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An Innovative Approach to the Implementation of Sustainable Business Ideology in Ukraine

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According to the Sustainable Development Goals (UN, 2015), making sustainable business decisions should be the driving force in achieving environmentally-oriented improvements. The key document that supports the 10 principles that ensure SDGs is the United Nations Global Compact Strategy 2021–2023 (UN, 2021). Achieving the goals of the Strategy requires the use of an improved business decision-making model that simultaneously increases revenues and revises the distribution of domestic funds for meeting the principles in the sphere of human rights, economic growth, satisfactory working conditions and the environment, and combating corruption as a key driver of corporate sustainability and responsible business practices. The authors have developed a methodological approach to the assessment of business sustainability, which is based on a combination of elements: analysis of world best practices and trends, determination of the impact of business on the social status and environment, quality assessment of relevant certification, and analysis of compliance with social indexes of sustainable development. The analysis of economic indicators of sustainable business (The B Impact Assessment, 2021) for 2020–2021 allowed singling out companies that finance the environmental sphere. Today, a quarter of the world's countries carry on sustainable business and finance the environmental degradation impact. The 8 leaders include: France, USA, Brazil, India, Germany, Norway, Ireland and South Korea. Methods of rating and expert assessment constitute an applied aspect of research for identification of prospects of sustainable business formation in Ukraine in the regional context. The result shows that only 8 regions are suitable for sustainable business conduct, while the environmental criterion is more than 9.2 points of 10, the

economic criterion does not exceed 5, and the social criterion is 4.02–5.02. Therefore, it is necessary to focus on the organization of sustainable business according to the key strategic state priorities in formation of the mechanisms for the investment and the innovation policy of a sustainable development support system through the use of regulatory tools for reformation of existing business approaches to internationally regulated ones, such as business for nature.

Keywords: sustainable business, business for nature, Sustainable Development Goals, social, economic, environmental criterion

Introduction

Today's crisis phenomena, caused by the increasing stress on the environment, have led to deterioration in the quality of life and health of the nation and, as a result, to an economic downturn. The United Nations Report: Nature's Dangerous Decline 'Unprecedented; Species Extinction Rates 'Accelerating' regarding the dangerous state of nature notes that business organizations in economically developed countries allocate funds for environmental protection with increasing frequency (UN, 2021). Such activities are spelled out in one of the world's main documents: "Transforming our World: the 2030 Agenda for Sustainable Development" (UN, 2015). The UN Global Compact Strategy 2021–2023 (UN, 2021) report emphasizes that the sustainable development of the country's business and economy depends on environmental services provided for the free use of the natural environment. International economists (Mcusik, 2020; Costanza et al., 2017; Groot et al., 2012) have estimated the cost of such services to amount to 70–125 trillion US dollars. World practice shows that the most successful business is conducted on a mutually beneficial relationship with nature.

According to the Sustainable Development Goals 2030 (UN, 2015), the driving force in achieving environmentally-oriented improvements should be the adoption of sustainable business decisions. The UN Global Compact Strategy for 2021–2023 (UN, 2021) highlights the directions for acceleration and scaling up of the global collective impact of business, focusing on supporting the 10 principles that ensure SDGs. Achieving the goals of the Strategy requires the use of an improved business decision-making model that simultaneously increases revenues and revises the

distribution of domestic funds for meeting the principles in the sphere of human rights, economic growth, satisfactory working conditions and the environment, and combatting corruption as a key driver of corporate sustainability and responsible business practices. Research of the Business for Nature (Duckett, 2020) has proved that more than half of the global GDP, which amounts to 44 trillion US dollars of economic value, faces moderate or serious risks due to the nature loss. Thus, as of April 2021, according to the data of the Global Compact Strategy for 2021–2023 (UN, 2021), more than 530 companies worldwide actively participate in the prevention of the environmental degradation impact; 1240 companies focus their business activities on reducing the environmental impact; 700 companies, working with the government, focus on environmental policy; and more than 200 companies work with Business for Nature for the development of 5 recommendations with regard to the sustainable nature management and work with the government for adoption of policies aimed at the reduction of nature loss this decade.

One of the common tools in foreign countries for improvement of their business impact on the environment is Certified B Corporations (B-Corp certification), which meets certain standards of social and environmental indicators, public transparency and legal accountability. Today, parameters for assessment of the impact of business on various environmental and social spheres have been developed. Open data (The B Impact Assessment, 2021) confirm that there are 900 certified B-Corp companies and 15 000 companies in the world that have joined the policy of introducing B-Corp business. These strategic documents, action

programs and implementation tools prove the need to study international practices and experiences in order to spread their influence into the Ukrainian plane.

The aim of the research is a scientific generalization of international approaches to sustainable business conduct and the definition of regional development criteria for calculation of socio-economic and environmental feasibility of implementing the practices in Ukraine.

