



**THE GLOBAL RESPONSIBILITY
FOUNDING FORUM
16-18 NOVEMBER 2000**

The Global Responsibility Founding Forum met from 16-18 November 2000 in Cap D' Ail, France and Monaco. Global Responsibility was recently incorporated as a holding company based in Copenhagen and this was the first of annually scheduled Global Responsibility Forums, which will seek to nurture the emergence of a corporate culture based on transparency and accountability. Over 140 participants, representing business, academia, the media, and non-governmental organizations (NGOs) from more than 15 countries, attended the three-day Forum.

The Forum's theme was "Toward Global Responsibility: Corporate Accountability through Transparency." During the course of the meeting, participants witnessed the official inauguration of Global Responsibility, heard Plenary addresses about the Global Responsibility Communication Platform, attended thematic panel discussions on corporate responsibility, and participated in workshops on sustainability-related issues.

A BRIEF HISTORY OF GLOBAL RESPONSIBILITY

Since the popularization of the concept "sustainable development" through the 1987 Brundtland Commission report and the subsequent 1992 UN Conference on Environment and Development in Rio (the Earth Summit), the concept of sustainable development has emerged as the paradigm for economic development. Related questions regarding social and environmental development were initially driven by governments and environmental NGOs, but business and industry have come to occupy a central role in determining how to align their activities with sustainable development.

Corporate social responsibility (CSR), an emerging trend, is promoting the advancement of environmental protection and human rights practices in industry by bringing social organizations and business together to dialogue on the issues. In 1999, the UN launched the "Global Compact" (<http://www.unglobalcompact.org>) and appealed for business to embrace nine core principles regarding human rights, labor standards and the environment. Additional developments also indicate a heightened interest in CSR. The Global Reporting Initiative (GRI; <http://www.globalreporting.org>) released "Sustainability Reporting Guidelines on Economic, Environmental and Social Performance" in June 2000. A set of "Global Sullivan Principles" (<http://www.globalsullivanprinciples.org>), advocating the social responsibility of corporations, were published in

late 1999. All these initiatives stress the increasing importance of good corporate citizenship and sustainable business practices that will ensure social legitimacy in an increasingly globalized world.

Companies are finding that they are being held to account, not only by shareholders and regulators, but also by NGOs, the public, the media, potential investors and purchasers. The field of accountability itself is broadening beyond basic compliance with the law, to issues such as fair trade, improved environmental management, better labor standards, abolition of child labor and respect for human rights. Accountability has led to the spread of certification through measures such as eco-labels, fair-trade labels and social and ethical guidelines. These measures can be complex, difficult and expensive for many companies to follow. Business managers now require a roadmap to navigate this "jungle of demands" while at the same time pursuing their primary objective: to maintain or enhance share value. These demands are encouraging them to take measures to increase corporate transparency.

Global Responsibility's mission is to promote transparency and dialogue as catalysts for CSR. Recently incorporated as a holding company based in Copenhagen, Global Responsibility is also setting up bases in industrialized and developing countries, including the Scandinavian region, India, Canada and Spain. To achieve its mission, Global Responsibility uses the interactivity of the Internet to:

- provide tools to promote corporate sustainability reporting;
- advance knowledge, disseminate information and stimulate dialogue on socio-environmental responsibility; and
- raise awareness and influence policymaking in favor of sustainable patterns of production and consumption.

Global Responsibility articulates three guidelines for a sustainable economy: do not use renewable resources faster than they regenerate; do not use non-renewable resources faster than renewable substitutes are developed for them; and do not release pollutants faster than natural systems can break them down. Global Responsibility intends to work with corporations, civil society and governmental institutions to devise a set of basic principles that will enhance transparency. The Global Responsibility Principles will then be submitted to all customers, suppliers, authorities, investors and cooperating organizations as partners. The three principles relate to:

- transparency: there is scope for far greater transparency, and for tools and approaches that favor it, in the conduct of corporate and public affairs;
- dialogue and participation: this reflects the notion that those who have a stake in decisions, direct and indirect, should participate in taking these decisions with a voice commensurate with the weight of their legitimate stake in the decisions; and

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- accountability: corporations, governments and civil society must be accountable for their actions, and the mechanisms for that accountability must be clear.

It is expected that a text on these Principles will be submitted for adoption and signature at the Global Responsibility Forum in Autumn 2001.

Global Responsibility's core product, the Global Responsibility Communication Platform (<<http://grcp.cybercom.se/scp>>), was originally launched as a research project at the International Institute for Industrial Environmental Economics (IIIEE) at Lund University, Sweden. The Platform will provide free public access to: corporate environmental, health and safety data; corporate social and ethical policies and practices; financial performance data; sustainability measures for products and services; and industry-specific sustainability performance indicators.

The Global Responsibility Forums – a series of annual events in Monaco – are designed to nurture the emergence of a corporate culture based on transparency and accountability. Every year, the Global Responsibility Forum will gather experts from all sectors of society, including corporate executives, public policymakers, intergovernmental officials, non-governmental leaders, community representatives, investors and the media. Each Forum is designed to generate new concepts and guidelines for improved transparency and dialogue that will contribute to the development of the Communication Platform.

REPORT OF THE FORUM

On Thursday, 16 November, Javed Ahmad, Chief Executive Officer (CEO) of Global Responsibility, opened the Global Responsibility Founding Forum. He welcomed participants and said the Founding Forum is a prelude to yearly meetings for joining forces towards the goal of sustainability. He noted work undertaken at the World Economic Forum in Davos toward economic development and he signaled intent to achieve comparable outcomes with regard to corporate responsibility. Stressing the ambitious nature of the undertaking, he emphasized widespread interest in and the perfect timing of the Forum. Ahmad noted Global Responsibility's efforts to set up operations in Monaco and its participation in joint ventures with diverse partners. He said it is thrilling to be part of the new initiative, hoped to infect participants with enthusiasm and called for participants' involvement and guidance. Ahmad thanked the pioneer partner companies, noted the imminent involvement of new companies and signaled the aim to offer a cost effective state-of-the-art service in corporate sustainability reporting.

Ulrika Wennberg, Business Development Director of Global Responsibility, discussed "The Global Responsibility Communication Platform: providing public access to the corporate world." She highlighted increased scrutiny by stakeholders and demand for increased transparency and accountability. She noted the origins and purpose of Global Responsibility as a service company dedicated to enhancing corporate accountability through transparency and building a portal that connects a global community dedicated to sustainability. Wennberg highlighted the company's vision, mission and functions, including facilitation of cost effective reporting, stakeholder dialogue and benchmarking. She noted work done to date, including development of a test version of the Communication Platform. Discussing the work ahead, she stressed that the Global Responsibility Principles to be developed will be key to building credibility, a sense of common purpose and links with governance structures. On the content and functionality of the Communication Platform, she emphasized iterative development, developing resources in partnership and populating the site with short profiles using publicly available data. She also highlighted elements relating to developing the company, building strategic alliances, outreach and awareness-raising, sector intelligence and adding addi-

tional partners in development. Regarding next year's meeting, Wennberg stressed that the Founding Forum is the starting point of an ongoing process, emphasized the need for feedback and signaled a focus on quality panel speakers and interactive dialogue.

INTRODUCTION TO THE GLOBAL RESPONSIBILITY COMMUNICATION PLATFORM: Mats Hägerström, Global Responsibility Sector Advisor, outlined the content of the Communication Platform, which is a web-based service for sustainability reporting and stakeholder dialogue. He said the Platform is about providing relevant information rather than creating information overload. The Platform features information about companies' sustainability policies and performance, allows a user to view and compare specific sustainability data from different organizations, creates a dialogue between companies and other stakeholders on sustainability issues, and contains a resource center with sustainability news, interesting links and detailed information about sustainability topics. Hägerström said the data contained on the Platform is provided by the participating companies and that they pay for communication of this information on the site. He highlighted that it is a free service for users that requires user registration and creation of a profile so that companies know what stakeholder groups are using the site. He demonstrated how users, after creating a profile, can personalize their own pages with specific links, such as to the news archive section of the Platform.

