

The Corporate Stewardship Compass

Guiding values for sustainable development



Project Report for
The Caux Round Table for Moral Capitalism

December 2017



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“This questionnaire will be of immense value as an internal checklist for companies who want to improve their performance.

It will also be an invaluable tool if used by independent external social-auditors or consultants who conduct in-depth inside interviews in conjunction with publicly available data”.

Prof. James O'Toole
Professor Emeritus,
University of Southern California

I. Introduction and Purpose of the Project

The Caux Round Table for Moral Capitalism (CRT) presented the Oxford Analytica Foundation (OA Foundation) with a timely challenge: to design a project that would “develop and test criteria for recognising excellence in moral capitalism on the part of company leaders”.

For three decades, CRT has advanced an ethical vision for the global economy. Its Principles for Responsible Business, promulgated in 2009, are rooted in the foundations for a fair and functioning society. The key precepts are: responsible stewardship, living and working for mutual advantage, and the respect and protection of human dignity. These are supported by guidelines for stakeholder management.

In recent years, CRT has collaborated with the Thailand Sustainable Development Foundation and the Sasin Center for Sustainability Management. Drawing inspiration from Thailand’s Sufficiency Economy Philosophy and other ethical traditions, CRT convened a series of round tables around the world to document thought-leadership in sustainable development. This effort reflected CRT’s long-held belief that the international business community should play an important role in improving economic and social conditions.

Businesses are encouraged to check their position, seek guidance, and steer the course for long-term results.

To respond to the CRT challenge, the OA Foundation considered the important interconnections between these themes of responsible business and sustainable development. After initial research and consultation, it proposed that the project take shape as the *Corporate Stewardship Compass*.

In the current global context, this supports both the growing demand for companies to act responsibly and the urgent need to promote sustainability. The focus on stewardship reinforces a vital moral value. With a distinguished legacy across cultures, stewardship holds renewed relevance in today’s economy. Finally, the image of a compass brings to mind a directional signal: businesses are encouraged to check their position, seek guidance, and steer the course for long-term results.

Thirty years ago, a classic definition of sustainable development was provided by the *World Commission on Environment and Development*: “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. This resonates with a description of stewardship offered by Prof. James O’Toole, a renowned expert in this field: “Stewardship requires the careful management of something that belongs to others. Stewards must not only make proper current use of that which they hold in trust, but they must also leave it in better condition for use by future generations”.

This project is grounded in the conviction that moral leadership is essential to building a culture of stewardship within companies – a culture which reflects the alignment of values with business practices. The Corporate Stewardship Compass will promote such alignment through the use of an innovative questionnaire and matrix derived from the values and practices of some of the world’s most sustainable companies.

Such an approach is especially fruitful given the adoption of the UN Sustainable Development Agenda, which spans until 2030, and the resounding call for private sector involvement. Moreover, in many countries the landscape of corporate responsibility is shifting – businesses must forge comprehensive strategies to improve their environmental, social and governance performance.

Thus, in **Section II**, this Project Report begins by setting the policy context. A brief review of the UN Sustainable Development Goals (SDGs) includes commentary on the challenges – and opportunities – for business. **Section III** outlines 10 ethical trends that are re-shaping the field of corporate responsibility. **Section IV** considers the importance of stewardship and the multiple ways it reinforces values within a company.

Section V explains the methodology behind the elaboration of the Corporate Stewardship Compass, which analysed the Dow Jones Sustainability Index (DJSI) and its list of industry group leaders. Along with additional research into stewardship values and practices, this shaped the questionnaire and matrix that are presented here.

Section VI explains the application of the Corporate Stewardship Compass. It also looks toward its future enhancement – notably through further testing of companies within various sectors, consultations with business leaders, and the design of an on-line assessment capacity. Finally, the Project

At the intersection of key values and company practices, the Corporate Stewardship Compass offers a practical tool for actionable insights.

Report concludes with an Appendix that provides supplemental resources.

The Corporate Stewardship Compass underscores the significance of corporate responsibility in a moral marketplace – at the local and global levels. At the intersection of key values and company practices, it offers a practical tool for actionable insights. By facilitating business commitment to stewardship, it can make an enduring contribution to sustainable development.

CRT is now planning an implementation strategy to realise this potential. More broadly, it appreciates that the Corporate Stewardship Compass can bolster a spirit of integrity and trust in economic relations. And this lies at the heart of an equitable, inclusive and sustainable capitalism.

II. Policy Context:

The UN Sustainable Development Goals

In September of 2015, the United Nations adopted an ambitious set of 17 Sustainable Development Goals (SDGs) on topics ranging from poverty reduction to gender equality to climate change mitigation. This effort, which extends to all countries, is mobilising action and collaboration at every level of governance. Driven by a vision for transforming our world, these global goals shape the policy context for the Corporate Stewardship Compass.

The UN Sustainable Development Agenda sends an important message: we cannot continue on a “business as usual” basis. While private business activity and investment are recognised as major drivers of inclusive economic growth, all businesses are called upon to apply their creativity and innovation to solving sustainable development challenges.

For an understanding of this new framework in relation to the role of the private sector, this section of the Project Report presents a brief background to the SDGs. It then indicates specific business-related provisions, as well as responses from the business community. A list of the SDGs is provided in a table at the end. Additional resources are provided in the Appendix, including web-links to the full text of the UN resolution, key organisations and other materials.

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Background to the SDGs

The UN Sustainable Development Agenda evolved from decades of international policy and programmatic work, notably the effort to implement the UN Millennium Development Goals (MDGs) which spanned the period from 2000-2015. The elaboration of a post-2015 strategy was set in motion at the UN Rio+20 Conference on Sustainable

Development, held in June 2012. The conference outcome document, entitled “The Future We Want”, led to a series of further deliberations and reports. This included, for example, a stream on financing for development that formed the Addis Ababa Action Agenda – which is now an integral part of the Sustainable Development Agenda.

“The Future We Want” also served as the theme of an extensive global multi-stakeholder consultation process, including on-line contributions from all sectors of society. After intense negotiations on the scope of the goals and targets, in September of 2015 the UN General Assembly adopted the SDGs in a resolution entitled *Transforming Our World: The 2030 Agenda for Sustainable Development*.

