

JULIE'S BICYCLE

Tony's already name checked Jimi Hendrix, who I was listening to on my ipod yesterday; Frank Sinatra who I wasn't, but another Frank caught my eye when I came into this room, and that's Frank Zappa, just round the corner. So I'm going to start with Frank Zappa and I'm going to end up with culture. You wouldn't all be here if in some ways you didn't have an interest in environment and what Julie's Bicycle are doing. But putting it into your businesses, putting into your organisations - always a challenge - and I was really interested to talk to a couple of people in the line for breakfast this morning, just to hear the different initiatives being experimented with in different companies. Let me just say something: I love getting seeds, a lovely gift, but I did think, in twenty or thirty years, will these seeds take in the sort of climate that we will have. I'm not recommending you send us cactus seeds but... Thank you for these.

Now Tony mentioned BP, and I can't start without just referencing that company quickly. Last night, when I got back from Paris, someone had sent me a YouTube link to the apology that Carl-Hendrick Svanberg made - the chairman of BP. What struck me was not what he was saying, or the way he said it, but a question came to mind which was: in 15 or 20 years are we going to see many other industries having to stand up and make the same sorts of apologies: that we saw certain threats coming, that we didn't do enough. Now the reason that came to mind, ten years ago, I had to fly to Detroit, actually to Dearborn just outside Detroit, at the invitation of Bill Ford, the chairman of Ford at the time, basically saying we see the climate change threat coming, we're going to have to do something about that, we don't know how to do it, most of our money comes from sport utility vehicles. But then he said something that has always stuck in my mind, he said, this is largely a family business, it's less so now than it used to be, we take a long term view, and what really worried him at that stage was that the car industry was going to become like the tobacco industry, that people were going to say at some point: 'well you knew what was coming out of your tail pipes, your exhaust systems, and so on, and you didn't do enough.' And these people would start to be taken to court. And I think it's very interesting this morning right under a banner headline in the Financial Times, the issue being raised as to whether the oil industry is now going to be the next tobacco.

Your industry is never going to be in that space, but I'm just setting the context. I think after decades of these issues being on the agenda, it's starting to become a much more mainstream agenda. Tony if that makes it less sexy, so be it. I think I'd rather it mainstream and a little less sexy perhaps.

In 1978 I was asked by a very strange man, now sadly dead, Herman Khan, to look out to the end of the twentieth century and into the twenty first, and just talk about some of the environmental issues that were coming up. He really disliked the conclusions that I reached. And when I say really disliked, I mean it. He was ferociously right-wing (I'm not), it was said he was also one of the guys that came up with the mutually assured destruction nuclear strategy for the United States. He was a phenomenally bright man, he could see risks of all different sorts. But when I presented my report that said actually there are four big issues coming at us, one of them is climate, one is the ozone layer, one is the state of the oceans, and another is toxics. And he said, the problem with you environmentalists is that you see a problem coming and it's like driving towards the Grand Canyon - you can see this great whole in the ground and what you do is you try to stamp on the breaks and you try and steer away, what if that's the wrong strategy, what if the way to go forward is to put

your foot flat on the floor - it was an Evil Kineval moment I think in his mind- and you could get right across this chasm. At the time I thought he was clinically insane. The more I see the responses building to this climate challenge of ours, the more I think there is something to what he was saying.

Earlier this year I took nineteen founders and CEOs of UK clean technology companies to California and particularly to Silicon Valley to meet venture capitalists, mainstream businesses, Schwarzenegger's artists and so on. And I was enormously excited by the stories these people told, by the technologies they were developing, but sadly underwhelmed by the extent to which I think the solutions that they are developing are going to meet the challenges that we collectively face.

Now it's wonderful that Michael Jackson, before he sadly died, was writing a song on climate change, but I genuinely don't think that having a few more songs, or a bit more music on this issue, is really going to save us. About four years ago I thought I knew about climate change but I visited the Wood's Hole Oceanographic Institution on Cape Cod, and spent a day with the director and various different scientists and I literally came out of that meeting with my knees knocking: the scale of some of the effects that are going to be felt in the oceans and to different parts of the economies and societies are profound. You look at what's going on at the moment with these government cuts that the coalition is coming in and we're in denial about that, the scale of the larger challenge is much greater. But the problem is that if we wake people up to that challenge and give them no outlet, no way forward, no solutions, I think the impact will be profoundly negative.

So how do we communicate this effectively to people? The simplest thing I've seen recently was in Sweden, the annual Tallberg Forum, and they'd just bought a great block of ice from Greenland and they just stuck it outside the main marquee where everyone was meeting and the thing just melted through the duration of the event. But how far does that get you, as this is a systemic challenge? Now this time last year just before the Copenhagen conference the COP15 climate conference which you'll know was not a signal success, we did a survey, Sustainability and Globescan, which is a Canadian Polling agency, of environmental and sustainability experts around the world – hundreds of them. And we asked them: what's on your mind, what are the big priorities of the next decade, what are you worried about? And we thought that the answer we would get (this was about a month before Copenhagen) would be climate change. And it wasn't. Climate Change was in the second position and ahead of it was water and immediately behind it was poverty, and what was really striking was that it wasn't just one issue, it was twelve that came in as really urgent. And what was striking though was that they all, in one way or another, linked back to climate change. Water does, poverty does, ocean desertification does, loss of biodiversity: all of these things were in that mix. So we face a systemic challenge, and what we are trying to do at the moment are lots of little experiments which are great as far as they go but I don't think they are going to add up to the systemic solution that we need.

