

DEDICATED TO MAKING A DIFFERENCE

WBCSD and its Regional Network: Business Leadership on Sustainable Development

Presentation of FE – BCSD Spain



World Business Council for
Sustainable Development

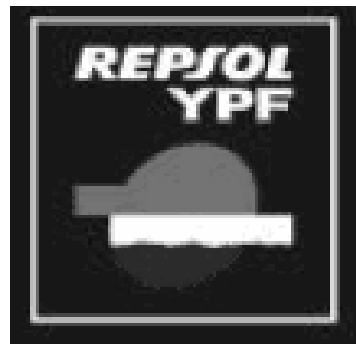
Björn Stigson
President of the WBCSD
Madrid, 1 March 2006

WBCSD members, scale – Statistics

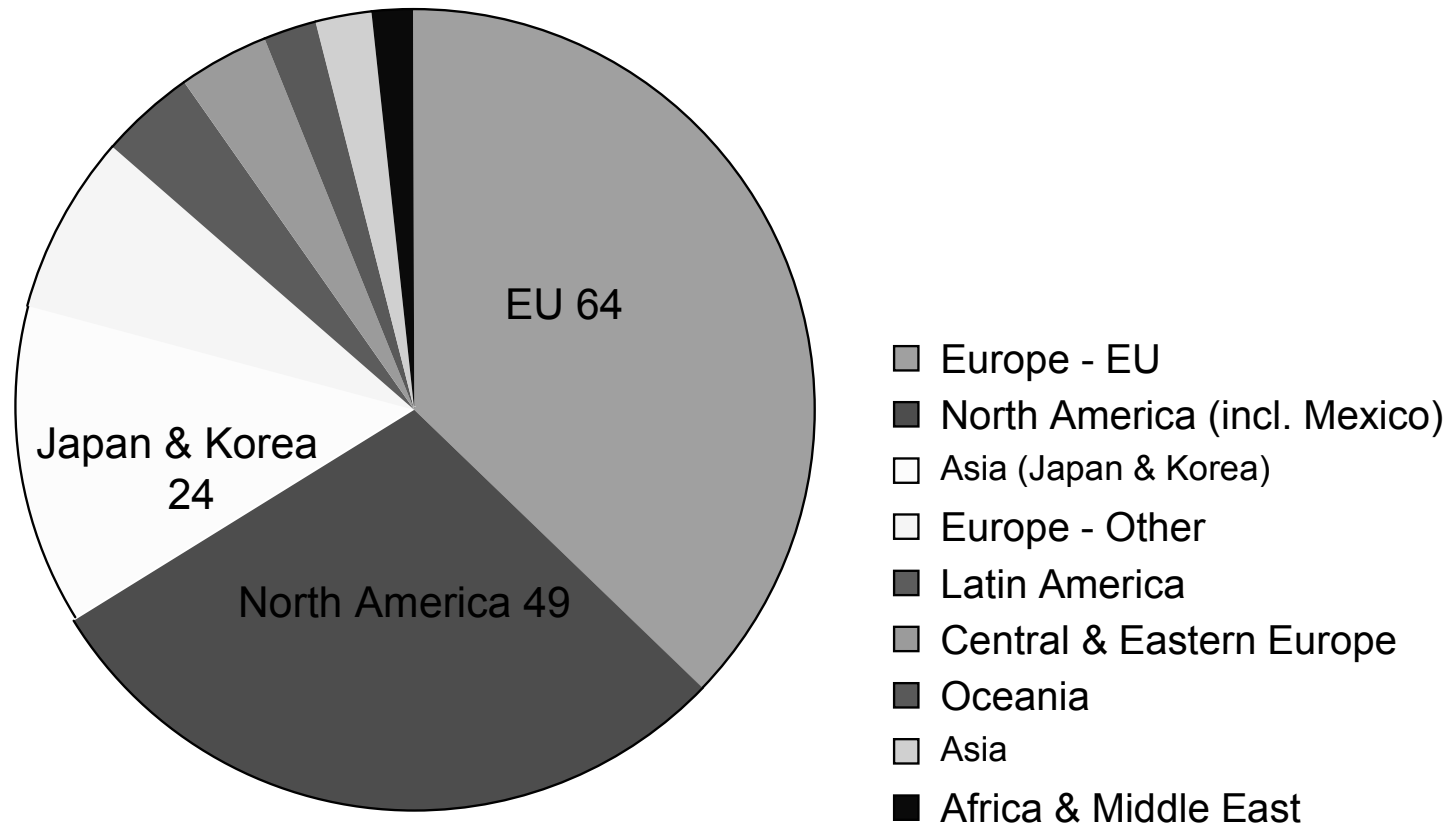


- Coalition of 180 leading companies
- Total turnover: USD 5,200 billion
- Market capitalization = USD 5,400 billion
 ✓ *About 5 X Spain's GDP*
- Total member company employees = 12 million
- Global outreach
 ✓ *3 billion consumers per day buy a product or service from a WBCSD member company*

