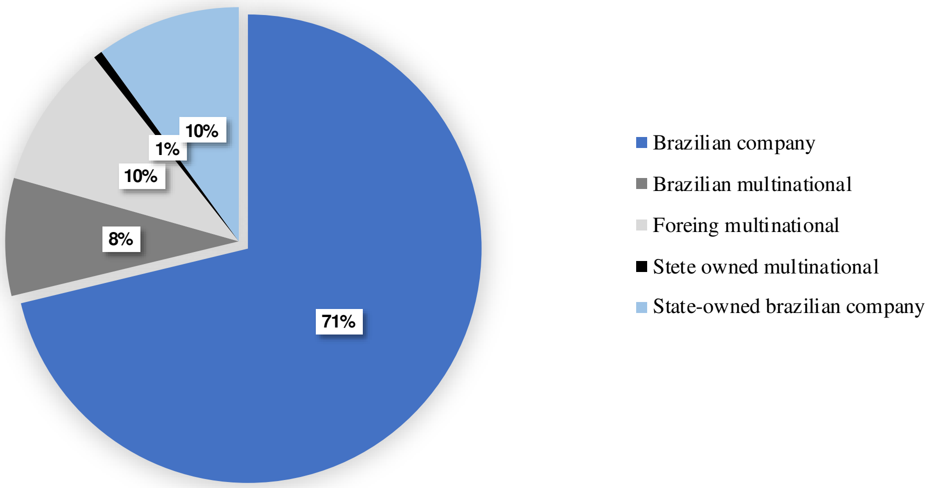
From the 132 companies, 107 are Brazilian companies and 25 are multinationals with operations in Brazil. From the 25 multinationals with operations in Brazil, 17 are Brazilian and 8 are from other countries (UK, Germany, Argentina, Spain, China, USA and Norway).

We analyzed the data using the software R. We conducted *t*-tests to compare the means of Brazilian Companies and multinationals in several dimensions of our research.

RESULTS

In order to discuss our 2 hypotheses about how Brazilian companies and MNEs are responding to the SDGS in terms of defining the priorities we categorized as "Multinationals" all the Foreing multinationals, Brazilian multinationals and State-owned multinationals, shown in Figure 2, in total 25 companies that represented 19% of our sample. Also, we considered "Brazilian companies" all brazilian companies and state-owned brazilian companies, which represented 81%. We can also observe in Figure 3 that among the Multinationals the participation of Foreing and Brazilian multinationals was quite simmilar. Taking a closer look at Brazilian companies, we can see that state-owned companies are a minority (10 p.p from the 81%).

Figure 3. Types of organizations

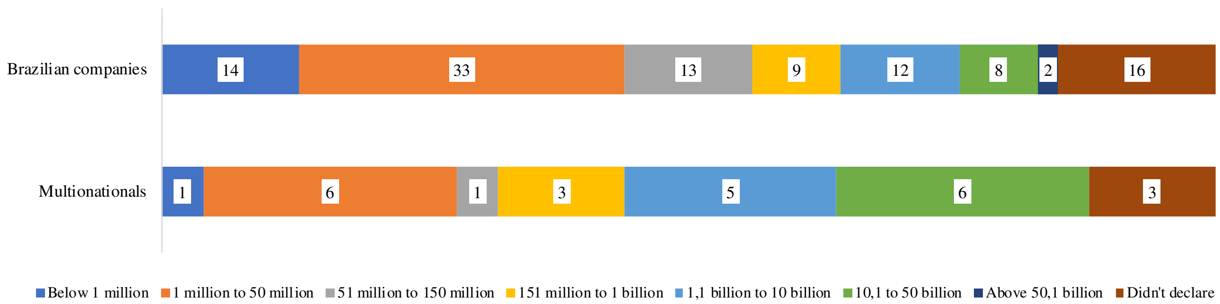


Source: developed by the authors.

Most organizations stated that their commitment to the SDGs is publicly formalized (51.25%). 26.88% of them claimed to be in the planning stage, and the remaining organizations claim to have strategies for sustainability and social responsibility Among the 17 SDGs, the most representative ones, in relation to the companies´ strategies are SDG3 - health and wellness (62%) and SDG 8 - decent work and economic growth (58%). The least represented SDG is Life in water – SDG 14 (17%). From all organizations, only 6% of respondents have not yet prioritized the SDGs they would work with. In general, the great majority prioritized the SDGs based on how they want to be recognized in the future (48%) and in the light of the positive impacts generated throughout their value chain (37%). Contrary to what was expected, only 16 percent of companies claim to have prioritized the SDGs in the light of the negative impacts that generate (as suggested by the Compass).

