

Being Businessworthy

The Oslo Business for Peace Roundtable 2015

The Oslo Business for Peace Roundtable was held for the second time as part of the ninth Oslo Business for Peace Summit on May 6, 2015. More than 160 leaders from the political, corporate, civil society and investment worlds (representing over 1 trillion Euros) gathered to discuss the business value of sustainability.



The roundtable was opened by Norway's Prime Minister Erna Solberg and consisted of five parts going through the investment value chain. Polls captured the views of the participants on selected questions. Anne Jorun Aas, Business for Peace, was the host for the day.

Key insights

Optimism and conviction: Sustainability is increasingly regarded as core business, and a prerequisite for long-term growth and profitability. There is, however, a need to build a deeper and more refined industry specific understanding of sustainability and set new and ambitious targets.

Increased trust: Trust in business is worryingly low and capitalism in its current form is not working well. Sustainable business strategies enable businesses to re-engage and build trust with the communities in which they operate, through a common goal of solving the environmental and social challenges faced by society.

Innovation: To stay competitive, companies must innovate on sustainability. This includes innovation on business models, corporate culture and leadership, as well as in partnerships and collaboration.

Transparency of ambitions: Companies and business leaders should lead by example as well as actively encourage transparency on sustainability ambitions. This will help build commitment, as well as drive and monitor progress.

Leadership: There are clear risks in being a follower on sustainability and there are business opportunities in taking the lead. Business needs to step up and be part of the solution – for the sake of society as well as for the bottom line.

Keynote speech

by Norway's
Prime Minister
Erna Solberg



“We need good governance that empowers people and develops trust between governments, businesses and society.”

Business plays an important role in contributing to sustainable development through investment, job creation and innovation. Unemployment is not just a cause of poverty, but also of discontent and instability across regions. Here, business can and must play a role.

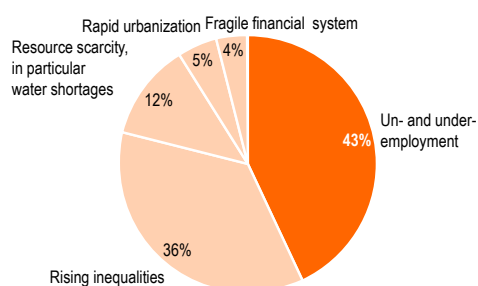
Given that the world needs an estimated 280 million new jobs by 2020 and that the private sector provides 9 out of 10 jobs in developing countries, “it is evident that we need you [business leaders] on board”.

Everyone stands to gain from peaceful, stable societies where both people and business can thrive, and business plays a crucial role in both economic and social development.

To achieve sustainable development, we must shift from “business as usual” to a focus on *how* business makes money. The concept of “being businessworthy” embodies this idea; supporting and building healthy, well-functioning societies in order to earn the right to do business. What is good for society is also good for business.

What is the most predominant issue likely to threaten global stability?

43% of the respondents view un- and underemployment as the most predominant issue to threaten global stability



Part I

Why and how is sustainability a business opportunity?



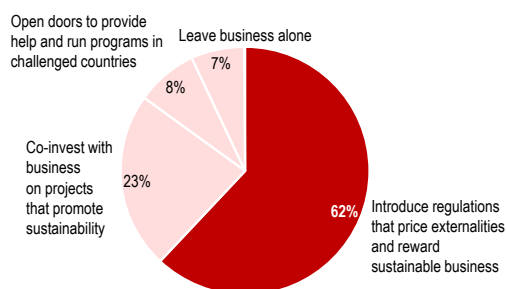
Leading academics, business leaders and politicians drive home why sustainability and sustainable development goals are opportunities for value creation

Panel discussion between **Erna Solberg**, Prime Minister of Norway; **Dominic Barton**, McKinsey & Company; **Sir Mark Moody-Stuart**, UN Global Compact; **Arif Naqvi**, The Abraaj Group; moderated by **Jane Nelson**, Harvard University.

“We can’t have value creation without the values.”

How can governments best support companies that seek to build a sustainable and profitable business?

More than half of the respondents would like to see government pricing externalities and rewarding sustainable businesses



Sustainability is at the top of the agenda for many companies and governments and, rising in importance for consumers and the general public. It is becoming essential for business to succeed over time. To be successful, companies must consider commercial realities, which now intersect with sustainability imperatives.

Sustainability challenges present opportunities for innovative businesses. Examples are found in sectors such as health, education and energy, where private sector actors are thinking outside the box and reaping commercial benefits whilst solving acute problems. Private investment is needed to achieve the Sustainable Development Goals –

creating jobs, improving education and access to energy – and all offer commercially compelling opportunities.

