

April 7, 2010

United Nations Global Compact Supra-Environmental Stewardship Strategy Project

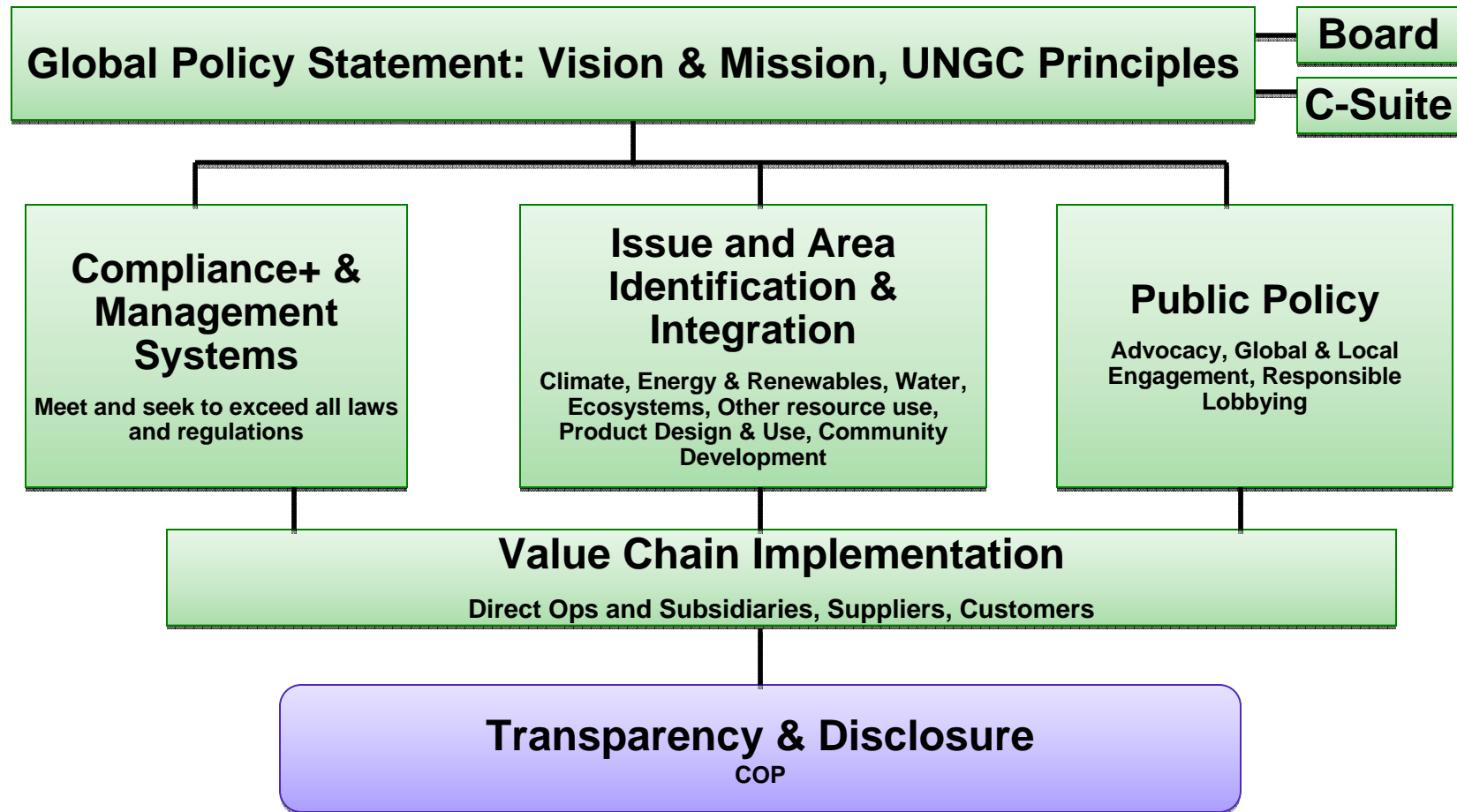
AGENDA

- Goals of Project
- Research Process
- Draft Strategy Framework
- Future Steps

Working together to advance the project



The next generation Environmental Stewardship concept outlines the key tactics of a Leader Firm



To make stewardship systematic, the Strategy must offer robust, actionable solutions

“GO DEEP”

- Embed sustainability in the organization

“GO WIDE”

- Drive sustainability across the value chain

“GO LONG”

- Balance long-term and short-term interests

“GO LOCAL”

- Adapt policies and practices to local market priorities and realities

Once there is a vision:

Who will lead it?

How far will it reach?

Who can implement it?

What happens next?

