Excellencies,
Ladies and Gentlemen,

I salute, first of all, the people of Norway, the institutions, the corporations and the Government for being pioneers and a leading voice in corporate social responsibility (CSR) for so long. We are very grateful for this because you have given inspiration worldwide.

A personal confession I want to make: I came across CSR for the first time in 1998, which was also the year that Norway introduced the Norwegian Compact. I had the privilege to write a major speech for the former UN Secretary-General under the guidance of John Ruggie. Norway has been a true pioneer in social stakeholder dialogue, in the art of sharing best practices and in making the case for the right thing to do. I salute you and it is an honour to be here. Thank you very much.

I was asked to provide a brief assessment of where we stand, and clearly that is a very daunting challenge because a half-full glass is also half empty. It depends very much on the stakeholder perspective you have on this issue in order to make an assessment.

But there is increasingly empirical evidence to show where we are – where we are ahead and where we are lagging behind. I will come back to this in a moment.

I must state how important it is to keep in mind that CSR is not a silver bullet. It is a complementary and voluntary tool to reinforce good practices, to promote innovation, new approaches and solutions, but also to help fill voids where governments are either unwilling or unable to do their part.

Remember, unfortunately in this imperfect world there are many countries with fragile states. There are many places with systemic weak governments where good practices are not necessarily rewarded. It is a huge challenge, as the Minister said, all over the world.

Voluntary initiatives, I am convinced, can work. They must be made to work. They need dedication, clear focus and above all, a willingness to stay in focus.

Before making an assessment, I want to remind everybody what has changed already – what the CSR movement, which has gone global, has already accomplished in some way.

First, it is important that universal principles in the areas of human rights, labour, environment and anti-corruption are now widely recognized. Many corporations around the world today have started the serious journey of coming to grips with these issues and integrating them into their own strategies and operations.
This is no small accomplishment because in many parts around the world, only a few years ago it was unthinkable that business would address the issue of human rights, the issue of anti-corruption, the issue of environmental stewardship and the issue of labour conditions. And think of it, today it is happening all over.

Entrepreneurs intuitively recognize the business case for aspiring to sustainability. How far along they are in that journey is another thing. But, global awareness to some extent has already been accomplished.

Second, remember not long ago we did not know how to go about this: what the issues are, what the tools are and how we implement this. The good news is today there is an abundance of tools for every dilemma and situation in every language.

The machinery behind CSR is truly global now and that is a wonderful thing because there is no excuse any longer for not moving ahead. We know what has to be done, and the tools for how to do it are also available.

Third, I mentioned the Guiding Principles. They have made an enormous important contribution and have become within the Global Compact the “respect” notion of human rights.

We also continue to promote the “support” notion very strongly. The Women’s Empowerment Principles and the Children’s Rights and Business Principles are furthering development on the operational side of the Guiding Principles. That is a very important development.

Fourth, not long ago investors and educators were basically absent from this debate. They were standing far away and watched this field as something that an ethical corporation would use for branding purposes. Not so anymore.

In 2007, when we launched the Principles for Responsible Investment (PRI), for the first time institutional investors, asset owners and asset managers started to realize that addressing environmental, social and governance issues is part of their fiduciary responsibility. These traditionally non-financial issues are increasingly material for long-term financial performance. The business case for corporate social responsibility has started to take complete shape.

PRI, with over 900 members, is a very active organization developing frameworks to integrate these issues into investment, analysis and decision making, thus helping to reinforce the business case.

PRME, Principles for Responsible Management Education, now has nearly 500 business schools and is aimed at MBA courses to change curricula to ensure that future business leaders are familiar with these issues before they take over responsibility for leading organizations.

Fifth, it was also not long ago that confrontation was the main approach to these issues. True, labour has always been a fundamental part of industry. But now civil society and other stakeholders have also come to increasingly collaborate on these issues with governments.

We have moved from confrontation to cooperation. That is a very good thing because it puts the focus on implementation.

Sixth, as the Minister mentioned, on the reporting side, enormous progress has been made. GRI has developed further and has created a framework that is now globally used for sustainability reporting. Integrated reporting is now promising to bring on board the
commercial and hardcore approach to disclosure, hoping that these issues will, like financial reporting, over time emerge as an integral part of how to do corporate business.

Together I would argue this agenda has moved from solely the morality of doing the right thing to materiality – the business case.

Most recently as we have seen in Rio, some business leaders are increasingly willing to lead. They are willing to move ahead, even when governments collectively are not yet quite willing to do so.