Business-related Provisions of the SDGs

The SDGs, comprised of 17 goals and a total of 169 targets, cover the period from 2016 to 2030. One key focus for the private sector is Goal 17: “Strengthen the means of implementation and revitalize the global partnership for sustainable development”. Topics such as finance, technology, and capacity-building are presented. The following targets are set forth under “Systemic Issues”:

Multi-stakeholder partnerships

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*

Additionally, a later paragraph in the UN resolution provides as follows:

67. *Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. We acknowledge the diversity of the private sector, ranging from micro-enterprises to cooperatives to multinationals. We call on all businesses to apply their creativity and innovation to solving sustainable development challenges. We will foster a dynamic and well-functioning business sector, while protecting labour rights and environmental and health standards in accordance with relevant international standards and agreements and other on-going initiatives in this regard, such as the Guiding Principles on Business and Human Rights and the labour standards of the ILO, the Convention on the Rights of the Child and key multilateral environmental agreements, for parties to those agreements.*

The UN resolution includes other provisions that hold implications for business. For example, under Goal 12 regarding the need to ensure sustainable consumption and production patterns, Target 12.6 seeks to “Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle”.

Leaders representing various companies, industry associations, multi-stakeholder initiatives and chambers of commerce were actively engaged in

the UN consultation process. Diverse civil society organisations were also involved, often expressing caution about “corporate capture” and urging greater accountability. The business community is now addressing the challenges – and opportunities – posed by the Sustainable Development Agenda.

Business Engagement in the Implementation of the SDGs

The business community is responding to the SDGs with a range of cross-cutting activities. This includes review of corporate strategies and outreach to potential development partners. The transformative potential of the SDGs is reflected in the following observations from business organisations:

The world faces a complicated web of multi-dimensional, interconnected, systemic challenges, including rising protectionism and inequality. Globalization must become a much more inclusive, human, respectful force that leaves no one behind, building on the Ten Principles that are the foundation of the UN Global Compact. The good news is that with the adoption of the UN Sustainable Development Goals (SDGs) in 2015, the world has a clear and compelling path forward. To jumpstart awareness and action, we launched our Making Global Goals Local Business campaign in 2016 – helping companies to see both their responsibilities and opportunities around the SDGs. Globally and on the ground through our 70+ Local Networks, companies are responding to the SDG vision and seeing the Global Goals as a guiding star for a world in constant change.

-- United Nations Global Compact

The Sustainable Development Goals (SDGs) represent a comprehensive and detailed development agenda spanning social, environmental, and economic spheres; an agenda that has a resounding relevance for all stakeholders and all geographies. Realization of the goals will certainly not be straightforward and, in many cases, will require radical systems change. However, the challenges that characterize this agenda are more than matched by the scale of the opportunity that they represent for business to engage more deeply as a strong and positive influence on society. In particular, it is important that companies understand the implications of the SDGs across the spectrum of role, opportunity and responsibility.

-- World Business Council for Sustainable Development

The Sustainable Development Goals – also called the Global Goals – offer companies a tremendous new growth strategy that could also help rebuild trust with society.

The ‘Better Business, Better World’ report shows how pursuing the Global Goals could raise trillions in new market opportunities in ways that extend prosperity to all.

...Companies that see the business case – as well as the moral imperative – for achieving all the Global Goals will take a ‘Global Goals lens’ to every aspect of their business strategy to change the way they operate.

-- Business and Sustainable Development Commission

Only integrated leadership will achieve sustainable development in the coming decades. But to change course, we need a new mindset that replaces the quest for dominance with the values of stewardship, especially in business. We need to learn to live sustainably. Our world cannot become sustainable unless business delivers innovation, technology, finance, and leadership for shared prosperity... The SDGs provide a pathway for achieving this but to so progress, we must embrace new paradigms and mindsets as the global community comes together to embrace its responsibilities.

-- Caux Round Table for Moral Capitalism

This overall policy context, and the global momentum surrounding the implementation of the SDGs, provides an exceptional platform to leverage the Corporate Stewardship Compass. Subsequent sections of this Project Report indicate SDG linkages to corporate responsibility and to stewardship values. Moreover, the SDGs set the stage for the application and future enhancement of the Corporate Stewardship Compass.

UN Sustainable Development Goals

	End poverty in all its forms everywhere		Make cities and human settlements inclusive, safe, resilient and sustainable
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture		Ensure sustainable consumption and production patterns
	Ensure healthy lives and promote well-being for all at all ages		Take urgent action to combat climate change and its impacts*
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<i>* Acknowledging that the United Nations Framework Convention on Climate Change is the primary international, intergovernmental forum for negotiating the global response to climate change.</i>	
	Achieve gender equality and empower all women and girls		Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	Ensure availability and sustainable management of water and sanitation for all		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	Ensure access to affordable, reliable, sustainable and modern energy for all		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		Strengthen the means of implementation and revitalize the global partnership for sustainable development
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		
	Reduce inequality within and among countries		

III. Ethical Context: The Changing Landscape of Corporate Responsibility

The Corporate Stewardship Compass is being developed at a time when traditional paradigms of corporate responsibility are shifting. The economic, legal, ethical, and philanthropic roles of business are being reassessed. Corporate Social Responsibility (CSR) programmes are giving way to more integrated strategies across business functions.

While changes are especially notable in the American, British, and European contexts, they are taking hold in many parts of the world. This creates opportunities for embedding stewardship and sustainability into company values and practices.

Relevant ethical trends include:

- **1. The re-evaluation of the market economy**, exploring ideas such as *inclusive capitalism*, *conscious capitalism*, *moral capitalism*. More than just a response to anti-globalisation critiques of corporate power, these ideas are gaining acceptance within mainstream business and financial circles.
- **2. The re-examination of the very purpose of the corporation**, notably with respect to the dominant objective of maximising shareholder value. In some jurisdictions, this has led to changes in corporate governance and the adoption of new business models.
- **3. A call for longer-term perspectives in many aspects of corporate strategy**, such as value-chain management, workforce well-being, executive compensation criteria, stakeholder engagement, financial investing and other domains.
- **4. The strengthening of company-wide regulatory compliance and risk-management policies and programmes**, along with reinforcement of relevant codes of conduct. Such efforts respond to wider normative developments in areas such as: respect for human rights; due diligence in supply chains; workplace safety; prevention of bribery and corruption; data privacy; protection of the environment and action on climate change. Overall, there is a global trend toward greater corporate accountability.
- **5. An increasing demand for the measurement and disclosure of environmental, social and governance (ESG) performance**, including through corporate reporting. Such reporting supports greater business transparency and information-sharing. It is also driven by the rise of socially responsible investment, which relies on the evaluation of ESG criteria to generate long-term competitive financial returns and positive societal impact.
- **6. The powerful impact of “going green”**. With impetus from government policies, stakeholder activism, and consumer preferences, business action on a full range of environmental questions has evolved. Environmental sustainability is now seen as a source of competitive advantage, shaping new operational and marketing strategies as well as innovations in products, services and systems. Alongside the ethical contribution, this has enhanced the “business case” for corporate responsibility. One example is the recent attention to the circular economy. As the Ellen MacArthur foundation describes it:

Looking beyond the current 'take, make and dispose' extractive industrial model, the circular economy is restorative and regenerative by design. Relying on system-wide innovation, it aims to redefine products and services to design waste out, while minimising negative impacts. Underpinned by a transition to renewable energy sources, the circular model builds economic, natural and social capital.

