**ICC PARIS**

***‘21ST CENTURY GROWTH FOR PEOPLE AND THE PLANET’***

***Introduction***

* Thank you for the kind introduction, Emmanuelle. It’s great to be here with you and Philippe this evening.
* And thank you everyone for taking the time to join us; and for the important work you are doing.
* Working life can sometimes focus to much on our day-to-day concerns.
* Immediate and short-term targets and considerations, such as quarterly results...I think we all know the feeling!
* But today I would like to step back.
* And talk instead about the vital role the ICC can play – with its unique global reach – in helping to make trade work for people and the planet.
* A role I know ICC France takes very seriously, demonstrated by the tremendous work you already do to support this crucial agenda.

***A critical inflection point***

* The world has unquestionably reached a critical inflection point.
* An existential fork in the road that literally threatens humanity.
* I am of course referring to runaway climate change – which in my opinion – is the biggest intergenerational crime we’ve ever committed.
* We are quite simply stealing the future from our children and grandchildren.
* The evidence is plain to see and growing every day.
* Already, climate change is disrupting agricultural supply chains and threatening food security.
* Fuelling the spread of tropical diseases (dengue fever in Brazil).
* Precipitating major water shortages (Cape Town).
* Starving our seas of oxygen and destroying marine life.
* And exacerbating the rise of so-called ‘climate refugees’, or ‘climate apartheid’.
* We must acknowledge that we are no longer dealing simply with global warming, but rather a full-blown CLIMATE EMERGENCY.
* It’s clear the natural world is under unprecedented strain.
* And Mother Nature does not negotiate.
* In fact, she is rapidly sending us invoices.
* As Hubert Reeves observed:
* “Man is the most insane species. He worships an invisible God and destroys a visible Nature. Unaware that this Nature he’s destroying is this God he’s worshiping.”
* We are also facing a severe moral crisis.
* As we cannot ignore the fact that the benefits of globalisation have not been equally shared.
* Consider for example that last year the poorest half of the world became 11% poorer, while billionaires' fortunes rose 12% ($900 billion) – or $2.5 billion every day.
* Getting the richest to pay just 0.5% extra tax would raise enough money to:
* Educate all the 262 million children out of school; and
* Provide healthcare that would save the lives of 3.3 million people.
* There is no doubt that billions have been left behind by the current model of economic growth.
* What happened to our commitment to the fundamental values enshrined in the Universal Declaration of Human Rights?
* There should be no category of “second-class humans.”
* Too many feel the system is not working for them; that the world has become a hostile and unpredictable place.
* In my view we need to re-invent capitalism; we need to build a new model of sustainable capitalism.
* Which is why I am so pleased to speak with all of you today.
* As you all have the power to make a difference.
* Let me explain how…

***Sustainable Development Goals***

* First, we already have a roadmap; a north star to plot our recovery, which you can all support.
* The U.N. Sustainable Development Goals (and Paris Agreement), which act as a bulwark for sustainable and equitable growth.
* 17 goals spanning from ending poverty to gender equality; from climate action to life below water; and from zero hunger to fairer institutions and peace.
* And we know the commercial incentive for investing in the SDGs is compelling.
* With the opportunity to unlock economic growth worth at least $12 trillion a year and generate 380 million jobs.
* It’s the world’s greatest business plan; the growth story of the century.
* We have never been so fore-warned, but also fore-armed.
* As we already have the means to realise the SDGs; de-carbonise the economy; and drive transformational change, namely:
* Greater energy efficiency and use of renewables.
* More sustainable food systems.
* Smarter infrastructure planning.
* Better use of technology.
* Deployment of the circular economy.
* And moving financial markets to the long-term.
* With sound public policies, international collaboration and enlightened leadership, we can simultaneously achieve:
* Strong economic growth.
* Rapid progress towards net zero emissions.
* And greater social inclusion.

***Purpose and profit***

* Second, companies need to walk the talk and embrace long-term, multi-stakeholder models of growth.

* Conventional wisdom among some investors has been that companies that are socially and environmentally responsible sacrifice shareholder returns.
* But there is growing evidence that companies that meet high ESG standards are more likely to outperform the market.
* McKinsey found that firms managed for the long-term had 47% greater revenue growth and 36% greater profit growth than companies managed for the short-term.
* Indeed, more broadly markets aligned with the SDGs are predicted to grow three times faster than average GDP over the next 5 years.
* Companies with a strong sense of purpose are also able to better transform and innovate.
* As well as create additional value, such as:
* Building greater customer loyalty;
* Preserving brand value and reputation;
* Attracting and retaining top talent; and
* Developing innovative products and services.
* So, being purposeful is an extremely powerful lever.
* As Larry Fink, Chairman of BlackRock, has said:
* “Purpose is not the sole pursuit of profits but the animating force for achieving them. Profits are in no way inconsistent with purpose – in fact, profits and purpose are inextricably linked.”
* I could not agree more.
* Encouragingly, we are beginning to see positive signs of progress.
* More and more companies are transitioning to multi-stakeholder business models, leveraging the circular economy and de-carbonising.
* They understand that there is, after all, no business case in runaway climate change or enduring poverty.
* Not surprisingly Adam Smith’s “theory of moral sentiment” was written 17 years before the Wealth of Nations!
* It’s crucial this transformation takes place, as we will not reach the tipping points needed – on forests, the oceans and climate – without business leadership.
* Business is 60% of GDP. 80% of capital flows. And 90% of job creation.
* Business cannot be a bystander in a system that gives it life in the first place. Business ‘as usual’ not an option anymore.
* Especially, as most governments seem to have retrenched from their global responsibilities.
* But we need to move faster.
* As we don’t have much time left.