Figure 4 shows the companies' revenue in 2018 for those two groups. It's possible to notice that the multinationals on our sample are proportionally bigger than the Brazilian companies, with 44% of the companies with a revenue greater than 150 million reais. The number of employees of multinationals varied between 184 and 99.332, with and avarage of 19.579, and of Brazilian companies, between 2 and 100.000, with an average of 4.252 employess.

Figure 4. Companies revenue in 2018 (in reais)



Source: developed by the authors.

After analysing the main characteristics of the companies in our sample, we than studied the questions related to their involvment with the SDGs. Question 8 of the survey asked: "Does the company you work at have strategies related to the SDGs?". The answer choices were from 1 "Yes, and the commitment is public" to 4 "We don´t have strategies related to the SDGs. We do have strategies related to sustainability and social responsibility, but they are not public". To evaluate a possible difference in the commitment to the SDGs between multinationals and Brazilian companies, we calculated the mean of the responses for Brazilian companies and for multinationals. Then, we conducted a t-test to see if the means were significantly different from each other.

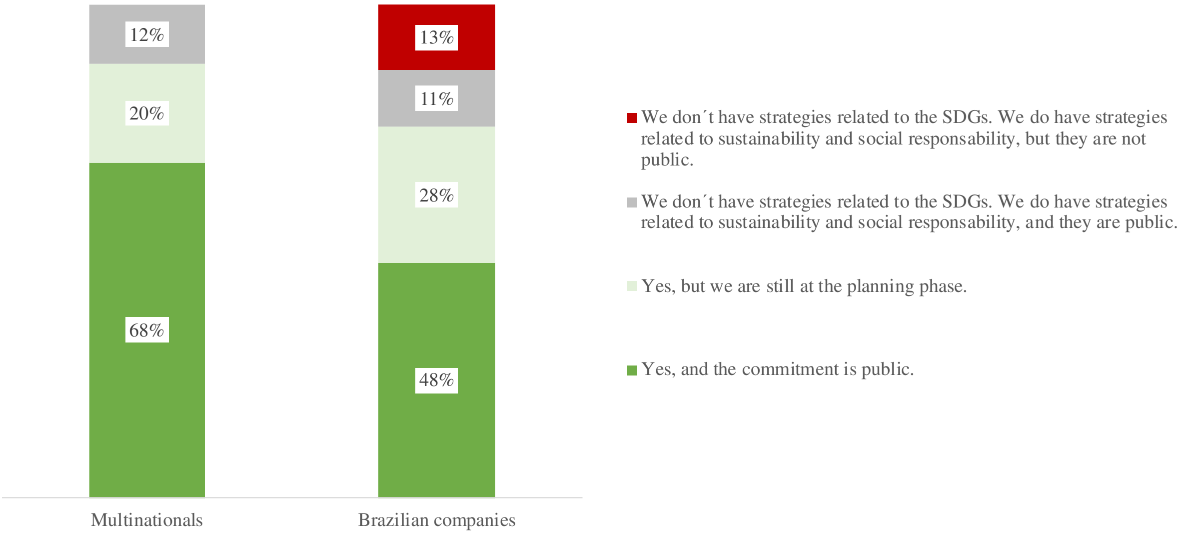
Table 3. Mean difference *t*-test - Does the company you work at have strategies related to the SDGs?

	Multinationals	**Brazilian companies**	***p*-value**
	1.44	1.96	0.005
Observations	25	107	

* Significant mean difference at $p < 0.050$.

As shown in table 3, the t-test revealed that the means are statistically different, so we concluded that multinationals are more committed to the SDGs than Brazilian companies. To further understand how the answers were distributed, we constructed the graph in Figure 4. It shows that 68% of multinationals have strategies related to the SDGs with a public commitment, while only 48% of Brazilian companies do. It's also interesting to notice that 13% of Brazilian corporations don't have strategies related to the SDGs, they do have strategies related to sustainability and social responsibility, but they are not public. No multinationals follow on that category. All multinational corporations studied have public strategies concerning either the SDGs or sustainability.

Figure 4. Commitment to the SDGs



Source: developed by the authors.

In the survey, from question 9 until 25 we asked, for each SDG: "Considering the SDGs for which your company already has actions with specific targets implemented, define the degree of commitment for the SDG X", where X = 1 to 17 SDG. They could choose from a scale from 1 "We don't have actions" to 7 "We have actions with specific targets and high engagement". To compare the SDGs prioritized for multinationals and Brazilian companies, for each of the SDGs, we calculated the average answer for each group, as shown in Figure 5.

Figure 5. Brazilian and MNEs SDGs priorities.

Source: developed by the authors.

