

## 13th World Chambers Congress key takeaways

### Day 3 - Future-proofing sustainability: making the right choices

The transition to a more sustainable future is a collective responsibility that will require companies to put their supply chains under greater scrutiny and think creatively to attract the right skills. Under the theme of ***Future-proofing sustainability***, the third and final day of the 13<sup>th</sup> **World Chambers Congress in Geneva explored the risks and opportunities facing businesses as they look to secure a sustainable and prosperous future for all.**

“Ultimately, what’s the overarching objective we have here? It’s being able to conduct business in a responsible way where we have the licence to operate, not from a legal point of view but from a stakeholder point of view,” said Yannick Hausmann, Non-Executive Chairman HSBC Private Bank (Suisse) SA and incoming chair of the ICC Switzerland, during the day’s opening remarks.

#### Responsibility and reputation

With environmental crimes increasingly in the spotlight, the opening session highlighted the reputational risks facing companies if they fail to put in place the proper checks and balances in their supply chain.

Environmental crimes — ranging from illegal trade of endangered wildlife and logging of timber to fishing and extraction and trade of minerals — are the third most lucrative criminal activity after drug trafficking and counterfeiting goods, said Maria Kotsovou-Dullin, a project administrator in the Environmental Security Programme, International Criminal Police Organization (INTERPOL), during the day’s opening session.

The complex supply chains used by international companies are increasingly being exploited by malignant actors, meaning organisations need to be increasingly vigilant about the provenance of goods. “Do not think that intention is required to prove liability. We see more and more cases where negligence is prosecuted,” said Kotsovou-Dullin.

A host of innovative tools are now available for companies to implement proper due diligence processes. While this will undoubtedly incur costs, the reputational damage will be far greater if companies don’t comply. “Please think that in the end it’s the global sustainability and your company’s security that will pay back,” she said.

#### An engine of shared future growth

**Making the supply chain more responsible not only protects against risks, but also represents a huge opportunity to drive prosperity for more people on the planet.**

“If you want sustainable peace, you have to cultivate social justice,” said Gilbert Hougbo, Director General, International Labor Organization (ILO), during the session on ***Understanding supply chain responsibility***. “The supply chain is there to increase growth and help get people out of poverty.”

A concrete example of how companies can create value for all stakeholders, and not just their shareholders, came from Giuseppe Lavazza, Chairman of coffee company Lavazza, which created a foundation in 2004 with the purpose of helping to improve the livelihoods of coffee growers.

Lavazza now runs 53 projects involving 180,000 coffee growers in 21 countries. The objective is to improve farmers' position in the value chain and tackle topics that are increasingly relevant for sustainable development, such as gender equality and inclusion.

Touching on the theme of multilateralism from day one, Jérôme Bellion-Jourdan, Deputy Secretary-General International Organisation of Employers (IOE), said that states and business needed to work hand in hand to guarantee human rights in the supply chain.

He pointed to the EU's Corporate Sustainability Due Diligence Directive that will require companies to conduct due diligence on, and take responsibility for, human rights abuses and environmental harm throughout their value chain. At the same time, governments must provide support to small- and medium-sized enterprises as they navigate this new legislation so that it doesn't inadvertently put a stranglehold on growth, he said.

Patrick Odier, Chairman Building Bridges, highlighted the role played by the finance sector to irrigate the future economy at a time when the world is undergoing "a transformation that is as deep as the industrial revolution and as fast as the digital revolution."

"I think there's never been a better period to redeploy capital, and you can do it a way that will probably solve some of the problems that the planet has. The environmental ones, of course, but also problems in social cohesion, something that is necessary to make sure that the economic model develops in a harmonious way," he said.

For example, the finance sector can help re-think what needs to be done to de-risk investment in certain countries and incentivize investment in certain areas, such as to regenerate land usage or provide better access to credit.

