

## New Developments in Sustainability from the World Economic Forum in Davos



The theme of the World Economic Forum (WEF) in Davos this year was “Shared Norms for the New Reality.” Several speakers communicated that the business world must come together in furtherance of sustainability goals because cooperation through government has been slow to progress. The conference celebrated the 10th anniversary of one such cooperative effort, the Global Compact. This initiative was introduced to encourage companies toward greater ambitions in the area of sustainability. This year, a new platform for corporate sustainability leadership, Global Compact LEAD, was introduced to challenge the [member companies](#) to implement the Blueprint for Corporate Sustainability Leadership, a list of approximately 50 action steps that companies can take to achieve improved sustainability.

At this year’s conference, the renowned Harvard Business School strategy professor, Michael Porter, put forth his latest strategic concept: [Shared Value](#). He suggested that the existing model for value creation that most companies use is outdated and is based on optimizing short-term profitability at the expense of long-term success. Porter proposed that companies need to create economic value in a way that also addresses the problems and challenges facing society.

The “Shared Norms” theme also manifested itself in new reporting practices in various industries. Since the transport industry is a key component of the value chain of most industries, companies that seek to achieve sustainability are impeded in their efforts if their transport partners are not also assessing their own sustainability. To address this issue, the conference introduced the [Guidelines on Consignment-Level Carbon Reporting](#), a set of principles to ensure consistency across the logistics and transport industry in reporting carbon emissions at the consignment or customer level.

The United Nations and the Global Reporting Initiative (GRI) launched a reporting criteria for the financial services sector to promote global corporate environmental, social and governance (ESG) disclosure standards. The specialist financial services sector guide includes clear social and environmental indicators for fund managers, insurance companies and retail and corporate banks that fit with the GRI’s G3 standards, the

latest version of its recommended corporate ESG reporting criteria.

Strides were also made in the area of sustainability labeling with the formation of “[Windmade](#)”, which allows consumers to identify products made with wind energy. Today wind accounts for 2% of energy worldwide and its contribution is finding its way into more products and services.

The overarching message of this year’s conference in Davos appears to be that sustainability objectives can only be reached by working together. Government and NGO initiatives are insufficient and the participation of businesses is essential for real success. All contributors to the value chain must also cooperate to achieve effective results. The development of standards, labels, strategic frameworks and organizations are all crucial in creating a more robust network that can lead its members toward greater sustainability.

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