ARCHITECTURE FOR A BETTER WORLD!

The triennial <u>UN Global Compact (UNGC)/Accenture CEOs Sustainability surveys</u> are a valuable data-source for practitioners and academics alike. As someone who inhabits both academia and practice, I personally am regularly refreshing my memory of this rich "taking the pulse" of business leaders who are publically committed to responsible business practices and sustainability (i.e. the UNGC Ten Principles).

In the <u>2010 survey</u>, the mood was bullish. By 2013, it was a much more sombre and sober mood. In <u>"Architects of a Better World,</u>" the Accenture authors talked of efforts "plateauing", and of CEOs' frustration at not finding a business case or being able to move from pilots to broadside. There was a stark finding that 83% of CEOs surveyed, believed government intervention and with hard instruments (taxes, subsidies, laws and regulation) not soft ones like exhortation and information campaigns, was needed if companies generally are to move seriously on sustainability. This was a depressing conclusion, and not least because the collective track-record of governments around the world has been unexciting (to be charitable) when it comes to creating an enabling environment for more sustainable business.

As the Accenture research team prepare to gear up for the 2016 UNGC CEOs survey, perhaps a more nuanced message will emerge? Certainly, effective government action nationally and internationally is critical. There are two significant tests for governments internationally this year. Will the <u>Sustainable Development Goals</u> (to replace the Millennium Development Goals) be actionable, business inclusive and with S.M.A.R.T. targets? Will the Paris climate change talks in December produce a legally-binding, realistic but ambitious agreement – and will this be the start of serious efforts to "internalise the externalities" of business, so that companies have the basis for long-term investment decisions?

Beyond the pressing need for effective governmental action, are there now also more signs of other building blocks for sustainable business? The 2013 UBGC/Accenture survey did highlight a small group of companies which had successfully combined commercial success and sustainability leadership: a high-performers group. Nothing succeeds (and spreads) like success.

"Purpose", as one campaigner told me a few days ago, "is the new black" for business. Doughty Centre research in 2014 for Coca-Cola Enterprises, "<u>Combing profit with purpose</u>," suggested that both current and future leaders believe business should have a societal purpose, driving what and how they do things. As we noted in that report, <u>Better Business</u> <u>Blueprint gives business leaders a practical framework for discussing and developing a</u> purpose. The Blueprint is particularly valuable because it combines traditional wisdom from the world's great faith and philosophical traditions (both about individuals and businesses); together with some of the latest scientific insights (from neuro-science, genetics etc.); and with some of the most robust models from corporate responsibility and inclusive business. I had the privilege of studying the <u>Blueprint Framework and Principles</u> during a two-day immersion course in Cambridge during April.

A further building bloc for moving corporate sustainability from a few leading companies that we all quote (33% of international experts answering a <u>Globescan/Sustainability survey</u> last year named the same company – Unilever – as the global corporate exemplar), is the growing emphasis on collaborative action. There is now an international "architecture" for collaboration. Jane Nelson and I have chronicled the growth from just a few isolated <u>Corporate Responsibility Coalitions in the 1970s and 1980s</u>, to a widespread, global social movement. These include generalist CR coalitions (like BSR and BITC), specific industry and specialist coalitions (like CEO Water Mandate and the Sustainability Shipping Initiative), and multi-stakeholder initiatives (like the Extractive Industries Transparency Initiative and Refrigerants Naturally). They also include specialist units of business representative organisations, and "business-watch" NGOs social enterprises (like the Institute for Human Rights & Business and Responsible 100). There is also more understanding of the partnership skills required to make these collaboration vehicles work, as Darian Stibbe of The Partnering Initiative told Cranfield students in March.

None of these building-blocks is a panacea; but taken together – and supplemented with more de facto transparency and greater investor and consumer interest, you have the outlines of a more sophisticated and comprehensive "enabling environment" for responsible business practices and corporate sustainability. It needs some bold and visionary leaders to act to get a "multiplier" effect from the interaction of these different developments. Imagine, for example, if Corporate Responsibility Coalitions across the world endorsed the idea of purpose-driven business; embraced Better Business Blueprint and encouraged their members to use Blueprint? This is the kind of "collaboration" mindset in action that we need much more of.

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