



The Prince's
Responsible
Business Network



Toolkit Series

SETTING AMBITIOUS TARGETS TO ACCELERATE RESPONSIBLE BUSINESS

May 2023

Part of our
Six Catalysts of Responsible Business Series



TOOLKIT

SETTING AMBITIOUS TARGETS TO ACCELERATE RESPONSIBLE BUSINESS

The evidence is clear: there is insufficient progress being made on the Global Goals, also known as the United Nations' Sustainable Development Goals (SDGs), and businesses need to play their part if they are to be metⁱ. At Business in the Community (BITC), we aim to increase the pace and scale of responsible business action to tackle those Goals.

To achieve this, we have researched the greatest barriers and drivers of responsible business and identified six [Catalysts of Responsible Business](#): actions that will accelerate, scale and perpetuate corporate actions to tackle the biggest issues facing society. This guide equips practitioners to;

SET AMBITIOUS IMPACT TARGETS

Set and measure goals that reflect the business and the scale of issues facing the world today. The UN Global Goals are an effective strategic framework to inform that scale of ambition.

Why set ambitious impact targets?

- 1) **Setting targets drives change**, and publishing targets makes them 42% more achievableⁱⁱ. Businesses with impact targets, therefore, realise greater benefits from being responsible.
- 2) **Target setting increases employee engagement, productivity and innovationⁱⁱⁱ**. Committing to targets shifts perspective, boosts confidence and pushes boundaries^{iv} by uniting colleagues around a common goal. For example, 63% of executives have seen increased innovation since setting Science Based Targets^v.
- 3) **Targets must be ambitious and reflective of your organisation and the scale of the challenge**. Specific, difficult targets lead to higher performance^{vi}, so even if the targets

aren't fully achieved, more progress will have been made than if an easily attainable target were set^{vii}. We are making insufficient progress on the Global Goals, so impact targets must be ambitious to create the pace and scale of action needed.

What is an ambitious impact target?

Impact targets should reflect the two intentions of being a responsible business: minimising negative impact and maximising positive impact.

Mitigation Targets

Mitigation targets minimise the negative impacts of the business, from greenhouse gas emissions to workforce inequalities. Ambitious mitigation targets should align with research on the required pace of change, established frameworks, or position the business as a front-runner in your sector.



SETTING AMBITIOUS TARGETS TO ACCELERATE RESPONSIBLE BUSINESS

EMCOR UK has aligned its responsible business strategy with the SDGs, identifying the eight Goals where they believe they can make the biggest impact for both society and the planet. One of the focus areas is SDG 3, Good Health and Wellbeing, and as part of this they were the first company globally to be awarded the international standard for mental health risk management, ISO 45003: psychological health and safety at work. Another area they focus on is SDG 8, Decent Work and Economic Growth, within which they have made a commitment to deliver social value for the economy, society and communities. The company has a target to recruit a minimum of 25 new apprentices each year to join the business, with the aim of creating a better world at work for those in the local communities in which the company operates, as well as supporting the development of its current employee base.^{viii}

Burger King UK have pledged to reduce their impact on climate change. This includes making changes to packaging, with goals in place to eliminate single use plastics by 2025, use entirely renewable or recyclable packaging and ensure that at least 30% of plastic used will be from recycled content^x. Their commitment to the planet extends beyond plastic; committing to reach net-zero Scope 1 and 2 carbon emissions by 2030 in line with the Intergovernmental Panel on Climate Change (IPCC) and reduce Scope 3 emissions by 41% per restaurant by 2030 (both vs 2019 baseline). These reduction targets have been approved by the Science Based Targets initiative (SBTi).

Thames Water set out an ambitious skills strategy in 2021, which included plans to grow the representation of priority target groups within the business. Amongst others, these include care leavers, young black men, prison leavers, refugees and survivors of domestic abuse. The company has already exceeded its year-end target of 120 hires from community partners by March 2023. This includes a female/male placement ratio of 46%:54%, five care leavers, nine prison leavers, 14 young black men and two refugees.^x

TOP TIP: emissions mitigation targets should use science-based targets (SBTs), which 79% of business executives have found to strengthen brand representation significantly and 63% have already seen driving innovation^{xi}.



Positive Targets

Positive targets generate a positive impact on the world, beyond mitigating any negative impact, from becoming carbon negative to tackling an aspect of the Global Goals. These targets are ambitious by nature, as they set out to solve the largest, achievable and specific challenges appropriate for the business.

GSK has set a target to create a positive impact on the health of 2.5 billion people in the next ten years^{xii} in line with SDG 3, Good Health and Well-being. GSK has pledged £1 billion to tackle 13 high-burden infectious diseases and focus on both the treatment and prevention of these diseases. They are investing in vaccines and medicines to shorten treatment time and have developed a Global Health Unit to measure the health impact as the sole success criteria by prioritising less developed countries. So far, this goal has seen the development of the first vaccine against malaria and made huge progress in the development of a tuberculosis vaccine.

EDF has taken on a nationwide commitment to help Britain achieve net-zero carbon emissions by 2050 in a sustainable way^{xiii}. As Britain's biggest zero carbon electricity generator, EDF aims to accelerate the shift to safe, reliable and efficient low-carbon energy generation and storage in line with SDGs 7, Affordable and Clean Energy, and 13, Climate Action. This is being achieved through operating, developing and constructing a fleet of nuclear, wind and solar. EDF also help customers to become more efficient and switch to low-carbon lifestyles, they do this amongst other things by supplying heat pumps, energy efficiency upgrades, smart meters, electric vehicle charging solutions, renewable Power Purchase Agreements and solar panels. EDF is demonstrating the importance of tackling issues on much larger scale than their business operations, showing that there are no barriers to making important and sustainable change.

