

How the UN can make our global agendas consequential to the success of business

The Summit of the Future offers a unique, and perhaps last opportunity to boost the Sustainable Development Goals (SDGs). Now is the time for the UN and its member states to acknowledge the need for corporate accountability in creating a sustainable and just world. They play a leading role by creating clarity and setting out the responsibility of business at an intergovernmental level.

The High-Level Advisory Board on Effective Multilateralism's (HLAB) recommended to include and obligate the private sector in multilateralism¹. The most meaningful way to include and obligate the private sector is by strengthening corporate accountability. An effective corporate accountability process would make the impact large multinational enterprises have on people and planet consequential to their success, enabling large companies to make the transformations required to achieve our global agendas. Strong corporate accountability requires a collective effort where both state and non-state actors exercise their influence over companies, being it financial, regulatory, policy, legal, advocacy or otherwise.

The most significant contribution the UN can make to strengthening corporate accountability is by clearly articulating the distinct responsibility of large businesses in relation to the responsibility of Member States in achieving our global agendas. In the Zero Draft of the Pact for the Future, whilst there is a big focus on private sector financing, the articulation of business responsibility is lacking. The responsibility of business is only explicitly drawn on through the United Nations Guiding Principles on Business & Human Rights (UNGPs). The UNGPs are an example of where the UN and Member States, in consultation with other stakeholders, have successfully articulated the responsibility of business with respect to human rights, and thus driven significant corporate accountability efforts, including the translation into hard law and mandatory measures.

WBA urges the UN and Member States to further incorporate corporate accountability into preparations and conclusions of the Summit of the Future by:

- Including language on the need to strengthen corporate accountability by articulating the responsibilities of business in relation to states in achieving our global agendas.
- Convening a group of governments, alongside other relevant actors, to develop a process and understanding on how to embed corporate accountability across intergovernmental systems.

Lack of corporate accountability is delaying implementation of the SDGs

We are past the halfway mark on the deadline to achieving the SDGs and only 12% of the targets are on track, whilst 30% have shown no progress or are regressing below the baseline². Furthermore, by 2030, the number of people living in extreme poverty could increase to over 1 billion and the world is still heading for a 2.7 degrees temperature increase by the end of the century³. There needs to be rapid action by both governments and business in order to chart a corrective course to 2030.

¹ https://highleveladvisoryboard.org/breakthrough/pdf/56892_UNU_HLAB_report_Final_Shift1.pdf

² [SDG Progress Report Special Edition.pdf \(un.org\)](#)

³ ['Killing Ourselves With Carbon': What COP26 World Leaders Have Been Saying So Far \(globalcitizen.org\)](#)

The SDGs were revolutionary in their acknowledgment of the role business needs to play alongside governments and civil society. This acknowledgment is critical in an era where some of the world's largest companies hold more power, impact more people, and have emissions that exceed those of entire countries. We can only achieve the SDGs and other global agendas if company performance contributes to the prosperity of people and planet. However, the current level of corporate action is wholly insufficient to meet our global challenges.

While the UN has increasingly called on companies to align with global agendas and take actions toward the implementation of the SDGs⁴, progress on these actions remains dependent on voluntarily commitments and actions. To answer the UN's call, there has been the emergence of significant corporate 'coalitions of the willing' which include members of the UN Global Compact, the World Business Council for Sustainable Development, We Mean Business Coalition, Business for Nature and the Glasgow Financial Alliance for Net Zero.

These leading business initiatives have created significant momentum and showcased leadership in different industries and regions. This can also be evidenced by the World Benchmarking Alliance's (WBA) benchmarks which show there is leadership in nearly every industry sector and region, and that more often than not, these leading companies are part of one (or more) of these 'coalitions of the willing'. Nonetheless, WBA benchmarks also show that this has not led to the systematic transformation of industries at the pace and scale required to meet the SDGs and our other global agendas.

The World Benchmarking Alliance (WBA) is an independent organisation that assesses the contribution of the world's most influential companies to the SDGs⁵. Based on WBA's assessments over the past years, WBA concludes there is lack of action and that can be explained by a lack of corporate accountability. For WBA corporate accountability is understood:

- In the context of global agendas, such as the SDGs, the Paris Agreement and Global Biodiversity Framework
- As a process that requires many different stakeholders to act within their sphere of influence, rather than a solely legalistic mechanism.
- In its ability to transform companies, by rewarding those that contribute and penalising those that do not.