In the "Companies" section of the Platform, a user can search for specific company data by industry sector, country or company name. For example, if a user searches the "heavy construction" sector, all participating companies involved in that industry will be listed. Short company descriptions are provided with links to more detailed information. The company information is grouped into six modules: overview of key facts; general information, such as company description, financial data and contact information; environment, health and safety (EHS) policies, objectives, programmes and performance; information on policies, objectives, programmes and performance concerning products and services; social and ethical information; and information on intellectual capital. He noted that the information in the different modules is in line with the requirements of the Global Reporting Initiative (GRI) and that the provision of information aims to be compatible with reporting requirements of different stakeholders.

He said current company information has been entered by Global Responsibility with the approval of the pioneer partner companies and data credibility is enhanced through random assurance engagements performed by audit partners KPMG and Deloitte and Touche. The companies that have to date listed information on the Platform, referred to as "pioneer partners," are: Hennes & Mauritz (H&M); Fighter AB; Wallin & Dalholm Boktryckeri AB; ITT Flygt AB; Telia; Sydkraft; TransFargo; Skanska Corporate; Volvo Car Corporation; Sony Corporation; Lunds Energi AB; Biomet Merck CCS; University Hospital MAS; Hartmann Group; and Birka Energi AB.

Hägerström highlighted the difficulties of comparing the Platform data but noted that there is a chat room, which serves as a live discussion forum on particular issues. He also highlighted that the "In Focus" section of the Platform contains more detailed information about sustainability issues, such as what is a life cycle analysis (LCA) or an environmental management system (EMS). The idea is to educate the user and improve the quality of the discussion among stakeholders using the site. He concluded by welcoming feedback on how to further develop and improve the Platform.

The ensuing discussion addressed a range of issues including whether or not criteria and definitions are provided regarding the data to be submitted by companies and how data quality is to be controlled. Hägerström noted that it is up to the individual company to decide what data to submit and that the purpose of the Platform is simply to present

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this information. He emphasized that submitted data would be checked by the auditing partners. On the comparability of data submitted to the Platform, several participants suggested this would be essential, although industrial sectors are different, and questioned how qualitative data on social and ethical issues would be compared. Hägerström noted that comparability of data was currently quite difficult but that a dialogue on this subject should take place. He also noted that as yet there were no examples of submitted data on social and ethical issues.

One participant asked if Platform data would be formalized by unit of output, such as kilowatt hours generated. Hägerström responded that this was a long-term goal. Another acknowledged the usefulness of password-based access to the Platform, but asked if this meant that parts of the database were restricted and inaccessible to the public. Hägerström replied that, without registration on the Platform, a user will only be able to access the main page and not the detailed information. Responding to a final question regarding how the Platform will be promoted to stakeholders and the general public, Hägerström said that *Tomorrow Magazine* will assist with promotion and that partner companies will help decide where Global Responsibility should be visible, how and in what way.

PIONEER PARTNERS OF THE GLOBAL RESPONSIBILITY COMMUNICATION PLATFORM: Thierry Larrivé, Global Responsibility Sector Advisor, welcomed representatives of the pioneer partners and introduced Pekka Seitola, Cyber Com Consulting, the IT development partner of Global Responsibility, to report on the status and direction of the system technology being used. Seitola highlighted the key technologies being used, notably XML (extended markup language). He outlined the benefits of XML, the use and security features of the technologies and emphasized that it is fortuitous that XML is now taking off. He also commented on the advantages of using an object-oriented rather than relational database. In general comments, Ulrika Wennberg stressed the importance and value of the open standards used and noted that emphasis had gone into ensuring flexibility, accessibility and security.

Flemming Tost, Deloitte & Touche, next discussed the role and work of the Global Responsibility audit partners in verifying information on the Communication Platform on a sample test basis. He noted that partners are KPMG, represented by Lars-Olle Larsson, and Deloitte & Touche. Tost outlined work done on establishing a series of verification packages, noting that five or six packages with different scopes are currently being used. He referred to work in progress with two companies and noted that the audit packages will be completed based on this experience. In general discussion, answering a question on which type of verification standard is used, Tost noted that the basis for the verification package is the standard of the assurance engagements issued from the International Federation of Accountants. He stressed the need to agree on how to ensure that the verified information is not changed or, if it is, how it will be verified. On the extent to which the packages and verification will be available, Tost noted the information will be on the Internet although the reports will not be publicly available. On how it is possible to benchmark if you have different packages, Tost said, *inter alia*, that the scope of the packages depends on the depth of analysis.

Commenting on further observations, Ulrika Wennberg emphasized a "carrot and stick" approach in data improvement and stressed the core importance of sample verification. Concerning the supply of invalid information, she signaled the future need to address this from a disciplinary perspective. She also noted that 20 percent of corporate fees go toward random verification. A participant queried how the pioneer partners would be consulted in the development process. Wennberg said this will occur in 2001 after the two trial runs when the packages are ready for consultation.

A participant queried the content of the user interface and expressed concern that some content is irrelevant and should not require communication. Wennberg noted the company can choose which categories it will report. A participant indicated an urgent need for discussion by pioneers and coordinators to prioritize steps in developing the Platform. Wennberg indicated intent to arrange a meeting in January 2001. Several participants voiced strong support for work done but said there had been some lack of logic, structure and professionalism.

OFFICIAL INAUGURATION OF GLOBAL RESPONSIBILITY: During the evening of 16 November, participants gathered for the official inauguration of Global Responsibility. Javed Ahmad, Global Responsibility CEO, welcomed participants and introduced Stephen Somerville, Reuters Foundation Trustee, who explained the background to the documentary film "The Global Youth Reporters from Sweden to Jordan," by Via Le Monde (Canada). Somerville said the film was the story of a group of teenagers concerned about the future of the planet who were given the opportunity to tell the world via the Internet about environmental problems and solutions. The Global Youth Reporters Programme was launched at the first Global Environmental Youth Convention, held in Lund, Sweden in June 2000, where 550 young people aged 14-17 met to discuss environmental and conservation issues. At this meeting, 15 youths from 13 countries were selected to go to Amman, Jordan, to report on the second World Conservation Congress of the World Conservation Union (IUCN) in October 2000. He said the film documents their experiences and insights and their reporting exceeded expectations.

After the film, Chris Ryan, Director of the International Institute for Industrial Environmental Economics (IIIEE), noted that the first Global Environmental Youth Convention was hosted by the IIIEE, an Institute that trains graduates to help society progress towards sustainable production and consumption. He highlighted that the second Convention would meet in Turin, Italy in 2002.

Referring to his long involvement in environmental work, Karl Lidgren, Chairman of Global Responsibility, confessed that working with industry had not been easy at first and industry had often been uncooperative. He said that today, however, the situation was different and that various sectors and organizations were working together. He underscored that it is time to cooperate and that the Global Responsibility Forum would allow for a free flow of information for those wanting to participate. He called for assistance and noted parallel and future planned processes and intentions to forge alliances with other partners.

Domingo Jiménez-Beltrán, Executive Director of the European Environment Agency (EEA), said the EEA is providing information useful for improving decision making to produce better policies at the community level. He underscored attempts to create a window for businesses that do well environmentally to do well in business and he lauded transferring responsibility to business, noting they can do better with less interference. He stressed that the new ways needed for making policy were taking shape in the EU and underscored system interconnectivity. By scrutinizing policies, the EU has found inconsistencies and they have discovered the beauty of integration. He indicated his hope that this could occur elsewhere and added that indicators are bringing consistent policies, stating that "consistency" is the magic word. He believed that the Global Responsibility Forum is about checking performance of companies in a consistent way and stressed the networking role of the Forum in bringing transparency, benchmarking and indicators to the "doers." He emphasized bringing along small and medium sized companies and the importance of bringing management on board, and said it is "now or never."

