

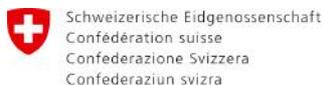


Summary Report of the Private Event

*"Blueprint for Corporate Sustainability Leadership
within the Global Compact: How to achieve a higher level of performance
and support broader UN goals, including the MDGs?"*

Friday, 28 January 2011
Davos / Switzerland

Co-hosted and supported by:



United Nations Global Compact

Background

The Global Compact is currently the world's largest corporate citizenship initiative. Launched in 2000, it has grown today to include more than 6,000 companies in 135 countries. Companies which sign the Global Compact commit to voluntarily adhere to ten broadly defined principles and thus strengthen their corporate responsibility.¹ In 2010, the UN Global Compact Office developed and launched in close collaboration with signatories the "Blueprint for Corporate Sustainability Leadership" (Blueprint) in order to further promote the mission of the Global Compact among its continuously growing base of members. Building on the Compact's original mission and objectives, the Blueprint offers firms a comprehensive set with 50 concrete actions they can take to achieve a higher level of sustainability performance (see Blueprint components in annex I).²

"Have we really achieved our ultimate mission creating a sustainable and inclusive global market place? No! Can we do it? Yes!"

The Private Events on the Global Compact at the World Economic Forum Annual Meeting in Davos are held since 2008 in order to strengthen the Global Compact and enhance its impact. This year's meeting was hosted by the Swiss Federal Department of Foreign Affairs, the UN Global Compact Office, Fondation Guilé, KPMG and Novo Nordisk (see agenda in annex II). It was attended by 90 high-level representatives of private companies, investors, academia, governments as well as the United Nations (see list of participants in annex III).

At the event, participants stressed the timely launch of the Blueprint in order to strengthen corporate commitment to the principles and objectives of the Global Compact. They encouraged a broad dissemination and committed use of the Blueprint and discussed the challenges and opportunities companies face when implementing the Blueprint's plan of action. The participants identified three areas for further action over the following years:³

- Encourage implementation of the Blueprint
- Mainstream the Blueprint among CEOs, board members and investors
- Strengthen partnerships to implement the Blueprint more effectively

Encourage implementation of the Blueprint

Participants urged for an increased use of the Blueprint in order to increase the impact of the Global Compact. More companies should agree to implement the Blueprint and those who commit should also show more dedication to follow the steps outlined in its action plan. Implementing the sustainability principle has become a widespread trend among businesses. But those who take on more serious responsibility now and implement the Blueprint can position themselves as leaders and inspire and guide those who have only begun to commit to the Global Compact.

"We have to go for more quantity and we have to drive quality to establish the business case so that good performance is recognised and rewarded. That's the main proposition of the Blueprint at its core."

¹ Such principles include „support and respect the protection of human rights“, „promote greater environmental responsibility“ or „work against corruption“. For a full list of the ten principles see www.unglobalcompact.org/aboutthegc/thetenprinciples/index.html.

² For a detailed description of the Blueprint, see „Blueprint for Corporate Sustainability Leadership“, United Nations Global Compact Office: New York, June 2010 (www.unglobalcompact.org).

³ This report was put together to capture the many valuable contributions participants made during the panel and plenary discussions of this Private Event. As Chatham House Rule was applied, quotes are not attributed. Names of the participants are listed in the annex.

The increased adherence to the Blueprint will have beneficial effects for all parties: For the UN, it will increase the credibility of the Global Compact and guarantee businesses taking a coherent approach to solving pressing problems on the UN agenda. For companies, it will deepen their commitment to sustainability and thus increase long-term success.



How exactly does the Blueprint help companies to become more sustainable? It provides a framework to plan, evaluate, and document a company's sustainability efforts. This is useful internally, for example when defining a company's aspirations or positioning, or when assessing the company's progress. But also externally, when communicating with customers, employees, shareholders and society at large. As research of the Centre for Corporate Sustainability Management of IMD International Business School suggests, effective communication about the values of the company and the broader purpose it wants to fulfil in society is an important way to build the relationships with stakeholders and increase trust.

