

**Business Action for Sustainable Development – Business Strategy Meeting**  
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**Maximizing opportunities for Business at the World Summit**

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Ladies and Gentlemen,

I am pleased and honored to be with you here today for this first forum of the Business Action for Sustainable Development (BASD). Let me briefly introduce WBCSD, the organization that I represent, to you.

**WBCSD**

The World Business Council for Sustainable Development (WBCSD) was created to give a business input to the Rio Conference in 1992. In 1995, we merged with WICE, the World Industry Council on the Environment, which had been set up by ICC in 1993.

Today, the WBCSD is a coalition of 150 leading international companies that are united by a shared commitment to the principles of sustainable development. We also benefit from a global network of 30 national and regional business councils and partner organizations primarily in developing countries.

*(Annual Reviews)*

**Our ties with the BASD**

We are pleased to be an initiator of the BASD together with the ICC. We want to ensure that the business voice is heard in a strong and cohesive manner, and that business has its proper place at the World Summit.

We also wish to demonstrate the substantial progress that companies have made since the Rio Summit in 1992 in addressing many of the sustainable development challenges.

We trust that the BASD will help to galvanize the business input to the event.

Let me thank Sir Mark Moody Stuart for taking on the very important role of chairman of the BASD Steering Committee that will give business a face.

### **WBCSD input to WSSD**

In the WBCSD, we have a task force to prepare for the Summit. Besides our contribution to the BASD we are working on three parallel tracks.

- First, we have developed a vision document, *"The business case for sustainable development"*, that outlines our thinking 10 years after the book *Changing Course* that we presented in Rio.
- Second, we are compiling a *Workbook* with best performance stories from WBCSD members and key findings from our work program.
- Last, *"Facts and Trends Business Cannot Ignore"* will provide what we see as the essential trends and facts among the myriad of statistics available today. We are developing this together with WRI, the World Resources Institute, and UNEP.

### **An opportunity for Business**

The World Summit is adopting a 'bottom-up' process for identifying themes and setting the agenda. Stakeholders and interested parties have been invited to get involved and determine the issues. So, this leaves the process for agenda-setting in the hands of those who have the highest commitment and capacity to get involved. We want business to be one of these.

The Rio summit in 1992 triggered business to be a key actor on sustainable development. And business has also since then widened its engagement and become involved in issues, which were earlier considered outside the business sphere of interest.

One such issue is corporate social responsibility (CSR). CSR is today on the business agenda, and a sound CSR strategy is viewed as making good business sense. This is the conclusion of a two-year WBCSD program led by Lord Holme, from Rio Tinto and a member of the BASD's steering committee, and Phil Watts, present chairman of Shell.

Another issue is the role of markets in promoting sustainability. Business has done much to improve its production efficiency. The consumption side of the equation is more difficult and involves complicated trade-offs in society. Over two years, Chad Holliday, Chairman and CEO of DuPont, and John Pepper, Chairman of Procter and Gamble, have led our work on 'Sustainability through the Market'. They have co-authored a report that was launched in April at the United Nations in New York.

### **An agenda for moving toward a sustainable society**

Our document, *"The business case for sustainable development"*, which is signed by our Executive Committee, builds much on the STM report and identifies ten building blocks toward a sustainable society.

Some deal with aspects with which business has some practical experience like Innovation, Eco-Efficiency and Dialogue and Partnerships that all have become familiar elements of business actions on sustainable development. Others, like establishing appropriate policy framework conditions or making markets internalize environmental and social costs represent a tougher challenge.

Let me comment briefly on our ten steps toward a sustainable society.

#### ***1. The market***

Sustainable development is best achieved through markets that encourage innovation and efficiency. Markets are human constructs and we need to continue to improve them to best serve the needs of society.

## *2. The right frame*

If basic framework conditions push us in the wrong direction, then that is the way society will go. Governments must in consultation with Business set appropriate framework conditions which can support its efforts to move toward sustainable development.

## *3. Eco-efficiency*

Eco-Efficiency is a key business contribution to sustainable development, one the WBCSD has worked on for a decade. By adopting eco-efficiency measures, a company will simultaneously improve both its environmental *and* financial performance.

## *4. Corporate social responsibility*

Corporate Social Responsibility is an evolving concept that encompasses complex issues. What are the boundaries in the respective roles of government and business in providing social, educational and health services? How far along the supply chain does a company's responsibility extend? How should it adapt to local cultures?

## *5. Learning to change*

Integration of financial, environmental and social issues requires change throughout the corporation. A sustainable business excels on the traditional financial return but it also embraces environmental performance, and community and stakeholder issues.

## *6. From dialog to partnerships*

We have made stakeholder dialogues a key tool in our work program. But this is not enough for the future. We need to go further toward partnerships that combine skills and provide access to constituencies that one partner may not have as well as improve the credibility of our conclusions and actions.

*7. Informing and providing consumer choice*

If business believes in a free market where people have choices, business must accept responsibility for informing consumers about the social and environmental effects of those choices.

*8. Innovation*

Innovation is a key element of doing business. But in today's transparent world, society expects companies to be more open about what and how they innovate. Innovations will only turn into viable products and services if they are accepted by society at large.

*9. Reflecting the worth of the earth*

We do not protect what we do not value. Proper valuation will help us use the markets to protect the environment.

*10. Making markets work for all*

Poverty is one of the single largest barriers to sustainability. Only well-constructed markets can offer the 2.8 billion people struggling to live on less than two dollars a day the opportunities they need to move out of poverty. Governments cannot do it alone. But they can, and must, establish the frameworks that allow for this to happen.

**Summit actors need to share responsibility**

This is our vision in the WBCSD for a sustainable society. But making it happen is a shared responsibility for governments, business and civil society.

We need to work together to determine what roles are best for business and what roles best left to the other sectors. Let me comment on these:

- Business has a responsibility to innovate, to market safe and sustainable products and services that improve quality of life and are broadly accessible. It must adopt high ethical standards in how it operates and provide information that enables people to make appropriate choices.
- Governments have the responsibility to work with all actors of society to set priorities. They must establish market framework conditions that promote environmental, social and economic sustainability.
- NGOs and citizen initiatives must provide sound advice to consumers. They should promote and support shifts in demand toward novel and better offerings developed by business.
- Consumers and citizens are responsible for using the information available in the market to make choices that meet their needs and aspirations sustainably.

### **The future business agenda**

During the last decade, corporate leaders have contributed in many ways to sustainable development. Through their initiatives, they have created value to shareholders while reducing waste and emissions.

It is becoming clear that major issues – like the poverty gap, climate change or declining ecosystems – will not be adequately addressed until the proper framework conditions are in place.

So, a key message, which the BASD should amplify at the upcoming Summit, is that we need to take a global and integrated approach to achieving sustainable development. This is not a new message, we have repeatedly said it since 1992, but it is becoming ever more clear that sustainable development requires a holistic view.

Business cannot champion sustainability alone – nor should it. But we can do a lot within our sphere of influence. On top of this we need to contribute more to well functioning societies because business cannot thrive if the society around us fails.

We are from the WBCSD looking forward to working with all of you to give a strong business impact at the World Summit.

Thank you.

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