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PLENARY SESSIONS

On Friday, 17 November, participants met in Plenary to first hear statements by Anders Wijkman, Member of the European Parliament, and Doug Miller, President of Environics International. Participants then engaged in six thematic panel discussions.

Speaking on behalf of the Global Responsibility Board, Anders Wijkman welcomed participants and highlighted the elements and historical development of the concept of sustainability. He said good progress has been made since the Earth Summit but emphasized that the overall situation is not positive and that we must do better. Wijkman identified obstacles to pursuing the sustainable development agenda, including low awareness and no agreed definition of sustainability, and stressed that it is difficult to develop the right set of indicators. He said too much emphasis has been placed on the government sector and underscored the centrality of the role of business. Wijkman noted that a strong reason for business involvement is the Internet-induced enhanced ability of consumers to track business activities. He said the main challenge for the meeting and for Global Responsibility is to know where we are and where we are going. He stressed focusing on efficiency to alleviate problems and underscored the synergies between sustainability and information technology. He noted that this year's focus is the Platform and its viability and stressed the importance of having a regular forum to address the elements of sustainability.

Doug Miller highlighted the results and global implications for business of a "Millennium Poll on Corporate Social Responsibility," which surveyed public opinion in 23 countries and encompassed 25,000 interviews worldwide. On the most important goals for a respondent's country, he noted respondent's prioritization of the social agenda (including environment) over the economy in 13 of the 23 countries and said such concerns are increasingly apparent in societies. Summarizing other outcomes, he noted, *inter alia*: rising expectations on the social dimension, directed at the private sector; an "aspirational agenda" open to new leadership, which looks to business for implementation; high focus on social responsibility as a factor determining impressions of a company; strong opinion that companies should go beyond their basic agenda; major expectation of responsibility for core elements such as environment, worker protection and employment equity; rising latent activism toward sanctioning companies; and high corporate social responsibility activism and influence of informal opinion leaders and large company employees. In summarizing, he stressed, *inter alia*, growing insistence on win-win outcomes and the importance for companies to adopt a good offense.

PANEL DISCUSSIONS

The Evolution of Corporate Sustainability Reporting – Past, Present and Future: Chair Magnus Enell, GRI Steering Committee and Corporate Environmental Manager at ITT Flygt, introduced the panelists and said sustainability work in a company involves, *inter alia*: more than following laws and regulations; having an anticipatory management style; working together with stakeholders; continuous technological innovation; and adoption of the precautionary principle. He stated that many companies found it good for business to do more on sustainability reporting and highlighted the GRI Guidelines' key words of integration, credibility, comparability, transparency, verifiability, dynamism, and stakeholder approval. Enell noted that the thread running through GRI reporting is stakeholder interest and that ITT Flygt had developed a sustainability pyramid based on stakeholder input, values and relationships. He concluded by stating that companies must: move from environmental reporting to sustainability work; get more global, not through mergers but by adopting global standards; be more proactive; and engage in benchmarking and comparisons with companies.

Lars-Olle Larsson, Director at KPMG Sustainability Assurance Services, noted the fast developments in this area and outlined the key issues of verification, assurance and perspectives. Highlighting the increasing practice of report verification, he said that while different evaluation techniques have been used in the past, verification tends to be carried out according to widely agreed accounting standards. Larsson said assurance is an umbrella term for the various activities companies undertake with third parties to increase the credibility of information in their reports, while there are many perspectives on verification from expert opinions to formal statements by verifiers. He noted that the GRI has begun to address verification, that there should be greater standardization in the field and that NGOs should be used with respect to social reporting.

Chris Ryan, IIIIEE, suggested thinking about the synergy between three issues: the negative indicators on the global and local environment; the change in locus of corporate value, meaning branding and the importance of image and reputation and the shift from capital assets to human capital; and the growth in IT and increase in transmission and access to data. He said we might expect that negative data will change enormously with IT in terms of an increase in the sophistication of the awareness and demand for such data. He also said the growth of IT has had a significant impact on branding for corporations and that constituents will look for honesty and coherence in brands and punish companies that are not coherent. He concluded by noting that non-corporate reporting, by cities and municipalities for example, should also take place.

Rolf Henriksson, Environmental Manager at Sydkraft, outlined the history of environmental reporting in Sydkraft and discussed why the Communication Platform will help. He said Sydkraft started environmental reporting in 1986 but that some reports had too much information. He noted that getting feedback from stakeholders on their expectations of environmental reporting was difficult and now Sydkraft only gives out special reports to selected groups, such as customers, to show how they are taking steps on environmental regulations. He concluded by noting that the Platform will be cost-effective assistance for environmental, ethical and social reporting.

Ulrika Wennberg, Global Responsibility, discussed the Platform and its role and relationship to other initiatives in the field. She said that transparency is a key driver to a more sustainable society and that the Platform would complement other initiatives such as the GRI. She stated that the Platform will: help companies with reporting in a cost-effective way; give access to information in real time; and act as a personalized tool for users. Wennberg noted that the Platform helps put company performance information in context and creates a dialogue and should become a "one stop shop" for those wanting to embark on the "journey of sustainability."

During discussion, one participant highlighted the implementation of the Eco-Management and Audit Scheme (EMAS) in Europe and the existence of at least 5000 declarations on the environment from all types of companies. He asked how these initiatives fit in and help with sustainability reporting. Ulrika Wennberg responded that EMAS is being revised to require not just a statement but a reporting database, thereby fitting in with the Platform structure. Rolf Henriksson noted that Sydkraft discussed ISO and EMAS with stakeholders, but that they could not always understand what was being reported, and that social and ethical issues may be more influential in the future. Lars-Olle Larsson stressed that GRI has to work with local municipalities as EMAS did and that the broadening of scope in EMAS II to the country level could be a problem for multinational companies.

A participant stated that a big challenge for private companies is to build reputation and there should be caution about "branding oneself" through reporting because being competitive, not reporting, is the ulti-

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mate goal of a company. Another participant commented that there should be dialogue among all stakeholders but that more focus on the private sector is good. He emphasized that transparency will be the catchword for the coming years and that a non-reporting company may run the risk of being accused of contributing to “greenwash.” He added that the financial sector must be educated regarding reporting and suggested that some time be devoted at the next Forum to dialogue with the financial sector. In response, Chair Enell noted the difference between the long-term perspective needed for sustainability issues and the short time scale of the financial sector. One participant highlighted work done in the US on reporting in the financial sector, adding that reporting ultimately adds value for the shareholder and Wall Street must recognize this. He said the insurance community is one of the first in the financial sector to recognize this.

How Corporate Communications Can Fulfill the Expectations of Civil Society: Chair Claude Füssler, Director Stakeholder Relations, World Business Council for Sustainable Development (WBCSD), introduced Raymond van Ermen, European Partners for Environment. Stressing consideration of governance as well as transparency and accountability, Van Ermen noted moves towards responsible entrepreneurship and asked what responsible entrepreneurship means. He highlighted recent messages that the role of companies is to legitimize solutions and that as long as business does not break ranks it will not be trusted. He noted that defining a sustainable future is an evolving debate and said the debate on the digital divide extends to who is controlling whom, an emerging “hot” issue. Van Ermen emphasized moving from data collection to reporting and noted the need to come to agreement on a limited number of convergence indicators using a carrot and stick approach.

Kay Sexton, Executive Director, AccountAbility, highlighted the contrasting complaints of corporations, NGOs, academics and consultancies. She stressed: accountability of both corporations and NGOs; communication through dialogue; helping companies to frame expectations in ways that allow them to be met; and civil society needing to recognize its contributory as well as critical role. Sexton added that companies’ expectations will only be met through partnership and engagement, stressed it is not how we communicate but what we communicate and said companies have a role in defining this.

