

Dedicated to making a difference

Sustainable Development from a Business Perspective



World Business Council for
Sustainable Development

**Conference on Sustainable
Development and Indicators
Oslo, 22 June, 2004**

**Odd S. Gullberg
Chief Operating Officer**

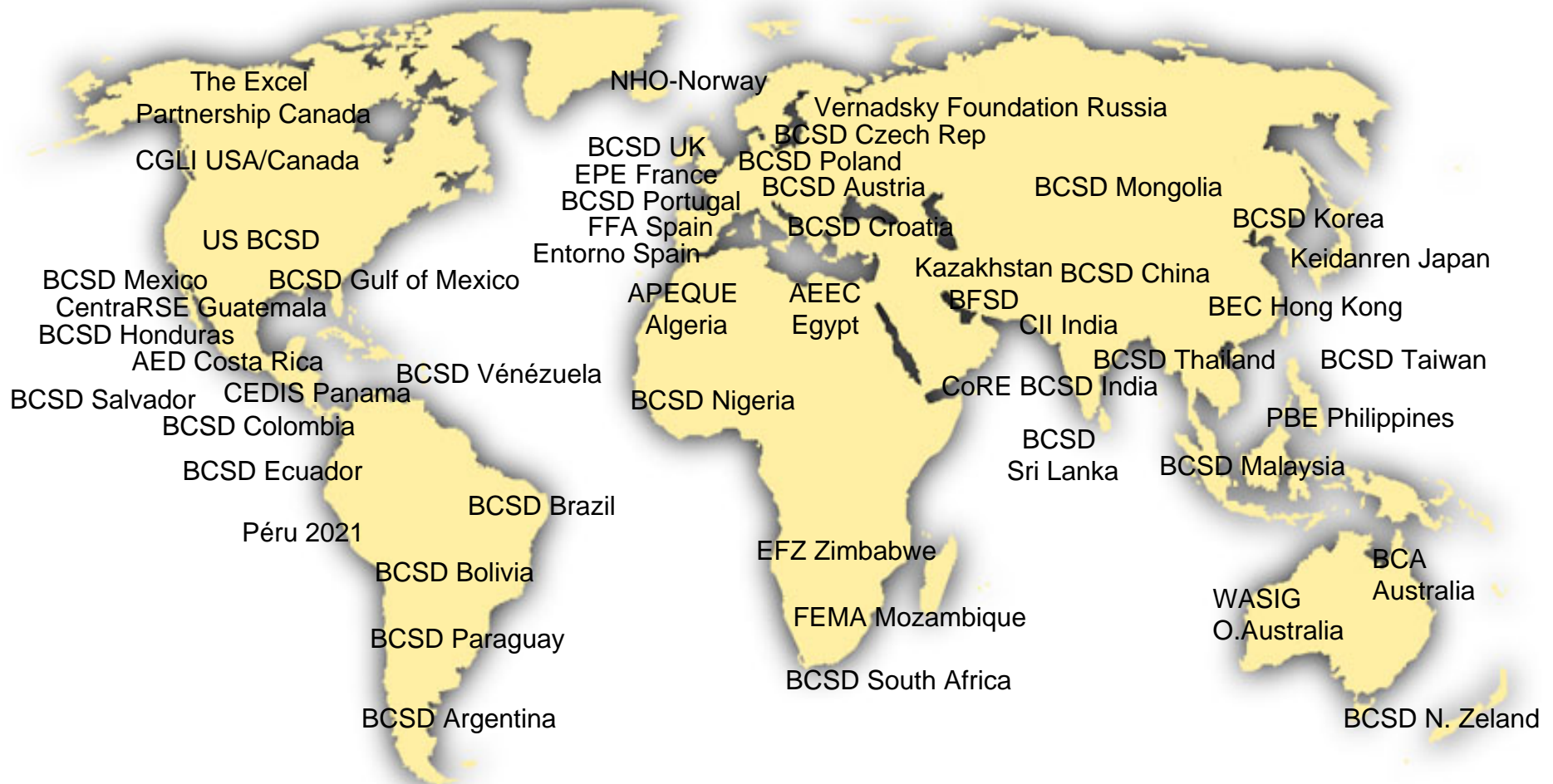


WBCSD

- **175 international companies united by a shared commitment to sustainable development**
- **Members from**
 - **35 countries**
 - **20 major business sectors**
 - **48 national and regional BCSDs (NHO is the Norwegian representative)**