Materials and methods

In order to determine the theoretical and applied basis of the article, the authors used the following methods: the method of scientific abstraction, as one of the most important tools for theoretical generalization; the method of scientific research for separation of the necessary properties and signs of sustainable development in business without taking into account the nonessential properties and insignificant aspects of the process; the method of generalization for determination of the main guidelines for sustainable business development in accordance with international practices and recommendations.

The methodological basis of research is the authors' scientific approach to assessing the integration of business into sustainable development based on a combination of elements: analysis of the best world practices and trends, determination of the impact of business on the social state and environment, assessment of the quality of the relevant certification, as well as analysis of compliance with social and environmental standards (indexes) of sustainable development. The authors also used the Delphi technique for scientific and technical forecasting according to ecological, economic and social criteria of the development of regions of Ukraine. This meets the standard ISO 31010 – Risk Management. Risk assessment techniques (ISO, 2009). The main features of the Delphi technique are anonymity, multilevel process and correspondence. The idea of the method is that if one properly generalizes and processes the individual assessments of experts about a particular situation, a general opinion that will have the maximum degree of

reliability may be formed (Harold & Murray, 1975). The point of the method is to find a way to determine the right decision with the help of a set of certain actions, such as brainstorming, interviews and polls. The method is based on the fact that a certain group of independent experts is much better able to evaluate and predict the result than a structured group of people. Taking into account the fact that independent experts may not even know about each other, it is possible to exclude the clash of different positions, as well as the collective influence due to joint work and conformism. The method can be carried out anywhere, regardless of the location of the participants. Its implementation was based on the opinions of experts for building a future model of sustainable business development. The experts were 2 professors and 2 PhDs of the Department of Economic Regulation of Environmental Management, 2 professors of the Department of Economic and Environmental Problems of Coastal Regions of the Institute of Market Problems and Economic Ecological Research of the National Academy of Sciences of Ukraine and 2 professors of the Odessa State Ecological University of the Ministry of Education of Ukraine. The key information of the research is a review of opinions of world scientists and specialists in the field of management, regional development, economics of nature management, and ecological innovations. The rating method was used by the scientists for numeric expression of the importance of criteria and the closeness of the relationship between social, economic and environmental criteria regarding the prospects of sustainable business formation in Ukraine. The regions for the study were selected on the basis of their attractive natural resource potential as those that represent the potential for investment activities. According to the State Statistical Service of Ukraine (SSSU, 2021), the capital investments amount to 2962.3 thousand US dollars for Odessa region; 3445.8 thousand US dollars for Kiev region; and 2243.1 thousand US dollars for Lviv region. Also, by gross regional product (SSSU, 2021), the regions are as follows: Zaporozhye region with 56 500.0 thousand US dollars; Kiev region with 440 111.11 thousand US dollars; Lviv region with 518 222.12 thousand US dollars; Odessa region with 630 703.34 thousand US dollars; and Kharkov region with 760 148.44 thousand US

dollars). Personnel costs of enterprises (Personnel costs of enterprises, 2021) amount to 3985.82 million US dollars in Dnipropetrovsk region; 2045.48 million US dollars in Kiev region; 1676.94 million US dollars in Lviv region; 1372.92 million US dollars in Odessa region; 1784.64 million US dollars in Kharkov region. The number of employees of business entities (Number of employees of business entities, 2021) is as follows: 306 thousand in Zaporozhye region; 369 thousand in Kiev region; 470 thousand in Lviv region; 346 thousand in Odessa region; 448 thousand in Kharkov region. The distribution of regions according to the selected criteria was carried out by the method of ranking based on the rationing of individual indicators.

Results and Discussion

The institutional basis for business in combination with the Sustainable Development Goals covers the UN Global Compact Strategy 2021–2023 (UN, 2021), Purpose: Good business and a better future (Deloitte, 2017), OECD (Organization for Economic Co-operation and Development) Guidelines for Responsible Business (OECD, 2011), and the Concept for implementation of state policy in the field of promoting the development of socially responsible business in Ukraine for the period up to 2030 as an action plan of Verkhovna Rada of Ukraine (VRU, 2020) for Business for Nature.

The conduct of business following the principles of sustainable development provides investment benefits, such as low-interest lending, public support, which attract foreign investors and cooperation with administrative bodies. Today there are several scientific terms that are closely related, but have some differences. These include sustainable business, “green” business, and responsible business. According to the definition of Sweden Sustainable Business (GSB, 2020), sustainable business is an economic activity with profitability, caring for the environment and social obligations in equilibrium (Elkington, 2004).

This defines sustainable business as the practice of business without a negative impact on the environment. According to John Elkington (2004), sustainable business takes into account 3 components of the

triple result: profit, people, and planet. Sustainable business is profitable, being socially responsible, and does not deplete the use of the planet’s resources. The Green Business Definition: Everything You Need to Know shows that “green” business must meet the following criteria: the mission of the business based on the principles of sustainable development; production or supply of environmentally friendly products and services; obligatory compliance with the requirements and principles of environmental protection (Upounsel, 2021). Responsible Business (Impact Garden, 2020) emphasizes benefits to society and addresses the negative consequences which it can have on society, people, and planet. Thus, it can be noted that sustainable business includes green business and responsible business. However, sustainable business can not be green, but part of the profit has to be necessarily directed to ecological goals.

