

# “The role of the Private Sector in the UN Agenda 2030”

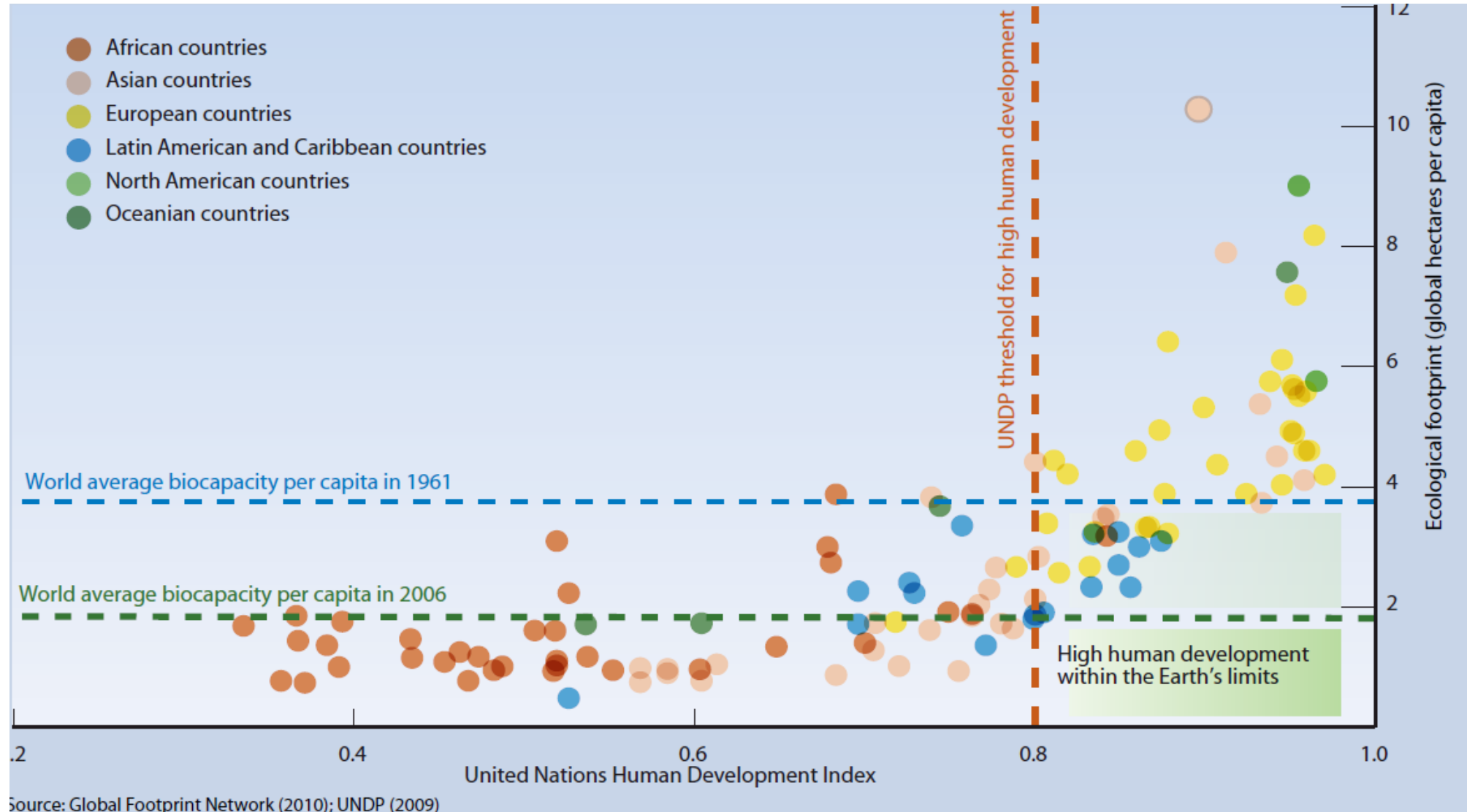
**Marco Frey –**

**Director of Institute of Management, Scuola Superiore Sant’Anna,  
President of FGCNI (Global Compact Network Italy Foundation),  
President of Scientific Committee of Symbola (Foundation for Italian Qualities)**