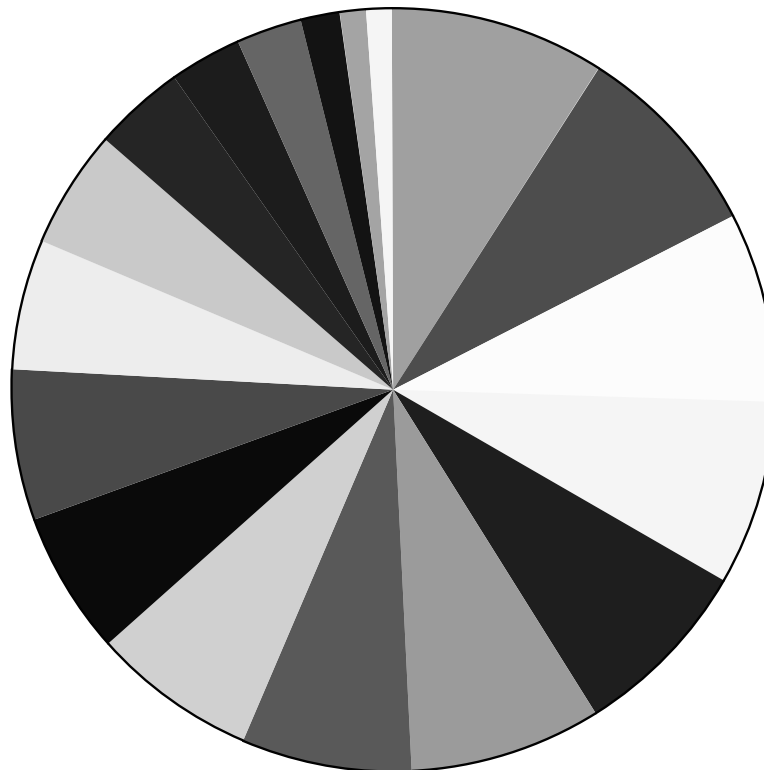
4 Spanish Member Companies



Geographic overview of WBCSD members



Member companies by sector



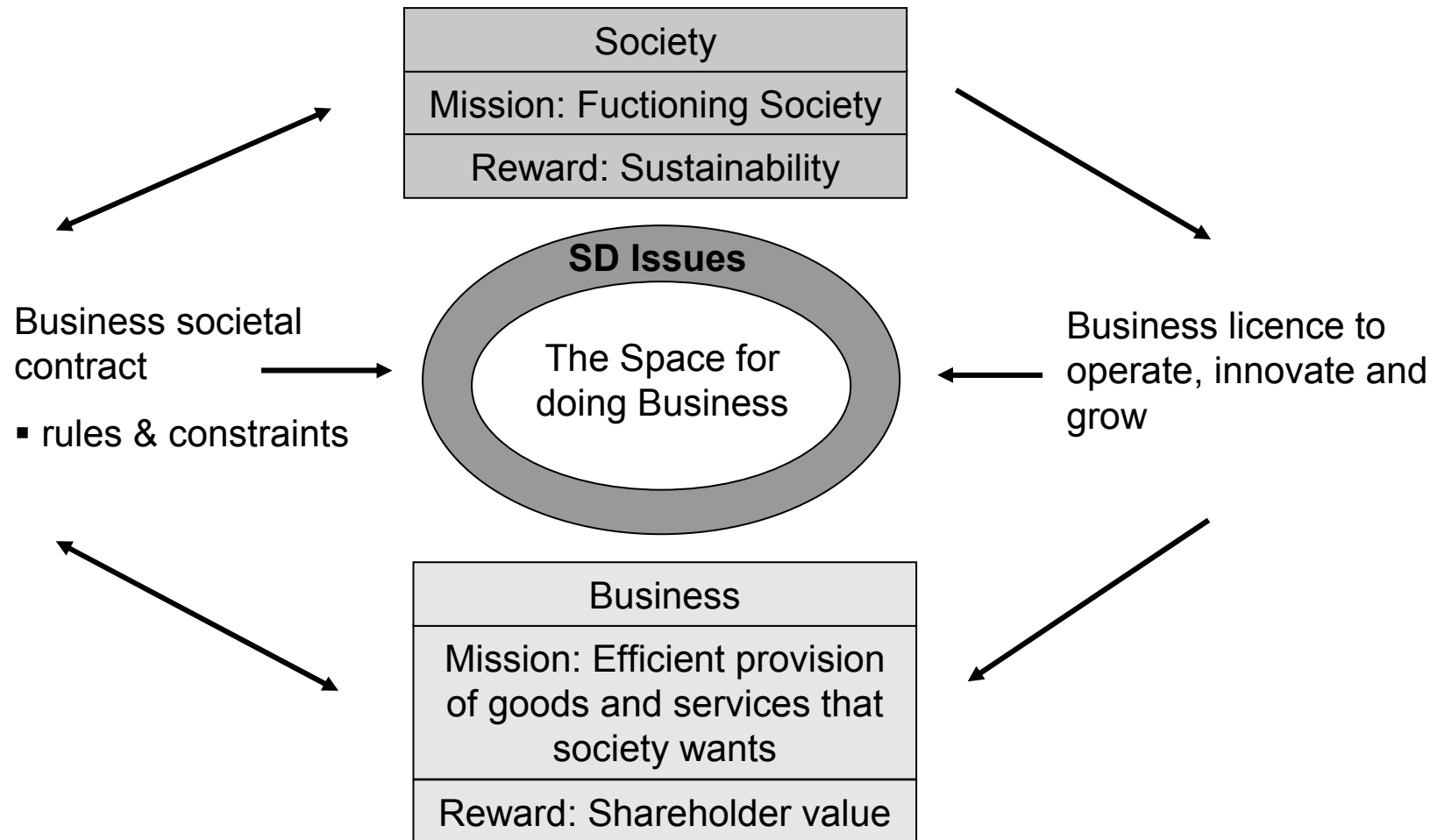
Utilities & Power	18
Forestry & Paper products	13
Consumer Goods	14
Services	12
Oil & Gas	16
Chemicals	14
Mining & Metals	14
Cement	11
Banks & Insurance	12
Auto	12
Food & Beverages	8
IT & Telecoms	8
Healthcare	5
Construction	6
Engineering	6
Water Services	3
Media	2
Retail	2

No sector represents more than 18 members

Regional Network



A World shaped by SD Issues



Consequences for Companies

Bill Business Models

- Is your business model robust enough to cope with the SD constraints and opportunities?
- What do these issues mean to your long term investments?



Consequences for Companies

Bill

Brand and reputation

- The role of consumers is coming into focus
- Company SD performance is impacting customer preferences



Consequences for Companies

Bill Market valuation

- Perceptions about your ability to respond to the SD challenges will influence your market valuation
- How do you communicate with investors and analysts?