The research of world scientists on sustainable business is divided into various approaches to the main dominants of sustainability. Thus, according to researchers (Zahid et al., 2021; Jonkute, 2015; Lassaad & Khmaoussi, 2012; Raed & Mohamad, 2020; Geissdoerfer et al., 2018), the integration of sustainability practices in the workplace is one of the top priorities. The authors prove that sustainability in the workplace directly affects the company’s financial performance and is a driving force for achieving environmental initiatives, namely the implementation of an environmental management system (EMS) (US EPA, 2021) and the international environmental management standard ISO 14001 (ISO, 2011). In their research, Bansal and DesJardine (2014), Geissdoerfer et al. (2018), Groot et al. (2012) prove that sustainable business takes into account the parameters of time, namely business conduct. It manages intertemporal compromises in making strategic decisions, so that both short-term and long-term perspectives are taken into account.

Research of small business interests in sustainable business conduct (Mikusova, 2017) proves that, under current conditions, interests are focused on short-term perspectives, and the focus on sustainability is associated with risks, namely with the need for costs associated with the acquisition of assets. Thus, the

factor of positive influence should be the policy of the state focused on benefits or grants for the purchase of environmentally friendly equipment, free consultations and examinations.

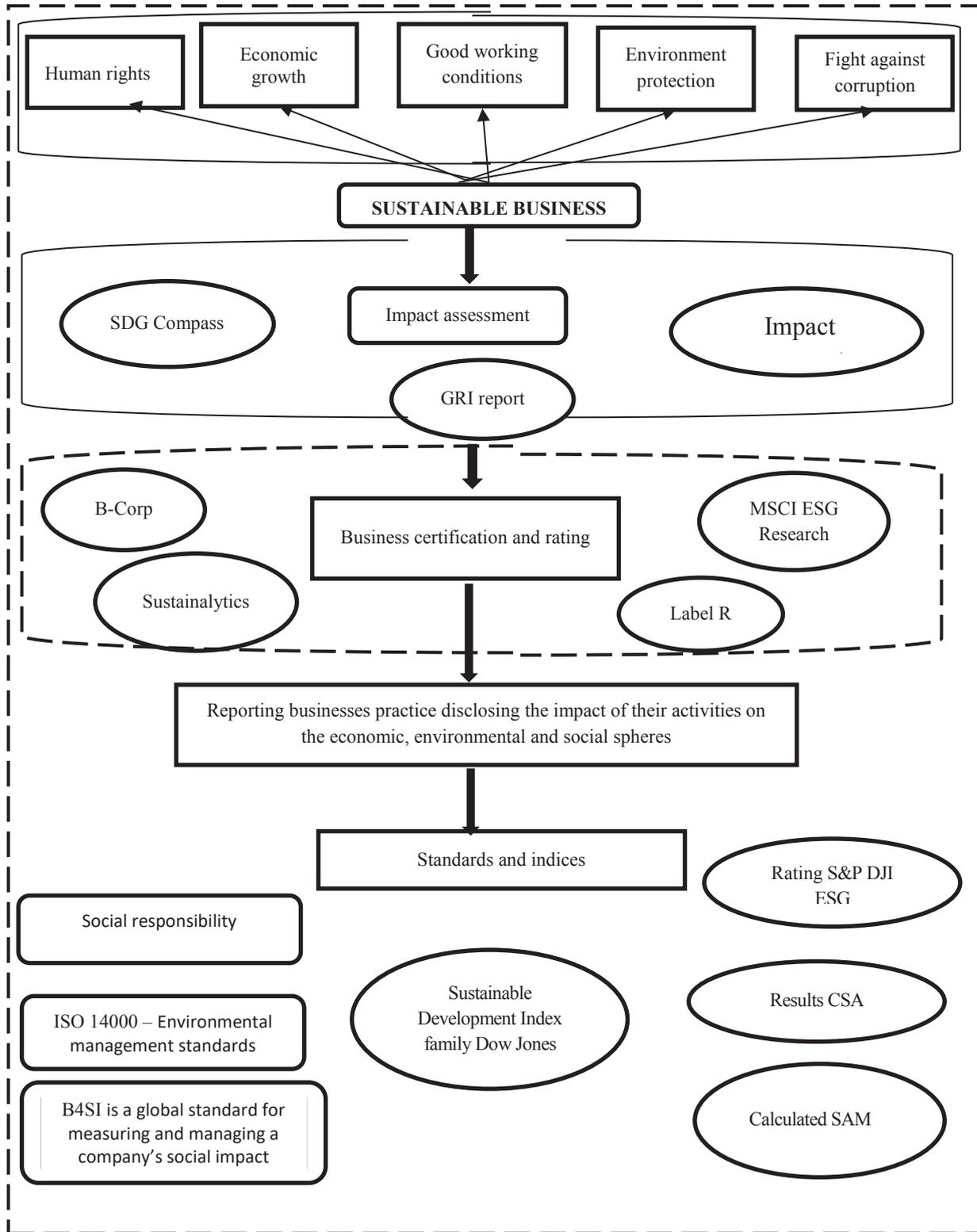
A wide range of scholars (Gómez-Bezares et al., 2016; Rahdari et al., 2016; Jonkute, 2015; Stasiskiene, 2021) view sustainable business through the lens of social and cultural processes inherent in the horizontal integration of value-driven functions as the main guidelines for applying innovation in their activities to achieve environmentally friendly production and consumption.