**6° CLAL DAIRY FORUM**

**Bardolino, Oct 12, 2016**

# An unsustainable world: the Global Challenge

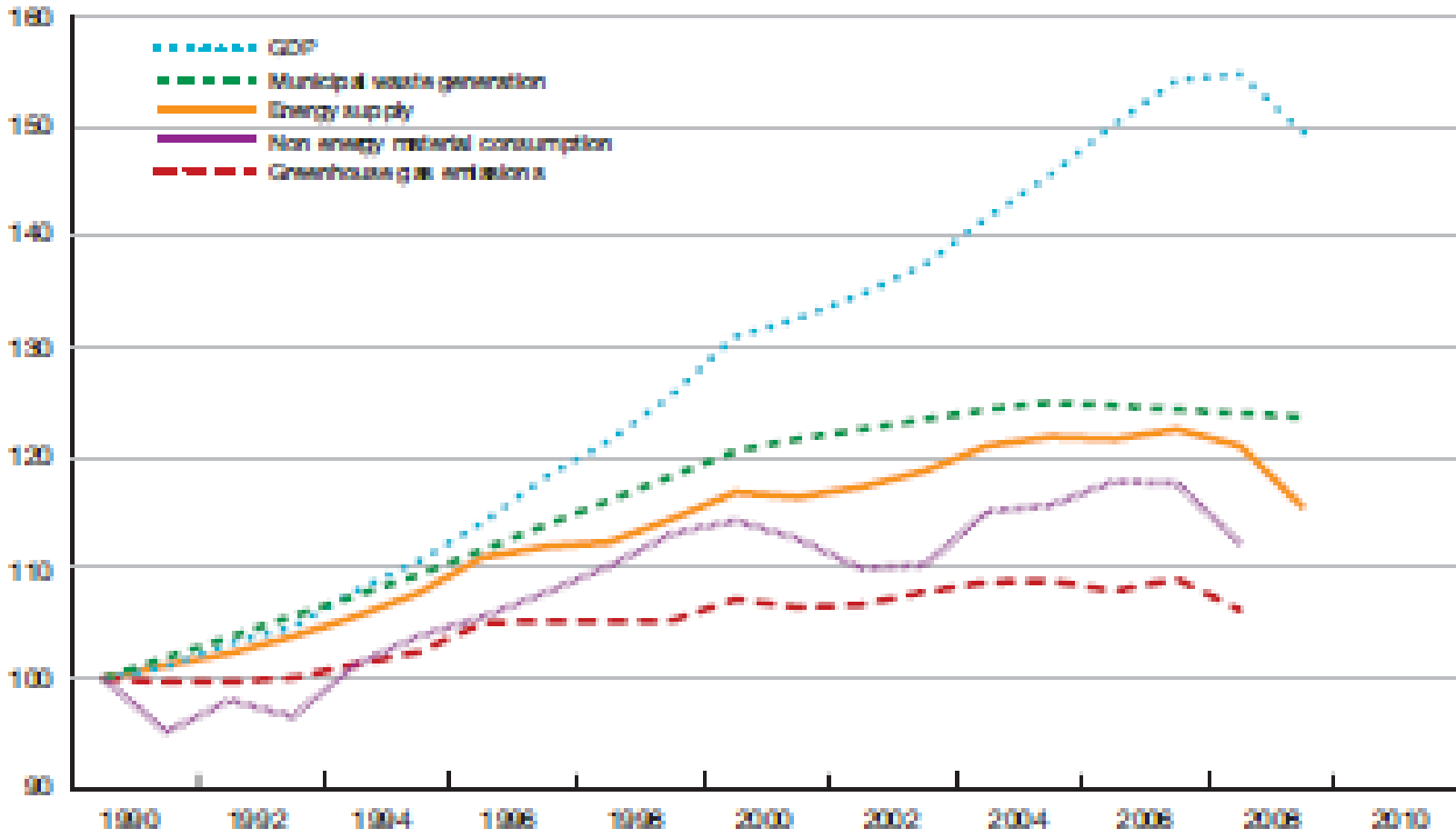


# OECD 2011 - Decoupling growth and resource consumption



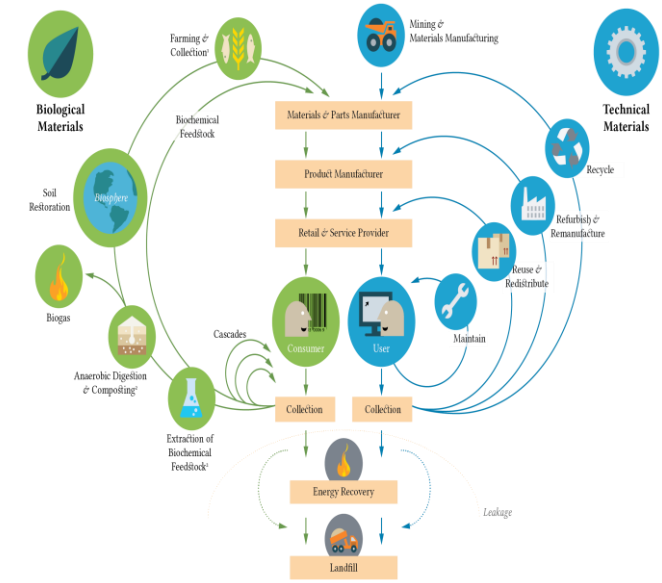
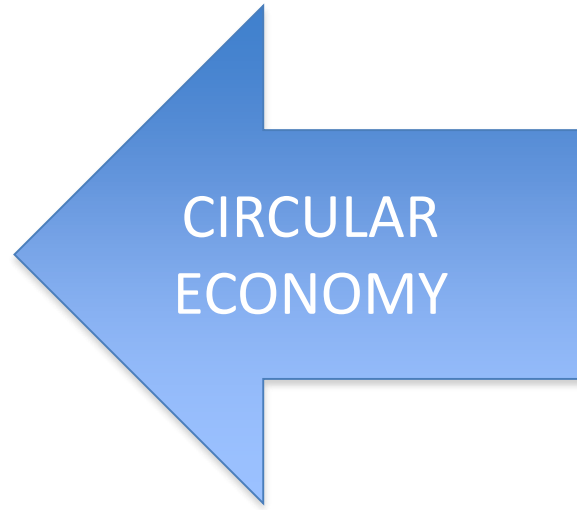
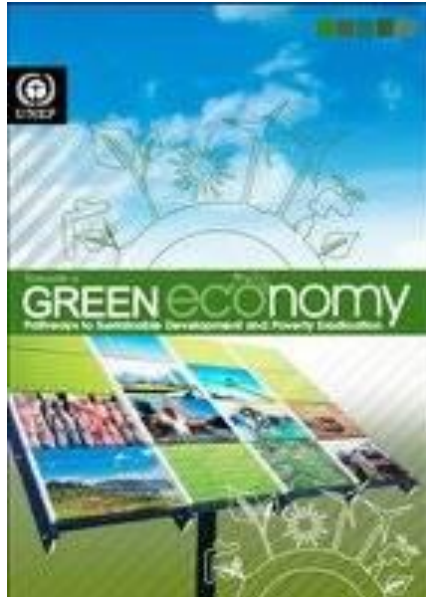
## Decoupling trends, OECD

Index, 1990 = 100



Source: OECD and IEA environmental data.

# New Economic Models

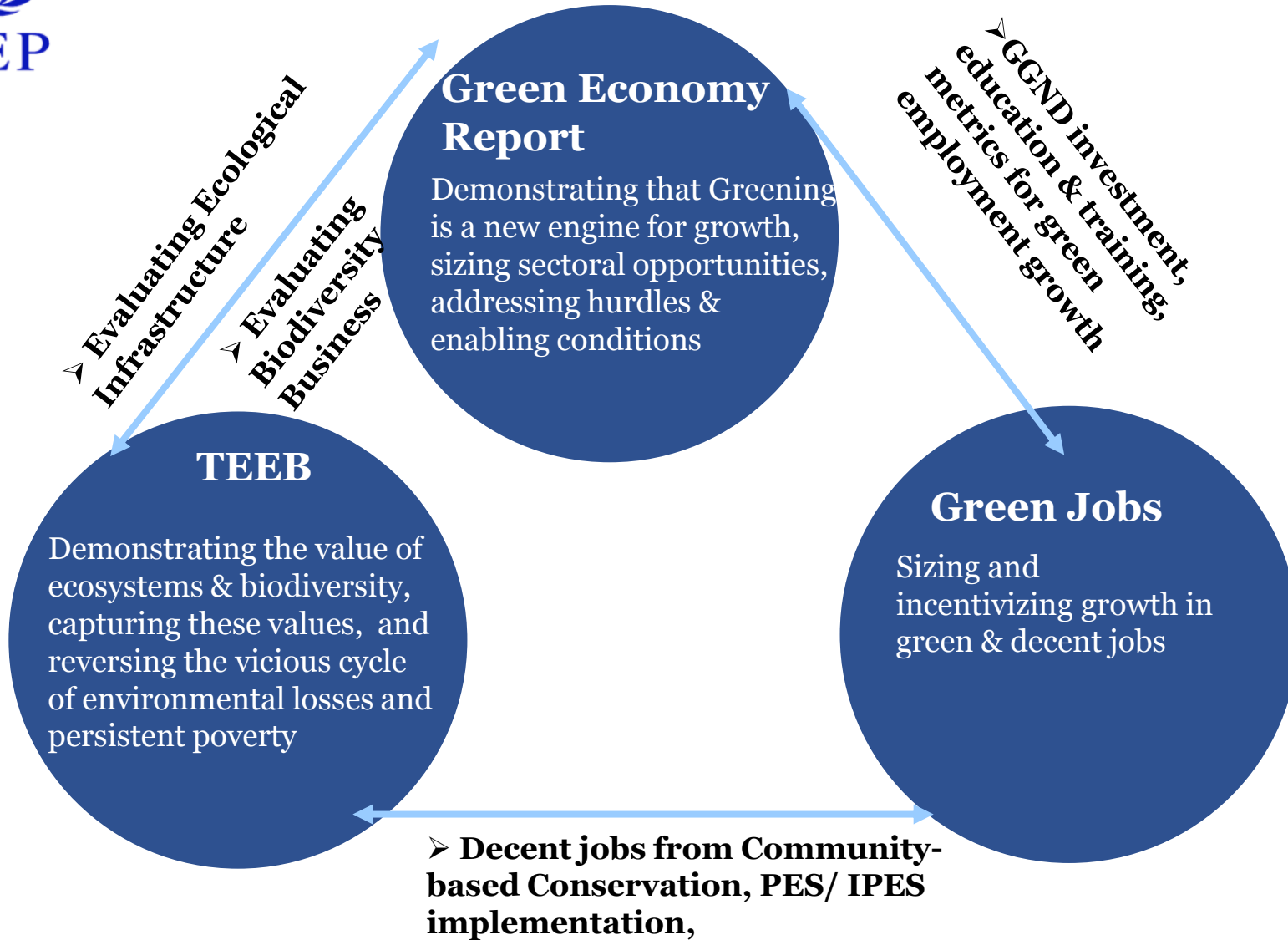


“An economy that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. It is low carbon, resource efficient, and socially inclusive” (UNEP, 2011)

