

sustain

The quarterly newsletter of the World Business Council for Sustainable Development

Building Sustainable Livelihoods



Genuine global sustainability will be impossible to achieve so long as there are billions of people who are economically powerless. Our Sustainable Livelihoods project is actively seeking ways by which business can begin to redress this chronic imbalance, by doing what business does best: exploring untapped markets.

This project is the logical extension of the WBCSD's previous work on Corporate Social Responsibility and Sustainability through the Market, and provides a vision of business's contribution to poverty alleviation for the 21st century. This vision is firmly grounded in the belief that companies can derive real profits from addressing the needs of the poor.

WBCSD members have begun to share stories about their motivation, as well as their successes and failures in doing business at scale in the poorest regions of the world. The aim of this 'learning by sharing' process is to establish a framework of generic business models that can be transferred across sectors to enable innovative, profitable access to new markets.

The strategy of this project is to examine the relationships between business and poverty, identify those areas for which there is a business case to work on, and then foster practical activity. A key part of the project is to collaborate and coordinate activity with other players working in the field of development.

See over for more on this exciting initiative.

Meeting the water goals

Last year's World Summit was above all a call to action. The Johannesburg Declaration and the Plan of Implementation contain targets to eradicate poverty with water supply and sanitation one key goal. The WBCSD is working to keep the business momentum high, now that the talk has subsided.

There is substantial interest in water from a broad cross-section of WBCSD members, and we are looking into the most effective ways business can contribute to attaining the UN's Water Millennium Development Goals (WMDGs) through the forging of partnerships that will eventually deliver affordable and sustainable water supply and sanitation to the poor.

According to the World Health Organization (WHO), 1.2 billion people around the world have no access to safe drinking water, while 2.4 billion lack adequate sanitation. If these harrowing numbers are to be halved by 2015, in line with the WMDGs, the time for practical action is now.

Water has traditionally been a public responsibility, but it is clear that business, through alliances and partnerships with governments and others, can play an important role in the efficient delivery of affordable water services to the poor.

These partnerships will have the expertise and financial clout to create functioning water delivery infrastructures, leading to healthier economies and livelihoods that are far more sustainable than those dependent upon emergency relief measures.

Turn to pages 6 to 8 for more on water.

“Poor people want to become customers and receive a bill. They also want to pay for their bill. This is an important signal to them that they belong to society.”

*Alain Mathys
Director of Suez Group's
Water for All program.*

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World Business Council for Sustainable Development

Sustainable Livelihoods

Exploring tomorrow's markets

The WBCSD's Sustainable Livelihoods project is up and running. Since last December we have been probing member companies to find out how they are harnessing their strengths to help the poor and grow their business.

One of the project's main thrusts, the creation of business models for poverty alleviation, is rooted in examples from the real world. The WBCSD has been seeking out projects that already bring benefits to society, while providing a healthy return.

The best way to do this is through a link to your core operations. Business ventures to help the poor should not be banished to the peripheral zone of CSR and philanthropic gestures, as fringe projects tend to remain on the fringe. These only make a small difference to people's lives, and do next to nothing to improve a company's profitability. The Sustainable Livelihoods project asks companies to concentrate instead on their core competencies.

The types of business models that we want to share are those that do well while doing good, by providing an innovative product or a service that raises the standard of living for customers and local communities while allowing a company to grow its customer base or its market share.

One example of this is Hindustan Lever Limited's (HLL) latest initiative, Project Shakti. Several institutions, NGOs and governmental bodies, have been working closely for five years to establish Self Help Groups (SHGs) of women across rural India. Their experiments clearly show that micro-credit, when carefully targeted and well administered, can alleviate poverty significantly. Importantly, success depends not only on infusion of credit, but on investment opportunities.

HLL is playing a role in creating such profitable micro enterprise opportunities for rural women. For the SHGs women, this translates into critically needed sustainable income contributing to better living standards and prosperity. For HLL, it provides access into hitherto unexplored rural hinterlands. Armed with micro-credit and HLL-provided training, women from SHGs become direct-to-home distributors in rural markets, offering a range of mass-market products to rural consumers.

If you can succeed in spreading your customer base like this, you dilute your business risk. When you don't depend on a handful of big buyers, losing a customer here and there will not harm your operations. And with a direct line to your customers, you can build up a strong grassroots brand loyalty.

Another key point, as seen in the HLL case, is the importance of partnerships with other organizations – development NGOs, local authorities, etc. – that can help you to identify needs, and ease your entry into a new, unexplored market.

Our business models work stream will provide companies with ways of remodelling themselves to address a need and make a return.

First, what is already being done? How do pro-poor projects work? What are the motivations for companies to channel their creative energies in this direction, and what obstacles do they face? Where in your chain of operations does innovation need to take place, if you are to reach the win-win outcome of delivering sustainable livelihoods to people while doing good business?

Learning from each company, we are extracting the essential elements in this process in order to highlight the innovation needed for successful pro-poor business models. The lessons will be generic and will reinforce the business case for sustainable development. It will then be the job of each individual company to adapt the philosophy to suit its own operations, always keeping in mind: "What do we do best?"

By the time of the November Council meeting, in Washington, D.C., we want to be able to present a 'how-to guide', to highlight the key aspects of tomorrow's unexplored markets. While the strategic road plans are valuable, our members want examples, and many of those we have gleaned in our extensive dialogues will shortly be available in the WBCSD's online archive of case studies.

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Three mini-cases

To wet your appetite, here are a few are already using to build sustainable business.

	Procter and Gamble
Location	Venezuela
Core competency	Consumer goods
Benefit to the poor	Health



Petrobras Biodiesel in Brazil

Petrobras, Brazil's state-owned petroleum company, is evaluating projects that could generate financial results and be socially and environmentally responsible. One possibility is the use of biomass diesel, or biodiesel, to produce electrical energy in remote areas or to power cars.

Biodiesel can be produced from a variety of vegetable oils – extracted from soybeans, palms, sunflowers and the seeds of the mamona, which is a shrub that grows throughout Brazil and takes only about three months to produce fruit.

Used in combination with traditional fossil fuels, the mamona-based biodiesel is expected to work well. Besides being a renewable fuel, it comes from a non-human consumable, which means it is not subject to the price fluctuations of products like soybeans, and its production can support sustainable livelihoods for rural communities.

The technology for biodiesel production is being evaluated and developed in house, as well as in cooperation with Brazilian universities.

Projects such as this are essential to Petrobras' strategy: to evolve from a petroleum company into a more broadly defined energy company. To that end, Petrobras has a strong interest in renewable sources of energy. The company recognizes that this kind of project could benefit local communities, not as an act of altruism, but as the result of core business.

glimpses of activities our members livelihoods while growing their

Apasco	Petrobras
Mexico	Brazil
Construction materials	Energy
Shelter	Jobs, boost to local economy

Procter and Gamble

Smart partnerships for combating 'hidden hunger'

Playing to its strengths and sharing risks with different partners is enabling P&G to deliver technology to combat micronutrient using a product and business model very different from what it uses in developed markets. The technology is delivered via a low-cost powdered drink mix that has been clinically proven to help children grow better, and boost mental alertness and performance.

Development and clinical evaluation of Nutristar benefited from the joint capabilities of scientists at the P&G Nutrition Science Institute, leading health experts at UNICEF, the Micronutrient Initiative and Cornell University. In addition, WHO, UNICEF and local doctors were engaged to deliver education campaigns to raise awareness about micronutrient deficiency and ways to combat 'hidden hunger'.

P&G looked for naturally occurring distribution systems and opted for partnerships with local companies. P&G licensed product formulas to local companies, thereby deferring risk and capital investment. Local companies benefit from the transfer of technology and P&G benefited from brand equity and the positioning of the brand in potential future growth markets.

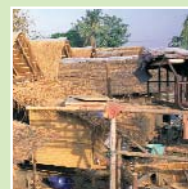
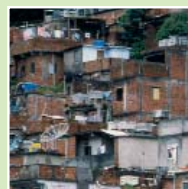
Apasco Mexico

'Mi Casa'

In Mexico the housing shortage is over six million and rising. Government social housing programs can only support 80% of the demand, so the shortfall is made up by people building their own homes often with little knowledge of building techniques or access to good materials.

In 1996, Apasco, a cement producing subsidiary of WBCSD member Holcim, started selling single bags of cement and other materials in small quantities to private individuals in communities throughout Mexico.

To ensure that these houses are safe and equipped with running water, Apasco offers training in the necessary skills, and 500 Mi Casa graduates now work for the scheme, dispensing materials and advice in 120 centers throughout Mexico. To date this scheme has enabled around 40,000 people to build or improve their own houses, and it has opened up a broad grassroots market for Apasco.



Bridging the great divide

Panelists at the recent Ethical Corporation conference in London discussed the issue central to our Sustainable Livelihoods project: how companies can best look to engage with communities in developing countries. Freelance writer Andrew Newton reports.

The classic issues surrounding the long-distance management of people and relationships provided a common thread between the contributions made by the five members of the Community relations in developing countries panel at the Ethical Corporation Europe 2003 conference from April 9 to 11: how do you achieve trust and empathy with communities thousands of miles from the best intentions of head office? And how do you instill CSR values in company staff in remote locations, and give them the confidence to follow through on their implementation?

Getting started

The panel were unanimous in expressing the need for a local partner, such as a local NGO, to help build bridges between the overseas company operation and the local community. Although central coordination across different communities is necessary for benchmarking broad processes and best practices, every community is different and there is no one-size-fits-all approach to community relations. Local partners will be aware of the unique issues that have to be faced and will already be a trusted face among the people. "Parachute someone in and you lose trust; it takes years to rebuild", remarked Traidcraft's Policy Director Michael Gidney.

Too much history

Leo Okafor of the United Nations Volunteers Nigeria relayed his experience of UNVN being asked to act as a facilitator in a situation where a highly antagonistic relationship already existed between a company and a community. Although the company clearly had the right intent, meetings with the community were hostile and unproductive. The UN was invited to facilitate the engagement and there followed a "reduction in the use of very strong words", and a change of focus toward taking specific issues forward.

No more local hero?

Turnover among front line management is a particular difficulty in community relations activity. Building trust takes time and the development of a distinct interpersonal chemistry between local communities and the face of the corporation. This is clearly put at risk when managers leave; questions arise as to what has been agreed, and a new chemistry must be developed. Part of the solution is simply vetting company candidates carefully up front. "Ensure that they understand and are prepared to take on all the challenges of being an expatriate in that place and will actually stay," commented Barry Halton, Regional Affairs Director on the BP Baku Tblisi Ceyhan Project.

Enter the great knight in shining armor...

Of course, being there for the long-term can create great expectations of the company, and runs the risk of establishing over-dependency between the local community and the company operating in its midst. The panel's message was clear and obvious: get everything written down in jointly agreed documentation, including minutes of meetings. Gauge the community's expectations at the outset; they will have expectations even before you arrive, and this initial information enables you to begin managing them straight away. Set clear objectives, involve locals in deciding which projects to undertake and do not over promise. Ensure agreements are clearly between the community and the company, rather than with the individuals on the ground, in order to reduce the risk of there being multiple authoritative versions of what has been agreed. Finally, phase everything. It is infinitely preferable to undertake a long string of small projects than to rest your credibility on a single large, complex and expensive project.

