

Corporate Sustainability Leadership: A Framework for Action at Rio+20 and Beyond

Summary and Recommendations

The 2012 UN Conference on Sustainable Development - Rio+20 will convene Governments to build consensus on a more sustainable course for our world, in the environmental, social and economic spheres. Business plays a crucial role in this endeavour through corporate sustainability, defined as a company's delivery of long-term value in financial, social, environmental and ethical terms.

Companies around the world are increasingly putting sustainability on their agendas; promising and progressive work is underway. For example, through the UN Global Compact over 6,000 companies in 140 countries – representing approximately 50 million employees – have committed to respect and support human rights, ensure decent workplace conditions, safeguard and restore the environment, and enact good corporate governance – and then are reporting publicly on their progress towards these goals. With Global Compact Local Networks in 100 countries, these companies are convening and acting on sustainability issues at the ground level. Business is also moving into innovation 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. As a result, 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. However, despite positive developments and shifting trends, corporate sustainability as practiced today is insufficient – a quantum leap is needed. To reach full scale, economic incentive structures must be realigned so that sustainability is valued and profitable.

Recommendations for Governments

With the right incentives, enabling environment and means of implementation, the private sector can make significant contributions to the sustainable development agenda. Governments have a critical role to play in each of these realms. Therefore, in the outcome document of the Rio+20 Conference, the UN Global Compact recommends that Governments:

- *Recognize* that corporate sustainability – defined as a company's delivery of long-term value in financial, social, environmental and ethical terms – is a fundamental contribution to sustainable development and *encourage* businesses everywhere to adopt universally accepted sustainability principles, as advanced by the United Nations Global Compact.
- *Encourage* companies to enhance accountability and transparency through monitoring, measuring and disclosing sustainability practices and *commit* to develop a global policy framework for business to annually disclose sustainability information following uniform parameters in their annual financial reports or other reports – or explain why they do not.
- *Recognize* that partnerships between business, the public sector and civil society contribute important solutions for realizing development goals, for example in the areas of energy, water, food and good governance, and *commit* to support the development of transformational partnerships which address systemic issues, involve all relevant stakeholders, leverage core competencies of all partners, and have in-built capacity for scale.

Further, Governments are asked to take actions to support greater scale and quality of corporate sustainability, in the following areas:

1. *Building effective policy frameworks to support corporate sustainability*, specifically related to: peace, stability and human rights; an open, rule-based and non-discriminatory policy environment; good governance and anti-corruption; and effective regulatory frameworks and incentives for markets.

2. *Strengthening modalities for corporate sustainability implementation*, including: sustainable finance and responsible investment; corporate disclosure; transformational partnership models and corporate commitments; national sustainability hubs; and responsible management education.
3. *Advancing sustainability issues through private sector practices, innovation and collaboration*, in areas including: energy and climate; water; biodiversity; empowering women; anti-corruption; and social business.

Rio+20 provides a unique and powerful platform to advance implementation, innovation and collaboration by business that advances sustainability on a massive scale. Engagement by and with the private sector that is collaborative, serious and solutions-oriented is critical, and can help ensure that the Rio Conference is a launching ground for widespread corporate action in support of sustainability.

Beyond Rio, the UN Global Compact will continue its work to increase the scale and intensity of sustainability globally – seeking to reach companies that have yet to embrace corporate responsibility, motivate less-advanced companies to deepen their sustainability efforts, and spur front runners to lead the way to the next generation of sustainability performance.

[See the full submission](#)

The UN Global Compact is a partner of the Business Action for Sustainable Development (BASD) 2012. Our Rio+20 submission complements and supports the BASD 2012 submission.

The United Nations Global Compact is the world's largest corporate responsibility initiative with over 9,000 business and civil society signatories in more than 140 countries, and 100 Local Networks. Participating companies commit to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption, as well as to take actions in support of broader United Nations goals such as the Millennium Development Goals. Launched in 2000, the mission of the UN Global Compact is to advance the practice of corporate sustainability globally, recognizing that responsible business actions can underpin economies with values essential for more sustainable and inclusive growth. More information: www.unglobalcompact.org.