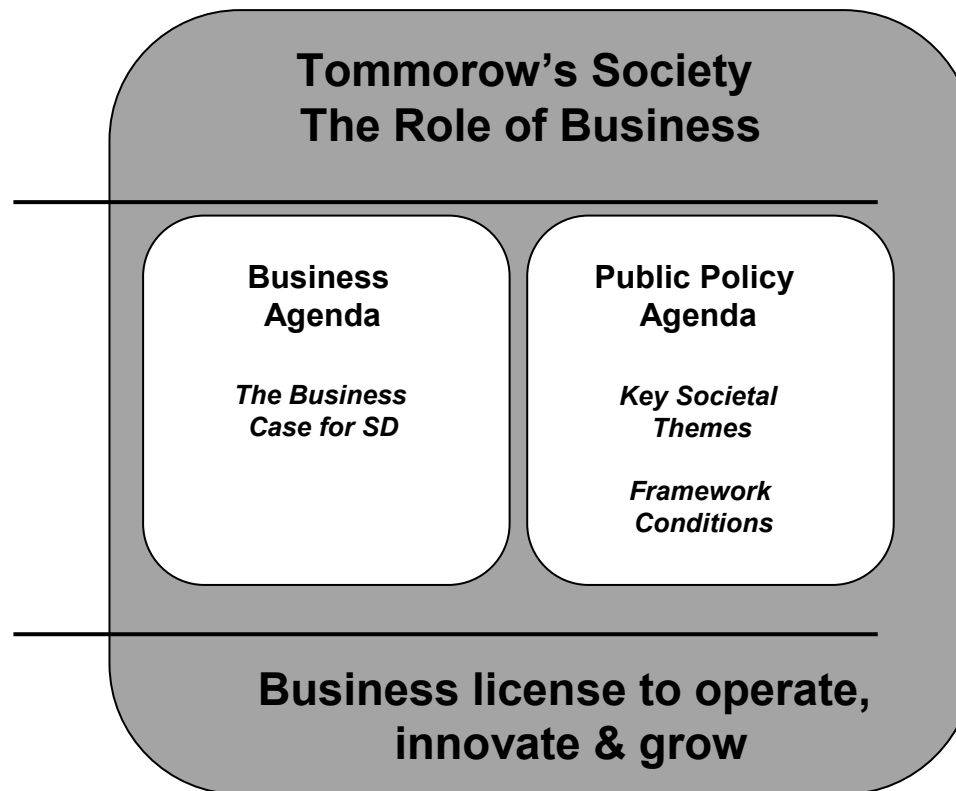
Consequences for the Business Community

Bill

- Need to actively advocate the role of business in tomorrow's society
- “What can we do, what must we do, what can we not do?”



WBCSD Strategic Model



The Business Case for SD

- Operational efficiency
- Risk reduction
- Recruitment and retention of the best talent
- Protecting the resource base of raw materials
- Creating new markets, products and services



GE Ecomagination

“Ecomagination is GE’s commitment to address challenges such as the need for cleaner, more efficient sources of energy, reduced emissions and abundant sources of clean water. And we plan to make money doing it.”

Jeff Immelt

GE Ecomagination

- Turnover in Ecomagination products

2005
10 BUSD

→

2010
20 BUSD

- R&D in Ecomagination products

2005
700 MUSD

→

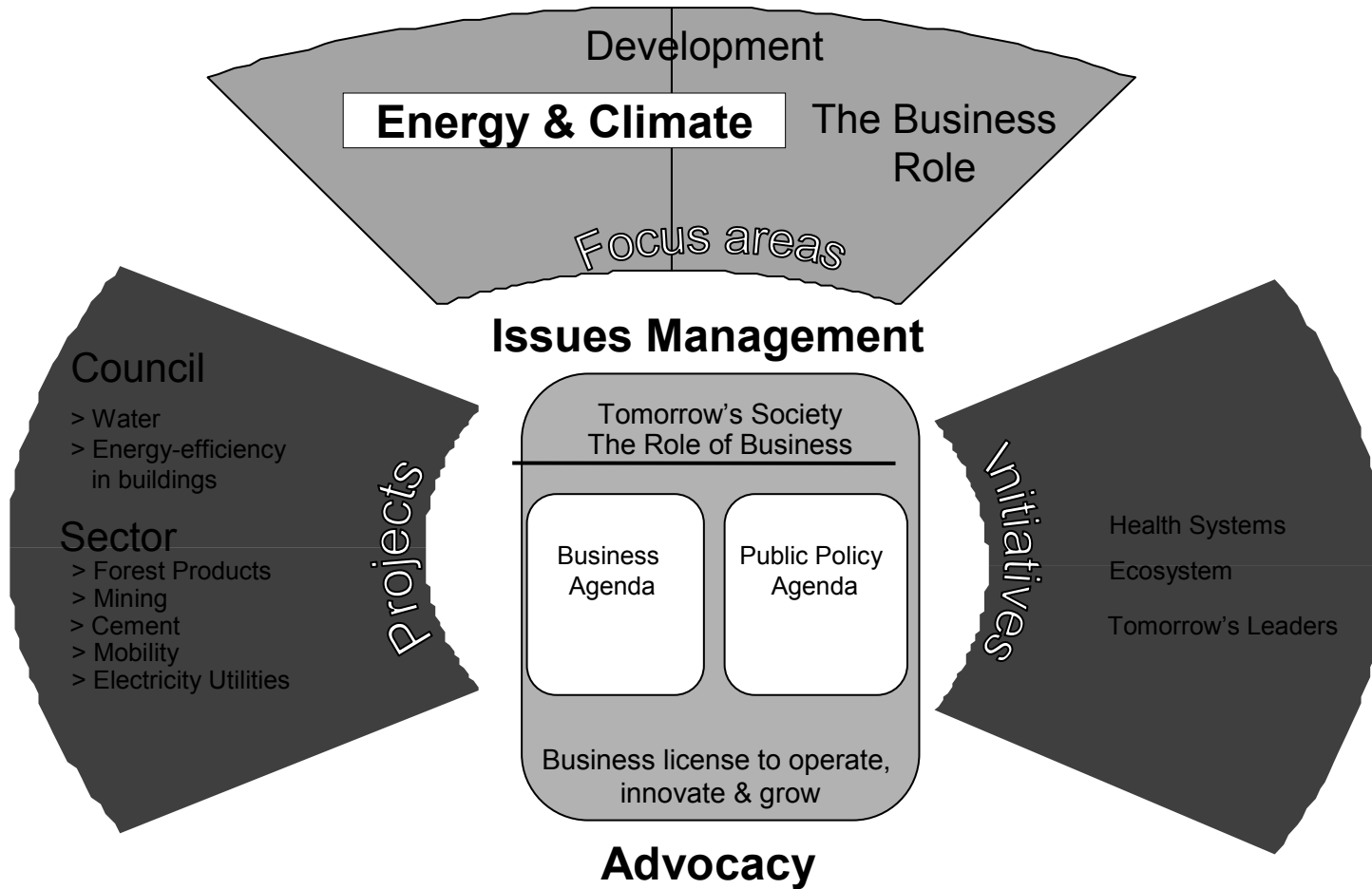
2010
1.500 MUSD

The Public Policy Agenda

Societal Themes

- Energy and climate
- Development and poverty
- Corporate responsibility
- Ecosystems
- Technology and innovation
- Societal infrastructure and services
- Human rights
- Trade rules