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The WBCSD makes a difference Adoption of the *GHG Protocol*

With the emergence of voluntary and mandatory greenhouse gas (GHG) emissions trading schemes on both sides of the Atlantic, the creation and rapid growth of emissions markets is inevitable. The European Emissions Trading Scheme will become operational in 2005. In the US, the Chicago Climate Exchange, based on voluntary commitments by participants, is due to start trading carbon credits next month. As a consequence, the need for GHG management for companies in Europe and America is imminent. The foundation for effective markets for emission rights will be GHG accounting tools that ensure cost-effectiveness, environmental integrity and compatibility between the schemes. The *Greenhouse Gas Protocol* aims to do just this, in a transparent, simple and methodical way.



The *Greenhouse Gas (GHG) Protocol* was jointly launched by the WBCSD and the World Resources Institute, an environmental think-tank based in Washington, D.C., and now comprises of two modules: one that quantifies emissions at the company level and the other reductions at the project level.

The first module, the *Greenhouse Gas Protocol: A corporate accounting and reporting standard*, was published in 2001, and an updated second edition will be published in September this year. It provides guidance and calculation tools for corporate GHG accounting and reporting. It is already being used by hundreds of companies around the world to quantify their GHG emissions.

The *Protocol* has also informed or been adopted by numerous climate initiatives, including reduction programs, trading schemes, environmental standards, industry associations, and voluntary registries. It was recently translated into French and Chinese.

Building on this success, work is well underway on the new module, *The Greenhouse Gas Protocol: Project accounting standards*. This one quantifies

GHG reductions made at the project level. It will provide integrated, step-by-step and simple guidance to project developers undertaking GHG reduction projects.

The new module's scheme-neutral nature makes it applicable to any emissions trading program with project components, e.g. the Kyoto Protocol with its Clean Development Mechanism or the European Emissions Trading Scheme with a potential project credit scheme. A first draft will be ready in July for review and road testing.

The success of the *GHG Protocol* is evidenced by the breadth of its adoption by various institutions and climate initiatives, and forthcoming emissions trading schemes (see box).

Visit the *GHG Protocol* website at www.ghgprotocol.org

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Institutions, existing/emerging climate schemes and industry associations that use or build on the *GHG Protocol*:

- > International Standards Organization
- > European Emissions Trading Scheme
- > US EPA Climate Leaders Program
- > WWF Climate Savers
- > UK Emission Trading Scheme
- > Chicago Climate Exchange
- > Entreprises pour l'Environnement
- > European Certification Organization (CEN/TC 264)
- > State Registries in the US (e.g., California Climate Action Registry)
- > USAID
- > Global Reporting Initiative
- > World Economic Forum GHG Register
- > WBCSD Cement Sustainability Initiative
- > International Aluminium Institute

The WBCSD and WRI are also exploring how both modules of the *GHG Protocol* can add value to businesses in developing countries via the WBCSD's Regional Network. Workshops in several developing countries are being planned to discuss how the *GHG Protocol* might be used in a way that meets the special needs of companies and other stakeholders.



The Taiwan launch of the Chinese version of the *GHG Protocol*. From left to right: Kjell Oren of the Energy & Climate program, Rebekah Young of the Regional Network and Niven Huang of the BCSD Taiwan.

London calling for action on **accountability**

There is a growing demand on companies to disclose, discuss and openly debate a wider and deeper range of issues than ever before. But as companies take first steps to answer these calls they can quickly become entangled in questions over precisely what they should be accountable for (and to whom) and the practical matter of how this grand objective should be implemented across companies, sectors and industry as a whole.

In London in early May the WBCSD's Accountability and Reporting working group came together for a two-day scoping and planning meeting to clarify our vision, goals and outputs. Thirty companies took part, representing a good cross-section of business, and a workplan was developed with three complementary workstreams:

■ **Framework (*the theoretical*):**
A diagnostic tool to help companies understand how sustainable development is part of, and integral to, broader business accountability. A draft will be delivered at the September Liaison Delegate meeting in Lisbon.

- **In Practice (*the internal*):**
A series of case studies that show how accountability can be applied across company functions.
- **Consultation/Engagement (*the external*):**
An opportunity to enhance and test our findings among non-business players and benefit from others' research, opinions and input. This workstream will also focus on our relationship with the Global Reporting Initiative (GRI) and develop a strategic mapping on the issue of codes of conduct.

The co-chairs of the working group are Travis Engen, President and CEO of Alcan and Samuel DiPiazza, CEO of PricewaterhouseCoopers (PWC).

Caterpillar, PWC and Environmental Resources Management (ERM) have all agreed to second a part-time position to the project.

The London workshops should prove the springboard for an industrious few months as we pull the elements of this ambitious workplan together.

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For more on corporate accountability, read about AccountAbility's newly-launched AA1000 assurance standard on page 15.

Striking the balance launched in Paris

Executives from three top multinationals came together in Paris on March 24 to make the case for open disclosure of companies' environmental and social impacts. The event marked the launch of the new WBCSD report, *Striking the balance*, which explains how reporting on sustainable development and becoming more accountable can increase a company's value and overall performance.

"I am personally convinced that there is no contradiction between reporting and being transparent, and a company's economic success," said Pasquale Pistorio, President and CEO of STMicroelectronics, who was joined in a panel discussion by business leaders from Rabobank and Deloitte Touche Tohmatsu.

"Corporations are not only responsible to shareholders but also to stakeholders and society at large. Civil society is asking governments and business for a change, and we must continue in that direction," he added.

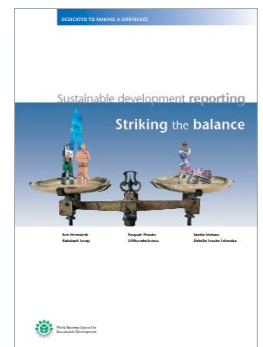
Striking the balance was co-authored by Pistorio, Bert Heemskerk (CEO of Rabobank Group), and Martin Scicluna (Managing Partner of Deloitte Touche Tohmatsu, Global Strategic Clients). It covers three main areas: a step-by-step guide to help companies improve or develop their reports, recommendations on how to bridge the gap between the information needs of the financial community and the reporting practices of companies, and insights into the debate on the standardization of reporting formats.

A reporting portal – accessible from www.wbcsd.org – supplements the report to provide a better understanding

of the issues companies are currently tackling. It showcases reporting practices and includes a guide to help companies create or improve their reports.

"Given that reporting practices in sustainable development are continuously evolving, the portal should be considered as a dynamic list of practices," said Preben Soerensen, Global Leader of Environment and Sustainability Services at Deloitte Touche Tohmatsu. "It is a tool that companies can use to generate ideas and make informed decisions on what information to include in their own sustainable development reports."

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Seven mobility workshops cover four continents

A series of workshops confirmed that the need for policy integration and regionally diversified solutions are key in the struggle for sustainable mobility in developing countries, says Kristian Pladsen, Communications Manager for the WBCSD's Mobility project.



The workshops, taking place worldwide from September 2002 to April this year, gathered 550 stakeholders from all sectors of society. Although displaying a variety of arguments and local circumstances, some common themes emerged from the discussions.

In the developing world, the need for policy integration stood out as key. When the Sustainable Mobility Project (SMP) launched its initial report two years ago, *Mobility 2001*, institutional inadequacy was labeled as the 'overarching challenge' of transportation.

In countries like Mexico and India, the lack of a single transportation policy and the need to build consensus across political levels, policy areas and geographical borders was unanimously depicted as crucial to attain progress. A mega city like Mexico City with its 18.5 million inhabitants lacks a political structure and governance system that matches its geographical outreach and physical boundaries, which sets the context of its transportation problems.

The series of mobility meetings was organized together with other leading voices within the transportation field, including the International Energy Agency (IEA), the International Association of Public Transport (UITP) and the Tata Energy Research Institute (TERI)

The workshops proved useful as 'laboratories' for testing out some of the emerging conclusions from the Mobility project. Slides from those workshops' presentations can be found at: www.SustainableMobility.org/slides

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Stormy days at the water forum

The 3rd World Water Forum was ill-timed, unfocused and hijacked by 'Water Warriors', says the WBCSD's Al Fry, who attended the event in Japan.

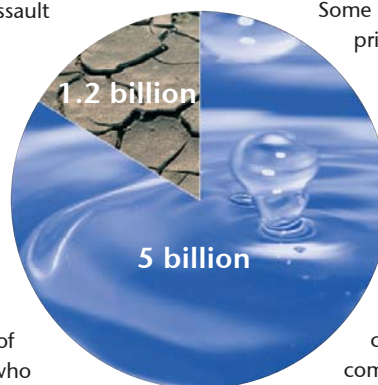
By the time the 3rd World Water Forum had drawn to a close, the world's attention was elsewhere. Already beset by logistical troubles, swamped by an unmanageable agenda and disrupted by anti-globalization protestors, the Forum slipped from the news agenda as US-led forces began their assault on Iraq.

Nevertheless, the question of water provision has reached global crisis proportions, with painful significance for many of the inhabitants of post-war Iraq, as well as the rest of the world's 1.2 billion who have to live without clean drinking water.

The business community represented by the CEO Panel from 13 companies – eight of which are WBCSD members – tried to keep the focus on meeting the UN's Water Millennium Development Goals (WMDGs), which call to halve the number of people without access to clean water and sanitation by the year 2015. Many government participants, especially local governments – where water services are delivered – and NGOs kept trying to initiate serious dialogues on how to move from talk to action. Still, the business community left Japan with the impression that the Forum had failed to generate an appropriate sense of urgency, despite the sound and fury of the self-styled 'Water Warriors', who seemed bent on drowning out the voice of business and everyone seeking constructive dialogue.

Participants to the CEO Panel also included representatives from the World Wildlife Fund (WWF), IUCN-The World Conservation Union, the World Bank and other international financial institutions, national donor agencies and UN agencies. The 'Water Warriors' were active during

the discussions that followed the presentations of the CEO Panel, but support for the business case came from an unexpected quarter, government officials from both developed and developing nations.



Some have been skeptical of private sector involvement in water services in the past. But this time around they warned the activists that their tactics were delaying the process of delivering water service to the poor. These government officials seemed annoyed that the critics had lost sight of the common objective: to get clean water to the millions in need.

Also coming from the Forum was the increasingly clear message that the WMDGs must involve local governments. There were calls for devolution of responsibility for water from the national to the local level along with the means to achieve these goals. This would make it easier for business to work with governments at a level where the needs are more acutely felt and understood.

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Further details on the 3rd World Water Forum can be found at www.world.water-forum3.com





Adi Qulub, Agraia children's project camp, New Kibera, Nairobi, Kenya. (The Agraia camp has been since renamed Adi-Akiba-A)

Water for sustainable development The business case

Since 1997, the WBCSD has been involved in tackling water issues for business, with a first working group and report, *Industry, Freshwater and Sustainable Development*. We came up with a second report in 2000, *Partnerships in Practice*, and launched at the 2002 Johannesburg Summit our latest analysis of the worldwide water services situation in *Water for the Poor*.

