BUSINESS CHARTER FOR SUSTAINABLE DEVELOPMENT - BUSINESS CONTRIBUTIONS TO THE UN SUSTAINABLE DEVELOPMENT GOALS

BUSINESS INPUT TO THE SDGS

Prepared by the ICC Commission on Environment and Energy and the ICC Task Force on Green Economy
The outlined linkages of the ICC guiding principles to the Sustainable Development Goals (SDGs) are based on the ongoing discussions on the SDGs and their indicators, and are meant as a starting point. As the business sector will further engage in the SDG discussions, the relation between goals and principles will be reassessed. Many companies are already addressing the challenges reflected in the SDGs. While these are universal, the business contributions to the achievement of the SDGs may vary from sector to sector and value chain to value chain, and according to national circumstances.
Introduction

Sustainable economic growth provides the foundation and resources for societies to develop and prosper, and for people to meet their needs and pursue their aspirations. It helps enable economic empowerment and poverty eradication, advance environmental stewardship; and contribute to dealing with the trans-boundary global challenges highlighted by the UN Sustainable Development Goals.

At the heart of economic growth are innovative, successful, and responsible businesses operating within strong, forward-looking governance and policy frameworks.

Now more than ever, sustainable development depends on the solutions, capabilities, contributions and engagement of business. ICC believes this entails:

- **Innovation** in all dimensions of sustainable development so as to develop more integrated strategies, policy and decision-making.

- **Leadership and collaboration** to leverage the mutually-reinforcing and cross-cutting elements of integrated policy-making.

- **Integrated governance structures** fostering greater policy coherence between economic, environmental and development objectives.

- **Efforts by all actors to reconcile short-term pressures with longer-term strategies** to deal with the multiplicity of economic, societal, and environmental challenges and opportunities in an integrated manner.

- **Bottom up and top down actions** pursued simultaneously by governments and business in support of sustainable growth. A one-size-fits-all approach will not be effective, nor will policies that work in silos.

- **Multilateral and cross-cutting approaches across countries and sectors**, which are indispensable in the global marketplace.

ICC and sustainable development

ICC has played a long-standing role in promoting responsible business conduct and remains committed to providing through leadership to deliver sustainability solutions.

In 1991, only four years after the milestone Brundtland report “Our Common Future”, ICC launched its first Business Charter for Sustainable Development, voicing the first world business position on sustainable development. The Charter was subsequently updated in 2000 and 2015, with the latest version reflecting the new approach to sustainable development and its economic, societal, and environmental dimensions.

The 2015 Business Charter for Sustainable Development has been specifically designed to help companies contribute to the SDGs’ implementation. Based around eight guidelines, it sets out a strategic framework to help companies place sustainability at the heart of their operations; it calls on the widest range of enterprises to enhance their sustainability performance; it also calls for enhanced co-operation to support sustainable growth.
The Charter aims to:

- Reflect the Rio+20 outcome text, “The Future We Want”\(^1\) which acknowledges that sustainable development depends on the active engagement of both the public and the private sectors.
- **Enable the global business community to contribute to the implementation of the UN Post-2015 Sustainable Development agenda** and **UN Sustainable Development Goals (SDGs)**.
- Build, *inter alia*, on ICC's Green Economy Roadmap\(^2\), a guide for business, policy makers and society towards a greener and more sustainable economy.
- Work in harmony with existing practices, national and international guidelines, as well as standards on all aspects of sustainability.


ICC Guiding Principles for Sustainable Development

1. Sustainable development as a business priority

- to recognize the business contribution to sustainable development as a key priority and an enabler for long-term business success.
- to build the necessary awareness and understanding amongst its employees, shareholders, customers, and other stakeholders.
- to clarify and integrate sustainability into its strategies, leadership principles, operations, activities and investments according to each business' individually relevant context.
- to govern its business with integrity, develop best practices in any relevant area of work, and promote ethical conduct, including fighting corruption.

Enhancing awareness and understanding of sustainability is vital to promoting priority setting in policy making, as well as to helping enable sustainable development and growth. In this context, it is essential that all actors in the economy, including governments, intergovernmental bodies, business, civil society and consumers, see sustainable development and growth as a shared responsibility and that they all take action as appropriate, locally and globally, for the challenges and benefits associated therewith to be, respectively, met and fully harnessed.

In this context, business has an essential role to play in fostering sustainable growth, as well as a direct interest in helping bring solutions to global sustainability challenges. With a large range of global business leaders already engaged in sustainability actions, it is critical that new forms of innovation and co-operation continue to be explored, both within the business community, as well as by and with governments, so as to accelerate and ultimately achieve the transition towards more sustainable growth patterns.