Growth markets are leapfrogging industrialized countries by using prevention rather than cure for the challenges they are facing, and designing well from start rather than fixing a broken system.

There is a need to rebuild trust in business. The business world needs to show that there are synergies, rather than trade-offs, between sustainability and business. To succeed with this, business leaders must start with how we run our companies; it cannot be an option NOT to take responsibility.

Part II

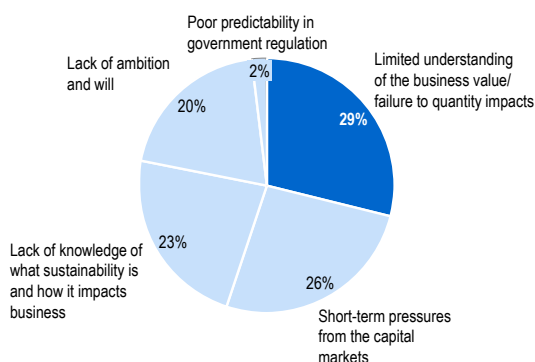
How important is the sustainability agenda for investors?



Investor representatives with clout, voice and results communicate their sustainability efforts and expectations to investment managers

Panel discussion between **Johan H. Andresen**, Ferd; **Prince Max von Liechtenstein**, LGT Group; **Jens Ulltveit-Moe**, Umoe; **Ian Goldin**, University of Oxford; **Joachim Høegh-Krohn**, Argentum; led by **Martin Skancke**, UN PRI.

“Eventually we will reach a state when business will be a tool for sustainability.”



What are the main roadblocks for companies to realize the business opportunities in sustainability?

The “short termism” of capital markets poses a major challenge to sustainability. A positive trend is however underway, with an increasing number of investors taking a long-term view, as witnessed by the rise in signatories to the PRI. Different types of investors think and act differently – family offices are frequently ahead in terms of long-term thinking and action.

Healthy financials both should and can go hand-in-hand with sustainability. Sustainability is in fact likely, at least indirectly, to influence financials in the medium to long term. It is thus essential for investors and companies to let long-term thinking guide investment decision.

Investors should evaluate business in a broader perspective and beyond pure financials. Thus, both investors and asset managers need competence not just on financial parameters, but also on sustainability dimensions (environmental, social and governance issues). Some investors have ambitions beyond purely financial returns, such as investing in solutions that are good for society. This is the rising field of impact investment.

A long-term approach is key to sustainability for the investment industry, and for the promotion of long-term thinking in the business owner/investor/asset manager communities.

Part III

How are investment managers responding?



Investment managers discuss how sustainability can enhance investment decisions and portfolio development.

Panel discussion between **Harald Mix**, Altor; **David Blood**, Generation Investment Management; **Sev Vettivetpillai**, The Abraaj Group; **Thomas von Koch**, EQT; **Nanno Kleiterp**, FMO; led by **Ian Goldin**, University of Oxford, followed by discussions around each table.

“The financial metrics are global and comparable across all markets, but we lack a similar set of metrics for sustainability.”

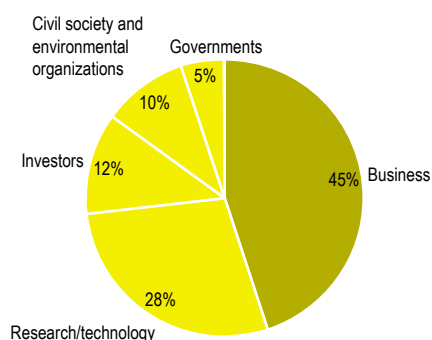
Even with a clear will to invest sustainably, there is a need to create transparency and develop metrics for measuring sustainability that can be compared across markets and industries. Enabling a common ESG system will make it easier to make the right type of investments and to enhance a portfolio over time.

Being public and clear about one’s commitment to follow good corporate governance practices, as a matter of

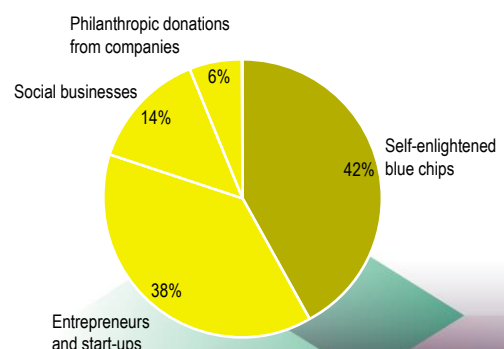
commercial sustainability, is vital.

For investors and investment managers, it is challenging to operate in countries with poor governance, in particular when competitors are not playing by the rules. In these markets it is essential to be hands on, have deep local knowledge and presence, and select managers with both competence and the right values, and be patient.