Where is the WBCSD today?

Contributing to the growing consensus on the need for sustainable cost recovery of water services and for public-private partnerships in delivering them is a prime goal of the WBCSD, as we assess business' post-Johannesburg contribution to achieve the UN Water Millennium Development Goals (WMDGs) of halving by 2015 the number of people without access to clean water.

Johannesburg's legacy is renewed focus on action and poverty alleviation. The WEHAB priorities – Water, Energy, Health, Agriculture and Biodiversity –, as outlined by Secretary General Kofi Annan, list water at the top priority. The UN Millennium Development Goals (MDGs) set out specific targets for water and sanitation, and the WBCSD is putting much effort in making the business case for bringing water to the poor.

Today, there is greater support from non-business – within UN organizations and governments – for public-private partnerships. However, privatization of water services remains highly controversial, especially among militant NGOs and public sector trade unions, but more and more there is interest in business inclusion in meeting the WMDGs challenge.

What is on the water agenda?

The United Nations Commission on Sustainable Development (CDS) decided during its recent 11th session to single out water, sanitation as human settlements as

a clear priority for the next two years. Nations are being called upon to develop water management strategies by 2005, meanwhile demand for water in areas of water stress is increasing greatly. The WBCSD believes that water will become a more critical issue in deciding where to locate many process industries, and that it is unlikely that the public sector will be able to attain the MDGs or to raise the required investment capital without private sector involvement.

What is the business case for water?

- > Business needs to assure its access to water – guaranteed reliable sources of supply are usually more important than cost considerations for most firms
- > Business must continue to conserve water, recycle and to modify production processes to reflect increasing water scarcity
- > Water will be critical to deciding on future investment patterns and locations
- > Functional allocation of water is important for a wide range of business goods and services
- > Water is the core business for the few international water service providers; for banks it is a financial opportunity; there are a multitude of suppliers of pumps, pipes and engineering services;
- > Water is crucial for use of personal care products, food and pharmaceuticals

Water: a human right?

One of the Forum's key areas of discussion was the question of whether water should be recognized as a fundamental human right. This may already be moot, since a subcommittee of the UN Economic and Social Commission has already interpreted existing Human Rights International treaties to include access to water. But the question remains: who pays?

Food has been identified as a human right, yet there are still 800 million people in the world without adequate food. Food is a human right but no one presumes that food must be provided free of cost. However, some radical elements believe the declaration of water as a human right strengthens their position that water should not only be a public service, but a free public service. Such an interpretation would have disastrous outcomes for water services as many governments have historically failed to meet and especially to fund water needs until there is a crisis. Governments have also often delayed maintenance of water infrastructure, thereby allowing valuable assets to deteriorate thus imposing massive replacement costs on future generations. Basic maintenance of infrastructure is normally the most cost-effective long-term solution.

Business leaders at the Forum endorsed the concept of water as a basic human right and joined with various NGOs to make this implicit right more explicit. The final government declaration from the Forum stopped short of identifying water as human right.

1.2 billion people

don't have access to safe drinking water

2.4 billion people

lack adequate sanitation

6,000 children

die every day from water-borne diseases, according to UNICEF

Showcase

In celebration of the launch of our new case study database and the International Year of Freshwater, we present a selection of examples of how our members have been tackling the water issue.

Water is essential for life. Water supply and sanitation is a crucial element for sustainable growth and the alleviation of poverty. Scarce water resources can also present a challenge for business, but careful handling of the issue can increase competitiveness for companies in a wide range of sectors. And business, through alliances and partnerships, can play an important role in limiting water use, efficient delivery of affordable water services to all consumers and maintaining an effective water infrastructure. Here's how.

Water savings in Mexico

General Motors de Mexico's Ramos Arizpe Automotive Complex (RAAC) is located in an arid region in the State of Coahuila, northeast Mexico. Since 1986, aquifer levels have decreased and limits have been placed on water withdrawals from the small, semi-confined aquifer with high salt content. The RAAC's demand for high quality water has increased as production levels have increased dramatically. Fees from the water commission also increased. So the company put together a program to reduce its use of water. Water per unit of output (trucks and engines) has decreased by over 85%. The company also installed special equipment to desalinate its only source of water and established a recycling and reuse process. The program has been a huge success for both the region and the company with a significant drop in annual well-water withdrawals and an increase in water available for wildlife. The company won the 2001 Stockholm Industry Water Award.



Teamwork for Tanzania

Severn Trent Water International is working with the Dar es Salaam Water and Sewerage Authority to attract private sector participation in improving urban water supplies in the Tanzanian capital. In 1998, Dar es Salaam's water infrastructure was in a severe state of decay and facing serious financial operating losses. Severn Trent was appointed as advisor to the government to improve the water supply and sewerage services, promote efficiency, ensure affordability and create a commercially viable water service on a sustainable basis. Severn Trent provided advice on a range of topics and has itself benefited from an increased understanding of the needs of a growing customer base.

Connecting Brazilian communities

In 2000, Aguas do Amazonas, the Brazilian subsidiary of the French water company Suez, obtained a 30-year concession to provide water to the 1.5 million inhabitants of Manaus, a remote city in the Amazonian. As well as modernizing the water services, Aguas do Amazonas had contractual obligations to supply water to the entire population – 60% of whom lived on less than \$1 a day. Creating partnerships to complement core competencies was the key to the success of the project. Aguas do Amazonas worked closely with NGOs and target communities and less than a year into the pilot project, 2,000 people have been connected to the water network. And Aguas do Amazonas has developed new tools and methods to demonstrate the feasibility of service delivery to low-income communities.

Cleanup in Indonesia

The Brantas River project and Unilever Indonesia's Village Adoption Program is engaging local communities in cleaning up polluted waterways where they reside, allowing them a healthier environment in which to live and new income-generating possibilities. By 2002 the results were already visible and this partnership program, involving local government organizations and NGOs, has led to a new model for rehabilitating rivers that the company is seeking to replicate with other businesses and river communities throughout Indonesia. Unilever has received a personal award from the Indonesian Environment Minister for its pioneering work in the clean river program and well established relationships with the local community.

These four examples illustrate how WBCSD member companies are innovatively responding to the global water challenge. What about your company? Consider the following questions:

- > *Could your company contribute to meeting the Millennium Development Goals for water supply and sanitation? Are your core activities limited by problems of water supply, wastewater or sanitation? Could your company get involved in projects in the field of water and poverty, water and environment, or water and urban development?*
- > *How important is water to your production processes or your raw material sourcing? What is the water 'footprint' of your activities? What is the water 'footprint' of your products in use? How can you bring business benefits with more effective management of water both up and down your supply chain?*
- > *How does water affect your investment decisions? Do you have products or services that are directly linked with water safety or public health, water supply or water use? Is the purchasing power of your customers limited by the effects of water related disease? Consider how the water shortages may affect your R&D decisions in the future or what regulation might be needed.*

For more information on the WBCSD and water contact Al Fry: fry@wbcسد.org

> See the WBCSD's water case studies, and our whole easy to search case study database of over 100 examples that illustrate how our member companies have integrated sustainable development into their business activities.

www.wbcسد.org/web/casestudy.htm

> Read the WBCSD's report *Water for the Poor* at www.wbcسد.org/web/waterforthe poor.htm

> Arm yourself with details of the 3rd World Water Forum in Kyoto at www.world.water-forum3.com

As part of the Millennium Development Goal to ensure environmental sustainability, the water target is to halve, by 2015, the proportion of people without sustainable access to safe drinking water. www.unmillenniumproject.org/html/dev_goals.shtml

Tomorrow's sustainability business leaders take the plunge

Hot on the heels of last year's successes in Johannesburg and beyond, the WBCSD has brought together a new group of young managers aged 25-32 from around the world. Undaunted by global challenges, half of the participants have devoted themselves to exploring tough sustainability concepts through dialogue, while the rest are focusing on implementation, putting water issues at the top of their list...



Voices of experience

Last year's Young Managers Team (YMT) are a hard act to follow. The class of 2002 came together to communicate sustainability messages and raise the profile of the WBCSD during the Johannesburg Summit.

They balanced talking and doing, participating in a global dialogue with young Summit delegates from different backgrounds and groups, and supporting a South African bicycle cooperative. Since the Summit these young managers have recognized that business and markets have an ever-greater role in alleviating poverty, by providing access to clean water and sanitation, reliable and affordable energy and health services.

Looking to the future

In March 2003, the baton was passed to the new group with participants from Europe, North and South America, Asia and Oceania. After getting to know each other and quickly coming up to speed on sustainable development issues during the WBCSD's Liaison Delegate meeting in Montreux last September, the group heard from last year's YMT. They were charged with finding a way the YMT could continue to make a difference, both through exploring the issues and implementing changes – but this year it was a step into the unknown, as there was no Summit to focus on...

The inside view

Sustain gets an exclusive peek from new YMT member María Francisca Domínguez from Chile, who is a lawyer for Codelco, a mining company.

"We started out with a big question: how can we, as young professionals, contribute to sustainable development in our companies, and society? If we had originally thought this was a tall order, we were in for a shock. During our week in Montreux we realized that it was even more difficult than we had imagined.

At the beginning, our answers to this question varied according to our companies' priorities, our jobs and the places where the operations of our companies were located. But during the week, while we participated in major portions of the LD Meeting, we added other subjects to our analysis, like the role of our companies in relation to climate change, sustainable livelihoods and water supply.

Our final objective was to synthesize our different ideas in order to develop a common work plan. It was surprising that, while some of us were new to sustainable development issues, and came from different industrial sectors, countries and cultures, we had very similar visions and goals for our work in the YMT 2003.

We agreed on our interest in learning from the experiences of other companies to improve the sustainable development performance of our own companies and to enhance our professional skills.

And given what we were hearing in Montreux, we agreed the issue of "Water" was an essential topic of sustainable development today. This theme will be central to our project. We also grew to understand the key importance of education and communication tools to engage our stakeholders in sustainable development issues, particularly if we want to implement sustainable development management systems in our companies and engage staff in this effort.

The YMT 2003's first challenge is to hold stakeholder dialogues, to focus our analysis on the twin objectives of sustainable water use and the launch of a multilingual learning tool that WBCSD members could use to share knowledge on these issues."

Contact María Domínguez: mddomi001@codelco.cl





Make the bold leap into sustainable business

Many Fortune 500 companies recognize the value of sustainable development, but few have managed to integrate it into everyday practices. More is needed to move sustainable development into the heart of organizations - their **employees**.

Chronos is an exciting and enjoyable e-learning tutorial on the business case for sustainable development. **Chronos** makes sustainable development relevant and meaningful, equipping employees with the knowledge they need to put corporate priorities into practice.

To find out more or to buy Chronos, see
www.sdchronos.org



World Business Council for
Sustainable Development



UNIVERSITY OF
CAMBRIDGE

Chronos:

from personal values to corporate action

Have you ever encountered difficulties when explaining what sustainable development is all about? Do your colleagues really understand or care when you talk about partnerships, eco-efficiency, stakeholder dialogues or corporate social responsibility?