Then, we conducted a *t*-test to see if the means were significantly different from each other (Table 4). Results show that the engagement of Brazilian companies and multinationals is statistically the same for all the SDGs, except for SDG4 (quality education) and SDG13 (climate action), in which multinational corporations are more engaged than Brazilian companies.

Table 4. Mean difference *t*-test of SDGs priorities.

SDG	Multinationals	Brazilian companies	*p*-value
SDG 1	3.44	3.21	0.646
SDG 2	2.80	3.16	0.454
SDG 3	5.68	5.38	0.604
SDG 4	**5.72**	**4.80**	**0.071***
SDG 5	5.12	4.34	0.126
SDG 6	5.12	4.64	0.437
SDG 7	4.32	3.86	0.433
SDG 8	6.08	5.61	0.291
SDG 9	5.00	4.21	0.188
SDG 10	3.44	3.48	0.946
SDG 11	4.52	3.56	0.132
SDG 12	4.92	4.84	0.890
SDG 13	**5.60**	**4.59**	**0.064***
SDG 14	2.28	2.59	0.456
SDG 15	3.84	3.95	0.843
SDG 16	4.56	4.66	0.845
SDG 17	4.12	4.29	0.781
Observations	25	107	

* Significant mean difference at $p < 0.100$.

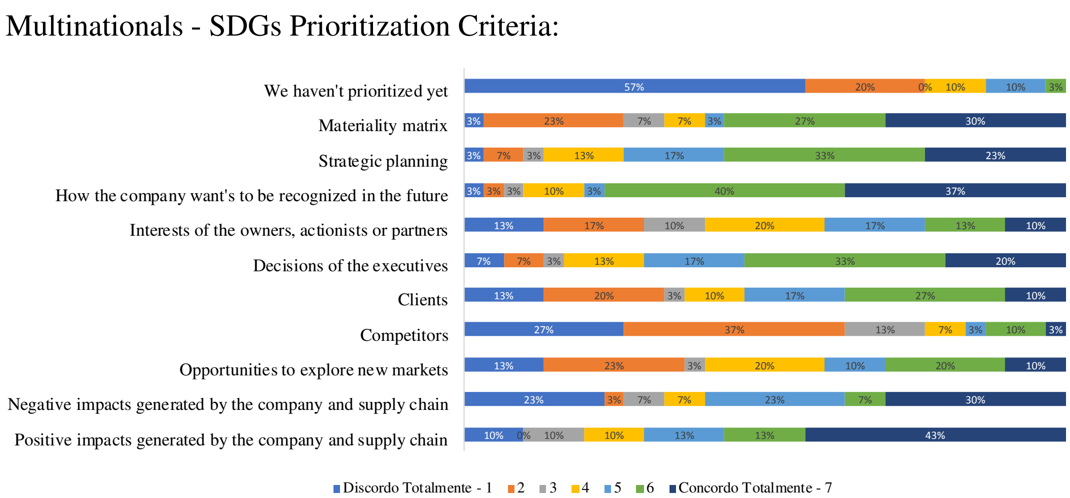
When asked how they prioritized the SDGs, multinationals and Brazilian companies had the same pattern of response, expect for one criterium: negative impacts generated by the company and supply chain. In a scale from 1 (totally disagree) to 7 (totally agree), multinationals used this criterium to prioritize, as suggested in the SDG Compass (2016), more frequently than Brazilian companies, as shown in Table 5 and Figures 7 and 8.

Table 5. Mean difference *t*-test of SDGs prioritization.

SDGs Prioritization Criteria	Multinationals	Brazilian companies	p-value
Positive impacts generated by the company and supply chain	5.44	4.93	0.237
Negative impacts generated by the company and supply chain	**4.48**	**3.30**	**0.024***
Opportunities to explore new markets	4.16	4.58	0.347
Competitors	2.68	2.77	0.829
Clients	4.48	4.53	0.906
Decisions of the executives	5.16	4.99	0.675
Interests of the owners, actionists or partners	4.20	4.64	0.309
How the company wants to be recognized in the future	5.76	5.73	0.929
Strategic planning	5.28	5.35	0.858
Materiality matrix	5.00	4.34	0.155
We haven't prioritized yet	2.20	2.56	0.361
Observations	25	107	