- **7. The growing importance of reputation management**, especially in the evolving communications, social media and publicity environment. Protection of valuable brands and company goodwill also raises the stakes for the effectiveness of legal and regulatory compliance programmes.
- **8. The expansion of business commitments to various declarations, principles and standards**, spurred by initiatives such as the UN Global Compact (UNGC) and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. These are complemented by important sectoral efforts such as the Extractive Industries Transparency Initiative, the Principles for Responsible Investment, and the Sustainable Apparel Coalition. Notably, the term “stewardship” is attached to certain resource-related certification programs, such as those managed by the Marine Stewardship Council and the Forest Stewardship Council.
- **9. A deeper appreciation for the influence of virtuous business leadership and cultures**, grounded in trust and integrity. This encourages an examination of the moral foundations of corporate responsibility, drawing on a variety of perspectives and religious traditions.

- **10. The forging of new collaborations, along with platforms for information-sharing, advocacy and action.** Business engagement with various stakeholders continues to be vital at a local level. But the broader discourse of corporate responsibility now involves the participation of: local, regional and national governments; indigenous communities; international financial and development agencies; multi-stakeholder initiatives; workers' organisations and labour unions; trade associations; consumer groups; academic and research institutions; non-governmental organisations; cause-related advocacy campaigns; faith-based groups; civil society; the media, and citizens themselves.

These ethical trends demonstrate the complex dynamic surrounding corporate responsibility at multiple levels. The scope of the subject itself continues to broaden, both in theory and in practice. It is reaching around the globe, and to businesses of various sizes, industry sectors and forms of ownership. A key driver is the integration of sustainability-related issues, and the deeper economic, political, legal and ethical questions that arise. Such integration is being intensified and accelerated through the UN Sustainable Development Agenda.

Thus, the Corporate Stewardship Compass draws on both the policy context presented in Section II and the ethical context presented here in Section III. The project is positioned at their interconnection. It is clear that the implementation of the SDGs is re-shaping the landscape of corporate responsibility; but the field of corporate responsibility provides important entry points and guidance regarding business engagement in the SDGs.

It is significant that the UNGC, the world's largest voluntary corporate responsibility initiative, has restructured its entire platform around the concept of "corporate sustainability". The role of business in the SDGs now dominates much of its work, and foundational principles on human rights, labour, environment and anti-corruption are being re-fitted around a "Blueprint for SDG Leadership". However, it is also significant that a recent report prepared for the UNGC identifies a persistent gap as businesses seek to become more sustainable: there is a misalignment between intentions and actions.

In a similar vein, the OECD is focusing on the concept of "responsible business conduct" as it relates to the SDGs. One briefing paper observes "that all businesses – regardless of their legal status, size, ownership structure, sector, or location – are expected to avoid and address adverse impacts of

their operations, while contributing to sustainable development in the contexts where they operate". This encompasses impacts beyond the company itself and entails consideration of environmental and social issues. However, the same briefing paper acknowledges that while such standards could be a transformative, thus far they remain "an under-utilised way for businesses to interact with the SDGs and ultimately maximise their contribution to the SDGs".

These critiques underscore the potential benefit of the Corporate Stewardship Compass. It aims to help close the gap between intentions and actions, thereby maximising the contribution of business to the SDGs. The methodology of such re-alignment will be explained in Section V. But first Section IV will take up an idea that galvanises both intentions and actions: stewardship values.

IV. Corporate Stewardship and the Reinforcement of Values

The Corporate Stewardship Compass, designed to be relevant in a variety of business environments, is grounded in the importance of values. As will be shown in Section V on methodology, it seeks to identify and affirm stewardship values in relation to sustainability practices. But first, this section explores several interrelated themes: value creation, values-driven leadership, corporate culture, and sources of stewardship values.

Value Creation

The very success and sustainability of a company must be based on value-creation. There are disagreements about what this may entail, but it is fair to observe that financial measurements are increasingly linked to social and environmental performance. In 2009, *The Economist* posited the following:

Value creation is a corporation's *raison d'être*, the ultimate measure by which it is judged. Debate has focused on what is the most appropriate type of value for the corporation to create. Is it:

- the value that the stockmarket gives the company (its market value);
- the value shown in its balance sheet (the accounting or book value of its assets minus its liabilities);
- something based on its expected future performance—profits or cash; or
- none of these?

More recently, the International Integrated Reporting Council (IIRC) identified several types of capital from which the business model takes inputs: financial, manufactured, intellectual, human, social and relationship, and natural capital. It offers the following definition of value creation:

Value is created through an organization's business model, which takes inputs from the capitals and transforms them through business activities and interactions to produce outputs and

outcomes that, over the short, medium and long term, create or destroy value for the organization, its stakeholders, society and the environment.

The issue of value-creation, as such, is not raised within the Corporate Stewardship Compass. But it is a foundational question that must be considered as part of a company assessment.

Values-Driven Leadership

There is growing recognition that values-driven leadership is essential to sound business strategy. A visionary long-term approach will seek out the innovative technologies, services and partnerships associated with a sustainable and inclusive economy.

One framework for values-driven leadership provides the following insights:

Values-driven leadership implies a conscious commitment by leaders at all levels to lead with their values and create a corporate culture that optimizes financial performance, ethical practice, social contribution and environmental impact.

Values-driven leaders lead from a deep sense of purpose and a demonstrated commitment to life-affirming values, such as honesty, integrity, excellence, courage, humility, trust, care for people and social and environmental responsibility.

-- Benedictine University, Framework for Values-Driven Leadership

The salience of values-driven leadership may be difficult to assess, given the subjective nature of judgements about individual motives. However, the Corporate Stewardship Compass can help business managers to understand their roles in advancing a company's commitment to stewardship. It imparts a sense of clarity on values and of direction on actions.

This supports Prof. James O'Toole's characterisation of values-based leaders: "Unique among all forms of leadership, values-based leaders create followers by enabling them to see clearly, and achieve effectively, that which they hold dear".

Corporate Culture

Through values-driven leadership, a company-wide culture of stewardship can be fostered. But how are relevant values and principles instilled? And how do these guide conduct?

The UK-based Institute for Business Ethics (IBE) cautions that, while a code of ethics is necessary, it is not sufficient to ensure that core values are embedded throughout business practice. Based on decades of experience, they find that organisations are now looking at ethics through a more sophisticated lens.

The Corporate Stewardship Compass features "resilient corporate culture" as a key stewardship value, and indicates some of the practices that support it.

