

June 2010

New York Declaration by Business

We, the business participants of the UN Global Compact Leaders Summit, gather in New York at a critical moment in the history of the global economy. Future advances in global integration, sustainable development, protection of our planet and, ultimately, peace critically depend on the ability to collectively address challenges. The need for responsibility and leadership has never been greater.

We believe that embedding principles and responsibility into the marketplace is an essential part of the solution. Sustainable and inclusive global markets can contribute significantly to a future world where all people live in societies that are prosperous and peaceful. To do so, we must intensify our efforts to build a new era of corporate sustainability – where the UN Global Compact principles are integrated into business everywhere based on both material and ethical rationales.

The opportunity to build a sustainable future has never been greater. The case for responsible action is clear: embedding human rights, labour, environmental and anti-corruption principles into corporate practices benefits both society and business. We recognize that, despite good progress, there is much to be done. Now is the time to build on the advances made in the past decade and bring mass scale to the discipline of corporate responsibility, helping to chart a future where sustainable development, a healthy planet and peaceful cooperation prevail.

Understanding this unique moment in time, we, the business participants of the UN Global Compact Leaders Summit, agree to the following statements and pledges:

1. We recommit to the UN Global Compact, and the call to embed ten universal principles – in the areas of human rights, labour, environment and anti-corruption – into our strategies, operations and culture, as well as to take actions in support of broader United Nations goals and issues, especially the Millen-

nium Development Goals (MDGs). We pledge to report on our activities through an annual Communication on Progress.

2. We welcome the Blueprint for Corporate Sustainability Leadership, which challenges and inspires us to achieve higher levels of sustainability performance within the UN Global Compact. The Blueprint sets a bar for leadership, and we will seek to achieve it.

3. We will deepen work to advance the ten principles throughout our organizations, including relevant governance bodies and subsidiaries, and into the supply chain. We welcome related tools and resources introduced or profiled at this Summit and, where appropriate, seek to give them the widest possible implementation, while taking consideration of national conditions:

- a. We welcome the "Protect, Respect, Remedy" framework of the Special Representative of the Secretary-General on business and human rights. Additionally, we commit to advance the Women's Empowerment Principles.
- b. We will strive to improve workplace conditions in accordance with the ILO core labour standards.
- c. We embrace the "Environmental Stewardship" framework and its guidance on developing more comprehensive strategies.
- d. We will strive to implement the "Reporting Guidance on the 10th Principle Against Corruption".
- e. We will seek to enhance responsible practices in the supply chain and welcome the guide on "Supply Chain Sustainability".
- f. We welcome "Responsible Business in Conflict-Affected and High-Risk Areas: Guidance for Companies and Investors" and recognize the potential for business to contribute more substantially to peace and development.

4. We also will strengthen support for critical development goals, particularly the MDGs, through our core business, social investment and advocacy. We will strive to do so both individually and in partnerships with other stakeholders, notably civil society

and Governments. In this realm, we welcome the Principles for Social Investment and their guidance on increasing scale and impact of philanthropic contributions.

5. We commit to strengthen engagement through Global Compact Local Networks, and will seek to mobilize local participation by subsidiaries and business units around the world in order to bring scale to responsible business practices globally.

6. We call on more companies to commit to the UN Global Compact – with the goal of reaching 20,000 participants by 2020. We will encourage our customers, suppliers and peers to adopt responsible corporate practices and join the initiative.

7. We commit to increase transparency and dialogue, as well as engagement, with civil society and labour organizations in our work to advance the ten principles and support development goals. More collaboration will be required to find practical solutions to shared objectives.

8. We are committed to making the global economy more sustainable and inclusive through implementation of responsible practices. However, market success and political leadership go hand in hand. We are willing to do our part and we call on Governments to do theirs, specifically:

- a. We call on Governments to cultivate enabling environments for entrepreneurship and innovation, with effective economic institutions and supportive policy to provide long-term stability and promote transparency.
- b. We call on Governments to support an open international trading system and discourage discrimination in trade, without which business cannot reach its full potential to create and deliver value.
- c. We recognize that markets require effective regulation to thrive. Governments are called upon to set clear signals, especially in critical areas such as climate change. Governments

are urged to set goals and incentives to reduce greenhouse gas emissions, strengthen climate resilience, and support a clean energy pathway globally, and especially in developing countries, that enables development.

- d. We urge Governments, as a complement to regulation, to encourage private sector engagement in voluntary initiatives that promote universal values, such as the UN Global Compact, and ask Governments to provide support through actions such as raising awareness, developing tools and incentives, and providing funding.
- e. We believe that achievement of the MDGs is a global priority and are committed to supporting these goals through our business operations, as well as in partnership with Governments. We call on Governments to bring new intensity and scale to promising partnership efforts.

9. We will instill the tenets of corporate responsibility in tomorrow's business leaders, and encourage the work of the UN-backed Principles for Responsible Management Education to advance curricula and research in this regard.

10. We recognize the rapid growth of the responsible investment movement – led by the UN-backed Principles for Responsible Investment (PRI) and its 700 investor signatories – and encourage even greater linkages between PRI and the UN Global Compact in the future to help drive implementation of the ten principles by business.

