



**Innovation and Collaboration
for the Future We Want**

15-18 June 2012

OVERVIEW AND OUTCOMES

SUMMARY REPORT



United Nations Global Compact



**Pacto Global
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RIO+20
United Nations Conference
on Sustainable Development



United Nations Global Compact



UNEP Finance Initiative
Innovative financing for sustainability



*Empowered lives.
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**REGIONAL CENTRE FOR THE
SUPPORT OF THE GLOBAL
COMPACT IN LATIN AMERICA
AND THE CARIBBEAN**

WITH THE SUPPORT OF



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Table of Contents

I.	Foreword	6
II.	Executive Summary	8
III.	Overview & Outcomes	16
	Energy & Climate	16
	Water & Ecosystems	21
	Agriculture & Food	24
	Economics & Finance of Sustainable Development	27
	Social Development	32
	Urbanization & Cities	37
	Education for Sustainable Development & Responsible Management Education	40
IV.	Rio+20 Commitments to Action	44
V.	High-Level Closing Plenary – Compact for Rio	50
VI.	New Resources	54
VII.	In the Media	58
	Selected Headlines	58
	Press Releases	60

I. Foreword

Early in 2012, with negotiations for the UN Conference on Sustainable Development under way, I asked the private sector to come forward with ideas and initiatives that would help make Rio+20 a catalyst for new answers to the economic, social and environmental questions posed by sustainable development.

The Rio+20 Corporate Sustainability Forum, held over four days in June immediately prior to the conference, not only met my challenge but exceeded all expectations. Organized by the United Nations Global Compact, the Forum provided a private sector track that was the largest ever for a UN meeting. Nearly 3,000 representatives from all regions -- investors, academics, community activists, environmental experts and corporate leaders -- participated in 120 workshops that resulted in a wealth of ideas for innovation and collaboration with Governments and other major groups of civil society. This report tells their story.

The Forum saw the launch of more than 200 commitments covering energy, finance, climate change, water, food, anti-corruption and women's empowerment. Several of these initiatives have the potential to set new paradigms. Among them are frameworks for public-private policy collaboration on biodiversity, on food and agriculture and on access to water for people and industry. Another groundbreaking initiative brought together stock exchanges from the North and South to explore how to include sustainability factors in the listings of member businesses.

A notable feature of Rio+20 was the agreement by Governments to define a new set of Sustainable Development Goals that would extend and broaden progress already made in the context of the Millennium Development Goals. In anticipation of this landmark outcome, Forum participants committed to engage the business community in elaborating and promoting these goals. I strongly welcome the involvement of the business community in this endeavour, along with other major groups and under the leadership of Governments.

Rio+20 was a milestone in an essential journey that will define humanity's development and well-being for decades and more. The Rio+20 Corporate Sustainability Forum marked a new phase in the evolving relationship between the world of business and the needs of sustainable development. Increasingly we are looking to business not as a source of problems but as the place to go for solutions — as a key player in creating the future we want. A sizeable vanguard of the business community has brought sustainable development principles into the heart of their business models, and is poised to lead more businesses along the same path. As I said in my message to the Forum, “transformation is under way.”

I commend this report to all who want to build on this momentum for change for the benefit of this and future generations.

H.E. Ban Ki-moon
United Nations Secretary-General



II. Executive Summary

The United Nations Conference on Sustainable Development — known as Rio+20 — brought together all actors — Governments, corporations, investors, citizens, consumers, workers and educators — to put the world on a more sustainable course, in the environmental, social, economic and governance spheres. Rio+20 fostered a stronger sense of shared purpose and collective responsibility to move from the status quo toward a more sustainable future.

In Rio, business showed that it can play a vital role in this endeavour, through corporate sustainability — defined as a company's delivery of long-term value in financial, social, environmental and ethical terms.

While responsible business is a complement to, and never a substitute for, Government action, it has great potential to help advance sustainable development on a broad scale in line with the Rio+20 agenda. Collaborative and solution-oriented engagement by the private sector can help launch widespread action in support of sustainability. Such actions, including foreign direct investment aligned with universal sustainability principles, can be an important complement to official development assistance in achieving UN objectives.

Progressive and promising work is underway. Transformative solutions by business exist with the ability to have profound impacts on areas including energy and climate, water, biodiversity, agriculture and food, corruption and gender equality. And business is increasingly moving into innovative and new opportunity spaces that drive corporate and investor success while delivering societal value, such as helping to lift people out of poverty through social enterprise or developing green products and processes.

Despite positive developments and shifting trends, corporate sustainability as practiced today is insufficient — a quantum leap is needed. With the right incentives and enabling environments, the private sector can make significant and lasting contributions to the sustainable development agenda — in Rio and beyond.

To that end, the Rio+20 Corporate Sustainability Forum (“the Forum”) was convened from 15 to 18 June 2012 to provide a launching ground for greater private sector and investor involvement in sustainable development, and to call on Governments to take steps that would support corporate sustainability globally.

The Role of Corporate Sustainability

Two decades ago when the United Nations hosted the Earth Summit in Rio, few companies were exploring the notion of sustainable business and the long-term impacts of their operations on the environment and society. Today, there are thousands of companies advancing corporate sustainability through a number of global initiatives.

The UN Global Compact is the world's largest corporate sustainability initiative, with approximately 7,000 business signatories from 135 countries, in addition to thousands of other key stakeholders. Each business participant has committed to align their strategies and operations with universal principles in the areas of human rights, labour, environment and anti-corruption, and then report publicly on their progress. Other key business- and investor-oriented organizations grounded in corporate sustainability include the Global Reporting Initiative (GRI), the World Business Council for Sustainable Development (WBCSD) and the UN-backed Principles for Responsible Investment (PRI).

Yet, corporate sustainability has not penetrated the majority of companies around the world, nor have we seen the depth of action needed to address the most pressing challenges. To reach scale, economic incentive structures must be realigned so that sustainability is valued and profitable.

Businesses and other stakeholders are calling on Governments to meet their own sustainability obligations and to help provide better enabling environments for companies to make their own contributions to sustain-



OBJECTIVES

Through the Forum, the UN Global Compact and its partners aimed to accomplish the following:

1. **Prove that corporate sustainability is an essential element in achieving sustainable development**, and underscore the urgent need for the UN to engage the private sector as a key partner.
2. **Demonstrate that principle-based platforms and transformative partnerships are advancing critical issues** – including sustainable energy, climate, water, food, women's empowerment, children's rights and good governance – with enormous potential to produce results if greater scale is achieved.
3. **Highlight that there can be no sustainable development without respect for human rights**, and that, while the primary responsibility for ensuring their promotion and protection lie with Governments, businesses have an independent responsibility to respect human rights.
4. **Showcase leading technological and social innovations**, emphasizing that many solutions to sustainability challenges already exist and can be more widely adopted with the right level of support, particularly from Governments and investors.
5. **Demonstrate the critical influence of other stakeholders – including investors, stock exchanges, business schools and universities, and cities – in stimulating corporate sustainability**. Sessions held at the Forum by these groups – for example the Principles for Responsible Investment and the Principles for Responsible Management Education – aimed to bring scale to their work.
6. **Motivate a rising number of companies to commit to universal sustainability principles and report on performance, as advanced by the UN Global Compact**.
7. **Mobilize a large number of commitments to action and partnerships by companies and other stakeholders**. To ensure these commitments translate into impactful actions, only those that have clear targets and commit to annual public progress reports have been accepted. The UN Global Compact has designed and will continue to manage this process, whereby UN entities, as well as outside partners such as the World Business Council for Sustainable Development, can funnel commitments through business.un.org, the UN-Business Partnership Gateway.
8. **Provide inspiration and encouragement to Governments to transition to a green economy, and to take steps to support responsible business practices globally**.

able development. Increasing the scale and intensity of efforts globally also requires the involvement of companies that have yet to embrace corporate sustainability, the motivation of less advanced companies to deepen their commitment, and the inspiration of front runners to lead the way to the next generation of sustainability performance.

Rio+20 Corporate Sustainability Forum

In the days before the UN Conference on Sustainable Development, the Rio+20 Corporate Sustainability Forum convened over 2,700 participants — approximately half from the business and investor community, and half from civil society, academia, cities, Government and the United Nations.

The Forum included over 120 sessions focused along six thematic tracks aligned with top priorities of the Rio+20 conference: Energy & Climate, Water & Ecosystems, Agriculture & Food, Economics & Finance of Sustainable Development, Social Development, and Urbanization & Cities. The sessions were organized by the UN Global Compact Office, over 35 UN and strategic partners, and more than 20 Global Compact Local Networks.

Outcomes

The Rio+20 Corporate Sustainability Forum served as a launching ground for hundreds of new activities, resources and commitments to action by individual businesses, multiple companies, and public-private partnerships, including:

- Approximately **200 commitments to action** announced by companies during the Forum, representing both individual and collective actions, in social, economic and environmental areas. Commitments are documented in chapter IV of this report, as well as featured on the UN-Business Partnership Gateway website at business.un.org.
- The **Global Compact Network Brazil** mobilized a large-scale commitment, whereby over 200 CEOs of Brazilian companies endorsed the Business Contributions to the Promotion of a Green and Inclusive Economy which lays out 10 commitments to be made by the end of 2012.
- The launch of a new corporate policy framework to assist companies in the development, implementation and disclosure of policies and practices related to **ecosystems and biodiversity**.
- The launch of a **social enterprise investment framework**, designed for large corporations, institutional investors and Governments interested in incubating and scaling up for-profit startups and small enterprises with social and environmental missions.
- The announcement by 16 companies and other stakeholders in the food and agriculture sector committed to lead the development of global **voluntary business principles on good practice and policy for sustainable agriculture** — to develop a common understanding and agreement on what resources and impacts are needed to transform markets and agricultural supply systems.
- The release of a special Communiqué by 45 chief executive officers to Governments on the importance of **achieving global water sustainability**, including examples of corporate commitments and actions and public policy recommendations needed to achieve this goal.
- Over 70 businesses, Governments and international organizations endorsed the **Green Industry Platform**, an initiative to mainstream environmental and social considerations into corporate operations through efficient use of energy and raw materials, innovative practices and applications of new green technologies.
- The introduction of a global **Water Action Hub**, the world's first online platform that will unite companies, Governments, civil society organizations and other stakeholders on water management projects at the river basin and catchment levels.

- The launch of a new platform to advance transparency and disclosure on gender equality issues in business by the **Women's Empowerment Principles** (WEPs), which are now endorsed by over 400 chief executives worldwide.
- The release of a corporate best practices guide on **Sustainable Energy for All** including priority actions and enablers for success across 19 industry sectors.
- Commitment by five **stock exchanges**, collectively listing over 4,600 companies, to promote sustainable investment — a first step towards a larger global call by stock exchanges for sustainability disclosure and performance by listed companies.
- A call by investors for **integration of sustainability issues within annual reports** of all listed and large private companies.
- Chief executives of 37 banks, investment funds, and insurance companies submitted a **Natural Capital Declaration** aimed towards integrating natural capital considerations into their products and services.
- The release of a **Declaration for Higher Education Institutions**, endorsed by over 60 major business schools and universities around the world committed to incorporating sustainability issues into teaching, research, and their own management and organizational activities.

On 18 June, the Forum's high-level closing plenary — Compact for Rio — convened chief executives with leaders from Government, civil society and the United Nations, as well as Forum participants, to discuss and identify strategies for a new era of global sustainability — with approximately 1,500 attendees. In the session, top leaders distilled the outcomes of the four-day Forum and identified the most promising business actions and commitments across key sustainability themes.

Additionally, a key outcome of the closing session was overwhelming support for the Sustainable Development Goals, with approximately 1,000 business executives at the Forum indicating their desire to work with Governments in setting goals and targets — seeing the SDGs as a driving force to move sustainability ahead.

About this Report

This Rio+20 Corporate Sustainability Forum Overview and Outcome document, presented to the UN Secretary-General on 21 June 2012 during the UN Conference on Sustainable Development, outlines leading corporate practices in key sustainability areas — and the wide spectrum of ideas presented at the Forum on innovations, collaborations and public policy recommendations — as well as an appendix of approximately 200 commitments to action announced by corporate leaders.

The actions and commitments included exemplify a larger effort underway by thousands of businesses and other organizations around the world that are at the leading edge of sustainability. It is hoped that this document can form the basis for identifying the most promising pathways to transform markets in fundamental ways that will contribute to a more sustainable world and the future we want.



Event Sustainability

Ensuring a small carbon footprint at the Rio +20 Corporate Sustainability Forum

In cooperation with sustainability experts at professional event management company MCI and with official event sustainability partner WindMade, a strategy was implemented to address the environmental, social and economic sustainability of the Rio+20 Corporate Sustainability Forum. The full Event Sustainability Report can be found on the UN Global Compact website.

1. A paperless event

Following the UN's PaperSmart guidelines, a customized mobile device application developed in partnership with QuickMobile made available programme agendas, session and speaker materials, and other necessary information related to the event. In addition, all of the signage provided was electronic, thus further reducing paper waste, and saving \$15,000 in printing. Virtually no printed papers were circulated at the Forum.

2. Reduced local emissions

With the support of MCI consultants, the host venue (Hotel Windsor Barra) implemented a staff training, towel re-use, customer engagement and communication programme that increased energy efficiency and social and environmental good practices (and has now become standard practice).

3. Reduced waste

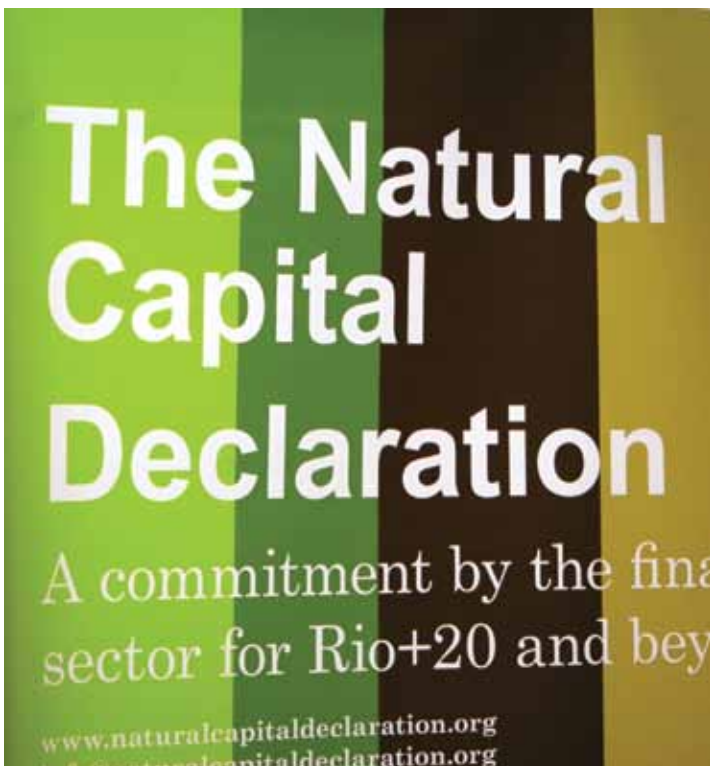
Waste management and measurement processes resulted in over 80 percent diversion of waste products from landfill. Forum participants were encouraged to utilize re-usable water bottles and dispensers, resulting in a 25 percent decrease in expenditure of plastic water bottles. Paper cups at water fountains were biodegradable, and all other serving materials were made from reusable glass, crockery or cutlery. Other contributing measures included minimal carpentry for the stage set, no giveaways from exhibitors, a recyclable conference bag and hired, re-useable modular exhibition booths.