We welcomed nearly 3,000 participants in Rio de Janeiro and more than 100 countries were represented. The level of activity at the Rio+20 Corporate Sustainability Forum demonstrated that, for the first time ever at a UN Conference, the private sector and civil society were willing to moving ahead.

Now, this sounds like the glass is three-quarters full, but I must be honest that the glass is half-full. While willingness is extremely high and many companies – in our case 7,000 from over 130 countries – have started the journey, it is true that the commitment to embrace act upon and implement the principles, in reality, is often lagging behind.

Our forthcoming implementation survey with 1,000 companies will reveal once again the gaps that are out there: the gaps in supply chains, the gaps in subsidiaries, the gaps particularly in environments where it is very challenging to implement good practices.

But there is good news, the momentum is very strong. While implementation is uneven, there is also a risk of offsetting one issue against the other. We strongly argue again and again that CSR must remain an integrated value package where human rights, environmental, social and governance issues are seen as one approach to doing good business, and not using one to offset against the other.

We define corporate social responsibility as the delivery of long term value in financial, environmental, social and governance terms.

Our Blueprint for Corporate Sustainability Leadership is very ambitious, but we feel strongly we must uphold the very highest standards. At the end it is a continuous improvement process that in many areas has no upper limit.

I would like to mention one level of frustration, which many of our fellow friends and colleagues share, is that we are often lagging behind in some of the most critical areas.

I will mention only one now that is in the domain of corporate affairs and lobbying. Many companies have not yet ensured that their public affairs interaction with governments around the world is aligned with their corporate sustainability strategy.

As a matter of fact in the area of climate change it is very striking. Even among our participants, only 10 percent have fully aligned their government affairs policies with their corporate sustainability strategies. This is a huge gap we have to close and we will focus on this in the months and years ahead.

So, where does this lead us? There is no doubt that corporate social responsibility is a highly effective way of complementing what governments do or do not do.
I can say with confidence here today that for the first time in the history of this movement we can see the possibility of corporate social responsibility becoming a transformative force.

It is still an incremental force because even with 7,000 companies it is not yet at majority. It is a minority movement in the big world out there where there are at least 80,000 multi-nationals and millions of other companies of all shapes and sizes.

Until and unless CSR is a majority movement we have not achieved our goal. Transformation is within the realm of possibility. We can see it but it can be achieved only if we win over many more companies to join the movement.

Therefore, my first call would be to truly scale up the movement, and not to cultivate it as an avante garde movement of the few, but to make it a mainstream transformative movement from the bottom up.

My second point is that this will only be achieved if you support local action, if you support Local Networks around the world, if you empower companies, and if you practice partnership between companies, labour, civil society and governments.

Investing at the country level is the key to going to scale. Investing there is also the key to becoming a transformative movement.

The last call is for urgency. In looking into the future, I am very concerned about two aspects in particular. One is that we live in a time when global leadership with multilateralism arguably is in a very challenging place.

Some would argue that it is in a low phase. I fear that leadership for the long-term collective good is in a deep freeze. Economic nationalism is rising. Populism and short term orientation is still the dominate force in politics in many parts around the world.

Despite the financial crisis, we are not adopting a long-term view of where we want to go. On the contrary, crisis management is everywhere. There is a lack of collective willingness to collaborate, especially at the government level on critical issues, from climate change to other important urgent issues.

In an era where multilateralism is not delivering the leadership that is high in demand, it is even more important that we keep alive the spirit of collaboration.

It is now the time for business to step up and to fill some of that void and to give encouragement to governments to help them carry forward the spirit of cooperation.

I am sometimes more concerned because I fear that important lessons of the post-World War II architects have been forgotten. Inward orientation, protectionism and building walls is returning instead of the opposite scenario. We seem to forget that trade and investment is the twin pillar of peace. There is a huge risk if we neglect the caretaking of the very system that has enabled us to grow in the first place.

I would argue all of us have a very important political role to play to rebuild the foundational spirit of multilateral cooperation.

In the end we need it. In the end, the world cannot be a peaceful, prosperous place if we neglect it.
That is where corporate social responsibility, as the Minister has clearly indicated, also has a political role. It is the foundational spirit of the United Nations. Collaboration through trade and investment based on the best practices is an idea we all can share.

In that sense, there is urgency. There is real urgency and I challenge all of you to collaborate, to invest in country networks, to make sure that all the issues which are lagging behind are moving to the forefront, and to help many more companies worldwide to join this movement.

Once again, my salute to the Norwegian people and their government for their pioneering role in CSR.

Thank you very much.

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