In this issue of *Sustain*, we take a closer look at another part of Chronos® – the exciting new e-learning tutorial on the business case for sustainable development, developed by the WBCSD and the Programme for Industry at Cambridge University.

For the sake of argument, let's say that you are committed to sustainable development. All around you are people with different views about the issues, some of them supportive, some hostile, some knowledgeable, and some ignorant.

Meet Mike Mission your CEO, Carla Career the Human Resources Manager and Brian Boss your manager. Do they look familiar? Convincing them of the strategic value of sustainable development may require all your powers of persuasion! Clearly, no one argument or tactic is right for all situations: it is important to understand who you are talking to.

Take Mike Mission. Mike has run the company for two years. His brief was clear: first stabilize financial management, then grow the business. Investors have been impressed by the way he has achieved the former, but are looking for further evidence of growth. Mike is respected for combining good financial judgement with an ability to 'make things happen'. His detractors see him as obsessed with the bottom line, but most admire his 'harsh but fair'



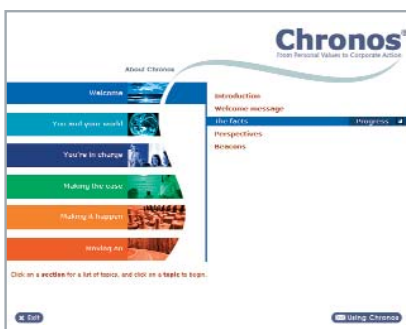
approach to business. He will usually listen to a good idea, but delights in pouncing on any holes in the argument. Once convinced that a project is good for the company, however, he will be its biggest supporter.

On your way to the cafeteria, you find yourself sharing the elevator with Mike Mission, the CEO. This is the best chance you've ever had to pitch the business case for sustainable development. Mike is ignoring you, staring at some important-looking papers. Plucking up courage, you frame your argument and plunge in...

Larry Mondschein of Johnson and Johnson's, one of Chronos's six beta testers, says: "We really enjoyed this section, where the users had the opportunity to dialogue with Mike, Carla and Brian. It was both an interesting and realistic business encounter, not unlike what happens in real life. It encouraged good discussion afterward, where the participants shared strategies for how to get the message of sustainable development across in a clear and convincing manner to a variety of different audiences."

Contact Katherine Madden: madden@wbcsd.org

For more information on these conversations and on Chronos® please feel free to contact us at the WBCSD. Chronos has been launched in May and copies are available at www.sdchronos.org



Learning modules

The WBCSD is designing a set of learning modules to help our member companies integrate sustainable development into their core business practices. This will enable sustainable development messages to move beyond individual experts and reach a wider range of employees. These learning modules channel the wealth of WBCSD knowledge into a set of tools for raising awareness and ensuring take-up throughout a company's operations.

The modules are designed as a 'shelf ready' resource kit for a company representative to deliver a workshop internally. Each module has built-in flexibility and can be adapted by individual companies to ensure its applicability to different situations and employee groups. The tools are based on adult learning principles and allow the participant to move from theory to practice, relating what they learn to everyday experience.

Presentations, videos, notes and resources are being developed for two topics: Energy and Climate and Sustainable Livelihoods. Several other modules will be created, on the business case, corporate social responsibility and eco-efficiency.

Cross-Cutting Themes

The WBCSD's red thread

When laying the foundations for its 2003 work program, based on the key issues from the Johannesburg World Summit, the WBCSD identified some overarching themes essential to the achievement of sustainable development that simply could not be left out of the debate. This is how the Cross-Cutting Themes (CCT) were introduced, to maintain a strategic focus on important topics that are not currently represented by a working group.

The six Cross-Cutting Themes – Eco-Efficiency, Innovation & Technology, Corporate Social Responsibility, Ecosystems, Sustainability & Markets and Risk – were singled out because they are increasingly recognized as part of the long-term sustainability agenda, and the WBCSD has long-standing expertise in tackling them.

For each theme the WBCSD has assigned a group of ‘champions’ within the member companies, and a secretariat focal point. These resource people will advocate progress and continue to spread understanding among our members and beyond.

Themes at the core of the WBCSD's mission

The WBCSD has always worked to make eco-efficiency – creating more value with less – and corporate social responsibility – business’ commitment to contribute to sustainable economic and social development to improve quality of life – a business must.

“Over a decade after the Rio Earth Summit, we can say that eco-efficiency works in companies that try it,” said Marcel Engel, WBCSD focal point for Eco-Efficiency. *“But we can also say that it is not being tried on a large enough scale, even though it makes good business sense.”*

The WBCSD’s basic corporate social responsibility (CSR) message is also simple: business is not divorced from the rest of society. We must therefore ensure, through mutual understanding and responsible behavior, that the role of business in building a better future is recognized and encouraged.

“Despite areas for ongoing debate, we remain convinced that a coherent CSR strategy, based on integrity, sound values, and a long-term approach, offers clear business benefits to companies and a positive contribution to the well-being of society,” said Margaret Flaherty, WBCSD focal point for CSR.

But as a society, we will not succeed in creating a sustainable well-being if we focus merely on doing more efficiently what we currently do. The WBCSD believes that innovation can enable our global economy to depend more on the progress of technology than on the exploitation of natural resources.

Ecosystems — wise use of the world’s natural resources – is a theme that also sustains this idea. We cannot alleviate poverty and achieve sustainable development without healthy ecosystems.

This theme is so vast that trying to tackle it all would spread our resources too thin. So we are focusing on selected topics where we can make a difference: providing access to clean drinking water, and protecting our biodiversity.

Opening markets and weighing risks

Sustainable human progress is most likely to be achieved through open, competitive markets that honors legitimate comparative advantages and encourages eco-efficiency and innovation. This has always been the WBCSD’s credo, as outlined in the report *Sustainability through the market: Seven keys to success*, and is the basis for the Sustainability & Markets theme.

And finally, the WBCSD will evaluate the impact of large-scale systemic risks or ‘mega’ trends – such as climate change – upon societies, human health, the environment and the business sector. Such is the growing interdependency of our world that they can no longer be treated in isolation.

“The disruption of critical infrastructures at any one point by any of these elements could have wide-ranging effects throughout our industrial systems, thereby putting society and enterprise – and the achievement of sustainable development – at risk,” said James Griffiths, WBCSD focal point for Risk.

Contacts

Marcel Engel for Eco-Efficiency: engel@wbcsd.org

Margaret Flaherty for CSR and

Innovation & Technology: flaherty@wbcsd.org

James Griffiths for Ecosystems, Sustainability & Markets and Risk: griffiths@wbcsd.org



Too big to handle on your own...

A round-up of the WBCSD's growing network of partnerships



World Wildlife Fund International and the WBCSD rally efforts for more sustainable forests



A new cooperation between the WBCSD and World Wildlife Fund International (WWFI) has brought the private and environmental sectors together to positively influence global Sustainable Forest Management.

Based on consensus for joint action, communication and open dialogue about their activities, the two

organizations will work to combat illegal logging, encourage acceptance of forest certification systems, promote sustainably managed forest carbon sinks as a greenhouse gas mitigation strategy and communicate a vision of a sustainable forest products industry.

"This partnership with the WBCSD provides WWFI with a platform to work with the largest forest industry companies on leading issues like protecting biodiversity and stopping illegal logging," said Claude Martin, Director General of WWFI.

Work outputs will be based on rigorous research, use of independent consultants, transparency and multi-stakeholder input (e.g., The Forests Dialogue).

Benefits, progress and priorities will be reviewed biannually.

"We will continue to seek ways to sustainably manage forests to meet the needs of today's six billion people – and the nine billion expected by 2050 – for wood and paper products, renewable energy as well as ecosystem services," said WBCSD President Björn Stigson.

"This valuable cooperation shows that the forest industry is 'walking the talk' by creating true partnerships with the NGO sector."

Contact Chris Elliott, WWFI: celliot@wwfint.org or James Griffiths, WBCSD: griffiths@wbcسد.org

New members and partners for the Cement Sustainability Initiative

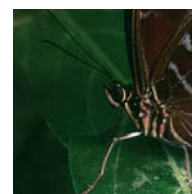
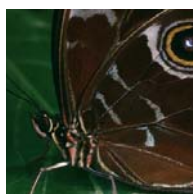
The WBCSD's Cement Sustainability Initiative (CSI) is proud to announce two new additions to its ever-expanding network of members. Titan, the Greek cement giant, has signed up as a core member, and CRH of Ireland is our newest participating member. Project manager Howard Klee hopes to broaden the initiative's scope still further. "We are actively looking for more participating members of the CSI," he says.

A partnership has also been established with the German Cement Works Association (VDZ), (who join Cembureau, the British Cement Association, and Japanese Cement Association as partners). The CSI is continuing discussions with IUCN to fix a framework for our partnership on task forces connected with land use and climate change.

A tentative date for diaries is our series of stakeholder meetings at the World Parks Congress (in Durban, South Africa, September 8-17), though these are still in the planning stages.

Contact Howard Klee: klee@wbcسد.org

Vision of a broad-based partnership on Business & Biodiversity



In a speech to The Nature Conservancy at the end of March, Björn Stigson proposed the creation of a groundbreaking global coalition of players to tackle the knotty issues around biodiversity management and conservation. This would involve bringing The Nature Conservancy, IUCN-The World Conservation Union, Conservation International, World Resources Institute, and WWFI, together with the WBCSD and lead companies in a common effort.

While the Council already has various relationships and agreements with some of these parties, Björn said he would like to see a single alliance or forum that puts all parties around the same table.

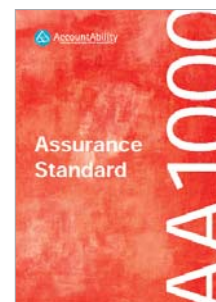
"We would have to get beyond territorial thinking and come to terms on many problematic issues, such as valuation of biodiversity and the allocation of property rights, but the synergies we could achieve would more than make up for the necessary compromises," he said.

"The obvious target for unveiling such a partnership is at the IUCN's General Assembly in November 2004 in Bangkok. If we are to make a global biodiversity and business alliance a reality by then, we've got our work cut out for us."

Contact James Griffiths, WBCSD: griffiths@wbcسد.org

World's first corporate responsibility assurance standard launched to improve business *performance* and *credibility*

The world's first assurance standard developed to ensure the credibility and quality of corporate public reporting on social, environmental and economic performance, as demanded by campaigners, the public, and increasingly investors and regulators, was launched on March 25 in London by AccountAbility. *By Jonathan Cohen*



AccountAbility is a London-based international institute that consists of business, non-governmental organizations, and academic members that promotes organizational accountability for sustainable development.

The AA1000 Assurance Standard was unveiled at British Telecom's global headquarters to an audience of several hundred senior executives from the business, public and non-governmental sectors. Plenary addresses included those by Stephen Timms MP, the UK Government's minister responsible for corporate social responsibility; Mervyn Pedelty, CEO of Co-operative Financial Services; and Ernst Ligteringen, CEO of the Global Reporting Initiative.

The Standard will help address a growing crisis of confidence in business and organizations as highlighted in research like the recent MORI poll which concluded that 73 percent of the British public does not believe that business acts socially responsibly. Another poll recently conducted across 46 countries for the World Economic Forum found public trust in the corporate community fell well below that of other distrusted institutions, such as the World Trade Organization and the International Monetary Fund.