4. Reduced food miles

Over 70 percent of food in the 13,000 meals served during the three-day event was made from ingredients sourced from within 100 miles.

5. Overall emissions

As with most international events, the biggest CO2 emissions impact resulted from air transport of conference delegates, while public transport, waste and energy use at the venue only contributed a relatively small share of the overall emissions. Emissions created in the production and transportation of the Exhibitor Stands were not included in the calculations.



III. Overview & Outcomes



ENERGY & CLIMATE

Climate change is a challenge interlinked with the opportunity of providing sustainable energy for all. Fossil fuels currently account for a vast majority of the world's primary energy mix; this source of energy is a finite resource experiencing increasing demand, which is not equally available throughout the global economy. These same fossil fuels also contribute to a majority of the total annual global increase in carbon emissions, a major driver of climate change. This duality has resulted in the global challenge of mitigating catastrophic climate change while protecting the most vulnerable communities from negative climate impacts and providing equitable access to energy. In this sense, ensuring sustainable energy for all and addressing climate change are essential to achieving development, peace and security, as well as economic market stability.

The private sector has a crucial role to play in sustainability, both in reducing negative impacts and providing solutions, with respect to both climate and energy, while simultaneously generating attractive financial returns. Business is uniquely positioned to address the environmental, social and developmental challenges related to energy and climate, particularly in the following areas:

- Increasing the energy efficiency of operations and developing products that support other sectors in becoming more energy efficient;
- Promoting renewable technologies, including through sourcing renewable energy to power the company's own operations;
- Reducing, and developing products that allow others to reduce, direct and indirect non-energy related greenhouse gas emissions from industrial processes, agriculture, and waste;
- Developing solutions that help all, but especially the most vulnerable, communities and stakeholder groups adapt to climate change; and
- Investing in the development and roll-out of modern energy infrastructure and services.

Through *Caring for Climate*, a joint climate leadership initiative of the UN Global Compact and the UN Environment Programme (UNEP), hundreds of business leaders are committed to advancing practical low-carbon solutions, increasing climate resilience and working to make the green economy a reality.

The Rio+20 Corporate Sustainability Forum demonstrated how many companies are also already engaging with the UN Secretary-General's *Sustainable Energy for All* (SE4All) initiative, with a view to accelerate partnerships with Governments and civil society and aligning their corporate strategies with the three objectives: double the rate of energy efficiency improvements, double the share of renewables in the global energy mix, and achieve universal access to modern energy services by 2030. The Forum also demonstrated how important it is for Governments to set national targets, such as the policy by China to ensure that 60 percent of all additional energy production capacity will be based on renewables, or the carbon neutral goal set by Costa Rica for the country.

Leading businesses must act as an example for other companies with their corporate policies and activities, as well as by actively encouraging others within their industry or along the value chain to do the same with respect to the following areas:

- Securing strong leadership buy-in to the company's energy and climate strategies;
- Establishing specific targets aligned with the SE4All objectives and the international agreement on the need to keep the average increase in global temperature below two degrees Celsius;
- Reaching these targets both through efforts to reduce emissions from buildings, transport, and operations, and through the development of innovative business models, products and services;
- Measuring energy usage and emissions data, and monitoring this data to inform better strategic energy and climate decision-making;

- Clearly identifying energy and climate “champion” roles within the organization, while establishing incentives for the company as a whole;
- Collaborating with businesses, civil society, communities and Governments while encouraging the participation of marginalized groups such as women, children and indigenous peoples to design and promote programmes and activities that advance the sustainability agenda with respect to climate change and energy — and bring them to scale everywhere;
- Actively seeking to work to advance social development where energy and climate policies and innovations are developed and implemented — realizing that such actions may create unintended social disruptions — and working to have a positive impact where such risks exist;
- Engaging Governments through responsible lobbying and supporting public policy measures that require and incentivize the entire global business community to contribute to climate and energy sustainability; and
- Communicating on energy and climate progress per the requirements of the UN Global Compact, as well as increasing the level of transparency and disclosure above and beyond these requirements.

Innovation

Developing new and innovative solutions to the climate and energy challenge requires an investment of time and capital. While most investments today in the installation of energy efficient measures provide a return on investment within five years or less, these activities still involve an upfront capital cost. For investments in new energy infrastructure such as large scale renewable energy projects, smart grids or grid extensions, the pay back times are much longer and the upfront capital cost tends to be larger. Similarly, the research and development required to advance tomorrow’s energy technology typically involves very long-term investments.

The private sector has proven to have the greatest ability in combining innovative capacity with access to finance. Therefore, business must take the lead in bringing about the energy revolution that the world so desperately needs. As this Forum has demonstrated,

there have been significant innovative breakthroughs in recent years that can serve as examples for other businesses to follow.

Technological Innovations

Often, a single technological innovation (typically described as “radical” or “disruptive”) can significantly enhance the energy efficiency of certain processes, reduce the cost of a renewable technology, improve access to energy sources, or help improve resilience to climate change. These technologies can focus on and reduce impacts inherent within a particular industry, while other innovations can enable other sectors of society to meet the energy and climate challenge. Examples discussed at the Forum include:

- **Developing better renewable energy technologies:** For example, organic photovoltaic solar panels that can be used in unique locations, including on the exterior walls of buildings and automobiles; more efficient wind turbines using next generation reduced-weight, aerodynamic fibers; and improved energy storage, supporting the large-scale deployment of wind and solar power.
- **Developing and improving other alternative energy sources:** For example, breakthroughs in the fields of chemistry and biotechnology leading to the creation of next generation biofuels with less impact on food supplies.
- **Developing enabling technologies:** For example, the development of mobile phone applications and other technologies that help build farmers’ resilience to changes in the climate and allow NGOs to efficiently gather and analyse data to support building community resilience; and the creation of applications that help improve the accuracy and timeliness of climate-related information analysis and decision-making.

These breakthroughs do not replace the incremental innovations also necessary to address energy and climate challenges. In some industries, electric motor systems can account for 60 to 70 percent of industrial electricity consumption, so even small improvements in such technologies can produce huge energy cost savings and emissions reductions. Similarly, modest but consistent improvements in energy efficiency over time in pumps or combustion engines contribute significantly to energy and climate targets.

Operational Innovations

There are ample opportunities for companies to change operational behaviours. This includes optimizing operations and reducing costs; beneficially reducing, reusing and recycling emissions and other waste products from industrial processes and agriculture; and fundamentally adjusting business models. Examples of these innovations currently in practice include:

- **Optimization and cost reduction innovations**, including reducing the weight of onboard equipment on airplanes, resulting in lower fuel consumption; and using metering and other industrial products to support electricity distribution in poor areas at a low cost.
- **“Reduce, Reuse and Recycle” innovations**, including reducing flaring in the oil and gas industries by converting to cooking gas for use in local poor communities; processing methane gas waste into a source of fuel; reusing fertilizer in agricultural production; and reusing wood pellet waste from paper manufacturing to create household heating or industrial power generation.
- **Business model innovations** in which companies fundamentally adjust the way they do business. Examples include “slow steaming” shipping in which ships travel at slower speeds, providing a differentiated option for customers where length of in-transit is not critical, which reduces both costs and emissions; “on-demand” approaches such as pay-as-you-go prepaid utility programmes which provide energy to low-income customers in a cost effective way; and new types of micro-insurance aimed at climate-vulnerable farmers to help protect them from catastrophic losses due to extreme droughts and other climate change related impacts.

Transformative Low-Carbon Solutions

Companies need to also create demand for solutions. This requires a shift in society to a focus on companies as solution providers and to a focus on transformative solutions – defined as solutions that provide a service in a new and more energy efficient way, both directly and by allowing reinvestments that help further uptake of low-carbon solutions. Disruptive innovators in this space also look to create demand in potential market areas

that no one has recognized before. Examples of transformative low-carbon solutions include:

- Retailers implementing measures designed to help suppliers become net-producers of renewable energy, which includes the trendsetting aspect of generating renewable energy for the supplier’s other customers.
- The shift towards dematerialization, including technological developments allowing for music and books to be purchased and accessed digitally.
- Drink manufacturers developing solar refrigeration units, which also allow for individuals in poor communities to plug devices into the unit and power personal devices.

Collaboration

Although individual actions can be impactful, they are not enough to achieve the objectives of *Sustainable Energy for All* and the climate change challenge facing the world. To reach scale, businesses must collaborate and form partnerships, seizing opportunities with greater investment in technological solutions and leveraging and developing innovative strategies. Greater impact can be found through collaboration among business, Governments, civil society and the UN, and by encouraging participation of potential beneficiaries as well as stakeholder groups who may be adversely affected.

- **Establish strategic partnerships within industries, across industries, and throughout the supply chain to address climate and energy challenges.**

For example:

- ◊ Pharmaceutical companies have partnered to engage in research to expand the understanding of climate impacts on health and the role of the insurance industry;
- ◊ Oil and gas companies have established strategic partnerships with innovative start-ups to deliver advanced biofuels; and
- ◊ Production companies have also partnered with ICT firms that develop and implement energy management systems and with industrial equipment manufacturers that make and install energy efficient production.

- **Establish partnerships with civil society and non-governmental organizations (NGOs) to understand the context of energy and climate issues locally and globally.** For example, insurance companies have been partnering with local development banks and agricultural cooperatives to provide climate-vulnerable farmers with micro-insurance policies and to protect them from catastrophic losses due to drought. These same companies are also working with international NGOs to gain a deeper understanding of the impact of changing rainfall patterns on vulnerable populations and to reduce disaster risk in developing countries.
- **Establish public-private partnerships (PPPs) to provide critical input, improve dialogue and share expertise between the public and private sectors, and jointly address climate change and energy needs.**

For example:

- ◊ At the Forum over 70 businesses, Governments and international organizations endorsed the Green Industry Platform, an initiative to mainstream environmental and social considerations into corporate operations through efficient use of energy and raw materials, innovative practices and applications of new green technologies.
- ◊ Chief executives of 37 banks, investment funds, and insurance companies submitted a Natural Capital Declaration at the Forum aimed towards integrating natural capital considerations into their products and services.
- ◊ Other examples include: appliance manufacturers that are working with national Governments to develop industry-wide energy efficiency standards and guidelines; automobile industry efforts to create the next-generation vehicle, in part through collaboration with Government and academic agencies to develop advanced technologies from pilot project to scale; a project whereby the Chinese Government is working with utilities to hire farmers in rural areas to act as part-time meter readers — an example of PPPs enabling not only greater access to energy but also a social component through increased job opportunities where otherwise there would be none.

Energy & Climate Sessions

- Accelerating Green Growth through Public Private Partnerships (3GF/UNGC)
- Activities and Challenges to Promote Innovation for Sustainable Development (GC Network Japan)
- Building Markets for Greener Products (US Environmental Protection Agency)
- Business & Industry Response to the Sustainability Challenge: Impacts & Opportunities for UN Stakeholders, Global Compact Signatories & Local Networks (GC Network Australia)
- Business Contribution towards the National Goal for a Low-Carbon Economy (GC Network Costa Rica)
- Caring for Climate Signatories Meeting (UNGC/UNEP/UNFCCC)
- Creating Impacts of Clean and Renewable Energy Usage in Rural Economy (GC Network Nigeria)
- Double Global Rate of Improvement in Energy Efficiency to Achieve "Sustainable Energy for All" (UNGC)
- Double Share of Renewable Energy in the Global Energy Mix to Achieve "Sustainable Energy for All" (UNGC/UNEP)
- Energy+: An International Initiative to Leverage Commercial Investments and Climate Finance (Government of Norway)
- Ensure Universal Access to Modern Energy Services to Achieve "Sustainable Energy for All" (UNGC/UNDP)
- Leadership for a Clean Revolution (The Climate Group)
- New Geographies of Corporate Sustainability (UNGC/GC Network Brazil, GC Network China, GC Network India)
- Resource Efficiency and Enterprise Competitiveness (UNIDO/Government of Switzerland/IFC)
- Rio Forward: Transformative Solutions for a Green Economy (The Climate Group/Carbon Disclosure Project)
- Sustainable Energy for All: Mobilizing Action and Partnerships around "High Impact Opportunities" (UNGC)
- Towards a Green and Resilient Economy: Addressing the Climate-Water Nexus (UNGC/UNEP)

Public Policy Recommendations to Governments

Although the private sector must be involved in developing and adopting solutions needed to address climate change and energy challenges, there is also a need for long-term and effective legislative and fiscal frameworks to create a stable price for carbon and support and motivate private sector actions. Without the proper enabling conditions, progress by the private sector may be difficult to achieve. The following public policy recommendations represent the wide spectrum of ideas discussed by corporate leaders and other speakers during the Forum, intended to create conditions necessary to scale solutions and achieve proposed targets:

- **Advance policies and mechanisms intended to create a stable price for carbon through international measures**, including trading schemes and tariff reductions on energy efficiency and renewable energy technologies.
 - **Make the Rio+20 conference the beginning of the end of all subsidies to fossil fuels and reorient subsidies towards clean and renewable energy**, including activities such as loan guarantee programmes for ensuring access to sufficient capital for renewable energy companies, measures to stabilize the long-term price of power from renewable projects, and policies to encourage the adoption of transformative low-carbon solutions.
 - **Develop, implement, improve and harmonize technical standards in critical green areas such as transportation, housing and energy consumption**, including renewable energy portfolio standards and mandates, renewable fuel standards, and efficiency standards for buildings, appliances, vehicles and other energy consumers in line with international standards — to provide both stability and certainty for future biomass electricity generation and transportation fuel use, and encourage more efficient construction and products.
 - **Integrate energy efficiency, renewable energy and clean energy criteria more fully into public procurement.**
 - **Establish long-term national energy plans** to create stability and predictability, and to reduce the risk for companies making long-term investments.
 - **Establish city-level ordinances**, for example to encourage the use of renewable and uptake of energy efficient technologies
 - **Implement other energy pricing measures**, including “critical peak pricing” or “peak time rebates” for electricity, externality pricing with respect to renewable energy, and long-run marginal cost pricing for electricity in energy poor areas.
 - **Ensure that Government action on climate and energy is sensitive to the social dimension of sustainable development**, including addressing potential adverse impacts on already marginalized groups and encouraging the participation of all relevant stakeholders.
 - **Ensure that any future Sustainable Development Goals include targets on access to energy, efficiency and renewables.**
-

WATER & ECOSYSTEMS



Water scarcity, pollution, climate change and other problematic global trends pose major challenges to businesses now and will continue to do so in the years ahead. It is increasingly clear that the era of business' easy access to water is ending, creating perhaps a greater threat to businesses than the loss of any other natural resource. Corporate Water Sustainability — also known as corporate water stewardship — has emerged as a response strategy to water risk. It is seen by many as both good business and critical for the well-being of communities, ecosystems and watersheds.