I was in Paris yesterday to moderate a session with four CEOs from very different industries. One of them is now retired, he retired a year ago, he's Neville Isdell, some of you may know him, a towering figure of a man - he used to run Coca-Cola. Just at that first priority point – water. What he was saying yesterday was that, for Coca-Cola, they basically sell water. They look around the world now and it's not just India which is where they first got hit by that issue, they see the water issue and it's no longer just a quality issue: is there contamination in the water – it's a quantity issue, it's a supply and access issue, they see it coming up in place after place.

You also start to see some very big players coming into this climate space. So someone who has been completely disassociated with this space is Bill Gates, he's been into health, that's been his bag, he's done great work, the Bill and Melinda Gates Foundation and so on. But as some of you may have just seen, he's suddenly woken up to climate. Why? Because he suddenly starts to see the links out to health, to malaria, to all of these diseases that are going to spread around the world. So what's he doing? He's investing in, among other things, a small geo-engineering company that will sail ships out to sea and start creating clouds which will increase the albedo - the reflecting power of the planet. But again this is one of those somewhat palliative solutions. And then someone who I have profound respect for, someone who really shaped my thinking in the 1960s, some of you may have heard of the Whole Earth Catalogue and a guy called Stewart Brand. He was one of the people who in the 60s were pushing decentralisation. Tony mentioned the whole counter-culturalist agenda, environment was part of that at that stage as well. Stewart Brand has just published a book, and it's not desperate, in the sense that it isn't a cry of desperation, but he's just saying abrupt climate change is now coming at us so fast that we are going to have to completely, as environmentalists, rethink nuclear power, rethink cities, so that in the sixties we were all talking about going off and living on alternative communes - I did it - didn't work terribly well. Now we've got 50% of our human population living in cities, it's got to be 70 to 80% and fast. Genetic modification of crop plants, we've got to go very actively into that sort of space. I'm not arguing for this I'm just saying it's what people are beginning to think. Anglo-engineering, we're going to have to start thinking about space umbrellas and a bunch of other things. Well in a sense fine, but that to me, that's almost like accepting that we are going to have to pollute the gulf and all the rest of it, and we're going to have to come up with technical fixes. I think we're going to have to come up with a much stronger narrative and I think that is where your industry fits in. I'm very much looking forward to the panel session with Jazz Summers and to hear about the report.

What we've seen recently is that when major companies come into this space, and tell a story that is really persuasive and holds out the promise of scale, solutions of scale, the response is remarkably positive. So for example, General Electrical which has been loathed as a company because it polluted the Hudson River, it's been involved in a bunch of other things that environmentalists have not liked, launched its eco imagination strategy, a very positive story, numbers building into the many, many billions of revenues every year. Wal-Mart, a company that I loathe, and many other people in the sort of social and environmental and so on field don't like it much either, got whacked around the head by Hurricane Katrina. Their CEO, Lee Scott launched 155 stores overnight, thought, well enough of that, we're going to act, started cascading new specifications down through their supply chain. Within six months of that process starting, I got invited to board meetings of companies like 3M and Dupont; companies that have been doing environment and health and safety for thirty years and suddenly found that they were destabilised, that the market was starting to switch on. Why do I raise that story of Wal-Mart? Because they are a market gatekeeper, they set expectations for other people, other players, other suppliers. And you do as well.

You are a fragmented industry; you are a highly self obsessed, highly competitive industry in some ways. And what you have here is the element, the beginnings of something that I think is both profoundly important and incredibly timely. As I get older, the more I realise that timing is absolutely critical in just about everything that we do. Many of you will have read Long Horizons, a Julie's Bicycle publication, which I like tremendously, which focuses on cultural relations, which is fine and,

with British Counsel as a supporter, more or less what you'd expect. I think cultural relations are critical, but culture change is where we go next.

So just in my concluding comments I want to address that. Next week McKinsey and Generation Investment Management, which was set up, some of you will know, by Al Gore and David Blood, (they were going to call it Blood and Gore and one stage but refrained). It's an investment fund, but it is an investment fund with a difference: it looks out to the deep future and invests in companies on that basis. And they've asked each of us to come to the table with just three minutes of what we think the biggest break in sustainable capitalism is in the next ten years. Well mine is behaviour. Many of us have changed our ways of thinking, we see the environmental, we see the sustainability, we see the climate issues out there, we acknowledge them – we have no choice. But we are not changing our behaviours and we all know about that sort of gap between intention and action. But what does enable us to change our behaviours? It's the cultural context. It's the fact that we know that other people are doing the same thing, that that's the cultural expectation. Well I think we are heading into a low carbon culture, but it isn't just going to come by default, it isn't going to come automatically, we're going to have to work for it. So I think your industry is important. It is a cultural industry par excellence. I think over the next two years the question, as Tony said, is how do you scale up from your really interesting social entrepreneurial roots to something that really has impact on government and on the industries that you interact with?

Just a final thought, 2012 is not only the Olympics, but it's the twentieth anniversary of the Rio conference that put climate change, and environmental issues more generally, on the agenda. I'm just wondering whether JB and your industry could one of the hosts of a process that as huge numbers of people flood into this city of ours, opens out the huge array of players, actors in this sustainability and climate change space. I go to many, many meetings and one of the things that strikes me is how many people are based here, but how little they interact with each other and I think one of the things we need to do is to perhaps present London as a capital city of the climate change response of sustainability and so on. I'd love to see whether you could be part of that along with the many other things that you are doing.