"The AA1000 Assurance Standard will play an important part in re-establishing trust around corporate reporting and bridging the divide between business and communities", said Stephen Timms MP, the UK Government's minister for corporate social responsibility.

The new standard is the result of an extensive two-year worldwide consultation involving hundreds of organizations from the professions, the

investment community, NGOs, labor and business.

The Standard has already been piloted by some of the world's leaders in sustainability reporting and practice, including Danish pharmaceutical company, Novo Nordisk, the UK lottery provider, Camelot, and the Co-operative Bank and CIS in the UK, and has been used by leading assurance providers, including Deloitte Touche Tohmatsu, KPMG, PricewaterhouseCoopers and Bureau Veritas.

"The AA1000 Assurance Standard provides an antidote for the growing crisis of confidence in business. Reports about social and environmental performance lack credibility without a genuine assurance dimension," says Tom Delfgaauw, AccountAbility Chair, and former vice president of sustainable development for Shell International. The AA1000 Assurance Standard is non-proprietary and non-commercial, designed to make certain that corporate claims are rigorously assessed. It will also help to satisfy growing demands from investors and regulators for disclosure of robust, relevant information spelling out the links between business performance and social and environmental impacts.

Rob Lake, Henderson Global Investors' head of socially responsible investment engagement and corporate governance, says: "The AA1000 Assurance Standard will help build trust on the part of investors and others that company disclosure in these areas is robust."

The Standard also places new demands on consultants and accountants providing external audit and verification. It requires them to demonstrate both independence and impartiality by publicly disclosing commercial

relationships with their clients, and their competencies in examining complex issues like human rights, labor standards and climate change.

"The AA1000 Assurance Standard is important because it is probably the first time that an assurance standard designed to add credibility to a general purpose report – in this case a sustainability report – has been developed in a truly multi-stakeholder context," says Roger Adams, head of technical services at the Association of Certified Chartered Accountants.

The AA1000 Assurance Standard, the world's first freely accessible, non-proprietary, non-commercial sustainability assurance standard, helps to build the credibility of sustainability reporting by ensuring the accuracy and relevance of information presented, and enhances performance by informing decision-making. The multi-stakeholder development process used to develop the AA1000 Assurance Standard builds global consensus about assurance and confers credibility on the Standard.

While the business community has responded to increased societal demand for corporate responsibility and information that includes social and environmental information by expanded reporting, sustainability reporting is currently not believed – there exists a 'credibility gap' in the minds of report readers. Effective assurance through use of the AA1000 Assurance Standard helps to close the gap and build the credibility of sustainability reporting.

Jonathan Cohen is the Program Manager responsible for the AA1000 Series, which includes the AA1000 Assurance Standard.

Contact: +44 0207 549 0400 or jonathan@accountability.org.uk

AA1000

WBCSD and UN Global Compact strengthen ties

In December 2002, the WBCSD and the United Nations Global Compact (GC) office signed a new agreement to enhance our cooperation. The main aim of this 'Memorandum of Understanding' is to improve the operational capacity of the Global Compact, especially regarding links with its business partners.

The first priority is to produce and publish the Performance Model – a source book for companies that will give them the knowledge resources, case histories and examples of best practice they

need to integrate the GC principles into their operations. A two-day workshop to identify next steps in the production of the book was hosted at the WBCSD's Geneva offices on May 14 and 15.



The WBCSD continues to play an important advisory role to the GC on many issues, including the form of companies' communications on progress related to the nine GC principles. The GC office has been struggling to provide simple and practical guidance that meets the wishes of its core UN agencies. We have also helped to shape the 2003 series of Policy Dialogues and the Global Learning Forum, and we now hope to develop links between our Sustainable Livelihoods program and the GC initiative for Growth in Least Developed Countries.

A new section on the WBCSD's website highlights key GC events and news to help members plan their participation.

Operations to date have been made possible by financial support from Deutsche Bank, Electricité de France (EDF), Novartis, Renault, Shell and Suez. To reach our objectives the WBCSD is seeking additional support.

Contact Claude Fussler: fussler@wbcسد.org

CSD 11 keeps the ball rolling

Optimism as new work plan emerges from the most important SD meeting since Johannesburg.

The 11th Commission on Sustainable Development (CSD 11) has kicked off what promises to be a fruitful decade of meetings, in contrast with the past series. The CSD is a multilateral government body that meets annually to ensure effective follow-up of the Agenda 21 goals adopted by the Rio 1992 UN Conference on Environment and Development. The April 28-May 9, 2003 session in New York was the first to address the Johannesburg Plan Of Implementation.

"In Johannesburg we entered into a solemn pact with future unborn generations not to destroy our beloved planet Earth. We also entered into a deal with the poor and hungry to ensure social and economic development. Now, the poor watch and wait to see whether hunger, disease and global warming will be tackled with the same vigor displayed by some on the military front."

Valli Moosa, Chair, UN CSD-11

Around this time last year, frustration with the CSD was at its peak – it was touted as a poorly managed talking shop, blamed in part for the lack of progress against Agenda 21 and in disarray over the preparations for the Johannesburg Summit. Yet against the odds the Summit dealt admirably with the complexity of the Sustainable Development agenda. The pragmatic stakeholder dialogues that had been fostered by the CSD over its past 10 sessions rose to the challenge, providing a constructive alternative to the tedious governmental negotiations.

CSD 11 started with a three-day ministerial segment that set the tone for focus and process improvements. The non-governmental Major Groups (including business, NGOs, trade unions

– a unique feature of the UN process) were given ample chance to air their views, and the Chair, Valli Moosa (South Africa's minister for Environmental Affairs and Tourism), did a good job of stimulating energy and candor in the debates.



Claude Fussler, Special Advisor to the UN Global Compact

The session adopted a new work plan to enable better preparation, participation and progress. But it will only work out, as always, if governments and other major sectors give it their best.

The overarching thrust of the Johannesburg Plan of Implementation and forthcoming CSD meetings is the reduction of poverty though the achievement of the UN's Millennium Development Goals. The CSD will operate as a series of two-year implementation cycles that each focus on a major theme and related cross-cutting aspects. In 2004 and 2005, it will focus on water, sanitation and human settlements. The following cycle will focus on energy. The first session in each cycle will review implementation, the second will discuss and agree on policy measures.

The exposure and profile that the Johannesburg Summit afforded the WBCSD challenged us to be better, and brought us far more active membership support. The 2004 and 2006 CSD Implementation Reviews will be further opportunities to communicate our leadership message on the issues of Water and Energy. The CSD's momentum is building, and the process must not be neglected.

Contact Claude Fussler: fussler@wbcسد.org

For more details on the CSD work program see the Earth Negotiations Bulletin web site:

www.iisd.ca/linkages/csd/csd11

and the UN website: www.un.org/esa/sustdev

Strengthening our media relations

In a continuous effort to put the business and sustainable development messages across to a wider audience, the WBCSD has developed a closer cooperation with various media around the world. The goal is to strengthen the Advocacy & Communications (A&C) component of the work program, by creating a platform for increased sharing of knowledge and ideas.

The following partnerships represent an enhanced opportunity to disseminate messages and reports for the WBCSD, and promote special issues and conferences for our partners.

Ethical Corporation magazine

Ethical Corporation magazine is a UK-based independent business information provider and events producer on Corporate Responsibility for business professionals, featuring news, comment, analysis, executive training workshops and conferences on global corporate citizenship management. Specially-priced subscriptions are offered to WBCSD members.

www.ethicalcorp.com



Network 2015 is a multi-stakeholder publication whose purpose is to report on the outcomes of the Johannesburg Summit, with the long-term strategic target of meeting the Millennium Development Goals of 2015. It includes reports on key and related meetings, reports, projects, initiatives and partnerships.

www.earthsummit2002.org



Corporate Environmental Strategy: International Journal of Corporate Sustainability

(CES Journal) offers guidance in the form of editorials, commentaries, articles, and case studies on how corporations can be more socially responsible, with a special emphasis on achieving corporate sustainability.

www.corporate-env-strategy.com

AFX Global Ethics Monitor teams up with WBCSD

AFX Global Ethics Monitor, the first professional global news service dedicated exclusively to the coverage of corporate responsibility news, is adding original documents and exclusive opinion articles from the WBCSD to the database of reference materials from third-party sources available to its subscribers.

“Global Ethics Monitor has become an indispensable tool for all those interested in the field of corporate responsibility – investors, financial institutions, corporations, the media and NGOs. I am delighted that this resource is now being enhanced by the WBCSD’s cutting edge thinking and research. This provides us with a direct avenue to our core audiences, and boosts our mission to encourage sustainable, responsible business practice. By raising awareness, we raise the level of performance,” said WBCSD President Björn Stigson.

“Reporting in real-time on corporate reputation, social and environmental performance, human rights or business ethics is already an essential complement to financial news and will soon be an integral part of the daily coverage of corporate news,” said Luc Lampriere, executive editor and director of AFX Global Ethics Monitor.

“The inclusion of documents from the WBCSD and other key organizations and expert sources worldwide into our database is an integral part of our effort to make AFX GEM the one-stop resource for the most relevant and up-to-date news and information on these topics. We believe that this growing database of documents will be a useful complement to our exclusive and unique news coverage.”

www.globalethicsmonitor.com

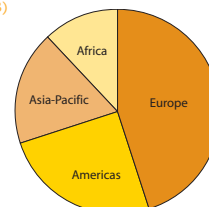
WBCSD in the news

In the months following the Johannesburg Summit, the WBCSD has been mentioned repeatedly in some of the world’s major publications, whether through our members’ news or for our policies and work program.

These publications include *Financial Times*, *International Herald Tribune*, *Australian Financial Review*, *Daily Telegraph* (UK), *MacLean’s* (Canada), *Financial Express* (India), as well as *Sunday Times* and *Africa News* (South Africa).

In non-English media, the WBCSD was mentioned in *Le Monde* (France), *Het Financieele Dagblad* (Netherlands), *Expansion* (Spain) and *El Mercurio* (Chile).

English news coverage in %
(October 2002 to May 2003)



Engaging the media

The media dialogue organized during the Delhi Sustainable Development Summit (DSDS) last February by the WBCSD, the Bellagio Forum, the International Federation of Environmental Journalists and TERI, proved to be so valuable that another one is planned for next year.

“The WBCSD found this cooperation to be very constructive, and looks forward to be a partner again in 2004,” said WBCSD President Björn Stigson.

The event aimed to stir awareness of the challenges post-Johannesburg among the media. The panel discussion centered upon the challenges and opportunities raised by the Johannesburg World Summit, such as the implementation of the reaffirmed commitments, the importance of partnerships, and the roles of the different stakeholders. It was attended by about 20 journalists from Asia.

Contact Geneviève Tremblay: tremblay@wbcsd.org

New website launched!