At its core, Corporate Water Sustainability is a holistic management approach that encompasses the development, implementation and disclosure of a broad range of water policies and practices. In this regard, true Corporate Water Sustainability requires that a company look beyond its “fence line” to consider its water footprint along its value chain and in specific river basins and watersheds. Further, emerging practice emphasizes the importance of responsible engagement in public policy, as well as collective action and collaboration across industries and in terms of business partnering with Governments, UN agencies, civil society organizations, and other interests. Finally, leading practitioners of Corporate Water Sustainability emphasize the need to integrate water policies into other key sustainability and development issues, such as energy and climate change, food and agriculture, and human rights generally.

The UN Global Compact's CEO Water Mandate provides a global platform to advance corporate water sustainability and stewardship, and is today endorsed by nearly 100 companies from numerous industries and regions.

Water sustainability is, of course, inextricably linked to ecosystems and biodiversity. In rising numbers, companies are beginning to examine the full range of their impacts — both direct and indirect — on different ecosystems and other components of biodiversity. Biodiversity and Ecosystems Services (or BES) strategies and resources are being adopted to assist companies in the development, implementation and disclosure of related policies and practices. One such resource is the UN Global Compact's new “Framework for Corporate Action on BES”.

Innovation

Companies advancing the tenets of Corporate Water Sustainability, as well as Ecosystems Management, are pushing the boundaries of innovation on a number of levels. Examples include:

- **Developing New or Enhanced Technologies for Water Efficiency and Waste-Water Management.** In recent years a range of new or enhanced technologies have been developed to increase water-use efficiency and waste-water management, including: advanced recycling systems at factories; on-site waste-water treatment facilities; and, in agriculture, new-generation drip-irrigation systems and the introduction of water-efficient crops.
- **Developing Water-Sensitive Products and Providing Water-Sensitive Services.** Increasingly sophisticated water footprinting methodologies are allowing companies to better understand the full extent of their direct and indirect water use, creating opportunities to offer water-sensitive products, including: clothing advertised as using less water in its production; low-water cleaning and detergent products; and specific crops and other commodities grown with less water.
- **Performing Research and Data Analysis with Respect to Water.** Using sophisticated hydrological models, some companies have developed or are developing comprehensive databases that capture water trends to better understand where water stress and scarcity may be most acute. These detailed global and local maps are helping companies better understand how they can manage water risks in specific river basins and watersheds, and how they can contribute to solutions.
- **Recognizing that Water is a Major Gender Issue.** Increasingly many businesses are including a gender dimension to their water initiatives to help close gender divides, empower girls and women, and mobilize the participation of girls and women to make their water initiatives more impactful.
- **Valuing Ecosystems and Natural Capital.** An emerging trend focuses on how companies can properly assign economic value

in relation to the ecosystems services and “natural capital” they impact or depend upon. Such valuations can assist companies with respect to internalizing costs and externalities placed on ecosystems and societies.

Collaboration

Corporate Water Sustainability and Ecosystems Management place high importance on collaboration, partnerships and collective action in order to address global and local challenges. While such cooperation includes business-business alliances, the new era will be increasingly defined by true multi-stakeholder partnerships that cut across industry, the public sector and civil society. Examples of cutting-edge forms of collaboration include:

- **Implementing Water and Ecosystems Solutions Across the Value Chain.** Increasingly, companies recognize that their water and ecological footprint may be quite significant when considering the entire business value chain, including suppliers. A rising number of companies, therefore, are beginning to work with suppliers — be they component suppliers or agricultural suppliers — to improve their resource-use efficiency. In this regard, companies are sharing technologies and developing
- toolkits to enable their suppliers to become more resource efficient.
- **Pursuing Multi-Stakeholder Projects at the Watershed Level.** It is widely agreed that water is a distinctly local issue — playing out within the context of specific river basins and watersheds. Therefore, companies are increasingly initiating or joining projects that have a sharp focus on a local challenge — such as a deteriorating watershed and ecosystem, or a community where water scarcity is particularly acute. Such an approach means that collaboration most often requires that companies work closely with highly localized partners and stakeholders — from solution-design to implementation. The UN Global Compact’s creation of an online global Water Action Hub is designed just for this purpose.
- **Instituting International Water Initiatives and Programmes.** At the global and international levels, numerous water-oriented initiatives and platforms have been launched to assist companies in becoming better water stewards. Some of these initiatives are quite general, such as the UN Global Compact’s CEO Water Mandate, while others may focus on a specific sector or industry (e.g., Aquafed, the Better Cotton Initiative, and the Beverage Industry Environmental Roundtable).

Water & Ecosystems Sessions

- Aligning Business Practice with the Human Right to Water and Sanitation (UNGC)
- CEO Water Mandate Endorsement Planning Meeting (UNGC)
- Corporate Action on Biodiversity and Ecosystem Services (UNGC/IUCN)
- Corporate Water Stewardship & Innovative Partnerships: An Imperative for Improved Water Resource Management (Alliance Water Stewardship)
- Emerging Best Practice in Corporate Water Disclosure (UNGC)
- Enabling Achievement of Water Sustainability Objectives: Collective Action & the Water Action Hub (UNGC)
- Understanding Effective Water-related Collective Action in Practice (UNGC)
- Responsible Water Management Practices in Conflict-Affected & High-Risk Areas (UNGC)
- Sustainable Water Use in Textile Production: A Case for Cooperation (Government of Sweden)
- Sustaining Life on Earth: Innovative Public-Private Partnerships to Combat Biodiversity & Ecosystem Services Loss (GC Network Turkey)
- Tourism for Tomorrow’s Green Economy/Sustainable Tourism (WTTC/GC Network Malaysia/GC Network Sri Lanka)
- Water Conservation Initiatives Across Sectors (GC Network Indonesia)

Public Policy Recommendations to Governments

Given the scale of the challenges, the international community will not make meaningful progress without much greater action by Governments in the coming years and decades. In this regard, a number of recommendations have come forward from business to Governments with the objective of advancing Corporate Water Sustainability and Ecosystems Management. Many of these are drawn from the special Communiqué “Make Water Sustainability a Priority” issued by 45 chief executive officers at the Forum:

- **Develop and implement more comprehensive and long-term water planning** with particular attention to the following:
 - ◊ Develop policies and incentives to improve water productivity and efficiency in all sectors, especially agriculture.
 - ◊ Increase investment in infrastructure and policies to accelerate progress in improving access to, and ensuring efficient and reliable delivery of, water and sanitation services, including to women and children.
 - ◊ Integrate water policies with other key sustainable development issues, most notably energy, agriculture and food, and climate change.
 - **Work at the international level to coordinate strategies and actions**, especially those in relation to working with the private sector, with particular attention to the following:
 - ◊ Share policies, innovations and tools among Governments and other stakeholders in order to scale up good practices and improve general effectiveness over time.
 - ◊ Work with relevant UN entities and other multilateral bodies on water initiatives and related projects and solutions.
 - **Collaborate more actively with the business community, private finance and civil society**, with particular attention to the following:
 - ◊ Engage with business-oriented water initiatives such as the UN Global Compact’s CEO Water Mandate.
 - ◊ Initiate and support more strategic and systemic multi-stakeholder partnerships, particularly at the river basin and watershed level.
 - ◊ Create better incentives and pooling resources to stimulate more private investment — particularly from the sustainable finance and responsible investment communities — in water-related projects, assets, funds and other vehicles.
 - **Develop and fully implement national Biodiversity Action Plans**, with particular attention to the following:
 - ◊ Work actively with the business community and other stakeholders to achieve objectives, such as those set forth by the UN Convention on Biological Diversity.
 - ◊ Ensure that Ecosystems and Biodiversity issues are integrated into other sustainability concerns, both environmental and social — including land management, food and agricultural production, climate change, water sustainability, and social development.
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AGRICULTURE & FOOD

Farming is an activity that covers nearly 40 percent of the earth's surface and provides food and nutrition for the world's 7 billion people. As the global population increases, consumption patterns change, and demands on limited land and water resources intensify, the challenge is now to create a future with "zero hunger" — where every man, woman and child enjoys their right to adequate food; where food systems are sustainable and resilient, able to manage risks and withstand shocks; and where good nutrition, especially between the start of pregnancy and a child's second birthday, is universal.

Companies in the food and agriculture industry have an important role to play in sustainability with respect to food, nutrition and agriculture. They are positioned to make a significant contribution to increase the production and nutritional quality of food as well as access to it for all, while respecting and supporting human rights, protecting and enhancing the environment, and ensuring decent workplace and wage conditions to reduce rural poverty. These new global challenges require that the private sector establish and implement sustainable agricultural practices globally that treat each actor along the supply chain equitably and in a manner which protects and enhances the environment, meets the needs of future generations, contributes to an improvement in food security and access, and helps in the reduction of poverty for the world's poorest families.

In the food and agriculture sector, leading companies are addressing adverse impacts and scaling up new efforts, committing to ambitious sustainability goals, and providing examples of best practices that other companies can follow. These companies have moved beyond merely releasing Corporate Social Responsibility reports to actually embedding sustainable practices in their core business. This includes pushing their supplier network to improve practices, as well as diligently working with smallholder farmers — and the communities in which they live - to provide training, finance, and a fair and consistent buyer for the farmer's harvest. Other companies that are not yet leaders in corporate sustainability can use these examples as models and inspiration for pushing forward their own commitments and building momentum towards a future with zero hunger, where every

food and agriculture company is conducting business in a sustainable manner.

Leading practitioners of sustainable agriculture have emphasized that significant progress can only be reached by the private sector working together collaboratively with Governments and civil society. The United Nations Food and Agriculture Organization, the World Food Programme, the United Nations Environment Programme, the International Fund for Agricultural Development, the World Bank, the International Finance Corporation and the UN-backed Principles for Responsible Investment all provide vehicles and expertise for enhancing food security and expand sustainable agriculture and food systems.

At the Rio+20 Corporate Sustainability Forum, the UN Global Compact and a group of 16 leading companies and stakeholders in the food and agriculture sector committed to champion the development of global voluntary business principles on good practice and policy for sustainable agriculture. This initiative will be aimed at developing a common understanding and agreement on what resources and impacts are needed from the global community to transform markets and agricultural supply systems.

Innovation

Leaders in sustainable agriculture are making progress with a variety of innovative approaches and activities, including:

- **Sustainable and Inclusive Sourcing:** Companies both large and small are now committing to sustainably source products, especially from smallholder farmers, to reduce rural poverty by empowering farmers (particularly women who constitute the majority of the world's poor) and linking them to markets.
- **Land and Water Management:** Both Governments and the private sector are investing in innovative new water management systems that reduce use and improve agricultural yields. Climate-smart agricultural practices, including crop rotations, reducing the use of chemical fertilizers and prohibiting expansion into protected areas, are mending the soil and enhancing productivity.
- **Nutrition:** While food production is important, access to food and its nutritional

value are the most critical aspects for future generations, whether they live in rural or urban environments. The world has as much over-nutrition (overweight/obesity) as under-nutrition, and the epidemic is growing. Special attention is needed for the nutrition of children, since malnutrition at a young age can cause permanent health impacts, delay development and stunt growth. Nutrition and hunger are important gender issues since women across the world often eat last and least. Innovative solutions are being developed to enhance the nutritional value of crops while still in the ground and nutritionally fortify food during processing. The marketing of food is being approached in innovative ways to highlight nutritious choices, as marketing is an influential aspect in consumer choice.

- **Technology:** Technology is changing the way farmers obtain market and weather information, improving storage methods, reducing crop risk for both poor smallholder farmers and large commercial plantations, minimizing food loss in storage and wasted food by retailers and consumers, and improving the drought-resistance of seeds. Equal access to technology for women and men is key to ensure initiatives help close gender divides rather than widen them.
- **Responsible Investing in Agriculture:** Governments and large institutional investors are recognizing both the importance of agricultural investment as well as the need to ensure that investment contributes to establishing sustainable food systems, while protecting the environment and communities without contributing to speculation and wild price swings for commodities.

Collaboration

Business, Government and civil society recognize today that successfully altering the agricultural landscape will require collaboration and a unity of purpose. A world with 1 billion hungry people, the majority of whom are women and children, and a deteriorating environment is not in the long-term interest of anyone. The momentum to address these challenges, particularly since the global food crisis in 2008, has grown swiftly over the past five years.

Governments, through inclusive public policy and targeted investments, create the enabling environment to enhance food secu-

rity and improve sustainable agriculture at a local and national level. Civil society brings its on-the-ground experience, pro-poor focus, practical application and outstanding research to the table. And businesses, recognizing the complexity of the global environmental and economic challenges, are engaging with these actors and leveraging their scale, resources, investments and technology to focus on sustainable agriculture.

Many public-private partnerships and collaborations are currently in place, spanning multiple companies, Governments, civil society organizations, and NGOs; for example:

- Large multinational agriculture conglomerates are working with NGOs to encourage farmers to adopt sustainable and climate-smart practices globally.
- Insurance companies are working with NGOs, civil society and Governments to enable drought-prone farmers in least developed countries to reduce their drought risk.
- Fertilizer manufacturers and Governments of developed nations are working with the Governments of least developed countries on catalyzing agricultural growth corridors.
- UN agencies, like FAO and UNEP, governments from developing, emerging and developed countries, NGOs and the private sector are collaborating on sustainable consumption and production in the agriculture and food sector to deliver sustainable food systems.

Agriculture & Food Sessions

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| <ul style="list-style-type: none"> • Action towards Sustainable Livestock Sector Development (FAO) • Better Linking Smallholder Farmers to Markets (UNGC) • Delivering a Programme on Sustainable Consumption and Production in Food and Agriculture (FAO/UNEP) • Driving Inclusive and Green Growth in Agriculture through Public-Private Collaboration Platforms (UNGC/Government of Denmark/UNDP) • Global Governance for Sustainable Food and Agriculture (FAO) • Innovation & Collaboration for Food Security and Sustainable Agriculture (UNGC) • Making Sustainability Standards Work for those Most in Need (Government of | <ul style="list-style-type: none"> Sweden/IISD) • Mitigating Risks and Increasing Resilience of Small Farmers, Innovative Partnerships and Lasting Impact (Government of Switzerland) • Partnerships for Globally Sustainable Agriculture (GC Network Malaysia) • Secure Food Systems, Drivers for a Sustainable Tomorrow (UNEP/FAO) • The Sweet Spot: Cocoa's Promise of Sustainability, Equity and Profitability for Smallholders and Business (IFAD) • Technology and Knowledge Sharing for Sustainable Agriculture (CropLife, World Farmers Organization) • Transformational Partnerships for Food, Nutrition and Development (UNGC) |
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Public Policy Recommendations to Governments

Government investment in rural agriculture declined precipitously from the early 1980s to the middle of this decade. The drop-off has left the private sector often in the lead on infrastructure investments, extension services, storage, marketing and provision of inputs. Considering the urgency for action needed to create a future with “zero hunger” and given the scale of the challenge to establish sustainable agriculture systems, the re-emergence of Governments as leading investors as well as innovative policy makers is required.