11. We recognize that the UN Global Compact is an innovative public-private partnership with a governance, support and funding structure specifically tailored to the diversity of its stakeholders and its mission to advance UN values among the global business community. We recognize the leadership of Secretary-General Ban Ki-moon in advancing the UN Global Compact, and encourage the Member States of the United Nations to continue to support the initiative and strengthen its position within the Organization.

June 2010

Ministerial Statement

The Role of Governments in Promoting Corporate Responsibility and Private Sector Engagement in Development

1. We, the Ministers and other high level Government officials participating in the United Nations Global Compact Leaders Summit, held a Ministerial Session on 23 June 2010 on the topic of the role of Governments in promoting corporate responsibility and private sector engagement in development.
2. The financial crisis, which has had a strong negative impact for most countries, has illustrated the consequences of unrestrained financial risk taking and short-term speculation. Restoring trust in markets requires a shift to long-term sustainable value creation.
3. We support a broad call for corporate responsibility through the alignment of business operations and strategies with the Global Compact's 10 principles on human rights, labour, environment and anti-corruption. In this context, we also welcome the "Protect, Respect and Remedy" framework for business and human rights elaborated by the Special Representative of the Secretary-General of the United Nations on the issue of human rights and transnational corporations and other business enterprises, and which has been unanimously welcomed by the UN Human Rights Council.
4. We encourage the private sector to contribute to development through market based approaches that deliver commercially sustainable and scalable development results and solutions. The private sector is the engine of economic development and growth and therefore of crucial importance to achieving economic, social and environmental goals, particularly the Millennium Development Goals. In this context, we welcome the "Women's Empowerment Principles – Equality Means Business" as guidance to business on how to empower women and promote gender equality in the workplace, marketplace and community.
5. We recognize that inclusive markets and business models are needed to create employment opportunities and better integrate and empower the poor. Innovative and inclusive business models, which deliver mutual benefits for businesses and low income communities, should be promoted as these models provide for an optimal congruence of private sector and development policy interests and objectives.
6. We commit to partnering with businesses to achieve positive development outcomes by mobilizing the private sector and addressing the challenges that prevent businesses from applying their core business skills and knowledge in a transformative and scalable manner that effectively contributes to the achievement of the Millennium Development Goals, through Government's support of Local Global Compact Networks.
7. Moreover, collaborative multi-stakeholder initiatives between public institutions, business, civil society and labour organizations, offer opportunities to promote innovation and advance scalable sustainable development in ways that have the potential to go beyond what each stakeholder could deliver on their own.
8. As the adoption and enforcement of laws and regulations rests with Governments, we recognize the importance of creating and supporting enabling business environments without which business-led efforts cannot be sustained and brought to scale.
9. We recognize voluntary initiatives as powerful complements to regulation and essential drivers encouraging business to embrace corporate responsibility and business ethics. At the same time, we acknowledge that voluntary initiatives can never be a substitute for effective regulation.
10. We recognize the contributions of businesses based or operating in our countries in advancing sustainable growth and corporate responsibility, including through the UN Global

Compact. We promote their continued participation in these voluntary initiatives; and encourage them to report and communicate openly about how they contribute to achieving the Millennium Development Goals.

11. We recognize that support and respect of human rights, application of labor standards, environmental sustainability, honesty and transparency, as well as the agreed development goals, are values that business, Governments and the United Nations, shall promote jointly, with a view to advance the principles of the Global Compact.

ANNEX TO THE MINISTERIAL STATEMENT

Governments can support corporate responsibility and encourage the private sector to contribute to achieving the Millennium Development Goals in several ways:

- **Creating an enabling environment:** Governments can put in place the necessary enabling environment for the private sector to flourish and work according to the principles of corporate responsibility as well as facilitate a stronger engagement of the private sector in development in order to enable business to do what it does best in driving growth, creating jobs and developing innovative products and services.
- **Partnerships:** Governments can use their convening power to enter into partnerships with businesses and other non-state actors, in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks, responsibilities, resources, competencies and benefits.
- **Raising awareness:** Governments can enter into a dialogue with the private sector and stimulate public debate through gathering and disseminating information and drawing attention to the benefits of corporate responsibility and private sector engagement in development. Governments can advocate for greater emphases on the positive role that well functioning markets and businesses can play in driving Millennium Development Goals achievement.
- **Promotion:** Governments can highlight best practices as well as endorse or invite business and wider community support for inclusive business models, corporate responsibility programs, activities, or initiatives, such as the UN Global Compact.
- **Tools development:** Governments can assist the development of corporate responsibility programs and inclusive business models specifically designed to enable more inclusive markets and to encourage entrepreneurship and corporate responsibility within the small and medium sized enterprises sector.
- **Technical assistance:** Governments can support capacity development and provide technical assistance to private sector and other partners in order to enable corporate responsibility and the development of more inclusive markets.
- **Funding:** Where they have the resources to do so, Governments can help the private sector to maximize its development impact by providing catalytic and innovative financing instruments in order to leverage private sector engagement and investments that deliver tangible and sizeable development results.
- **Transfer of technology:** Governments can work with the private sector to enhance technology transfer activities, as well as encourage the private sector to provide know-how on technical, operational and managerial fronts, particularly to developing countries.