Michael Stewart, Director of Communications and Membership, Prince of Wales Business Leaders Forum, noted the world has moved from a “tell me” to “show me” model and believed this has further moved to an “engage me” model requiring stakeholder engagement in winning solutions. He highlighted perceived dilemmas as: how to define and choose stakeholders, noting that stakeholders define who they are and with whom they have a stake; limitations on capacity to change environmental realities; the vulnerability to media criticism of companies who do adopt a proactive approach; and how to get large companies to speak with one voice.

Marcello Palazzi, President, Progressio Foundation and Board Member, Bremen Initiative, highlighted the Foundation’s work and said cities are a missing actor in discussions. Stressing that up to 80 percent of economic activity takes place in cities, he highlighted the Bremen Initiative’s work on creating a global city network. He noted, *inter alia*, business-municipality partnerships and supporting sustainable economic development in cities and outlined initiative activities. He also stressed the role of citizens as part of corporate communications and implementation of the sustainability agenda at the local level.

During the general discussion, a participant noted the lack of reference to Agenda 21 and asked what has happened to it. Panelists’ responses noted, *inter alia*, that an Agenda 21 review is underway and that there has been a political rather than action-oriented focus. On a question as to what stakeholder dialogue should look like, Sexton

referred to use of a process standard and stressed learning or shaping stakeholder language and the need to report local impacts in local contexts and languages. A participant said her company needs to work with communication professionals that know how to present data in relevant formats. Palazzi said professionals should be involved but there is a need for media outreach and infrastructure. Stewart stressed that a communication platform needs to be built on action and there must be a shared common agenda. On whether corporations should have to address the rebound effect of environmental improvements, Sexton affirmed that they do have such a role. Chair Füssler noted that engagement is a better word than communication as it brings in innovation and sustainability.

How Corporate Commitment to Sustainability Translates Into Stakeholder Engagement: Chair Dianne Dillon-Ridgley, Director of Interface Inc., noted the synergies in the themes of this meeting. She highlighted her company’s experience with dialogue on sustainability, noting that Interface wants to be the first sustainable enterprise. She noted that all stakeholders at all levels were in a self-conscious process of redefining their roles on this subject and emphasized that employees should be discussed as a critical frontline stakeholder.

Ingrid Schullström, Quality and Environmental Manager at Hennes & Mauritz, said their stakeholders are many, starting with customers but also including employees, shareholders, suppliers, NGOs, the media, trade unions and real estate owners. She highlighted the multiple roles of different stakeholders, such as employees that are also customers or even NGOs that might criticize a company while also purchasing from them. Schullström said that while other speakers emphasized environmental reporting, Hennes & Mauritz concentrates more on social issues, such as labor standards. She briefly described their involvement in a project – the Clean Clothes Campaign – regarding labor conditions, which establishes an internal system for monitoring factories to ensure proper salaries, good working hours, and no child labor. She stated that because of NGO and trade union involvement, this project is an example of stakeholder engagement on social responsibility issues. She concluded noting the desire to achieve a reliable, independent monitoring and verification system that customers can trust.

Anna Lise Mortensen, Hartmann AS, noted that dialogue and communication takes place in many languages and among many cultures. She outlined the role of communication in sustainability as one of six tools of an environmental strategy, which also includes cleaner technology, networks, life cycle analysis (LCA), environmental management and in-service training. She highlighted Hartmann’s elaboration of these tools in the STEP model (Systematic Tool for Environmental Management) and said that they were also moving to consider social issues. She also said dialogue and communication were very important when interacting with the customer.

Paul V. Tebo, DuPont’s Vice President of Safety, Health and Environment, noted that a major current transformation for DuPont is to become a sustainable growth company, which means increasing shareholder value while decreasing the company’s environmental footprint. He highlighted four types of stakeholders: the customer and supplier, who both have significant power; employees, who are often the primary group looking at progress reports and who have been central to the fact that DuPont now has a rigorous reporting system; shareholders, to whom companies must return investment; and civil society, with whom they have many dialogues. Tebo stressed the need for new and broader partnerships with foundations, NGOs and governments. He said critical success factors for dialogues with stakeholders include the need for the dialogue to be an ongoing process at many levels and locations, the participation of senior leadership, the provision of feedback, and interaction between meetings.

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Claude Füssler, Director of Stakeholder Relations, WBCSD, said WBCSD stakeholders are members of the business community. He stressed that businesses must embrace eco-efficiency and social responsibility and that governments must create an enabling environment for this action. He highlighted new business assets of: shared values; alignment and performance; transparency; capacity for constructive dialogue; and innovation under scrutiny. Füssler said growth is required for creating shareholder value, but underlying this is brand reputation, assets and, increasingly, sustainable asset management. He said the Dow Jones sustainability index shows a clear difference between the average portfolio and those that work on sustainability. He concluded by noting that society is ready to “backlash” against globalization and therefore we must reach out beyond the customer and consumer and make globalization work for all.

During the discussion, several participants asked about the increasing polarization resulting from globalization. Schullström responded that many of their company’s suppliers did not accept certain types of standards. Tebo added that younger people were not included adequately in past dialogues and, rather than try to convince them that corporations are right, understanding and ways forward should be sought. Dillon-Ridgley said there is a lack of democracy, in the WTO for example and as evidenced by the collapse of the Multilateral Agreement on Investment (MAI) negotiations. One participant commented that customer choice is not about democracy and that critics see democracy as being taken over by the markets. He suggested that all stakeholders must address the fact that least developed countries have not benefited from globalization and that, while the WTO is the only international institution with significant influence, it is not very transparent and must be improved. Another participant noted the argument that while corporations can be transparent and eco-efficient, they cannot be sustainable. Tebo responded that it was a process and highlighted some steps taken, such as using renewable energy. He also conceded that corporations as they currently exist cannot be sustainable, but that a new type of corporate entity could be. Füssler highlighted the power of the sustainability challenge to drive innovation.

Another participant queried as to the difference between reporting and involving stakeholders in decision-making. Schullström replied that the customer can make informed choices, companies should make information available to facilitate these choices and reporting plays a role in the decision-making process. Mortensen added that communication is a professional skill, and going from talking to dialogue is a complex and interesting process that can sometimes involve too much or too complex data that is not helpful. She said stakeholders should be addressed in a manner that invites dialogue.

Raising Awareness of Sustainability Challenges - the Media’s Role: Chair Claes Sjöberg, Publisher of *Tomorrow Magazine*, noted changes in societal perceptions of government and business and said transparency is no longer sufficient and there is now a requirement to show future action. On whether the media gives sufficient attention to corporate sustainability actions, Stephen Somerville, Reuters Foundation, said sustainability is a boring word that requires definition and the challenge for journalists is to cover stories in a way that will attract attention. Martin Wright, Editor, *Green Futures Magazine*, agreed that the concept is boring and will not usually make news, but noted that recent flooding in Europe has raised its profile and said a way to get stories through is to repackage sustainability under other headings such as finance, energy and tourism. Arthur Purcell, President of Sustainable Resource Management, confirmed that sustainability is also generally perceived as boring in the US and noted several cases demonstrating ways to circumvent the problem. Doug Miller, Environics International, stressed there is a missed opportunity and agenda, which is to get

people talking about the world they want to leave to their children. He underscored the potency of the marketplace and warned against selling the public short.

Sjöberg highlighted data noting low public trust in government, companies and the media and higher trust in families, friends and environmental organizations. He asked panelists why trust in media is low. Stephen Somerville responded that the media is not a monolithic organization but an industry driven by varied commercial concerns. Agreeing that there is a need to repackage sustainability and appeal to the public differently, he said information can be personalized/localized as well as packaged in financial terms. On whether the media should educate the public on sustainability, Martin Wright stressed that, to inform and educate, the media must entertain. He underscored that this is one of the greatest challenges. Stephen Somerville agreed in principle and noted that another media function in the Western democratic model is that of public watchdog of abuse of power. Responding to a query on whether the media has an ethical code of conduct, Martin Wright said there are some codes although they are widely broken. Stephen Somerville noted the existence of, and supported, a self-policing process. Concerning a trend of increasing specialty media for specific subjects, Somerville noted the danger of marginalizing important news issues. Regarding a comment on the dissatisfaction with only extreme black or white events making news, Somerville outlined his experience with educating journalists in the technique of simplifying complex stories attractively and without distortion, offering academic training to mid-career journalists, and encouraging higher reporting standards. Wright said the difficulty of such extremes is not a lost cause and companies can help by admitting mistakes and avoiding adversarial situations. Summing up, panelists suggested that companies should: think about what they would want to read in the media; tell stories as if to a friend as opposed to preaching; focus on the survival instinct of the species; and recall that news is something “new.”