The WBCSD's redesigned and improved website was launched in March 2003, to better respond to the changing information and communications needs of members and stakeholders. *"The new site goes beyond informing about the WBCSD and its work, as it provides users with a broader picture of the sustainable development issues they need to know and that our members consult for day to day business operations,"* says Online Communications Officer Thorsten Arndt. *"Relevant news from major media is therefore an essential feature of the WBCSD website."*

To this end, two newsletters have been introduced. The **WBCSD Update** is a short announcement message that keeps subscribers informed on the WBCSD's

latest activities. A new report, press release, upcoming launch or conference not to be missed, are some of the items featured in this practical newsletter.

The **WBCSD Business & SD News** is a compilation of the weekly business and sustainable development news from a wide range of print and web news sources. It features topics such as energy & climate, sustainable livelihoods, water, CSR and forest issues, as well as WBCSD member companies in the SD news.

Both newsletters are available through the new 'My WBCSD' feature, a custom-developed online discussion tool designed to make email exchanges more efficient and user-friendly. 'My WBCSD' is currently being used for the newsletters



and internal communication, but stakeholder dialogues and online discussions for outside users are planned for the near future.

"It will not only support our efforts to make our work as transparent as possible, but also allow us to tap into the knowledge of sustainable development professionals globally," says Arndt.

Contact Thorsten Arndt: arndt@wbcسد.org

Together we stand

The A&C team is bringing together communications people from member companies and the Regional Network in an effort to pool resources for more efficient work and share know-how in the field of sustainable development communications. Following an invitation sent in March, over 60 representatives have already joined the 'Communications forum'.



Barbara Dubach, Advocacy & Communications Director (until July 2003) and head of sustainable development communications at Holcim, welcomes the creation of such a forum within the WBCSD to discuss current challenges and opportunities with likely minded people. A first meeting will be organized at the Liaison Delegate meeting in Portugal next September. It's still time to join!

Contact Alison Granath-Cornish: granath@wbcسد.org

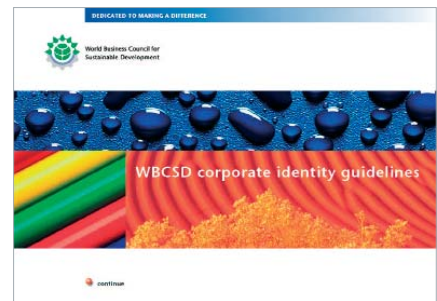
On track with the WBCSD's corporate identity guidelines

Managing the WBCSD brand and cultivating an identity that supports our mission and enhances our reputation is of prime importance. The logo, the house colors of green and blue, together with the 'Dedicated' strapline create a distinctive corporate identity for the WBCSD, but there is a lot more to projecting one's corporate identity than a logo.

To keep in line with newly developed publishing requirements and enhanced design capacity, we have updated our Corporate Identity Guidelines (CIG) to reflect these progressive changes.

The online CIG document contains the following key elements:

- > **Core design elements** – strict specification of the use of color, logo, strapline and typeface.
- > **Stationery** – detailed description of how to prepare WBCSD stationery, such as letterhead, press releases, faxes and folders.
- > **Publications** – comprehensive set of rules on how to design our WBCSD communications products, from cover design and text layout to placement of logos and use of disclaimers and paper type.



> **Other media** – corporate identity guidelines applicable to PowerPoint presentations and to the WBCSD and Sector Projects websites.

> **Publishing** – outline of publishing requirements, sign-off procedures and dissemination strategy.

The Communications department has also developed in-house resources encompassing the following: media strategy, online communications guidelines, and dissemination strategy. All are available upon request.

Contact Anouk Pasquier: pasquier@wbcسد.org



Regional round-up

Four new additions to the Regional Network

Guatemala

Following a joint seminar on February 28, a dozen committed Guatemalan business leaders formed the Centro de Acción para la Responsabilidad Social Empresarial en Guatemala (CentraRSE). Alvaro Castillo, CEO of the Central American Bottling Company, was elected chairman of the organization, and Guillermo Monroy was appointed executive director.

Guillermo Monroy: gmonroy@centrase.org
 Web: www.centrase.org



Signing of the Memorandum of Understanding between CentraRSE and the WBCSD.

Bolivia

The BCSD Bolivia was launched on April 14, building on the momentum created during an important seminar on "Sustainable Development and New Markets" last year in Santa Cruz. Fifteen of the most important business leaders in the country witnessed the signature of the partnership agreement with the WBCSD. Ovidio Roca was nominated executive director of the Bolivian BCSD.

Ovidio Roca: ovidroc@hotmail.com



Founding members of the BCSD Bolivia

Solid regional participation in Montreux



Regional Network directors at the Montreux Liaison Delegate meeting

In spite of the uncertainties surrounding the war in Iraq, close to 30 representatives from Regional Network partner organizations attended the WBCSD's March LD meeting in Montreux.

During a dedicated meeting, participants discussed the results of a recent survey on best practice in managing national BCSDs. Moreover, opportunities for cooperation with the WBCSD and among regional partners were explored.

Participants also commented on the new Education and Training tools the WBCSD is currently developing for the use of its members and partner organizations.

The strong presence of the Regional Network was also evident at the different plenary and working group sessions, thereby ensuring that perspectives from around the globe are appropriately taken into consideration in the WBCSD's programs and initiatives.

Paraguay



Founding members of REDES and guest speakers.

The Red de Empresas para el Desarrollo Sostenible (REDES) was launched last November in Asunción, Paraguay, aiming to join the Regional Network. More than 150 people attended the inaugural event, which received very good media coverage.

The creation of REDES follows an initiative of a group of local business leaders under the leadership of Diana Escobar de Bareiro, REDES's executive director. The effort was greatly supported by Fernando Almeida and Marcia Drolshagen of the Brazilian BCSD, who jointly with Marcel Engel of the WBCSD, spoke at this launch.

Diana de Bareiro: diana@serimax.com.py
 Web: www.redes.org.py

Sri Lanka

The creation of a BCSD Sri Lanka was officially announced at the annual general meeting of the National Chamber of Commerce and Industry (NCC) last December in Colombo. The creation of the Sri Lankan BCSD follows an initiative of the outgoing president of NCC, Chandra Embuldeniya, who will chair the new organization. The BCSD is currently backed by 15 founding members.

Chandra Embuldeniya: chandrae@slt.lk



From left to right: Neil Seneviratne, Secretary General of the BCSD Sri Lanka; Chandra Embuldeniya, President of the BCSD Sri Lanka; and Marcel Engel, Director of the WBCSD's Regional Network.

Australia

Stakeholders sign up for cleaner production

It's been an important few months for the Western Australian Sustainable Industry Group (WA SIG), as the Western Australian Cleaner Production Statement was officially endorsed in a high-profile signing ceremony last fall. The statement – signed by 77 organizations – calls on industry, governments, and other stakeholders to tackle cleaner production and eco-efficiency seriously. The ceremony was attended by the Australian Minister for the Environment, Hon Dr. Judy Edwards, and Björn Stigson, WBCSD President.

"We believe that the benefits from cleaner production and eco-efficiency are huge," said Stigson at the event. "It seems that companies who focus on sustainable development are more in tune with market trends and society, are quicker to adapt to change and in are general better managed."

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Web: www.wasig.curtin.edu.au

El Salvador and Honduras

Partnership is key

At a meeting held in April, the BCSD El Salvador (CEDES) and the BCSD Honduras (CEHDES) agreed to come together to face the many sustainability challenges posed to the Central American countries. Given the proximity of the two countries, and by virtue of their historical and cultural ties, both decided to act in partnership to promote projects and activities and to develop a plan of action.



The meeting that sealed the partnership: Members of CEDES and CEHDES pledge to join forces to overcome sustainability challenges.

Part of their joint agenda is to promote CSR. For the start-up of their CSR program, CEHDES will enjoy technical assistance from the Foundation for Social Action in El Salvador. The Councils agreed to restart a project promoting renewable energy generation in a basin shared by both countries. The Executive Hydroelectric Commission of the Lempra River presented its project to the two partners. The Honduran presidential designate, a member of CEHDES, served as honorary witness at the signing of the joint agreement by the presidents of the two Councils. The cooperation meeting was so successful that a second 'entrepreneurial event' is scheduled in Honduras in August.

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Honduras: Roberto Leiva: jrlleiva@sulanet.net
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Malaysia

Workshop starts ball rolling

The BCSD Malaysia (BCSDM) organized a workshop in late March on key performance indicators, which reviewed the latest social security benefits as well as the current occupational health & safety challenges.



Getting to work: Participants in the 'International markets & safety, health and environmental standards – Your key performance indicator' workshop last March.

Following a keynote address by the director of the Department of Environment on the current environmental policy, the session featured presentations on the importance of environmental communications and performance evaluation. About 30 people attended the event, from a cross-section of government departments and companies representing the petroleum, chemical, manufacturing and technology sectors.

This year, the BCSDM will be organizing more workshops in cities throughout Malaysia.

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Canada

Managing sustainability issues

Some of Canada's leading business directors were guests at EXCEL's forum on May 21, where they discussed both corporate governance oversight on sustainability and aligning corporate philanthropy with social responsibility.

This informal discussion examined the latest trends and pressures that are challenging directors and corporations to look at sustainability issues in a fresh light, manage a wider range of stakeholder expectations and play a larger role in shaping and supporting the social fabric of Canada, all while improving share value.

A recent telephone conference between EXCEL member companies, such as BC Hydro and TransCanada Pipelines, focused on sharing best practices in addressing stakeholder relations with aboriginal communities. Another such conference updated members on the latest government action on climate change in Canada.

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France

EU leads on emissions trading

In France and the rest of Europe, a main topic of discussion these days relates to the European Union's Proposed Directive on Emissions Trading.

The EU Parliament announced a proposal to implement a legal framework for an emissions trading scheme, to come into effect in 2005. The European industry is very active in discussions concerning the national allocation plans for emissions quotas, and Entreprises pour l'Environnement (EPE) plays the role of a think-tank on such issues as early actions, accounting and fiscal treatment of quotas, and transfers of quotas between installations located in different EU member states.

Even if Russia does not ratify the Kyoto Protocol, it is likely that the EU, with its 25 member states, will implement the Emissions Trading scheme.

In parallel, EPE's sister organization, AERES – an industry association for the reduction of greenhouse gases –, is now examining the validity of member companies' voluntary greenhouse gas emissions plans. Seven plans have already been approved, while others are being considered. The government is participating in this operation as an observer.

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Colombia

Developing sustainability indicators

The Colombian BCSD (CECODES) has been working with groups outside of industry to help them develop sustainability indicators. These include the Sugar Cane Growers Association – whose sustainability report features on the CECODES website – and the Colombian Association of Flower Exporters – which is currently working on its report.

CECODES is also developing indicators and reports for hotels, and recently worked with a private hospital. Services like imaging (acoustic, magnetic resonance, etc) and laboratory tests have become very important sources of income for hospitals, making it necessary to develop new indicators.

CECODES and the hospital refined the indicators to assign a value to each service to reflect the consumption of resources more precisely. This experience has given CECODES an opportunity to help hospitals improve the way they evaluate performance.

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Austria

Spreading the word on CSR



Erich Becker, ABCSD
President and CEO of
VA Technologie AG

A new corporate social responsibility initiative, CSR Austria, was launched thanks to a pioneering partnership between the government and the Federation of Austrian Industry. The Austrian BCSD helped to coordinate the launch event last March, where the connection

between sustainable development and CSR was discussed.