Duke used the “Go” vision and a four-step process to develop the strategy tool

LITERATURE REVIEW

STRAWMAN



GENEVA SUPRAENVIRONMENTAL STRATEGY

FEEDBACK

FINAL STRATEGY

The Strategy integrates the UNGC's environmental principles, CEO Water Compact and Caring for Climate

Three Principles

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

The CEO Water Mandate

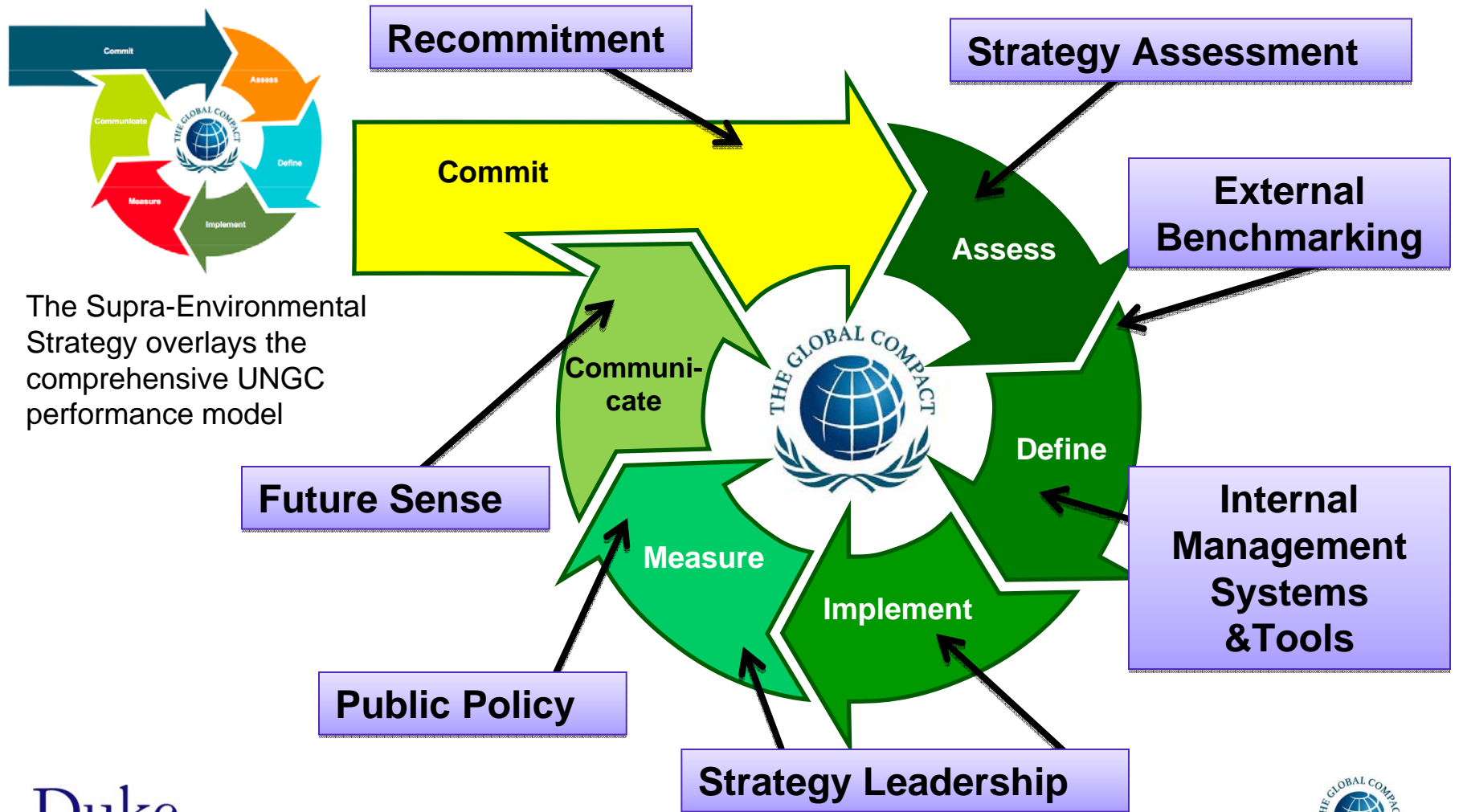
CEO Water Mandate signatories promote water sustainability strategies and jointly engage in water policy development.

CARING FOR CLIMATE: THE BUSINESS LEADERSHIP PLATFORM

Caring for Climate signatories integrate practical strategies to address climate change, undertake joint initiatives and engage in public policy development.



The New Supra-Environmental Strategy complements the UNGC's sustainability management model



The Supra-Environmental Strategy overlays the comprehensive UNGC performance model

STRATEGY FRAMEWORK

A web-based interface will provide managers and executives access to essential information

Primary Audience

- Board Members
- CEOs & C-Suite Executives
- Top Management

How it works

- Web-based with companion CD-ROM
- Living and breathing site
- Each user is encouraged to contribute and comment

The site will be hosted at Duke University and is being developed by Duke, UNGC and Infosys



STRATEGY ASSESMENT:

Leaders in environmental stewardship share two main traits regarding strategy assessment: Transparency and Integration. Transparency relates to honesty in assessment. Next-era environmental stewards let the numbers speak for themselves. Yet, honesty must go beyond numbers; it must include progress towards sustainability goals and reflection on where one's true environmental impact lies. Integration involves incorporating environmental stewardship so that it fits alongside other forms of company assessment – like their financial statements.