Thus, surveys conducted by IBE have broadened to include questions such as: How can organisations make sure that employees share their core values and feel empowered to do the right thing? How can ethics become an integral part of the governance

structure? What is the role of senior leaders, and the board in particular, in setting the right tone from the top? Are they committed to ethical culture and behaviour?

The importance of acting from embedded values is also affirmed by another pioneering organisation in this field – Business for Social Responsibility (BSR). Deeming the reliance on a "culture of compliance" to be strangely empty, it insists that statements of corporate values be backed by genuine substance.

Such an ethical culture also embraces sustainability. BSR notes that "ideas taken from corporate responsibility and sustainability can provide both the direction and the decision-making frameworks we need to use when tackling today's challenges in business ethics".

The National Association of Corporate Directors (NACD) has recently reinforced this theme in a report entitled *Culture as a Corporate Asset*. The lead recommendation of a Blue Ribbon Commission provides as follows:

The board, the CEO, and senior management need to establish clarity on the foundational elements of values and culture – where consistent behavior is expected across the entire organization regardless of geography or operating unit – and develop concrete incentives, policies and controls to support the desired culture.

The Corporate Stewardship Compass features "resilient corporate culture" as a key stewardship value. It indicates a range of supportive practices, providing guidance on the integration of this value within various company functions.

Overall, a resilient corporate culture can help ensure a company's long-term viability. Furthermore, in tandem with other stewardship values, such a culture can facilitate action related to the Sustainable Development Agenda.

Sources of Stewardship Values

Where do we find the wellspring for stewardship values? Steve Young, Global Executive Director of the Caux Round Table for Moral Capitalism, is expansive: “The domains of politics, economics and religion, as well as individual and personal commitments, must all cohere in new ways if we are to find the values and resources needed to forge this new Age of Stewardship”.

Given the nature of this project, a foundational source is global development policy. The UN Millennium Declaration, which set forth the MDGs, affirmed several essential values: freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility.

Fifteen years later, the UN Declaration which set forth the SDGs announced a “plan of action for people, planet and prosperity” that also seeks to strengthen universal peace in larger freedom. The agenda recognises the eradication of poverty as the greatest global challenge, and balances the three dimensions of sustainable development: the economic, social and environmental.

The text of the document, notably the section on vision, articulates a range of values. This includes, for example, “a world of universal respect for human rights and human dignity, the rule of law, justice, equality and non-discrimination; of respect for race, ethnicity and cultural diversity; and of equal opportunity permitting the full realisation of human potential and contributing to shared prosperity”.

Significantly, this Corporate Stewardship Compass builds upon a CRT contribution to the understanding and implementation of the global goals.

As noted in Section I of this Project Report, the CRT convened a series of round tables in anticipation of the adoption of the new Sustainable Development Agenda. These were supported by the Thailand

Sustainable Development Foundation, and also benefitted from Thailand’s role as Chair of the Group of 77 plus China within the UN General Assembly. Indeed, the report the CRT officially presented to the UN included a closing statement entitled: *The Enlightened Way Business Leaders’ Commitment: A Personal Pledge to Seek Sustainable Development*.

Attention to deeper sources of morality and virtue, such as religious and faith traditions, is vital. These provide both a foundation for values and a powerful motivating force for upholding them.

The Sufficiency Economy Philosophy (SEP), promulgated by the late King of Thailand and grounded in the Middle Way of Theravada Buddhism, is a rich source of stewardship values. Its practical lessons, based on years of experience in development and poverty alleviation, can also help inform the application of the Corporate Stewardship Compass.

Within the SEP, three principles of moderation, reasonableness and self-immunity/resilience are emphasised. These depend on two foundational conditions of knowledge and morality. The SEP encourages a “sustainability mindset” that leads to inclusive and balanced development.

This decision-making approach can be useful in all sectors at all levels. Indeed, the SEP seeks to convey a new paradigm for development that focuses on maximising human welfare and protecting the environment. As such, within Thailand and beyond, it is the subject of inspiration and action in support of the Sustainable Development Agenda.

Of course, the Corporate Stewardship Compass focuses quite narrowly on identifiable commitments to values in a business setting and how this relates to excellence in sustainability practices. But attention to deeper sources of morality and virtue, such as religious and faith traditions, is vital. These provide both a foundation for values and a powerful motivating force for upholding them. As Steve Young observes, “their capacity for positive reinforcement of ethics and stewardship commitments must be taken seriously and must be actively employed”.

As a source of stewardship values, venerable religious and ethical teachings can find new relevance. This includes concepts such as care of creation, respect for human dignity, compassion for the poor, the importance of work, and the preservation of trust.

Thus, in the business setting, certain principles can guide leaders, influence corporate culture, and encourage action on sustainability strategies. Moreover, they underscore the “moral imperative” for business action in support of the SDGs.

Finally, to conclude the discussion on values, it is worth reflecting on the broader implications of issues raised in this Project Report. Indeed, long-established parameters in the relationship

between business and society are being re-drawn. Such changes further reinforce the importance of stewardship values, alongside the need for concrete actions.

This is echoed in the following description, again looking to the Benedictine Framework for Values-Driven Leadership:

Values-driven companies lead in the marketplace and benefit society by innovating to create short-term and long-term value for their full community of stakeholders – employees, customers, shareholders, communities in which they operate and the natural environment. These organisations see themselves as corporate citizens of the communities in which they serve and are committed to providing solutions to the most challenging social and environmental issues facing the world today.

The Corporate Stewardship Compass is positioned to help the business community navigate and respond to such challenges. How can a company better understand and embed the key values that support sustainability strategies? Section V explains the development of a matrix and questionnaire that facilitate the alignment of stewardship values with sustainability practices.

V. Corporate Stewardship Compass: Methodology & Use

The annual list of DJSI Industry Group Leaders recognises excellence in sustainability across twenty-four industries based around the world. The 2016 list, presented below, was integral to the methodology underlying the Corporate Stewardship Compass.

The Oxford Analytica Foundation focused on the DJSI Industry Group Leaders list as an ideal starting point for identifying the best practices in the world in the field of sustainability. Often referred to as the “gold standard” in sustainability metrics and analysis, the DJSI research provided a rigorous foundation that could be supplemented with the review of corporate reports and other materials. Thus, after a careful comparative evaluation of these companies’ strategies and activities, the Oxford Analytica Foundation developed a concise list of 10 key sustainability practices. These ten practices are: Corporate Governance, Risk & Reputation Management, Information & Cyber Security, Tax Management, CSR & Corporate Citizenship, Labour Practices & Human Rights, Environmental Sustainability, Human Resources & Capital, Stakeholder Engagement, Legal & Regulatory Compliance.