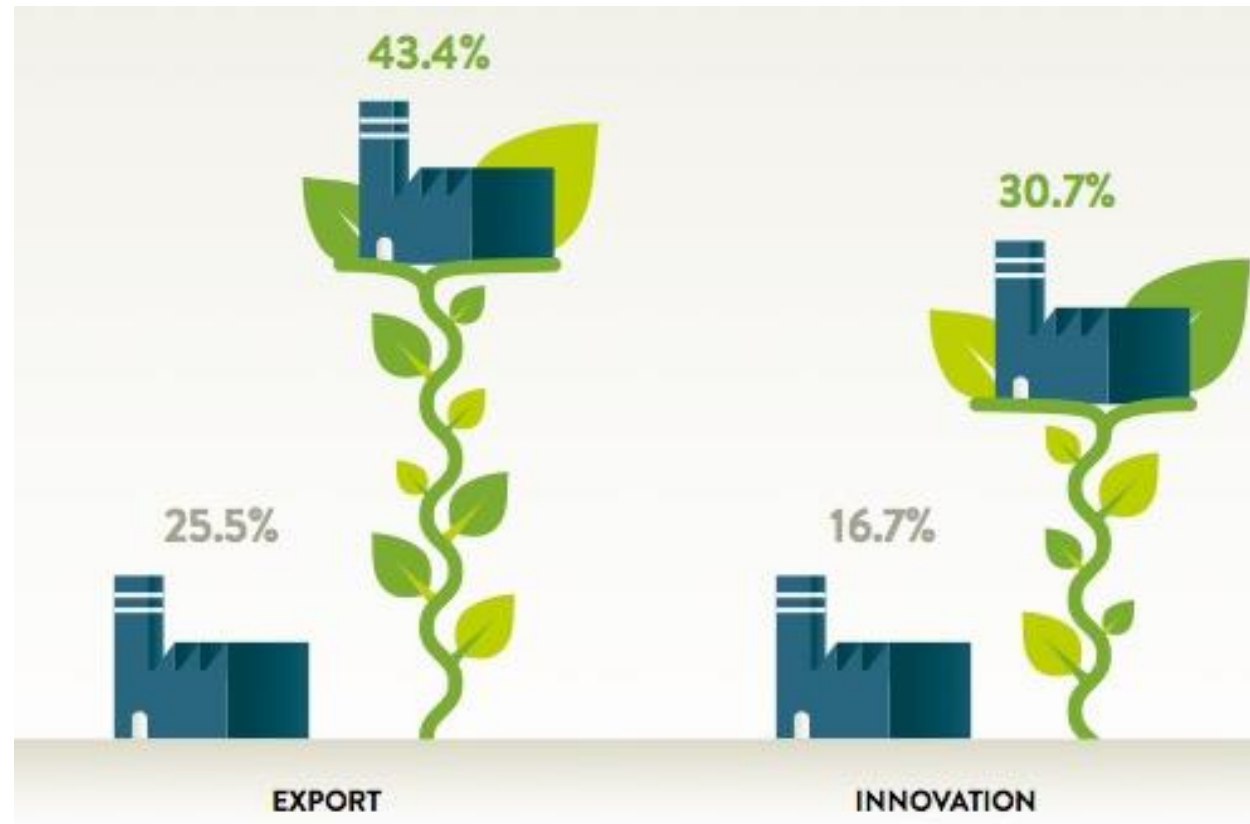
“An economy that is regenerative by design and restorative by intention: biological materials are designed to reenter the biosphere, and technical materials are designed to circulate with minimal loss of quality” (Loren Mac Arthur Foundation)



# The Green Economy Initiative



# THE GREEN ECONOMY IS THE DRIVING FORCE BEHIND THE ITALIAN COMPANIES



LA SFIDA DEL FUTURO  
**GreenItaly**  
RAPPORTO  
**2015**

372.000 Italian companies (24.5% of non-agricultural entrepreneurship) that ventured on the green economy during the crisis, which is worth 102,497 million euro of added value.

This implied competitive advantages in terms of exports (43.4% of manufacturing companies that invested in the green economy is exporting constantly, compared to 25.5% of the other companies) and innovation (30.7% companies developed new products or services, compared to 16.7%).

The green economy is also good for employment. In 2015, including green jobs and other jobs that require green skills, 59% of recruitments is linked to the green economy: an army of 294.000 new green workers.

# “Closing the Loop - An EU Action Plan for the Circular Economy” [COM(2015) 614 final]



*The action plan focusses on action at EU level with high added value. Making the circular economy a reality will however require **long-term involvement at all levels**, from Member States, regions and cities, to businesses and citizens.*

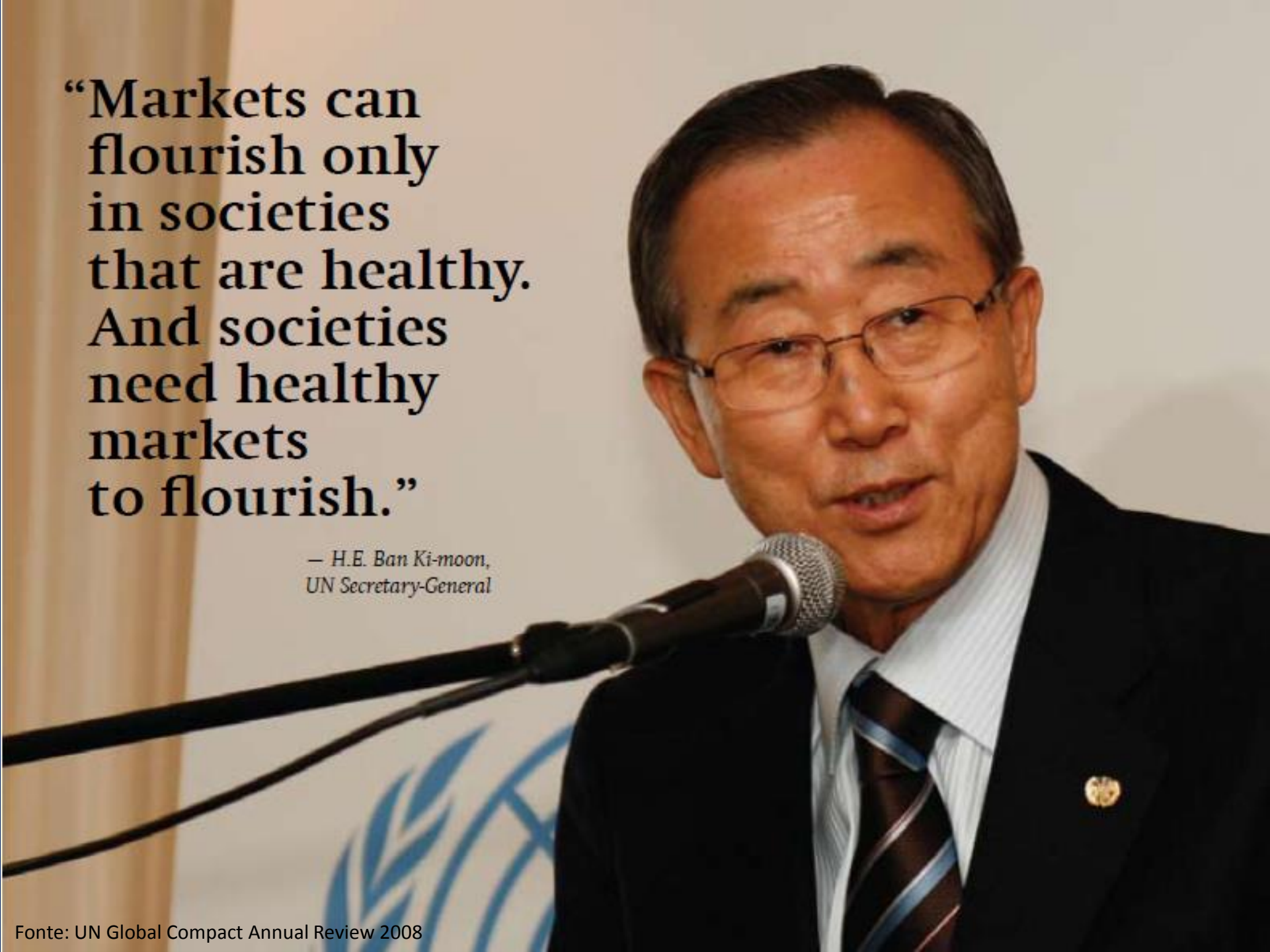
***Member States** are invited to play their full part in EU action, integrating and complementing it with national action.*

