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Business for Social Responsibility (BSR) conference: ‘The Power of Networks’ (5-8 Nov)

Keynote from Mary Robison

4.15-4.35pm, 7th November 2013

Speech working title: Business Delivering Climate Justice

Good afternoon to you all. My thanks to Edward for that kind introduction and to BSR for inviting me to this event.

It is my pleasure to return to San Francisco and, once again, address the annual conference of Business for Social Responsibility. In my previous roles as United Nations High Commissioner for Human Rights and Founder and President of ‘Realizing Rights: The Ethical Globalization Initiative’, I discussed with BSR and its networks the importance of human rights to companies, and the crucial role of the social responsibility movement.

When I spoke at this conference in this very same city 14 years ago, the United States, and California in particular, was economically on the crest of a wave. New technologies created here contributed hugely to the economic expansion of the time. But there was also growing awareness that consumers and investors were becoming more informed of how business

was conducted in an age of increasing globalization – and that business leaders would have to be more accountable for the social and environmental impacts of their activities wherever they operated.

We have made valuable progress over recent years in acknowledging that all businesses do indeed have their own responsibility to respect human rights. The work of Professor John Ruggie at the United Nations has established consensus between governments that business must play a role in providing effective remedies for harms caused to human rights, but also act to prevent future harms from occurring. I know from my time as Chair of the Business Leaders Initiative on Human Rights and then as founding Chair, and now patron, of the Institute for Human Rights and Business, that business can achieve great things when it sees human rights not as a constraint but integral to the future of any sustainable business.

On this occasion, I come to you wearing a different hat, so to speak: that of President of the Mary Robison Foundation – Climate Justice. While the concept of climate justice may sound unrelated to my previous work, I can in fact tell you that there are more connections than you may suspect. Climate justice refers to the fact the people least responsible for climate change are all too often those who are most affected by its impacts. Basic human rights – such as the right to food, water, health, shelter, and even the right to life – are being undermined today because of environmental changes we are contributing to on a profound scale. For future generations,

the consequences of continuing on the same carbon-emitting path are of unimaginable severity too all of society, including business, with enormous operational, financial and reputational risk. Keeping the temperature rise within two degrees Celsius (or 3.6 degrees Fahrenheit) is the only just approach the world can take to step away from the brink of a catastrophic future.

Climate justice means accountability for harms done, but it also means taking steps today to prevent future harms. The progress that has been made on the broad business and human rights agenda must inform the steps needed to achieve climate justice for all. For example, we know that fulfilling the corporate responsibility to respect human rights in line with the UN Guiding Principles on Business and Human Rights requires companies to undertake due diligence, including through impact assessments that should include environmental and human rights factors in an integrated way.

Due diligence also means that business needs to understand its role not only from the perspective of each company, but also the broader impacts that industry sectors can have in specific countries and regions. I am pleased that John Morrison, Executive Director of the Institute for Human Rights and Business, is also speaking here this week and will be sharing with all of you how governments, businesses and civil society are currently working together on Sector-Wide Impact Assessments in countries such as Burma

and soon also in parts of East Africa. In order to solve climate change, development and human rights challenges, we need to think past current silos, and consider these issues in more integrated ways.

For more than 20 years BSR has been at the forefront of strengthening the sustainability efforts of companies across the world. Its latest initiative – ‘Business in a Climate Constrained World’ – could not come at a more opportune moment in time. We find ourselves at an unprecedented juncture in global development. 2015 has been set as the deadline for both the post-2015 development agenda and a new international climate agreement. For real progress to be made in both, the stark findings of the latest report by the Intergovernmental Panel on Climate Change must be heeded. If they are not, the ‘business as usual’ approach will lead us to a four degrees Celsius warmer world which holds unimaginable consequences for humankind.

Alongside the theme of ‘Business in a Climate Constrained World’, I am pleased that BSR plans to focus on the theme of ‘Business in an Inclusive Economy’ with a focus on empowering all segments of society to meet their needs, shape their futures and achieve their potential. Climate justice provides the nexus to both. In many countries and cultures, marginalised groups such as women, indigenous communities and the poor are at the forefront of living with the reality of the injustices caused by climate change. They are critically aware of the importance of climate justice in

contributing to the right to development and all other human rights being recognised and can play a vital role as agents of change within their communities. The theme of ‘Business in an Inclusive Economy’ aims to respect and strengthen these rights through giving voice to all, while working towards universal access to essential goods and services, and providing quality work and economic opportunities.

We don’t need to look to the future to see the enormous impacts climate change is having on business. From Hurricane Katrina and Superstorm Sandy in the United States, to devastating floods in India and drought in Namibia, the need to build resilience in communities across the globe is loud and clear.

