
Investor-Business Roundtable for a Sustainable Economy

Catalyzing a Sustainable Economy: The Need for Investor and Business Leadership

A global economic transformation is underway. Investors and businesses are well positioned to accelerate the transition to a sustainable global economy that supports growth, job creation, investment value and innovation.

Our society faces daunting challenges from climate change, increasing competition for resources and population growth. Economic globalization, increased connectivity and transparency, and rising consumer expectations worldwide are changing how business needs to operate. These powerful trends directly affect all of us, impacting broader economic and social stability as well as our own corporate and investment bottom lines.

We recognize the interdependency between environmental, social and financial performance, and understand that our business success and long-term viability depends on how quickly we develop and support solutions that use cleaner energy and fewer resources. Sustainability factors directly affect business profitability and forward-thinking actions will be rewarded.

These formidable challenges require us to take bolder, collaborative action. As investor and business leaders, we jointly commit to develop and accelerate solutions and accountability that make sustainability a core foundation of the 21st century global economy.

Global challenges

The world can no longer afford business as usual.

The recent financial collapse and ensuing global recession demonstrates a deep and systemic failure of accountability in our capital markets, and a bias towards short-term risks and returns while downplaying hidden long-term risks and returns.

Our carbon-intensive economy is no longer sustainable. We are securing fossil fuels, water and other resources with ever-greater effort and conflict. The accumulation of atmospheric carbon dioxide is reaching a dangerous tipping point that is starting to seriously disrupt global weather patterns, agriculture, our oceans and vital water supplies. We must act collectively – now – to build a global economy and job opportunities that sustain not only the hopes of the 6.7 billion people on the planet today, but also the 9 billion projected to be here in 2050.

Leadership for Urgent Action

It is essential that we accelerate and reward activities that mitigate these risks. We, as business, investor and labor leaders, must lead the way in spurring transformative change, as we recognize that incremental progress in addressing these global challenges is not enough.

We also understand that the global economy lacks the policy frameworks and clear market signals to catalyze positive change at the decisive scale needed. Therefore, we commit to support policies rewarding sustainable business practices that both create new employment opportunities and deliver shareholder value.

Changing Market Drivers

We understand that as key economic players, each of our entities must take decisive and timely action with the assets and resources we control to accelerate sustainability solutions and establish the right incentives to reward implementation by our business partners. Through the capital markets value-chain we can take action by having:

- ◆ Asset owners integrate sustainability factors across all asset classes and require asset managers to account for these factors;

- ◆ Asset managers offer more products that address these issues and asset owners increase their investments in such products; and
- ◆ Businesses provide comparable quantitative and qualitative material information on sustainability risks, opportunities and performance that can be used by investors.

These multiple actions will allow substantially larger investments to flow to companies that are leveraging sustainability challenges into increased revenues, profitability and long-term competitive advantage.

Tools for Change

We commit to build on our positive actions to date by accelerating such activities and boosting collaborations that will enhance such efforts. The Ceres *21st Century Corporation: Sustainability Roadmap* is a powerful tool for companies and investors to use in this urgent race to build a sustainable economy. Using its comprehensive framework of accountability and performance, we all agree to move forward with key components and recommendations such as:

- ◆ Integrating sustainability deep into our governance structures and management accountability systems;
- ◆ Establishing incentives to reward sustainability performance through our compensation plans;
- ◆ Incorporating stakeholder feedback into strategic planning and decision-making;
- ◆ Reporting our strategies and results through our public disclosures;
- ◆ Building a diverse workforce and leveraging their ideas and innovation;
- ◆ Requiring operations and supply chain to systematically meet and/or exceed environmental and social performance goals; and
- ◆ Developing and implementing sustainable products and solutions that accelerate clean, profitable economic growth.

Collaboration and scaling our commitments

Achieving a sustainable future cannot be accomplished by a few corporations and investors acting in isolation. As a result, we all agree to:

- ◆ Collaborate with other businesses, investors and stakeholder groups, including policymakers, civil society organizations and consumers, to move together towards a sustainable economy;
- ◆ Leverage our position as industry leaders and key market influencers to accelerate adoption of sustainability approaches and solutions across our networks, including employees, customers, supply chains, media and marketing; and
- ◆ Make our own specific commitments to integrate sustainability into our strategies and actions.

Our economic success depends on us taking urgent action together. Our efforts need to be scaled up exponentially in developed and developing economies alike. We invite other business leaders to join us in moving this agenda aggressively across the global economy.

Signatories

AFL-CIO

California Public Employees'
Retirement System

California State Teachers'
Retirement System

Generation Investment
Management

Jones Lang LaSalle

Levi Strauss & Co.

Pacific Gas & Electric

SAP

Skoll Foundation