



UN Global Compact LEAD Luncheon at the World Economic Forum Annual Meeting 2012 in Davos -Background Note-

Chaired by the UN Secretary-General, and co-hosted by the Swiss Government, the UN Global Compact, and the Guile Foundation, the Global Compact LEAD Luncheon will take place as a private event in the margins of the World Economic Forum in Davos.

Date and time: 27 January 2012
12:00 – 14:00

Venue: Waldhotel
Buolstrasse 3
7270 Davos Platz
Switzerland

Participants in addition to the UN Secretary-General and representatives of the co-hosts will be Heads of UN Agencies, Funds and Programmes, LEAD Chief Executives, high-level investor and business-school representatives from PRI and PRME. A total of approximately 50 high-level participants are expected.

Objectives

The LEAD Luncheon marks the one year anniversary of Global Compact LEAD and will take place only five months prior to the UN Conference on Sustainable Development in Rio in June 2012 (Rio+20). It represents an important opportunity for chief executives to engage in open and interactive discussions with UN leadership on the future of corporate sustainability and expectations to the Rio+20 process.

The objectives are:

- a. to review the first year of Global Compact LEAD and discuss the future priorities of the initiative; and
- b. to identify priorities for the Rio+20 process and exchange views on the role and involvement of the private sector.

Format and Programme

By suggestion of the UN Secretary-General, the luncheon will be conducted in an informal and interactive format allowing all participants to contribute to the discussion in a roundtable setting. Formal presentations will be limited to opening remarks by the co-hosts. The luncheon will be chaired by the UN Secretary-General Ban Ki-moon and moderated by the Executive Director of the Global Compact, Georg Kell.

All participating executives are encouraged to contribute actively to the discussions and may at any time indicate that they would like the moderator to call upon them. To allow for an open, productive and inclusive exchange, we ask for brief interventions (each 2 min max) and we strongly encourage that participants focus on the topics for discussion outlined below and that they respond to and build on the input of others.

As reflected in the agenda, the discussions will be divided in two parts. The first part will focus on Global Compact LEAD and its future priorities, before moving on to a discussion around the expectations and preparations for Rio+20. Please see details below.

Part I: Review of Global Compact Progress and Priorities

In the first part of the discussion, participants will be invited to review the first year of Global Compact LEAD and discuss the future priorities of the initiative. While executives are very welcome to focus any aspect of corporate sustainability leadership and voice any type of comment regarding the future of Global Compact LEAD, the moderator will make sure that the following themes are covered by the discussion:

Board Oversight of Sustainability

The LEAD Symposium on Board Adoption and Oversight in March 2011 led to the development of a set of recommendations Boards of Directors on their role in improving the sustainability performance of the corporations they oversee. Additional outcomes include proposal for collaboration with management educators on an executive education curriculum for Board members and a collaboration with Investors (PRI) to define best practices in linking sustainability performance to incentive mechanisms.

The discussion may evolve around the ways to implement the recommendations for Boards of Directors, including those on executive pay, and the prospects for rolling out a program for Board education.

Collaboration with UN

In 2011 a Global Compact LEAD Task Force on Co-creating UN-Business Partnerships developed the report called “Catalyzing Transformational Partnerships between the United Nations and Business” with recommendations for the UN on how to implement more effective business partnerships to drive systemic change. Moving forward the Task Force will continue to work with relevant UN partners to support the implementation of recommendations and help create the conditions under which these partnerships can thrive. Other ongoing LEAD activities also involve close collaboration with the UN system, including the Task Force on Sustainable Energy for All.

The discussion related to this theme will likely evolve around the importance of UN-Business Partnerships, the implementation of the recommendations from LEAD companies as well as the priorities for strong links between Global Compact LEAD and UN Agencies, Funds and Programs.

Collaboration with Investors

Collaboration between LEAD and the UN-backed Principles for Responsible Investment (PRI) holds the potential to provide participating companies with a unique opportunity to shape how ESG issues are incorporated into investment decisions, and to allow LEAD company practices to become the basis the development of industry-specific benchmarks used by investors. Joint efforts between LEAD and the UN-backed Principles for Responsible Investors (PRI) have been started to look at ways to improve communication on ESG/sustainability between companies and investors (focusing specifically on Integrated Reporting and the New Analyst Call), as well as on integration of sustainability into executive pay.