*The circular economy will also need to **develop globally**. Increased policy coherence in internal and external EU action in this field will be **mutually reinforcing and essential for** the implementation of global commitments taken by the Union and by EU Member States, notably **the U.N. 2030 Agenda for Sustainable Development and the G7 Alliance on Resource Efficiency**.*

*This action plan will be instrumental in reaching the **Sustainable Development Goals (SDGs) by 2030**, in particular **Goal 12** of ensuring sustainable consumption and production patterns.*

**“Markets can flourish only in societies that are healthy. And societies need healthy markets to flourish.”**

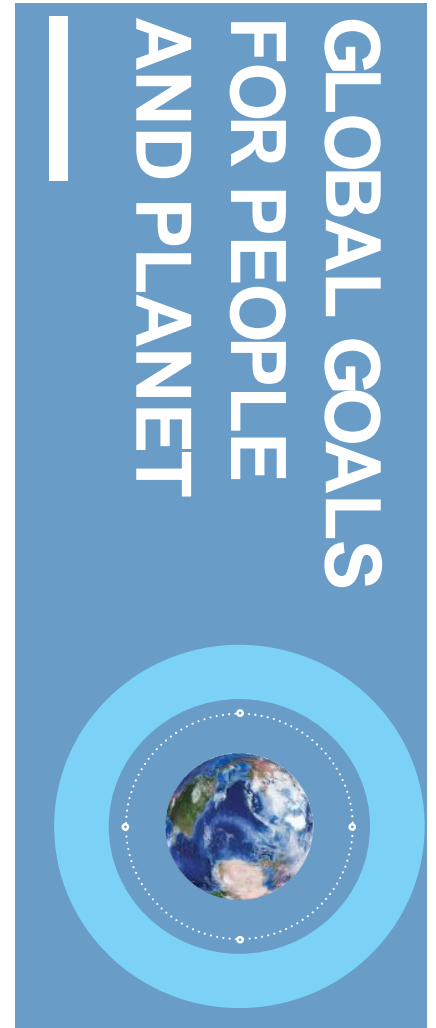
*– H.E. Ban Ki-moon,  
UN Secretary-General*





In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all – laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. At the heart of “Agenda 2030” are 17 Sustainable Development Goals (SDGs) and 169 related targets that address the most important economic, social, environmental and governance challenges of our time. The SDGs clearly define the world we want – applying to all nations and leaving no one behind.

**We are all in agreement on where the world needs to go. The new global goals result from a process that has been more inclusive than ever, with Governments involving business, civil society and citizens from the outset. Successful implementation will require all players to champion this agenda.**