A further step was to identify the main values that support these key sustainability practices. Again through research, a compelling set of 10 principles which demonstrate a culture of stewardship emerged. To present these findings, a Matrix was developed. This is a one-page chart that displays how categories of sustainability practices correspond to the given set of stewardship values. Notably, some practices are supported by more than one value. These ten values are: Long-term strategic vision, Prudent approach to risk, Resilient corporate culture, Ethical conduct and integrity, Respect for human rights, External co-operation and dialogue, Positive social impact, Employee well-being and development, Care for the environment, Diversity and inclusion.

In addition to the Matrix, a second component of the Corporate Stewardship Compass was elaborated in the form of a Questionnaire. This

is comprised of seventy-five questions grouped under the 10 categories of sustainability practices. The questions are objective, and designed to be answered either *yes* or *no* using only publicly available data. As will be revealed upon completion of the Questionnaire, each question is also tied to one or more of 10 stewardship values. Each affirmative answer regarding sustainability practices yields one or more points depending on the attribution of stewardship values.

Respondents to the Questionnaire can then correlate their results with the Matrix. The large circles show a significant relationship between a given practice and a given value. The Matrix can be read along either axis. At a glance, respondents conducting a company assessment can see which practices pay a dividend in terms of values. Here, there is a subjective element to determining how their Questionnaire responses on practices merit being credited in terms of values. The respondents may need to determine the appropriate number of affirmative answers within a given practice category to justify a claim to having demonstrated this value.

The Matrix also indicates how given values can be demonstrated through certain practices. Moreover, the Matrix can facilitate a targeted focus. For example, a company’s public affirmation of the value of diversity and inclusion can readily be cross-checked to see whether such claims are actually supported by appropriate practices.

Indeed, it is worth emphasising that a key aim of the Corporate Stewardship Compass is to strengthen values and raise standards of conduct. The project takes a positive approach to encouraging business excellence, rather than critical stance on possible shortcomings.

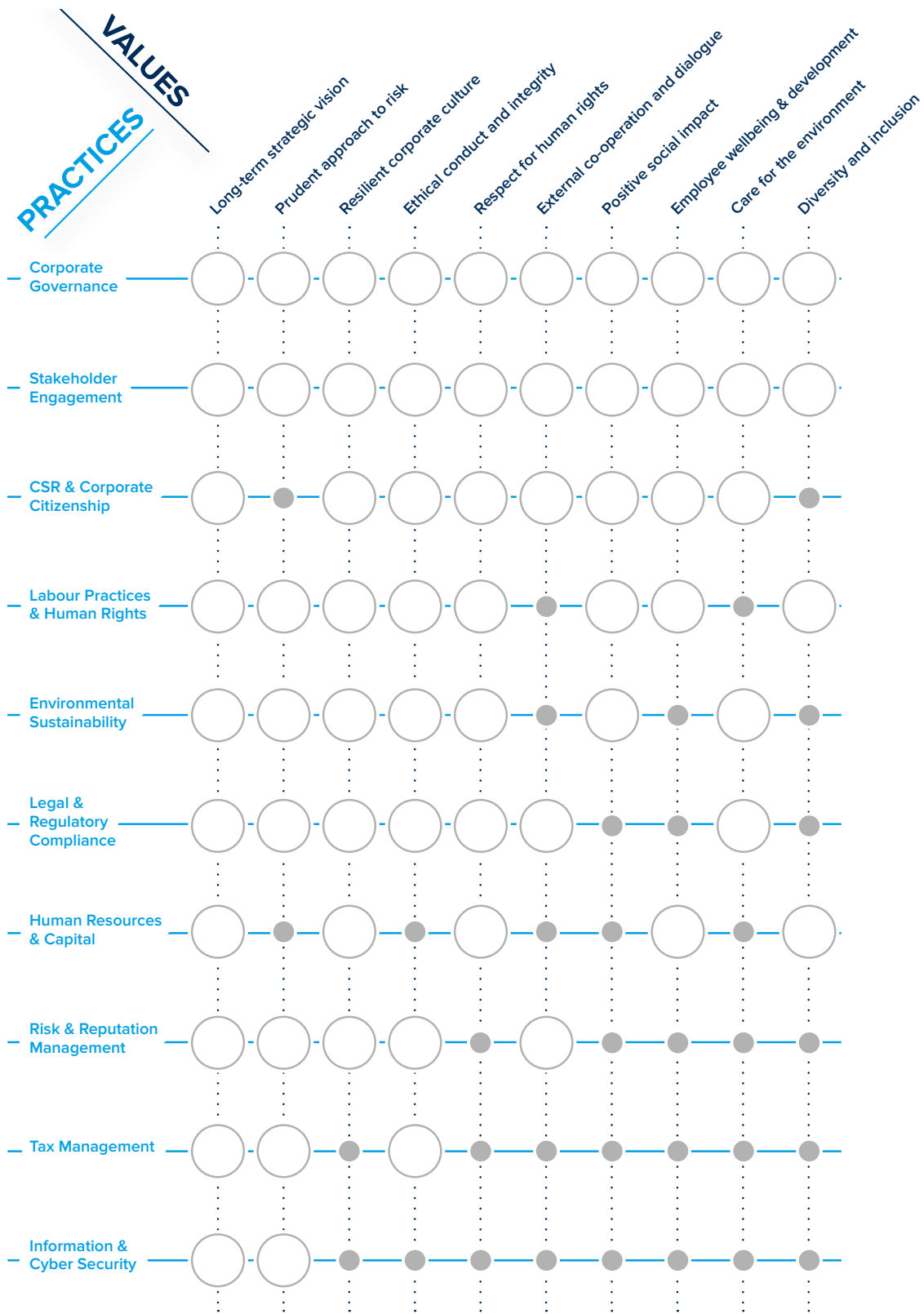
Overall, the Corporate Stewardship Compass is designed to determine a company's current status on practices and values, and to identify how such practices and values can be better aligned in the future. This can help steer the course for sustainable results – with benefits for the individual company and for the wider society.

Moreover, the Corporate Stewardship Compass can point the way for innovative action in support of the global Sustainable Development Agenda.