As highlighted in the ICC Business Charter for Sustainable Development, taking into account sustainability considerations can lead to improved business strategies and operations – as well as foster innovation, enhance policy- and decision-making. In this respect, key benefits that business could harness include:

- Information clarity.
- Reduction of risks and liabilities.
- Enhancement of efficiency and effectiveness of existing products.
- Generation of new business opportunities.
- Longer-term cost reductions.
- Enhancement of awareness, knowledge, and education.
- Increased employee loyalty.
- Higher standing in society and better reputational value.

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4 “Sustainable Development” from a policy maker perspective has been defined as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”. (Brundtland Commission, 1987).

Sustainability or sustainable development in a business context is often seen as a process whereby companies seek to manage their financial, societal (including governance) and environmental risks, obligations and opportunities. This is commonly referred to as a triple bottom line approach where business connects to healthy and balanced economic, societal and environmental systems. In order to do so businesses must be cognizant of the principles of sustainable development such as outlined in the ICC Charter, and consider their impacts on the environment in which they operate.

The term “sustainability/sustainable development” may be viewed as an umbrella term which includes other terms such as “Corporate Social Responsibility (CSR), “Environmental, Social, Governance (ESG)” or “triple bottom” line.
Significant awareness of sustainability opportunities and challenges has already been raised within the global business community – companies, including employees, and business organizations alike. However, more needs to be done to mainstream awareness worldwide and to address all sustainability aspects. Business intra-industry, as well as collaborative actions that could be implemented include:

- **Enhancing global awareness** regarding sustainability matters within companies and business organizations, employees and business partners.
- **Fostering joint efforts to develop new business solutions.**
- **Promoting knowledge sharing and improved understanding of sustainability matters**, for instance through best practices sharing, or dissemination of easily understandable messages via diverse communications tools.

To operationalize the concept of sustainable development at the company level, its economic, environmental and societal aspects need to be embedded in global markets and appropriately reflected in business models and balance sheets. Steps that have been and/or could be taken by companies include:

- **Developing innovative business models** and enrolling interdisciplinary competence and diversity to help shape better governance strategies at the corporate level.
- **Setting company sustainability goals** (e.g. reducing water, energy and raw material consumption) and fostering innovation.
- **Activating skills that promote a more holistic and interdisciplinary thinking** for business solutions in declining sectors, as well as in sectors adapting to a more sustainable economy.
- **Exploring avenues to integrate all three dimensions of sustainable development into corporate strategies.**
- **Enhancing stakeholder co-operation** aimed at promoting sustainable procurement/purchasing.
- **Supporting efforts to equip the workforce with skills relevant to sustainable growth.**
- **Promote good corporate governance**, that includes partnership approaches to fighting corruption and contributing to the protection of human rights within business’ responsibilities.

These actions can contribute to the following UN Sustainable Development Goals (SDGs):

- **Goal 5**: Achieve gender equality and empower all women and girls.
- **Goal 8**: Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all.
- **Goal 12**: Ensure sustainable consumption and production patterns.
- **Goal 16**: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels.

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5. By both organization and individuals/households, vis-a-vis products that are scientifically proven to have sustainability advantages, while allowing access for companies of all sizes (e.g. cost neutral access possibility), see Green Economy Roadmap.

6. ICC has upheld a long-standing tradition at the forefront of the development of corporate governance, and tools, with the aim of helping companies improve their governance performance. In this context, ICC combines leading cross-cutting and global expertise on a number of current issues, including anti-corruption anti-money laundering and counter-terrorist financing, relevant model contracts and clauses, and is building on wide support received from business to advance the dissemination and implementation of the **UN Guiding Principles on Business and Human Rights**.

7. It should be noted that many companies have their own sustainable development goals on which they report their business activities. The goals below refer to the UN Sustainable Development Goals.
2. Inclusive economic growth and development

- to promote business practices that contribute to economic growth in the direction of sustainable development
- to encourage efficient and cost-effective policies and approaches that promote entrepreneurship and empower and enable the establishment and start-up of businesses.
- to ultimately contribute to the concept of decoupling economic activity from adverse environmental impacts, including new approaches to incorporate externalities in economic terms.