WBCSD Work Program



Focus Area: Energy & Climate

Context

- “Facts & Trends” – Dilemmas

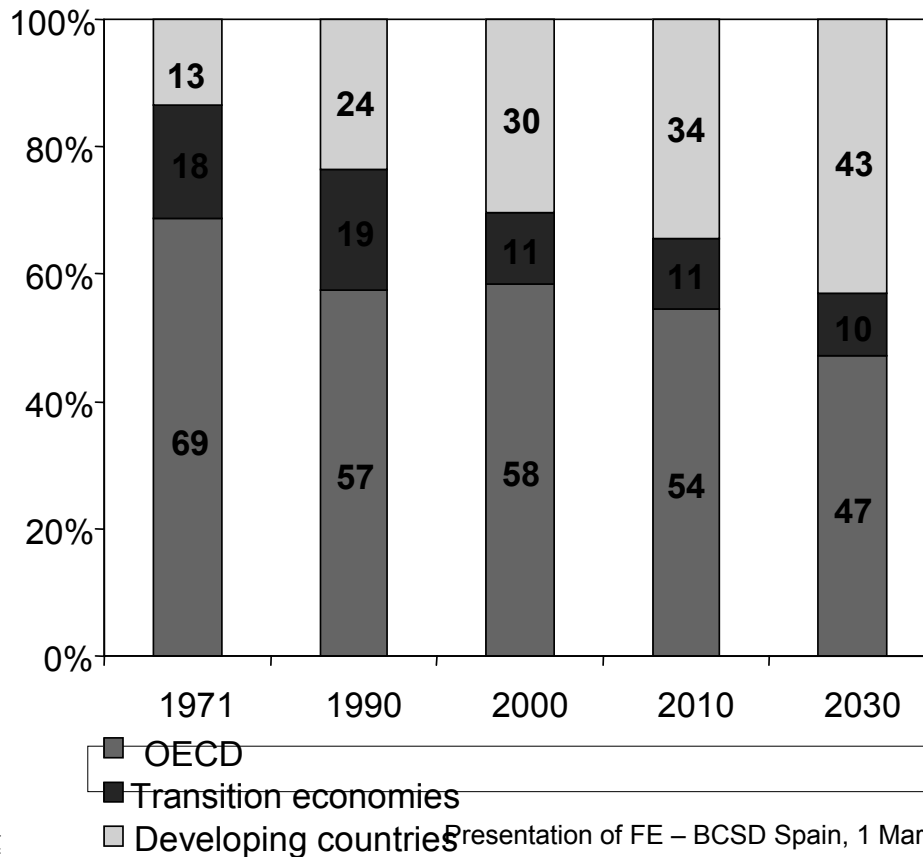
- ✓ Growth, development and energy demand
- ✓ Energy use & climate impacts
- ✓ The dynamics of technological change



Focus Area: Energy & Climate



Regional Shares in World Primary Energy Demand



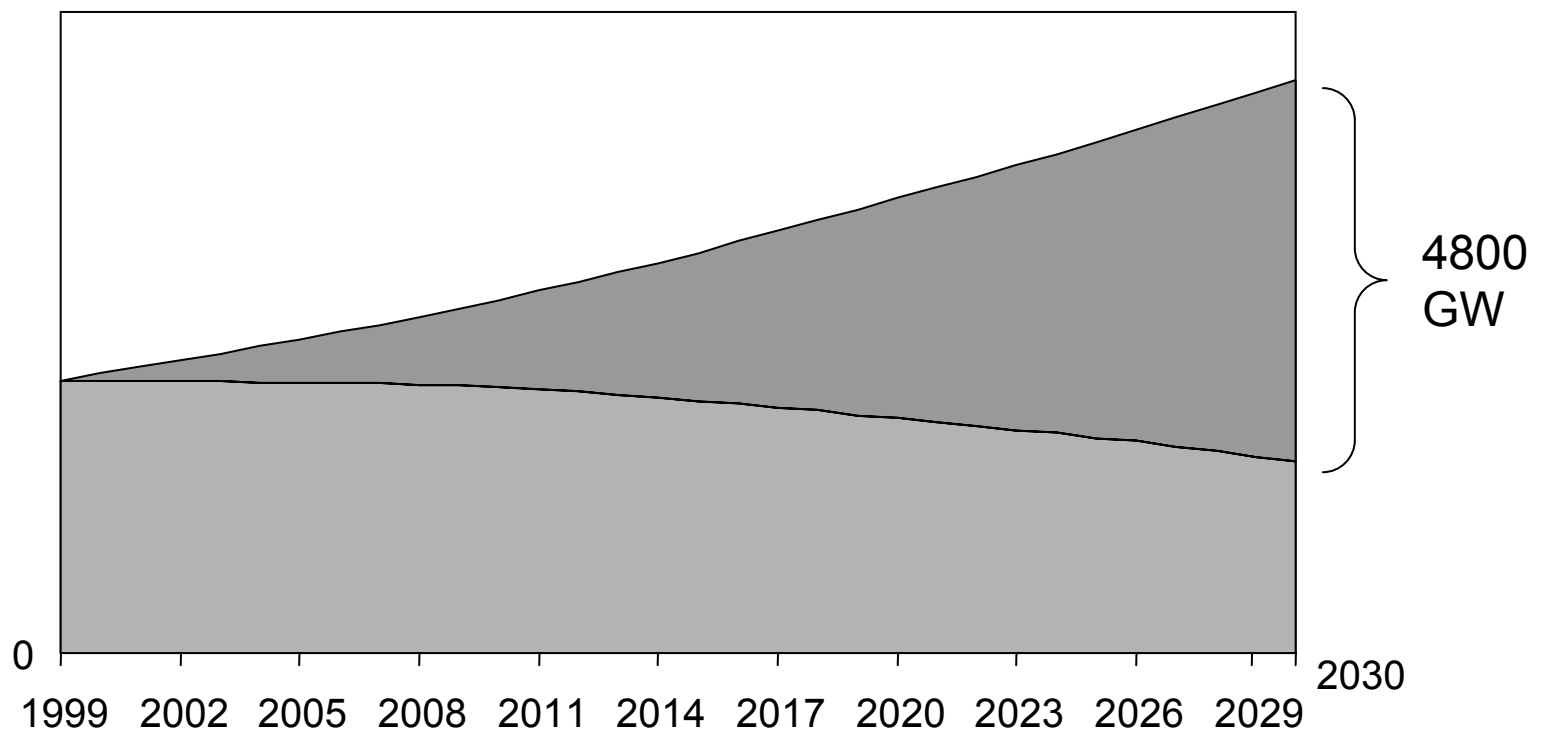
Source: IEA

62% of the increase in world demand between 2000 and 2030 comes from developing countries, especially in Developing Asia

