



A GLOBAL COMPACT FOR SUSTAINABLE DEVELOPMENT

THE POST-2015 DEVELOPMENT AGENDA & THE SDGs

When the United Nations Member States in September 2015 adopt the Post-2015 Development Framework, including a set of global Sustainable Development Goals (SDGs), business will have a globally-accepted and practical definition of sustainable development. This will help companies align their own strategies and practices with global priorities and communicate them, as well as offer a common platform for dialogue and partnerships with other companies, civil society organizations and governments.

The SDGs build on the Millennium Development Goals (MDGs) and seek to finish what they set out to achieve in priority social areas like health, women's empowerment and education, while expanding the environmental goals and placing new emphasis on the enabling environment needed for sustainable development to flourish. For their notable successes, one broad conclusion is that the MDGs underplay governance and economic factors that are driving forces in achieving social well-being. The forthcoming SDGs go beyond the MDGs, expand the scope of environmental goals, and focus on the enabling environment by promising more peaceful, more inclusive and better governed societies.

WHY ARE THE SDGs RELEVANT TO BUSINESS?

Strong markets and strong societies go hand in hand. Even the most principled and best-managed companies are challenged to thrive in communities marked by instability, to find skilled labour where adequate education is lacking, or to withstand natural disasters stemming from climate change. Successful implementation of the SDGs will strengthen the enabling environment for companies around the world.

The SDGs hold the potential to guide companies in their long-term investments, strategic prioritization and goal setting. Whereas all SDGs may not be relevant to every company, there is a strong and proven business case for companies to contribute to the realization of each SDG, for example, opening new market opportunities, improving productivity, mitigating risks and improving a company's reputation. With the billions of dollars in investments that public and private sector players are expected to redirect towards the realization of the SDGs, the upside for companies able to deliver technologies and solutions will likely grow very significantly over the coming years.

ALIGNING GOALS WITH THE SDGs

The SDGs represent an unprecedented opportunity for companies to align their own sustainability goals with goals for the broader society. This in turn, can be an effective tool for communicating to stakeholders about the company's role in society and specific contributions to the SDGs. To put their sustainability goals on record as commitments to the SDGs, companies are encouraged to submit them to the United Nations at business.un.org.

KEY POINTS:

- **THE ACHIEVEMENT OF THE SDGs WILL STRENGTHEN THE ENABLING ENVIRONMENT FOR BUSINESS.**
- **AS ESSENTIAL ECONOMIC AGENTS AND JOB CREATORS, BUSINESS CAN CONTRIBUTE SIGNIFICANTLY TO DEVELOPMENT PRIORITIES.**
- **BY EMPLOYING MORE RESPONSIBLE AND SUSTAINABLE BUSINESS PRACTICES, COMPANIES CONTRIBUTE TO THE ACHIEVEMENT OF THE SDGs.**
- **THE POST-2015 AGENDA WILL REQUIRE TRILLIONS OF DOLLARS OF INVESTMENT EACH YEAR – PRESENTING ENORMOUS OPPORTUNITIES FOR WELL-POSITIONED COMPANIES.**

HOW CAN BUSINESS CONTRIBUTE TO THE IMPLEMENTATION OF THE SDGs?

The combined capabilities of private and state-owned enterprises and investors are expected to be major resources to be tapped in the drive to implement the SDGs. More than ever, businesses will be invited to contribute, invest and partner.

In all countries, including those that have remained at the base of the economic pyramid, commitment to a principled-based approach to business can simultaneously drive company success and contribute to the sustainable development of a society and economy. And by locating core operations and supply chains in myriad countries and investing in infrastructure and their work force for the long term, companies can create jobs, generate income, contribute to education and transfer of knowledge, and have a significant and lasting effect on societies in which they operate.

Companies look to core business, philanthropy, advocacy and partnerships to support society –and these are all key elements to advance the SDGs. Most importantly, companies should carefully consider business risks and opportunities related to each SDG, and transform their business models to avoid doing harm and gradually improve their contribution to the SDGs. For companies to effectively incorporate sustainability into core business models and strategies, top-level commitment by management and board is crucial. Effective integration also requires establishing accountability for sustainability priorities and goals to individual business units and individuals across the organization.