Knowledge and skills integrating sustainable development management and business practices are increasingly being developed, for individual businesses and the specific environment in which they operate. Business intra-industry and collaborative actions taken or that could be undertaken to further enhance such practices include:

- **Developing and promoting inclusive business models** meeting the needs of a more sustainable economy, in the context of poverty eradication.
- **Promoting small business entrepreneurship and self-employment** through innovative financing mechanisms, including micro-finance.
- **Developing non-financial support mechanisms**, such as advisory services, to encourage local lenders, establish dedicated financial products, incentives, credit lines and pools of capital, targeting specific opportunities for more sustainable economies, such as partial credit guarantees, or co-financing guarantees for projects supporting sustainable growth.
- **Developing innovative approaches to financing**, such as partial risk-sharing mechanisms, credit guarantees and co-financing, in order to reduce investment risks.
- **Including financing and investment in national sustainable growth strategies** and actively driving investments in the direction of sustainable development.
- **Increasing efforts to pool public funding in order to leverage private investment** in support of sustainable growth.
- **Accelerating the development of products supporting sustainable growth**, for instance by combining private finance and access to public funds.

In addition, methods and processes for sustainable investment should create global synergies for joint investments – such as in urban planning and between different infrastructure supply systems.

For a more sustainable economy to become operational, indicators, metrics, accounting measures and better disclosures are critical. Yet, data for sustainability measures and indicators that are rigorous and meaningful in economic terms, while appropriately reflecting externalities, have not been fully developed. Thus, better approaches to sustainability reporting are needed to help ensure that all relevant actors have the necessary flexibility to reflect their particular circumstances and that engagement in sustainability reporting be adequately supported. Against this background, **business intra-industry and collaborative actions taken or that could be undertaken include**:

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8 *E.g.* banks, institutional lenders and microfinance intermediaries in emerging markets.
9 Including developing common methodologies or standards.
• **Initiating and further engaging in intra-industry collaboration** to facilitate the development of common methodologies, aimed at integrating externalities reflecting both environmental and equity considerations into wider value-chain strategies.

• **Integrating externalities (in terms of costs and benefits)**\(^{11}\) into corporate strategies and balance sheets, while ensuring competitiveness and taking into account specific\(^{12}\) geographical circumstances.

• **Reducing future business risk through greater risk analysis.**

These actions can contribute to the following UN Sustainable Development Goals:

- **Goal 1:** End poverty in all its forms everywhere.
- **Goal 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture (indirectly)
- **Goal 3:** Ensure healthy lives and promote well-being for all at all ages (indirectly).
- **Goal 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- **Goal 5:** Achieve gender equality and empower all women and girls.
- **Goal 8:** Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all.
- **Goal 11:** Make cities and human settlements inclusive, safe, resilient and sustainable.
- **Goal 12:** Ensure sustainable consumption and production patterns.

### 3. Environmental responsibility and management

- to recognize and assess environmental impacts associated with business activities.
- to implement an effective environmental management system to minimize actual and potential adverse environmental impacts.
- to maximize resource efficiency of all natural resources, particularly water, energy and soil.

Shifting to more sustainable growth requires that the environmental footprint of economic activities be further minimized and that the efficient use of natural resources be further enhanced. In this context, business is taking steps to improve “life-cycle approach” metrics that also reflect externalities, as well as to enhance product stewardship across value-chains. **Business intra-industry and collaborative actions taken or that could be undertaken to further enhance environmental management and resource efficiency include:**

- **Adopting a value-chain approach, based on life-cycle thinking** and focusing on resource efficiency.
- **Working within corporate value-chains to measure, manage and reduce environmental impacts,** for instance of manufacturing activities, transport, distribution, as well as of end-of-product-life options.
- **Providing incentives and policy guidance to drive efficiency in the use and re-use of all natural resources** (beyond carbon and energy).
- **Ensuring access to sustainable resource use,** and especially to sustainable use of scarce resources.

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\(^{11}\) *i.e.* negative and positive externalities.

\(^{12}\) *e.g.*, national, regional, sector specific.
• Helping companies scale up and accelerate technology developments enabling or supporting sustainable production, as well as efficiency improvements to achieve economies of scale, through new policy instruments.

• Creating and delivering new platforms for public-private co-operation at the national and international levels, including on R&D.

• Promoting synergistic approaches reaffirming the intrinsic and universal value of biodiversity.

• Developing efficiency plans, e.g. for water management and infrastructure.

• Establishing global co-operation initiatives to share best practices and experiences, as well as to develop pilot projects on metrics and measures, for both business and government.

• Supporting public-private co-operation to more accurately calculate and further reduce environmental footprints.

These actions can contribute to the following UN Sustainable Development Goals:

• **Goal 6**: Ensure availability and sustainable management of water and sanitation for all.

• **Goal 7**: Ensure access to affordable, reliable, sustainable and modern energy for all (indirectly supporting Goal 1 and Goal 3).

• **Goal 8**: Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all.

• **Goal 9**: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

• **Goal 11**: Make cities and human settlements inclusive, safe, resilient and sustainable.

