

tomorrow's
company

a future for business
which makes equal sense
to staff, shareholders
and society

Tomorrow's Global Company

challenges and choices



We all believe that for companies to succeed into the future they must play a greater role in contributing to solving the problems that society faces, including environmental degradation, poverty and the abuse of human rights.

Our conclusions are summarised overleaf. We commit to doing all we can within our own organisations and with others to turn these conclusions into practice.

We hope that this report will prompt a further exchange of ideas about the evolving role of global business. Its ultimate success will be measured by its impact on the actions that leaders in business and beyond take over the coming years.

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Executive Summary

The survival and success of tomorrow's global company is bound up with the health of a complex global system made up of three interdependent sub-systems - the natural environment, the social and political system and the global economy. Global companies play a role in all three and they need all three to flourish.

We believe in a strong market economy. The market economy has driven human progress and growth, lifting the living standards of many people. But the world is now undergoing a period of unprecedented change and it is becoming clear that the current frameworks in which the market operates are leading to unsustainable outcomes. There are major issues which the market and the political systems have not resolved - particularly climate change, areas of persistent poverty and abuses of human rights.

Global companies can be a force for good and are uniquely placed to deliver the practical solutions that are urgently required to address these issues. We believe that the purpose of tomorrow's global company is *"To provide ever better goods and services in a way that is profitable, ethical and respects the environment, individuals and the communities in which it operates."*

This means changes for tomorrow's global company and its future leadership. To play their full part, tomorrow's global companies need to work together, accepting their share of responsibility for addressing the world's challenges. They must maintain their own economic health by retaining the support of customers and shareholders. From this position, they can build stronger and more constructive relationships with governments and civil society in a joint effort to deliver the solutions that are needed.

We have identified three specific ways in which global companies can fulfil this role through 'expanding the space' in which they operate.

Expanding the Space

Redefining success	Embedding values	Creating frameworks
<p>Tomorrow's global company should expand its view of success and redefine it in terms of lasting positive impacts for business, society and the environment.</p> <p>Having redefined success, tomorrow's global business leaders should stand firmly behind their convictions and use them as a basis for their business strategy and decision making.</p> <p>Internal processes, especially measurement and reporting and external communications with all stakeholders, need to be consistent with this view of success.</p>	<p>Shared values are essential to provide cohesion in a company that is global and diverse.</p> <p>Once values have been established and communicated, they must be rigorously followed in practice and people held accountable for observing them.</p> <p>Tomorrow's global companies need both values and rules, but values provide the bedrock upon which a company's behaviour should be based.</p>	<p>There are serious failures in the frameworks of law, regulations and agreements which frustrate many efforts to deal with some of the global issues both companies and societies face. Fiscal systems often do not drive the market in sustainable directions and subsidies are frequently perverse.</p> <p>In many cases, major issues can be addressed through international agreements. These subsequently need to be translated into national regulation that is then rigorously and uniformly enforced. Effective self-regulation, in its many forms, is often the first step.</p> <p>We believe tomorrow's global company must take the time and commitment required to be proactive and work jointly with other companies, NGOs, governments and international organisations to ensure that better frameworks are created.</p>