During the Forum, participants discussed the following recommendations to Governments with the objective of advancing food security and sustainable agriculture:

- **Invest in agricultural productivity, particularly for smallholder farmers**
 - ◊ Invest more in agricultural research and development as well as in agricultural institutions, extension services, and infrastructure such as roads, ports, storage and irrigation systems;
 - ◊ Focus investment in rural development in sectors such as education (particularly for girls), health care and clean water;
 - ◊ Enforce, in a consistent and predictable manner, human rights, labour, environmental and good governance standards.
 - **Improve the quality and access to nutritional food**
 - ◊ Build nutrition into all sectors: agriculture, value chains, safety nets, public health and education;
 - ◊ Focus on the nutritional value of food from farm to fork, which includes production, processing, marketing, purchase, preparation and consumption;
 - ◊ Secure year-round access to the varieties of food required for good nutrition and focus on enabling universal access to nutritious food in the “one thousand days” between when pregnancy starts and a child’s second birthday.
 - **Protect and enhance the environment while improving agricultural productivity**
 - ◊ Implement policies to encourage integrated management of food, energy, water and land with full accounting of these inputs;
 - ◊ Implement policies to prioritize programmes to diversify agricultural production as a means for managing soils, water and biodiversity.
 - **Support technological innovation that is applicable and accessible to poor farmers**
 - ◊ Establish policy frameworks that attract investment in technology and facilitate sustainable agricultural development;
 - ◊ Assist in scaling-up effective pilot projects where technology has increased food security and sustainable agriculture.
 - **Advance the sustainability of food systems**
 - ◊ Support the development of standards and guidelines for sustainability, corporate transparency and reporting for sustainable agriculture; reward sustainable practices; and encourage all businesses to make food security and sustainable agriculture a business priority.
 - **Apply a gender and child rights lens to initiatives**
 - ◊ Develop initiatives, whether by Government, the private sector or collaborative efforts, which benefit from the full participation of women and, where appropriate, children to help close rather than widen divides.
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ECONOMICS & FINANCE OF SUSTAINABLE DEVELOPMENT



While our global economy has emerged as the most efficient system for allocation of economic resources and holds our best hopes for stable economic development and long-lasting peace, it is also giving rise to increasing social inequality and major environmental externalities, and has contributed to consumption of natural resources beyond the carrying capacity of the planet.

To maintain the delicate balance between economic development, social justice and environmental stewardship, the economic and financial infrastructure of our global economy must be reoriented with a focus on sustainability objectives. Business models, financial products and market infrastructures must be adapted to better integrate environmental externalities and social considerations into mainstream economic and financial activities. At the same time, new business models and financial products must be developed to make sure that capital can flow in sufficient scale to more sustainable investments. Social and environmental costs must also be reflected in prices and measures of economic activity, and information on sustainability performance must be available at all levels of economic activities to enable consumers, companies, investors and Governments to make sustainable choices.

As Governments negotiate a common path toward a more inclusive, green economy, it is important to recognize the key role of investors and financial institutions in driving sustainable development and to build upon private sector-led initiatives and innovations that address systemic economic and financial dimensions of sustainable development, including responsible investment, sustainable finance, sustainable stock exchanges, inclusive finance and corporate governance. There is growing consensus that Responsible Investment and Sustainable Finance represent investors' contribution to overall global sustainable development.

It is also important to consider key public policy recommendations to fully leverage the potential contribution of the private sector. Public policies and incentives and public investments are needed to create the momentum for change, break current habits and address the mismatch between short-term economic and financial measurements and long-term sustainability considerations.

Innovation and Collaboration

Responsible Investment

Responsible Investment focuses on incorporating sustainability into investment practices. The UN-backed Principles for Responsible Investment (PRI) — now supported by more than 1,000 investment institutions with total assets under management in excess of US \$30 trillion — are founded on the conviction that environmental, social and corporate governance (ESG) issues can be material to the financial interests of long-term investors. The future success of companies and assets in which PRI signatories invest depends on the ability to understand and manage drivers of long-term financial risk and return that include climate change, resource scarcity, global demographic and political changes, human capital, and social issues in increasingly complex global supply chains.

In recent years, investors have taken significant steps towards integrating ESG factors into their operations — both before they make investment decisions, and in their role as holders of shares, bonds and other securities and assets. Through PRI, hundreds of investors have:

- Encouraged companies to disclose more information on their approach to sustainability and corporate governance, and to improve their performance in these areas;
- Incorporated ESG information into their investment decisions across all asset classes, including equity, fixed income, real estate, infrastructure and impact investment (i.e. impact investing and social entrepreneurship);
- Engaged in dialogue with companies to promote improved sustainability performance — leading to demonstrable changes in policy and practice at many companies;
- Begun to investigate the implications of sustainability issues — most notably climate change — for the long-term strategic management of their entire investment portfolio;
- Encouraged players in the investment chain — pension trustees, investment managers, sell-side analysts, investment consultants and independent research providers — to address sustainability issues;

- Increased their own transparency on ESG issues, publishing responsible investment and sustainability reports for their clients, beneficiaries and other stakeholders.

Sustainable Finance

The financial sector has a key role to play in achieving sustainable development across the global economy, not just by financing sustainability through investing in green projects and ESG investments, for example, but above all by financing sustainably. Sustainable Finance involves integrating sustainability issues directly into the core business of financial institutions—distinct from portfolio investment, which is covered under Responsible Investment. By actively seeking to allocate capital to those businesses and market players operating in a sustainable manner, the financial sector can influence their clients and investee companies and seek to align their activities with long-term sustainability goals. Thus, the financial sector can fundamentally contribute to the greening of business and industry, job creation and social inclusion, while also helping broader society to address sustainability challenges such as social inequity, climate change, resource scarcity and biodiversity loss.

Financial institutions that are part of the UNEP Finance Initiative, the Equator Principles and other programmes have developed standards and best practices in several of the key dimensions of Sustainable Finance, including:

- **Responsible Lending**, which consists of the systematic identification, assessment, management and monitoring of sustainability risks and opportunities in the lending business. Sustainable lending aims to reduce risk, spur innovation, and improve performance and resilience for clients, as a means of fulfilling the lending business' role in achieving sustainable development.
- **Responsible Property Investment**, an approach to property investing that recognizes environmental and social considerations along with more conventional financial objectives. It goes beyond minimum legal requirements, to improving the environmental or social performance of property, through strategies such as urban revitalization, financing energy efficiency retrofits, or the conservation of natural resources.
- **Sustainable Insurance**, a strategic approach that includes the systematic identification, assessment, management and monitoring

of risks and opportunities in the insurance business associated with environmental, social and governance issues. It aims to reduce risk, develop innovative solutions, improve business performance, and contribute to sustainability. The UNEP Finance Initiative's Principles for Sustainable Insurance was launched at the International Insurance Society Annual Seminar in Rio, coinciding with the Rio + 20 Conference, with 27 leading insurers representing over 10 percent of world premium volume. The principles are a set of voluntary and aspirational global principles — including possible actions — to address ESG issues in the insurance business, spanning risk management, underwriting, product and service development, claims management, sales and marketing, and investment management.

- **Natural Capital Accounting**. Across all sectors, companies and investors recognize the urgent need to change the parameters for commercial decision making so that the value of natural resources can be better integrated and investments directed into long-term sustainable growth paths for businesses. The Natural Capital Declaration, convened by UNEP Finance Initiative, the Global Canopy Programme, and the Center for Sustainability Studies, was launched at the Rio + 20 Conference and signed by 37 banks and financing institutions that committed to the eventual integration of Natural Capital into their reporting, accounting, and decision making, and calling on Governments to introduce appropriate policy frameworks to facilitate valuing and reporting on Natural Capital at scale.

Inclusive Finance

Access to capital is crucial if the world's poor are to be able to lift themselves out of poverty. Poor people, women, indigenous peoples and other marginalized groups face special barriers in many markets in accessing finance. Micro-finance is an important approach to making inroads in this area. However, financial services more generally need to become more accessible to help micro and small enterprises grow. There has been much innovation in areas like mobile banking for underserved communities. Initiatives to promote and facilitate saving, including for women and young people, show great promise to help people invest in their own

Economics & Finance of Sustainable Development Sessions

- Board Adoption and Oversight of Sustainability (UNGC/PRI)
- Building a New Ecosystem for Sustainable Economy (GC Network Korea)
- The Business Case for the Green Economy (UNGC/UNEP)
- The Case for Corporate Sustainability Management and Reporting in Developing Markets (UNGC/Government of Switzerland/GRI)
- CEOs and NGOs Views on Innovation for Sustainability (GC Network France)
- A Changing World: Business as Unusual (GC Network Bangladesh/GC Network Pakistan/GC Network Vietnam/UNESCAP)
- Communicating ESG Value Drivers at the Investor-Company Interface (UNGC/PRI)
- Enterprise 2020: Multi-stakeholder Planning in Ukraine (GC Network Ukraine)
- Financing 'Sustainable Energy for All' (UNGC/PRI)
- Framework for Action: Social Enterprise & Impact Investing (UNGC/Rockefeller Foundation)
- From 1992 to 2012: 20 Years of Sustainability Mainstreaming in the Financial Sector (UNEP FI)
- Green Chemistry (UNIDO)
- A Green Economy through Sustainability Reporting: On 'Report or Explain' & G4 (GRI)
- Green Gold: Financing the Green Economy (UNEP/ UNEP FI)
- Integrated Reporting and Innovation: Communicating in the 21st Century (IIRC/GC Network UK)
- Launch of Green Industry Platform (UNIDO)
- Launch of the Natural Capital Declaration: Perspectives from Senior Executives (UNEP FI)
- Realizing the Value of Responsible Investment (UNGC/PRI)
- The Resource Efficiency Revolution: Decoupling for Change (UNEP/UNIDO)
- The Role of Local Networks for Sustainable Development in Emerging Democracies (GC Network Bulgaria/GC Network UK)
- Standards Driving Sustainability through Financial Markets (IFC)
- Sustainable Stock Exchanges 2012 Global Dialogue (UNGC/PRI/UNCTAD/ UNEP FI)
- The Finance and Economics of Sustainable Development in Southern Africa (GC Network South Africa)
- Unlocking Private Investment in Clean Energy: The Role of SMEs in the Developing World (AFD, IADB)

futures and sustainable livelihoods, but need support to scale up impact.

At the Rio+20 Corporate Sustainability Forum, a social enterprise investment framework was released, designed for corporations, institutional investors and Governments interested in incubating and scaling up for-profit startups and small enterprises with social and environmental missions. A Framework for Action: Social Enterprise & Impact Investing guides investors, corporations and policymakers on engaging with social enterprises to create financial, social and environmental returns — outlining three key steps: prioritizing the rationale for engaging, defining a strategy, and choosing specific approaches to execute.

Sustainable Stock Exchanges

Collectively, stock exchanges around the world represent a global hub for financial resources and act as the main intermediary between the financial and economic systems. As such, they can play a key role in facilitat-

ing the transition to markets that internalize social and environmental challenges.

Driven by a search for competitive advantage and foreign direct investments, stock exchanges around the world, especially in developing markets, have begun to champion ESG integration through the creation of innovative investment and financial products and the promotion of transparency around the ESG performance of publicly listed companies. The Sustainable Stock Exchange initiative, organized by the UN Global Compact, UNCTAD, PRI and UNEP Finance Initiative, is a forum for exploring how exchanges can work together with investors, regulators and companies to enhance corporate transparency, and ultimately performance, on ESG issues and encourage responsible long-term approaches to investment. The South-African Stock Exchange is leading the way by requiring listed companies to report integrated financial- and non-financial information.

Beyond promoting transparency in markets, stock exchanges can also be the vector for new financial products and innovations to drive more sustainable investments as seen through the Sustainable Stock Exchanges initiative, including:

- Sustainability and ESG indices
- Trading platforms and other markets for financing
- ESG guidance and training for companies
- ESG code for listed companies
- ESG ratings of companies

During the Forum, five stock exchanges with over 4,600 listed companies announced a commitment to work with investors, companies and regulators to promote long-term sustainable investment and improved environmental, social and corporate governance disclosure and performance among companies listed on their exchange. This core group will work with other leading exchanges involved in the Sustainable Stock Exchange initiative, and the World Federation of Exchanges, to extend this commitment to all stock exchanges around the world and promote long-term, sustainable investment in their markets.

Corporate Governance of Sustainability

Responsible investment and ownership are only possible if ESG factors are integrated in the main mechanisms by which investors monitor and evaluate company performance — i.e. corporate governance, investor relations and reporting.

Board Oversight and Investor Relations at the Company Level

Successful sustainability efforts require a company's Board to play a proactive role in the adoption and oversight of corporate sustainability actions. Given the materiality of certain sustainability issues to the long-term success of the business, the Board's fiduciary duty to protect shareholder interests should include corporate sustainability considerations. To investors concerned with the long-term viability and profitability of a company, it is an indication that risks and opportunities are adequately dealt with at the highest level, and thus a proxy for good governance overall. Leading investors and companies from PRI and the UN Global Compact have been working together to advance further Board adoption and oversight of sustainability, includ-

ing through consideration of sustainability factors in executive compensation.

At the Rio+20 Corporate Sustainability Forum, a publication on *Integrating ESG into Executive Pay* was launched by investors and companies to advance management practices. The Forum was also an opportunity to confirm the importance of Board oversight of corporate sustainability, as outlined in the Global Compact LEAD publication *A New Agenda for the Board of Directors: Adoption and Oversight of Corporate Sustainability*.

Leading investors and companies have also worked on improving investor communication on corporate sustainability, as a complement to reporting, to ensure that sustainability performance is effectively communicated and sufficiently rewarded by financial markets. The ESG Investor Briefing — a new framework for communicating ESG value drivers at the company-investor interface — was launched at the Rio+20 Corporate Sustainability Forum as part of a joint project with leading companies and investors designed to pilot a series of high-level investor calls similar to quarterly earnings calls but focusing on ESG.

