

ENVISIONING THE SOCIETY OF TOMORROW: PATHWAYS TO PROSPERITY

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Good morning everyone...

Hugely ambitious title, hugely intimidating group of people – so I will try to offer some very modest insights from our work and which picks up some of things that have been discussed these past few days – hopefully bringing some new perspectives to our discussion – so let's see how it goes 😊

I will tell you about the journey that we have been on this past year to articulate what we mean with our corporate vision – “global impact for a safe and sustainable future”.

It is a rather unique vision for a company I think – but it is also a “lofty” vision – which is partly the reason for why we embarked on this project – to make it more understandable and tangible not least for our own employees - but also to provide strategic long-term direction for the company.

I think many of you are quite familiar with DNV GL – some of you are not.

We are a relatively big company now – headquartered in Norway – with 16 000 employees spread across the globe in more than 100 countries. We are in more countries than Norway has embassies.

We provide classification, verification, certification and advisory services in basically all industries (except coal), but our biggest markets are maritime, oil & gas and electricity. In short, we help around 100.000 customers become safer, smarter and greener.

That was the end of the corporate presentation...

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Now, this year, we are celebrating our 150th anniversary. But instead of looking back and celebrating past achievements – we have decided to look into the future – articulate what we mean by our vision of a sustainable future.

Throughout this year, a team of researchers, consultants and of course engineers – being who we are - have plowed through most of what has been published on this topic in recent years.

In addition, we have been fortunate to engage with – through a series of interviews and roundtable discussions – a unique group of people - top executives and thought leaders - from business, government, UN agencies, academia and civil society.

- Ajay Banga the CEO of Mastercard
- Paul Polman Unilever
- John Fullerton former banker at JP Morgan and now president of the Capital Institute
- Connie Hedegaard

- Dr. Pachauri
- My former boss Georg Kell
- Kevin Noone of the Stockholm Resilience Center
- Jørgen Randers author of *Limits to Growth* and *2052*
- Robert Engelman from the Worldwatch Institute
- Rob Cameron from SustainAbility

And many more...

BUT we have also mixed in young activists and entrepreneurs to make sure we also capture the perspective of the younger generation

- Like Alec Looz – the 18 year old young man who at the age of 12 sued the American government for failure to act on climate change

The purpose of these interactions has been to see if we can look beyond current thinking about solutions, and on a deeper level reflect upon the changes needed in society today and strategies for how these can be facilitated.

The synthesis is presented in this report - essentially looking at 5 elements:

- 1) We describe what the world WILL look like in 2050 if we continue doing exactly what we are doing today – the business as usual outlook for the environment, society and the economy
- 2) We describe what we believe a safe and sustainable future could look like – in 2050
- 3) We map what seems to be the main barriers at play today – technological, market, political, societal and cognitive - preventing the uptake of more sustainable solutions
- 4) We have outlined – evidently on a high-level - what the world needs to do to change course
- 5) And finally – we bring this closer to home and look at changes needed in the five most important business areas for us – and what we can do as an organization to enable these changes.

This is a light(ish) version – 140 pages – targeted at people that are not normally picking up IPCC reports as their bed-time literature... Lots of images, lots of infographics – easy reading ☺

I will skip most of the content in this presentation – jump directly to what we have heard regarding the difficult question of what needs to happen in order to get the world back on the right track.

So, pathways to prosperity

- 1) This can be approached on at least two levels – a practical level and a deeper level
- 2) I will start by highlighting some of our findings relating to the more practical changes we need to make – most likely very well known to all of you and many of which have been discussed
- 3) Then I will reflect upon the deeper aspect of – why we are currently *not* making the right decisions even though we largely know what it is we need to do

So - what we have heard is the following:

It is not *lack of* knowledge that is the problem. We KNOW where we are headed – the business-as-usual prognosis is clear – and we also to a large extent KNOW what it is that we need to do prevent this future from happening. So – it seems - the *availability* of knowledge and facts is not the problem.