Simply, we need to make the impact of companies on planet and people consequential to their success. WBA has further elaborated this rationale in the white paper *Corporate accountability: Closing the gap in pursuit of sustainable development*⁶. The paper distills the process of corporate accountability into six elements, illustrated in figure 1. These elements help us understand how the process of corporate accountability can work in theory. Practically, it's recognised that the process described is complex and the elements are not always connected in a systematic, linear way; however, the aim is to help all stakeholders understand corporate accountability from a wider perspective with respect to sustainable development. The paper suggests that the corporate accountability gap is in part created due to a lack of clarity on the responsibility business with respect to achieving the SDGs and other global agendas.

⁴The UN High-level Expert Group on Net Zero for non-State Actors (HLEG) addresses decarbonization and net zero pledges made by companies and sets out recommendations to bring integrity, transparency and accountability to net zero by establishing clear standards and criteria.

⁵ <https://www.worldbenchmarkingalliance.org/>

⁶ <https://www.worldbenchmarkingalliance.org/research/white-paper-corporate-accountability/>

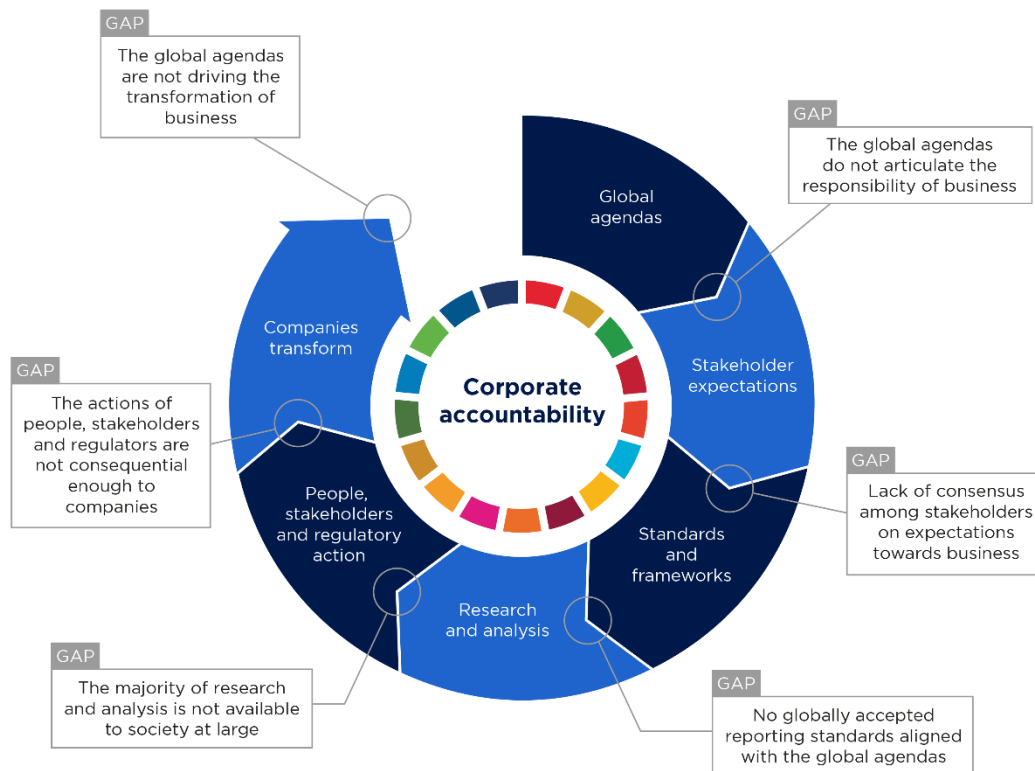


Figure 1: the corporate accountability process and its current gaps

Evidence of corporate misalignment with the global goals

Research by the WBA clearly shows that while some companies are leading the way on sustainability, collectively business progress among the world's 2,000 most influential and impactful companies falls short.

- Only 2% of food and agriculture companies disclose their environmental impacts and 0% holistically address their dependencies on nature, despite being among the most nature-dependent industries⁷, as outlined as an expectation of the Kunming-Montreal Global Biodiversity Framework.
- Just 1% of businesses are meeting the fundamental expectations of socially responsible business conduct, including those in the UN Guiding Principles for Business and Human Rights.⁸
- Zero oil & gas companies are phasing out fossil fuels, and just 12 companies' scope 1 and 2 emissions intensities have decreased in line with 1.5 °C pathways as outlined in the Paris Agreement.⁹

The UN can strengthen accountability by articulating the responsibility of business

The UN Secretary General recognises the need for the UN to boost its role in upholding corporate responsibility for achieving the SDGs. In the UN Secretary General's report 'Our Common Agenda' it seeks ways to boost the capacity of the UN system to bolster "actions that are urgent, transformative and fill critical gaps"¹⁰. The forthcoming Summit of the Future (2024) will look to identify actions to

⁷ <https://www.worldbenchmarkingalliance.org/publication/nature/>

⁸ <https://www.worldbenchmarkingalliance.org/news/press-release-social-baseline-2022/>

⁹ <https://www.worldbenchmarkingalliance.org/publication/oil-and-gas/>

¹⁰ [Our Common Agenda | United Nations](#)

move towards a reinvigorated multilateral system that is able to respond to emerging and future challenges. This will be achieved through an action-orientated document called the Pact of the Future, agreed by member states.