“The challenge for the next few years will be balancing the three areas of sustainable development: economic, social and environmental,” said Erich Becker, ABCSD President and CEO of VA Technologie AG. “On an international level, it is important to show that Austrian companies are acting sustainably, even in countries without corresponding social and ecological frameworks.”

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Russia

Blue Corridor Project to reach UN by summer

The Blue Corridor project is forging ahead toward its goal of establishing pan-European transportation routes fully adapted for natural gas vehicles. The 30-strong task force of international experts, headed by Vernadsky Foundation executive director Andrey Andreevsky, has already held sessions in Warsaw, Amsterdam and Berlin.

The group plans to present an economic and environmental feasibility study based on the analysis of three model corridors: Moscow-Berlin, Berlin-Rome, Helsinki-Moscow. The task force’s concluding report will be presented to the UN Economic Commission for Europe in early summer.



Taking the Blue Corridor Project on the road.

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Taiwan

Calculating emissions in China

The Chinese version of the *GHG Protocol* was officially launched on April 11 in Taipei. The event was held jointly with the WBCSD at a conference on “Business challenges & opportunities of market mechanism for GHG mitigation”. The Chinese version is now available at www.ghgprotocol.org.

Although non-party to the UNFCCC, the BCSD Taiwan has kicked off an initiative to identify the opportunities for local business to participate in the flexible mechanisms of the Kyoto Protocol. Also, the BCSD Taiwan has recently completed a joint study with ASRIA (the Association for Sustainable & Responsible Investment in Asia) on Taiwan’s SRI market. The final report will soon be published and included in a new book, *Financial Sector and Sustainable Development* – SRI.

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Portugal

The language of sustainability

The Portuguese translation – by the Brazilian BCSD – of *Walking the talk* is now available, as well as two other WBCSD reports in Portuguese, including the book by Jan-Olav Willums, President of the Foundation for Business and Society, *The sustainable business challenge*. Other translations in the pipeline are of two WBCSD reports: *Innovation and Technology* and *Tomorrow’s Markets*.

Finally, the BCSD Portugal is keeping busy with organizing the next WBCSD Liaison Delegate meeting, taking place September 16-18 in Lisbon.

Manuel Duarte de Oliveira: bcsdportugal@yahoo.com

Argentina

Adapting CSR to local needs

The Argentine BCSD’s (CEADS) CSR Task Force is back in action, with an important program of activities for this year. The publication of a periodical outlining social and community actions in companies is in the works, and will aim to help generate strategic alliances. Another objective is to offer a common CSR definition for Argentine companies. The goal is to offer guidance to companies, who in light of Argentina’s recent socio-economic changes have had to adopt their own CSR concepts. The adaptation process will include inquiries to stakeholders, and will integrate the feedback from civil society.

CEADS recently released a CD-Rom compiling 180 case studies, demonstrating how the business sector faces sustainable development challenges with practical solutions.

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New Zealand

Two new project reports

The new *Industry Guide to Zero Waste* report shows business how to capture the significant benefits of eliminating waste. It features stories from eight NZBCSD member companies pursuing the goal of zero waste.

The launch of the guide was bolstered by a practical demonstration at Government House, where government and business leaders donned gloves to sort through Governor General Dame Sylvia’s household rubbish to demonstrate how to minimize waste!

The second report launched, *Business Guide to Youth Employment*, aims to identify ways to reduce youth unemployment and enhance business performance. It features case studies of six NZBCSD member companies.



Going through the Governor’s rubbish. From left to right: Minister for the Environment, the Hon Marion Hobbs; NZBCSD Chairman Stephen Tindall and Governor General Dame Sylvia Cartwright.

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Zimbabwe

Post-Johannesburg Summit action program

Part of the public-private partnership program between the Ministry of Environment and Tourism and the Environmental Forum of Zimbabwe (EFZ), outlined following the Johannesburg Summit last September, is to help the ministry implement the new “National Sustainable Development Programme”.

This program is included in the new Environmental Management Act, which passed through parliament in December 2002. The EFZ is holding a series of seminars to explain the new act to the business sector and to seek its participation in the implementation.

A new EFZ sustainable development action plan for 2003 is another initiative emanating from the World Summit. The EFZ is actively participating with various national centers to obtain further expertise and practical experiences to implement the plan.

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Mongolia

Promoting eco-efficiency

Maintaining a focus on TUUL-21, a clean production and wastewater abatement project, has been a major priority for the BCSD. Recently, it began using demonstration projects to raise business awareness of cleaner production techniques and assessment methods, as well as disseminating the final project results among the private sector.

The BCSD Mongolia also continues working on a second project, NEW-21, promoting energy efficiency among companies.

In the coming months, the BCSD will be working on promoting its messages through a wide variety of media, developing financial mechanisms for green investment, and training companies for the Clean Development Mechanism (CDM).

Gantuya Badamgarav: ganaBCSDM@mol.mn

United States

New projects underway

The US BCSD has plans to serve members on a nationwide basis. This includes moving forward with the development of a set of new projects: Integrating the Value Chain, Ecosystem Services, and Developing the Business Case for Sustainable Development. At the same time, the US BCSD is continuing to implement and grow its existing projects dealing with by-product synergy and sustainable forestry.

To assist the organization in reaching a nationwide audience, the US BCSD has also developed two video presentations: one on by-product synergy and the other on sustainable development and the US BCSD. A video on sustainable forestry is also in the works for the end of 2003.

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Croatia

New priority for 2003

The new head of the managing board took office in January, pledging to strengthen the role and reputation of the Croatian BCSD as a top priority for 2003. To reach that goal, Bruno Filipi, Chairman of the Board of Coca-Cola Beverages Hrvatska, will establish a working group consisting of member companies' public relations representatives. The central theme will be CSR, with a survey leading to a first report in December 2003.

The Croatian minister of Environment and Physical Planning, Bozo Kovacevic, spoke at the sixth annual meeting of the Croatian BCSD last December. The meeting took place in the new building of the PLIVA Research Institute, and also featured Zeljko Covic, Chairman of the Board of PLIVA, who spoke about the state of the Croatian economy, indicating challenges and opportunities for business.

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Peru 2021

Partnering for youth

Perú 2021, in conjunction with UNICEF, the offices of the Prime Minister and the Minister of Social Development, as well as a group of national and international NGOs, is leading an initiative aimed at forging a strategic alliance between the public and private sector on behalf of Peruvian youth.

Peru is among the first countries to approve a national plan of action on behalf of Childhood and Adolescence (NPACA). President Alejandro Toledo committed to develop the first national dialogue on May 27, which represented a milestone for worldwide children's rights and education.

Perú 2021 is also part of the Coalition for Democracy. This coalition is formed by four organizations from different sectors whose main goal is to monitor the National Accord, a political agreement that sets out 29 national long-term policies for the future of Peru.

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United Kingdom

BCSD-UK boosts Scottish involvement

The BCSD-UK's first annual dinner featured as guest speaker Jim Currie of Eversheds. Held in the House of Commons, members and guests heard reports from four member-led action groups.



Iain Gray speaking at the launch of the Scottish Industrial Symbiosis Programme.

The National Industrial Symbiosis Programme continues to make progress. It was launched in March at BP Grangemouth in Scotland, with guest speaker Iain Gray, Scottish Minister for Enterprise, Transport and Lifelong Learning, who said, "I am particularly pleased to lend my support to this program, because it has been conceived and driven forward by business in the shape of the BCSD-UK. This is about business seeking sustainable and profitable solutions".

The BCSD-UK is seizing an opportunity to increase its membership and address specific issues in Scotland by establishing a local working group. In February, the BCSD-UK welcomed its first SME member company, RTH Group, design and management consultants, to exhibitors worldwide.

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Spain

New online SD tool launched



Fundación Entorno, in partnership with the Spanish Ministry for the Environment, launched *Empresa Sostenible* (Sustainable Enterprise), the first virtual office for sustainability management focused on SMEs. The Internet portal was developed to provide the Spanish business community with information, tools and experiences to assist them in improving their environmental performance.

Empresa Sostenible will work on three strategic principles: sustainable business practices make business sense, information is key and tools are essential. The services offered include access to all basic environmental legislation and permits, online virtual training, an advanced environmental search engine and a daily update on the latest news of the global sustainability agenda.

Beatriz Clemente: comunicacion@fundacionentorno.org
Web: www.fundacionentorno.org
www.empresasostenible.info

Philippines

Earth Day Recyclables Collection Event

Philippine Business for the Environment and the Philippine Business for Social Progress convened a group of business organizations and other interested groups to hold "The Philippine Business Forum on Climate Change and Market Mechanisms" on April 7 in Manila. Its main objective was to increase awareness of the relationships of business activities and climate change, as well as the emerging carbon market and the challenges and opportunities these present.

The Forum featured speakers from the WBCSD, UNCTAD, Climate Change Information Center, Norsk Hydro, Philippines Bio Company, and Mirant Philippines.

Although the Philippines has not yet ratified the Kyoto Protocol, business and other institutions are preparing for this outcome. They have a number of potential CDM projects identified such as biomass, hydro, forestry, etc., and a national authority for approving CDM projects has been proposed.

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Membership

New members

Bureau Veritas

Council Member: Frank Piedelièvre, President and Chief Executive Officer
Liaison Delegate: Pietro Foschi, Vice President, System Certification Services



DSM N.V.

Council Member: Peter A.F.W. Elverding, Chairman; Managing Board of Directors
Liaison Delegate: Drs C.Th. A. Bennebroek, Manager, Public Affairs; Project Manager, Sustainability



Gaz de France

Council Member: Michel Duhén, Member of the Board of Executive Directors
Liaison Delegate: Mr Luc Demoulin, Director, Environment, Safety & Health



The New York Times Company

Council Member: Michael Golden, Vice Chairman & Senior Vice President
Liaison Delegate: Bill Mahder, Budget and Planning Director of the IHT



Pfizer

Council Member: Dr Henry A. McKinnell, Chairman of the Board and Chief Executive Officer
Liaison Delegate: James C. Lime, Vice President, Environment Health & Safety



Titan Cement Company

Council Member: Elias Paniaras, Executive Director, General Manager
Liaison Delegate: Dinos Benroubi, Divisional Director, Cement Division Greece



Vitro, S.A. de C.V.

Council Member: Federico Sada G., President and Chief Executive Officer
Liaison Delegate: Fernando Gonzalez, Advisor, Sustainable Development



Council Member changes

Anglo American

Sir Mark Moody-Stuart KCMG, Chairman

Johnson & Johnson

James T. Lenehan, President and Vice Chairman

Sony Corporation

Teruo Masaki, Senior Executive Vice President and Director

BC Hydro

Larry Bell, Chairman and Chief Executive Officer

Nippon Telegraph & Telephone Corporation

Mr Hiromi Wasai, Senior Executive Vice President

The Procter & Gamble Company

Paul Polman, President, Western Europe

BHP Billiton

Charles (Chip) Goodyear, Chief Executive

Rabobank Group

Drs. H. (Bert) Heemskerk, Chairman of the Executive Board

Unocal Corporation

John W. Creighton, Vice Chairman

BP

John A. Manzoni, Chief Executive, Refining and Marketing

Samsung Electronics

Mr Kun-Hee Lee, Chairman

WMC Resources

Andrew Michelmore, Chief Executive Officer

ChevronTexaco Corporation

Rhonda Zygocki, Vice President, Health, Environment and Safety

Skanska Group

Stuart Graham, President and Chief Executive Officer

Name change

Vivendi Environnement has changed its name to **Veolia Environnement**.