Summarizing the main ideas of the research, the authors propose a methodological approach to assessing the integration of business to sustainable development, as shown in Fig. 1.

Sustainable business includes the following blocks:

- 1 First, this is a measurement of impact assessment focused on the influence of business over the parameters of sustainability. Internationally, there are 3 approaches to measurement:
 - The guide for business action on the Sustainable Development Goals Compass (SDG Compass, 2015) provided by business management to implement their development strategies for sustainable development;
 - Communication on Engagement Report (COE, 2021), which contains information about companies that conduct sustainable business, assessment of their impact on sustainability and key performance indicators;
 - B Impact Assessment (The B Impact Assessment, 2021), which is a free confidential platform designed to measure and manage a company's positive impact on its employees, community, customers and the environment.
- 2 Certification and rating of business is carried out through surveys:
 - A Global Community of Leaders (B-Corp, 2021). Obtention of the certificate involves business conduct that provides a balance between sustainable development goals and profit. Operation of companies is fully committed to take into account the impact of its decisions on employees, customers, suppliers, community, and environment.
 - EU Taxonomy Solution (EU, 2021) is a company where the activities are related to research and ranking of environmental, social and corporate governance of ESG business. Ratings are published on the web-site and can be used by both the company and investors.
 - An MSCI ESG Rating, analyzed by Morgan Stanley Capital International (MSCI, 2019), conducts business evaluations depending on risks of investment activities and ability to manage them.
 - An industry-leading innovative approach to ESG risk assessment and due diligence (Label R, 2018) carries out risk assessment and due diligence, covering environmental, social and corporate governance (ESG) in combination with business ethics, including anti-money laundering, combating corruption and ethical financial practices.
- 3 Reporting is the business practice of disclosing the impact of its activities on the economic, environmental and social spheres.
- 4 Standards and indexes. The following are most common in sustainable business:
 - ISO 26000 – Guidance on Social Responsibility (ASQ, 2019). Social responsibility of ISO 26000 provides guidance on how enterprises and organizations can work in a socially responsible manner. This means to act ethically and transparently, which contributes to the health and well-being of society.
 - ISO 14000 Family Environmental Management (ISO, 2011). The environmental management standard provides practical tools for companies and organizations of all types which want to manage their environmental functions.
 - The Global Standard in Measuring and Managing a Company's Social Impact, Business for Societal Impact (B4SI, 2020) is a global standard for measuring and managing a company's social impact.
 - The Dow Jones Sustainability Index (S&P Global, 1999) tracks the indicators of inventories of the world's leading companies in terms of economic, environmental and social criteria. The S&P ESG family of indexes offers investors an impact on companies according to their ESG profile in the context of individual and regional indexes. The in-

Fig. 1. A methodological approach to assessing the integration of business to sustainable development



dex family is based on S&P DJI ESG assessments, on the results of the Canadian Standards Association (CSA, 2013) and is calculated by SAM.

In focusing on innovative approaches to sustainable business, there is a need to transfer international practice to the Ukrainian plane and compare world practices of sustainable business with Ukrainian. In Ukraine, certification is divided into mandatory and voluntary. Business, where activities or products may have a negative impact on the environment, human safety and property, is subject to mandatory certification. Also, along with the standards of environmental management and corporate governance existing in Ukrainian legislation, there are State Standards of Ukraine (DSTU), i.e., standards developed in accordance with the current legislation of Ukraine, establishing general and repeated application of rules, general principles or characteristics relating to the activity or its results, in order to achieve the optimal degree of order, developed by consensus and approved by an authorized body (DSTU, 2018). DSTU regulates the mandatory requirements for product quality and technical specifications (TS) that establish the technical requirements that products, processes or services must meet.

Thus, the focus on sustainable business involves focusing on people and the needs of employees to ensure individual and collective success, innovation in everything, full transparency of activity, concern for customer, exceedance of consumer expectations, commitment and fulfilment of external and internal obligations, and protection of the environment through a circular economy.

In international guidelines, life cycle sustainability assessment (LCSA) includes three stages (LCSA, 2020):

- assessment of the company's activity over a period of 3 years;
- assessment of the effectiveness of minimizing risks and the ability to resist them;
- assessment of country and regional risks according to 3 blocks: environmental impact (rating indicator), social policy (rating indicator), and assessment of the quality of corporate governance (best practice). Each of the blocks has a weight of 33.3% in the overall ESG assessment. This assessment includes key indicators of sustainable development.

