

**European Conference
“Towards a Greater Understanding of the
Changing Role of Business in Society”**

**4th Session :
Corporate Social Responsibility
in a globalised economy**



Speaker:

Oliver GREENFIELD
WWF-UK
Director of One Planet Business

Discussion Input

Oliver GREENFIELD

Head of Sustainable Business and Economics

Project Leader **WWF-UK Sustainable Business and Economics**

WWF-UK's Sustainable Business and Economics

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1. Conference theme

- The changing role of business in society -asks the questions: is the change for business to define alone?
- for policy makers and other stakeholders to define?
- and what is the role of CSR in these responses?

2. The scale of the challenges and is the business response commensurate?

- The scale of the challenge - from WWF's Living Planet Report - we are currently living 40% above biocapacity levels with trends taking us to 2 planets by 2030. The range of ecological challenges is also well captured by the recent 9 Planetary boundaries work by StockholmResilience.org
- links to the review:
 1. <http://www.nature.com/nature/journal/v461/n7263/pdf/461472a.pdf>
 2. <http://www.stockholmresilience.org/research/researchnews/tippingtowardstheunknown.5.7cf9c5aa121e17bab42800021543.html>
- WWF's conclusion- the current business response is not commensurate to tackling these challenges and specifically reducing CO2 emissions by 80% by 2050

3. The Avenues for change that are being discussed are:

- CSR
- CSR plus stronger stakeholder input
- Increased policy direction

4. CSR has had over a decade to respond to these challenges and has proven itself, alone, inadequate to the task

5. Stakeholder engagement - although supported by WWF, is not the panacea as it is again voluntary and depends on the skills and capacity of NGOs to respond. EC should look at the skills and capacity of NGOs to support this approach, and consider its role in supporting civil society in this enlarged expectation.

6. Policy - has, in the case of the financial sector, and other sectors been so far inadequate and needs to be strengthened to give business the right signals and frameworks

7. Policy creation - has, certainly in the UK, has been too closed a process to NGOs and to influenced by corporate lobbying - example, 'UK ministers for hire' scandal. WWF recommends that EC look at how to open up the policy process, make it more transparent, and look at the issue of corporate lobbying with the intention that all parts of society have a more equal influence. To this end EC look specifically at how to engage civil society better.

8. Final conclusion, nothing short of transformation of the role of business is required to tackle the scale of ecological challenges. EC should look at how to achieve transformation of business, by working in closer partnership with NGOs, business and policy makers at all levels in action research projects where policy can be made in a much shorter time span and link this work into economic reform -such as beyond GDP- WWF recommendation - EC look

at WWF's One Planet Economy, One Planet Finance and One Planet Food systems change networks.

I had also intended to introduce the concept of Systemic risk but did not have time. I attach a couple of paragraphs which may form the basis of ongoing debate:

"- '**systemic risk**' - seeing risk beyond the traditional boundaries of individual organisations, at a system level. Ecologists are used to ecosystem risk - ecosystem decline that then collapses into runaway states. With the state of the world's ecosystems we cannot continue to take stable ecological conditions for granted - either at a local level or global level.

This ecosystem risk expands the operational risk profile to businesses but also creates risk changes in social systems. We see political change creating new governance structures, laws (UK Climate act- used to stop the third runway at Heathrow, Marine Act etc) and filtering down into economic rules - carbon pricing, removal of old subsidies, creating new subsidies, new reporting requirements for business; Change in financing - new company/industry risk profiles for insurance and investment and finally, different consumer behaviours and demands. This - Ecosystem, operational and societal risk adds up to be Systemic risk.

WWF's conclusion is the individual company CSR activities are inadequate to change the markets or economy in time, or protect them from Systemic risk."