Investor Relations – Trends in the Age of Sustainability: Chair Ivo Knöpfel, Head of Research at Sustainable Asset Management, discussed relations with investors in the age of sustainability. He said one survey of leading institutional investors indicated that many would pay a premium for companies with a high quality of corporate governance, which includes non-tangible aspects like quality of management, environmental performance and social aspects. He noted that at the same time, there is limited but increasing activity in the area of socially responsible investment and, while still a niche market, US figures indicate it involves some of the fastest growth in the field. He asked the panel if they observe an increasing exchange of information between companies and the financial sector on sustainability related issues.

Matteo Bartolomeo, Founder and Partner, Avanzi, responded that information exchange was increasing but mainly in relation to large corporations. Franz Knecht, Founder and Managing Partner, ConNexis, identified this as a dramatic trend and said differentiation is important to investors. He highlighted the two sides of differentiation: positive differentiation was illustrated by companies who represented their ability to invest in large projects like the Three Gorges dam in China as a success story, while negative differentiation was illustrated by those financial institutions that withdrew from the Three Gorges project not because of increased financial risk but because of shareholder activism and negative press. Flemming Tost, Deloitte & Touche, said there was an emerging stream of information between companies and investors on sustainability issues but that multinational corporations (MNCs) had come further than small and medium-sized enterprises (SMEs).

Knöpfel suggested that investors live in a world of big numbers and that they do not understand what the sustainability index is about until it is broken down in monetary terms. Knecht said the best situation for communication is with only one investor, but if there are hundreds it is more difficult. He said discussion should take place in an open and stan-

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standardized way and that nobody wants to invest in a company with a negative image. Knöpfel asked if investor relations divisions are the right place for the interface between company information on sustainability and the investment community, or if it should be a separate function that has a better overview of corporate non-tangible realities. Bartolomeo replied that the situation differs by country but that investor relations could play a much bigger role. Tost said information on sustainability flows through environmental or stakeholder relations departments in companies and investor relations do not yet play a major role. He suggested that, if the task is kept within investor relations, they will need to be educated about sustainability issues. Knecht said investor relations are often situated with the chief financial officer (CFO), outside of stakeholder relations and environment departments, whereas the environment rests with the CEO or chief operations officer. He also questioned what environmental managers know about investor relations.

During the discussion, one participant asked if investor relations can help address the problem of sustainability being regarded as a separate issue that does not filter down through the rest of the company. Bartolomeo responded that there is a risk that sustainability activities will remain segregated, that some environment departments are downsized, and that few corporations have a CSR unit. He said investor relations should play a role in combining all different interests in the company. Knöpfel said some companies have one person in investor relations departments take care of these issues and respond to inquiries about sustainability. He suggested that, while CFOs and CEOs may change, investor relations have more continuity and one person may take a personal interest in and embark on developing know-how on sustainability in the investor relations department.

Another participant said that, when we think about investment from a green perspective, we think of ethical funds with the implication that one must accept a lower return to take an ethical stance. He suggested there should be a wider perception that sustainable investments will generate greater returns, as good environmental management and reporting can be evidence of the overall quality of management, not simply of environmental performance. Knöpfel replied that institutional investors want to see a clear link between sustainability and returns and that different types of products and concepts are required for different types of investors. Knecht noted that in Japan, women have a greater role in investment decisions and this has increased investment in ethical funds, and he suggested a greater dialogue between the environmental community and the financial service sector.

Knöpfel concluded by inquiring whether CFOs and the investment community will use the Communication Platform, or if other tools will be required. He also asked what Global Responsibility should do to engage the investment community and suggested establishing partnerships with mainstream financial media such as Bloomberg and the *Financial Times*. Knecht said that it will be useful if the Platform shows differentiation on sustainability. Tost replied that there is some way to go before investors can address sustainability issues when assessing a company and that Global Responsibility could educate the financial community using information that companies have provided on risk and sustainability issues. Bartolomeo said Global Responsibility can stimulate interest among investors in sustainability, but that they will never rely solely on information provided by companies.

The Global Responsibility Principles: the Launch of a World-wide Consultation through the Internet: Mark Halle, Regional Director for Europe, International Institute for Sustainable Development, noted his partnership role in introducing the Global Responsibility Principles. Highlighting his experience in addressing how to make action sustainable, he noted the need to understand the policy context within which goals have to be achieved, the forces that shape that context and how to change the context to achieve goals. He

outlined two broad trends shaping efforts: the breaking down of the prevailing economic model known as the "Washington Consensus;" and the discovery of a remarkable amount of common ground in looking for alternative solutions. He noted there is increasing evidence that World Bank and IMF prescriptions have failed and that this has cumulative consequences. He underscored that there are deep societal concerns that have come about through the confluence of: a post-Cold War change in human rights focus from preventing government abuses to the promotion of rights and the context needed for this; a related post-Cold War shift in development thinking toward good governance and good policies, which stem from a defense of freedoms; and awareness that environmental goals will not be achieved in a world characterized by deep inequities. Halle cited the recent launch of the report of the World Commission on Dams to illustrate the similarity in conclusions being discussed by different actors. He noted the report came out with embarrassingly simple lessons that decisions involving those affected are better decisions and this requires transparency, an open process, access to information, negotiated solutions and mechanisms for compliance and recourse. Halle advised Global Responsibility to: take an approach to the Principles that shows understanding of the context in which CSR and sustainability is being pursued; articulate shared goals; recognize the common principles emerging in human rights, development and environmental thinking; and focus on building dialogue among these sectors.

Javed Ahmad, Global Responsibility, summarized the proposed process for developing the Principles as: scanning existing principles for sustainability; creating an advisory group of business and civil society representatives to develop the Principles; articulating goals for the Principles; recognizing divergence of opinion; hosting an advisory group meeting in person; launching an Internet conference on the draft Principles; and testing the adopted Principles. He stressed it is an ongoing process and anticipated a concrete result for the first Global Responsibility Forum.

On the evening of 17 November, Paul Tebo, DuPont's Vice-President of Safety, Health and Environment, was presented with the *Tomorrow Magazine Leadership Award* for: integrating the concept of "sustainable growth" into the core strategic planning process across the company's global business units; efforts to link shareholder added value with improved social and environmental performance, backed up with measurable targets; and working to enhance DuPont's societal value in the South through new business models, innovative metrics and stakeholder partnerships.

PARALLEL WORKSHOP SESSIONS

On Saturday morning, 18 November, participants attended workshop sessions on eight different sustainability-related themes. (*Editor's note: due to resource constraints, full summaries are provided for four of the workshops. Coverage of the other four workshops highlights the issues discussed.*)

Benchmarking as an Incentive for Corporate Performance Improvement: Jonathan Bendit, Corporate Benchmarking Services, noted benchmarking is about improving against the better performers. Regarding performance benchmarking, he emphasized that it presents difficulties when comparing things you cannot count, stressed not relying on league tables and said it is the processes that drive performance. On process benchmarking, he said that since you cannot rank the processes you should find different versions of the same process, understand them and then determine which is "better" as opposed to "best" practice. He preferred better to best practice and noted that only by measurement can something be described as best, which excludes what cannot be scored. Bendit noted internal benchmarking is a powerful tool when individuals' prospects are affected by an operation's performance. On competitive benchmarking, he noted the sensi-

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tivity of information and said there is generally a positive attitude in EHS companies toward sharing information. On public/private benchmarking, he noted that an impediment to participation in private benchmarking is reservations about being a poor performer and said this is avoided in public benchmarking where scrutiny for non-participation is higher than it is for poor performance. He also commented on functional and generic benchmarking, noting the former is process-specific and often performance-based and the latter pan-sectoral and often process-based. Bendit then described the development of SHEiiBA (Safety health and environment intra industry benchmarking associations), a collaborative benchmarking tool that allows information exchange between companies. He commented on its question and answer mechanism, links, league tables and policy library features.