"Companies that are good at communicating are also performing better financially. The Blueprint can help if it becomes a way to have better dialogue."

In addition, the Blueprint offers companies specific opportunities to position themselves as sustainability leaders and gain recognition and visibility. The Global Compact LEAD initiative, for example, is a group of 54 companies that have committed to implement the actions stipulated in the Blueprint. Their companies are granted specific branding and exposure among UN agencies, investors and business schools.

Mainstream the Blueprint among CEOs, board members and investors

Although the values of the Blueprint have entered the corporate vocabulary of private firms in one form or another over the last years, individuals with crucial functions in many companies such as CEOs and board members still seem to be reluctant to make sustainability a priority item on their agenda. Investors, too, are still indecisive as to whether to include sustainability in their analyses. Why this hesitation and how can the leaders be encouraged?

"It is only through leadership at the very top of the organisation that we will drive this [the Blueprint] through the heart of the organisation through its policies, its principles, its culture, its values."

Overcome generational and cultural gaps

There are certainly demographics at work – sustainability seems to be especially *en vogue* among individuals in their mid-thirties while CEOs and board members tend to be over fifty. But culture comes into play, too. Multinational companies in particular have to juggle different interpretations of sustainability and the common denominator between American, European and Asian understandings often tends to be small. But facilitating exchange and upholding the dialogue across age and culture is important to eventually reach a clear corporate definition. The Blueprint may help to address sustainability issues coherently.

Choose your own likes

But companies do have the freedom to choose executives, board members or investors and in their selection process they should apply the relevant sustainability criteria. When looking for investment, companies can choose to fulfil the criteria of sustainable investment funds (such as the Guilé European Engagement Fund) that attract more long-term orientated shareholders. If Boards have to live up to the Blueprint, there will be serious thinking about how business can contribute to society. It will require a different mindset, different capabilities, and new ways of thinking. Above all, it will require the willingness to change, learn and develop.

"We have to unleash the power of innovation and creativity and energy of the younger people in our organisations and be bold and brave enough to have transparency and bring forth their ideas."

"When we need to invite new Board Members to come and join the company, there is a tendency to invite the legal people, the accounting people and the people who have a specialised knowledge. It may not be the very visionary people that we take the opportunity to invite onto our Boards in times of trouble."

Increase awareness among investors

Investors have a tendency to set short-term goals. They may hold shares during increasingly reduced time periods, sometimes even less than a day. This makes it impossible for them to consider any efforts the company might undertake in sustainability since, by definition, these are of an enduring nature. Building the awareness of investors and offering them ways to evaluate sustainability efforts is therefore key to make the Blueprint work. Initiatives like the Principles for Responsible Investment (PRI) are already helping an increasing number of socially responsible investors integrate sustainability issues into their analysis.

"There is a growing need of pension funds to become long-term shareholders, engaging with companies alongside the Global Compact principles."

Strengthen partnerships

For a successful implementation of the Blueprint partnerships of UN Global Compact with other organisations are crucial. The role of the following actors was emphasised:

Governments

In their development work, governments are fighting for many of the same causes as Global Compact signatories. Thanks to the expertise governments have gained in certain geographical areas, they can support companies when preparing the ground for sustainable business activities in a specific country, participate in the set-up and implementation of private-public partnerships and share their networks.



Business schools

Business schools provide research, develop tools and disseminate best practice in the field of sustainability on which companies can draw on when implementing the Blueprint. Business schools also educate a new generation of leaders who prioritise initiatives like the Global Compact and whom companies can recruit. They also provide and serve as facilitators of platforms where business people can meet representatives of NGOs and governments with the aim to share and learn from each other.

United Nations initiatives

The United Nations offer companies a range of possibilities to increase their performance related to implementing the Global Compact and its ten principles. The most obvious is to engage in their local Global Compact network.⁴ But companies can also contribute to specific UN initiatives such as the Millennium Development Goals or become active in initiatives such as the CEO Water Mandate, a unique public-private partnership designed to assist companies in the development, implementation and disclosure of water related sustainability policies and practices. Companies can also participate in targeted UN events such as the conference on the least developed countries to be held in Istanbul in May or the UN Private Sector Forum held in September 2011 in New York.