Focus Area: Energy & Climate



World Electricity Generation Capacity



Existing capacity

New capacity

Presentation of FE – BCSD Spain, 1 March 2006

Source: IEA

Focus Area: Energy & Climate



Total Primary Energy Demand in %

		2000		2030
Coal		26		24
Gas	87	23	89	28
Oil		38		37
Nuclear		7		5
Hydro		3		2
Other Renewables		2		4

Focus Area: Energy & Climate



Outlook

- Push for Energy Efficiency
- Growing interest for alternatives to fossil fuels
 - ✓ nuclear
 - ✓ big hydro
 - ✓ renewables
- More interest for clean coal solutions
 - ✓ carbon capture and storage

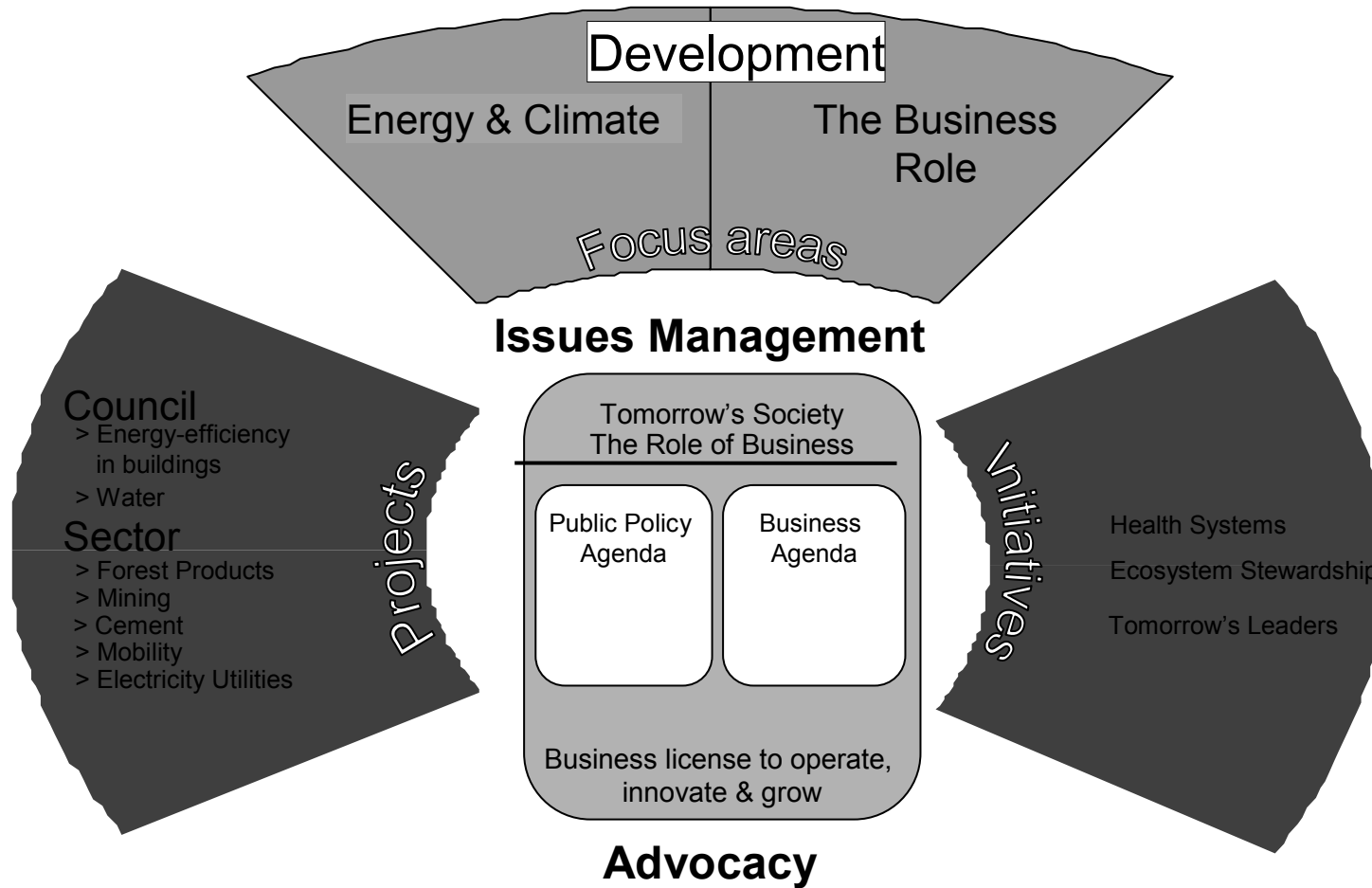
Focus Area: Energy & Climate



A divided global community, but consensus is growing on the human influence on climate

- G8 Gleneagles Plan of Action
- EU High Level Group on Energy, Competition & Climate
- UK Stern Review
- Asia-Pacific Partnership on Clean Development