• **Goal 12**: Ensure sustainable consumption and production patterns.

• **Goal 13**: Take urgent action to combat climate change and its impacts.

• **Goal 14**: Conserve and sustainably use the ocean, seas and marine resources for sustainable development.

• **Goal 15**: Protect restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

4. Responsibility towards people and societies

• to recognize the importance of people — both employees and external stakeholders — as critical to the success of any business.

• to foster skill development for the workforce.

• to respect and follow human rights guidelines.

• to understand and define societal impact of the business and to set priorities according to its specific circumstances.

Business can support sustainable development by providing decent jobs and livelihoods; ii) creating value; iii) contributing to poverty eradication and alleviation; and by iv) fostering prosperity. In this regard, Business intra-industry and collaborative actions taken or that could be undertaken include:

• **Ensuring fair career options** by tapping the talent pool of all (e.g. gender/age) groups in society.

• **Stimulating sustainable business growth and job creation** (e.g. through public-private partnership and new forms of multi-/stakeholder alliances).
- Enhancing co-operation and information exchange with policy makers to help address skill gaps and to ensure continued supply of high quality workforce.
- Carefully assessing transition policies to help ensure that job creation in one sector does not come at the cost of job losses in other sectors, and that there is no net reduction of jobs across the overall economy.
- Creating labour market conditions fostering youth employment.
- Putting in place policies supporting and encouraging the “greening” and the “shift to sustainability” of all jobs in all sectors considering life-cycle and value-chain holistic approaches.
- Establishing strategic policy approaches enabling/facilitating the alignment of skills with labour-market needs, suiting national circumstance

Education is a key element for the operationalization of a more sustainable economy. Access to education for all, however, has not yet been achieved and education levels differ widely across countries/economies. Promoting enhanced efforts by all relevant stakeholders, including governments, employers, education and training providers is, therefore essential to help ensure that education for sustainable development be fostered worldwide, and that capacity and entrepreneurship for solution-oriented thinking be built and further promoted. In this regard, Business intra-industry and collaborative actions taken or that could be undertaken include:

- Leveraging education systems, training and outreach programmes to educate and develop sustainability skills, including through ICT use.
- Stimulating youth’s interest in STEM (Science, Technology, Engineering and Mathematics) disciplines and careers, through the identification, scaling up and replication of successful public-private initiatives and partnerships.
- Strengthening university curricula and further education and training options supporting sustainability by: i) enhancing business co-operation with academic institutions aimed at tackling sustainable development challenges, including through hands-on activities to help advance sustainable development; ii) leveraging educational materials developed by and with the private sector; iii) promoting distant learning, virtual and open-universities, and fostering further co-operation among academic institutions, to help ensure wider knowledge access and skill development to better meet labour market needs.

As far as human rights and other societal aspects of sustainable development are concerned, national laws and regulations, including labour and environmental laws, are in place and need to be complied with. Responsible business behaviour may, in addition, require that principles from relevant international instruments, which may sometimes go beyond national legislation be also taken into account. In addition, when contracting with suppliers, companies should make it known that they expect their business partners to be also compliant with relevant legislation and international instruments.

These action can contribute to the following UN Sustainable Development Goals:

- **Goal 1**: End poverty in all its forms everywhere.
- **Goal 2**: End hunger, achieve food security and improved nutrition and promote sustainable agriculture (indirect)
- **Goal 3**: Ensure healthy lives and promote well-being for all at all ages (indirect).

13 Such instruments include the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, other ILO conventions, and the Universal Declaration of Human Rights.
Business Charter for Sustainable Development - Business contributions to the UN Sustainable Development Goals

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5. Products and services

- to develop products that provide good value for the customer, are safe in their intended use, are compliant with applicable laws and regulations, and minimize adverse environmental and/or societal impacts.
- to endeavour to maximize the economic, societal and environmental benefits of the products by considering the whole product life-cycle.\(^\text{14}\)
- to innovate with and through customers and suppliers to identify hidden opportunities — from research and development to sustainable products— and avoid unintended consequences.