"We should have the local network system strengthened and responsibility given to those who are having a stake."

Non-Governmental Organisations (NGOs)

NGOs possess specific knowledge about sustainability issues as well as skills, networks and infrastructure that can be very useful for businesses when implementing the Blueprint. Over the last ten years, many of corporate-NGO partnerships have proven to provide mutual benefits such as WindMade™, a partnership between Vestas Wind Systems, Global Wind Energy Council, World Wildlife Fund, UN Global Compact, LEGO Group, PricewaterhouseCoopers, and Bloomberg to create a consumer label identifying products made with wind energy.

Business partnerships

Companies can also increase the impact they have on managing sustainability issues by joining forces with other businesses. Initiatives such as Global Compact LEAD, the CEO Water Mandate or Caring for Climate, an engagement of more than 300 companies from over 60 countries who seek to participate in the development of effective climate change policies are good examples of such corporate partnerships. Business to business projects can also be very effective for companies working to make their supply chains more sustainable. For example, many companies have set up innovative partnerships with local suppliers that enabled them to save natural resources and pay fair wages while increasing the satisfaction of their clients and employees and becoming pioneers in sustainable production.

"If we can build a partnership with the consumers, then, we would actually have a new chance to make a difference."

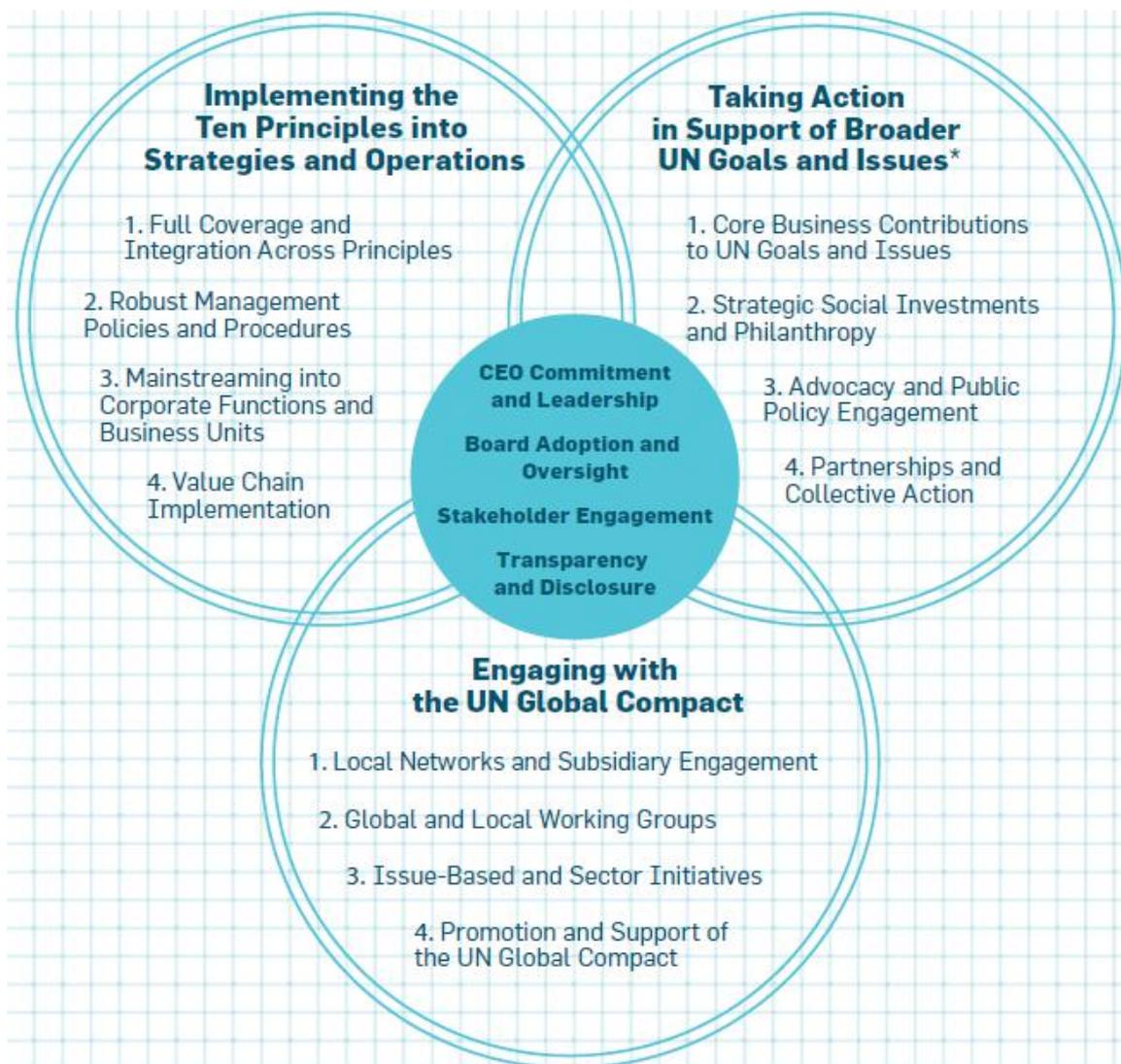


⁴ The Global Compact local networks are groups of signatory companies based in a particular geographic context. The networks root the Global Compact within different national, cultural and language contexts, and helping to manage its rapid expansion. Their role is to facilitate the progress of companies when implementing the ten principles, while also creating opportunities for multi-stakeholder engagement and collective action. Furthermore, networks deepen the learning experience of all participants through their own activities and events and support action in support of broader UN goals.