Global presence of the regional network





Sparkling facts

Revenue: USD 4,000 billion.

This compares with the GDPs of the three largest economies in the world (2002):

USA	10,400
Japan	4,000
Germany	2,000

Employees: 11.6 millions

Customers: 2.5 billion people buy a product or a service from a WBCSD member every day





Norwegian Members

- **Norsk Hydro**
- **Statoil**
- **Det norske Veritas**
- **Storebrand**
- **Norske Skog**
- **Leif Höeg**





A member driven Organization

- **« Business is good for sustainable development, and sustainable development is good for business »**
- **Members are actively participating**
 - ✓ **Seconded business people to the work programs**
 - ✓ **Co-charing the programs**
 - ✓ **Contributing to the working groups**
- **Management with business experience**



Work program: reflecting the business case

Policy development and best practice

Council projects

- ✓ Energy & Climate
- ✓ Sustainable Livelihoods
- ✓ Accountability & Reporting
- ✓ Water

Sector projects

- ✓ Forest Products
- ✓ Mining & Minerals
- ✓ Cement
- ✓ Mobility
- ✓ Electricity Utilities
- ✓ Financial Sector

Capacity building

- ✓ Education and Training
- ✓ Stakeholder dialogues
- ✓ Case Studies and Learning-by-sharing
- ✓ Young Managers Team
- ✓ CHRONOS E-learning

The Business Case

Cross-cutting themes

- ✓ Eco-Efficiency
- ✓ Innovation and Technology
- ✓ Corporate Social Responsibility
- ✓ Ecosystems (biodiversity)
- ✓ Sustainability and Markets
- ✓ Risk





From Stockholm to Johannesburg

- **1972, Stockholm: Environment**
- **1992, Rio, UNCED: UN Conference on the Environment and Development**
- **2002, Johannesburg, WSSD: World Summit on Sustainable Development**

Norms and principles



Implementation of sustainable development





A World under stress

- **Doha round on trade rules**
- **No consensus on framework to address climate change**
- **MDGs too ambitious?**
- **Approaching the physical limitations of the planet**
 - ✓ **Carbon levels**
 - ✓ **Growing population**
 - ✓ **Consumption rate of natural resources**





A tripartite world

- **Changing role of the partners**
 - ✓ **Dominance of governments diminished**
 - ✓ **Growing influence of business**
 - ✓ **Civil society maturing**





Two sustainable development agendas

Public policy agenda

- Driven from outside business
- Framework conditions and policies
- Growing complexity of issues

Business agenda

- The business case for sustainable development





Public policy agenda

- **Globalization and global governance**
- **Trade, development and poverty**
- **Sustainable Production and Consumption**
- **Societal services (Water, Energy, Healthcare)**
- **Innovation and Technology**
- **Health of the ecosystems**
- **Accountability and trust**





Globalization and Global Governance

- **Strong tension between parts of the world**
- **?s for the global multilateral system**
 - ✓ **WTO**
 - ✓ **Kyoto Protocol**
- **Bilateral/regional solutions**





Trade, Development and Poverty

- **The opening of the markets has created wealth, but it is unevenly distributed**
- **Benefits of globalization must come to the poor if we want to maintain open global markets**
 - **Access to**
 - **Markets**
 - **Healthcare**
 - **Technology**
 - **Funding**