The Munich Re insurance group reported that, in 2012, more than 800 weather-related events caused an estimated \$130 billion in economic losses, making it the third-costliest year on record, behind 2011 and 2005.¹ But despite the growing evidence of unpredictable weather shocks becoming more frequent and severe, the vast majority of companies continue to plan based on past weather events, and few have tried to look ahead by integrating the increasing risks posed by a changed climate into their operations. This lack of foresight will continue to cause economic and societal damage at enormous costs if things do not change. Therefore,

¹Center for Climate and Energy Solutions. July 2013. ‘Weathering the Storm: Building Business Resilience to Climate Change’. <http://www.c2es.org/docUploads/business-resilience-report-07-2013-final.pdf>

resilience is key – not just for economic advancement, but for societal justice.

National and international leaders can encourage climate adaptation and resilience-building through providing incentives and engaging in public-private partnerships. They can create policy certainty on future investment models that prioritises sustainable alternatives. They can allow national and international legal frameworks to evolve to ensure everyone is protected in an increasingly unpredictable climate, while ensuring the effective enforcement of climate related policies.

I spoke with Aron (Cramer) back in April of this year, when he kindly came to Dublin to attend a breakfast meeting which looked at ways to engage the private sector in the Climate Justice Dialogue, an initiative of my Foundation and the World Resources Institute which aims to mobilise political will and creative thinking to shape an equitable and ambitious international climate agreement in 2015.

At that meeting Aron brought up some important points: that the current models for measuring and reporting are broken, and that there is a need to look at sustainability as a sustained societal value. Financial reports alone can no longer be considered the only measure of a corporation's value. As the public becomes increasingly aware of how their products are sourced,

and more motivated to act due to the rise of social media, the need for companies to be accountable for their actions continues to grow. Therefore, business needs to redouble its efforts in order to achieve a social licence to operate. Transparency and accountability are no longer optional extras for a successful organisation. They are essential in winning over the credibility and trust of their potential customers.

It is against this backdrop of increased socio-political pressure that a new model of investment can gain momentum. More and more organisations are coming round to the fact that, in order to stay below an increase of more than two degrees Celsius in global temperatures, major fossil fuel reserves must be left in the ground. In its report ‘Redrawing the Energy Climate Map’, the International Energy Agency outlines how this trajectory can be maintained up to 2020 at no net economic cost. In fact, the IEA notes that delaying such climate action would be the more expensive option: while \$1.5 trillion in low-carbon investments would be avoided before 2020, it would take \$5 trillion in additional investments thereafter to get back on track. Furthermore, in their report ‘The 3% Solution’, the World Wildlife Fund and the Carbon Disclosure Project state that the US corporate sector can achieve cost savings of up to \$190 million in 2020 if they reduce emissions by 3% annually by committing to ambitious but feasible climate actions.

Suddenly, the future of companies which rely heavily on such fuels becomes uncertain, while at the same time green growth shows its potential as a

reliable alternative, creating jobs and encouraging investment in sustainable industries. Divestment campaigns across the United States and beyond are highlighting this message with considerable success.

A recent report by the Generation Foundation, entitled ‘Stranded Carbon Assets: How and Why Carbon Risks Should be Incorporated in Investment Analysis’, foresees risks to investors in carbon-fuelled industries arising from future regulation, market forces and continued public agitation leading to a revoked social licence to operate. The authors’ therefore suggest that investors should identify the carbon risks in all current and future investments, engage those in charge of business to mitigate and disclose carbon risks, diversify investments into organisations preparing for a low-carbon economy, and divest fossil-fuel intensive assets.

Renewable energy can be the signal to investors that a company is planning for the future. The International Trade Union Confederation and others are now realising that a just transition to low-carbon, climate resilient pension investment can drive the creation of decent, green jobs, improve social protection, and develop workers’ skills suitable to a sustainable economy.

Before concluding and taking some questions from Aron and the floor, I have a few questions of my own for all of you:

What more can each of you do individually and collectively to foster a generation of business people that kick start a new way of doing business that is fair, upholds human rights, builds resilience in all societies and makes the transition to low carbon development?

Can you work together to give leadership on Climate Justice in business, to solve problems, find solutions and demonstrate what can be done?

And can BSR provide a platform for sharing experiences and forging new ideas on Climate Justice –including on new strategic areas of an inclusive economy and business in a climate constrained world?

Many of you have already applied commendable leadership in the area of human rights and climate change. Now I urge you to apply the same level of commitment to making the connections between these urgent challenges and help change the way business around the world uses its influence to leverage action to achieve climate justice.



Thank you