Dow Jones Sustainability Index Industry Group Leaders 2016

Name	Industry Group	Country
Bayerische Motoren Werke AG	Automobiles & Components	Germany
Westpac Banking Corp	Banks	Australia
Koninklijke Philips NV	Capital Goods	Netherlands
SGS SA	Commercial & Professional Services	Switzerland
LG Electronics Inc	Consumer Durables & Apparel	Republic of Korea
Sodexo	Consumer Services	France
UBS Group AG	Diversified Financials	Switzerland
Thai Oil PCL	Energy	Thailand
METRO AG	Food & Staples Retailing	Germany
Nestle SA	Food, Beverage & Tobacco	Switzerland
Abbott Laboratories	Health Care Equipment & Services	United States
Unilever NV	Household & Personal Products	Netherlands
Swiss Re AG	Insurance	Switzerland
Koninklijke DSM NV	Materials	Netherlands
Telenet Group Holding NV	Media	Belgium
Roche Holding AG	Pharmaceuticals, Biotechnology & Life Sciences	Switzerland
Stockland	Real Estate	Australia
Industria de Diseno Textil SA	Retailing	Spain
Advanced Semiconductor Engineering Inc	Semiconductors & Semiconductor Equipment	Taiwan
Atos SE	Software & Services	France
Hewlett Packard Enterprise Co	Technology Hardware & Equipment	United States
Telecom Italia SpA	Telecommunications	Italy
PostNL NV	Transportation	Netherlands
Iberdrola SA	Utilities	Spain

Corporate Stewardship Compass: Matrix



The Matrix shows how corporate stewardship values correspond to corporate practices. The large circles indicate a strong correlation.

Corporate Stewardship Compass: Questionnaire

Practices	Questions	Points
Corporate Governance		10
Separation of CEO and Chairman	Are the roles of CEO and Chairman separate?	1
Independence of directors	Are the majority of directors independent?	1
Diversity	Is there gender diversity on the board?	1
	Is there racial diversity on the board?	1
Relevant sub-committees	Is there a sustainability (or equivalent) sub-committee of the board?	1
	Is there an audit committee?	1
	Is there a risk committee?	1
Accountability procedures	Are board members elected on an annual basis?	1
	Is there annual assessment of board performance?	1
CEO and executive compensation	Are there regular reviews of executive compensation packages and financial incentives?	1
Risk & Reputation Management		10
Risk governance	Are procedures in place to engage senior management and the board in risk assessment and related decision-making?	1
Stress testing	Does the company conduct stress testing?	1
Emerging risks	Does the company identify long-term emerging risks?	1
Reputation and brand management	Does the company have a strategy to build goodwill and protect its brands?	1
	Does the company assess its own reputation and manage reputational risks?	1
Culture	Are efforts made to instil a company-wide understanding of risk?	1
Materiality	Does the company identify the most important material issues that drive long-term value creation?	1
Mitigation	Does the company have a plan to address the impact of material issues?	1
Customer relationship management	Does the company place importance on consumer/customer satisfaction?	1
Crisis response	Does the company have a crisis response strategy in place, including public communications?	1

Practices	Questions	Points
Information & Cyber Security		5
Policy	Does the company have an information and/or cyber security policy?	1
Responsibility	Does the company have an executive responsible for information and/or cyber security?	1
Culture	Does the company instil security awareness throughout the organisation and provide relevant training?	1
Preparedness	Does the company keep up-to-date on technological advances and regulatory changes, including in data management and protection?	1
	Does the company have emergency response procedures and back-up systems?	1
Tax Management		4
Transparency	Does the company have a publicly available tax or accounting policy?	1
Reporting	Does the company make public its revenue, profit and tax payments?	1
Governance	Is there tax policy oversight from the board?	1
Risk	Is tax risk part of the tax policy?	1
CSR & Corporate Citizenship		8
Social commitment	Does the company support programmes that address social needs?	1
	Does the company's conduct demonstrate good corporate citizenship, especially in local communities?	1
Philanthropy	Does the company have a programme of philanthropy?	1
	Does the company involve its employees in CSR and citizenship programmes?	1
	Does the company facilitate or contribute to philanthropic giving by its employees?	1
Measuring social benefits	Does the company measure the social benefit of its CSR and citizenship programmes?	1
Measuring business value	Does the company measure the financial benefit to itself of its CSR and citizenship programmes?	1
CSR leadership	Has the company or its senior management received awards or other public recognition for excellence in CSR and citizenship?	1

Practices	Questions	Points
Labour Practices & Human Rights		8
Labour Practices	Does the company uphold core labour standards such as freedom of association, prevention of forced labour, and elimination of discrimination?	1
	Does the company provide adequate protection for all employees, including through health and safety standards?	1
Human rights	Is the company committed to the UN Guiding Principles on Business and Human Rights?	1
	Does the company attempt to identify and mitigate its potentially negative impacts on human rights?	1
	Does the company conduct regular human rights assessments, including independent monitoring as needed?	1
Supply chain	Does the company conduct due diligence in its supply chain?	1
	Does the company include labour and human rights standards in its contracts with suppliers and sub-contractors?	1
	Does the company include health and safety requirements in its contracts with suppliers and sub-contractors?	1
Environmental Sustainability		10
Policy	Does the company have an environmental management policy?	1
Culture	Does the policy promote environmental awareness throughout the company?	1
Pollution	Does the policy address the need to minimise various sources of pollution?	1
Waste	Does the policy address waste management?	1
Natural resources	Does the company monitor its carbon footprint and/or attempt to minimise use of natural resources and energy consumption?	1
	Does the company consider the use of alternative energy sources?	1
Reporting	Does the company publish a periodic environmental sustainability report?	1
Facilities	Does the company consider environmental sustainability in the design and operation of its facilities?	1
Value chain	Does the company make an effort to drive sustainable practices throughout its value chain?	1
Innovation	Does the company make an effort to adopt innovative processes and technologies to mitigate environmental impact?	1

Practices	Questions	Points
Human Resources & Capital		6
Development	Does the company provide career development opportunities for its employees?	1
Training	Does the company provide training for its employees?	1
Appraisals	Are employee appraisals conducted on a regular and individual basis?	1
Incentives	Does the company offer long-term incentives to non-senior employees?	1
Employee satisfaction	Does the company make an effort to measure employee satisfaction?	1
Talent attraction & retention	Does the company take active steps to attract and/or retain employees?	1
Stakeholder Engagement		6
Shareholders	Is there a mechanism for direct shareholder input or feedback?	1
External engagement	Does the company demonstrate co-operation or dialogue with key parties, including government agencies and non-governmental organisations?	1
	Does the company demonstrate cross-industry collaboration to promote best practices?	1
Multi-stakeholder initiatives	Does the company participate in multi-stakeholder initiatives?	1
Community engagement	Does the company engage with local communities?	1
Communication and outreach	Does the company maintain an active communication and outreach programme to facilitate stakeholder engagement, including through online platforms?	1
Legal & Regulatory Compliance		8
Codes of conduct	Is there a company-wide code of conduct for ethical behaviour in areas such as corruption and bribery, anti-trust, conflict of interest?	1
	Does the company extend codes of conduct to workplace behaviour in areas such as discrimination and harassment?	1
	Does the company extend codes of conduct to commercial relationships with suppliers, sub-contractors, distributors, etc.?	1
Compliance programmes	Does the company have comprehensive legal and regulatory compliance policies and programmes?	1
	Does the company take steps to ensure that compliance policies and programmes are effectively implemented, including through employee training, operational integration and audits?	1
Risk	Does the company identify and address specific legal and regulatory risks?	1
Remediation	Does the company have a confidential reporting mechanism?	1
	In the event of misconduct, does the company have objective investigation and accountability procedures?	1
TOTAL		75

VI. Corporate Stewardship Compass: Application & Future Enhancement

Section V described the basic use of the Corporate Stewardship Compass, setting the stage for its initial application. With further testing and evaluation, the contents can be refined to create a more precise assessment tool. Additional contexts for future application can also be identified.