Sustainable Production and Consumption

- **Business has done much to improve efficiency**
- **To deal with Sustainable Production has become a natural part for many businesses**
- **Sustainable consumption is more difficult**
 - ✓ **Who decides on behalf of the consumer?**





Societal Services

- **Services like water, energy and healthcare are needed to make society work**
- **Business role and contribution is necessary**
 - ✓ **Technology and systems**
 - ✓ **Management**
 - ✓ **Funding**
- **Pricing is complicated**





Innovation and Technology

- **A world of**
 - ✓ **Physical limitations**
 - ✓ **Growing population**
 - ✓ **Demands for increasing living standards and poverty alleviation**
- **Innovation and technology are the only real counterforce**
- **But the conditions for business are unclear, and**
- **The debate often becomes emotional and unrealistic**





Health of Ecosystems



- **Major uncertainties, limited knowledge**
- **Climate is a special dilemma**
- **Growing interest for biodiversity conservation**
- **New alliances between business and conservation movement**





Accountability and Trust

Demands are growing – there is no place to hide

- **New reporting guidelines**
 - ✓ GRI and Others
 - ✓ USA, France, UK
- **Many codes of conduct**
 - ✓ OECD, Global Compact
- **Socially Responsible Investments (SRI)**
- **Sustainability indexes (DJSI)**
- **Not only for business, also Governments and NGOs**





Business Assets



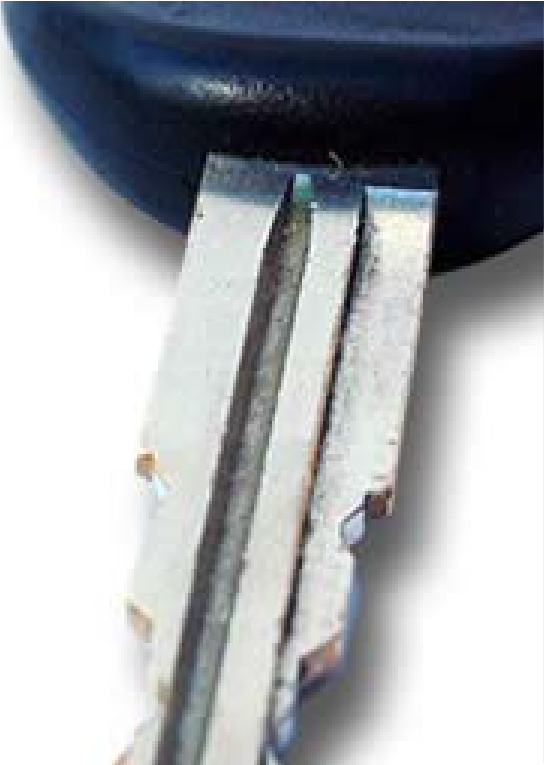
The policy agenda affects the value of business

- ✓ **Intangibles are increasingly important**
 - ✓ **Reputation and brand**
 - ✓ **Perceived risks**
 - ✓ **Ability for constructive dialogue and partnerships with stakeholders**
 - ✓ **Ability to change and adapt**





The business case for SD

- 
- **Risk reduction**
 - **Operational efficiency & effectiveness**
 - **Recruitment and retention of talent**
 - **Enhancement of value creation**
 - **License to operate and innovate**
 - **Protecting the resource base of raw materials**





Partnerships

- **A sustainable future requires partnerships between governments, business and civil society**
- **Partnerships are time and resource consuming. Important to consider goal**
- **Voluntary actions are contributing strongly**
- **Need legislative framework**
- **« The perfect solution » takes long time**





Looking ahead

- **Shared responsibility**
 - ✓ **Companies: Resource efficiency, innovation**
 - ✓ **Governments: Provide framework**
 - ✓ **Financial markets: Hold scorecard, asses risk and allocate capital**
- **Where is the business border line for responsibility?**
- **Business leadership - walk the talk**
- **Sustainable development is a long term view**