### **Trust and transparency**

Key challenges hampering the ability of companies to have better oversight of their supply chains are lack of transparency and the multiplicity of actors involved. This presents an opportunity for blockchain technology to create a traceable digital ledger that can measure sustainable impact from the first mile to the end product, said Susanne Emonet, CEO Farmer Connect.

"When I drink my cup of coffee, I can tell you whether I am okay with the quality or not, but I cannot tell you automatically if this comes from a deforestation zone or an area in which child labor has been involved," she said.

To achieve true transparency and traceability over supply chains, trustworthy data will be critical. "We need to make sure that there are the right certifications, the right checkpoints, independent data points, especially on deforestation, which we track with satellite data," said Emonet.

While new technology like AI represents a huge opportunity here, panelists concluded that people will play a pivotal role in driving the implementation of ethical supply chains, be that through exerting pressure on politicians and companies or voting as consumers with their wallets.

### **Re-imagine how you define talent**

The session ***Getting and keeping the right people*** examined how finding and nurturing talent is key to company growth and competitiveness. Future employees are no longer just after a competitive salary but are searching for greater flexibility and purpose in the work. They will scrutinize potential employers to see if their values match their own.

Against the backdrop of aging populations and rapid change in the skills needed for the future of the work, companies need to re-imagine how they define talent, said Sophie White, Partner at law firm Evershed Sutherland. This involves looking beyond traditional qualifications.

“What are the wider skills of these individuals? And what can we do to upskill and cross-skill them into different professions? I think if you look narrowly, it’s a very small pool of talent, but if you start thinking much wider, if you look in different places and invest in people, you’ll get the skills you need,” she said.

Carole Hubscher, President of the Board, Caran d’Ache, highlighted how the maker of art materials and writing instruments has integrated people with disabilities into their workforce for the past 15 years, adding that this had a positive impact on the entire workforce by giving others a sense of purpose.

Refugees are another huge source of untapped talent, said Kelly Clements, Deputy High Commissioner, Office of the United Nations High Commissioner for Refugees (UNHCR). Excluding Sudan, there are some 108 million forcibly displaced people worldwide, of which 35 million have left their home countries.

Too often, however, refugees find themselves unable to work and support themselves because of restrictive laws. Clements called on business to advocate for a change in policy to facilitate and better integrate refugees into the workforce, as was seen last year with Ukraine, when the European Union made it possible for those fleeing the war to work.

Changing the narrative around the contributions that refugees can bring to the workforce is also essential. Clements highlighted the case of Brazil that have put a seal of approval for inclusion on businesses that actively welcome refugees. IKEA also has a long-standing partnership with UNHCR to hire refugees.

“We have to think very differently about how we, as businesses, can support the talent that is out there and really just waiting to be untapped,” said Clements.

*This wrap-up was provided by IMD, the academic partner of the 13<sup>th</sup> edition of the World Chambers Congress.*

## **Day 2 - Innovation, but how exactly?**

In the face of a world that seems to change ever more often and abruptly, innovating is not an option so much as a constant need for businesses, in particular micro, small, and medium-sized enterprises (MSMEs). Day two of the 13<sup>th</sup> **World Chambers Congress in Geneva explored the many factors that come into play when seeking to innovate, not least the obstacles to it.**

**Under the theme of *Innovation by all and for all*, Thursday’s sessions picked up right where the discussions had left off on the inaugural day centered on multilateralism: “If we want innovation to really be ‘for all’, everyone must be playing by the same rules,” said Matthew Swift, co-founder and CEO, Concordia, during the day’s opening remarks.**

**“The public sector is not equipped** — nor should it be — to properly understand innovation and the opportunities that arise from it. Therefore, it is not in the position to set up a sensible framework. What is left, then? The private sector,” said Swift.

## **A matter of culture**

**Constant and sustainable innovation cannot be achieved simply by owning the tools and the knowledge necessary to generate it** — at large, it is the product of a culture that enables and fosters creativity and progressive thinking. This is true for businesses of all sizes and across all industries.