TOP TIP: you can use the Global Goals to identify potential issues to tackle, and as a storytelling tool to communicate the business' impact.



How to develop ambitious goals

1) Understand the context

- Collaborate with internal and external stakeholders to identify material issues that need to be addressed by the business. For more information, please see our Responsible Core-Business Strategy Toolkit.
- Identify the aspect of your material issue to address, including through existing research, frameworks, the Global Goals, and commitments from relevant businesses.
- Use a Theory of Change to understand the business' ability to affect change. Working backwards from your desired impact, consider how to capture impact data, identify the intermediate outcomes you need to develop for your target group and then, finally the activities that will deliver these outcomes.

2) Develop stretching, realistic targets

- Identify where your business can have the most impact using its infrastructure and resources. Collaborate with stakeholders, including beneficiaries and experts, to identify the interventions most needed.
- Targets should be stretching and uncomfortable but not unrealistic, as some research has shown that completely unachievable targets can have negative impacts on a business^{xiv}. However, setting easily achievable targets reduces their benefit.
- Targets should be specific and time-bound, to support in measuring and reporting on success, and should last as long as your current business strategy.

TOP TIP: don't set too many goals. Aim for fewer targets that maximise impact rather than too many aims that dilute progress.

3) Balance ambition and achievability

- Based on research into the required pace of change, existing frameworks for action, and what your peers are doing, work with senior

leaders to agree on what you want to have achieved, what's feasible and what the business wants to be known for. BITC's Factsheet The business case for responsibility can help to persuade senior leaders.

- Aim to align these targets with the duration of a business strategy for continuity, which is often around five years.
- Targets are most achievable and impactful when they align with the business. Ensure your targets are coherent with your purpose, material issues, and the unique resources and skills of the business.
- Ensure your stakeholders agree with your targets before signing them off, giving them an opportunity to flag any problem areas or add further ambition.

TOP TIP: good quality data is essential for communicating your progress. For mitigating targets in particular, it is important to have a solid baseline to report against.

TOP TIP: employees included in goal setting see them as 2-3x more realistic^{xv}. Learn more about how to identify and map the relevant stakeholders and develop a stakeholder engagement plan through our [Stakeholder Capitalism Toolkit](#).

4) Allocate accountability

- Transformation projects are twice as likely to be successful when a leader spends more than half of their time on it^{xvi}, therefore it is important to secure senior leader buy-in from the start to ensure the company is committed to achieving the targets that are set.
- Allocate individuals at the top of the business with accountability for progress against the goals. Working with leaders to set accountability for achieving targets, for example, through performance KPIs and

remuneration, can be an effective way of driving action on the targets.

5) Measure and report your impact

- Frequently report with data to demonstrate your commitment and progress to date. This will drive your change and inspire other businesses and stakeholders.
- Publish your goals and report publicly to keep the business focused. Reputational risk should not delay ambition. Labelling your most stretching targets as exactly that can help to reduce the risk of missing a target with frequent data-driven updates that show that the business is working hard. For those not ready to commit externally, publishing internally can yield some benefits too.
- Continue to review progress in line with the business planning cycle. This extends goals or accelerates the timeline for action.

TOP TIP: for targets with a zero baseline, showcase your outcomes relative to the national averages. For example, Tony's Chocolonely, a Dutch B Corp, stated that 3% of its supply chain contained child labour compared to competitors averaging 46.5^{xvii}.

For more information and support on how to develop ambitious targets as part of your Responsible Business Strategy and using a Theory of Change, please contact [BITC's Advisory Services team](#).



ENJOYED THIS CONTENT?

You might also like to:

- [find out more about our Responsible Business and Strategy work](#)
- [learn more about our advisory services](#)
- [join us for one of our upcoming events](#)



Talk to one of our expert team today to learn how membership of BITC can help you take your responsible business journey further, and drive lasting global change.

ENDNOTES

ⁱ <https://unstats.un.org/sdgs/report/2022/>

ⁱⁱ <https://www.inc.com/peter-economy/this-is-way-you-need-to-write-down-your-goals-for-faster-success.html>

ⁱⁱⁱ https://livrepository.liverpool.ac.uk/3031646/1/00028794_Nov2018.pdf

^{iv} [The Importance Of Setting Ambitious Goals — Smart Artist Hub](#)

^v [Six business benefits of setting science-based targets - Science Based Targets](#)

^{vi} <https://www.taylorfrancis.com/books/edit/10.4324/9780203082744/new-developments-goal-setting-task-performance-edwin-locke-gary-latham>

^{vii} [BHAG — Why The Most Successful Companies Set Ambitious, Long-Term Goals & Why Yours Should Too \(growthinstitute.com\)](#)

^{viii} https://www.emcoruk.com/application/files/8016/5230/3759/EMC072_Social_Value_Report_V06.pdf

^{ix} [Burger King For Good - Burger King](#)

^x <https://www.bitc.org.uk/toolkit/creating-partnerships-that-connect-untapped-talent-and-jobs/>

^{xi} [Sustainable Business Update | EDF \(edfenergy.com\)](#)

^{xii} [GSK announces £1 billion R&D investment over ten years to get ahead of infectious diseases in lower-income countries | GSK](#)

^{xiii} [Sustainable Business Update | EDF \(edfenergy.com\)](#)

^{xiv} <https://financialpost.com/executive/c-suite/why-setting-ambitious-goals-can-cause-you-more-harm-than-good>

^{xv} [Do Your Managers Know How to Improve Work-Life Balance? \(gallup.com\)](#)

^{xvi} <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/successful-transformations>

^{xvii} <https://corporate-citizenship.com/2022/12/13/rebuilding-trust-with-actions-not-words/>