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Business cannot succeed in a society that fails

- **The state of the planet**
 - ✓ Environment inside and outside the fence
 - ✓ Life cycle responsibility
- **Alleviate Poverty**
 - ✓ Political, Economic and Social Instability
- **Codes of Conduct**
 - ✓ Credibility
 - ✓ Transparency, CSR
- **Traffic rules and Framework Conditions**



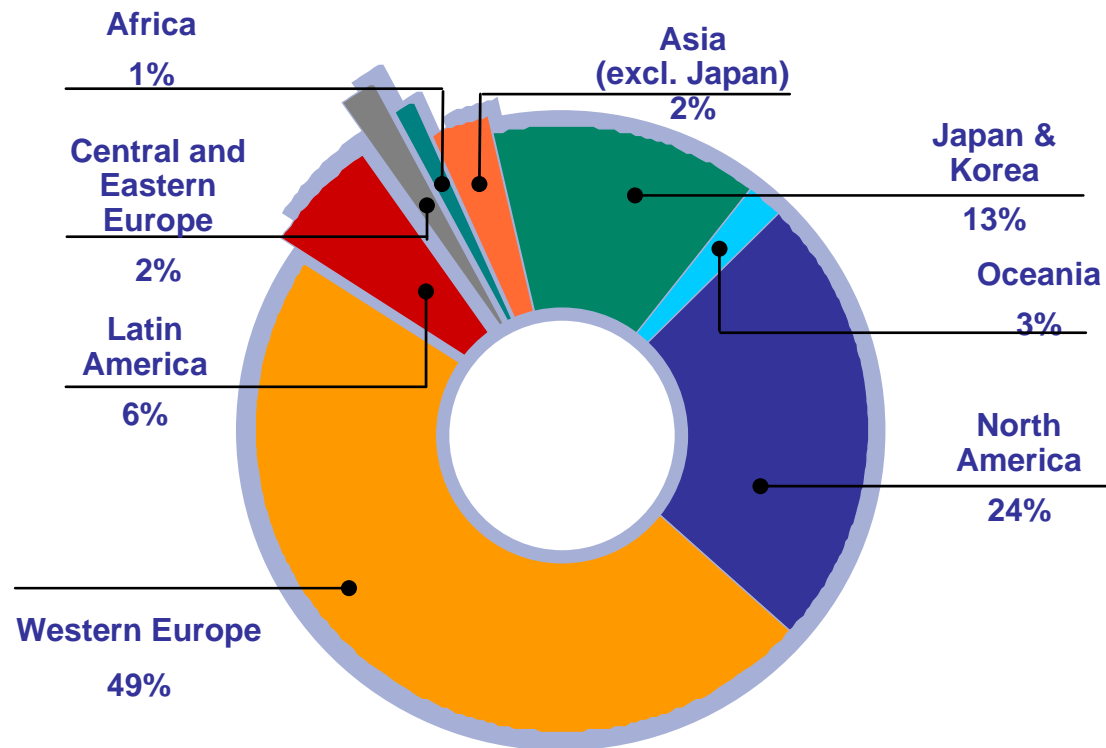


What do we do?