The ecological block includes waste generation, water consumption, hazardous substances emissions, greenhouse gas emissions, energy consumption, and waste-water discharges. The block of social responsibility includes staff turnover, wages, gender composition, injuries, mortality, and social investments. The block of quality management consists of independence, experience in the industry, concentration of corporate ownership, information disclosure, management strategy and management structure and showing the best practice.

Since 2020, Corporate Knights (CK) compiles a rating of sustainable business, which includes 100 positions using this methodology (CK, 2021). The general rating of the countries upon all indicators of sustainable business has the following form presented in Fig. 2, where the best indicator is the lowest rating.

Analysis of economic indicators of sustainable business (CK, 2021) for 2020–2021 under the environmental block allowed us to single out areas of their activities by the number of companies and financing into the environmental sphere by energy productivity, carbon productivity, water productivity, and waste productivity (Table 1).

The comparison shows that almost a quarter of the world's countries unanimously conduct sustainable business and finance the environment degradation impact. The 8 leaders by four environmentally-oriented indicators, i.e., energy productivity, carbon productivity, water productivity, waste productivity, include:

France – 29 406 113.6 thsd US dollars;

United States – 1 608 358.01 thsd US dollars;

Brazil – 345 241.57 thsd US dollars;

India – 327 170.90 thsd US dollars;

Germany – 232 243.38 thsd US dollars;

Norway – 227 682.01 thsd US dollars;

Ireland – 104 490.31 thsd US dollars;

South Korea – 116 077.37 thsd US dollars.

At the same time, almost 99% of investments are allocated to overcoming the effects of waste productivity.

Middle peasants distribute their funding in the following proportions: 75% for waste productivity, and 22% for carbon productivity. The most significant contribution is made by Italy with 84 029.65 thsd US dollars,

Fig. 2. Ranking of countries by indicators of sustainable business (calculated by the authors according to CK, 2021)

