

# Business as a Force for Good:

## Profits Essential but Not Everything

In this era of dramatic change, some of the planet's top business leaders are on an urgent, if surprising, quest. They are trying to figure out what business is for.

To cynics, the answer would be simple: business is for profit.

But to this group, who formed the not-for-profit membership organization Tomorrow's Company, the answer is more complex. To them, business must be a force for good.

"Profit is absolutely essential, but it is not everything," says Sir Mark Moody-Stuart, chairman of Anglo American, an IISD board member and a member of the inquiry team that produced the group's latest report, *Tomorrow's Global Company: Challenges and Choices*.

And they are busy spreading the word of what they mean by that. Tomorrow's Company founder director Mark Goyder, who is based in London, England, has just come back from a trip through Asia and Australia to talk about the report. The group is also setting up an interactive website at [www.forceforgood.com](http://www.forceforgood.com)

Sir Mark gave a keynote speech on the topic at IISD's board meeting in Toronto earlier this year. As well, *Challenges and Choices* formed the basis for a major discussion at the Globe 2008 meeting in Vancouver in

March, featuring Tony Manwaring, chief executive of Tomorrow's Company and IISD's president David Runnalls, among others.

Why must business be a force for good in society? Sir Mark says it's a question of enlightened self-interest for modern business. As he and other international business leaders see it, the current framework for global companies is unsustainable.

This means that companies are using the planet's resources in ways that won't last. As well, it means that the current global framework has done little to solve persistent poverty. Not only that, but the daunting challenge of climate change is still not being addressed in the global business framework, he said.

Runnalls, also a member of the report's inquiry team along with IISD chairman Daniel Gagnier, summarizes their findings this way: "In spite of the success of the market in lifting millions from poverty, having a vested interest in an unsustainable system is having a vested interest in failure."



So what does this think-tank and do-tank recommend?

John Manzoni, president and chief executive of Calgary-based Talisman Energy, Inc. and the report's co-chair, cites three main points.

**First:** redefine business success. Success, he said, is not just about a company's finances. It is also about its social, environmental and human interactions.

**Second:** define your values, tell the public about them, live by them and embed them in your decisions.

**Third:** work with government and civil society to create a sustainable framework for business. In other words, actively press for changes that will make business's activities, including its profits and its interactions with people and the natural world, sustainable over time.

**To order the *Tomorrow's Global Company: Challenges and Choices* report and other publications, visit:**  
[www.tomorrowcompany.com/publications.aspx](http://www.tomorrowcompany.com/publications.aspx)

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## How Canada Can Regain its Sustainability Standing in the World



Two decades after the idea of sustainable development captured the public agenda, Canada is far behind countries such as those in the European Union that have knitted the idea into their very fabric, or the World Trade Organization that holds it as a central principle. Yet Canada was instrumental in inventing sustainable development.

IISD's president, David Runnalls, spoke at a community breakfast in Vancouver on March 13, 2008 to explain why Canada dropped the ball and how it can get on top of its game again.

Corporate leaders who had backed the goals of the Earth Summit in Rio de Janeiro in 1992 moved on, to be replaced by those who didn't understand sustainable development, Runnalls said. Then came Canada's constitutional crisis and the war against the deficit. Result, he said, most of our politicians failed to speak up for the environment while eco-fatigue set in among the public.

Today, Canadians are more concerned about climate change than the citizens of any other developed country, Runnalls said, noting that it is not inconceivable that climate policy could bring down a government. So how can Canada regain international respectability – if not leadership – on sustainable development?

**“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”**

–The Brundtland Report, *Our Common Future*, 1987

### Here's Runnalls's recipe:

1. We need to remember the number one issue of the 1987 Brundtland Report: The world's environment and its economy are so closely linked that policies which ignore the other are bound for failure. We need to integrate environment into economic decision making at all levels of government and in the private sector.
2. We need at least a federal sustainable development strategy. Best is a national strategy, developed through public consultation, both via electronic and other means.
3. We need to develop an economic policy that promotes sustainable development. Carole Taylor's recent budget in [British Columbia] is the best example in recent memory of a budget carefully crafted with the environment in mind.
4. We need a national conversation about energy policy. As the Prime Minister has said repeatedly, we are an energy superpower. And we need to act like one.
5. We need a climate policy that is acceptable to Canadians as a whole. It looks as if we are moving toward a crazy quilt of federal and provincial policies at a time when the U.S. appears to be moving in the opposite direction.
6. We need to do something about adaptation to climate change. As any northerner can tell you, climate change has already begun in a major way north of 60 [degrees].
7. We need a more sustainable approach to natural resource management. Although our management of fisheries, soils, water and forests seems to be slowly improving, we have a long way to go.
8. Developing countries need to be part of the climate change solution and Canada needs to take a lead role in helping them to develop their own sustainable energy paths.
9. We need to reform international environmental governance. We need to have forums where real agreements can be reached ... (and) get the 15 countries responsible for the vast majority of the world's emissions to agree on policies to curb emissions, to price carbon, to create new technologies, before the other 175 are brought into the debate.
10. Finally, we have to engage and energize young people. And if we do not take strong actions within the next 10 to 15 years, the world will become an awful place to live.