WBCSD Work Program



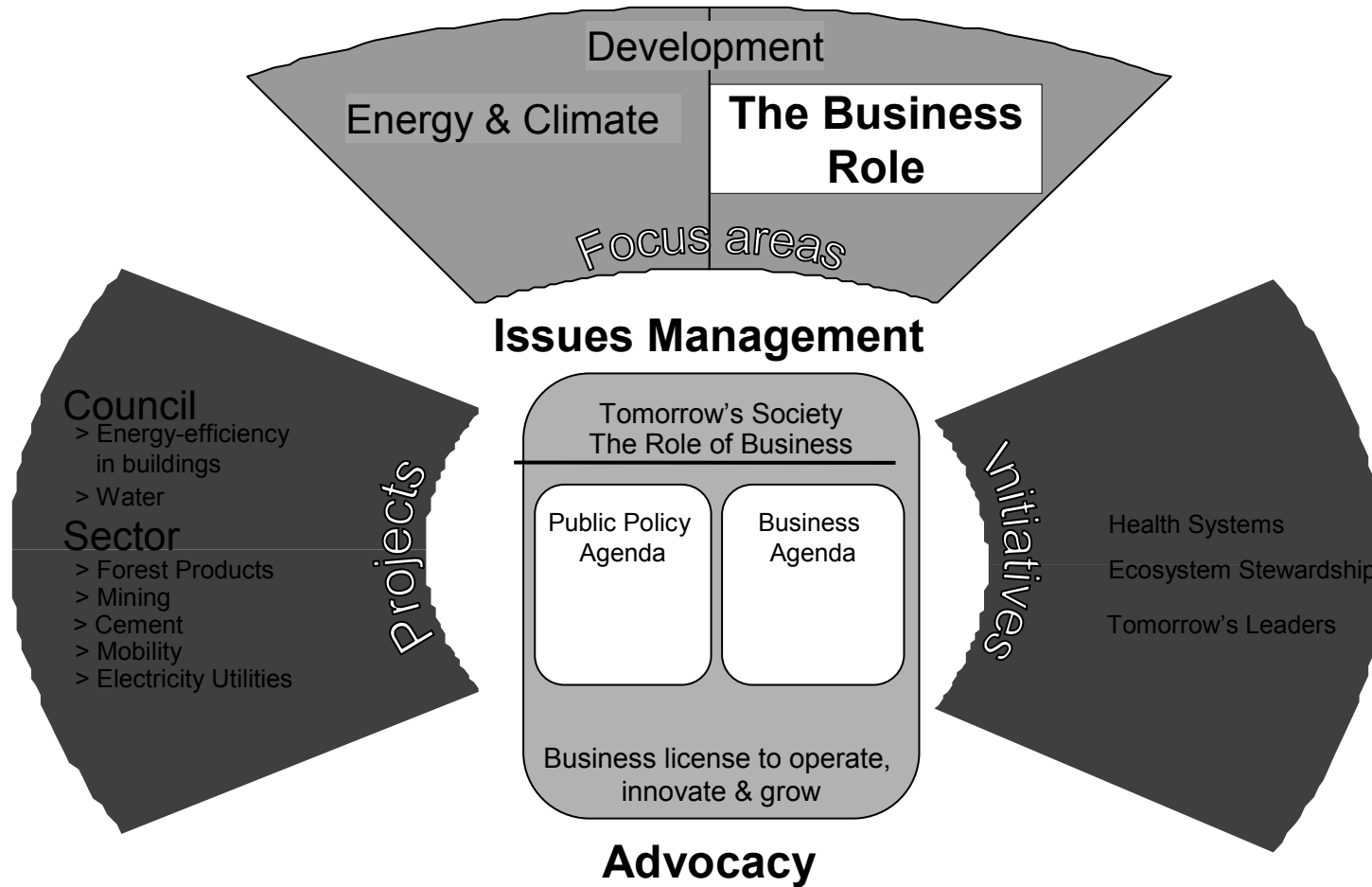
Focus Area: Development

Context



- **Poverty alleviation through economic development**
 - A wide range of developing countries
- **How can we make the markets work for all?**
 - ACCESS a prerequisite to wealth creation in developing countries:
 - to Markets
 - to Medicines
 - to Technology
 - to Funding
 - WTO Doha Round?
- **Least Developed Countries (LDCs): The Business Case?**
 - New business models
- **ODA/FDI roles and interaction**

