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Good morning!

I'm here now to share with you some big global trends which I believe are important for everybody and which hopefully will also motivate you to continue taking these issues seriously, if not, even more seriously. I want also to speak about new opportunities that the United Nations are offering us, including the Sustainable Development Goals.

So, let me first start by sharing some perspectives about business and social issues overall. I'm really excited about the prospects of the corporate sustainability in the future because I have no doubt anymore that the business case, good performance, and responsible practices are increasingly winning the race. I'm totally convinced that if the world indeed stays peaceful and is committed to openness, then in the future it will be absolutely true that financial success over time can only be safeguarded if it goes hand in hand with environmental stewardship, social responsibility and good governance. Failure on either of these three pillars will increasingly make it difficult, if not impossible, to be financially successful. In short, the business case for the Global Compact is really getting stronger.

Financial markets, investors, increasingly develop benchmarks to look into the corporate world to see whether companies are equipped to navigate financial, environmental, and social risks. Investors increasingly see these external issues as being of significance for financial performance. They became material. Why is that so?

These are the big three trends that trace the development.

One is transparency. Transparency like technological change is irreversible. Access to information is ever cheaper. It no longer makes sense or it is a risky game to hide your dark side, or even in the supply chain. It is risky. It will come out and if it does come out, it will damage your brand, it will damage the motivation of your employees. It will destroy trust and it will take away much of the value which you have vigorously built out. So, transparency is on the move worldwide. One number I may quote for this – in Africa there are more mobile phones than toilets. The spread of telephony is one of the biggest disrupters in the human history. It is creating new business models but also, making it so much easier to have access to information. And you will see, in short time, it is happening everywhere worldwide.

Secondly, because of demographic changes, because of economic progress, and technological change, natural assets which used to be seen as external to the company increasingly matter. Water scarcity, it is a vital issue in many parts of the world. Companies no longer can ignore it. Pollution, global warming and its implications on farming... It is becoming material for your own performance. In short, natural capital, is either an asset or a liability. The bottom-line is that from a corporate angle you have to pay more attention to them. They increasingly influence your performance, your ability to be efficient, your ability to reuse and also it goes back to your financial performance.

In the past it didn't matter much. Water and air were free. Today these public goods also have a private character. And for you, to be ahead of the curve it makes sense to be proactive.

Thirdly, on the social front and the governance front. The enabling environment for fair competition, for business to grow is shaping in a very important way your future prospects. You alone cannot really change much what is around you. But working together you can actually influence the so-called enabling environment. You can improve the incentive structure that rewards performance and you can actually do so that the best performer is also the winning one.

We have major projects going on around the world –on the rule of law, the good governance. Business realizes that it makes sense to have a playfield that assures a notion of fairness for everybody. Because you want the best performers to be also the winning ones. And by working together, by teaming up, by pulling your efforts, you can make the difference.

I'm making this point so strongly because it is an issue everywhere. In the north, in the south, in the east, in the west. And if you don't get the social dimension right, if you don't pay attention of including more of those which are excluded, if you don't pay attention more to anticorruption and good governance, markets will be scarce, they will not deliver, people won't be happy. There will be strikes and we will destroy value and performance.

The Global Compact, through collective action, at least offers the possibility to make progress and we can point, too, many countries around the world where it is really happening. The social issues is what keeps politicians awake at night. It is unemployment of youth which is a key to future growth. It is all over the world. You as corporate executives can extend your training, your capital through education as long-term investments. So, your role in the social dimension is truly vital for the future shape of markets and how markets are incentivized of what you're doing.

To wrap up the big mega trends, let me assure you that because of transparency, because of natural assets becoming more important than ever, and because of social and government issues, shaping the interface between good performance and reward systems, the future of corporate responsibility, of sustainability, good performance increasingly will be proved by the financial markets and will be rewarded. So, it makes sense to invest, it makes sense to lead by example.

Now, where we stand in the real world? I think over the last 15 years there has been some enormous progress on in many areas and I think we can say with confidence that some of our issues now have global uptake. We have more than 86 country networks running around the world in all the big markets including China, Russia, Brazil, in Europe, in Latin America. There is general sense that universal principles matter, that universal principles are benchmark for executives, for managers. So, there is a good spread of the principles around the world. On the practical side, a lot of things have changed for the better – we are very proud that issues like human rights are part of many business mindsets. Fifteen years ago it was impossible. Today we can point on Women empowerment, Children's principles and the positive support approach on human rights which actually helps us to be more productive but in the same time makes a contribution on market.