***Collaboration and partnerships***

* We also need to recognise that collaboration and partnerships (SDG17) are key.
* It’s time to aggregate the many initiatives for maximum speed and impact.
* It requires deep trust and real partnerships that focus on putting the interest of others ahead of your own.
* Indeed, the famous saying is true:
* “It’s amazing what you can accomplish if you don’t care who gets the credit.”
* Much of this effort is led by organisations such as the ICC, World Business Council for Sustainable Development, World Economic Forum, The B Team and UN Global Compact.
* They all play a hugely important role in rallying business to be a force for good.
* The financial community is also steadily thinking more long-term.
* ESG assets under management have grown to $22 trillion.
* $34 trillion of money is asking for a price on carbon.
* And $82 trillion has signed up to the ‘Principles for Responsible Investment’.
* But we must accelerate this progress.
* A key unlock will be moving to more open and transparent reporting and the building in of externalities.
* If you ‘measure what you treasure’ you automatically drive greater accountability for the system changes needed to shift, for example, to a low carbon economy.
* Fortunately, work is already underway by the Task Force on Climate-related Financial Disclosures.
* Helping nearly 800 companies to better calculate the risks and opportunities of climate change.
* And making it easier for investors to direct capital to more sustainable businesses.
* The WBCSD also deserves credit.
* Its ‘redefining value’ initiative helps companies manage risks and seize new opportunities by better understanding ESG information.
* However, it’s very important that we make even more progress.
* For as long as we value a dead tree more than a living tree we are in serious trouble!

***Reforming world trade***

* We also need rapid reform of global trading rules to unlock more growth and further alleviate inequality.
* Trade has already played an important role in development and helping drive poverty reduction – which contributed to the achievements of the Millennium Development Goals.
* Now, trade must be made to work for all, for example by delivering the infrastructure that developing countries need for greener, sustainable growth.
* But, it’s clear that the rules-based multilateral trading system needs to change.
* As it now stands at a crossroads: with a major revolt against global trade integration, which has led to increasing protectionism (e.g. U.S./China trade spat).
* All of the WTO’s functions are under pressure: from administering trade rules; serving as a forum for trade negotiations; and facilitating trade dispute resolutions.
* The business community must actively support the WTO in its reform agenda, so we can build a new trading system that truly works for people and the planet.

***Merchants of peace***

* In the same way the ICC was carving a brighter future for the world 100 years ago, we must do the same today.
* To once again help break the deadlock and unleash the full potential of the private sector as a force for good.
* That’s why I urge you to fully support the ICC’s vital campaigns this year – which are focused on the key global challenges that demand action – as they will help us to:
* Make trade work for people and our planet;
* Stop the rise in global inequality;
* Make climate change everyone’s business;
* Lead for the long-term; and
* Make technology work for all.
* You can also do an enormous amount to create what I call an “Ambition-Loop”.
* A positive feedback loop in which bold government policies and private sector leadership reinforce each other.
* And the ICC’s permanent seat at the UN puts us in pole position to make our voice heard with key policymakers.
* There is huge potential for public-private partnerships to unleash greater corporate action that supports ambitious government policies.
* All companies – at a minimum – should be setting science-based emission reduction targets in line with 1.5 degrees.
* But governments also need to promote policies that give business the clarity and confidence to invest further in a zero-carbon future.
* A good example being your President, Emmanuel Macron, who is pushing to accelerate progress on climate, biodiversity and oceans as part of France’s G7 Presidency.
* We need real political momentum that prioritises:
* More ambitious NDCs;
* A long-term climate plan with clear 2050 goals;
* A price on carbon;
* Commitments to scale up renewable energy; and
* Measures to end deforestation.

***Call to action***

* Next week I will be in New York for the UN Climate Action Week; and official 4-year review of the SDGs.
* Now is the time to kick-start a ‘decade of delivery’ as we head toward our 2030 target date.
* As we really have no time to lose.
* Since the cost of inaction is now higher than the cost of action.
* To be successful we must adopt a completely different mind-set; which means thinking inter-generational.
* As politician and environmentalist – and founder of ‘Earth Day’ – Gaylord Nelson said:
* “The ultimate test of a man's conscience may be his willingness to sacrifice something today for future generations whose words of thanks will not be heard.”
* This is my challenge to all of you.
* Thank you.