Transitioning towards a more sustainable economy requires long-term efforts by all the actors involved, as well as the adoption of a life-cycle approach, across sectors and at a global level. Correctly implemented, such an approach can help achieve a resource-efficient or circular economy. In this context, business \textit{intra-industry and collaborative actions taken or that could be undertaken include}:

- \textbf{Fostering development of products contributing to sustainable development.} \textit{e.g.} by making a more efficient use of natural resources, for instance by limiting environmental impacts of production and consumption patterns, and by enhancing job creation and capacity building.
- \textbf{Adopting a holistic life-cycle approach in designing and developing products} across the value-chain, including awareness-raising efforts aimed at enhancing safe and more responsible product management, at each stage of product life-cycle, by all the actors involved.
- \textbf{Improving existing products and developing new ones}, by actively fostering stakeholder co-operation and dialogue in the value-chain, adopting a holistic approach.
- \textbf{Improving product information} in support of sustainable consumption and product stewardship, acknowledging the importance of considering the entire life-cycle of products.
- \textbf{Innovating and closing knowledge gaps} to foster demand-driven product design.
- \textbf{Further developing guiding principles and tools for improved life-cycle management}.
- \textbf{Encouraging adoption, replication and scaling up of existing best practices}, across all sectors and across geographically dispersed value-chains.
- \textbf{Creating mechanisms and platforms for companies and countries to adopt a holistic life-cycle approach}, recognizing that products can be disbursed across many countries.
- \textbf{Encouraging innovative industrial product designs} to support the concepts of sustainable development and sustainable growth.
- \textbf{Fostering co-operation (especially among countries/economies) to provide overarching industrial policy frameworks} that bring coherence in product management among the various stages of products’ life-cycle.

\(^{14}\) Life cycle: The life cycle of a product or service starts at raw material extraction, research on conceptual design and development of products and services, manufacturing, distribution, use and end of life/service treatment options such as recycling, recovery and re-use or re-manufacturing (ICC Green Economy Roadmap, \url{http://www.iccwbo.org/products-and-services/trade-facilitation/green-economy-roadmap}).
• Ensuring that policy mixes at one stage of a product’s life-cycle do not create unintended consequences at other stages of such a product’s life-cycle.
• Integrating and fostering life-cycle thinking at all levels of policy making.
• Ensuring that global best practices are implemented throughout value-chains.

Additional business intra-industry and collaborative actions taken or that could be undertaken to foster and smooth the transition to a more sustainable economy include:

• **Supporting businesses in providing reliable information** to foster innovation and competition, based on responsible presentation of consumer choices\(^{15}\).
• **Using available tools** e.g. **labels and certification schemes**, green/sustainability audits and other information sharing tools to provide an appropriate basis for enabling decision-making shifts towards more sustainable consumption choices.
• **Promoting education and awareness campaigns** to encourage more sustainable consumption patterns.
• **Supporting the implementation of the 10 Year Framework of Programmes on Sustainable Consumption and Production (SCP).**

These actions can contribute to the following UN Sustainable Development Goals:

- **Goal 3**: Ensure healthy lives and promote well-being for all at all ages (indirectly).
- **Goal 6**: Ensure availability and sustainable management of water and sanitation for all.
- **Goal 8**: Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all.
- **Goal 11**: Make cities and human settlements inclusive, safe, resilient and sustainable.
- **Goal 12**: Ensure sustainable consumption and production patterns (indirectly supporting Goals 1 and 3).
- **Goal 13**: Take urgent action to combat climate change and its impacts.

### 6. Value-chain approach

- to promote and facilitate the awareness of these sustainable development principles across the value-chain, that is, the business’ suppliers, customers, agents, distributors, service providers, and other relevant partners.
- to collaborate with all actors in the value-chain for responsible behaviour across the entire product or service life-cycle.
- to promote the mutual recognition of relevant corporate responsibility codes and supplier guidelines.

Companies are devoting increasing efforts to manage value-chain risks and to building long-term relationships with suppliers, customers, agents, distributors, service providers, and other relevant partners.

Their ability to influence value-chain actors’ business conducts may vary greatly, depending on the commercial environment in which they operate and on the nature of their business relationships.

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\(^{15}\) This includes encouraging adoption of globally harmonized metrics that could offer common credible environmental claims’ systems and level the environmental communications playing field (see, for instance, the ICC Framework for Responsible Environmental Marketing Communications).
Business intra-industry and collaborative actions taken or that could be undertaken to help foster and smooth the transition towards sustainability along the value-chain (e.g. in relation to customers and service providers) are outlined in the sections above. Therefore, this section mainly highlights business relationships with suppliers.