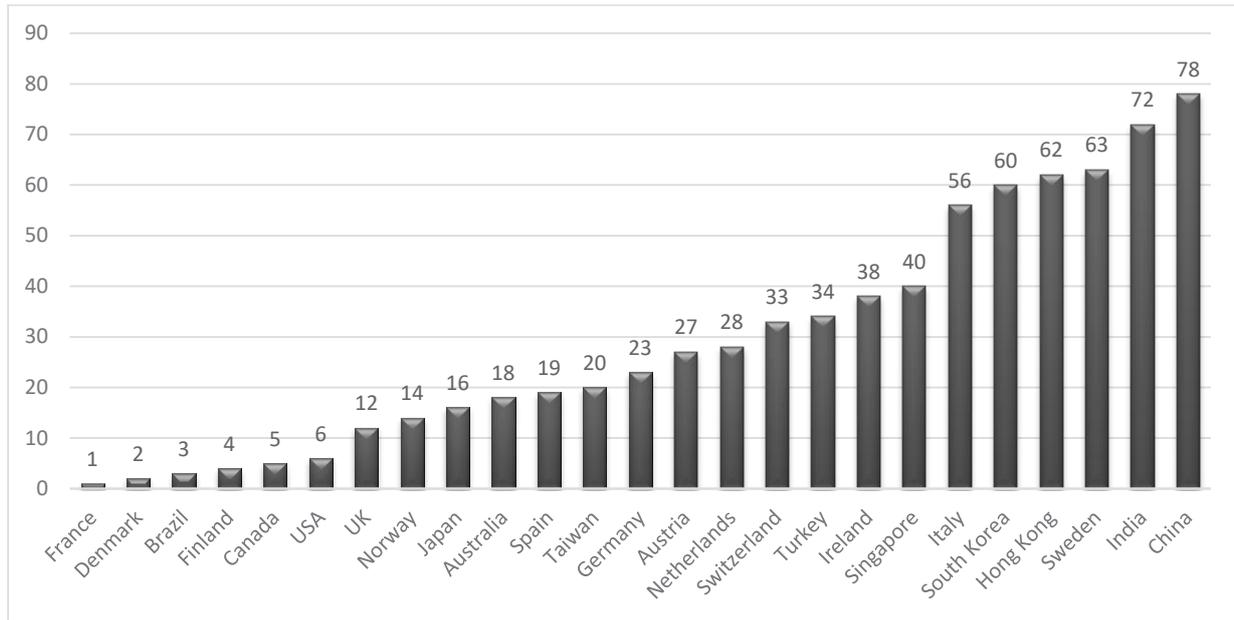


Table 1. Ranking of countries by the environmental block of sustainable business

Country	Number of companies	Energy productivity, US thsd dollars	Carbon productivity, US thsd dollars	Water productivity, US thsd dollars	Waste productivity, US thsd dollars	Total, US thsd dollars
Leaders						
France	9	761.38	15 678.47	811.04	29 388 862.67	29 406 113.57
USA	20	231.07	3818.22	8611.24	1 595 697.47	1 608 358.01
Brazil	2	234.77	1490.65	71.19	343 444.94	345 241.57
India	1	356.10	161.64	17.57	326 956.07	327 170.90
Germany	7	274.52	2437.69	267.44	229 263.72	232 243.38
Norway	2	9096.11	48 913.50	603.30	169 069.09	227 682.01
Ireland	2	352.28	210.06	226.33	104 018.69	104 490.31
South Korea	2	104.85	574.49	151.22	115 246.79	116 077.37
Middle peasants						
Italy	1	24.35	334.17	15.55	83 655.58	84 029.65
Singapore	3	8.22	70.80	123.21	76 033.66	76 235.91
Japan	5	17.01	274.20	13.45	68 785.47	69 090.14
Great Britain	5	81.62	676.67	37.07	27 580.96	28 376.35
Spain	3	20.68	185.00	24.83	20 217.52	20 448.04
Canada	13	387.45	5994.28	70.86	19 442.11	25 894.71
China	2	143.12	297.69	39.82	7544.83	8025.47
Denmark	5	23.80	323.74	53.86	7370.30	7771.72
Finland	5	23.80	323.74	53.86	7370.30	7771.72

Country	Number of companies	Energy productivity, US thsd dollars	Carbon productivity, US thsd dollars	Water productivity, US thsd dollars	Waste productivity, US thsd dollars	Total, US thsd dollars
Australia	2	34.26	221.56	55.28	6739.10	7050.20
Netherlands	3	107.06	1536.30	319.76	5493.13	7456.26
Sweden	2	22.06	155.00	19.05	4271.62	4467.74
Taiwan	1	1.57	8.67	1,18	3566.10	3577.54
Outsiders						
Switzerland	1	333.6	28.03	3.33	582.87	617.57
Hong Kong	1	0.905	8.76	0.25	96.08	106.01
Turkey	1	16.54	176.90	11.65	359.33	564.43
Austria	1	0.44	3.88	0.035		4.37

Calculated by the authors according to CK (2021)

Singapore with 76 235.91 thsd US dollars, and Japan with 69 090.14 thsd US dollars. Only 4 of 25 belong to the outsiders: Switzerland, Hong Kong, Turkey and Austria, with the total environmental funding from sustainable business conduct of 1 292.38 thsd US dollars, or 0.004% of the total leaders' and 0.37% of middle peasants' funding.

The costs of the environmental block indicate not only the environmentally-oriented activities of companies, but also the fight against the effects of pollution caused by their activities. In the fight against waste, the leaders of the rating direct their efforts to regenerative agriculture.

Fulfillment of their climate obligations and carbon footprint is carried out mainly by companies that use renewable energy sources in their activities. At the same time, only Germany turns out to be the country of Central and Eastern Europe that make its business sustainable. Unfortunately, the post-Soviet countries, to which Ukraine belongs, will not show the capacity for sustainable business.

Areas of sustainable business are intensively developing in economically developed countries. The following goals are priority areas for the development of Ukrainian sustainable business: quality education, decent work and economic growth, good health and well-being. However, it must be noted that a large number of Ukrainian companies are focused on the sustainability of corporate governance and do not always publish their indicators regarding sustainable business.

Meanwhile, monopolists of the Ukrainian market have already passed to international requirements for sustainable business and disseminate information about the goals of sustainable development, which are embedded in the strategies of their development. The largest of them are those that have included the environmental block, namely Nestlé in Ukraine, Carlsberg Ukraine PJSC and Ukrgasbank.

Focusing on the data of the report "The contribution of Ukrainian business to the implementation of Ukraine's Sustainable Development Goals 2016–2020" (CSR Ukraine, 2020), the sustainable development benchmarks of Nestlé in Ukraine are:

- quality of life and healthy future: helping children to lead a healthy lifestyle (Nestlé, 2020);
- social and economic sustainability: improving the lives of communities, farms directly involved in production;
- protection and rational use of natural resources in the production of their products: aiming for zero impact on the environment. Together Towards ZERO program (Nestlé, 2020) reflects a vision for a better future in the period of severe challenges, such as climate change, water scarcity and threats to public health. In order to achieve the ZERO program goal by 2050, Nestlé is implementing changes in the value chain and operations, e.g., working with farmers to switch to regenerative food ingredients, including the products we produce, and increasing the amount of carbon neutral brands to enable consumers to

contribute to the fight against climate change, thus compensating for emissions with soil and forest restoration projects. The strategy provides:

- Zero carbon footprint: 0% of carbon dioxide emissions in breweries by 2030, 100% of electricity use from renewable sources in breweries by 2022, 30% reduction of carbon footprint of finished products by 2030;
- Zero water losses: 50% reduction in water use in breweries; development of cooperation for protection of general water resources in areas with a high risk of water scarcity;
- Zero irresponsible beer consumption;
- Zero accidents.