Matteo Bartolomeo, Avanzi, commented on the European Environmental Benchmarking Network (EEBN), noting that a need for action in the environmental benchmarking domain led to its launch. He identified barriers to overcome, including: lack of information on environmental benchmarking benefits; lack of knowledge on specific techniques and indicators; fear of disclosure of internal information on environment management; and a defensive approach toward environment management. Bartolomeo discussed process benchmarking in relation to performance benchmarking and directed participants to <<http://www.eebn.org>>.

Martin Bennet, Environmental Management Accounting Network/Gloucestershire Business School, spoke on benchmarking in the financial sector and lessons for environmental benchmarking, noting these could extend to the Communication Platform. Bennet summarized the Interfirm Comparisons (IFCs) performance benchmarking process. He highlighted, *inter alia*: its voluntary, modest cost and 10-plus participation; its quantitative, relative and anonymous information features; its "pyramid of ratios" structure; the role of the coordinator; and the outcomes, potential benefits and key factors for success. Regarding implications for environmental benchmarking, he emphasized, *inter alia*: a role for large-scale, quantitative, confidential performance benchmarking and/or for low-scale, qualitative, in-depth process benchmarking; that understanding the business is crucial; the value of an overarching integrating framework; designing appropriate relative indicators; comparability – at various levels; clarity of purpose (improvement not policing); and confidentiality.

Gergely Toth, Executive Director, International Network for Environment Management (INEM), highlighted a performance benchmarking tool called the ISO 14001 speedometer. He demonstrated how it indicates the top 40 countries in ISO 14001 certification and their certification numbers, country population relative to ISO certifications and country GDP relative to ISO certifications. He also highlighted methodology, results and limitations of a recent survey on the state of environmental management in Hungary. He noted that most sophisticated environment tools are targeted only at larger companies and stressed not forcing companies to do better than others if they wish to "live and not to win." Toth also highlighted a sustainability equation: global environment impact = total population * GDP per capita * environmental impact of GDP unit produced.

Philip Palmedo, Chairman, International Resources Group, noted an example in Indonesia of the effectiveness of public disclosure of environmental performance information to improve environmental performance. He referred participants to <<http://www.rff.org>> for the relevant report.

In general discussions, Coordinator Agathe Bolli, Global Responsibility, asked what is the golden objective of environmental benchmarking? Bendit said it depends on who you ask and their objective. He stressed that it is those who do not want to benchmark who need it most.

On the use of the Internet to share experiences, he underscored that the impersonal nature of the Internet is its greatest problem and that a human layer is necessary so people feel that it is a conduit.

NGOs – Allies and Adversaries: Workshop coordinator Mark Halle, IISD, welcomed participants and noted the key challenge is to work out civil society's relationship to meeting the challenges of CSR. He suggested that workshop participants develop clear and practical advice for Global Responsibility in building their relations with civil society and how they might position themselves to provide services that others are not providing.

Halina Ward, Royal Institute for International Affairs, discussed the emerging agenda of CSR in the context of globalization, particularly with respect to NGO concerns regarding the impacts of globalization. She highlighted three features of globalization: economic globalization, meaning liberalization of trade and investment; technological aspects of globalization in terms of the communications revolution, which highlights gaps between corporate behavior at home and abroad and facilitates the anti-globalization movement; and contextual aspects of globalization, such as ecological interdependence. Ward said that as far as corporations are concerned, there are no international boundaries whereas governments are restricted by borders. She noted the concern that partnership can mean deregulation in disguise but said the bottom line is business must play a greater role in countering the globalization backlash, while bearing in mind the real concerns about globalization. She highlighted the increasing tendency for legal action against parent companies at home for impacts of their operations in developing countries and said company reporting should better reflect environmental and social issues. She cited the examples of the US company, Unocal, and their problems operating in Burma regarding human rights and the UK company, Thor Chemicals, and their problems in South Africa regarding mercury poisoning. She concluded by suggesting Global Responsibility could offer an opportunity to make hard links between globalization and corporate responsibility in terms of pushing the boundaries of corporate reporting.

A participant asked how corporate citizenship should be defined. Ward replied that the corporate responsibility agenda is usually defined by voluntary approaches, but that there is also a legal bottom line. One participant speculated as to whether the recently agreed International Criminal Court could be used to sue companies for violations of human rights, while another participant wondered if corporations will stop asserting claims to responsible activity because of fear of litigation. Ward responded that the best response for a company would be to apply best practices wherever it operates and that it could also be helpful to acknowledge moral but not legal responsibility as a step forward.

Jem Bendall, New Academy of Business, noted that terms like civil society, NGOs, and "third sector" are often used interchangeably. Regarding corporate legitimacy, he said the general perception was that the actions of a company are desirable or acceptable within some assumed value system, but that these assumptions are changing because of globalization. Bendall said NGOs have become frustrated with lobbying governments and therefore have focused more on influencing corporations, as, for example, in the direct campaign against Monsanto in India. He added that there has also been cooperative work, such as that on waste reduction undertaken between McDonalds and Environmental Defense. He highlighted different NGO strategies for influencing business, such as confrontation versus collaboration and working inside or outside the market. He said NGOs can try to: force change, as in "anti"-campaigns; produce change, as in the case of "fair-trade" labeling; facilitate change; or promote change through, for example, ethical trading initiatives. He concluded by highlighting increasing "civil regulation," which is the quasi-regulation of business by civil society, and noting that many issues remain about the efficacy

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of civil regulation to deliver a just and sustainable society because of problems such as cooption of NGOs by business and differences between North and South.

Simon Heap, International NGO Training and Research Centre, suggested Global Responsibility consider that the two different audiences – NGOs and business – have different elements. He said some audiences need more education than others and that some audiences have entrepreneurs who try to promote change. Increasingly, he said, the two audiences are looking beyond “funding and fighting” for commonalities of agendas and some NGOs and companies are starting relationships based on dialogue. He also suggested that such partnerships are a recent trend mainly in the Anglo-Saxon world. Heap highlighted the idea that “humanizing capitalism” is perhaps the key task of the 21st century and that the company that exists only to maximize shareholder value is no longer relevant. Nevertheless, he suggested that NGOs would need to reject the idea that business does not matter and realize their own assets regarding expertise, advocacy, legitimacy, information and vision. He stated that trust is becoming a fundamental driver for partnerships between the sectors, and that NGOs should not endorse companies but engage them critically. He suggested that in increasingly knowledge-driven economies and information-soaked societies, Global Responsibility could promote understanding.

One participant commented that there is some perception that the public tends to trust NGOs more than corporations, but that the media reflects an “anti-special interest” view of the public. Heap replied that legitimacy and ethics will increasingly be a hot topic for NGOs and their accountability and sources of funds will be questioned. Bendall said NGOs must say who they are and what they stand for and suggested that accountability with respect to large NGOs and MNCs was not the same as talking about the accountability of all of civil society. Another participant suggested that legitimacy comes from good ideas. Bendall proposed that Global Responsibility look at going beyond corporate governance, to consider establishing a sustainability stock market that includes sustainability criteria set up by a panel comprised of representatives of civil society. One participant commented that NGOs may have more legitimacy in one part of the world than in another, and that local NGOs may have more legitimacy than large international NGOs in some cases.

Heather Creech, IISD, discussed “knowledge brokering” and the importance of NGOs learning different languages if they are to communicate with the private sector. She said business wants information resources for business and environment issues, including information on concepts and case studies. She highlighted IISD’s attempts to approach business schools – as a means of reaching SMEs and other corporations – for case studies, but noted the corporations would not allow the information to be published on the Internet. She also highlighted the experience of Development Alternatives in India, a dot.com start-up that created Internet “kiosks” to connect villages for purposes of sharing information about markets and to advertise products.