Integrated Sustainability Reporting

The availability of mainstream, integrated corporate sustainability disclosure is a key pillar for the transition to a more sustainable financial and economic system. True integration of sustainability in investment decisions will only be possible if information about a company's impact on and from ESG issues is provided together with, and in the context of, the typical information on governance, strategy, operating and financial performance that drives investors' analysis and decisions.

Business has made significant contributions in the area of sustainability reporting in recent years, and efforts are under way to develop complementary frameworks for Integrated Reporting and Sustainability Reporting.

- The UN Global Compact requires business participants to publicly disclose their progress on integrating the initiative's ten principles annually — known as the *Communications on Progress*. Currently more than 4,000 companies report every year on their progress and, over the years, the UN Global Compact has built a repository of nearly 14,000 Communications on Progress.

- **The Global Reporting Initiative's (GRI)** set of voluntary guidelines for sustainability reporting has become a de-facto standard. GRI is now developing G4, a further iteration of its Guidelines to support the reporting of sustainability performance in both integrated and standalone reporting formats.
- **The International Integrated Reporting Council (IIRC)** is bringing together financial accounting standard setters and existing initiatives, such as the UN Global Compact and the GRI, to integrate sustainability, financial, governance and management reporting, as well as demonstrate the link between an organization's strategy, governance and financial performance and its social, environmental and economic context.

Despite much progress, sustainability reporting is far from mainstream and the lack of information on corporate sustainability performance impacts all other efforts to promote sustainability through investment, production and consumption. For example, more than 3,000 companies participating in the UN Global Compact have been expelled for failure to communicate progress since the policy was enforced in 2005. The challenge is particularly acute for smaller companies for which a sustainability progress report is often their first public report on internal strategy and operations.

Public Policy Recommendations to Governments

As Governments develop the future institutional framework for sustainable development, it is important to recognize investors' essential contribution to sustainable development and to adopt policies and incentives that encourage and promote further uptake and deepening of Responsible Investment and Sustainable Finance. During the Forum, participants discussed recommendations for Governments, including to:

- **Encourage stock exchanges and their regulators to promote responsible investment and corporate sustainability.**
 - **Promote ESG policy and action by investors**, for example: requiring all public and private pension and investment funds (including sovereign wealth funds) to have an ESG policy as part of risk management, and more generally to integrate ESG factors into their operations.
 - **Promote responsible active ownership** through corporate governance and other codes in order to improve investor monitoring of companies' governance, sustainability practices, risk management and business strategy.
 - **Promote sustainability awareness and capacity-building** throughout the investment chain, including training programmes and incorporation of sustainability into the competencies required for pension trustees.
 - **Promote increased disclosure of integrated corporate sustainability information by large and small companies**, while taking into account existing voluntary initiatives and self-regulation, and reinforcing and enriching existing economic and financial structures for transparency and accountability.
 - **Adopt smart regulatory and incentive structures** so that environmental costs and benefits are more fully reflected in prices, as well as to provide greater incentives to strive for long-term value creation over short-term profit maximization.
 - **Encourage national, bilateral and multi-lateral development finance institutions to pursue and systematize their engagement with private financial intermediaries on sustainability issues.**
 - **Develop policies and incentives to help foster impact investing**, i.e. greater investments in assets and enterprises that deliver both economic and development gains.
 - **Promote greater accessibility to financial services for poor people, women and other marginalized groups.**
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SOCIAL DEVELOPMENT

The contribution that the business sector can make to social development through corporate sustainability efforts is receiving increasing recognition. While private actions will not substitute for effective governance and enabling public policy frameworks, companies and other private actors have a key role to play in respecting and supporting human rights and labour standards, breaking cycles of violence, preventing corruption and stimulating economic development. Through core operations, partnerships and innovative solutions, the private sector can help empower the poor and disadvantaged, create inclusive markets and bring opportunities to the bottom of the pyramid to enhance human capabilities and freedoms.

Respect for Rights and Good Governance

Governments at all levels have the duty to protect, respect and fulfill human rights. However, all societal actors, including business, must comply with applicable national laws and respect international human rights and labour standards.

The corporate responsibility to respect human rights is a key component of UN Global Compact Principle 1 and further clarified by the UN Guiding Principles on business and human rights, endorsed by the UN Human Rights Council in June 2011. This responsibility requires that companies have in place appropriate policies and processes to avoid infringing on human rights and to address adverse impacts that occur, expressed through a policy commitment to meet their responsibility and implemented through human rights due diligence and processes to enable remediation of adverse impacts on human rights.

Addressing actual or potential adverse human rights impacts requires taking proactive steps to prevent, mitigate and, where appropriate, remediate such impacts. While businesses are encouraged to undertake other commitments or activities to support and promote human rights beyond respect, this can-

not offset a failure to respect human rights throughout their operations. The responsibility to respect human rights refers at a minimum to the internationally recognized rights expressed in the International Bill of Human Rights and the International Labour Organization's core international labour standards. Core elements of human rights due diligence include assessing actual and potential human rights impacts, acting on the findings, tracking the effectiveness of the company's actions to address human rights risks and impacts, and communicating to stakeholders how risks and impacts are addressed. Throughout such processes, meaningful engagement with potentially affected stakeholders is key.

Respecting human rights, including the human rights of workers, is a baseline expectation for all business enterprises and it is also integral to corporate sustainability, as the failure to address the human rights impact of business activities may in some cases lead to significant negative legal, financial, operational and reputational consequences for companies.

In addition to its employees, the business sector's operations may pose risks to the human rights of various other groups, including women, children and indigenous peoples. Potentially affected stakeholders may include communities around the enterprise's facilities, workers of other enterprises in its value chain, users of its products or services, others involved in product development (such as in product trials) and so forth.

Violence, political conflict, insecurity and societal fragility form some of the largest obstacles to development. Conflict-affected and high-risk areas are home to a majority of the undernourished and poor, as well as those with limited access to education and safe water and those experiencing the highest rate of infant mortality. Conflict and instability also pose a number of operating challenges to the private sector — disrupting production and supply chains, increasing operating costs and delaying activities. When operating in such complex contexts, business enterprises should, at a minimum, avoid complicity and ensure that they do not exacerbate the situation. At

the same time, business can play a critical role in building trust, creating jobs and stimulating peaceful and sustainable growth in societies that so desperately need it.

It is also critical that companies work against corruption, including bribery and extortion. Along with unrealized human rights, corruption is the single greatest obstacle to economic and social development around the world. It has adverse impacts on sustainable development, with a disproportionate impact on poor communities. Corruption has considerable and costly impacts on the private sector as it raises transaction costs, undermines fair competition, distorts development priorities, and impedes long-term foreign and domestic investment.

Beyond Doing No Harm – Creating Positive Social Impact

Recognizing that achieving sustainable development is too big an assignment for any single sector, be it Government, international organizations or civil society the UN Global Compact calls on business — the engine for jobs, innovation, capital creation and investment — to take action towards UN goals including peace and security; the Millennium Development Goals; human rights; children's rights; gender equality; health; education; humanitarian assistance; employment and decent working conditions; and anti-corruption. Businesses can look for opportunities to contribute to sustainable development through core business practices, social investment and philanthropy, and/or engagement in public policy and advocacy. They can be undertaken alone or in partnership with others.

Core Business

- **Contributing to women's economic empowerment, and expanding business relationships with women-owned enterprises including small businesses and women entrepreneurs.** Through implementing the Women's Empowerment Principles (WEPs) — a partnership initiative between UN Women and the UN Global Compact — companies can promote gender equality and women's empowerment.
- **Embracing the Children's Rights and Business Principles (Children's Principles)** — a partnership initiative between UNICEF, the UN Global Compact and Save the Children — which seek to elaborate business' responsibility to respect and commitment to support children's rights everywhere.
- **Extending core business products and services to support peace;** for example, heavy manufacturing companies adapting products from their earthmoving range to be suitable for anti-personnel mine clearance.
- **Incorporating sustainability into company supply chain strategies:**
 - ◊ Developing inclusive business approaches to supply chain management and integrating disadvantaged communities into the business' supply chain; and
 - ◊ Comparing business supply chain sustainability strategies against best practices and suggested global guidance, and benchmarking against peers, using tools such as the online Quick Self-Assessment and Learning Tool.
- **Adopting human resource hiring and other workplace policies that cut across ethnic and racial divides.**
- **Developing child friendly products and services,** for example:
 - ◊ Pharmaceutical companies addressing the issue of childhood diabetes, which is affecting a third of children in the US on average;
 - ◊ Car manufacturers focusing specifically on children in their research to advance the safety of children, youth and young adults;
 - ◊ Home furnishing companies developing family-friendly shopping experiences; and
 - ◊ Banks offering child-friendly banking opportunities to empower children and create long-term/life-time customers.
- **Contributing to the economic empowerment of indigenous peoples:**
 - ◊ Expanding and strengthening relationships with indigenous-owned business and communities, including, but not limited to equity or benefit sharing, procurement of raw materials and supplies, and indigenous employment;

Social Development Sessions

- Annual Meeting of the Global Compact Brazilian Network: Business Leadership and the Role of Cooperation in Sustainable Development (GC Network Brazil)
- Anti-Corruption Risk Assessment as Basis for Sustainable Organisation (UNGC)
- Building a Global Union for Sustainability: The Role of Business, Industry and NGOs (Insituto Ethos)
- Business Engagement with Indigenous Peoples (UNGC)
- Business, Peace and Sustainable Development (UNGC/PRI)
- Changing the World through Fashion (GC Nordic Network)
- Children and Business: Making the Connection for Sustainability (UNGC/ UNICEF/Save the Children)
- Corporate Respect & Support for Human Rights: The Foundation for Sustainability (UNGC)
- The Role and Benefit of Voluntary Actions and Programmes (GC Network Indonesia)
- Enabling Green and Inclusive Markets: A Case for Public Private Collaboration (UNGC/DCED/WRI)
- Foundations for Sustainability Leadership: Responsible Management and Leadership Education (UNGC/PRME)
- Foundations of Social Investment (UNGC/PSI)
- Gender Equality for Sustainability (UNGC/UN Women)
- Global Compact European Companies Towards Rio+20 and Beyond (GC Network Italy)
- Global Compact Network Egypt Members Best Practices (GC Network Egypt)
- Good Business Models for a Sustainable Future (ITC)
- How Local Networks are Inspiring Business to Advance Human Rights (GC Network Australia/GC Network Germany)
- Partnering in Innovation for Sustainable Development (GC Network Italy)
- Profits and Opportunities at the Base of the Pyramid: Sustainable Development through Inclusive Business (Business Call to Action)
- The Reconceptualization of Business (UNGC/PSI/Regional Support Center for the Global Compact in Latin America and the Caribbean)
- Sustainability with Integrity: From Organisational Change to Collective Action (UNGC)
- The Sustainable Supply Chain: Scaling-up the Impacts of Sustainability Practice (UNGC)
- Women & Sustainable Development: The Role of Business (UNGC/UN Women)
- Women's Empowerment Principles: Local Opportunities to Turn Principles into Progress (UNGC/UN Women)

- ◊ Recognizing the value of and compensating indigenous peoples for their intellectual property including but not limited to traditional ecological knowledge; and
- ◊ Developing products and services that benefit indigenous peoples.
- **Incorporating the principles of Free, Prior and Informed Consent** when working with local communities including indigenous and tribal communities residing in areas affected by a company's operations and activities. Companies may also need to consider this as part of their core responsibility to respect human rights in situations where their operations may have negative impacts on indigenous peoples.
- **Developing and implementing policies, processes, and activities focused on anti-corruption**, for example:
 - ◊ Developing detailed and robust policies and guidelines on various ethical and anti-corruption issues such as gifts, entertainment, political donations, or travel;
 - ◊ Developing and implementing robust risk assessments on anti-corruption to identify areas of improvement;
 - ◊ Establishing dedicated business units focused on compliance, ethics, and/or anti-corruption to identify areas requiring improvement;

- ◊ Developing and implementing a series of training programmes for employees and managers on anti-corruption based on practical dilemma scenarios and company anti-corruption policies;
- ◊ Developing and implementing an anonymous hotline where employees, customers, suppliers, or consultants can feel safe to report any wrong doings on corruption related matters; and
- ◊ Preparing robust measures to handle any reports submitted on corruption related matters.

Social Investment and Philanthropy

- **Defining company community engagement initiatives that empower women and girls;** undertaking community consultations with local leaders — women and men — to establish strong ties and programmes that benefit all community members.
- **Improving education on a global scale and supporting efforts to achieve the MDGs** by asking employees to donate time and money to projects for various local children's initiatives, and matching those donations.
- **Ensuring social investment and philanthropy initiatives are respectful of and sensitive to local culture and customs** including that of indigenous and tribal communities.
- **Undertaking efforts to enhance a community's access to natural resources** (i.e. access to water and the quality of that water) in a particular region where supplier activities take place.
- **Undertaking community consultations including with indigenous and tribal leaders** when developing and implementing social investment projects.
- **Creating strategic social investment projects and infrastructure developments in conflict-affected or high-risk areas** based on effective engagement and alignment with local community development plans.
- **Integrating robust risk assessment mechanisms (including due diligence) into all corporate philanthropic activities** involving community organizations and Government entities to help prevent corruption.
- **Supporting projects by Governments, civil society or international organizations intended to improve governance and reduce corruption risks in the market/private sector.**

Public Policy and Advocacy

- **Speaking out against violence against women,** and partnering with civil society, Government and other businesses, including suppliers, to raise awareness of violence against women.
- **Supporting programmes to create awareness on the issue of child labour** and mobilizing local communities around school enrollment to drive and improve the quality of education.
- **Collaborating with peer companies, suppliers, Governments and civil society to combat and raise awareness about sexual exploitation and child trafficking.**
- **Promoting and raising awareness of indigenous history, culture and knowledge,** including efforts to acknowledge and correct for past injustice towards these communities.
- **Sending a joint letter from chief executive officers to Governments negotiating inter-governmental documents to advocate for adequate references to anti-corruption.**
- **Participating in Integrity Pacts** where companies and Governments join forces to publicly demonstrate their joint commitment to transparency for public procurement projects.
- **Contributing to peace building efforts;** for example, providing material support to peace negotiations or by mobilizing a public opinion campaign to support peace.

