



WBCSD Liaison Delegate Meeting

16-20 March 2009
Montreux, Switzerland



The 2009 Liaison Delegate Meeting welcomed 235 participants to Montreux, including 185 members and 20 Regional Network partners. With “Weathering the storm” as the theme, the program aimed to look at how business can align short-term survival strategies with long-term sustainability and profitability in these uncertain times.

Tuesday’s plenary sought to provide a “sustainability survival kit”, looking at practical and tactical approaches to making sustainable development work for business success despite the downturn. Wednesday was dedicated to Focus Area Working Groups and Learning by Sharing sessions, with other working groups also held on Monday and Friday.

Key takeaways

- The world cannot succeed without business as a committed solution provider to sustainable societies and ecosystems.
- Public awareness of sustainable development is on the rise and increasingly influencing consumption and lifestyles.
- After some 20 years, sustainable development has arrived, having moved from awareness raising to implementation.
- Surveys show that trust in business is down and trust in CEOs is very far down. Honest companies make honest mistakes but are suffering greater consequences than a few years ago. As a result, governmental oversight of business will grow and business will need to regain trust in order to maintain its license to operate, innovate and grow.
- The move to a low-carbon economy will happen regardless of the outcome of Copenhagen.
- Companies are increasingly involved in addressing the poverty challenge and inclusive business, gaining a deeper understanding of the barriers to and opportunities for innovating while doing business with the low-income segment.
- All forms of biodiversity/ecosystem loss (pollution, conversion, over-exploitation, invasives, etc.) have implications for business, and governments need to make conservation more attractive to business through smart enabling regulation.
- Companies understand that they cannot bring about sustainable consumption alone, and that consumers can make informed decisions for themselves about what is sustainable. The idea is to consume sustainably, not to consume less.
- On valuation, companies and investors need to link up and close the gap on understanding what is needed for informed investment decisions.
- In this time of crisis, evidence is mounting as to just how much people matter. Companies need to focus on talent, skills and sustainable development.

President’s status report - “A world in transition to sustainable development”

“For me, when I look at the world, sustainable development has arrived,” WBCSD President Bjorn Stigson noted in his opening remarks. Having worked on it for 20 years, starting with awareness creation, we are now into implementation, with sustainable development becoming an ever more strategic imperative. We are also facing a bigger role for governmental oversight, and at the same time, public awareness of sustainable development is also growing, and increasingly influencing consumption and lifestyles.

“The world cannot succeed without business as a committed solution provider to sustainable societies and ecosystems,” he said, describing a world in transition: in 2005 the GDP of emerging



economies outstripped that of developed economies; also potentially providing the bulk of tomorrow's consumers. These consumers are increasingly urban, and the move from rural to urban living results in increased resource use in developing countries (the reverse is true in developed countries). In 2050, 70% of the world's population will live in urban areas requiring a tremendous need for new or improved infrastructure. "Yes, we have a challenge right now in the economy: we have a recession. Despite this, there is enormous growth in front of us – a great investment opportunity for business," Bjorn said.

In our increasingly connected world, the financial crisis has triggered a broader concern for systems thinking and solutions. In the center, we have society, the economy and the environment. These are influenced by mindsets, equity, a shared vision, values and priorities. We need solutions that respond to these mindsets and tackle problems from technology to regulations and from finance to infrastructure. When implementing solutions, business comes in at the local and national level, sometimes regional. "The low-carbon economy move is happening regardless of the outcome of Copenhagen," partly because of business' involvement at all of these geographic levels.



"It will be a clean, lean and mean industrial revolution and will require that governments and business work together and, importantly, it will require trust in that relationship."

Trust and reputation – Principles and practices

The first plenary discussion grappled with the elusive subject of trust and reputation. "A few years ago, the Edelman Trust barometer indicated that trust in business was high. Today, trust in business is down and trust in CEOs is very far down," said the moderator Carola Teir-Lehtinen, corporate vice president, Sustainability, at Fortum Corporation.

So is business responsible for this loss of trust? When polled, a large majority of participants said yes, this loss of trust was deserved to a greater or lesser extent.

Mr. Christian-André Weinberger, corporate senior vice president, Henkel, said, "Now is time to get vocal about sustainability as it will affect your bottom line and enhance your reputation, keeping your company in business: get relevant for the consumer; be authentic and transparent; throw the challenge to science; deliver performance based on sustainability; turn the threat into a reward system; shift from avoidance to achievement currencies; reestablish quality and expertise."

Egil Myklebust, senior adviser and chairman of the WBCSD Climate Negotiation Taskforce, said that individual companies and business in general have to accept that trust and reputation will be essential to their future. He also noted that "markets do not function properly without regulation, but regulation needs to be sensible and address real issues," and as such, needs to include the voice of business.

The green economy: Business life saver?

Many question whether business can focus on sustainable development when it needs to focus on survival. But is it really one or the other? Or is the so-called "green economy" a business life-saver, throwing us opportunities to ride out a rough economic sea?

A recent article in the *Financial Times* stated that "Leading companies say sustainability is just as important in a