# AGENDA 2030 AND SDGs

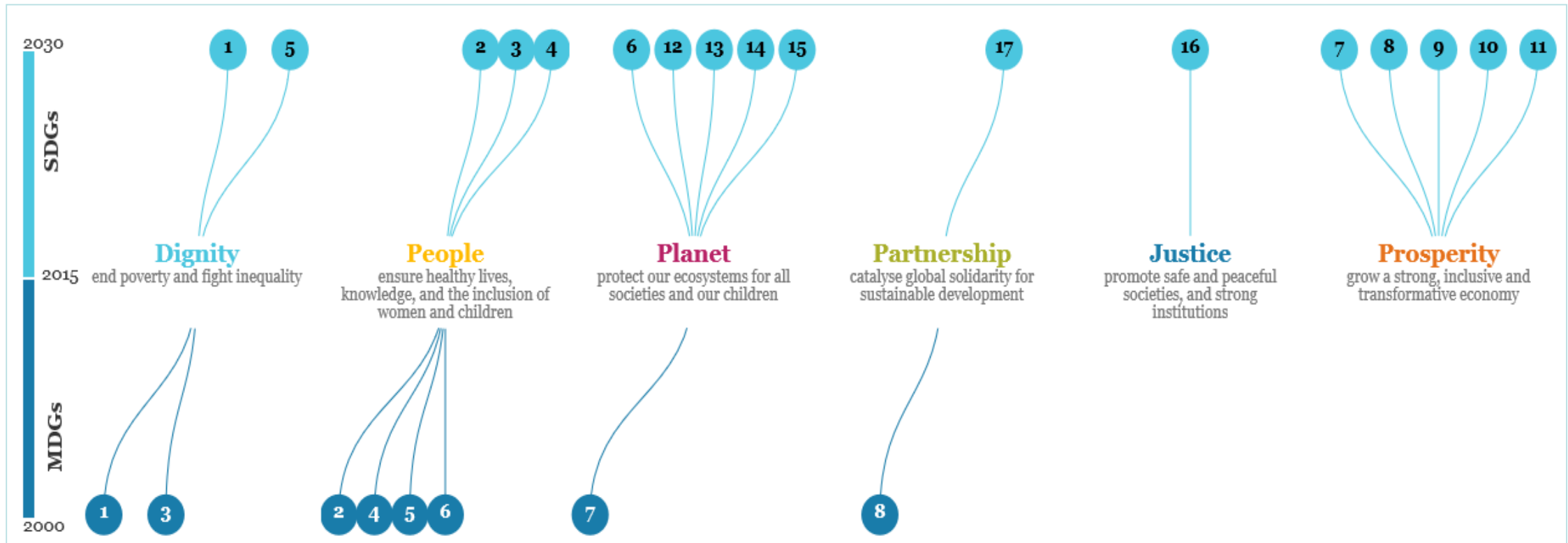


# SDGs vs MDGs

↑ COMMITMENT

↑↑ GOALS= ↑↑ TOPICS

!! ADDRESSED TO ALL COUNTRIES



# UNIVERSAL SUSTAINABLE DEVELOPMENT GOALS

## Understanding the Transformational Challenge for Developed Countries

REPORT OF A STUDY BY STAKEHOLDER FORUM  
MAY 2015

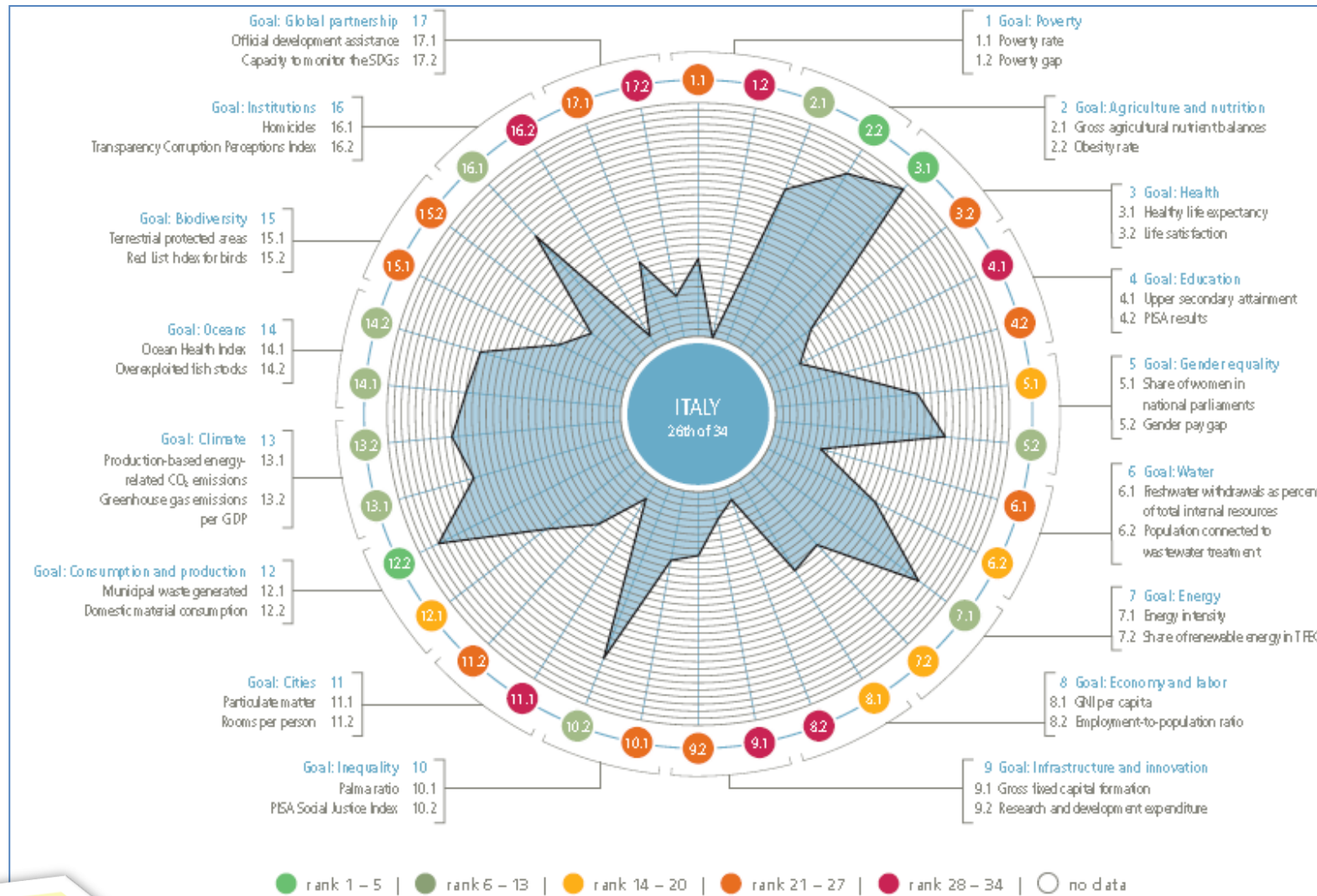
AUTHORS: Derek Osborn, Amy Cutter and Farooq Ullah

GOAL/TARGET	Applicable?	Implementable?	Transformative?	Overall mark for goal target
<b>Goal 12. Ensure sustainable consumption and production patterns</b>	<b>2.0</b>	<b>1.9</b>	<b>1.7</b>	<b>6.3</b>
12.1 implement the 10-Year Framework of Programmes on sustainable consumption and production (10YFP), all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries	2.0	2.0	2.0	8.0
12.2 by 2030 achieve sustainable management and efficient use of natural resources	2.0	1.7	2.0	6.7
12.3 by 2030 halve per capita global food waste at the retail and consumer level, and reduce food losses along production and supply chains including post-harvest losses	2.0	1.7	1.7	5.3
12.4 by 2020 achieve environmentally sound management of chemicals and all wastes throughout their life cycle in accordance with agreed international frameworks and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment	1.7	2.0	1.0	3.3
12.5 by 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	2.0	1.7	2.0	6.7
12.6 encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	2.0	2.0	2.0	8.0
12.7 promote public procurement practices that are sustainable in accordance with national policies and priorities	2.0	2.0	1.3	5.3
12.8 by 2030 ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	2.0	2.0	1.7	6.7
<b>Goal 13. Take urgent action to combat climate change and its impacts</b>	<b>2.0</b>	<b>2.0</b>	<b>1.8</b>	<b>7.1</b>
13.1 strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries	2.0	2.0	1.3	5.3
13.2 integrate climate change measures into national policies, strategies, and planning	2.0	2.0	2.0	8.0
13.3 improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning	2.0	2.0	2.0	8.0



Produced by:



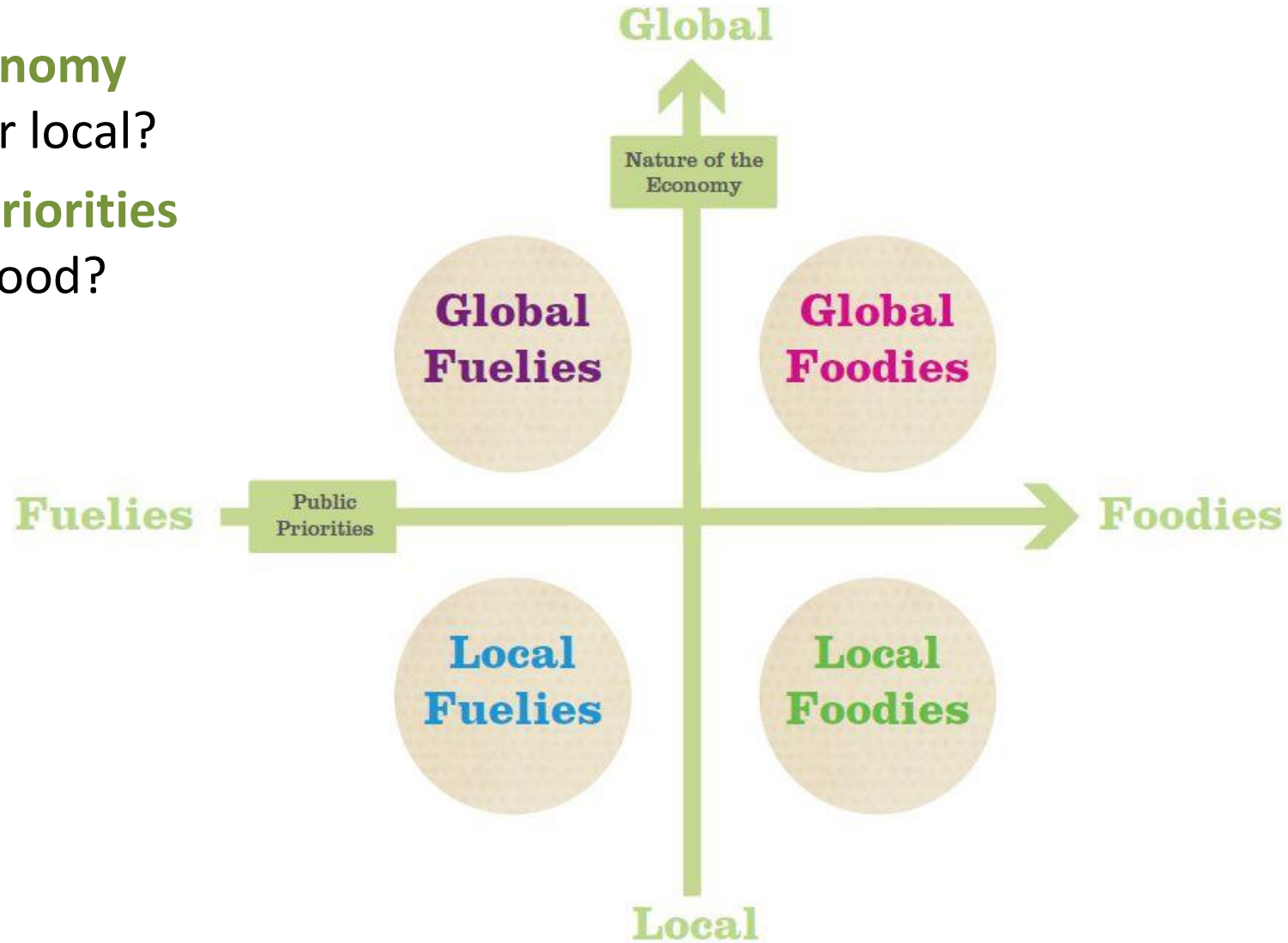


+  
SDSN Indicator  
Report + Sustainable  
Governance Indicators  
of the Bertelsmann  
Stiftung

Are the reach countries ready?

# The scenarios for the dairy industry

- **The economy**  
global or local?
- **Public priorities**  
fuel or food?



*THE VISION OF DIARY 2020  
A vibrant UK dairy industry  
that enables people,  
environment and business  
to thrive*

2020 Dairy  
**Global Fuelies**



Read the Scenario  
→

2020  
Dairy

# Global Foodies

HEALTH CHECK

CARBON TRADING

COW COMFORT

MILK FOR ALL

CHEESE PLEASE

↓ CO<sub>2</sub>  
EMISSIONS

PRODUCT STORY

Read the Scenario  
→





2020  
Dairy

# Local Fuelies

£££  
INPUTS

CLOSED  
LOOP

INNOVATION  
STATION

MY  
HEALTH  
PLAN

ANAEROBIC  
DIGESTION

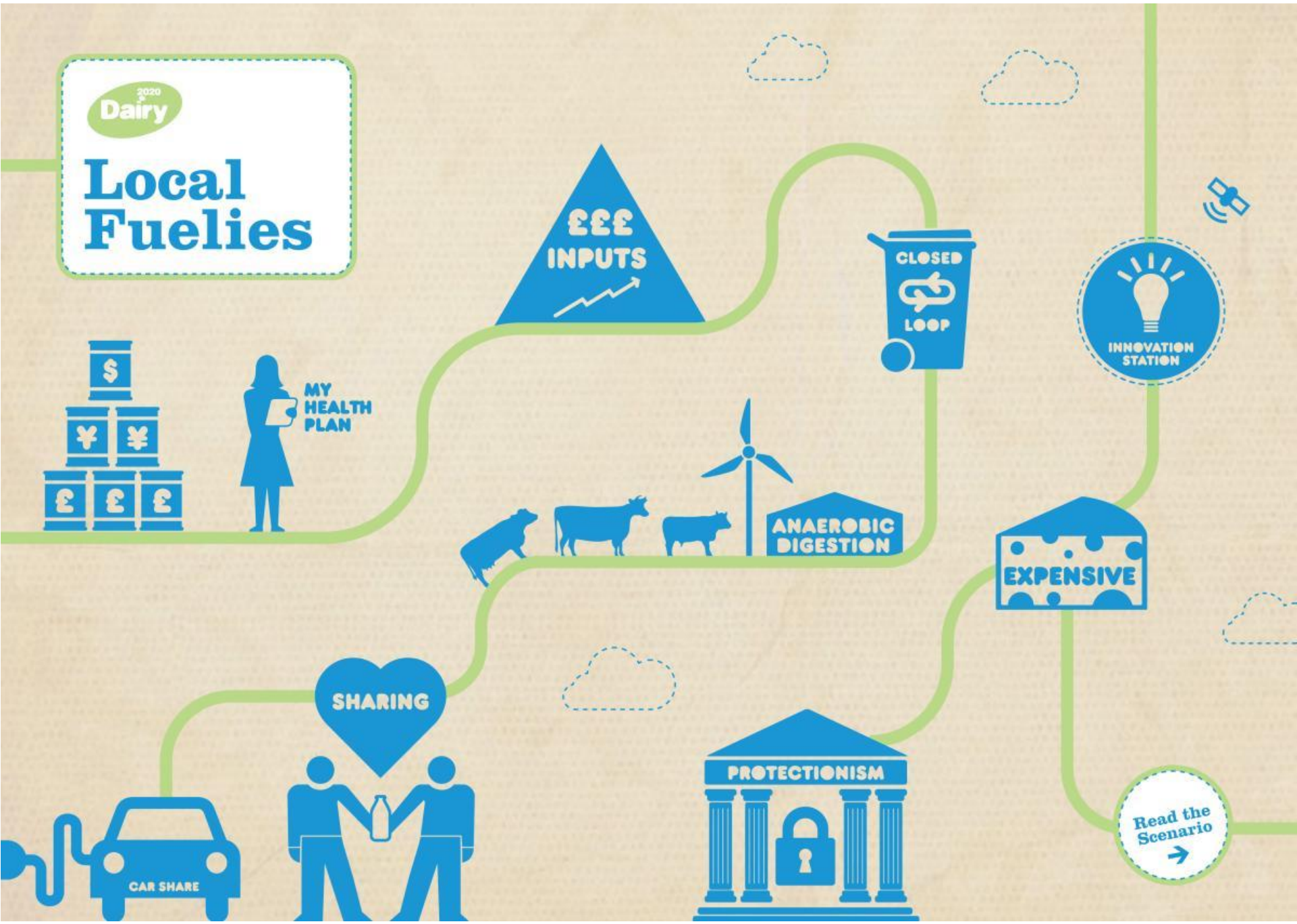
EXPENSIVE

SHARING

PROTECTIONISM

Read the  
Scenario  
➔

CAR SHARE



2020 Dairy  
**Local Foodies**



**GROW YOUR OWN**



**↑ SMALL FARMS**



# The Dairy 2020 Guiding Principles

---



## 1. Looking outward

Proactively engaging with all key stakeholders as a leading member of the global food industry. Regularly monitoring and evaluating the performance of the UK dairy sector within a national and global context.



## 5. Engaging consumers

Communicating transparently, listening actively, and systematically involving consumers in key debates, particularly on nutrition.



## 2. Innovating and investing

Actively investing in technology, science and business models which deliver superior nutrition, improved environmental outcomes and long-term economic value. Fostering a dynamic, entrepreneurial culture for competitiveness on a global and local scale.



## 6. Minimising environmental impact

Achieving commercial success while striving to minimise negative environmental impact.



## 3. Working together

Cooperating actively and transparently across the supply chain to build trust and add value.