For instance:

- We *know* we need to put a price on carbon
- We *know* we need to establish true cost accounting – so that the real costs of economic activity are factored into the cost of production
- We *know* we immediately need to halt harmful subsidies that are currently encouraging the wrong kind of behavior from the wrong kinds of companies
- We *know* we need to stimulate tens of trillions of dollars of real investment capital into energy efficiency and renewable energy in the decades ahead
- We *know* we need to radically dematerialize business models – and start designing stuff – from the get go- in a circular fashion
- We *know* we need a new compass to help us better navigate the challenges ahead – a new measure of growth and prosperity beyond GDP
- We *know* we need to reverse the trend of widening income disparities both between and within countries around the world –destroying the social fabric and leading to widespread social unrest and tension
- We *know* we need to urgently starting building the resilience of particularly the most vulnerable communities around the world that will be the worst affected by the environmental changes that we are already locked in to – so that we prevent the outcome from being a reversal of progress in human development seen so far

So – we summarize these and many more enablers that we believe are critical to get us on the right track – and we also propose concrete actions for business, governments and civil society to take to contribute.

We KNOW this HAS to be done – and you more than anyone else - to avoid handing over to our children and grandchildren a planet in a far worse condition than the one we inherited.

So, the big question is: knowing what we know about WHERE the world is headed and WHAT we need to do to change course -

why are we *not* doing the *right* things

at the *right* time

and with the *right* speed to change course?

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Somehow, this knowledge does not seem to infiltrate our thinking sufficiently so that we start making informed, smart decisions – neither in the political, economic or individual domain.

I firmly believe that this is not a matter of lack of knowledge – it is the unwillingness to make perhaps unpopular and more costly choices in the short term to make sure that long-term prosperity is safeguarded.

So – what (the hell) is wrong with us? Why are we seemingly incapable of living today as if there are consequences of our actions tomorrow? Why are we living today as if the future doesn't matter?

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What has been interesting and perhaps surprising with this process – and particularly speaking with the group of thought leaders we have engaged with – is that three things have clearly emerged – that relate to the deeper level change that I referred to earlier.

Interestingly these three things resonate across the board – literally completely irrespective of background:

1. We need to start working at a systems level – and stop problem-solving individual problems thinking that this will generate the needed change (resonates with Mr. Kabats argument)

The problems we face are complex and interconnected – this has been repeated endlessly these past few decades - YET we keep approaching these problems the same ways as we solve other problems.

Instead of looking at it at the appropriate systems level, we (very much grounded in our Anglo-Saxon philosophical tradition) seek to break things down into their component parts and then problem solve each component (sector by sector, city by city, issue by issue, parameter by parameter). We think that when we can understand the component parts – then we can understand the whole system.

I am not going into detail here – the point is that it seems that this approach / this strategy has not worked fast enough nor has it given us solutions at the right scale.

So then the question becomes, what are good strategies for facilitating large-scale systems change?

2. We need to change our (collective) mindsets – at a deeper level - the way we understand our relationship with nature and the purpose of the economy.

One of the key ways (a key leverage point) to enable systems change is to change the mindset out of which the system arises.

And this is a two-fold question – it is about the WHAT in our mindsets needs to be changed AND it is about HOW we can communicate effectively in order to facilitate this mindset shift.

We have been through a historical period where we human have looked upon ourselves as separate from nature. We now need to redefine or reestablish this relationship - and understand that we live and operate as part of the bigger natural living system. Meaning a new deeper understanding of meaning and purpose.

We need to move away from the mechanistic world-view that has dominated our thinking – and out of which the current economic discourse that has largely dictated economic policy and practice has its roots.

Towards a new conception of a sustainable and regenerative economy which generates broader societal value across a wider range of capitals.

Basically, we need a new economic story.

To enable this mindset shift – we need to tell a new sustainability story that can inspire and engage a broader segment of the population – including the younger generation.

Now, in this and similar conferences – which are evidently important meeting places – we are preaching to the choir. Now, the choir grows bigger – luckily – every single day.

BUT – in order to reach the mainstream – we need to learn how to speak in a different way. A lot of our conversation is all out of the analytical side of the brain (ref Mr. Wilkinsons “Article 6” comment). But most people are not nerds like us – they don’t – shockingly - get passionate about cutting tons of carbon out of their personal footprint.

So instead we need to start creating a story that people get passionate about. And we need to take responsibility for this.