“Innovation is an ecosystem,” stated Sarah Reisinger, Chief Science & Research Officer, dsm-firmenich, during the panel ***Innovation culture and avant-garde thinking***. “Our 2000 research-focused employees cannot be the ones responsible for ensuring that we are an innovative company — this is something done by all our 30,000 employees.”

Remaining true to a culture requires a particular commitment during times of change, whether positive or negative. It is what Dan Staner, Head of the Middle East Region and General Manager of Switzerland, Moderna, highlighted when describing the company’s reaction to the exponential growth and scrutiny observed during and off the back of the COVID-19 pandemic.

“Our plan is not to keep on growing and become ‘big pharma’. That would be contrary to our ethos of being innovative, searching alternative paths,” said Staner. “So, what we did was focus on two aspects: culture and digitalization. The culture of keeping the entrepreneurial mindset alive and the ability to explore technology’s full potential.”

A prosperous business culture must inevitably represent populational diversity and promote — intentionally promote — equity and inclusion, said Ron Busby, President and CEO, U.S. Black Chambers Inc. (USBC), who pointed out how this is not only “the right thing to do”, but also a business argument, particularly when it comes to innovation: “It is clear that the more backgrounds and points of view are taken on board, the higher the chances of creating something new.”

### **The necessary steps to go digital**

Digitalizing processes is one of the most evident and tangible ways how innovation comes about, and it is one of the most urgent needs specifically for trade. It is a conundrum: while it is estimated that only around 1% of global trade is fully digitalized, it is also clear that in a not-so-distant future this will be simply inevitable.

The session ***Digital trade: what’s in it for you?*** brought this dichotomy to the fore by inviting different actors to share their opinions and concerns around the necessary steps to make trade fully digital.

Stephane Graber, Director General, International Federation of Freight Forwarders Associations (FIATA), is the first to admit that we are still in a transition phase and that it is imperative to make it clear to businesses, across all industries, what the benefits of digitalizing are, including those that are not immediately visible. “In the field of logistics, for example, the estimate is that we could save up to \$6.5 billion in transaction costs per year by eliminating paper documents, not to mention the 20,000 trees,” said Graber. “However, the challenges of implementing it are evident, in particular in a noticeably diverse and fragmented field as logistics.”

The alluded challenges to full-on digitalization can only be overcome by the implementation of a few non-negotiable elements: the adoption must be across the entire supply chain and with unified global standards; the many existing digital trading platforms must be interoperable; and there must be robust data governance to ensure that information is trusted and verified, for example, with blockchain technology.

“We hear a lot about technological advancements and digitalization, but the important thing is to understand, at scale and in practical terms, what this means to governments and businesses, particularly in developing markets,” said Gabriella Dorliac, Executive

Director, ICC Brasil. “In Brazil, for example, there are 22 regulating agencies involved in foreign trade. Any digital initiative would only succeed if the platforms adopted by each of these communicate with one another. Governments must understand and foster this process.”

Stephan Wolf, CEO, Global Legal Entity Identifier Foundation, precisely highlighted the potential of digital global standards as a tool for inclusion of MSMEs from developing nations. “The one advantage of paper is that there is no need for technical interfaces. Pushing for the adoption of global digital identifiers is the only way to make sure that some businesses are future ready.”

### **Avoiding litigation for the sake of business**

The increasingly fast pace with which major changes come about leaves no room for businesses, in particular MSMEs, to face operational disruptions — for example, those associated with litigation.

It is a landscape in which dispute resolution services like mediation become ever more important.

“In the face of negotiation roadblocks, it is often very helpful to have a neutral third party to bridge the gap,” said Tuuli Timonen, Director, Patent Licensing, Nokia. “This is even more evident whenever the disputing parties come from very different cultural backgrounds, something that has become more and more frequent over the last few years. Mediating can be a quicker, more culturally attuned way of reaching a satisfactory outcome.”