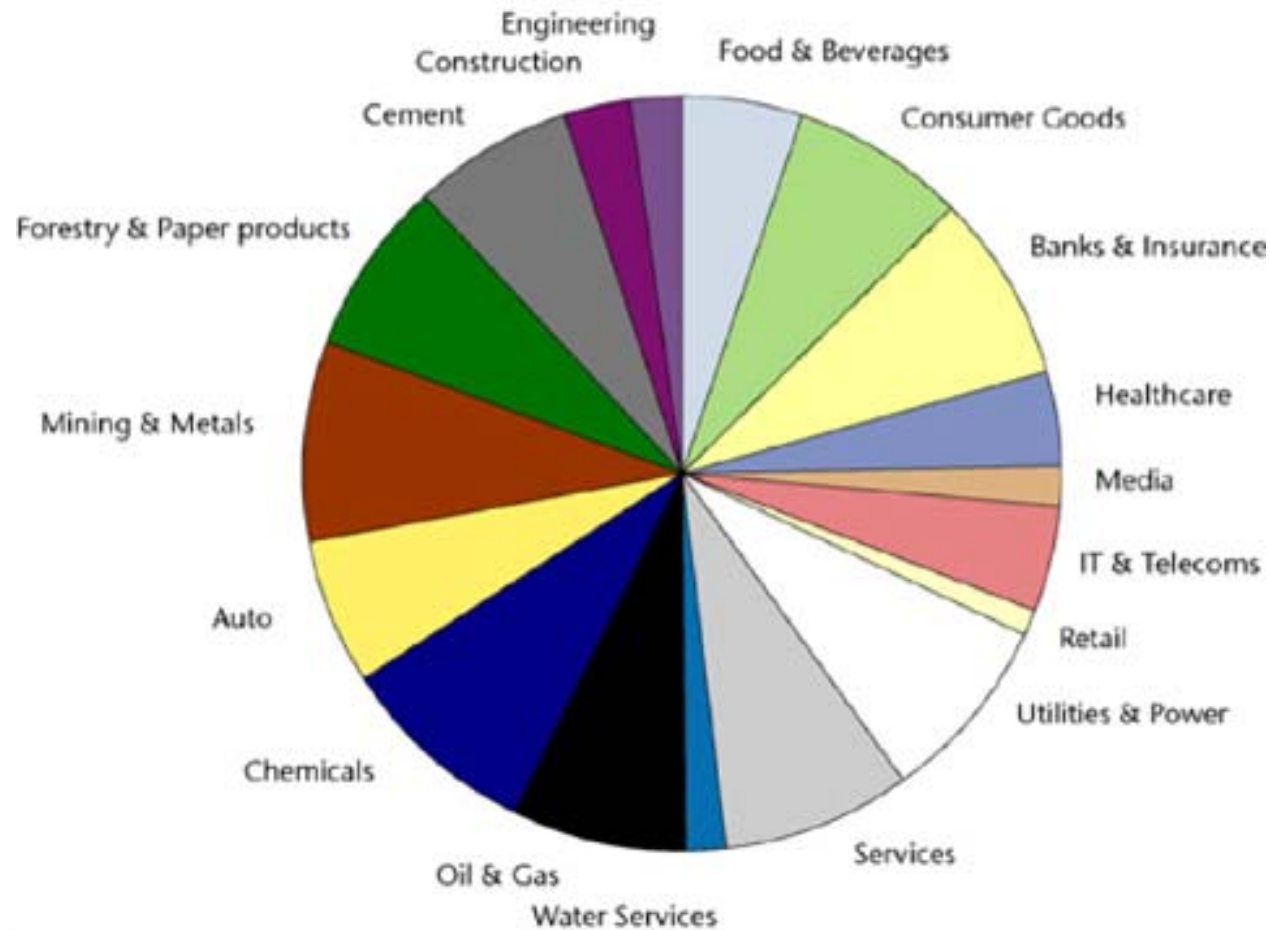
- **Business leadership** ● To be the leading business advocate on issues connected with sustainable development.
- **Policy development** ● To participate in policy development in order to create a framework that allows business to contribute effectively to sustainable development.
- **Best practice** ● To demonstrate business progress in environmental and resource management and corporate social responsibility, as well as to share leading-edge practices among our members.
- **Global outreach** ● To contribute to a sustainable future for developing nations and nations in transition.