Liaison Delegate changes

AREVA

Yves Coupin, Senior Vice President of Sustainable Development & Continuous Progress

Honda Motor

Hiroshi Yamashita, Manager, Environment and Safety Planning Office

Noranda

Robert Telewiak, Vice President, Environment Safety & Health

Asahi Glass

Akio Masui, Manager, New Business and Technology Planning

Imperial Chemical Industries

Martin Bell, Director, Sustainability

PLIVA

Mladen Markovic, Environmental Protection Manager

ConocoPhillips

Andrew Roberts, Manager, Sustainable Development

Lafarge

Gaëlle Monteiller, Senior Vice President Public Affairs and Environment

Sony Corporation

Hidemi Tomita, General Manager, Corporate Social and Environmental Affairs

CH2M HILL

Jan Dell, Vice President, Corporate Responsibility Practice

Mitsubishi Corporation

Minoru Akita, General Manager, Environmental & Social Responsibility Office

The RETEC Group

John Ryan, Vice President

Dow Corning Corporation

Bill Gagliardi, Manager, Environment Safety & Health Communications

Monsanto Company

Jeff Klieve, Director, Environmental Affairs/Sustainable Development

UBS

Markus Jaggi, Group Communications Management

ESKOM

Wendy Poulton, Corporate Consultant, Strategic Environment

Nippon Telegraph & Telephone Corporation

Shiro Nishi, Senior Manager, Environmental Protection Office

Unilever

Anne Weir, Senior Adviser, Sustainable Development

Heineken

Han De Goederen, Director, Corporate Affairs

We are very pleased to announce that Mr Yasuo Hosoya, Fellow and our Liaison Delegate of The Tokyo Electric Power Company (TEPCO), has been awarded the Order of Outstanding Contributors to Sustainable Development.

New faces



Anne-Léonore Boffi came to the WBCSD as Secretary to the President's Office & Member Relations after promoting children's rights at UNICEF and working with urgent appeals at OMCT, an organization against torture. She studied at the Graduate Institute for International Studies in Geneva and is a Swiss citizen, from Tessin. boffi@wbcسد.org



Britta Rendlen joined the WBCSD as Research Assistant to the President. During her one-year internship, she is helping with the preparation of internal strategic documents as well as performing background research and analysis to develop speeches, discussion papers and presentations. A German national, she holds an MBA from Kellogg (Northwestern University), a BA in Performing Arts Management and an associate degree in Social Sciences. rendlen@wbcسد.org



Rebekah Young joined the WBCSD in January as Program Officer with the Regional Network, working on eco-efficiency and SME initiatives. She holds an MBA from INSEAD (France/Singapore), a Masters degree in Environmental Assessment & Evaluation from the London School of Economics (UK), and a chemical engineering degree from McGill University (Canada). young@wbcسد.org



Hello, my name is **Lou Zwaans**. My mom, Christine, gave birth to me on January 13, 2003. I'm very smart. I already know all the important things: I have to cry to get what I want, and my parents and big brother Adrien love me no matter what. I also know that my mom will be back at work in July (boo-hoo!), and that her colleagues hope she comes back happy and rested. lou@bb.com

The WBCSD is bidding farewell to...



Inge Fellay

Inge has been our receptionist since June 1995, the very earliest days of the WBCSD. To the secretariat staff Inge has been a guide for the lost, a supplier to the needy, a calmer for the agitated, a feeder of the hungry and an encyclopedia of information – to list just some of the many ways in which she has helped us do our work, always with a smile and always ready to lend a hand. The only good news is that retirement will let Inge go to more festivals and see more of those exotic and glamorous places around the world she so loves to visit. We wish her a long, healthy and happy retirement.



Barbara Dubach

After devoting two very full years to watch over and revamp the WBCSD's Advocacy & Communications department with 150% of her time, combined with her 73% commitment to Holcim, interspersed with - few! - moments of leisure, Barbara is officially leaving us to return to her company full time (is that for 223%?!?). Unofficially, we hope Barbara won't become a stranger to the WBCSD, as we will miss her valuable expertise, undying patience and endearing sense of humor (especially when she's on the week's 70th hour!). Warm thanks, and all the best to you Barbara!



Kjell Oren

Kjell returns to Norsk Hydro after two years as head of the Energy & Climate team. He leaves behind him two great legacies: a team of people infinitely fond of each other, and a string of outstanding reports. Oh, and he's quite good at speeches too! Well done, Kjell!



Arve Thorvik

Arve heads back to Statoil after a two-year secondment as Director for the Mobility project. Mostly famous for his cool sunglasses in summer, he will also be remembered for this great report called Mobility 2001. Keep on movin', Arve!

The WBCSD also fondly thanks some very dedicated colleagues that contributed to making a difference: Sam Chadwick, James Gooder, Susanne Haefeli and Brad Smith. Best of luck!

2003

June

- 14-19** Ethical Corporation USA 2003 Conference: Rebuilding trust through Corporate Responsibility
Washington, DC, USA
www.ethicalcorp.com
- 17-18** Industrial Ecology and Spaces of Innovation, Manchester, UK
www.cric.ac.uk
- 19-20** Investor Interest in Corporate Sustainability and the Disclosure of Material Risk, Fontainebleau, France
www.insead.edu
- 22-25** First World Congress on Risk
Brussels, Belgium
www.sra.org

July

- 14-18** Asia Pacific Inter-University Short Executive Programme 2002: Environmental Security and Natural Resource Conflicts: New Vulnerability and New Vigilance
- 21-25** Religion: Conflict or Peace?, Mahidol University, Bangkok, Thailand
www.unpeace.org
- 29-Aug 1** American Council for an Energy Efficient Economy, Rye
www.aceee.org

August

- 10-16** Stockholm Water Symposium and World Water Week, Stockholm, Sweden
www.siwi.org

September

- 4-6** Sustainable Management in Action (SMIA 03), Geneva, Switzerland
www.smia03.org
- 8-11** Green Meeting of the Americas Rio de Janeiro, Brazil
www.encontroverde.cjb.net
- 16-18** WBCSD Liaison Delegate meeting
Lisbon, Portugal
morel@wbcسد.org
- 22-23** Ethical Corporation Asia 2003 Business Conference and Workshops
Shangri-La Hotel, Singapore
www.ethicalcorp.com

Sustain is published by the World Business Council for Sustainable Development
4 chemin de Conches, 1231 Conches, Switzerland
Tel: (41 22) 839 31 00, Fax: (41 22) 839 31 31

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Layout: Anouk Pasquier
Printed by Atar Roto Presse SA, Geneva



Marketing and sustainable development: chalk and cheese?

Marketing is about selling people more. So is sustainable marketing a contradiction in terms? Dr Sally Uren and Lia Abady think not.

Marketing comprises a set of skills that enable companies to sell more stuff to more people to get a greater share of the market. These skills are usually portable: it doesn't matter what's being sold to whom in what marketplace. Until recently, the social and environmental impact of the stuff that was being marketed remained, for the vast majority of people in marketing, largely irrelevant.

Sustainable development, on the other hand, means consuming in more environmentally and socially responsible ways; for some, it means consuming less. The idea of sustainable marketing is, therefore, rather suspect.

In market-based, capitalist societies, marketing of one kind or another is here to stay. And the truth is that most people who live in those societies cherish their options as consumers, and those who don't may well long for the day when they will.

But the ecological facts are equally compelling. If the six billion people on our planet started consuming like the richest one billion do today, it would be game-over for humankind's starry-eyed aspirations of permanently increasing prosperity. And possibly for humankind itself.

So we could just sit here, caught in the onrushing lights of unsustainable consumerism, or we could have a crack at doing something about it.

What is sustainable marketing?

A 'sustainable marketing' plan embraces sustainable development principles and has every element of the marketing mix from research and development through to branding and advertising mapped out against its environmental, social and economic impact.

Because marketing influences the development of products and services, as well as the communication methods used to influence consumer behavior, it is at the axis of one of the most challenging issues facing business today: addressing the current unsustainable levels of production and consumption in an uncertain world.

An example of a brand strategy underpinned by sustainability values is MasterCard's advertising campaign 'Priceless', which communicates a certain shared value that "in life there are some things money can't buy, but for everything else there is MasterCard". A recent case study by the United Nations Environment Programme (UNEP) points out that the message transmitted here reflects more responsible attitudes toward consumer spending by communicating the idea that money can't buy you everything. It doesn't take a genius to figure that these types of messages can ignite a positive attitude that works at subconscious levels and as a result prompting consumers to ask themselves valuable questions.

Kia, the Korean car manufacturer, is another organization that is in the game of marketing sustainability, this time using more overt messaging. Despite manufacturing an arguably unsustainable product, Kia is attempting to influence consumer lifestyles by transmitting 'green is cool' messages. Kia's UK advertising campaign "Think Before You Drive" urges people not to use their cars for short journeys. Kia also provides a mountain bike with every new car purchased in a certain range and helps organize "walking buses", a network of parents who escort children to school on foot.

Why now?

As we enter a 'third age' of branding, so the context for brands is changing irrevocably. The first age of branding was the age of functionality, where product purpose was legitimized through trademarks. The second age was the age of aspiration, meaning brands served a self actualizing purpose. The third age of branding is the age of reconnection, empowering consumers to make the world a better place through the products they buy.

Think of a refrigerator for example. In the 1950s you had to be convinced to buy a refrigerator, whereas you would have wanted the great white box to look cool in the 1970s, but today you might ask yourself about the impact of CFCs that your refrigerator is emitting and demand a more environmentally friendly model.

So, if today's successful marketing is about appealing to personal values and delivering consumer empowerment, then surely the time is right to introduce sustainable development into the marketing mix to help address some of the gritty issues currently facing our planet.

Forward thinking

Why not harness the creativity and innovation of one of the oldest professions to move our societies onto a more sustainable footing? Humanity has tackled far more challenging tasks, from placing a man on the moon, to persuading people to buy aloe vera toilet paper, as Steve Hilton from Good Business often illustrates.

However, it is clear that efforts by the odd responsible company are not nearly enough to make producer and consumer change stick. A much wider collective effort is needed if we are going to be successful at reversing unsustainable patterns of consumption and production, considering most of us are not willing to sacrifice aloe vera toilet paper for banana leaves.

If marketing can turn 'lead into gold', then it has the potential to make sustainable development a household word, a universally recognized way of adding both social and economic value. Marketing can create, influence and change target audience attitudes, beliefs and perceptions. A more interesting question is how can it be used to reinforce sustainable development?

More than any other business function, marketing has the potential to make the world a better place. With a bit of innovation, a lot of imagination, and a robust understanding of social and environmental challenges, you have a recipe for practical change.

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