

Citystates II

The Case for Corporate Leadership in Urban Sustainability Executive Summary



Executive Summary

There is an urgent need, and a huge opportunity, for local and international stakeholders to prioritize the sustainability requirements of cities, and with them, broader sustainable development.

Chief among these stakeholders is business, which has both the opportunity and responsibility to take a leadership role (and the chance to reap substantial benefits in the process), and without which cities will be unable to innovate and scale their efforts at nearly the required pace.

Though there are many leading examples of cities and companies working together to accelerate progress on urban sustainability, this agenda is only beginning to enter mainstream business thinking, and overall city-business collaboration remains underdeveloped in aggregate and challenging in practice.

In response, *Citystates II* provides insights and tools to further engage business leaders around the evolving risks and opportunities related to urbanization and sustainability, and to improve companies' ability to engage productively.

Drawing on extensive interviews, desk research and SustainAbility's own experience working with corporate clients on this agenda, the report offers three key tools:

- 1. A detailed framework to support the business case** for deeper corporate involvement in cities and with city-based sustainability efforts (summarized on page 33);
- 2. Version 1.0 of the Corporate Urban Sustainability Progress™ (CUSP) Maturity Model**, with actionable steps to enhance companies' understanding and ability to realize the opportunities explored in the business case; and,
- 3. Identification and discussion of practical issues and potential obstacles** companies, city officials and others must address to work together more effectively.

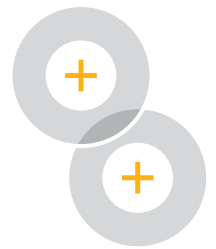


Report In Brief

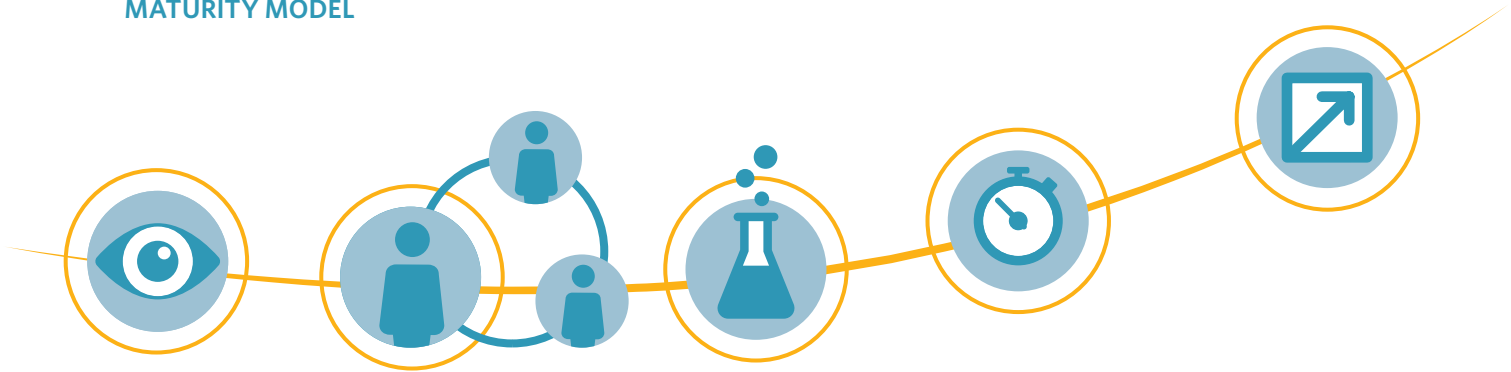
Today's global companies recognize the growing importance of cities—politically, culturally and economically. They're also beginning to see cities as critical leverage points for sustainable development, and cities themselves are eager for the private sector to play a greater role in their sustainability efforts. As a result, more companies are engaging and innovating for sustainability within and across cities, as are cities with companies. But the potential of such engagement has only begun to be understood, much less realized.

In this light, *Citystates II* makes the case for even greater corporate leadership—i.e. more industries and companies; longer-term and more ambitious investment; deeper engagement and collaboration with cities and other stakeholders—to drive urban sustainability forward and to share in its benefits. It also considers practical challenges to such leadership and provides guidance to companies seeking to amplify their positive influence on this important agenda.