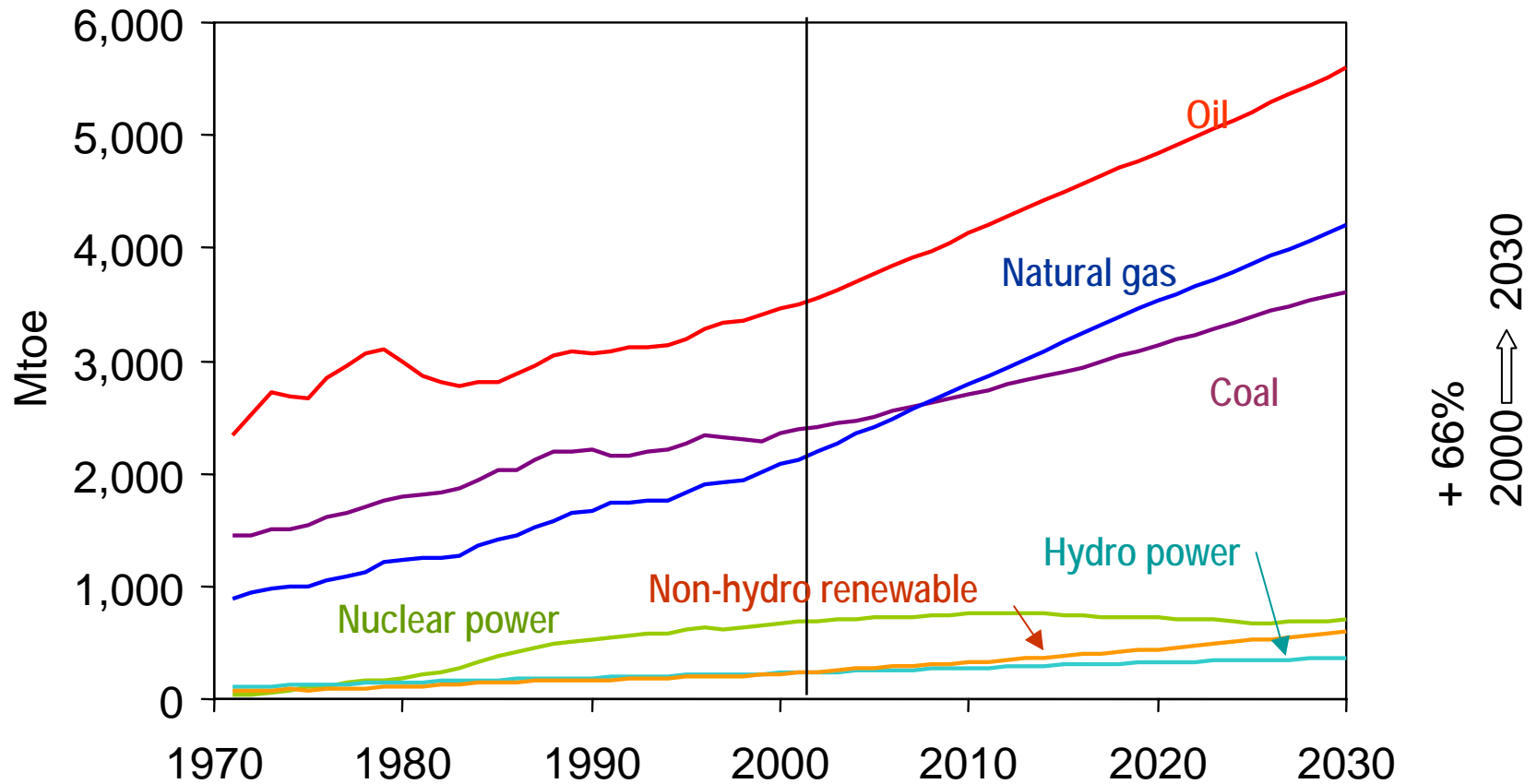
WBCSD membership (by region)



WBCSD membership (by sector)