Annex I: The Key Components of the Blueprint

The Blueprint for Corporate Sustainability Leadership offers companies a model for achieving higher levels of performance and generating enhanced value through the Global Compact. It provides an action plan with a total of 50 criteria for leadership in three core areas:

- (i) integrating the Global Compact ten principles into strategies and operations;
- (ii) taking action in support of broader UN goals and issues; and
- (iii) engaging with the Global Compact.



Source: "Blueprint for Corporate Sustainability Leadership", United Nations Global Compact Office: New York, June 2010 (www.unglobalcompact.org/HowToParticipate/Business_Participation/blueprint_for_corporate_sustainability_leadership.html).

Annex II: Agenda of Private Event 2011

Blueprint for Corporate Sustainability Leadership within the Global Compact: How to achieve a higher level of performance and support broader UN goals, including the MDGs?

Friday, 28 January 2011

Meeting and Discussion 13.00 – 14.50
Waldhotel Davos / Davos Platz, Switzerland

13.00 Welcome addresses

- Régis Burrus, Vice Chairman, Fondation Guilé
- Robert Greenhill, Managing Director, World Economic Forum

13.10 Opening remarks

- Ban Ki-moon, United Nations Secretary General

13.20 Implementing the Blueprint – Demonstrating Leadership

Review of Blueprint from different corporate perspectives and its relevancy in terms of driving value for companies and the UN. Interventions will include suggestions on how to make the Blueprint operational, levels of implementation by company, and leadership initiatives in support of broader UN goals, including the MDGs.

- Timothy P. Flynn, Chairman, KPMG International
- Kris Gopalakrishnan, CEO and Managing Director, Infosys Technologies
- Lise Kingo, Executive Vice President & Chief of Staff, Novo Nordisk
- Ditlev Engel, CEO, Vestas

13.50 Why the Blueprint matters for governments, investors and educators

Input by leaders from donor countries, the Principles for Responsible Investment and Principles for Responsible Management Education initiatives on the importance of Blueprint implementation in relation to governments, investors and business schools.