**Careful supplier selection is one of the best ways to ensure continuity and long-term efficiency of the global supply-chain, as well as to ensure brand support.** To help companies develop their own approaches to responsible sourcing, ICC developed a series of practical steps, based on real-life experiences from a global and multi-sectoral perspective, that can be used by businesses of all sizes, sectors, worldwide. They underscore, *inter alia* that:

- When choosing a supplier, in addition to making a final determination on cost, companies often need to evaluate a range of supply-chain issues, including product quality and safety, continuity of supply and speed of delivery, and intellectual property protection. Criteria such as working conditions, environmental practices, safety standards, and human rights policies should also be factored into the selection process.
- When contracting with a supplier, companies should make it known that they expect their business partners to comply with all national laws and regulations, including labour and environmental laws, and, as appropriate, to take into account principles from relevant international instruments, which may sometimes go beyond national legislation.
- By integrating responsible sourcing into its own buying practices, a company should avoid undermining the capacity of suppliers to respect societal and environmental standards.
- Companies can ask their suppliers to provide comprehensive information about their societal and environmental practices. Initiatives which bring together non-governmental organizations, trade unions and companies can also help encourage dialogue and build overall confidence in the compliance process.
- Companies should encourage suppliers to develop their own responsible practices rather than imposing requirements on them. In doing so, it is essential to stress the commercial benefits of responsible business practices on quality, productivity, contract renewals, and lowering employee turnover. To help them internalize change, suppliers should be directly involved in the shaping of performance objectives, so that these objectives can be integrated into their own business strategy, based on their individual capacity and needs. If useful, a company can provide training to its suppliers to help them improve their management practices and performance, *e.g.* covering supervisory skills, environmental management, and raising awareness of health and safety practices. Training programmes for management and employees. In sectors where labour or health and safety risks may be present further down the supply-chain, a company can also work with its direct suppliers to ensure that societal and environmental considerations, in turn, play a role in their relations with second- and third-tier suppliers.

These actions can contribute to the following UN Sustainable Development Goals:

- **Goal 5**: Achieve gender equality and empower all women and girls.
- **Goal 8**: Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all.

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16 “Responsible sourcing” or “supply chain responsibility” is a voluntary commitment by companies to take into account societal and environmental considerations when managing their relationships with suppliers. This strategy is now an integral part of effective supply chain management.

17 ICC Guide on Responsible Sourcing

18 These instruments include the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, other ILO conventions, and the Universal Declaration of Human Rights. Another useful reference is the Global Compact and its “10 principles” covering human rights, labour standards, the environment, and anti-corruption.
7. Transparency, communications and reporting

- to set goals and select the appropriate metrics to track implementation of business objectives and assessed risks and opportunities.
- to report and communicate progress through the most relevant channel(s) relative to the size, scope, sector and geography of the business and in accordance with its available resources as appropriate.

The ICC Green Economy Roadmap underscores, *inter alia*, the importance of encouraging financial markets to enable investor decision-making based on sustainability performance, as well as of enhancing transparency and reporting of practices, in particular, with respect to project selection criteria and to public funding allocation. This should apply to all the parties involved in such processes, including governments. Further *Business intra-industry, as well as collaborative actions taken or can be undertaken* to help improve transparency, communications and reporting include:

- Promoting scientific partnerships, research, and dialogue to support the development of metrics and indicators suitable for individual companies, non-profit organizations, governments, and other relevant stakeholders.
- Using research outcomes to inform long-term accounting of natural capital, at the national, regional, and global level.
- Avoiding one-size-fits-all approaches\(^i^9\) to sustainability reporting that may hamper the transition to a "more sustainable economy".
- Establishing best practice sharing initiatives at the global level.
- Developing pilot projects on metrics and measures for business and government.

Sustainability reporting (SR) can be a powerful communication tool: it can help companies to respond to stakeholder, investor or shareholder needs, as well as to measure track and improve business sustainability performance.\(^i^0\) To build or enhance customer trust, companies can collect information on supplier performance across markets, and make it publicly available, for instance, through annual reports or other suitable tools\(^i^1\).

These actions can contribute to the following UN Sustainable Development Goals:

- **Goal 5**: Achieve gender equality and empower all women and girls.
- **Goal 8**: Promote sustained, inclusive and sustainable economic growth, full employment

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19 *i.e.* approaches not taking into account national, sectoral and regional differences.

20 Externally, it can help businesses to: i) Highlight the importance of sustainability considerations in the company strategy and policies; ii) Provide investors with adequate information to make robust assessments of business performance, which may lead to better access to finance, to attract long term capital and favourable financing conditions; iii) Show governments how the company’s operations are influenced or driven by sustainable development goals, often supporting its license to operate; iv) Communicate their sustainability performance and true corporate value to other external stakeholders (such as customers and consumers, local communities, NGOs, as well as civil society at large) which often leads to an increase in brand loyalty, trust, goodwill, helps prevent loss of image, crises and conflicts, and enhances reputation; v) Attract talent; vi) Inform benchmarking organizations, investors and analysts. Internally, SR can help companies to: j) Better understand the risks and opportunities faced, and related business, societal and environmental impacts; ii) Link non-financial activities performance to financial performance; iii) Use the consolidated data from reporting to monitor performance, and shape long-term corporate strategy and action plans; iv) Enhance performance through streamlined operations, reductions in costs and efficiency improvements; v) Motivate staff; v) Encourage innovation by allowing companies to benchmark their performance against competitors, industry norms and broader corporate standards and initiatives.