Who will be the key driving force in finding a solution to sustainability challenges?



Which type of business will drive sustainable development and peace?



Part IV

What changes are we seeing in practice?



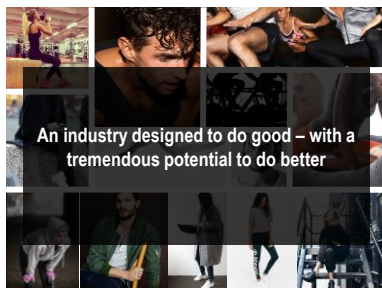
What does the sustainable business model look like, why is it chosen and how does it impact operations and returns? Three companies tell their stories.

1. Dilmah Tea, Dilhan C. Fernando



- Mr. Fernando, founder of Dilmah and Oslo Business for Peace Honouree 2015, built his business into a global brand respected for creating positive impact in society.
- The philosophy of “Making Business a Matter of Human Service ” is key to his success.
- Dilmah believes all business initiatives must create incentives for people to empower themselves through their work. This creates more sustainable value in society than charity.

2. Health & Fitness Nordic (HFN), Olav Thorstad



- The fitness industry has difficulties reaching more than 20% of the population despite exponential growth of clubs.
- HFN realized that lack of motivation over time is the most important reason for people not exercising regularly.
- HFN changed its mission to “we want to make the Nordic people happier and healthier”, and has several initiatives and new partnerships aiming to attract those that need exercise the most, making the market vastly bigger and more exciting.

3. Unilever, Paul Polman and Marcela Marubens



- Unilever’s Sustainable Living Plan (USLP) is a long-term strategy to decouple growth from environmental impact whilst increasing the positive role of the business in society.
- CEO Paul Polman, Oslo Business for Peace Honouree 2015, says the USLP shows a “willingness to take core responsibility for what goes on within the total value chain, from field to fork”.
- Unilever is reporting inspiring results. Waste reduction efforts last year led to 2 billion Euros in savings and the company is sourcing 55% of its agricultural materials sustainably.

Part V

What does it mean to take leadership?

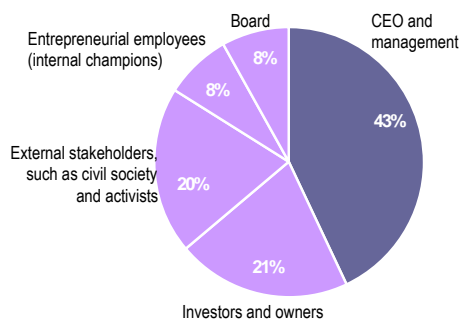


Leaders in sustainable business give their reflections on how to take ownership of and lead the sustainability agenda.

Panel discussion between **Philip Kotler**, Northwestern University; **David Blood**, Generation Investment Management; **Arif Naqvi**, The Abraaj Group; **Dominic Barton**, McKinsey & Company; **Samantha Smith**, WWF International; led by **Ylva Lindberg**, Business for Peace.

“Be brave, dare to take risks.”

Who are the main drivers and initiative takers for sustainability and peace in business?



What three traits characterize a leader who is able to turn sustainability into practical, profitable business solution?

Leadership is all about sustainability, and we need to take the long-term perspective into account in our leadership and investment models. Companies and investors must apply other metrics and decision criteria than short-term profit when making decisions, setting targets and selecting focus. The emerging business case for sustainability makes it clear that there is a risk in

being a follower; “If you are not at the table, you are on the menu”.

The good news is that there are business opportunities in being a leader; “Sustainability is the greatest business opportunity of the 21st century”.

Business cannot just be a bystander, but needs to step up; for the sake of society as well as for the bottom line.

The Business for Peace Foundation supports individuals who are changing the face of modern business through practices that benefit society. The Foundation seeks to inspire a higher purpose of business and a higher form of capitalism. At the centre of the Foundation's efforts is the Oslo Business for Peace Award conferred to exceptional individuals who are **businessworthy** – who ethically create economic value that also benefits society. A global nomination process and a committee consisting of former Nobel Laureates select the Oslo Business for Peace Honourees.

The Business for Peace Foundation is an independent foundation. It has a board of experienced professionals in business and peace, a secretariat with professionals in sustainability and an advisory board representing broad societal and business spheres. The foundation is also supported by an exceptional group of volunteers, whose time and dedication is essential to realize the Summit and the success of the foundation in the long run.

Business for Peace Foundation

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**We look forward to seeing you at the
Business for Peace 2016 Roundtable on May 10, 2016!**

Thank you to our partners for their continued support for The Business for Peace Summit



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