## 7. Stewarding nature

Working to protect and enhance ecosystems, improving elements such as biodiversity, water, soil fertility and nutrient availability.



## 4. Building skills and attracting talent

Working to ensure staff wellbeing and a culture of continuous learning and development.



## 8. Improving animal welfare

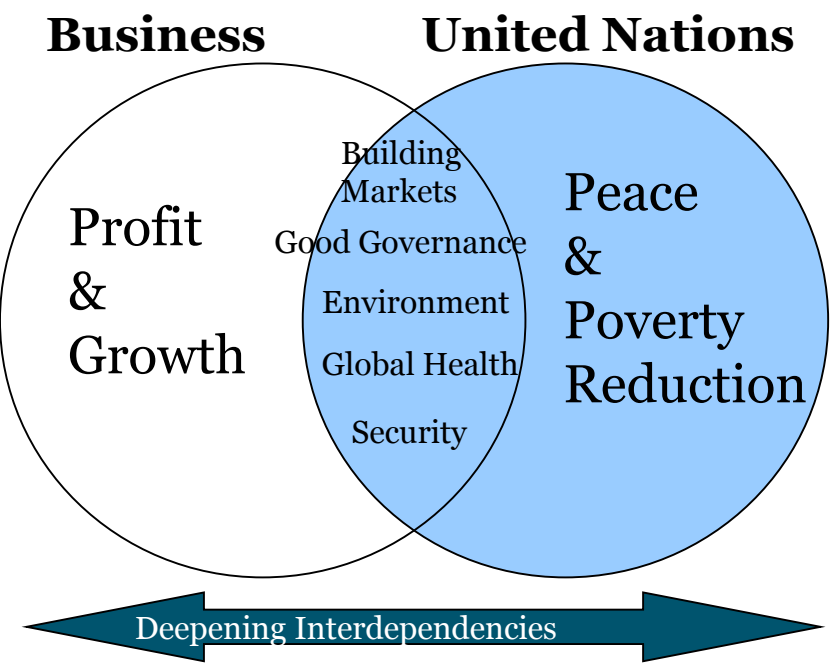
Improving standards and safeguarding the health and welfare of the dairy cow.

---

**BUSINESS CONTRIBUTION TO THE SDGs =  
ACT RESPONSIBLY + FIND OPPORTUNITY**

Governments have responsibility to lead the way by setting national implementation plans, taking action to prepare the enabling environment and letting their constituents know that this agenda is important. At the same time, business will be indispensable in achieving the SDGs. Private sector action will be key to the success of each goal – through responsible business operations, new business models, investment, innovation and technology, and collaboration.

For companies, successful implementation of the SDGs will strengthen the enabling environment for doing business and building markets around the world. 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. The case is clear for business to get involved, taking action on the goals which are strategically relevant from both a risk and growth standpoint.





United Nations Global Compact

# Vision and Mission

## VISION

“A more sustainable and inclusive global economy.”

## TWO COMPLEMENTARY OBJECTIVES

Make the ten principles part of business strategy, operations and culture everywhere.

Internalization

Catalyze action in support of broad UN goals, including the Millennium Development Goals (since 2016 SDG's)

Contribution to  
Development

# The UN Global Compact 10 Principles

## Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

## Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

## Environment

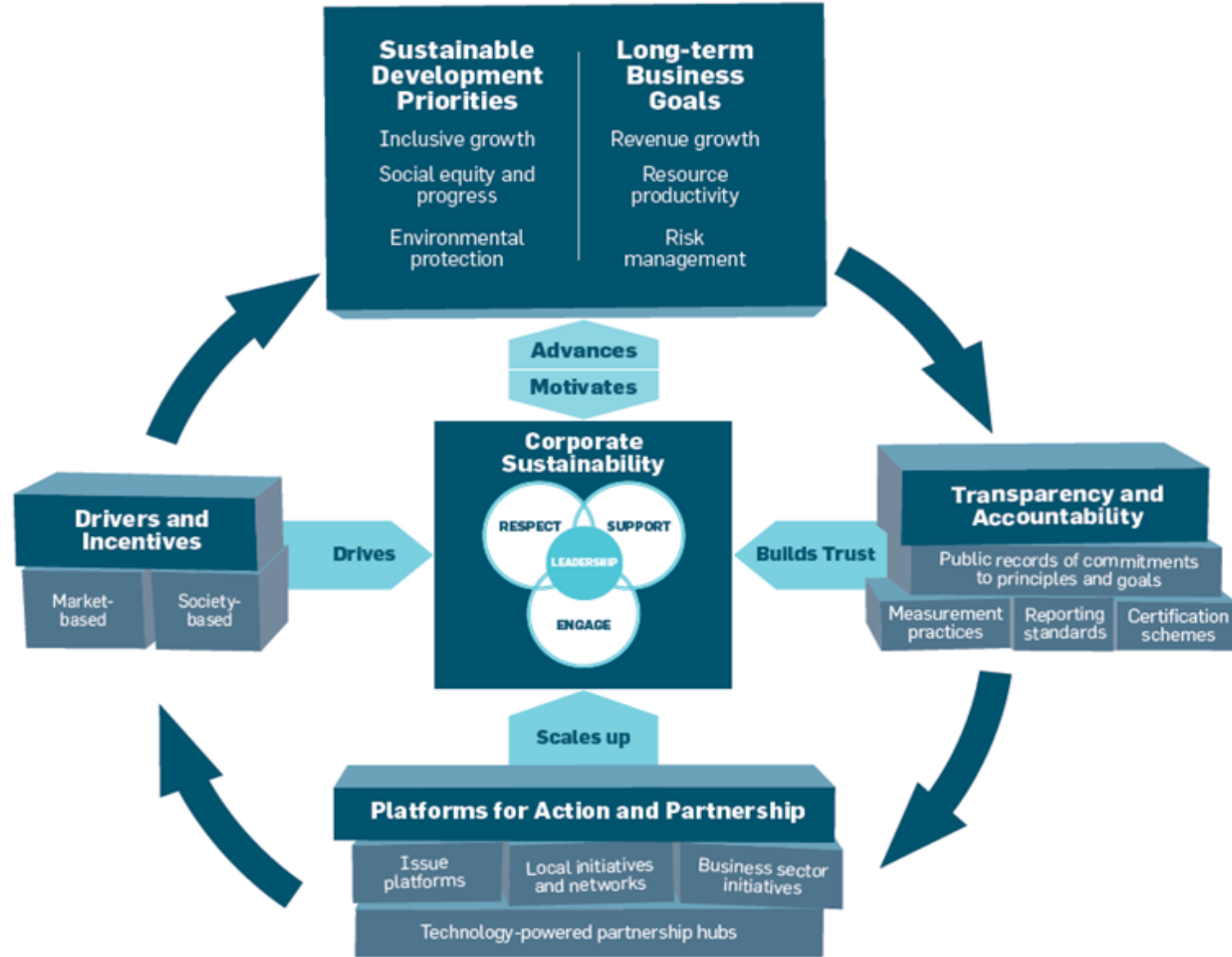
Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

## Anti-Corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.



# The SDGs require



- **Leadership:** incorporating sustainability in the core business and strategies requires top-level commitment. Hence, a CEO should set ambitious goals, adjust strategies, procedures and policies, align the government, educate and motivate employees, push sustainability issues into the supply chain, disclosure efforts and outcomes. Therefore, sustainability needs a long term vision.
- **Collaboration:** no segment of society can reach the SDGs alone. Companies must understand that they have to collaborate and co-invest in shared solutions.
- **Transparency:** it is fundamental to constantly report to stakeholders in a transparent and public way.