21 In this context, ICC is developing an ICC Toolkit to Company SR, which is intended to provide businesses with practical guidance to help them set up new or review their existing SR frameworks. The Toolkit is expected to provide an agreed upon definition of SR, to outline SR potential benefits and challenges, and to offer a step-by-step approach to SR implementation. It is expected to be released in 2016. It is noted that the impact on SMEs of SR needs to be better understood and that a disproportionate administrative and compliance burden on SMEs should be avoided.
and decent work for all.

- **Goal 12**: Ensure sustainable consumption and production patterns.
- **Goal 16**: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels.

8. Collaboration and partnerships for continuous improvement

- to foster innovative collaborations for shared value creation, such as engagements and alliances with other businesses, academia, governments, or consumers to deliver jobs, innovative business models and solutions.
- to engage with employees, shareholders and other stakeholders through regular dialogue and communication. In doing so, to engender trust between the business and its various stakeholders.

As already mentioned, transitioning towards a sustainable development and growth requires a more holistic approach to decision-making. This may include integrating and balancing policies taking into account sustainability considerations, as well as consequences of inter-linked policy actions that may result in synergies or barriers, and either ultimately promote or hinder unintendedly sustainable growth. **Business intra-industry, as well as collaborative actions taken or that could be undertaken to help support the points set out above include:**

- **Forging innovative co-operation between sectors and across value-chains** to identify new business opportunities through value-chain engagement.
- **Leverage existing best practices and encouraging best practice cross-pollination**, to help raise the bar of sustainable business conduct and to enhance sustainability performance throughout product value-chains.
- **Fostering result-based management**, taking into consideration all three sustainability dimensions.

Sustainable growth is based on governance structures allowing all actors to meet their shared responsibilities. At all levels, governance structures need to be aligned and to reinforce each other for innovation for sustainable growth to actually occur. Enabling factors include: i) multilateral rules-based trade and investment; ii) stable economic environments governed by the rule of law and effective intellectual property rights protection; iii) strong contractual arrangements; as well as safe and stable communities.

In this context, a key modus operandi to foster sustainable development and growth includes the adoption of new approaches promoting and facilitating innovative, multi-stakeholder co-operation, for instance in the form of public-private partnerships, business intra-/inter value-chain engagements, as well as co-operation with other relevant stakeholders, including academia and consumers.

The key to enabling policies’ and incentives’ success lies in their clear, predictable, practical, targeted, time-limited, and overall consistent character. In this context business co-operation with relevant stakeholders, including governments, can play a key role in fostering sustainable development and growth. **Business intra-industry, as well as collaborative actions taken or that could be undertaken in this respect include:**
• Adapting a system-wide strategy for sustainability across intergovernmental organizations and other public bodies and encouraging the development of synergies between compatible multilateral sustainability-related agreements, while preserving and complementing the independence and tailored nature of such agreements.

• **Enhancing domestic and international inter-policy co-ordination** of regulatory frameworks and incentive programmes.

• **Supporting institutional capacity building** to create balanced and practicable policy-making in support of sustainable development.

• **Providing dialogue fora, where businesses of all sizes can interact with government and other stakeholders** in green growth and sustainability efforts, *e.g.* by sharing scientific and technical input, expertise and best practices.

These actions can contribute to the following UN Sustainable Development Goals:

• Enhanced co-operation and partnership for sustainable development and growth within the business community, as well as among all relevant stakeholders, including governments, can contribute to enhanced global prosperity, to reduce inequality amongst countries (goal 10), as well as to promoting and achieving all the UN SDGs.

• In this context, **Goal 17** (*Strengthen the means of implementation and revitalize the global partnership for sustainable development*) seems to be of particular relevance, and especially so with respect to its **Multi-stakeholder Partnership Targets, 17.16** and **17.17**.

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22 **17.16** - Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

**17.17** - Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.
Conclusion

Sustainable economic growth enables economic empowerment and poverty eradication and alleviation, helps advance environmental stewardship and contributes to tackling the trans-boundary global challenges highlighted in the UN Sustainable Development Goals.

ICC believes that enhanced sustainable business behaviour through appropriate implementation of its Business Charter for Sustainable Development’s guiding principles set out above can significantly contribute to achieving the UN Sustainable Development Goals and a more sustainable world economy. Implementing the SDGs will also necessitate the establishment of a new alliance between business and governments to support integration of sustainable development into the mainstream economy. This should include enhanced public-private partnerships at global and national level and enhanced opportunities for engagement to better leverage business expertise and experience.