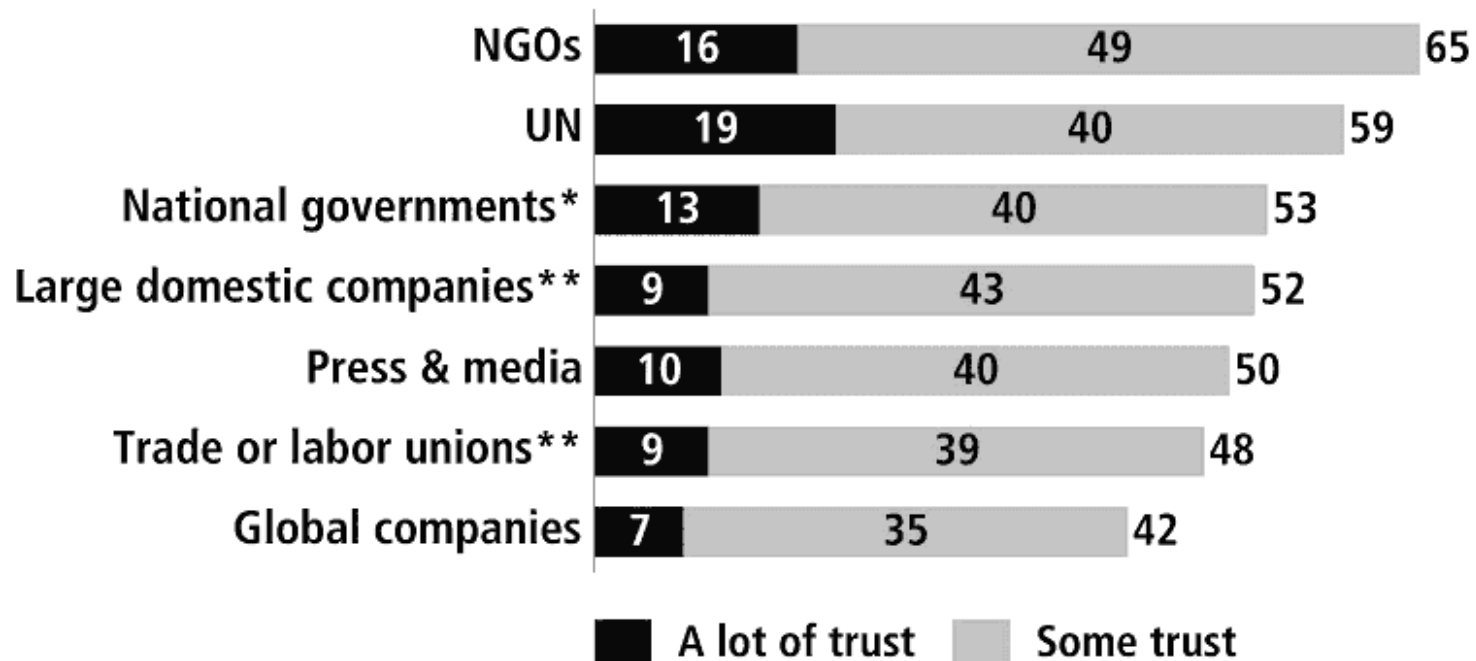
WBCSD Work Program



Focus Area: Business Role in Society

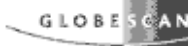
Trust in Institutions

"A Lot" or "Some Trust," Average of 20 Countries Surveyed, 2004



*Excludes China

**Excludes Nigeria & South Africa

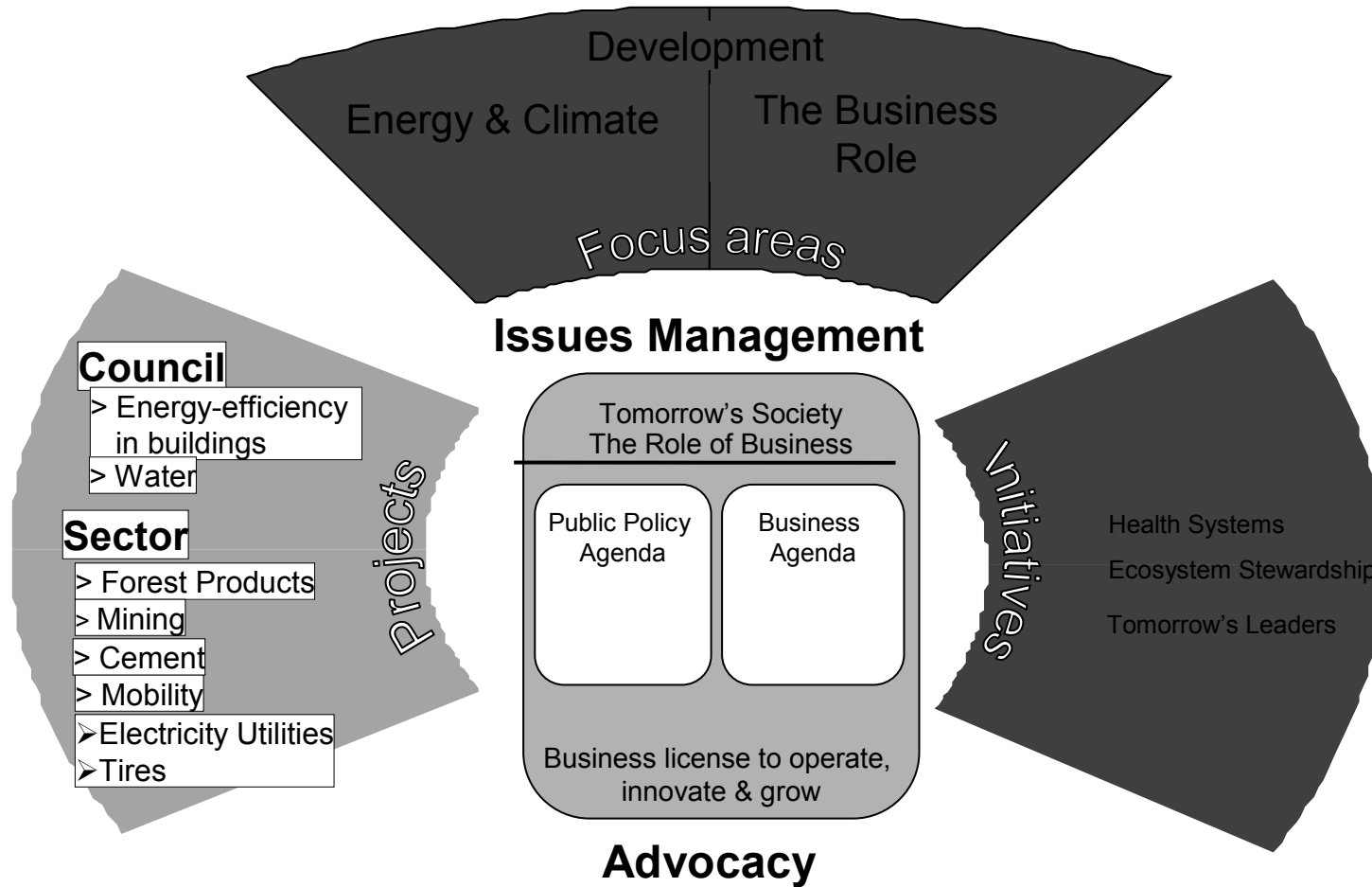
Source: 

Focus Area: Business Role in Society

Search for solutions in a tripartite world

- Governments –
resources, limited trust
- Business –
resources, very limited trust
- Civil society –
very limited resources, trust

WBCSD Work Program



Sector Projects

Implementation / Advocacy phase

- Forest Products
- Mining
- Cement
- Mobility

Analysis

- Electricity Utilities

Scoping

- Chemicals
- Tires

Sector Project: Cement Sustainability Initiative



Summary of the Agenda for Action

Joint projects to develop

- guidelines,
- best practices,
- reporting & monitoring systems

Individual company actions

- commit to SD
- implement guidelines
- publish emissions

In six key areas:

- Climate protection
- Fuels and raw materials use
- Employee health and safety
- Emissions reduction
- Local impacts on land and communities
- Communications and progress reporting



Going Forward



The normal operations of companies are crucial for SD

- Economic growth
- Jobs
- Taxes
- Resource efficiency
- Innovation & Technology
- FDI in developing countries



Going Forward



- Business is in a strong position to influence the SD agenda
- More Business involvement and actions are asked for today