- Martin Dahinden, Ambassador, Director General, Swiss Agency for Development and Cooperation
- Andrew Moss, CEO, Aviva Plc.
- John Weeks, Professor, IMD Lausanne

14.10 Moderated discussion and preliminary conclusions

Dialogue among participants, moderated by Ernst A. Brugger

14.40 Closing remarks

- Peter Maurer, Secretary of State, Swiss Federal Ministry of Foreign Affairs
- Georg Kell, Executive Director, UN Global Compact

14.50 End of Meeting

Annex III: Participants at Private Event 2011

Speakers and Special Guests

Aviva plc	Andrew	Moss	CEO
Fondation Guilé	Ernst A.	Brugger	Member of the Board
Fondation Guilé	Régis	Burrus	Vice Chairman
IMD Lausanne	John	Weeks	Professor of Leadership and Organizational Change
Infosys Technologies	Kris	Gopalakrishnan	CEO and Managing Director
KPMG International	Timothy P.	Flynn	Chairman
Novo Nordisk A/S	Lise	Kingo	Executive Vice-President & Chief of Staff
Swiss Agency for Development and Cooperation	Martin	Dahinden	Ambassador, Director General
Swiss Federal Department of Foreign Affairs	Peter	Maurer	Secretary of State
UN Global Compact	Georg	Kell	Executive Director
United Nations	Ki-moon	Ban	Secretary General
United Nations	Mrs.	Ban	
Vestas Wind Systems A/S	Ditlev	Engel	CEO
World Economic Forum	Robert	Greenhill	Managing Director

Participants

A.P. Moller - Maersk	Nils Smedegaard	Andersen	Partner and Group CEO
Accenture	William D.	Green	Chairman
Accenture	Pierre	Nanterme	Group CEO
Acciona	J. Joaquin	Mollinedo Chocano	Chief Innovation & Sustainability Officer
Acciona	Juan Ramón	Silva Ferrada	Area General Manager Sustainability
Advanced Chemical Industries	Arif	Dowla	Managing Director
Aigo Digital Tech Co., Ltd.	Jun	Feng	President and CEO
ArcelorMittal	Roland	Verstappen	VP for International Affairs and Corporate Responsibility
ARM Holdings plc	Graham	Budd	Chief Operating Officer
Banco Itaú Unibanco	Ricardo	Villela Marino	CEO, Latin America
Bunge	Carl	Hausmann	Managing Director, Global Corporate Affairs

Business for Social Responsibility	Aron	Cramer	CEO
Carrefour	Pierre-Alexandre	Teulié	General Secretary of the Board
CH2M HILL Companies Ltd	Lee A.	McIntire	Chairman and CEO
China NTG Gas Ltd	Jonathan	Chan	Vice Chairman
China NTG Gas Ltd	Elanor	Chan	Group CEO
China Ocean Shipping Group Co. (COSCO)	Wie	Jiafu	Executive President and CEO
CNP Assurances	Edmond	Alphandéry	Chairman
Companhia Vale do Rio Doce	Vania	Somavilla	Director, Department of Environment and SD
Dalberg Global Development Advisors	Sonila	Cook	Partner
de Pury Pictet Turrettini & Cie	Melchior	de Muralt	Managing Partner
Dogus Group	Hüsnü	Akhan	CEO
Edelman	Mathew	Harrington	USA CEO
Eni	Sabina	Ratti	Sustainability Vice President
Eskom Holdings Limited	Brian A.	Dames	Chief Executive
Eskom Holdings Limited	Mpho	Makwana	Chairman
Gamesa Corporación Tecnológica	Jorge	Calvet	Chairman and CEO
Heineken NV	Jean-François	van Boxmeer	Chairman of the Executive Board and CEO
Hikma Pharmaceuticals	Tareq	Darwazeh	Board Member
Hilti Aktiengesellschaft	Pius	Baschera	Chairman of the Board of Directors
Hitachi, Ltd.	Takashi	Hatchoji	Executive Vice President
IMD Foundation Board	Peter	Wuffli	Chairman
IMD Lausanne	Aileen	Ionescu-Somers	Director of Center for Sustainability Management
Intel Corporation	Arvind	Sodhani	President, Intel Capital & EVP Intel Corp
Ketchum Inc.	Rob	Flaherty	Senior Partner and President
Manpower Inc	David	Arkless	President for Corporate & Government Affairs
Martha Tilaar Group	Nuning S.	Barwa	Director of CSR
Martha Tilaar Group	Martha	Tilaar	Chairwoman & Founder
Merck & Co. Inc.	Geralyn	Ritter	VP, Global Public Policy & Corporate Responsibility

