



Sustainable Value Chains Sustainable Consumption GHG Protocol

OECD, 1 July 2010



World Business Council for
Sustainable Development



WBCSD

Coalition of some 200 leading companies

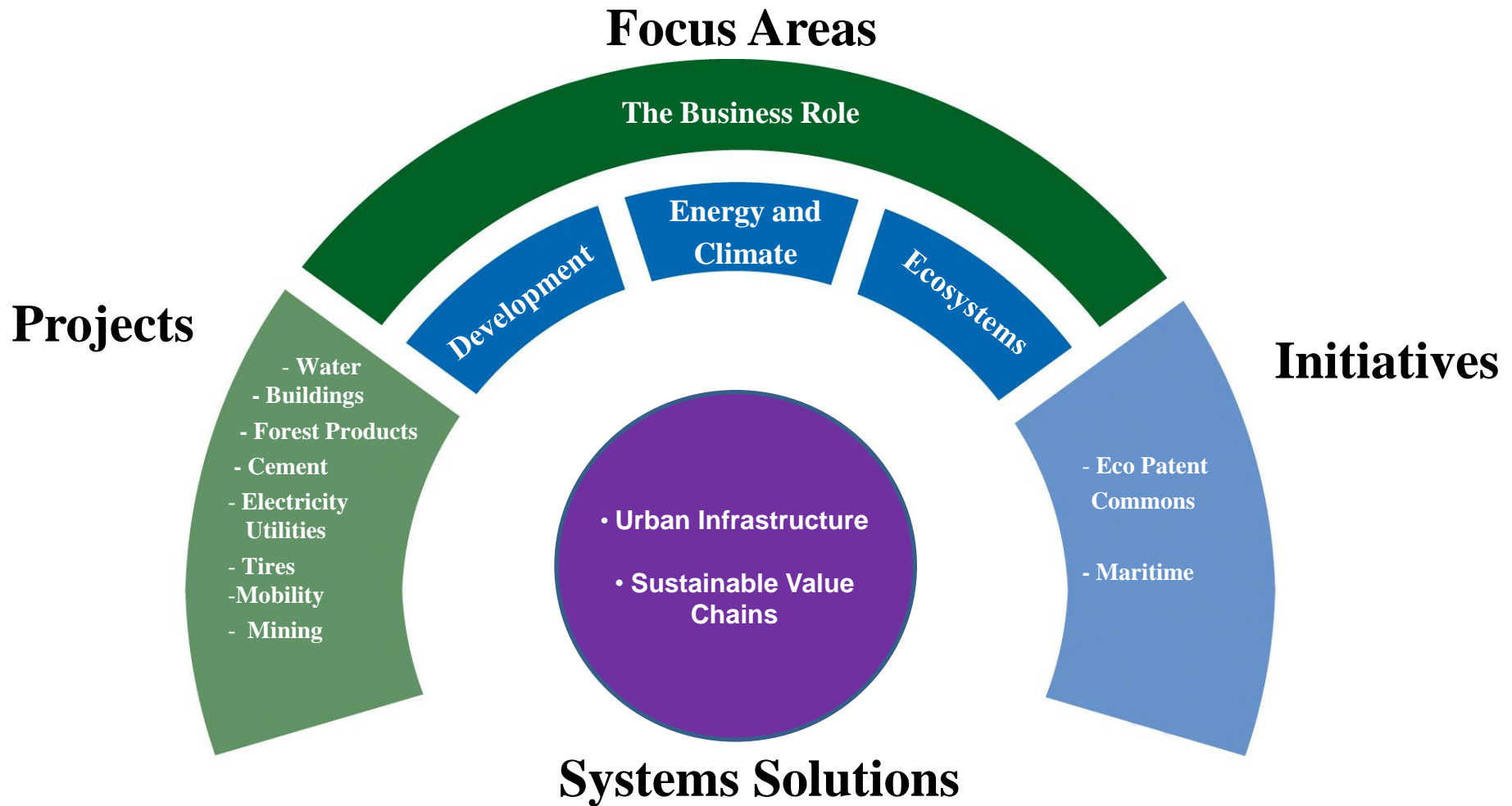
- Market capitalization: 8,000 BUSD
- Total member company employees: 13 million
- Global outreach