Finally, to close the report, we explore The Possible City—one notion of the positive urban future we imagine could be created—where whole industries are mobilized to solve pressing urban challenges, where leading companies are gainfully rewarded for their bold collaborations and commitments, and where all city stakeholders combine to create the conditions necessary for flourishing urban populations and broader sustainable development.



THE CORPORATE URBAN SUSTAINABILITY PROGRESS™ (CUSP) MATURITY MODEL



1 RECOGNIZE

Company begins to recognize the connection between urbanization and near and long-term of businesses interests, but lacks the necessary resources and political will to further deepen its understanding.

2 ENGAGE

Company analyzes urban trends will specifically impact its industry/businesses, identifies priority urban markets and stakeholders and receives regular internal/external input on where it can play within cities.

3 PILOT

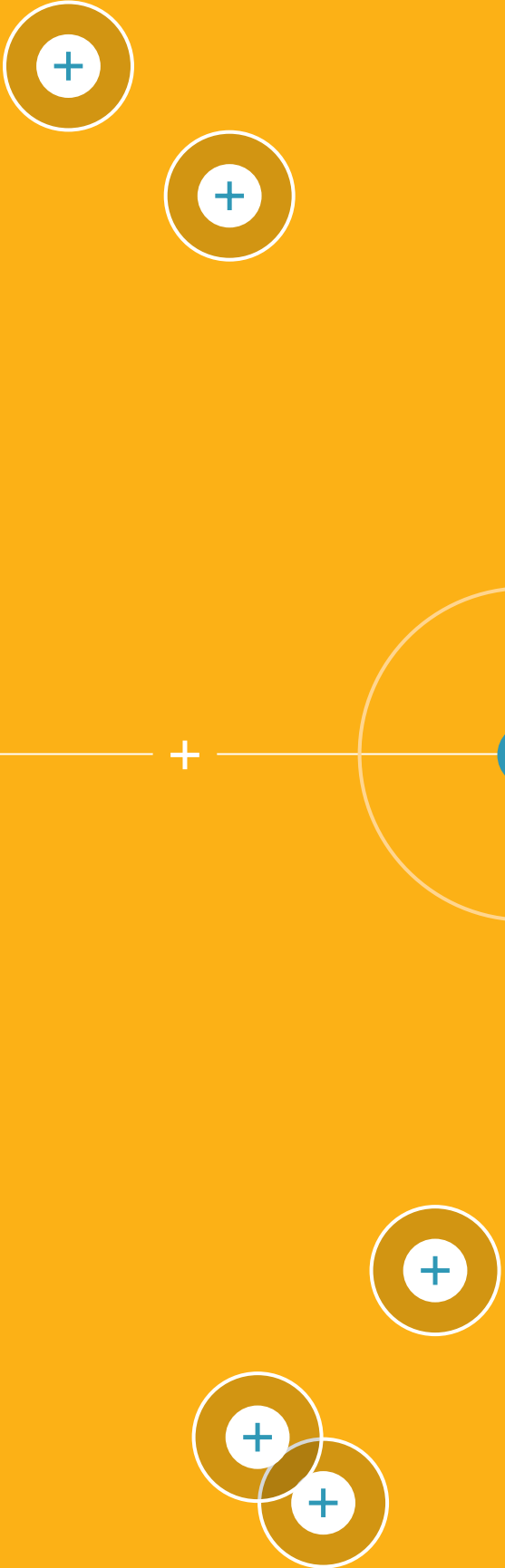
Company works alone or with partners to develop experimental products, services, initiatives or other urban-inspired activities in order to test the market and its own potential for impact.

4 OPTIMIZE

Company evaluates pilot(s) in terms of impact and operating model, and liaises across other functional areas internally and priority stakeholders externally to leverage their insights for improvement.

5 SCALE

Company develops and implements growth strategy-within and across cities, unilaterally and through partner channels.



SustainAbility is a think tank and strategic advisory firm that for over 25 years has catalyzed and supported business leadership on sustainability. Through our agenda-setting research and advocacy, we chart new territory and help business leaders and their stakeholders understand what's next. Through our advisory services, we help clients anticipate trends, understand and respond to key risks and opportunities, and foster authentic, effective engagement and collaboration with stakeholders.

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