UkrGasbank has invested 7 goals in the concept of its development to achieve the level of sustainable business by implementing the Environmental Management System (UkrGasbank, 2021):

- “green” financing;
- reduction of the negative impact of bank’s activities;
- assessment and monitoring of environmental and social risks of borrowers;
- implementation of practices that ensure the prevention of corruption, bribery and money laundering, fairness and transparency in relations with stakeholders;
- economic development, i.e., supporting economic development of Ukraine through supporting strategic development areas of the economy;
- development of staff working conditions and employer values: the bank is trying to create comfortable working conditions that include gender equality, clear and understandable hierarchy and transparent communication;
- internal environmental measures such as reduction of internal resource consumption on carbon dioxide emissions gas.

The analyzed data show that sustainable business in Ukraine has just been established. In foreign practice (impact assessment B, 2021), there are 15,000 companies that are engaged in sustainable business; meanwhile, in Ukraine, there are only 3 such companies as of the end of 2020: Nestlé’s environmental

sustainability policy (Nestle, 2020); Carlsberg Sustainability Report (Carlsberg Ukraine, 2019); and UkrGasbank is among the leaders in the sustainable development of Ukrainian business (UkrGasbank, 2021). Only monopolists have invested in their strategic goals for all three blocks of environmental impact, social policy, and quality assessment of corporate governance for sustainable business development. Regarding the economic situation in Ukraine now, only monopolist companies can achieve Sustainable Goals without financial risks for the business.

In consideration of the foregoing, it is worth considering promising regions for the formation of sustainable business there, not only for monopolists, but also for small businesses under economic, social and environmental criteria by ranking in accordance with the Sustainable Development Goals.

According to the ecological criterion, we distinguish the following indicators that reflect the qualitative and negative characteristics for the formation of competitive advantages of sustainable business: waste generation, total amount of waste accumulation, emissions of pollutants into the atmosphere, carbon dioxide emissions, water losses, water pollution, disturbed, used and reclaimed lands, which negatively affect the formation of regional reserves. The positive factors include nature protected areas, Nature Reserve Fund of Ukraine (NRF) territories (MENRU, 2021), water protection zones and coastal protection belts of water bodies, presence of subsoil, presence of seas, rivers and lakes, as well as the cost of environmental protection. The economic criterion includes indicators of available income per person, GRP income per person, sold goods and services in the field of inclusive economy of impressions, financial results of enterprises before tax, capital investments, rent for the use of natural resources. The social criterion includes qualitative characteristics such as drinking water supply, public employment, household expenditures, and negative indicators such as the number of viral infections and respiratory diseases, the rate of impoverishment.

According to research and expert opinions of scientists (OECD, 2018), indicators were selected for ranking. In terms of the requirements of sustainable development (Lagarde, 2014), increasing and investing

households in education and health care are directly dependent on access to decent work and finance for all segments of the population.

Calculations were done by statistical methods for determination of closeness of the relationship between these assessment criteria in order to establish the basic parameters of the process of sustainable business conduct in terms of regions of Ukraine. The distribution of the regions according to the selected criteria was carried out by the method of ranking based on the rationing of individual indicators (according to formulae 1, 2) in the regional context according to the specified criteria.

If the growth of individual indicators leads to an increase in individual assessments, the rationing of indicators is carried out according to formula 1, otherwise according to formula 2.

$$Z_i = \frac{X_i - X_{min}}{X_{max} - X_{min}}, \quad (1)$$

$$Z_i = \frac{X_{max} - X_i}{X_{max} - X_{min}}, \quad (2)$$

where Z_i is the normalized value of individual indicators ($0 \leq Z_i \leq 1$); X_{max} , X_{min} , X_i is a maximum, minimum, i -th value of the individual indicator.

Accordingly, the higher the Z_i , the more the region is suitable for sustainable business development. A summary information of indicators according to the selected criteria is given in Table 2.

Table 2. Summary table of indicators z_i by environmental, economic and social criteria

Region	$\sum Z_i$ ecological criterion	$\sum Z_i$ economic criterion	$\sum Z_i$ social criterion	$\sum Z_i$ general indicator
Vinnitsia	7.82	4.04	3.17	15.04
Volyn	8.72	1.78	2.24	12.74
Dnepropetrovsk	6.28	4.88	4.02	15.19
Donetsk	4.75	1.98	2.76	9.49
Zhytomyr	7.45	2.36	2.55	12.37
Transcarpathian	9.37	1.80	3.61	14.78
Zaporozhye	9.77	2.95	3.70	16.43
Ivano-Frankivsk	7.07	2.27	4.30	13.64
Kyiv	9.61	4.98	2.84	17.44
Kirovograd	7.07	2.35	2.96	12.40
Luhansk	7.24	1.29	2.55	11.09
Lviv	7.72	3.98	5.00	16.71
Mykolayivska	8.22	2.58	3.86	14.67
Odessa	8.10	4.55	3.40	16.06
Poltava	8.78	3.86	3.47	16.11
Rivne	8.87	2.12	2.50	13.51
Sumy	7.84	2.41	1.87	12.13
Ternopil	7.92	1.85	3.45	13.23
Kharkiv	6.66	4.07	4.91	15.65
Kherson	7.83	3.11	2.474	13.42
Khmelnitsky	8.41	3.29	2.39	14.10
Cherkasy	7.07	2.35	2.13	11.56
Chernivtsi	7.43	1.80	3.67	12.91
Chernihiv	7.90	2.48	3.54	13.93