The High-Level Advisory Board on effective multilateralism (HLAB) was appointed by the UN Secretary General to propose recommendations. It put forward a recommendation to include and obligate the private sector¹¹. HLAB described the private sector as a “glaring hole” in the global governance system, stating that multilateral treaties largely ignore these actors even though they have arguably the greatest impact, responsibility and potential to drive solutions. This recommendation would help improve the legitimacy and effectiveness of multilateralism through inclusion and accountability.

The UN can strengthen corporate accountability by articulating the distinct responsibility of large businesses in relation to those of states when it comes to achieving the SDGs and global agendas. This needs to be done in a way that creates clarity for business and enables people, civil society, market participant and states to effectively hold companies accountable. This clarity also helps create a level playing field for business and prevent a patchwork of disconnected solutions. However, articulating the responsibility of business is not easy and requires the UN to design a consultative process involving Member States, business, civil society and people. By doing so, the work of those that have already translated global agendas into business expectations, can be built upon rather than be reinvented.

It is integral that those who are most impacted are included in consultations. The people whose interest and needs are often systematically forgotten in this process are those most directly affected by business. This includes workers, small holder farmers, indigenous communities, the poor and marginalized living on the front line of climate change, as well as the needs and interest of our youth and future generations. These are the people that are most impacted by companies and yet have the least amount of influence over how these companies act. By allowing these voices and interests to be present when clarifying the responsibility of business, the UN can make them and their needs part corporate accountability process.

The example of Business and Human Rights

There are already existing examples of how the UN has successfully laid the groundwork to articulate the responsibility of business vs states with respect to human rights, most notably through the establishment of the United Nations Guiding Principles on Business and Human Rights (UNGPs). What we have seen from the development of the UNGPs is that there was significant cascading effect from the UNGPs which has and will lead to further corporate accountability initiatives being developed by states.

The UNGPs were finalised and agreed in 2011 after a process of six years of extensive multilateral engagement and discussions. The UNGPs established a common understanding of the role of states and business in addressing impacts on human rights by business. The involvement of civil society and businesses in the process added legitimacy and ownership to the UNGPs outside of just states responsibility.

Given this involvement of a broad range of stakeholders, it was then possible translate the UNGPs into specific guidance that clearly outlined business responsibility in the form of the OECD Guidelines¹². These were then further developed into specific sectoral guidance which further articulated how

¹² [MNE Guidelines - Organisation for Economic Co-operation and Development \(oecd.org\)](https://www.oecd.org/mne/)

certain sectors (e.g. garment, extractive, etc) should interpret their UNGP responsibilities. There has since been additional progress where the soft law instrument of the OECD is currently being translated into hard law in the European Union with the development of the Corporate Sustainability Due Diligence Directive (CSDDD)¹³. This law is intended to give: 1) business-specific legislative mandate on how businesses must respect human rights and certain environmental impacts; and, 2) governments the legal tools to monitor business performance and civil society the ability to bring legal action against companies that refuse to adhere to their responsibilities.

Corporate action on human rights has significantly improved in the past 5 years

WBA's Corporate Human Rights Benchmark shows that corporate action on human rights has significantly improved in the past five years¹⁴. More companies are making human rights commitments, taking steps towards a human rights due diligence process, and establishing grievance mechanisms for workers. Out of companies that improved the most on human rights due diligence, 75% have a process in place at senior level to address human rights issues, proving senior leadership responsibility as essential to driving progress. However, huge gaps remain, with 36% of all companies scoring zero on human rights due diligence.

Articulating the responsibility of business towards our global agendas

The UN is currently working on several key areas of the SDGs, including climate, nature, inequality, and AI where critical progress relies on the contribution of companies. This is where the UN could articulate the responsibility of business to strengthen corporate accountability. There are two routes forming of how this is already happening, both could be significantly strengthened. Firstly, through the expansion of the concept of human rights to explicitly include issues such as a clean environment, and secondly by articulating the responsibility of business in new or updated global agendas, such as the Global Biodiversity Framework.