Michel Wiehen, Transparency International, discussed corporate corruption. He noted the willingness in industry to eliminate corruption and bribery, but said this remains difficult to do internationally. He said the main problems were awareness in smaller companies and lack of ability and willingness to pursue cases legally. Wiehen highlighted that the EU and OECD have shown willingness to move ahead on this issue and that governments are receiving encouragement from industry to get involved. He noted an example in Colombia where partnerships are made between suppliers and producers to remove bribery as a means of doing business. He concluded by saying transparency is the watchword and that business transactions that are carried out openly, and that engage the public and other stakeholders, are successful.

Edgardo Garcia, Living Earth Foundation, stated that NGOs are a very diverse group and that legitimacy is determined in culturally-specific contexts. He said partnerships and dialogue between government, business and communities – with NGOs acting as facilitators – hopefully lead to consensually-decided policies and approaches, as well as legitimacy. Roger Hammond, Living Earth Foundation, highlighted the case of Shell in Nigeria. He said his NGO had offered to give Shell feedback on their activities and found that the antagonism was not as great as expected between Shell and the villagers. He suggested this was due in part to the fact that corporations are made up of people who want to feel confident in what they are doing. The lesson is that sometimes you need to stand back and allow creativity. He suggested Global Responsibility stimulate exchange, bring perspectives together, share information and ideas, and facilitate the creative process. He cautioned against disempowerment because of strongly dictated principles and said flexibility was more desirable than “global principles.”

Ingrid Schullström, Hennes & Mauritz (H&M), highlighted H&M’s positive experiences with NGOs in consultative processes. She noted that H&M were not development, environment or human rights experts and therefore needed help with those issues. She expressed mixed feelings about cases of H&M being targeted by NGOs for certain issues that they were already working on. She said corporations should not just be criticized, but that they require constructive advice as well. She said Global Responsibility can help by establishing contacts.

Social and Environmental Concerns as a Driving Force for Investment: This workshop focused on the type of information needed to identify, assess and benchmark superior sustainability performance, including different methods, ways of analysis, and comparability and credibility. The session was aimed at corporate industry representatives with an interest in successfully addressing financial service providers and their institutional or private clients. Franz Knecht, ConNexis, coordinated the workshop, with input from expert Ross Stevens, Stevens Associates.

The workshop recognized that in the last few years there has been a growing interest in corporate social responsibility from various players in the financial services industry. Leading asset management firms and pension funds are currently addressing the economic and societal relevance of corporate environmental and social performance. The message is that sustainability driven companies are attractive for long term sound investment strategies.

Prevention is Better than Cure: A Look at the Healthcare Sector: This workshop recognized that, for the past few years, financial institutions have appointed the healthcare sector as one of the most “sustainable industries.” At the same time, the US Environmental Protection Agency identified the healthcare sector as a major source of pollution, jeopardizing public health. However, there are signs that the health service sector has recognized the need to demonstrate a higher degree of responsibility and accountability, not only with regard to quality and costs, but also concerning environmental and social issues. The workshop was coordinated by Andrea Cederquist, Global Responsibility and Per-Gunnar Svensson, International Hospital Federation, with a presentation from Martin Mühlick, University Hospital Freiburg. It was sponsored by Global Health Access, LLC-PHM International.

The workshop noted that the implementation of Environmental Management Systems in hospitals and the establishment of organizations like *Health Care Without Harm* or the World Health Organization (WHO) project *Hospitals for Health: Integrated Care*, are just some of the initiatives pointing at this increased awareness. By eliminating or reducing the use of toxic substances, reducing resource consumption, decreasing the quantity of waste streams, and switching to waste

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disposal technologies that are more environmentally sound, health service organizations can both reduce their environmental impacts and realize considerable cost savings.

The aim of the workshop was to: pinpoint key areas from a decision-making perspective regarding how a pollution prevention approach in the health care sector can reduce the environmental burden, prevent illnesses and cut costs; and identify information needs of the general public, health professionals, authorities and other stakeholders relating to the environmental and social performance of healthcare organizations. It considered what tools would facilitate this information flow and enable benchmarking and exchange of best practices.

The Growing Market for Responsible Sports: Presenters for this workshop were David Stubbs, Executive Director, Committed to Green Foundation, and Paul Spencer Sochaczewski, Contributing Editor, *Earth Times*. The workshop noted questions on whether, in the wake of the Sydney Olympics, dubbed the "Green Games" for their strong commitment to environment protection, there is a growing market for environmental technology and services in the sport sector and whether sport, with its huge popularity and global audience, can become an effective vehicle for promoting sustainable solutions. It further noted that, like all other major industry sectors, the sports world is facing increasing challenges in the environment field and that many sports organizations are beginning to address the environmental question. It noted that a number of sports have produced policy statements and are keen to demonstrate a responsible approach. The workshop considered: what was achieved at Sydney's Green Games and how this represents a benchmark for future Olympic games and other major sports events; wider legacy issues such as can the Green Games initiative extend to operational management of regular sports facilities; the Committed to Green concept; how the Global Responsibility Communication Platform can meet the needs of the sports industry by providing a credible vehicle for reporting on environmental performance; and the role of sponsors, the media and the sports community in delivering a Green Games message – what structures and tools are necessary.

Towards Sustainable Travel and Tourism – Intermediaries Communicating Responsibility: This workshop addressed how intermediary firms, through stakeholder communication, can promote sustainability and action in the tourism industry. It recognized that tourism is the largest industry in the world and that, while in many ways it encourages development, it has a wide range of socio-cultural and environmental impacts that eventually result in economic deterioration at destinations. It took into account tourism's need for internal cooperation and engagement of external stakeholders in a process towards sustainability, particularly through heightening market awareness of tourism's negative impacts by way of increased access to sustainability related information and possibilities to benchmark different service suppliers. The workshop recognized the catalytic potential of intermediaries, like tour operators and travel agencies, to influence service providers and direct customers as well as intermediaries' own indirect impacts. Noting that current intermediaries are lagging behind other industry sectors with regard to sustainability actions, it considered lessons learned by "early movers" and addressed how intermediaries in the tourism industry can: demonstrate top management commitment; direct consumers' choice and behavior; inform about tourism and sustainable development; influence, monitor and benchmark sub-contractor performance; promote employee motivation; interact with local authorities, networks and NGOs; support destination management policies and strategies; facilitate supply chain management; aggregate performance data to support corporate reporting; attract investors; and increase shareholder value. The workshop also considered how such objectives might be assisted by an Internet-based communication plat-

form. Workshop presenters included representatives of academic institutions, regional organizations, tour operators, business travel associations and tour agencies.

Observations, recommendations and outcomes included the need for better and more reliable indicators, annual publication of formal environmental policy statements, dissemination of company environmental commitments, use of formal codes of practice, regular views of progress, systematic monitoring of customer satisfaction questionnaires, and membership in a recognized environmental award/certification scheme. Participants stressed the need to be proactive and to take advantage of intermediaries' catalytic potential. Also noted was a labeling scheme - Destination 21 Association - for Danish tourist destinations, scheduled for completion by summer 2000. The labeling scheme is based on a series of targets within the objectives of ecological, economic and sociocultural sustainability and also includes interdisciplinary targets directed at the formulation and integration of sustainability.