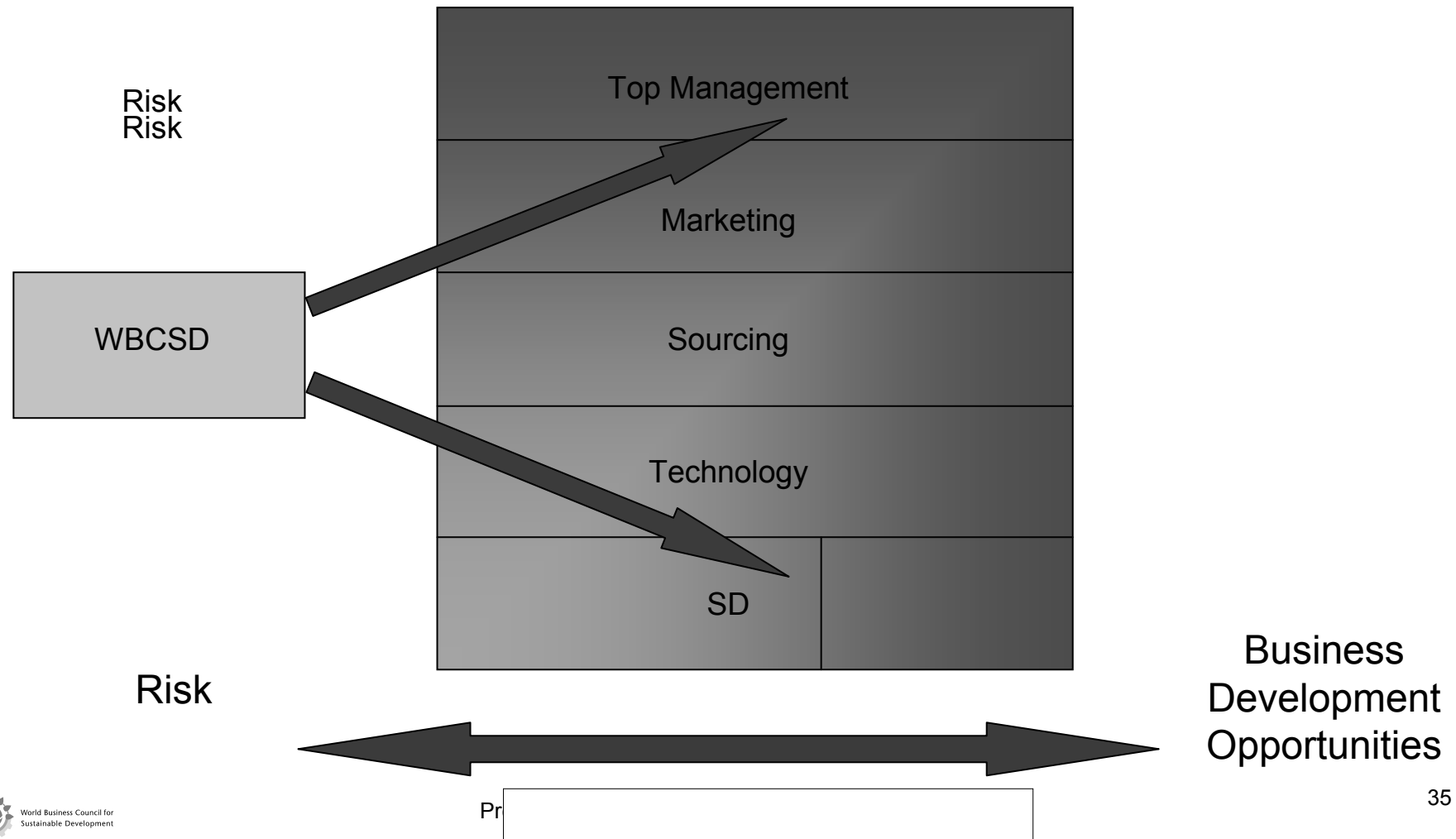
Going Forward



To have influence,
Business must demonstrate

- A vision of tomorrow's society
- An understanding of the major trends in society and their implications on the business contract with society
- Positive engagement with stakeholders
- Transparency
- Walking the Talk

SD and a Typical Company



Going Forward

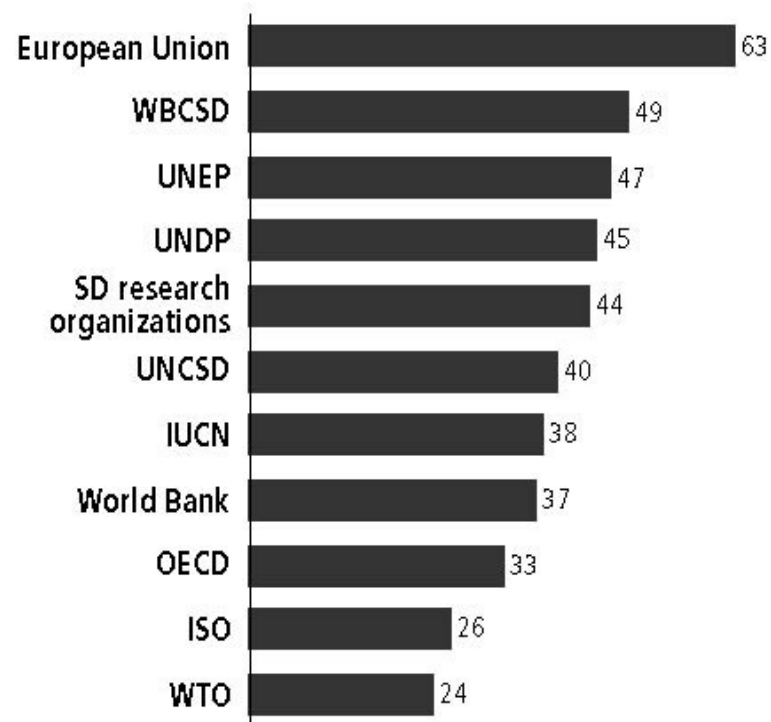
WBCSD and FE-BCSD Spain add value by:

- **Providing a Business Vision on SD**
 - ✓ Acting as an antennae for emerging issues and trends
- **Demonstrating the Business Case for SD**
- **Advocating the Role of Business in society**
 - ✓ Influencing the debate and public policy
- **Bringing a collective Business voice**
 - “We can punch above our weight as an individual company”
- **Providing a platform for action by leading companies and senior-level decision-makers**

Advocacy: Globescan survey



Role of International Organizations in Advancing Sustainable Development "Major Role" over Next Five Years





Conclusion

**“Business cannot succeed
in a society that fails”**

WBCSD
Sustainability through the market
2001



www.wbcasd.org

Dedicated to making a difference



World Business Council for
Sustainable Development