The UN Global Compact-Accenture Strategy CEO Study 2016

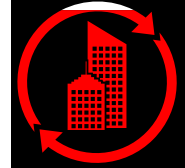
# Toward Global Goals

The UN Global Compact-Accenture Strategy CEO Study 2016

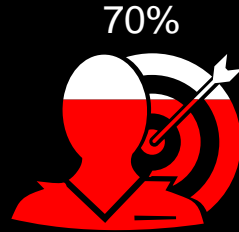
1,000+ CEOs, 100+ countries, 25+ industries



89%  
say commitment to sustainability is translating into real impact in their industry

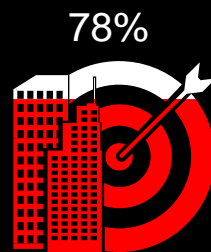


90%  
feel a personal responsibility to ensure their company has a clear purpose and role in society



70%

of CEOs see the SDGs providing a **clear framework** to structure sustainability efforts



78%

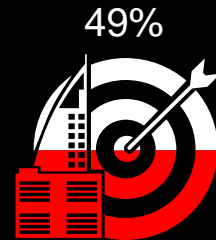
already see **opportunities to contribute** to the SDGs through their business



“We need better solutions to solve global challenges: we put this at the core of our strategy”

**Dr. Kurt Bock**

Chairman of the Board of Executive Directors, BASF SE



49%

believe that business will be the **single most important actor** in delivering the SDGs



80%

believe that demonstrating a **commitment to societal purpose** is a differentiator in their industry



“The new currency of legitimacy for business will be outcomes: it’s all about action, delivery and real impact.”

**Paul Polman**

CEO, Unilever



“We recognize a deep global transformation, with new stakeholder expectations for ethical companies with a purpose.”

**Jean-Paul Agon**

Chairman & CEO, L’Oreal



87%

believe the SDGs provide an **essential opportunity** to rethink approaches to sustainable value creation

“We are working closely to pursue the SDGs and align our initiatives and objectives with the goals.”

**Bisi Bright**

1st Vice Chairman and CEO, LiveWell Initiative LWI Nigeria





59% report their company is able to accurately quantify the business value of their sustainability initiatives...

...an increase of 21% from 2013

But while



88% believe that greater integration of sustainability issues in financial markets will be essential to making progress...

...only 10% cited pressure from investors as a top three factor driving them to take action on sustainability



86% believe that standardized impact metrics will be important in unlocking the potential of business on the SDGs



73% believe that business should develop common indicators to measure and communicate impact on the SDGs



85% see cross-sector coalitions and partnerships as essential to accelerating transformation



84% call for greater local collaboration with national governments on **SDG Action Plans**



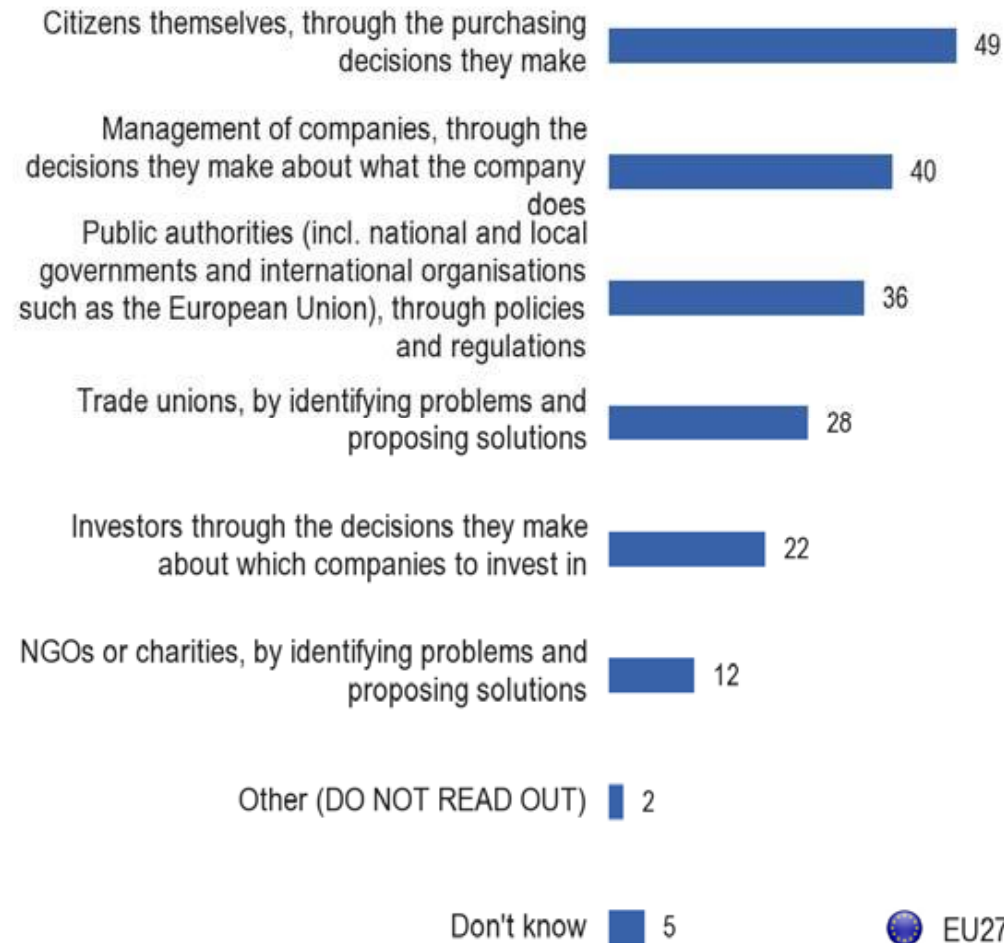
75% see **digital technologies** already enabling more sustainable business models

# Benefits for business of engaging in the SDGs

- 1. Identifying future business opportunities:** for example, companies could use innovative technologies to increase energy efficiency, obtain renewable energy, or make transportation sustainable. They could also use ICT to reduce emission or waste.
- 2. Enhancing value of corporate sustainability:** through the integration of sustainability into the value chain, a firm may increase sales, develop new market segments, strengthen its brand, improve operational efficiency and get product innovation. Through the introduction of taxes that would make negative externalities internalised by firms, SDGs could reinforce economic incentives to use resources more efficiently or switch to more sustainable alternatives.
- 3. Strengthening stakeholder relations:** both employees and customers would get more involved, and this would in turn increase their productivity and fidelity, respectively.
- 4. Stabilising markets and societies:** by the promotion of transparent financial systems and non-corrupt institutions.
- 5. Using common language and shared purposes**
- 6. Securing the long term success of business** by improving the broader enabling environment and ecosystem in which business operates.
- 7. Identifying and managing material risks and costs**
- 8. Building reputation, strategic market positioning and safeguarding a licence to operate**
- 9. Aligning business action with the vision of the company's leadership and expectations of its employees and customers**

# Who should take the leading role in influencing companies

Q1. Many actors influence what companies do. Who do you think should take the leading role in influencing companies' actions in (OUR COUNTRY)?



Source: Eurobarometer, 2013

(MAX. 3 ANSWERS)

“The core leadership challenge is how to lead a company and government departments through the speed and nature of fundamental change that threatens the very conformity which has allowed the current leadership cohort to qualify for the top. Yet it is that same conformity which blocks the kind of systemic and behavioural changes ... required to reequip leadership for what is obviously needed so smartly and rapidly”