Nestlé SA	Chris	Johnson	Executive Vice-President
Nestlé SA	Janet	Voute	Global Vice-President of Public Affairs
Netafim	Naty	Barak	Chief Sustainability Officer
Newmont Mining Corporation	Richard	O'Brian	President and CEO
Oando PLC	Jubril	Adewale Tinubu	Group Chief Executive
Pfizer Inc.	Greg	Simon	Senior Vice-President, Worldwide Policy
PricewaterhouseCoopers	Malcolm	Preston	Global Sustainability Leader
Rio Tinto Plc	Tom	Albanese	Chief Executive
Ruder Finn Inc.	Kathy	Bloomgarden	CEO
SABIC Innovative Plastics	Susan	Brate	Executive Manager, Manufacturing
Sakhalin Energy Investment Company	Andrei	Galaev	Chief Executive Officer
SK Group	Tae-won	Chey	Chairman & CEO
SK Group	Eunkyung	Lee	Assistant to CEO
Strauss Group	Ofra	Strauss	Chairperson
System Capital Management	John	Mendoza-Wilson	Director Investor Relations
Tata Steel	Sanjiv	Paul	Vice President (Corporate Services)
Teck Resources	Doug H.	Horswill	SVP, Sustainability and External Affairs
Teck Resources	Don	Lindsay	President & CEO
The Coca-Cola Company	Dominique	Reiniche	President of Coca-Cola Company, Europe Group
Titan Cement Company	Dimitri	Papalexopoulos	CEO
Total SA	Jean	du Rusquec	Advisor to the Chairman & CEO
UBS AG	Kaspar	Villiger	Chairman of the Board of Directors
UN Principles for Responsible Investment	James	Gifford	Executive Director
UN Women	Michelle	Bachelet	Executive Director
Unilever	Harish	Manwani	President for Asia, Middle East, Africa and Europe
United Nations	Raymond G.	Chambers	Special Envoy for Malaria
United Nations	Philippe	Douste-Blazy	Special Adviser on Innovative Financing for Development

United Nations	David	Nabarro	Secretary-General's Special Representative on Food Security and Nutrition
United Nations	Robert C.	Orr	Assistant Secretary-General
United Nations	Janos	Pasztor	Secretary-General's High-level Panel on Global Sustainability
United Nations	Thomas	Stelzer	Assistant Secretary-General for Policy Coordination and Inter-Agency Affairs
United Nations	Kim	Wonsoo	Deputy Chef de Cabinet / Assistant Secretary-General
United Nations Foundation	Timothy E.	Wirth	President
Unwto Step Foundation	Young-shim	Dho	Chairperson
Vestas Wind Systems A/S	Jakob	Larsen	Senior Vice President, Sustainability
Wisekey SA	Carlos	Moreira	CEO
Yasar Holding Co.	Mehmet	Aktas	Board Member
Zurich	Peter	Buomberger	Group Head Government and Industry Affairs

Co-Host Representatives

Fondation Guilé	Belinda	Fleischmann	Member of Engagement Team
Fondation Guilé	Oliver	Johner	Member of Engagement Team
Fondation Guilé	Thomas	Streiff	Head of Engagement Team
KPMG International	José Luis	Blasco	Partner, Advisory
KPMG International	Yvo	de Boer	Global Advisor of Climate Change & Sustainability
KPMG International	Michael	Hastings	International Director
KPMG International	Jochen	Pampel	Partner
Swiss Agency for Development and Cooperation	Markus	Eggenberger	Programme Manager
UN Global Compact	Ole Lund	Hansen	Senior Advisor
UN Global Compact	Gavin	Power	Deputy Director