Businesses often struggle to identify the occasions, and the moment within each negotiation, when to propose mediation. Alison Pearsall, Member ICC Commission on Arbitration, defends the most straightforward of solutions to this: embed mediation into the general company policy, pledging as a first option to resolve commercial disputes before they are formally acknowledged.

The sentiment is echoed by Martin Hauser, International Commercial Mediator, Martin Hauser Mediation: “Simply put, whenever direct negotiation does not work and none of the parties is seeking a landmark decision, all commercial disputes should go to mediation first,” said Hauser. “This is particularly true in many disputes related to technological innovation and intellectual property (IP), which are dependent on economic interest and market power — that is, a same patent is worth more or less depending on whether it is in the hands of a small company or a tech giant. Mediation, as an interest-based negotiation, is perfectly suited for these situations.”

### **IP rights for all**

Protecting the value of innovative accomplishments was at the center of the closing session, ***Innovation by all and for all***. The key to it: providing the means for businesses to register their IP rights, regardless of their size and around the whole world.

“We are used to thinking about the usual IP powerhouses, but now they are being joined by growth engines. For example, eight out of every ten new registered patents come from Africa, Asia, or Latin America,” said Daren Tang, Director General, World Intellectual Property Organization (WIPO), as he opened the session. “This calls for a more inclusive IP ecosystem, especially for women, youth, start-ups, and MSMEs, which represent 90% of companies and offer 70% of jobs worldwide.”

While the global scenery is dramatically changing, MSMEs’ access to the knowledge and the conditions necessary to protect their IP rights is still a work in progress. According to

Christina Wainikka, Policy Expert for Intellectual Property, Confederation of Swedish Enterprise, the vast majority of MSMEs do not look to register their IP. “And, in many ways, this is our fault, of those who are supposed to facilitate this process. Because we often talk about IP rights in very abstract terms instead of presenting it as what it is: a selling opportunity; a chance to bring additional, concrete value.”

Herself a tech entrepreneur from Africa, Rebecca Enonchong, CEO, Apps Tech, has personally experienced how developing countries tend to be seen as recipients of innovation as opposed to creators. “And this is so obviously not true. It is all a matter of harnessing the existing talent and safeguarding their accomplishments. This means, more than anything, developing the policies and mechanisms to protect MSMEs when in competition with big corporations. Because the current reality is that these companies end up simply ‘out-lawyering’ and ‘out-expensing’ them,” said Enonchong.

“They are really two different worlds,” said Piotr Stryszowski, Senior Economist, Organisation for Economic Co-operation and Development (OECD). “Take counterfeiting, for example: for big companies, it means less revenue, lower profits. For an MSME, it means an enormous risk of bankruptcy. At a time when innovation is such a constant game-changer, we, as a society, must be able to offer efficient mechanisms to protect smaller businesses.”

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## **Day 1 - Re-imagine globalization to make it beneficial for all**

**With rising geopolitical tensions and protectionism threatening co-operation between countries and international organizations, the first day of the World Chambers Congress in Geneva tackled the theme of multilateralism, and the role business can play to make it work for everyone, everywhere, every day.**

**In the opening session on *Uniting business globally, improving lives locally***, Ngozi Okonjo-Iweala, Director-General World Trade Organisation (WTO), called for business leaders to speak up for “re-globalization.”

“We must push back against the pressures for global economic fragmentation, which will be costly, and could well weaken supply chain resilience,” said Okonjo-Iweala. “A better path forward is what we’re calling re-globalization: deeper, more de-concentrated markets achieved by bringing more people and places from the margins of the global economy to the mainstream.”

Recent crises such as the global pandemic have exposed the perils of clustering certain economic activities, such as vaccine manufacturing, in the hands of just a few countries, she said. To overcome this hurdle, businesses should re-assess their appetite for risk and diversify into previously overlooked parts of the world to build more resilience into supply chains and make the gains from trade more inclusive.