Public Policy Recommendations to Governments

The UN Global Compact promotes a holistic approach to corporate sustainability via its ten principles in the areas of human rights, labour, environment and anti-corruption. Many of the Rio+20 Corporate Sustainability Forum tracks and discussions emphasized the critical steps that must be taken to achieve sustainability from an environmental perspective. However, it is imperative that the social dimensions of sustainability are also recognized and addressed and embedded into these discussions, and that outputs and initiatives are developed that serve both social and environmental needs in an integrated way. During the Forum, participants discussed the following recommendations to Governments, among others:

- **Promote anti-corruption measures and implement related policies** to establish systems of good governance and shift incentives so that entrepreneurship is rewarded and the costs of doing business are lowered, including the following:
 - ◊ Fully implement the tenets of the UN Convention against Corruption by strengthening anti-corruption policies, laws and enforcement mechanisms to create a level playing field and incentivize good behavior;
 - ◊ Support corporate voluntary efforts to integrate robust anti-corruption measures into strategies and operations — key for companies to act in support of the UN Convention against Corruption — including rigorous and comprehensive anti-corruption risk assessments;
 - ◊ Support corporate efforts to disclose anti-corruption implementation by using the Reporting Guidance on the 10th Principle against Corruption, jointly developed by the UN Global Compact and Transparency International;
 - ◊ Support innovative collective action and public-private partnership initiatives aiming to address corruption challenges; and
 - ◊ Support higher education institutions' efforts to integrate anti-corruption issues into their curricula to prepare future business managers.
 - **Take all steps to respect, protect and fulfill human rights and fundamental freedoms of individuals and to overcome violence and establish peaceful and stable conditions**, necessary for the private sector to deliver economic and related social benefits integral to broad sustainable development.
 - **Implement the UN Guiding Principles on Business and Human Rights** in order to enhance protection of human rights from adverse impacts arising from economic activities, promote business respect for human rights and ensure access to remedy for victims of business-related human rights harm.
 - **Guarantee a high standard of social protection, and establish programmes that support a just transition to a future with sustainable jobs and decent work in existing industries and in new, greener ones**, in accordance with UN Universal Declaration of Human Rights and the labour standards of the International Labour Organization.
 - **Promote implementation of the Women's Empowerment Principles (WEPs) by business:**
 - ◊ Use the WEPs to understand how the private sector can promote gender equality and women's empowerment, and when engaging in dialogue with business about their role;
 - ◊ Take the WEPs into account when developing and revising public policies; and
 - ◊ Consider corporate commitment to the WEPs when making decisions on business partnerships and procurement.
 - **Encourage businesses to embrace the Children's Rights and Business Principles:**
 - ◊ Use the Children's Rights and Business Principles to inform expectations of business;
 - ◊ Promote the Children's Rights and Business Principles in all relevant interactions with businesses, as a key component of corporate sustainability; and
 - ◊ Consider other actions to support and encourage businesses in their efforts to implement the Children's Principles.
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URBANIZATION AND CITIES

Across the world, cities are facing crises of sustainability, resilience and adaptation. Many metropolises have become sprawling, resource-use intensive, difficult places to live. Problems range from those associated with climate change or sustainable water supply, to increasing economic inequality or the break-up of communities. Compounding the challenge is the interlinked nature of these crises.

Every day, 180,000 people join the global urban population. Every year, the equivalent of two cities the size of Tokyo are built. One in six urban dwellers now live in slums. Over the next decades, it is estimated by the UN that nearly all of the world's population growth will occur in cities, with massive consequences for infrastructure stress.

In this context, it is a priority to work towards urban sustainability, defined as the long-term durability of a city and its communities — while safeguarding basic human rights — as it negotiates changing practices and meanings across all social domains: economic, ecological, political and cultural. When sustainability is treated as just an ecological or economic question it is possible to think of cities as being sustainable without being good places to live for all. To achieve a better future for all, urban sustainability must be considered and addressed in an integrated sense.

Innovation

Given the reach of the challenges, it is important to do more than focus on symptomatic or isolated solutions. As well as short-term solutions and intermediate-term planning, fundamental innovation is needed. Innovation will involve municipalities, civil society and companies working together in mutually supportive ways. At the Forum, examples discussed included:

- **Developing long-term whole-of-city planning that integrates considerations across all domains of the social.** The best of these plans are built on considerable consultation and ongoing cooperation with civil society and business. They entail long-

term economic investment, careful ecological restructuring and retrofitting, ongoing cultural sensitivity, and negotiated political stability despite demanding changes.

- **Establishing plans for integrated economic development, land-use and transport infrastructure.** Integrated land-use and transport development is an important subset of activities in economic development and allows for a fairer distribution of job opportunities. Some cities, for example, formally require simultaneous transport and land-use planning decisions. Actions to coordinate household location, employment/enterprise location and transport networks can create powerful economic development nodes within growing cities, preferably at large scale through the accumulation of linked activities.
- **Changing the mix of energy use to draw increasingly upon renewable resources.** The integration of renewable and less environmentally damaging energy sources is essential. New energy supplies using solar power, wind power and thermal power are in some cities becoming a steadily increasing part of the urban infrastructure and are integrated with urban-growth management. Leading city authorities are embracing technology and innovation to provide low-energy solutions, and to design sustainable precincts and resilient communities.
- **Supporting research, data analysis, and development of indicators of sustainability.** The cities that are achieving the most sustainable and livable outcomes are critically aware, through research, of their own limitations. And they are innovative in treating indicators as measures of inter-related and sometimes countermanding trends, rather than simple metrics or singular key performance indicators. Reviewing progress of implementation together with the ongoing relevance of strategies, plans or policies is critical. Some cities have a regular review cycle, while others have identified triggers for review such as reaching a particular population level.

Collaboration

Cross-sectoral negotiation is crucial, but this involves more than just dialogue. It works best when projects of a city-wide or precinct-wide consequence are negotiated and enacted. It works most effectively when the collaborating partners are using common tools that allow for dialogue and mutual exploration of the problems to be countered. In this process, institutions and initiatives that facilitate mutual learning are very important. Examples of collaboration include:

- **Global trans-city collaboration:** Global organizations can play a significant role in building local and regional partnerships. Organizations such as UN-Habitat, Metropolis, C40, R20, and ICLEI work to develop models of engagement, solution-findings and learning among cities around the world.
- **Regional collaboration and coordination:** Cities working together in regional frameworks — eco-regions, economic regions, political regions and cultural regions — can enhance the capacity of individual cities enormously. An innovative example, launched at the Rio+20 Corporate Sustainability Forum, is the Parana Alliance drawing together 399 municipalities in the State of Parana in Brazil to embark upon

a state-wide process of developing sustainability practices. Another example is the work in Milwaukee, USA on water through a Great Lakes collaboration.

- **Cross-sectoral collaboration within cities:** Bringing together municipalities, businesses and civil society groups is proving an effective method for tackling complex or seemingly intractable urban problems, with the Global Compact Cities Programme advancing this approach within dozens of cities around the world. Examples include work being done in Porto Alegre around an integrated slum reclamation project linked to restructuring recycling across the city and the San Francisco Business Council on Climate Change.
- **Partnerships with local people:** All of the institutional partnerships from the global to the local need to be built upon a foundation that is common to all cities — the importance of working closely in partnership with local people. This can take various forms from deliberative democracy to face-to-face community engagement. It can mean that local people lead an initiative or partnerships are managed institutionally. But in all cases, it means that local people are involved in a way that goes beyond intermittent consultation.

Urbanization & Cities Sessions

- Building Partnerships for Urban Futures: Leveraging Strengths, Driving Change through Shared Values (UN-HABITAT)
- Collaboration and Innovation to Address Urban Poverty (GC Cities Programme/World Vision)
- Cities at the Heart of the Future We Want (UNITAR)
- Lighting the Clean Revolution: Business and Transformational Change in an Urban Environment (The Climate Group)
- Looking Into the Future of Sustainability: An Approach to Sustainable Cities and Renewable Energy (GC Network Spain)
- One Planet Living: Sustainable Communities and Business from the UK to China (BioRegional Development Group)
- The Path to Resource Efficient Cities: Innovation in Action (UNEP)
- Sustainable Cities: Global Challenges, Local Solutions (GC Cities Programme)
- Sustainia: Building the World of Tomorrow (Sustainia)

Public Policy Recommendations to Governments

To advance the agenda of integrated urban sustainability there are a number of key policy considerations that build upon the principles of multi-sector partnership, integrated planning and working closely with local populations, including:

- That Governments commit to working with cities and local authorities to establish well-resourced sustainability capacities, including the following:
 - ◊ Developing a comprehensive nation-wide approach to sustainability management;
 - ◊ Working with researchers to develop common tools, techniques and protocols that can be used across different cities for measuring success;
 - ◊ Setting up a sustainability fund that can be applied for research and developing the planning protocols for large-scale infrastructure projects.
 - That Governments commit to encouraging their cities and other urban centres to embrace sustainability-oriented planning measures, including the following:
 - ◊ Demarcating urban-growth boundaries, such as through the containment and restricted use of ecological regions beyond the main urban settlement zones for such needs as water-catchment basins, nature reserves and local agriculture;
 - ◊ Setting aside land within cities for purposes other than hard development. Land categories exempt from hard urban development should include zones such as protection and conservation areas, steeply sloping land, contaminated land, hazardous areas, flood-labile land and land subject to sea-level rises, areas facing bushfire risk, areas of heritage significance, sacred lands, rare ecological habitats, and other significant parks, key open spaces and recreational areas;
 - ◊ Selecting brownfields sites for precinct-wide conversion to sustainable urban housing; and
 - ◊ Choosing clear, codified and simple environmentally sustainable building and infrastructure standards that allow companies oriented towards sustainable construction and infrastructure provision to compete on a level-playing field with other providers.
 - That central and local Governments work with businesses to develop precinct-scale infrastructure development to improve sustainability, taking into account the following:
 - ◊ Make connections between capital procurement, daily management and maintenance;
 - ◊ Clarify operating arrangements and whole-of-life project costs. Carry forward, as possible, major capital infrastructure works beyond short-term or unstable political cycles;
 - ◊ Take into account downstream maintenance costs when considering new capital stock.
 - That central and local Governments engage with businesses to develop relevant policies that:
 - ◊ Restrain the geographical expansion of city-regions and promote growth in peripheral regions;
 - ◊ Reshape settlement patterns and systems, including national policy initiatives to direct investment into declining industrial cities through incentives, infrastructure improvements, and sustainable procurement policies;
 - ◊ Limit unplanned rural-urban conversion and loss of agriculture; and
 - ◊ Mitigate carbon emissions and adapt to the consequences of climate change.
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EDUCATION FOR SUSTAINABLE DEVELOPMENT AND RESPONSIBLE MANAGEMENT EDUCATION

An Enabler of Corporate Sustainability

Corporate sustainability requires changing the mindset of corporate leaders, managers and other internal and external stakeholders such as investors, consumers, citizens and Governments. In this context, Education for Sustainable Development (ESD) and responsible management education as portrayed in the Principles for Responsible Management Education (PRME), are key enablers for corporate sustainability practices — with their objective to integrate the principles, values and practices of sustainable development into all aspects of education and learning, research and thought leadership.

- Corporate sustainability depends crucially on human resources both inside and outside corporations, especially on their capabilities to be future generators of sustainable values for business and society at large. The educational sector, especially higher education institutions (HEIs), has an important role in developing the capabilities for corporate sustainability leadership.
- The discourse of corporate sustainability, including concepts such as the “Bottom of the Pyramid” and “Creating Shared Value”, has been shaped by academic research and thought leaders, especially management scholars who have worked closely with corporations.
- Corporate sustainability practices create incentives for ESD and responsible management education by championing its cause and funding teaching and research for sustainable development, for example.

Thus, corporate sustainability, ESD and responsible management education are inextricably connected. This is exactly what the PRME initiative, with its mission to inspire and champion responsible management education, research and thought leadership globally, seeks to support. Established in 2007 with the endorsement of the UN Secretary-General, PRME has developed into a platform for approximately 450 management-related HEIs with active support by major academic associations and platforms.

Innovation

Innovations in the PRME community can be witnessed on a number of levels as highlighted during the 3rd Global Forum for Responsible Management Education held in conjunction with the Rio+20 Corporate Sustainability Forum:

- **Adopting the Principles for Responsible Management Education and Embedding Sustainability Issues within the Core of Business Education.** On the level of individual PRME signatories, as highlighted in the *Inspirational Guide for the Implementation of PRME*, adoption of PRME has been the trigger for a process of innovative organizational change within HEIs. The change in curricula is seen as a transformative effort concerning the content of all disciplines, and the process of embedding sustainability issues at the core of management and leadership education is leading to an increased exploration of new learning environments more suitable for sustainability matters. This, in turn, has a direct influence on future managers and their capabilities to be generators of sustainable values for business and society at large;
- **Encouraging PRME signatories to become public thought leaders.** A new concept of responsible management and leadership education spelled out in the 50+20 vision *Management Education for the World - Responsible Leadership for a Sustainable World* calls on faculty to better enable business organizations to progress toward corporate sustainability, and to act as public intellectuals engaging with multiple stakeholders to transform business and society;
- **Expanding the PRME Community.** Wider and more distributed ownership of the PRME with regional chapters organized by signatories, is an encouraging sign of an emerging second layer of the PRME initiative: it will not only be an inward-bound learning community, but also be a more outward-bound action community and collective platform engaging with outside stakeholders to influence the path toward corporate sustainability and an inclusive and sustainable global economy.

Collaboration

Collaboration, for example in the form of corporate-academic and multi-stakeholder partnerships, is taking place in a variety of ways and gives practical meaning to the fifth and sixth PRME Principles on partnership and dialogue respectively. Notable examples are crystallizing around the close collaboration between the PRME and the UN Global Compact which include:

- **Faculty engaged in the PRME Working Group on Anti-Corruption in Curriculum Change** in close cooperation with the UN Global Compact's Anti-Corruption Working Group have issued a toolkit for an anti-corruption curriculum framework for MBA students.
- **The PRME Working Group on Gender Equality collaborates with the Women's Empowerment Principles initiative** – a partnership project between the UN Global Compact and UN Women – and has launched a clearing house for teaching resources and materials.
- **The PRME Anti-Poverty Working Group** has developed an overview of best practices to embed the topic of poverty alleviation in management and leadership education.
- **Efforts are planned for Fall 2012 to bring greater awareness to human rights principles and the corporate responsibility to respect human rights to business school audiences.**
- **Some PRME signatory schools have collaborated closely with Global Compact Local Networks** by holding conferences and workshops, providing capacity such as hosting the network's secretariat or developing and providing training on corporate sustainability.
- **Joint projects between PRME and Global Compact LEAD** include providing analytical support and capacity-building efforts such as developing a Board education programme.

Public Policy Recommendations to Governments

As a global agenda proposed at the World Summit on Sustainable Development in 2002, the Decade for Education for Sustainable Development can only be advanced with full support by Governments around the world, especially in countries where Governments play an important role in higher education and in setting the agenda for corporate sustainability. In this regard, the representatives and stakeholders of the world's management and business schools and HEIs assembled at the 3rd Global Forum for Responsible Management Education, the official platform at Rio+20 to advance ESD and responsible management education at the level of HEIs, discussed the following public policy recommendations:

- **Support and implement the spirit of ESD** (i.e. "education is an indispensable element for achieving sustainable development") by connecting existing policy programmes for HEIs in support of ESD with the Principles for Responsible Management Education and by extending the Decade for Education for Sustainable Development beyond 2014.
 - **Fund teaching programmes and research projects in HEIs that promote responsible management education and corporate sustainability.**
 - **Act as conveners or supporters of local, national and regional multi-stakeholder platforms** where HEIs, business, NGOs, and other stakeholders collaborate to discuss, learn and innovate for inclusive and sustainable development.
 - **Support the PRME globally and locally, and encourage HEIs to join the PRME** so that the initiative will become a wider social movement, a true change agent for ESD and responsible management education.
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IV. Rio+20 Commitments to Action

The corporate sustainability field is moving into an exciting new era: one in which learning, dialogue and early implementation exercises are turning into serious action — designed to produce positive, long-lasting results for economies and societies everywhere. Such actions — taken individually by business organizations, or collectively through collaboration and partnerships — promise to deliver meaningful value along corporate sustainability's “quadruple bottom line”, that is measured in economic, environmental, social and ethical terms.