Anticorruption – we have progress in many parts in the world where actually business is benefiting because they have less money to pay for extortion and bribery which basically attacks without bringing any benefit. And that is happening in Brazil, in India. On the environmental field – enormous shift towards efficiency, towards cleaner sources of energy, toward circular economy. Technological changes are helping but also the incentive structure. Good classic entrepreneurship is often disrupting the old models. There is enormous progress on that field as well.

So we may say the glass is half full but it is always half empty. And I guess that this is destiny. It will always be half empty, there is always much more to be done.

I'm very proud that the Global Compact has taken root in Bulgaria. I'm proud to be here with you today and to celebrate the fifth anniversary of the network. I think that today I can say it is in your hands to decide how this will be going further. It's your choice how to invest the idea but what I do know it does require an effort. Nothing comes from nothing. One has to do something to make things happen. And I'd like to suggest that if you see the opportunities to make your own operations stronger, more effective, more competitive, if you understand all your operations through partnerships, you can actually move mountains, which you alone cannot do. Then I suggest, continue to invest, try to win one or another company to join the local network, build bigger movements that show through best practices, though collective actions what positive action can be made and I think you will see that mountains can be moved when there is a will.

And finally I want to share with you a new upcoming opportunity. United Nations in September will adopt through the heads of the states the so-called SDGs. There will be 17 of them. And you may say – for heaven sake, far too many. I cannot manage 27 goals. And many business leaders are arguing like this. But I'm telling them consistently – Look! It's much simpler. This is not 17 you are expected to sign on. This is something you're expected to recognize and choose and pick. Make smart choices. The Goals will cover all basic human needs – education, health, water, sanitation, inclusive growth - you can make a strategic choice. You may choose one or two goals that matter most to you, which are material, significant for your own operation. And then you can embrace them and align you own operations with a particular SDG. And maybe in the local network you will have like-minded companies who will share the same SFG. Then you can collaborate with your peers and see your competitors. So, I propose to you that the SDGs can help your companies to strategically improve your own priority areas by aligning with a UN operational goal. So, have a look at it. Choose, if appropriate, 1 or 2 goals, see whether the local network wants to organize more behind it – there are methodologies. And that will probably help you and motivate your employees to continue to invest in that area.

My final reflection is on what are my concerns. I'm very worried about the future because politically the world is moving not necessarily in the right direction. Because the world seems to forget some of the important lessons in human history. Because the values of ethics are often trampled on, because short-termism and selfish thinking, with very narrow objectives, chaos, extremism, populism is on the rise worldwide. The old power structure no longer holds what was created after the Second World War, the so-called post-war infrastructure is no longer really that

important. Power is fragmenting. Many new powers are emerging. The willingness to invest in multilateral solutions is no longer keeping pace with what is needed. The world-based approach, too, is already trampled on by very narrow selfish interests. So, I have a strong feeling that we need to rediscover the basics of what humanity stands for – respecting others, non-violence, building a peaceful coexistence again, very fundamental rethinking of the values because what is just – keep consumption that brings you happiness by buying garbage ... So I think we are in era of transformation, we need to reorient our long-term vision on more value-based approach to life in general and the relation between business and society in particular. I'm a strong believer in entrepreneurship, I'm a strong believer in creativity, I'm a strong believer in the power of creating new and exciting engagements for people to find fulfillment and aspirations. You, as entrepreneurs, you have an enormous influence on your employees, over your communities. Over your supply chain. I think we have also a role to play in ethical behavior, in reinstating trust between business and society, in showing that basic values of responsible and sustainable practices are actually good values, that you are proud of them, that you're proud to improve your performance year by year. That you're proud by setting goals for next year that you want to be better next year. So, I make an appeal to you as individuals – to realize that influence you have as a model for the people you're responsible for because in the end of the day the UN Global Compact is a very personal belief system. If you believe in the principles and the values you actually can in fact have an enormous influence on the people you're working with. That at the end of the day ethical questions are always personal questions. You have to decide what is bad or wrong. If the environment around you is not always in sync with what you think, don't give up, don't put your head in the sand, do speak up, do march on, you will find likeminded people over time ... stand for the right thing. See the GC primarily as a personal challenge that requires you to recognize that you have to take decisions on what is right and what is wrong. And then invest in what you believe is right. And collaborate, with likeminded people that think like you. This is the promise of the local network, the promise of collaborative actions. To move the mountains... In that spirit I'm really proud of the local network, that is, I want to congratulate you on the good work you're doing and really wish you all the best for the future and urge more companies to join you.