Articulating environmental responsibility through the human rights agenda

Climate change impacts directly and indirectly the realisation of human rights, and disproportionately people in already vulnerable situations. As such, in 2022 the UN General Assembly (UNGA) passed a resolution recognising the human right to a clean, healthy and sustainable environment. The resolution affirms a universal recognition of environmental rights. The HLAB report describes the elevation of environmental rights as a “watershed moment demonstrating broad recognition of the central importance of the planet to the multilateral agenda”. The resolution serves as a catalyst to compliment the growing body of guidance and regulations aimed at addressing climate change. For instance, in a move that aligns with the resolution, the International Labour Organization (ILO) declared safe and healthy working environments as a fundamental principle, including the impact of climate change. Some ILO Member States are initiating legislation to address heat stress, ensuring the right to work in safe working conditions and protecting workers from the effects of climate change, and other relevant stakeholders are also being called on to do more to safeguard these rights¹⁵. It demonstrates that human rights and the environment are inextricably linked.

¹³ [Corporate sustainability due diligence \(europa.eu\)](https://europa.eu)

¹⁴ <https://www.worldbenchmarkingalliance.org/publication/chrp/findings/44461/>

¹⁵ https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_857164/lang--en/index.htm#:~:text=This%20reality%20was%20recognized%20by,just%20a%20privilege%20for%20some.

Environmental rights are not yet being recognised as human rights by companies

WBA data shows that less than 2% of the companies we assessed, commit to respecting local communities' environmental rights¹⁶. Similarly, only 12% of companies pledge to respect the right to access to water, sanitation, and hygiene, which is crucial to people's well-being and dignity. Companies have an opportunity to lean into the momentum of this UN resolution, as upholding environmental rights not only benefits communities and companies, but also the ecosystems they are a part of, especially in the Global South. Companies should recognise environmental rights as essential human rights and embed them in their identification processes.

Since, there have been significant clarifications on the obligation of states and business under the UNGPs with respect to climate change and its impact on human rights. The Working Group on the Issues of Human Rights and Transnational Corporations and Other Business Enterprises, considers the UNGPs provide useful guidance to States and business enterprise on how to deal with the impacts of climate change. In an Information Note on Climate Change and the UNGPs¹⁷ the Group proposes an expansion of obligation regarding to protect against human right impacts of climate and explains how the UNGPs can assist the integration of climate change with human rights. They provide non-exhaustive recommendations including the responsibility of states and businesses to provide effective access to remedy and develop effective remediation for human right impacts of climate change. The working group also stress the need for states and business to work together to enable a strong culture of accountability at national, regional and international levels, for causing or contributing to climate change.

Another relevant example is how Artificial intelligence is increasingly viewed through the perspective of human rights, as it is widely accepted that artificial intelligence poses numerous risks to people and societies. The human rights framework provides an essential foundation and guardrails for efforts to exploit the enormous potential of AI, whilst mitigating its risks. Thus, embedding human rights into the entire AI lifecycle is critical, and is being increasingly accepted in the development of AI governance¹⁸.

Companies formulating AI principles reference human rights standards

WBA's recent report¹⁹ found more than half of companies' AI principles reference international human rights standards. In total, 31 out of the 52 companies explicitly cite the protection of human rights as a component of their ethical AI principles. These companies' choice to ground their principles in a universally recognised framework sets them apart from their peers, offering a pillar of stability in a fluid and highly disjointed ecosystem of standards.

Articulating the responsibility of business in new or updated global agendas

There is an opportunity to strengthen corporate accountability and the role of corporate actors in ongoing UN processes, which are often thematic in nature. Whether legally binding, such as the Global Plastics Treaty, or to develop shared principles, such as the UN Global Digital Compact, there must be a space to convey business responsibility so there is a universal expectation.

¹⁶ <https://www.worldbenchmarkingalliance.org/publication/nature/>

¹⁷ [ohchr.org/sites/default/files/documents/issues/business/workinggroupbusiness/Information-Note-Climate-Change-and-UNGPs.pdf](https://www.ohchr.org/sites/default/files/documents/issues/business/workinggroupbusiness/Information-Note-Climate-Change-and-UNGPs.pdf)

¹⁸ <https://www.ohchr.org/en/statements/2023/07/artificial-intelligence-must-be-grounded-human-rights-says-high-commissioner>).