The corporate sustainability movement — especially when rooted in universal principles — is arguably one of the most important global trends in this early part of the century. In rising numbers, the private sector is developing approaches, innovations and strategies that are contributing to the vision of true sustainable development — “The Future We Want”. Yet the movement is far from being fully realized. What is needed, now more than ever, is an ever-rising tide of actions — based on solid and specific commitments whose results can be tracked and recorded for the purpose of measuring outcomes, adjusting strategies, expanding activities and inspiring others.

The Rio+20 Corporate Sustainability Forum and the UN Conference on Sustainable Development have provided a historic opportunity for the private sector to announce and highlight commitments to action and partnerships that address global challenges across the development spectrum.

It has also provided an opportunity to better define the notion of a “commitment” so that a possible global marketplace for commitments might be created. Such a marketplace could serve as a public platform for countless numbers of actions by companies and partners in the coming years and decades. This marketplace could catalyze new actions, connect like-minded organizations, and record and announce progress and impacts.

Most promisingly, the Forum featured scores of commitments by participating business organizations. What unites all these commitments is a set of criteria, which includes four elements. To qualify, a commitment must:

- Advance at least one UN goal or issue
- Include a time-bound target(s)
- Be measurable
- Include regular annual public reporting vis-à-vis progress

The UN Global Compact has designed and will continue to manage this process whereby UN entities, as well as outside partners such as the World Business Council for Sustainable Development, can funnel commitments through business.un.org, the UN-Business Partnership Gateway.

Following is a summary of the approximately 200 commitments announced during the Rio+20 Corporate Sustainability Forum, organized into the following areas: Collective Action Commitments; Global Compact Local Network Commitments; Individual Corporate Commitments.

Collective Action Commitments

The Forum featured the announcement of a number of major commitments involving collective action. Such actions present arguably the greatest opportunities with respect to bringing about scalable impact. Collective action efforts benefit from the multiplier effect of having numerous like-minded companies and other stakeholders working together to achieve a common objective.

Perhaps the most important of these collective action efforts involves Issue Platforms — that is, specialized initiatives and programmes that focus on achieving results in relation to a key sustainability issue — e.g. water, energy, food, anti-corruption, gender equality. Through initiatives such as the UN Global Compact, numerous Issue Platforms

have emerged in recent years. The most successful and promising often share the following characteristics. They are: i) rooted in a set of common principles or tenets; ii) designed as multi-stakeholder endeavours; iii) incorporate accountability and reporting mechanisms; and iv) employ innovations to deepen impact and achieve greater scale, including hubs to match-make among partners, and incubators to foment new ideas and concepts.

During the Rio+20 Corporate Sustainability Forum, the following collective action commitments were announced:

- In a special Communique titled “Make Water Sustainability a Priority”, 45 CEOs of major corporations from the **CEO Water Mandate** committed to broadening and deepening their development of corporate water sustainability policies and practices in areas such as: i) water-use efficiency in facilities and factories; ii) working with suppliers to improve their water-management practices; iii) developing public-private partnerships at the river basin and watershed level with Governments, civil society organizations, and other stakeholders. To demonstrate their commitment, the companies include examples of initiatives and projects they will be pursuing in the coming years and decades. In addition, the Communique includes recommendations by business leaders to Governments attending Rio+20. More specifically, the endorsing CEOs ask that Governments commit to developing and implementing more comprehensive and long-term water planning; commit to working at the international level to coordinate strategies and actions; and commit to collaborating more actively with the business community, private finance, and civil society.
- **25 Caring for Climate** companies committed to calculate their greenhouse gas emissions according to widely accepted accounting standards, set targets and report on absolute and intensity metrics on an annual basis, and submit the results for independent third-party review on a periodic basis. The companies also committed to calculate and report greenhouse gas emissions along their value chains, and work collaboratively on initiatives that reduce climate impacts to the shared benefit of all stakeholders. Finally, these companies committed to integrate the above greenhouse gas emissions data and their climate change initiatives within their annual financial reports and other appropriate corporate and investor communications platforms.
- 37 banks, investment funds, and insurance companies submitted a far-reaching **Natural Capital Declaration** aimed towards integrating natural capital considerations into their products and services. The financiers committed their companies to help build an understanding of their impacts and dependencies on natural capital; embed natural capital into their products and services; report or disclose on the theme of natural capital; and account for natural capital in accounting frameworks. The Declaration signed by CEOs calls for policy-makers gathering at Rio+20 to make headway in crafting legislation and regulations that can incentivize the development of financial products and services that take account of and sustain the earth’s natural capital.
- **5 stock exchanges** committed to promote long-term, sustainable investment in their markets. These leading exchanges — with over 4,600 listed companies in developed and emerging markets — committed to work with investors, companies and regulators to promote long-term sustainable investment and improved environmental, social and corporate governance disclosure and performance among companies listed on their exchange.
- 70 businesses, national Governments and international organizations endorsed the **Green Industry Platform**, an initiative that aims to mainstream environmental and social considerations into corporate operations through more efficient use of energy and raw materials, innovative practices and applications of new green technologies. These organizations have committed to share information and raise awareness about green industry policies and practices around the world, and to develop strategic road maps and partnerships for specific sectors, countries or regions.

- The UN Global Compact and a group of 16 leading companies and stakeholders in the food and agriculture sector committed to champion the development of global **voluntary business principles on good practice and policy for sustainable agriculture**. This initiative will be aimed at developing a common understanding and agreement on what resources and impacts are needed from the global community to transform markets and agricultural supply systems.
- 300 leading **business schools and university representatives** worldwide committed to: form a leadership group to incentivize the most engaged PRME signatory schools to go further in their implementation of sustainability principles; delist those signatories that fail to regularly share information on progress made in implementing PRME; and launch PRME Regional Chapters to better engage management education communities on a local level.
- The Governor of the **State of Paraná** in Brazil has committed to take a state-wide approach to sustainability across its 399 municipalities. As part of this effort, state and municipal-level agencies and other stakeholders will: 1) Promote the training of municipal officials, members of the legislative and executive powers, through courses of short, medium and long-term placements and exchanges; 2) Develop a geo-referenced information system (GIS) to collect and manage data concerning the supply capacity of infrastructure and the public sector in 36 municipalities by 2013; 3) Deploy infrastructure for increasing access and improving quality of broadband internet in 50 municipalities in Paraná by 2013; and 4) Launch the Parliamentary Calendar, a programme for assistance and implementation of public policies in the municipalities particularly in the areas of engineering, agronomy, and earth sciences by 2012.

Global Compact Local Network Commitments

One of the most important evolutionary aspects of the UN Global Compact has been the development and establishment of organized Local Networks — self-directed, self-governed participants and stakeholders operating within a specific local or other geographic context. As of today, Global Compact Local Networks can be found in 101 countries. Such Local Networks help ensure that the UN Global Compact's principles are implemented at the local level, understanding the varying economic, political, societal and cultural climates. An increasing number of these Local Networks are evolving into sustainability hubs — that is, centres of accelerating innovation, implementation and action. Given the importance of partnerships at the local level, Global Compact Local Networks can play an increasingly critical role.

During the Forum, several Local Networks announced commitments, including:

- **Global Compact Network Australia** committed to: 1) increase awareness and engagement on indigenous peoples; 2) continue the work of its Leadership Groups for human rights and anti-corruption through meetings and guidance materials; 3) create an Environment Leadership Group to foster knowledge-sharing and peer-learning; and 4) promote gender equality through events and by adding at least five new signatories to the Women's Empowerment Principles each year.
- **Global Compact Network Brazil** mobilized a large-scale commitment, whereby over 200 CEOs of Brazilian companies have endorsed Business Contributions to the Promotion of a Green and Inclusive Economy which lays out 10 commitments to be made by the end of 2012. These commitments

include: integrating sustainability into the value chain, expanding investment in innovation and technology, engaging more with key stakeholders (i.e. Government, civil society, trade unions, academia and consumers), while ensuring sustainable economic results. Each organization will define and disclose measurable targets for these commitments.

- **Global Compact Network France** committed to increasing its membership to a total of 1,000 companies; reducing the number of non-communicating companies; improving the quality of Communications on Progress; and holding two to four thematic conferences, regional events and luncheons per year.
- **Global Compact Network Indonesia** committed to improve access to clean water, sanitation and hygiene practices. The network aims to increase the percentage of households that implement community-based sanitation in Cawang and Cilincing, two sections of Jakarta.
- **Global Compact Network India** committed to work with participants to help them embed sustainability in their operations and strategies. By 2015, the network will undertake training activities to help companies to comply with national and global standards in sustainability, and engage with the Government to develop enabling policies.
- **Global Compact Network Italy**, by 2015, committed to add 300 participants to the Global Compact and 80 to the network; encourage companies to make commitments, with a target of 20 corporate commitments for the “Sustainable Energy for All” initiative; and develop a new training programme, a COP Peer Review process and common sustainability criteria for identifying suppliers.
- **Global Compact Network Japan**, by 2020, committed to increase membership to 1,000 participants from across Japan; develop additional tools and resources; strengthen participation in business-led activities; and enhance the network’s overall organizational structure, transparency and sustainability. The network also aims for Japanese companies to represent 10% of participants in Global Compact working groups and initiatives.
- **Global Compact Network Pakistan** committed to facilitate and promote policy dialogue and collective action to help its participants achieve goals related to reducing energy usage, using cleaner fuels, lowering emissions, and supporting poverty alleviation, by 2017.
- **Global Compact Network Spain** committed to provide approximately 1,000 SMEs with online tools and training designed to help SMEs in measuring and reporting on the implementation of the ten principles. Through this effort, the network will contribute to the Global Compact’s goal of reaching 20,000 signatories by 2020.
- **Global Compact Network Uruguay** committed to double the number of organizations from the country that join the Global Compact from June 2012 to June 2014.



Individual Corporate Commitments

- ARM Holdings Ltd.
- AB SKF
- ABB Ltd.
- Accenture
- Acciona
- Agritech Faso
- Aid Green Co., Ltd.
- AnadoluEfesBiraçılıkve Malt Sanayii A.S.
- Anheuser-Busch InBev NV
- ArcelorMittal (2)
- ARGE Consulting
- Banco Santander (Brasil) S.A.
- Bank of America
- BASF SE (2)
- Bayer AG
- BMW Group
- Borealis
- Bridgestone Corp. (2)
- Brisa Auto-Estradas de Portugal, S.A.
- Carmina Campus (2)
- Cementos Argos S.A. (3)
- China Petroleum & Chemical Corporation
- CLP Holdings Limited
- The Coca Cola Company
- Codethic SA
- d.light design
- Darden Restaurants
- Dell
- Deloitte LLP (2)
- Det Norske Veritas (DNV)
- Deutsche Post DHL
- DGB Financial Group
- The Dow Chemical Company
- Duke Energy (2)
- DuPont (2)
- EADS Astrium
- Eaton Corporation
- ECHOstore Sustainable Lifestyle
- EKO Asset Management
- Embraco
- Enel
- Eni (3)
- Enterprise Rent-A-Car
- Eskom (5)
- FEMSA (3)
- GDF SUEZ (6)
- General Motors
- GlaxoSmithKline
- Green11
- H&M
- Hanesbrands
- Henkel AG
- Hitachi
- Holcim
- Infosys Ltd
- Italcementi Group
- ITC Ltd.
- Kimberly-Clark Corporation
- KPMG International (3)
- Lafarge
- Lockheed Martin
- Marriott International
- Masdar Capital
- Masisa SA
- Metsa Group
- Microsoft Corporation
- Mitsubishi Chemical Holdings Corporation
- MWV (MeadWestvaco)
- NedBank
- Netafim (3)
- Nike, Inc (3)
- Nissan
- Nokero International Ltd
- Novozymes A/S
- Ofertia
- Osaka Gas
- Paramanagement Group
- Patagonia
- Philips
- Polarstern
- Procter & Gamble (3)
- Reed Elsevier
- Renault
- The Rezidor Hotel Group
- Rio Tinto (2)
- SABMiller (2)
- Schneider Electric (2)
- Sebel Furniture
- Shanxi Jinshang Energy Asset Management Ltd.
- Siemens AG (2)
- Sime Darby Berhad
- SK
- Sompo Japan Insurance Inc.
- Soprise! LLP
- Statoil ASA
- Storebrand
- Suez Environnement (8)
- Sumitomo Chemical Company
- The Sustain Group
- TürkiyeGarantiBankası A.S.
- Tanzania Renewable Energy Association
- Telefonica
- Total (2)
- Toyola Energy Limited
- Unilever (3)
- The Walt Disney Company
- Weyerhaeuser
- Xerox

Information on each of these corporate commitments – including objectives and targets – can be found at:
<http://business.un.org/commitments>

V. High-Level Closing Plenary – Compact for Rio

Compact for Rio: 18 June 2012, 16.00-19.00

Compact for Rio convened chief executives with leaders from Government, civil society and the United Nations, as well as Forum participants to discuss and identify strategies for a new era of global sustainability. The session distilled the outcomes of the Rio+20 Corporate Sustainability Forum, and identified the most promising business actions and commitments across the Forum themes.

Moderator:

- Mr. Nader Mousavizadeh, Chief Executive Officer, Oxford Analytica

Welcome Address

- H.M. Queen Silvia of Sweden

Introduction: Corporate Sustainability as a Force for Change

An inspirational appeal for business to scale up efforts that advance corporate sustainability was made. The main outcomes of the Forum were presented by theme. Participants learned about innovative solutions and public-private collaboration to address challenges related to the themes.

Speakers:

- Mr. Georg Kell, Executive Director, UN Global Compact
- Ms. Brittany Trilford, Date With History Contest Winner & Rio+20 Speaker
- Mr. Paolo Andrea Colombo, Chairman, ENEL
- Mr. Brian Dames, Chief Executive Officer, ESKOM
- Mr. José Lopez, Chief Operations Officer, Nestle S.A.
- Mr. Pierre Sané, President, Imagine Africa International
- Ms. Janice E. Perlman, Founder & President, Mega-Cities Project
- Mr. Caio Koch-Weser, Vice Chairman and Senior Advisor, Deutsche Bank Group
- Mr. Norman Arruda, Chief Executive Officer, ISAE FGV

Roundtable Discussion: The Sustainable Development Goals

A panel discussed the role for the international business community to identify and promote the proposed Sustainable Development Goals (SDGs) — an extension of the Millennium Development Goals, which is on the Rio+20 agenda. Via a show of hands, the 1,700 participants demonstrated that business has an important role to play in developing and achieving the proposed SDGs. The panel then invited participants to discuss how business actions and solutions can contribute to this agenda.