World Primary Energy Demand



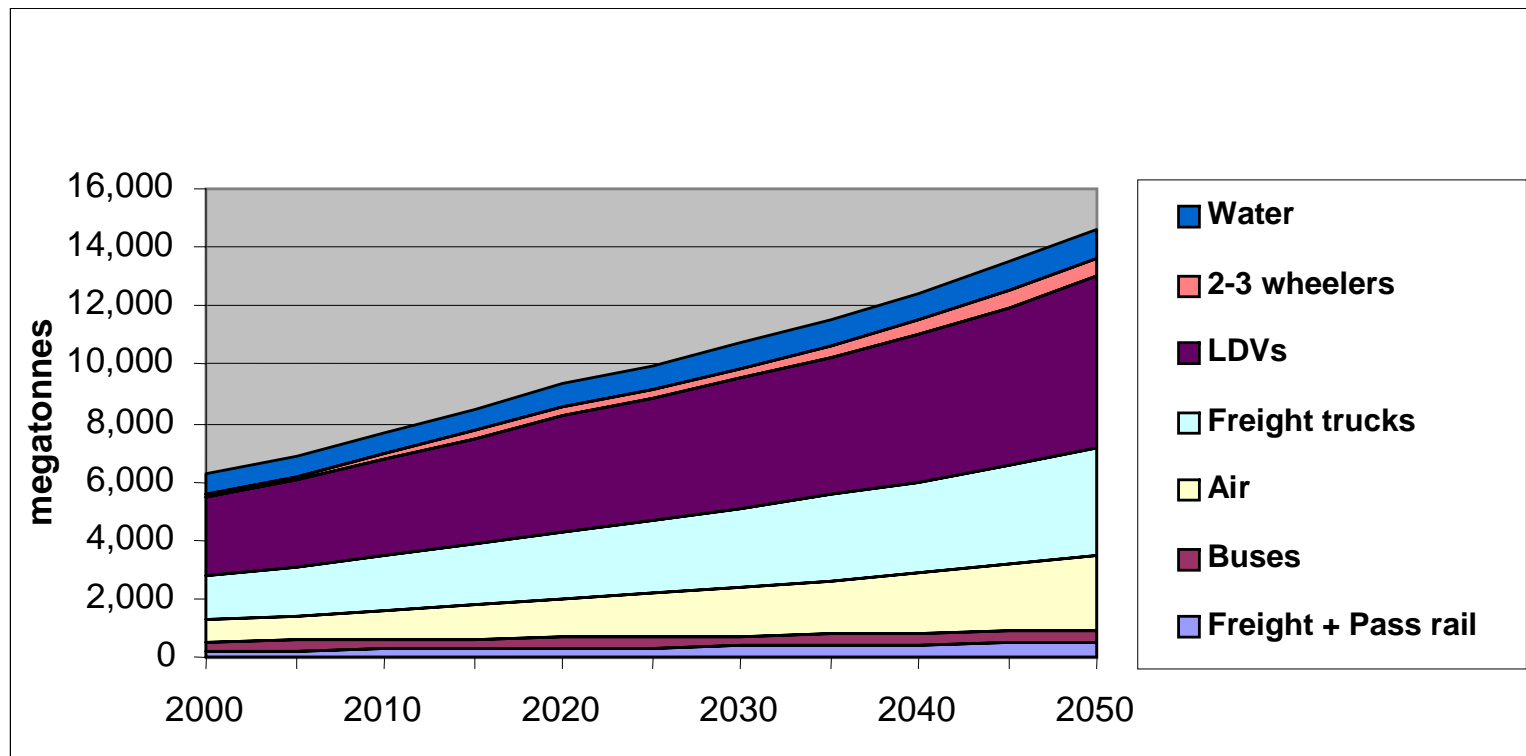
Source: IEA



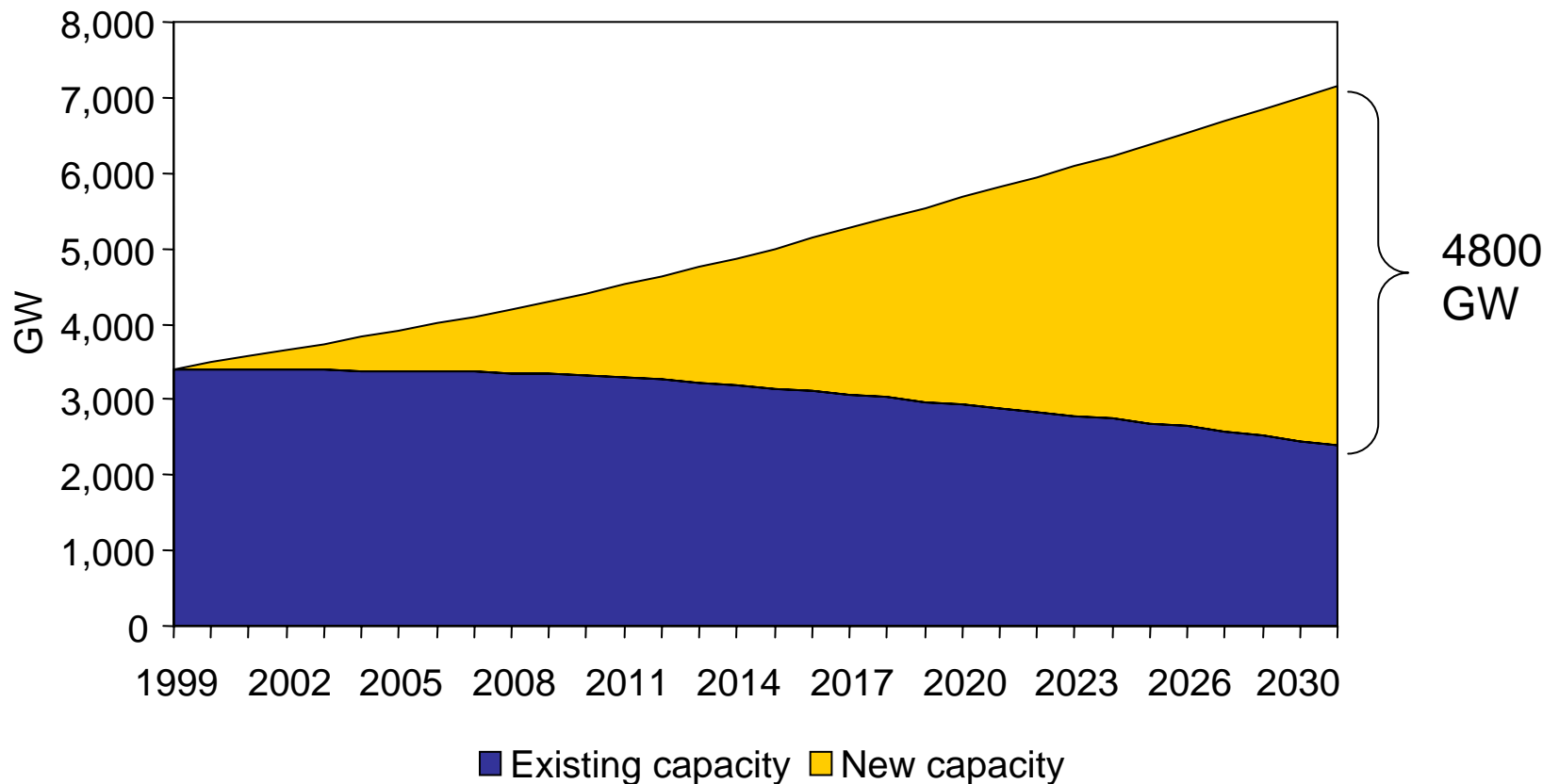
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A very Negative Trend in Transportation

Transport-Related CO₂ emissions (Well to Wheels Basis) by Mode



World Electricity Generation Capacity



Source: IEA