Echoing Okonjo-Iweala, Philippe Varin, First Vice Chair International Chamber of Commerce (ICC), France, stressed that functioning multilateralism was essential for the technological innovation needed to tackle some of the world’s biggest challenges, such as climate change, and increase the prosperity of everyone on the planet.

Business can play an essential role in shaping multilateralism by providing a “reality check” of what is happening on the ground, he said. Varin also called on business to be bolder in embracing the opportunities presented by ESG and noted the need for more

inclusive boards and executive teams inside multinational corporations to improve the understanding between the Global North and Global South.

### **Multilateralism for the 21<sup>st</sup> century**

There has never been a greater need for multilateralism, said Tatiana Valovaya, Director General United Nations Office Geneva in a session on ***Chambers and business: 21<sup>st</sup> century merchants of peace***. But she stressed that this process needs to consider the voices of more member states and women's groups to become more inclusive.

Panelists agreed that the private sector needs to play a major role in shaping global governance rules. With Small and Medium-sized Enterprises (MSMEs) responsible for 90% of global trade, it is important to amplify their voices, said Executive Director of the International Trade Center Pamela Coke-Hamilton.

How to connect MSMEs to the benefits of international trade was the topic of the next session on ***Facilitating trade: partnering for global growth***.

A lack of unified system for exporting goods and services, information discrepancies, and high import duties are hampering MSMEs access to global markets, said Mohammad Ali Rashed Lootah, President and CEO Dubai Chambers.

One potential solution is digitalization, said Eric Loeb, Executive Vice President Salesforce which can act as an "equalizer for organizations of smaller scale" by enabling them to access the same platforms of larger corporations. Artificial Intelligence also has a role to play in helping MSMEs overcome the lack of access to information and expertise, he said.

A fragmentation of the digital space and a lack of technological skills, however, could pose further challenges, said Arancha González, Dean Paris School of International Affairs (PISA), Sciences Po. Lootah added that it was important to involve the private sector, including MSMEs, in any discussions on policy reforms.

### **Push back against the pushback**

Voicing her concerns that trade was increasingly becoming the scapegoat for domestic issues in many countries, González issued a clarion call for chambers to become more vocal about the value of international trade to generate jobs, growth, and innovation, as well as to increase competitiveness. She urged business to make the case for a level playing field at the global level and to advocate for strong social security nets in their own countries.

"If people feel insecure, if they see inequality rising, they will blame international trade," she said. "Push back against the pushback on trade. That's your mission!"

For small companies considered "too small to matter", it is crucial that they can enjoy the advocacy of organizations like the International Chamber of Commerce (ICC) because they are not significant enough for countries to protect, said Marjorie Young, Chair Esquel Group in a session on ***Multilateralism in times of disruption: double back to move forward***.

"It is important for us to thrive because we are small enough to understand each member of our community and take care of them," said Young. "For inclusive growth, too small to matter companies play an important role."

In the next five years we will have as much change caused by technological progress as we have had in the last 20 years, said Klaus Schwab, Founder and Executive Chairman World Economic Forum.

Faced with this disruption in a multipolar world, organizations will have to concentrate on the issues that are top of their concerns, be this international trade or the regulation of new technologies and work together with all stakeholders, he added.

John W.H. Denton AO, Secretary General International Chamber of Commerce, said there was a growing realization that the private sector was needed to solve these global problems. “The private sector can no longer be an observer of the world. Through the ICC they will be the legitimate player at the table,” he said.

Schwab agreed noting that business had a big chance to make its voice heard on a “panoply of issues” such as on the governance of technology like AI and the Metaverse, and to actively shape policies from the start.

To do so, the private sector needs to be given legitimacy in multilateral fora, said Denton. “We have a right to be there because of the role we play in driving the global economy and providing employment,” he said, adding: “If we are not, the spaces that need to be filled with sensible policymaking will be left vacant. And we need to enable sensible policymaking to enable business worldwide to do what it does best which is enable peace, prosperity, and opportunity for all.”

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