The discussion related to this theme will likely evolve around these initiatives and more generally the importance of strengthening communication to and collaboration with investors.

Global Compact Local Networks

A meeting between LEAD companies and Global Compact Local Networks in Copenhagen in 2011 emphasized the mutual benefit of forging stronger ties between the local operations of LEAD companies and Global Compact Local Networks around the world. Increased engagement of LEAD companies will contribute significantly to the strengthening of local efforts to advance sustainability. Stronger Local Networks will in turn support local implementation of corporate sustainability by contributing to a better understanding of local challenges and the opportunity to partner with local companies and stakeholders. However, many challenges still lie ahead, and the Global Compact is undertaking various activities to strengthen Local Networks and facilitate the engagement of LEAD companies.

The discussions related to this theme may evolve around the ways to unleash the full potential of Local Networks to support local implementation of corporate sustainability and collective action and the need for LEAD companies demonstrate local leadership.

Additional background information

Further to the information provided above, participants prepare for this discussion by virtue of the following documents that have been circulated electronically alongside this note:

- Blueprint for Corporate Sustainability Leadership
- LEAD Update Brochure

Part II: Preparing for Rio+20

The United Nations Secretary-General Ban Ki-moon is expected to kick this part of the discussion off by outlining his ambitions for Rio+20 and by challenging companies to rise to the occasion and support the United Nations in making the conference an important milestone in the pursuit of sustainable development.

In response to the Secretary-Generals opening address, the discussion among participants will allow UN and business leadership to exchange views on the priorities for the Rio+20 process, focusing specifically on the role and involvement of the private sector. Participating executives may contribute to the discussion by conveying their expectations to the Rio+20 process and by suggesting how corporate sustainability leaders, including their own organizations, can best contribute to a successful outcome. This may include suggestions on the role that leading companies can play in calling on governments to put the right incentives and enabling environment in place.

About Rio+20

The 2012 UN Conference on Sustainable Development (Rio+20) will gather Governments on 20-22 June 2012 to build global consensus to put the world on a more sustainable course in the environmental, social and economic spheres. The conference will focus on two overall themes: i) a green economy in the context of sustainable development and poverty eradication; and ii) the institutional framework for sustainable development.

Corporate sustainability --defined as a company's delivery of long-term value in financial, social, environmental and ethical terms--constitutes the private sectors contribution to sustainable development and Rio+20 may provide a unique opportunity to help bring the corporate sustainability movement to scale.

Global business has an important role to play in making Rio+20 a success and can support the United Nations pursuit of sustainable development by:

- Demonstrating the proven ability of business to strategically address and provide practical solutions to global challenges ; and
- Making a clear case for businesses everywhere to comprehensively embed principles into their strategies, operations and throughout their supply chain.
- Mobilizing greater collaboration among business and industry – and in partnership with key actors including government, multilateral organizations and civil society – to identify and scale up the most promising technologies and solutions towards sustainability, particularly related to climate change, energy, water, food.
- Advocating for agreement at all government levels – national, city, community – on the need to prioritize sustainability and develop an enabling environment that incentivizes the private sector at large to accelerate the transformation towards more sustainable economies and societies.

About the Rio+20 Corporate Sustainability Forum

The UN Global Compact will organize the Rio+20 Corporate Sustainability Forum: Innovation & Collaboration for the Future We Want on 16 - 18 June 2012 in Rio de Janeiro -in cooperation with the Rio+20 Secretariat, the UN System and the Global Compact Local Network Brazil. The objective of the Forum is to bring greater scale and quality to implementation of corporate sustainability practices, innovation and collaboration and to bring the voice of corporate sustainability leaders to the Rio+20 Conference.

The Rio+20 Corporate Sustainability Forum will provide a venue for business, industry and investors to meet with Governments, local authorities, civil society and UN entities, and more than 2,000 people are expected to attend. The Forum will consist of dozens of workshops and thematic sessions linked to the Rio+20 agenda.

UN Global Compact Rio+20 Submission

Further to the information provided above, participants can prepare for this discussion by being familiar with the Global Compact Rio+20 Submission circulated electronically alongside this note.