Ideally, a strategy can be developed for the wider dissemination of the Compass, alongside operational guidance on the alignment of stewardship values with sustainability practices. This could be supported by a comprehensive collection of resources on the role of business in the realisation of the SDGs.

Application

There are two main modes of applying the Compass: external to the company and internal to the company. It bears repeating that the elaboration of the Questionnaire was predicated on responses that could be determined solely through publicly available information. The extent of corporate filings on environmental, social and governance issues is expanding. Many companies also prepare dedicated sustainability reports and host website portals. Statements about vision, values and codes of conduct are often published.

With a positive evaluation, a business can distinguish itself in the marketplace.

However, access to information – as well as its specificity and veracity – does pose constraints in the external assessment process. As will be considered in the discussion of future enhancement, this holds ramifications with respect to certain geographic regions, smaller or family-owned enterprises, and privately-held companies. While the Corporate Stewardship Compass will be useful in many settings, the internal assessment process is likely to yield more comprehensive results.

The external assessment process can provide useful insights about a company's stewardship values and sustainability practices to a range of interested parties. This may include, for example: prospective employees; socially-conscious consumers; preferred suppliers; potential investors; local agencies; community groups; researchers and journalists; corporate responsibility advocates.

With a positive evaluation, a business can distinguish itself in the marketplace. Indeed, the company itself may wish to conduct an external-type assessment based on publicly available data. This could be helpful in revealing gaps or inaccuracies in the coverage of sustainability information, and in encouraging corrective action.

The internal assessment process could begin by assigning a company manager to complete the Questionnaire. Answers to each of the questions may be found through a review of company policy statements, business reports and other documents, and verified through interviews with relevant department heads or employees.

The results could then be considered by senior management for further action. Ideally, this could lead to the implementation of new sustainability strategies throughout the organisation.

Depending on the size and structure of the company, engagement at board level would be vital. This internal assessment process could also be led by independent advisors, or serve as a complement to a wider social audit of the firm.

The results of the assessment – and the plans for follow-up action – could also form the basis for stakeholder consultation. Such engagement further reinforces the values that underlie the Corporate Stewardship Compass.

Future Enhancement

With further resources to develop a second phase of this project, the reach and impact of the Corporate Stewardship Compass could be significantly expanded. In its current form, the Corporate Stewardship Compass is comprised of two components: the Questionnaire and the Matrix. These could be enhanced through the preparation of a third component: the Guidance. This would be an analytical and explanatory document, tailored to the mode of assessment. It would help steer companies toward the compass setting of excellence in stewardship.

The Corporate Stewardship Compass Guidance would provide instructions regarding use of the tool, sources of company information, estimated time for completion, and evaluation of the results. It could also include an indicative grading system based on comparative results. Grading categories could be as simple as “needs improvement”, “average”, “good”, “excellent”. For maximum benefit, the Guidance could offer basic recommendations for practical steps on corporate practices and strategy.

The Guidance might also highlight key topics presented in this Project Report, such as the relevance of values-driven leadership and corporate culture. The package of documentation for the Corporate Stewardship Compass could be made available to interested parties in hard copy or through a website download.

Indeed, a singular advance in the Corporate Stewardship Compass would be the development of a dedicated website, with an interactive set of tools based on each of the three components. This could expand its relevance in various geographic settings, particularly with translation into multiple languages and adjustments for cultural distinctions. Further changes could reflect different governance and regulatory regimes.

The Questionnaire could be customised based on various factors, including the size of the company, form of ownership, and industry sector. The economic importance of small, medium, and family-run enterprises must not be overlooked. An interactive element would also allow for the addition of further subjective questions, for example related to the advancement of the Sustainable Development Goals or the management of corporate crises.

The on-line Matrix could also generate a customised chart for respondents – indicating the correlations between corporate practices and corporate values. This could be refined to include some relative weighting of particular values depending on their significance to the company. The Guidance could be tailored to the individual respondent’s needs, with greater specificity in recommendations and the availability of links for immediate access to comprehensive resources. Moreover, an interactive Compass graphic could readily provide visual confirmation of the convergence of practices and values toward a corporate culture of stewardship.

These enhanced features and dissemination channels would move the Corporate Stewardship Compass into new realms of influence – encouraging innovative projects and collaborations.

In closing, as this Project Report has indicated, international organisations, financial institutions, government agencies, and civil society groups are now mobilising to implement the SDGs on a universal scale.

An ever-widening spectrum of companies and business associations are becoming engaged at all levels – including through public-private partnerships. The impact will span through 2030 and beyond. The Corporate Stewardship Compass can promote both reflection and practical action on the economic and moral imperatives of sustainable development.

Echoing the title of the UN declaration on the global goals, businesses must seize the opportunity – as well as the responsibility – of transforming our world.

Businesses must seize the opportunity – as well as the responsibility – of transforming our world.

Appendix: Resources

United Nations and the Sustainable Development Goals

Transforming our World: The 2030 Agenda for Sustainable Development Agenda (A/RES/70/1, adopted 25 Sept. 2015), the UN resolution which sets forth the Sustainable Development Goals and targets, is available at:

<https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

The UN Sustainable Development Knowledge Platform, which tracks key issues related to the elaboration and implementation of the SDGs, is available at: <https://sustainabledevelopment.un.org/post2015>

The portal for the UN system's work on climate change is available at:

www.un.org/sustainabledevelopment/climate-change-2/

Information about the UN Framework Convention on Climate Change, including the Paris Agreement that entered into force in November 2016, is available at: www.unfccc.int/2860.php

The International Institute for Sustainable Development, an independent non-profit organisation, hosts a useful Sustainable Development Knowledge portal available at: www.iisd.org

Business and the Sustainable Development Goals

Business and Sustainable Development

Commission is a high-level effort to examine the role of the private sector in advancing the SDGs and creating a more inclusive and prosperous economy. Note especially its report of January 2017, *Better Business, Better World*, which makes a powerful business case for market transformation; www.businesscommission.org