Communicating Social and Ethical Issues: Coordinators Kay Sexton and Mike Peirce, Institute of Social and Ethical AccountAbility (ISEA), organized this session around a "crisis" role playing activity. Participants were presented with the fictional situation of a UK-based company, "Sports Unlimited," that has just learned about a TV programme that will expose the company's labor practices at its tennis racquet factory in Africa. The programme will show young male workers receiving below national minimum wages and allege that the factory manager has confiscated their passports. Participants role-played in two groups: members of the company board at a meeting to discuss their response to the crisis; and company stakeholders, such as investors, shareholders and a human rights NGO, at a meeting to discuss their response to the situation. The role-play resulted in the Chairman of the Board stating that the company had investigated the allegations and reiterated their position on social responsibility. She said they would redress the particular situation in Africa with a programme to ensure that the limited number of children are put through school. She accepted that wages were below acceptable levels and they would reinforce stakeholder dialogue in the region, in particular with trade unions. The stakeholder group expressed disappointment with the company response, with some saying that the company should be boycotted. The NGO representative demanded that social and environmental externalities be internalized by the company. They also demanded an external, independent assessment of the problem and creation of industry standards of conduct.

After the role-play, participants discussed their reactions. The coordinator noted that neither group had involved members of the other group and therefore had accepted the polarization of the issue as it was presented. She said this was not a good example of stakeholder dialogue. Nor were the media involved or questioned regarding their role in publicizing the situation. One participant noted that the company got "lost in crisis management." Another participant noted that NGOs do not always have the resources to investigate such situations. One participant suggested that the media should be treated as allies rather than adversaries to help undercut polarity while another noted that it should not take a crisis to begin a dialogue, because then it is polarized. The coordinator said that stakeholder groups are not necessarily homogenous and can change their roles and interests depending on the issue, and that simply identifying different stakeholders as "friendly" or "hostile" is unhelpful. She proposed initiating dialogue before a crisis hits.

The coordinator asked what lessons could be drawn from this exercise for the Communication Platform and inquired what the Platform should look like to help deal with crisis situations. One participant noted that the existence of the Platform would probably not have made a difference to the media, but what the Platform could do is map out the

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situation before the crisis in terms of what types of codes of conduct a company has or does not have. She said that, if that information is on the Internet, it could help journalists be better informed and the company would also know what information was publicly available. Another participant said there is a dialogue section on the Platform that could promote discussion during a crisis. One participant suggested that the Platform could provide an opportunity to enhance learning in that companies could tell stories to help others learn from crisis experiences. Another participant stressed that this was not only about communication but about the fundamental values of our societies and that leadership and trust were required.

The coordinator asked if the information and stories on the Platform should be transmitted back down to the different parts of a company not normally directly involved in reporting and dialogue. Participants generally agreed that this was a good idea. On the issue of creating different levels of sophistication in the Platform, one suggested that large universities could provide resources, while another said it should be kept focused so that usable information is accessible in a short time. The coordinator said there are two issues: the information itself and the question of access to the information. One participant said it was still not completely clear who the intended users of the Platform are and therefore it could first be set up for a specialist audience and then considered for wider availability. The workshop concluded with wide appreciation expressed by participants for the value of the role-play simulation.

From Environmental to Sustainable Product Related Communications: The coordinator for this workshop was Martin Charter, Centre for Sustainable Product Design. This workshop recognized that sustainability communications through corporate environmental reports have in the past mainly focused on environmental issues such as eco-efficiency and environmental management at the corporate level, often neglecting considerations at the product level. Currently this focus is shifting as corporate environmental reports and websites with information on corporate environmental, health and safety performance are increasingly providing information on product stewardship, eco-design and design for environment. It recognized, however, that developing a "triple bottom line" approach raises a number of new challenges, such as how companies with extended supply chains should deal with child labor or working conditions of subcontractors.

It noted that sustainable product communications (SPC) will require the development of systematic information systems to collect and integrate economic, environmental and social data throughout the lifecycle of the product or service. Involving internal and external stakeholders in an open discussion is an important step towards a holistic approach with clear objectives, strategies and programmes.

CLOSING CEREMONY

On Saturday afternoon, 18 November, participants gathered for the closing session of the Global Responsibility Founding Forum. Javed Ahmad underscored his pride, on a professional level, in the overall quality of the Forum and, on an emotional level, his sense that something important and having great potential was underway. Signaling Global Responsibility's intent to backup commitment with action, he introduced Ulrich Goluke, WBCSD.

Speaking on "trust and service in a transparent world," Goluke drew parallels between our world and a fictional world to disseminate his message. He stressed that the mistake made in the past, when subsistence was a primary concern, and still made today, is assuming that starving people have no interest in or ability to discuss ethics. Describing this as the "Brecht Illusion," he said it is just that these people have no time since they are busy trying to survive. Referring to the transition from meeting material needs to meeting non-material

needs, Goluke equated ethics with: identity (who am I?); relation (how do I behave?); purpose (what am I here for?); and legacy (what will I leave behind?). He stressed that we have not overcome our past focus on material needs and we continue to carry our scarcity instinct forward without thought of ethical considerations and underscored that this must change. Goluke then described the trials and tribulations that await us, going from: "more is always better" to "what do you really need?"; "being your function" to "who are you?"; "adapting" to "learning and creating"; scarcity to abundance; and from sustainability as productivity to sustainability as a framework. He considered that the "supreme ordeal" will be going from "nobody will find out" to values-based commerce. In this regard, he noted that trust and a value-based approach are important in an abundant world where people have time to ask questions about products. Beyond trust, he said, is the step to "service," which encompasses how a product serves material needs as well as identity, relation, purpose and legacy. Goluke closed saying we are learning to live by creating and exchanging trust and service.

THINGS TO LOOK FOR

GLOBAL BUSINESS, HUMAN RIGHTS AND DEVELOPMENT POLICY: This conference will convene on 21 November 2000 in Brussels, Belgium. It is organized by Forum Europe in association with CSR Europe, Humanitarian Affairs Review, the Institute for Social and Ethical Accountability, the Ashridge Centre for Business and Society, and Premier Oil. Contact: Aoife Black, Forum Europe, Brussels; tel: +32 2 738 7595; fax: +32 2 738 7599; e-mail: aoife.black@forum-europe.com

POLICY AGENDAS FOR SUSTAINABLE TECHNOLOGICAL INNOVATION: This international conference will meet from 1-3 December 2000 in London, UK. Organized by the Department of Innovation Studies, University of East London, this will be the third conference of the European POSTI project: Policies for Sustainable Technological Innovation in the 21st Century. Contact: Gillian Perkins, University of East London; tel: +44-20-8223-4215; fax: +44-20-8223-7595; Internet: <http://www.esst.uio.no/posti/UEL.html>

WTO GENERAL COUNCIL: The WTO's General Council will meet from 7-8 December and 18-19 December 2000 (Special Session on Implementation). Contact: Nuch Nazeer, WTO; tel: +41-22-739-5007; Internet: http://www.wto.org/english/thewto_e/gcounc_e/gcounc_e.htm

WORLD ECONOMIC FORUM ANNUAL MEETING: The 2001 annual meeting of the World Economic Forum will meet in Davos, Switzerland from 25-30 January 2001. The theme of the meeting is "Bridging the Divides: Creating a Roadmap for the Global Future." Contact: Maude Lichtenstern, World Economic Forum; tel: +41 22 869 1210; fax: +41 22 869 1394; e-mail maude.lichtenstern@weforum.org; Internet: <http://weforum.org/>

THIRD INTERNATIONAL MEETING OF ECONOMISTS ON GLOBALIZATION AND DEVELOPMENT ISSUES: This meeting will be held in Havana, Cuba from 29 January - 2 February 2001. Contact: Asociación Nacional de Economistas de Cuba, Calle 22 No. 901 esq.9a, Miramar, Playa Ciudad de la Habana, CP 11300, Cuba; tel: +53-7-249-461; Internet: <http://www.unchs.org/unchs/english/calendar/>

PARTNERSHIPS AND SOCIAL RESPONSIBILITY IN THE NEW ECONOMY: This conference will meet in Copenhagen, Denmark from 27-29 June 2001. It will bring together government officials, businesses, NGOs, scholars and other parties engaged in the field of partnerships and social cohesion. Contact: Niels Hojensgard, The Copenhagen Centre; tel: +45 3392 9245; e-mail: dpnih@sm.dk