Calculated by the authors on the basis of statistical data by regions of Ukraine (RSU, 2021)

Further ranking of regions can be carried out by a 3-level gradation: optimal, satisfactory, and negative level of sustainable business conduct (Table 3).

The obtained results show that there are only 8 regions suitable for sustainable business conduct: Vinnytsia,

Zaporizhzhia, Dnipropetrovsk, Kyiv, Lviv, Odesa, Poltava, and Kharkiv. The development of sustainable business in Ukraine just begins its formation based on the best international practices, but still holds the position of responsible business.

Table 3. Gradation levels according to ecological, economic, social and generalizing criteria

Levels	Ecological criteria	Economic criteria	Social criteria	Generalizing criteria
Optimal	8.10–9.77	3.75–4.98	3.95–5.00	14.79–17.44
Satisfactory	6.42–8.10	2.52–3.75	2.91–3.95	12.14–14.79
Negative	4.74–6.42	1.29–2.52	1.87–2.91	9.49–12.14

At the same time, the analysis of the suitability of regions for the organization of sustainable business is reduced to 5 key dominants of the formation of mechanisms of state strategic investment and innovation policy of the system of sustainable development support, namely:

- public investment and expenditures (cost optimization in regions that stimulate national economies);
- use of environmental taxes and other market instruments that minimize external impact on the environment and compensate for market weakness;
- reforming of environmentally harmful budget subsidies (limitation of state support for industries that deplete natural capital);
- improvement of legislative regulation;
- development of international cooperation in the field of ecology and resource consumption.

Conclusions

Within the framework of the research, a methodological approach was proposed to assess the sustainability of business conduct, which provides a procedure and a stepwise assessment of compliance of modern business with the criteria and Sustainable Development Goals. The research proves that the Sustainable Development Goals are reflected in foreign practices of sustainable business, which is confirmed by contributions to overcoming the environment degradation

impact in terms of energy productivity, carbon productivity, water productivity, waste productivity by 25 countries in the amount of 327 188 million US dollars. At the same time, almost 90% is invested in waste productivity. The leaders in funding are France, the United States, Brazil, India, Germany, Norway, Ireland and South Korea with a contribution to the environment protection in the amount of 323 673 million US dollars, which is more than 92% of the total contribution by countries.

Previously, the focus on sustainability mostly included the environmental component and the development of “green” business. Over time, the inclusion of the social factor has proved that the company’s competitive advantages depend more on the environment for employees. Having combined such goals and the desire to make a profit required taking into account the Sustainable Development Goals in the activities of companies. A review of international trends to the sustainable business conduct proves that sustainability depends not only on the passage to cleaner production and consumption, but to a greater extent on the desire of companies to implement business policies for nature. This is evidenced by the fact that already 8080 foreign companies are considered to be sustainable. In Ukrainian practice, there are only 3 such companies that fully meet the requirements of sustainable business in their business activities. These are mainly monopolists of the Ukrainian business market. The focus on conducting sustainable business in Ukraine is gaining momentum and many

companies are already investing their activities in the goals of sustainable business. Therefore, it was worth considering the suitability of the regions of Ukraine for the implementation of practices of sustainable business conduct. According to the ecological criterion, the most stable are Zaporizhzhia, Zakarpattia and Kyiv regions, with an indicator of more than 9.2 points of 10. According to the economic criterion, which did not exceed the mark of 5, Kyiv (4.99), Odesa (4.55) and Dnipropetrovsk (4.88) regions are more suitable. Lviv, Ivano-Frankivsk and Dnipropetrovsk regions meet the requirements of the social criterion of compliance with sustainable business conduct in points ranging 4.02–5.02. The calculations show that only 8 of 24 regions are suitable for the sustainable business development according to 3 criteria: environmental, social, and economic. Based on international recommendations for sustainable development, in Ukraine, first of all, it is necessary to regulate at the legislative level the compliance with the requirements of environmental laws, the provision of subsidies for innovative and sustainable business models. Achievement of transformations is possible under the conditions of spreading the practice of the provision to companies

of transparent information about the environmentally-oriented activities, publishing of the brightest business decisions regarding the termination of degradation processes in their practice, or alternative activities aimed at overcoming imbalances in another sector of the economy through capital investment from profit earned.

Prospects for further development and research will lie in a methodological justification of opportunities and threats to the implementation of sustainable business, taking into account regional resource characteristics and existing state programs of socio-economic and environmental development.

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