We call on all companies—large and small—to commit to implement the Charter and integrate its principles into their day to day operations.
Annex I: SME Policy Actions needed to support Sustainable Growth

As highlighted in the ICC Green Economy Roadmap, business actors can range from large multinational companies (MNEs) to small and medium size enterprises (SMEs). Through its Green Economy Roadmap and Business Charter for Sustainable Development, ICC is undertaking an extensive global call for action to encourage the global business community, policy makers and other relevant stakeholders to recognize the role of SMEs as innovators and job creators; both as start-up engines and as part of value-chains. This would help ensure policy measures and stakeholder co-operation to support sustainable growth, and help raise SME awareness of the ways that they can help enhance sustainable development.

SMEs’ role could be especially relevant when:

- products and technologies contributing to sustainable growth (e.g. enabling technologies, including ICT) can be developed, to enable and enhance SMEs’ contribution to sustainability along the value-chain, especially in new and emerging markets,
- SMEs can play a unique role in supporting innovation for sustainable growth.

For instance, SMEs can contribute to:

- **INNOVATION for SUSTAINABLE GROWTH**: SMEs can swiftly develop new business models and serve as “innovation labs” that can be scaled up. SMEs can also play a unique role in bringing the essential niche products or technologies to improve process efficiency and close the gaps to enable full life-cycle approaches.

- **EDUCATION and TRAINING**: SMEs have a potential key role in education and skill-building and can help build “sustainability” into education schemes, due to their often close relationships with local education structures.

- **POVERTY ERADICATION and ALLEVIATION through JOB CREATION**: Many new jobs are created by SMEs. By creating employment and facilitating integration and inclusion at the local level, SMEs can be considered crucial actors in the global economy, given the key role they can play in poverty eradication and alleviation. In addition, SMEs can more easily adapt to local demand and offer more swiftly adaptable and flexible solutions, due to a better knowledge of local conditions in their business areas.

- **LOCAL IMPACT**: Given their network and ties, SMEs can play an essential role in implementing concrete solutions to help foster societal innovation for sustainable growth at the local level.

In addition, policy makers and relevant stakeholders should consider the following points:

- **Awareness programmes specifically tailored for SMEs** need to be integrated into public and/or private programmes. For instance, this could be done by recording and sharing SME best practice examples across sectors.
- **Policy-making to support sustainable growth needs to take SMEs into account** and to consider SME best practices, as well as other specific aspects, which may depend on local or geographical needs and circumstances.

Further, to allow SMEs to efficiently participate and help shape “more sustainable economies” at the local level, it is critical to ensure:

- **Simplified legal and regulatory frameworks.**
- **SME capacity building** aimed at implementing better governance schemes.
- **The full inclusion of SMEs in pro-sustainability efforts**, at all stages and levels of product life-cycles and value-chains.

*In addition, MNE-SME partnerships* should be encouraged, especially by sectoral and global business associations, for instance, through improved sharing of existing best practices.

Finally:

- **Policy-making stakeholder dialogue and co-operation** need to include SMEs and consider how they can leverage growing market share by introducing innovation throughout product value-chains and to appropriately consider SMEs’ potential role in enhancing *value-chain resource efficiency*.
- **SME needs and requirements for investment and finance** should be taken into account and better understood, including specific schemes, such as *micro-financing and e-finance*. An enhanced understanding of SME cash-flow requirements and financing timeframes should also be fostered.

In this context, the role of supporting structures, *e.g.* **chambers of commerce**, in *enabling and enhancing SME access to and participation in the debate on resource efficiency and innovation* should also be highlighted. **Chambers of commerce**, for instance, can further help **identify relevant business opportunities and challenges for SMEs**, especially in niche areas, where the role of SMEs can be of particular value, as well as **contribute to the development of policies suitable for/also applicable to SMEs**, so that their inclusion in sustainable growth is further leveraged.
Support for the Charter

ICC is undertaking an extensive global call for action to encourage member companies and others to express their support, for and to implement the Charter.

The first edition of the Business Charter for Sustainable Development, was adopted by the ICC Executive Board in 1990, and first published in 1991. It was revised by the ICC Working Party for Sustainable Development in 2000. It was updated and broadened under the leadership of the Green Economy Task Force working under the auspices of the Commission on Environment and Energy in 2014, and will be launched in 2015.

Co-Chairs:
Martina Bianchini, Chair ICC Green Economy Task Force, Vice-Chair Environment and Energy Commission
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ICC is indebted to numerous companies and business organizations for their input in preparing and revising the Charter.

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