To read IISD President David Runnalls's speech in its entirety, please visit the IISD's Home Page online at [www.iisd.org](http://www.iisd.org)

# Notable Quotes from Globe 2008, Vancouver, B.C.



The Globe Conference, which brings the brightest business minds from around the world to Vancouver every two years to plot practical solutions to environmental problems, is a seminal event in North America. Over the years, many seemingly outrageous ideas first discussed at the conference have ended up accepted wisdom shortly after. It is the North American business world's cradle of sustainability.

In itself, that makes Globe a red-letter event for IISD; its representatives gather there in force to share ideas and pick up new ones. But, for IISD, there's an even greater significance. The federal government announced the birth of IISD at the inaugural Globe meeting in 1990 and the institute and the conference have grown together in sophistication and heft in the years since.

Here's a taste of Globe 2008, held in Vancouver in March, from a smattering of quotes from the sessions and related events.

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“Today, the people who I call the Big Chill generation...who happen to be rich, educated and in their 50s, are growing in numbers and the biggest issue for them, as they see it, is climate change.”

– Miro Cernetig, Vancouver Sun columnist

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“Everyone wants to measure their halo of goodness.”

– Lyn Brown, vice-president of corporate relations and social responsibility, Catalyst Paper Corp., Richmond, B.C.

“It's not about changing what you do, it's about changing the way you think.”

– Claude Ouimet, senior vice-president and general manager, InterfaceFLOR, Newnan, Georgia

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“On my way to Globe today, I saw a busboard which read ‘Buy Toyota and Lessen Your CO<sub>2</sub> Emissions.’ Using the carbon issue as a sales slogan demonstrates the extraordinarily high awareness level B.C. has. This has yet to happen in the USA.”

– Adam Aston, Energy & Environment Editor, Businessweek, New York

# Sustainability Today Q+A:

## A Few Minutes with Dara Edmonds

Dara Edmonds is a lawyer and sustainability consultant in Vancouver specializing in social auditing and corporate social responsibility. Recently, she led Vancouver's Social Action Team of government and non-profit experts in the development of indicators to measure and track social sustainability across the region. Edmonds was also on the team that created Vancouver's international Cities<sup>PLUS</sup> 100-year urban plan which won the grand prize for urban sustainability at the World Gas Conference in Tokyo in 2003.



Edmonds's roots with IISD began with her involvement in its youth internship program in 1999. As a program assistant with the International Centre for Trade and Sustainable Development in Geneva, she developed material for the World Trade Organization's Ministerial Conference in Seattle. When *The Innovator* recently caught up with her, here's what she had to say:

### **Q: What trends in sustainable development do you see in the world and in your work today?**

**A:** I see a greater and growing awareness of CO<sub>2</sub> emissions and green energy...especially where I live and work. On the energy side, our provincial government is taking a leadership position, particularly in regards to climate change. Rossland, Squamish, and Whistler are examples of small B.C. towns that have developed visions, targets, and action plans for sustainability.

In my work, I see more and more corporate reports that specifically address and measure environmental impacts. However, I can't help but wonder exactly how many reports are powered by actual concern for our planet versus public relations or "greenwash."

Today, an increasing number of companies are hiring in-house sustainable development experts. That's another positive trend. I can remember what it was like when I started my career. When staff cutbacks occurred in 2000, the first one to be let go was often the environmental person. All that has changed now.

### **Q: What triggers these trends and where do you think they are going?**

**A:** Al Gore's film *An Inconvenient Truth* continues to have an enormous effect in terms of getting the concept of sustainability into the mainstream. What this leads to, I think, is large companies and governments starting to take these issues seriously and make changes. Smaller-scale companies, non-publicly held companies, and communities have often been in the forefront of sustainability, being able to accomplish more – sustainability-wise – in less time than large corporations and cities.

The optimist in me loves to witness the increasing, in-depth dialogue among people, companies and communities. But for us to get past our present "Can we do it/How do we do it?" stage, my pessimistic side reminds me that it may take a catastrophe to propel our leaders into action.

Resource scarcity or a pandemic might have to happen. Perhaps things need to go from bad to worse for some good to come of it. This way, governments can take steps to preempt the next disaster. And that's where I believe the real change has to happen, first...at the government policy level not just locally, but collaboratively and globally.

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**Ideas alone cannot change the world. But people can. That's what our 'Bridging the Gap between Knowing and Doing' Capital Campaign is all about.**

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**Together, we can make a world of difference.**

– Charles Loewen, 2008 Campaign Chair