Business Call to Action (BCtA), based at the UN Development Programme (UNDP), aims to accelerate progress towards the SDGs by challenging companies to develop inclusive business models that engage people at the base of the economic pyramid as consumers, producers, suppliers and distributors of goods and services; www.business-calltoaction.org

Business Fights Poverty is one of the world's largest networks of business and development professionals; www.businessfightspoverty.org

Caux Round Table for Moral Capitalism is an international network of business leaders that develops intellectual strategies, management tools and best practices to strengthen private enterprise, public governance, and the positive values of the economic system. Note especially the White Paper and Call to Action regarding the SDGs, issued in September 2015; www.cauxroundtable.org

International Chamber of Commerce, known for its work in international commercial standards and dispute resolution, promotes a *Business Charter for Sustainable Development*; www.iccwbo.org

Organisation for Economic Cooperation and Development (OECD) supports important efforts related to the private sector, including in corporate governance, anti-corruption, and the OECD Guidelines for Multinational Enterprises. It hosts an annual forum on Responsible Business Conduct, which in 2017 considered how responsible business conduct contributes to the SDGs; <http://mneguidelines.oecd.org/global-forum/2017-GFRBC-Session-Note-Contributing-to-SDGs.pdf>

Thailand Sustainable Development Foundation

promotes development that provides for balance and sustainability in Thailand's economy, society, environment, and culture. Its guiding principles are based on the Sufficiency Economy Philosophy. The website indicates a number of resources, including books such as *A Call to Action: Thailand and the Sustainable Development Goals* and *Sufficiency Economy Philosophy: Thailand's Path towards Sustainable Development Goals*; <http://www.tsdf.or.th/en/>

UN Global Compact (UNGC), established in 2000, is the world's largest voluntary corporate responsibility initiative. The main purpose is to encourage companies to support a core set of

values in areas of human rights, labour rights, environment and anti-corruption. Sustainable development has become a key area of focus, and the UNGC has compiled an extensive collection of resources and toolkits to facilitate business engagement with the SDGs; www.unglobalcompact.org

World Business Council for Sustainable Development

is a group of international companies and business organisations that promotes policies and best practices for sustainable development; www.wbcsd.org

Business Ethics, Leadership and Values

Aspen Institute, a leading think-tank, engages in work streams related to business and society and to the promotion of values-based leadership; www.aspeninstitute.org/policy-work/business-society

Benedictine University has developed a Values-Driven Leadership Framework, which is supported by resources, videos and case studies; <http://cvdl.ben.edu/leadership-framework>

Business and Human Rights Resource Centre provides a comprehensive platform for news updates, research reports, corporate policies, legal proceedings and policy developments. It hosts topical portals on issues such as the UN guiding principles on business and human rights; industry-sector risks; trafficking in persons; tax evasion. See www.business-humanrights.org

Business for Social Responsibility (BSR) undertakes projects in the field of business ethics, sustainability and corporate governance, and hosts a major annual multi-stakeholder conference; www.bsr.org

Coalition for Inclusive Capitalism is a high-level initiative to make capitalism more equitable, sustainable and inclusive. Business and financial leaders examine issues such as long-term shareholder value, integrated reporting, and workforce advancement; www.inc-cap.org

Ellen MacArthur Foundation undertakes innovative research on aspects of the circular economy; <https://www.ellenmacarthurfoundation.org/circular-economy>

Global Reporting Initiative (GRI) is an international multi-stakeholder effort for voluntary reporting of the economic, environmental and social impacts of business. It provides a repository of corporate reports in the Sustainability Disclosure Database; www.globalreporting.org

Institute for Business Ethics, based in London, encourages high standards of business behaviour based on ethical values. It undertakes research, organises events and provides training; www.ibe.org.uk

International Integrated Reporting Council is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. It has developed an international <IR> framework that focuses on value creation as the next step in the evolution of corporate reporting. In 2013, it commissioned a background paper on Value Creation: <http://integratedreporting.org/wp-content/uploads/2013/07/IR-Background-Paper-Value.pdf>

Markkula Center for Applied Ethics, based at Santa Clara University, offers a range of practical resources. It has developed a widely-used Applied Ethics Framework for Ethical Decision Making; <https://www.scu.edu/ethics/ethics-resources/ethical-decision-making/a-frame-work-for-ethical-decision-making/>

Principles for Responsible Investment (PRI) is an international network of investors that upholds a set of principles initially developed by the UN Global Compact and the UN Environment Programme. These recognise the materiality of environmental, social and governance (ESG) issues in investment decision-making and ownership practices; www.unpri.org

Transparency International is a global coalition against corruption, with resources on negative economic and social impacts, compliance programmes, legal norms, and advocacy. Of particular note is the widely-cited annual Corruption Perceptions Index; www.transparency.org

Sustainability Indices

Dow Jones Sustainability Indices Review (DJSI) provides the following description:

“Launched in 1999, the DJSI World is the gold standard for corporate sustainability and the first global index to track the leading sustainability-driven companies based on RobecoSAM’s analysis of financially relevant Environmental, Social, and Governance (ESG) factors and S&P DJI’s robust index methodology. RobecoSAM invited the world’s largest 3,400 companies from developed and emerging markets to take part in its annual Corporate Sustainability Assessment (CSA)”.

The press release of 8 September 2016 entitled “Results Announced for 2016 Dow Jones Sustainability Indices Review” is available at: <http://www.robecosam.com/images/160908-djsi-review-2016-en-vdef.pdf>

A summary report with the list of Industry Group Leaders for 2016, which provided a basis for OA Foundation research is available at: <http://www.robecosam.com/images/review-presentation-2016.pdf>

Additional information about **RobecoSAM**, which includes links to analytical reports on Industry Group Leaders, is available at: www.robecosam.com

Additional information about **S&P Dow Jones Indices** is available at: www.spdji.com

For an updated comparison of the Industry Group Leaders, the press release of 7 September 2017 entitled “Results Announced for 2017 Dow Jones Sustainability Indices Review” is available at: <http://www.sustainability-indices.com/images/170907-djsi-review-2017-en-vdef.pdf>.

Notably, the announcement made the following research-based observation regarding the SDGs and the difficulty companies face in assessing financial impacts:

“In light of the Sustainable Development Goals (SDGs) as set by the United Nations Development Programme in 2016, companies, governments and investors alike want to understand both the positive and negative externalities inherent in companies’ business models and how their products, services and operations contribute to, or detract from, the achievement of the SDGs. Analysis of the CSA data set shows that while the vast majority (70%) of companies are aware of the need to understand these types of environmental and social profits and losses, less than 10% of companies actually have a viable valuation approach in place today that provides detailed insights into these potential financial impacts”.

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