With its reach, ability to innovate and implementation capacity, business can be a powerful partner for the public sector and civil society organizations looking to develop and deliver more integrated solutions to global challenges. Partnership and collective action can often lead to a greater impact and help overcome systemic challenges.

ENGAGING WITH THE UN GLOBAL COMPACT GLOBALLY AND LOCALLY

The UN Global Compact offers a practical framework for companies around the world to engage on issues covered by the SDGs.

The UN Global Compact is the world's largest voluntary corporate sustainability initiative, which has grown to over 8,000 corporate participants and 4,000 non-business participants based in 160 countries since its launch in 2000. In line with its UN General Assembly mandate to "promote responsible business practices and UN values among the global business community and the UN System", the UN Global Compact calls companies everywhere to voluntarily align their operations and strategies with ten universally-accepted principles in the areas of human rights, labour, the environment and anti-corruption, and to take action in support of UN goals.

Businesses are asked to respect and support these principles and goals. At a minimum, the corporate responsibility to respect means businesses are expected to avoid causing or contributing to harm in their operations and throughout their value chain. In addition, companies are encouraged to support UN goals, including the upcoming SDGs, by taking action through their core business (i.e. products, services and business models), philanthropy, public policy advocacy and partnerships as discussed above. Already, thousands of UN Global Compact participants around the world are contributing to global development priorities by aligning with the ten principles and through partnerships – both with other companies and with civil society, governments and the UN – that deliver outcomes no sector can achieve alone.

At the core of the UN Global Compact is a CEO commitment, which sends a strong signal throughout the organization that shifting towards sustainability is a strategic priority. And through Global Compact LEAD, innovative leadership practices are shaped, including for Boards of Directors. The UN Global Compact, although voluntary, has a mandatory, annual reporting requirement, the Communication on Progress (COP), which is a public disclosure to stakeholders on progress made in implementing the ten principles and in supporting UN goals. Thousands of companies are publicly reporting on their strategies and activities related to corporate sustainability and sustainable development.

The UN Global Compact has for over a decade developed a comprehensive global framework that supports business engagement and platforms, including Caring for Climate, the CEO Water

Mandate, the Women's Empowerment Principles and Business for Peace, which drive individual and collective business action related to specific sustainable development challenges. Each of these issue platforms has hundreds of business participants from across all regions of the world and offers a scalable platform for engagement and SDG impact – connecting global frameworks and principles with local action and delivery. Each of these platforms has built-in accountability measures.

Global Compact Local Networks exist in more than 85 countries. Local Networks are key to the Post-2015 potential of corporates sustainability. They perform increasingly important roles in rooting the UN Global Compact within different national, cultural and linguistic contexts. They are organized and run locally – led by business but always bringing in key stakeholders. Local Networks play a key role in mobilizing companies around the MDGs and the upcoming SDGs, in relation to policy dialogue, implementation strategies and brokering partnerships at local level. Likewise, the UN Global Compact's integrity measures, namely the COP, constitute an important accountability mechanism that can contribute to track progress relating to the SDGs.

KEY POINTS:

•CORPORATE SUSTAINABILITY IS THE DELIVERY OF LONG-TERM VALUE IN FINANCIAL, ENVIRONMENTAL, SOCIAL AND ETHICAL TERMS.

•COMPANIES HAVE A RESPONSIBILITY TO RESPECT UNIVERSAL PRINCIPLES AND ARE ENCOURAGED TO TAKE VOLUNTARY ACTIONS TO SUPPORT UN GOALS.

AN ENABLING ENVIRONMENT FOR CORPORATE SUSTAINABILITY

A growing number of businesses are committed to integrating sustainability into their organizational DNA and long-term outlook. However, there is still a need for many more companies to develop sustainable business strategies and to ensure those that adopt more responsible practices are adequately rewarded. By creating – both via legislation and soft law - an enabling environment that fosters corporate sustainability, governments can play an important role in this transition.