1. Stories where sustainability is not a matter of cost and compromise – but where sustainability IS progress - about opportunity, about entering into a new exciting, desirable, attractive, tech savvy, cool era for human kind!
 - a. So lets start talking about the new models, new solutions, new companies – to inspire creativity and innovation. And the solutions – as Laura has pointed out – are already there
2. And to do this, we should seek to connect with the cultural sphere and involve the great story tellers of our time – artists, writers, movie producers – who can help us move past the climate fatigue and who can help us construct and spread compelling stories that mobilize engagement.

Because – as you said Mr. Kabat - when enough people say “enough is enough” – then transformative change will happen.

And I recall a well-known and highly respected Norwegian CEO say recently:

“I read the IPCC’s third report. And what happened? I changed my mind. And put my money into renewables”.

And it is these *personal epiphanies* we are after. These epiphanies hold the power to radically alter - with a pen stroke – ingrained social structures (Lincoln and the 13th amendment), large organisations etc....

So the question becomes: How can we trigger a *global mass epiphany revolution*?

3. We need to start developing long-term visions and strategies – and start governing as if the future matters

This relates to what is perhaps the single biggest factor blocking the transition towards a sustainable future. Namely how – as many of you have pointed out - short-term and reactive thinking currently dominates policy-making, corporate planning horizons and consumer choices.

Today, we are in the business of making decisions that focus on maximizing immediate gain (immediate gratification) – at the *expense* of future prosperity. The way we *choose* – as Siri Kalvig rightly said - to organize our societies and economies today is undermining the possibility of future generations to enjoy the same – not better – same - level of prosperity and well-being as we do today. We are the *peak* generation – this is as *awesome* as it gets.

Unless, of course, we get our acts together and start living as if the future matters.

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So going back to the journey we have been on this year. There is this saying: “If you don’t know towards which port you are sailing, no wind is favorable.”

There is both clarity and consensus around where we are headed. But few have articulated where we want to go. And this is what we have tried to do. [VISION SLIDE]

We have articulated our long-term vision. The Northern Star towards which we want to set our course. Our vision for a safe and sustainable future. We have described this future – but not only this – we have set clear goals and targets. [TARGET SLIDE]

And you might say – it is completely unrealistic to achieve these targets we have set in the timeframe set forth. And the answer is *yes* - most likely it is. And most likely it is not foolproof. But that’s not the point.

The point is the following:

- 1) The process we have been through – as an organization – to articulate the future we would like to see - not only does it give us long term direction – out of this processes – commitment is borne. It is very difficult to develop a strategy that will go against this once it has – NOT ONLY been written down on a piece of paper and communicated – BUT has emerged in the consciousness of the organization
- 2) I also believe that no one – not even the most hardcore CEO - wants to see a *less* prosperous, *less* thriving, *less* safe and secure future for their children – so if *more* companies, *more* organizations, *more* countries – engaged in this same exercise – bottom up – more of us would perhaps work in the same direction. If we can’t get our heads around this whole collaboration thing – at least let’s make sure we are somehow aligning forces

So let’s *hope* for Paris, let’s *push* for Paris – but while we wait for you to find the common denominator – hopefully not the lowest – let’s all start our own journeys *beyond* Paris.

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So what do we in DNV GL doing now with this?

At the practical level (e.g.):

- We have launched a new research program on the low-carbon economy
- We have a research program looking at possibilities for adapting and transferring technology and competence from the oil & gas sector to other industries
- We are investing in new innovative technology
- We have integrated sustainability in our management system certification.

We are also now on a road trip around the world to present this work to our employees and partners –at our HQ in Oslo, Singapore, the Netherlands, Hamburg and we are going to Milan, London, Houston, Shanghai and the Hamburg again before the summer. Where we have so far reached 1300 colleagues and 800 customers and partners. We have distributed 30 000 reports.

We have collected more than 250 six-word vision stories – to engage our employees.

We are spreading the gospel through social media – with 40-80.000 hits per LinkedIn post.

We are engaging the younger generation – not least through our Future Sustainability Leader competition with Sustainia – which now has 550k likes on Facebook.

We are trying to tell the good stories about the world we want to see, how many exiting opportunities there are involved in this transition.

Bottom up – long term – changing mindsets – we will reach a tipping point – where change becomes inevitable.

Thank you all for you attention.