Speakers:

- Ms. Patti Londoño, Vice-Minister for Multilateral Affairs, Ministry of Foreign Affairs, Republic of Colombia
- Ms. Michelle Bachelet, Executive Director, UN Women
- Ms. Amina J. Mohammed, Secretary-General's Special Adviser on Post-2015 Development Planning
- Ms. Monica de Greiff, Chief Executive Officer, Grupo Energia de Bogotá



Reports from Roundtable Discussions

- Mr. Fu Chengyu, Chairman, Sinopec
- Mr. Adrian Sym, Executive Director, Alliance for Water Stewardship
- Ms. Ruth Nussbaum, Co-Founder and Director, Proforest
- Mr. Andrei Galaev, Chief Executive Officer, Sakhalin Energy Investment Company
- Mr. Yue Zhang, Chief Executive Officer, Broad Group
- Ms. Rachel Kyte, Vice President, Sustainable Development Network, The World Bank

Announcement of Commitments and Partnerships

Without concrete commitments to action, global sustainability challenges will not be solved. Selected innovative and forwarding-looking commitments as well as transformative partnerships were featured during this session.

Speakers:

- Ms. Ertharin Cousin, Executive Director, United Nations World Food Programme
- Mr. Feike Sijbesma, Chief Executive Officer, Royal DSM N.V.
- Mr. Jean-Marc Ollagnier, Group Chief Executive, Resources, Accenture
- Mr. Chey Tae-won, Chairman, SK Group
- Mr. Rob Bernard, Chief Environmental Strategist, Microsoft
- Mr. Igal Aisenberg, President and Chief Executive Officer, Netafim
- Governor Carlos Alberto Richa, State of Paraná, Brazil

Special Address: Mr. Brice Lalonde, Executive Coordinator, UN Conference on Sustainable Development

Closing Remarks

- Mr. Georg Kell, Executive Director, UN Global Compact
- Mr. Peter Bakker, Chief Executive Officer, World Business Council for Sustainable Development
- Mr. Maurice Strong, Former Secretary-General of the UN Conference on Environment and Development

See page 49 for a full list of commitments to action made by business on the occasion of the Forum.



VI. New Resources

A wide range of new tools and resources were launched. The resources take stock of progress made and key trends related to corporate sustainability; provide guidance on how to implement elements of corporate sustainability; and highlight existing and emerging best practices — all across the following issue areas:

General

- 2011 Global Compact Implementation Survey: Annual Review of Business Policies and Actions to Advance Sustainability (UNGC)
- The Future We Want: Issue Analysis (Oxford Analytica)
- Best Practices from the Global Compact International Yearbook 2012 (macondo Media Group)
- The European UN Global Compact Companies Towards Rio+20 and Beyond: A Best Practices Collection (Global Compact Local Networks Europe)
- New Geographies of Corporate Sustainability: Emerging Market Perspectives for Rio+20 (Global Compact LEAD/BSR)
- Integrating ESG Issues into Executive Pay (Global Compact LEAD/PRI)
- The Supply Chain Sustainability Quick Self-Assessment and Learning Tool (UNGC/BSR/Maplecroft)

Local Networks

- Annual Local Network Report 2011 (UNGC)
- A Strategy for the Commons: Business-driven Networks for Collective Action and Policy Dialogue (Bertelsmann Stiftung/UNGC)
- Global Compact Local Networks: Value Proposition for Participants (UNGC)

Human Rights

- Women's Empowerment Principles (WEPs) Website (UNGC/UN Women)
- Children's Rights and Business Principles (UNICEF/UNGC/Save the Children)

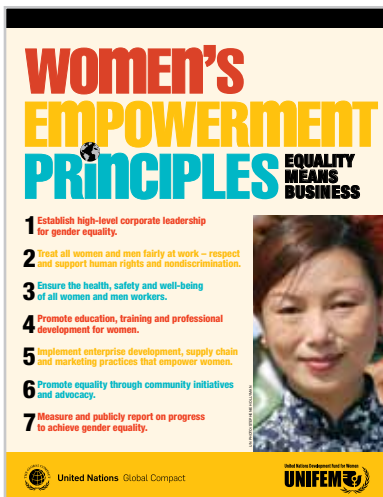
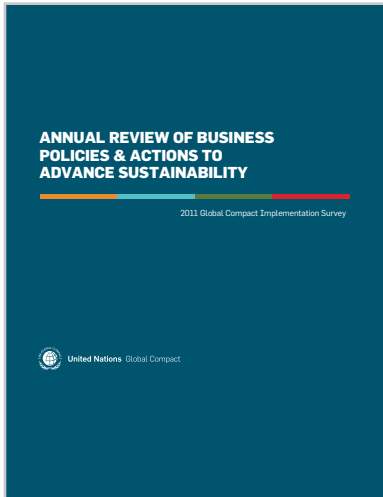
Environment

- Caring for Climate Progress Report 2012 (UNGC/Deloitte)
- Business and Climate Change Adaptation: Toward Resilient Companies and Communities (UNGC/UNEP)
- Sustainable Energy for All: The Business Opportunity (UNGC/Accenture)
- Water Action Hub (UNGC CEO Water Mandate)
- Water as a Casualty of Conflict: Threats to Business and Society in High Risk Areas (Pacific Institute/UNGC/PRI)
- A Framework for Corporate Action on Biodiversity and Ecosystem Services (UNGC, International Union for Conservation of Nature)
- The Business Case for the Green Economy: Sustainable Return on Investment (UNEP)
- Policy Measures to Support Inclusive and Green Business Models (DCED/UNGC/WRI/New Ventures India)
- Leadership for the Clean Revolution (The Climate Group)
- Consensus and Cooperation: China's Role in the Clean Revolution (The Climate Group/Chinese Academy of Science)

Anti-Corruption

- Global Compact for 10th Principle: Corporate Sustainability with Integrity (UNGC)

Visit http://www.unglobalcompact.org/rio_resources to access new resources.



Food & Agriculture

- Scaling Up Global Food Security and Sustainable Agriculture (UNGC)
- The Critical Role of Global Food Consumption Patterns in Achieving Sustainable Food Systems and Food for All (UNEP)

Urbanization & Cities

- Lighting the Clean Revolution: The Rise of LED Lighting and What it Means for Cities (The Climate Group)
- The Clean Revolution: Leadership from the World's States and Regions (The Climate Group)
- Sustainia Guide to Copenhagen 2025 (Sustainia)

Strategic Social Investment & Social Enterprise

- A Framework for Action: Social Enterprise & Impact Investing (UNGC/The Rockefeller Foundation)
- New Paths to Performance: Strategic Social Investment and Philanthropy (Global Compact LEAD)
- Foundations of Social Investment (Principles for Social Investment Secretariat/UNGC)
- The Reconceptualization of Business (Principles for Social Investment Secretariat/UNGC)
- Principles for Social Investment: Experiences from Global Compact Participants In Latin America and the Caribbean (Regional Center for the Support of the Global Compact in Latin America and the Caribbean)

UN-Business Partnerships

- UN-Business Partnership Services: Accelerating and Scaling Transformational Impact (UNGC)
- Developing an Operational Typology and Handbook for UN-Business Partnerships (GPPi/UNGC)

Disclosure

- Basic Guide: Communication on Progress (UNGC)
- Comprehensive Guide to Communication on Progress (COP) and Differentiation: Transparency and Integrity, Learning and Progress (UNGC)
- Report or Explain (GRI)
- Making Investment Grade: The Future of Corporate Reporting (UNEP/Deloitte/Centre for Corporate Governance in Africa at the University of Stellenbosch Business School)

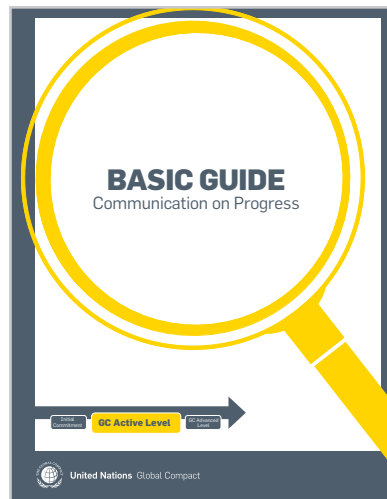
Responsible Investment

- UNEP FI Position Paper on the United Nations Conference on Sustainable Development (Rio+20): A Financial Sector Perspective (UNEP FI)
- The Natural Capital Declaration (UNEP FI)
- Sustainable Stock Exchanges: A Report on Progress (UNGC/PRI/UNCTAD/Aviva Investors/Responsible Research)
- ESG Investor Briefing (UNGC/PRI)
- Investing in the Sustainable Economy (PRI)
- Financing Renewable Energy in Developing Countries (UNEP/UNEP FI)

Management Education

- A Practical Guide to the United Nations Global Compact for Higher Education Institutions (UN Global Compact Academic Working Group)
- Inspirational Guide for the Implementation of PRME (PRME)
- Fighting Poverty through Management Education: Challenges, Opportunities, Solutions (PRME)
- Anti-Corruption Guidelines ("Toolkit") for MBA Curriculum Change (PRME)
- Gender Equality Global Resource Repository (PRME)
- Corporate Responsibility and Responsible Management Education in the Eyes of MBA Students (Macquarie Graduate School of Management/PRME)
- The 50+20 Agenda: Management Education for the World (WBCSB/GRI /PRME)

Visit http://www.unglobalcompact.org/rio_resources to access new resources.



VII. In the Media

Selected Headlines

The Forum was widely covered by media outlets around the world. The following is a sample of coverage.

International Media

Agence France Presse, 18 June 2012
CEOs urge Rio+20 leaders to make water security top priority

Agence France Presse, 18 June 2012
CEOs pledge sustainability, urge 'green revolution'

Agence France Presse, 16 June 2012
Google launches cultural map of Brazil's Amazon tribe

Agence France Presse, 15 June 2012
Business chiefs talk sustainable development in Rio

Bloomberg, 18 June 2012
UN says 45 CEOs, from Coke to Levi's, join water effort

The Economist, 22 June 2012
Rio+20 summit: Green business

The Guardian, 18 June 2012
Rio+20: Big businesses club together to demand water is given fair value
Forty five influential CEOs commit to lobbying for political change to stave off water crisis

Financial Times, 18 June 2012
Nasdaq joins environmental push

Financial Times, 4 June 2012
Environment: Capitalist conservationists
Businesses are taking the lead in proposing green strategies but they need government direction

Forbes, 19 June 2012
From Talking to Walking at Rio+20

Forbes, 17 June 2012
Rio+20: Are We There Yet?

Reuters, 18 June 2012
Sustainable Stock Exchanges Initiative: Exchanges listing over 4,600 companies commit to promoting sustainability

The Wall Street Journal, 18 June 2012
Nothing Grand in Rio

Major National Media

The China Post (China), 17 June 2012
Rio+20 talks for new environment pact heading into overtime

The Economic Times (India), 15 June 2012
Rio+20 Summit: Business leaders back sustainable development

The Independent (UK), 17 June 2012
Rio de Janeiro: Corporate giants pledge to go green

UN's biggest ever global-business event – the Rio+20 forum – sees 1,200 executives make commitments on more ethical, greener ways to work

Brazilian Media

Brasil Econômico, 12 June 2012
Interview GEORG KELL: Executive Director of the United Nations Global Compact Enterprises from emerging markets can surpass those from rich countries in sustainable development.

Business initiatives, combined with governmental incentives, will accelerate the process of economic growth

Folha de São Paulo, 16 Junho 2012
Bancos propõem que empresas divulguem consumo de recursos naturais

Folha de São Paulo, 16 June 2012
Banks propose that companies disclose consumption of natural resources

G1, 18 June 2012
Business forum has 200 commitments signed

“Businesses played a much bigger role at this summit than they did 20 years ago, with many observers saying they have actually taken the lead by providing real examples of sustainable development.”

*-CNN, 21 June 2012
Rio+20 Summit opens with promises,
criticisms*

Press Releases

Business Leaders to Deliver on Strategies for Sustainability at 15-18 June Forum, Ahead of the Rio+20 Summit — 15 June

Business Leaders in Rio Respond to UN Secretary-General's Call for "Tipping Point" in Corporate Sustainability — 16 June

300 Leading Business School and University Representatives Worldwide Agree on a Roadmap for Responsible Management Education — 16 June

Business Models for Small-Scale Farmers and Solutions for Big Cities among the Innovations Put Forward at Private Sector Track to Rio+20 — 17 June

Business Leaders Commit to Water Sustainability at Rio+20; In Special Communiqué, CEOs Urge Complementary Action From Governments — 18 June

Supplier Inclusion: Good for Business, Good for Women, Good for Sustainable Development — 18 June

Exchanges Listing Over 4,600 Companies Commit to Promoting Sustainability — 18 June

Leading into Rio+20 Summit, Business Makes a Pitch for Corporate-based and Public-Private Sustainability Solutions — 18 June

Action Pledges by Business Kick Off Rio Drive for Sustainability Solutions — 18 June

Business Puts in a Bid to Engage in Sustainable Development Goals Process, at Closing of Corporate Sustainability Forum in Rio — 18 June

Final Business Forum Text Packed with Commitments and Innovations Presented to UN Secretary-General at Rio+20 — 21 June

Visit <http://www.unglobalcompact.org/NewsAndEvents/> to see full press releases.

“Governments and nation-states are not alone in driving this transformation. At Rio, more than 1,000 corporate leaders from all continents will deliver a common message: business as usual no longer works. **Many are members of the United Nations Global Compact – volunteers in a growing private-sector movement that understands that 21st-century corporate responsibility means corporate sustainability.**”

- *The Korea Times (Korea)*, 15 June 2012,
Op-Ed by Ban Ki-moon,
A Global Movement for Change

About the United Nations Global Compact:

The United Nations Global Compact is a call to companies everywhere to voluntarily align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, and to take action in support of UN goals and issues. The UN Global Compact is a leadership platform for the development, implementation, and disclosure of responsible corporate policies and practices. Launched in 2000, it is largest corporate sustainability initiative in the world, with more than 10,000 signatories based in 145 countries, and Local Networks in over 100 countries.

More information: www.unglobalcompact.org

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The report is printed on 100% recycled paper that is Forest Stewardship Council (FSC) certified and made carbon neutral. Our distribution policy aims to reduce the UN Global Compact's carbon footprint.

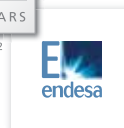
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The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