Leadership Practice
Transparency and Integration

Resource Links

http://www.eskom.co.za/annreport09/ar_2009/business_sustainability.htm

<http://www.novonordisk.com/sustainability/default.asp>

<http://www.tata.com/article.aspx?artid=4k1011ilySU=>

Case Studies





EXTERNAL BENCHMARKING:

Leaders in environmental stewardship emphasize individuality while stressing the need to find common causes and work collaboratively with partners in the business community. Leaders should reach out to all stakeholders proactively – from their customers to their suppliers to learn about their environmental strategies. Voluntary initiatives, like industry associations and disclosure alliances are taken seriously by leader firms. They observe the behaviors of others and adapt to their context and industries.

Leadership Practice:
Realistic progress and effective partnerships

Resource Links:
<http://www.wbcscd.org/templates/TemplateWBCSD5/layout.asp?type=p&MenuId=MTU3OA&doOpen=1&ClickMenu=LeftMenu>
<http://www.wbcscdcement.org/pdf/agenda.pdf>
<http://www.basel.int/industry/mppi.html>

Case Studies

SYSTEM CAPITAL MANAGEMENT **NOKIA**
Connecting People

NOVARTIS

Assessment

Bench-
marking

Systems &
Tools

Strategy
Leadership

Policy &
Future

INTERNAL MANAGEMENT SYSTEMS & TOOLS:

The next generation Supra Environmental Stewardship Strategy involves developing and adopting internal management systems and tools to address the issues that the company has identified as material to their business, industry sector and geographic location. In doing so, it is important to maintain a customer focus, as depending on the industry, most companies have realized that the bulk of their impacts on the environment may come from product use, as opposed to product creation.

Leadership Practices:

- Maintain a customer focus
- Use Life Cycle Assessment (LCA) tools & value-chain approach
- Implement and integrate robust management systems including certified environmental management systems (ISO14001) and voluntary initiatives (Carbon Disclosure Project)
- Set aggressive goals for the short and long-term
- Formalize programs through training and capacity building.
- Empower sustainability champions across the organization.
- Make use of internal audits and periodic reporting to top management and board committees
- Transparency is key. Utilize external disclosure reporting protocols (ie: Global Reporting Initiative)

Case Studies



FUJI XEROX



Resource Links:

<http://www.globalreporting.org/Home>

<https://www.cdproject.net/en-US/Pages/HomePage.aspx>

Assessment

Bench-
marking

Systems &
Tools

Strategy
Leadership

Policy &
Future

STRATEGY LEADERSHIP:

The next generation Supra-Environmental Environmental Stewardship Strategy addresses the inter-relationship of environmental issues and approaches them together as one issue with different angles. This includes assessing the tradeoffs and “connecting the dots” between a diverse set of aspects such as energy efficiency, greenhouse gas emissions, water use, waste reduction, land use change, biodiversity and ecosystem services, social and community development and public policy engagement, among others. Leaders recognize not only the importance of integrating environmental issues, but also of integrating different management systems and reporting protocols to set high standards for environmental stewardship.

Leadership Practice:

- Engage with stakeholders to identify material issues to business operations
- Assess direct impacts from operations across a broad range of issues and prioritize those which are most material to the industry
- Partner with expert institutions

Resource Links:

<http://www.holcim.com/sustainable>

<http://www.global100.org/>

Case Studies



Holcim



ERICSSON



Deutsche
Telekom



Duke

CORPORATE SUSTAINABILITY INITIATIVE



PUBLIC POLICY & FUTURE SENSE:

Leading companies use public policy to establish global standards, form public private partnerships, and capitalize on opportunities. A supra-environmental stewardship strategy incorporates public policy engagement that builds coalitions to solve important issues, recognizes public policy effects on industry, and encourages innovation to go beyond regulations. Engagement in public policy allows corporations to perform responsibly in the global marketplace. Active public policy engagement allows corporations to influence and prepare for future market trends. Such engagement informs organizations of successful environmental strategies, while building a more sustainable business for the long run.

Leadership Practice:
Responsible Advocacy and Global Engagement and Preparing for Future Trends

Resource Links:
Public Private Partnerships:
<http://www.gemi.org/resources/GEMI-EDF%20Guide.pdf>
Supply Chain Environmental Excellence:
<http://www.gemi.org/resources/GEMI-ForgingNewLinks-June04.PDF>

Case Studies

Future Steps

- Recommitment to Principles
- CEO and Board Training Curriculum
- Structure for Communication on Progress
- Gap Analysis Tools
- Website
 - Wiki to strengthen UNGC community
 - Peer ranking tool to chart progress and compare