¹⁹ <https://www.worldbenchmarkingalliance.org/impact/digital-inclusion-collective-impact-coalition-progress-report/>

The recently adopted Global Biodiversity Framework (GBF) takes an important step in this direction. Agreed at the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15), all 196 nations committed to halting and reversing biodiversity loss by 2030. Many of the 23 agreed targets in the GBF are relevant for companies and will require their contribution to ensure successful implementation. Crucially, Target 15 of the GBF sits at the core of corporate recognition as it sets the expectations for large and transnational companies and financial institutions to assess, monitor and disclose nature risks, impacts and dependencies. This is the first time a multilateral agreement explicitly details what is expected from business on nature. As a result, there is a clear first step for the private sector to contribute to the achievement of the GBF objectives. Interestingly, over 330 businesses campaigned alongside other stakeholders to make Target 15 mandatory, as part of the Make it Mandatory campaign²⁰. This was driven by the assumption that having a legal requirement to monitor and disclose nature risks, impacts and dependencies would result in clearer guidance and better mechanisms to support business in reducing its impacts on biodiversity.

The articulation of responsibility also includes financial institutions. There needs to be clear guidance and structures in place to allocate both public and private finance towards efforts to achieve the global goals. The 'Summit for a New Global Financial Pact' made attempts to evolve this and laid out a roadmap to embed reform of the financial architecture into the UN and broader multilateral agenda. One of the outputs was a 'Multilateral Development Banks vision statement'²¹, supported by 52 countries. The statement called on Multilateral Development Banks (MDBs) to continue to promote just transitions and foster sustainable development through increased financing, policy advice and technical assistance for the benefit of developing countries. It demonstrates various actors can leverage significant influence on companies through financial relationships, making this another key angle that needs to be articulated in the global agendas.

Opportunities for the UN to articulate the responsibility of business

- **Global Plastics Treaty** – In March 2022, 175 nations endorsed a historic resolution to develop a global plastics treaty, a legally binding agreement to address plastic pollution, use, and disposal, by the end of 2024.
- **UN Global Digital Compact** - The creation of the UN Global Digital Compact to be agreed at the Summit of the Future in September 2024, outlines shared principles for an open, free and secure digital future.
- **COP28 UAE Declaration on Sustainable Agriculture** – Laid out by the UN's Food and Agriculture Organisation (FAO), 159 countries signed a declaration to put sustainable agriculture at the heart of climate plan, addressing both global emissions and protecting the lives and livelihoods of farmers
- **New Global Financial Pact** – A roadmap to embed reform of the financial architecture into the UN and multilateral agenda.
- **UN BHR Treaty** – This is intended to solidify the obligation for business to uphold certain human rights along their value chains and create a global standards.
- **Global Biodiversity Framework** – Agreed at the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15), all 196 nations committed to halting and reversing biodiversity loss by 2030
- **High-level Expert Group on the Net-zero Emissions Commitments of Non-State Entities** – A UN-appointed body tasked with developing stronger and clear criteria for assessing non-state actor commitments to reach net-zero.

²⁰ [Make it mandatory - EN – Business For Nature](#)

²¹ <https://nouveaupactefinancier.org/pdf/multilateral-development-banks-vision-statement.pdf>

Recommendations for the Summit of the Future

At this crucial juncture for sustainable development, now is the time for the UN and its member states to acknowledge the need for corporate accountability in creating a sustainable and just world. The Summit of the Future provides a once-in-a-generation opportunity for the UN to provide this clarity. It also marks an international moment to bring forward what is needed to rebuild trust and reinvigorate the multilateral system so that is better positioned to positively impact people and the planet.

In addition to governments meeting their own responsibility with respect to the global agendas, they have a distinct role to play in setting out the responsibility of business. The UN must play a leading role, this cannot be left to markets and society alone to tackle, yet it needs to involve societal and market actors at every step of the process.

The action-orientated Pact of the Future will be agreed by Member States showcasing global solidarity for current and future generations, and WBA urges them to incorporate the following recommendations into their conclusions:

- It is imperative that the Summit outcomes reference an agreement that **the UN will strengthen corporate accountability in pursuit of sustainable development by articulating the responsibilities of business in relation to states in achieving our global agendas**. This reference should be able to be translated across all UN workstreams to create consistency.
- In order to action this commitment, **the UN and its Member States should convene a group, alongside other relevant actors, to develop an understanding and process to embed corporate accountability across current and future challenges**. The purpose would be to ensure that the role of the multilateral system in strengthening corporate accountability in support of sustainable development becomes the accepted norm.

Embedding corporate accountability successfully in the Summit of the Future provides a key building block to help us achieve the SDGs as well as prepare for a post-2030 world.