

Global Values Alliance

Narrowing the gap between ethical theory and corporate practices

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UN Global Compact LEAD meeting at the World Economic Forum in Davos, January 23, 2014

Guest included UN Secretary General, European Commissioner Connie Hedegard, the CEOs of Novartis, Nestle, Unilever, Ikea, President of Ghana as well as senior representatives and advisors of the UN.

The setting

UN Secretary General Ban Ki-moon had invited CEOs of several companies to discuss concrete actions in the context of the two sets of intergovernmental negotiations currently running in parallel with a view to define a *Post-2015 Development Agenda* and deliver an *international climate change agreement*. The progress made within these two United Nations-led processes by September and December 2015 is likely to define global sustainability aspirations and actions for decades to come.



Global Compact LEAD companies are seen to have a unique opportunity to help shape a post-2015 development agenda, providing an ambitious set of sustainable development goals and fully incorporating corporate sustainability as a transformative force. An important milestone ahead is the conclusion of the deliberations of the Intergovernmental Working Group on Sustainable Development Goals by August 2014.

Similarly, Global Compact LEAD and Caring for Climate companies are seen to contribute significantly to a successful conclusion of the intergovernmental climate change negotiations. Notably, the UN Secretary General's Climate Change Summit in September 2014 is designed to generate political momentum for an ambitious global agreement on climate change, and strong engagement by corporate leaders will be central to these efforts.

Meeting objectives

The Global Compact LEAD CEO Dinner in Davos on 23 January was designed to provide overall direction for renewed efforts within Global Compact LEAD and Caring for Climate to elevate the voice of responsible business vis-à-vis the government negotiations currently taking place. Specifically the meeting wanted to define what

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success looks like for the post-2015 development agenda and the international climate change negotiations, and identify actions that enlightened business leaders over the next year and a half can take to help mobilize the political will necessary to successfully conclude the two intergovernmental processes.

By request of the UN Secretary General, the dinner meeting was conducted in an informal and interactive format allowing all participants to contribute to the discussion.

Discussion questions

The two key questions for discussion during the LEAD CEO Dinner were:

1. From the perspective of corporate sustainability leaders, what does success look like for the post- 2015 development agenda and the global climate change negotiations?

LEAD companies have agreed on the need for a very ambitious set of global sustainable development goals, covering all aspects of sustainable development and thus providing aspiration for both developed and less developed countries. In addition, LEAD has helped shape the Post-2015 Business Engagement Architecture launched by the UN Secretary General, providing a framework for how to most importantly engage global businesses as a positive force for sustainable development.

Similarly, the Secretary General encouraged executives to take a leading role in the context of the Caring for Climate Leadership Statement and its commitment areas. Business Leaders are seen to be better able than governments to identify the most effective role and contribution businesses can play at the global level in support of a new, universal climate agreement in 2015. A core policy imperative articulated in this business leadership statement is a specific call for a stable price on carbon – reiterated as a fundamental part of a comprehensive global policy framework. A robust carbon price can be a catalytic mechanism to achieve the global scale and transformation needed to accelerate corporate climate action, and furthermore immediately help drive domestic and global investment toward a low-carbon, high-resilient economic growth path.

Common Ground

Areas of Consent were

- The business sector must take a leading role in both the post-2015 development agenda as well as the climate change negotiations. Business is better equipped to act than governments; The normal “order” is that first governments set the framework and business follows – this time it ought to be the other way around;
- As different sectors have a different impact, a sectorial differentiation will be necessary;

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- “Smart agriculture” will be a crucial issue for both climate change and world nutrition;
- Constructive dialogue with governments, NGOs and business will facilitate processes

Unfortunately, as so often, the discussion consensus did not reach the practical level of how to initiate structural change in a way that does not infringe on revenue growth.