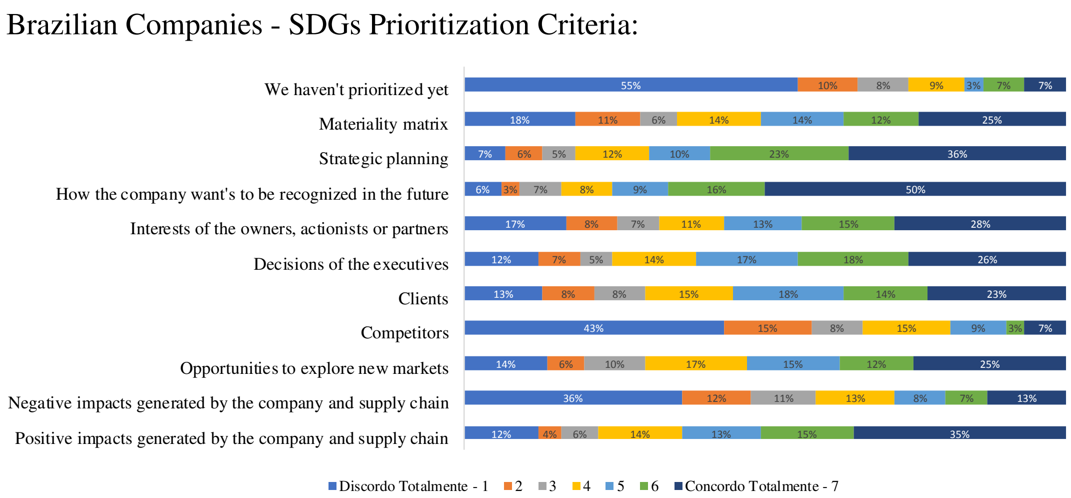
* Significant mean difference at $p < 0.050$.

Figure 7. SDGs prioritization criteria of MNEs.



Source: developed by the authors.

Figure 8. SDGs prioritization criteria of Brazilian companies.



Source: developed by the authors.

As show in Table 5, for the criterium of negative impacts, the average response of multinationals (4.48) was significantly greater than the average of Brazilian companies (3.30). This shows that multinationals seem to be following instruction of the SDG Compass when prioritizing SDGs, regarding negative impacts. On the contrary, Brazilian companies are selecting the SDGs based on their positive impacts.

CONCLUSIONS

Private sector can play a crucial role in implementing the Agenda 2030 and in delivering the Sustainable Development Goals. According to the Compass Guide, Sustainable Development Goals can shape and drive companies' strategies, projects, activities, communication reports and achievements. However, to evaluate the advances, improvements and future developments it is important to understand how organizations are planning and implementing strategies related to the SDGs. Firstly, it is important to understand how companies are defining priorities. Thus, our study contributes towards addressing this problem by analyzing how companies in Brazil are integrating the SDGs in their strategy. More specifically, we address how Brazilian companies and MNEs, doing business in Brazil, prioritize the SDGs they work with based on the Compass Guide.

Our research shows that multinationals are more engaged with the SDGs than Brazilian companies. Results show that the engagement of Brazilian companies and multinationals is statistically the same for all the SDGs, except for SDG4 (quality education) and SDG13 (climate action), in which multinational corporations are more engaged than Brazilian companies. This result is in line with hypothesis 2, that Multinational Enterprises prioritize SDGs that are of concern at local level (Brazil) and at global level. This is also in line with previous studies´ findings (Dunning, 1988; Fleury & Fleury, 2011, Chen, Newburry & Park, 2009). We believe that one explanation for that is that MNEs have market incentives to consider sustainability problems not only at the local, but also at the global level. SDG 4 and 13 are not a threat or a critical issue for Brazil as pointed by the GapFrame analysis. However, MNEs doing business in Brazil consider those two SDGs as priorities because they are of global concern.

Additionally, our results also show that MNEs are doing a better job by focusing on the SDGs in which their whole supply chain generates negative impacts, as suggested by the SDG Compass. First, Brazilian companies are selecting their priorities based on how they want to be recognized in future as a matter of having their brands associates with sustainability and the SDGs (reputational driver). Secondly, Brazilian companies select the priorities based on the positive aspects they already generate in the whole supply chain. One explanation for that is that the SDGs and the Agenda 2030 is a new paradigm for strategy planning, implementation and control. In 2018, during our survey period, several Brazilian companies were still communicating and training personnel and supply chain partners on the SDGs (step one of the Compass). Another explanation could be that companies' do not want to make strong commitments to change their negative impacts due to high investments some of them would impose.

The need for a rigorous and comprehensive approach to business sustainability has contributed to the immediate interest by the private sector in the 2018 Sustainable Development Goals, but as of yet, it is still unclear how companies can effectively define priorities and deal with the appropriate sustainability issues. We believe our study contributes to that by showing how Brazilian companies and MNEs doing business in Brazil define their sustainability priorities. One of the limitations is that we have a qualified sample of organizations because they are all signatory of the Global Compact what can influence positively the level of maturity of the organizations to respond to the SDGs. Moreover, the focus of our survey was companies doing business in Brazil. We suggest future research to address this issue over time in order to check for developments. We also suggest similar analysis to be carried on with organizations that are not signatory of the Global Compact and from countries different than Brazil.

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