Supplies products and services to half of the world's population every day





WBCSD Work Program





Climate Change implications

- -50% Global GHG reductions to 2050
- -80% in developed countries

- No sector or supply chain will be immune to drastic changes



It can be done

- “We will develop new ways of doing business that will allow us to double the size of our company while reducing our environmental impacts”
 - Paul Polman, CEO Unilever



Status quo

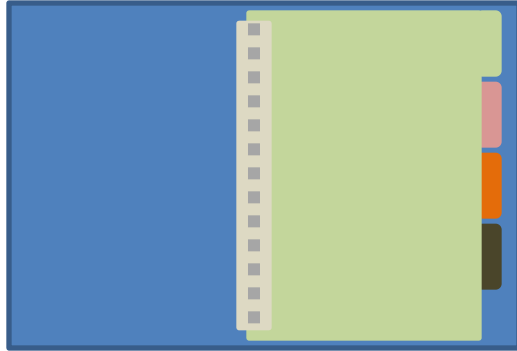
- Single instruments to improve Eco-efficiency have been developed in the past
 - Life Cycle Analysis
 - Product-Service Systems
 - Integrated Product Policy (IPP)
 - Cradle to Cradle
- And Eco-efficiency pilots on sectoral level or between single companies of two sectors have been performed
- However the role of collaborative behavior to make these instruments work along a value chain has been not evaluated so far



The Sustainable Value Chain Initiative

- Co-Chairs: Unilever and Coca-Cola
- Objective:
 - Improve sustainability across the value chain by enabling cross-company and cross-sectoral cooperation
- Focus:
 - Companies delivering products and services to the consumer
- Targeted results:
 - SVC Manual: a practical “how to” guide including best practice information, supplier engagement templates, case studies, etc.
 - Leadership on the Rio +20 Sustainable Consumption and Production space: defining the agenda, pulling the various business initiatives together
 - Advocacy/engagement activities

Content of the SVC-Manual 1/2



■ Awareness

- Linkage with Vision 2050
- Benefits from collaborative behavior
- Necessity of cooperation to reach evolutionary results sooner
- The role of the FMCG industry as an enabler for sustainability



■ Rules & Procedures

- Guiding principles for cooperation across the value chain
- Conditions for successful partnerships
- Intersectoral and cross-sectoral
- Roles & responsibilities within a company to make cross-company collaboration possible
- Sustainable Innovation Management

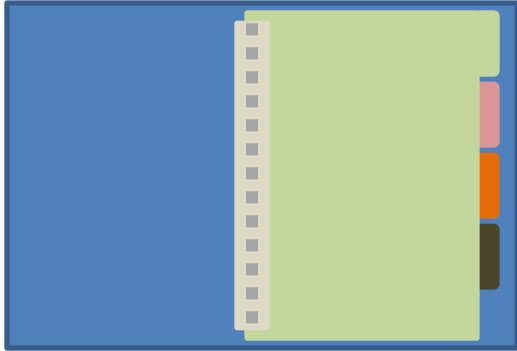


Examples

Examples



Content of the SVC-Manual 1/2



■ Metrics & tools



- impact of companies activities towards sustainability
- Collaborative SVC and companies' financial value
- road testing experience of new GHG-standards
- Sustainability Life cycle Management
 - Design for sustainability
 - Eco-efficiency

Examples

■ Setting Frameworks



- competitiveness issues & legal barriers
- Reward systems for SVC-innovators
- Supportive Infrastructure & legal settings

Examples



Organizations/ Initiatives working on Sustainable VC/ SC

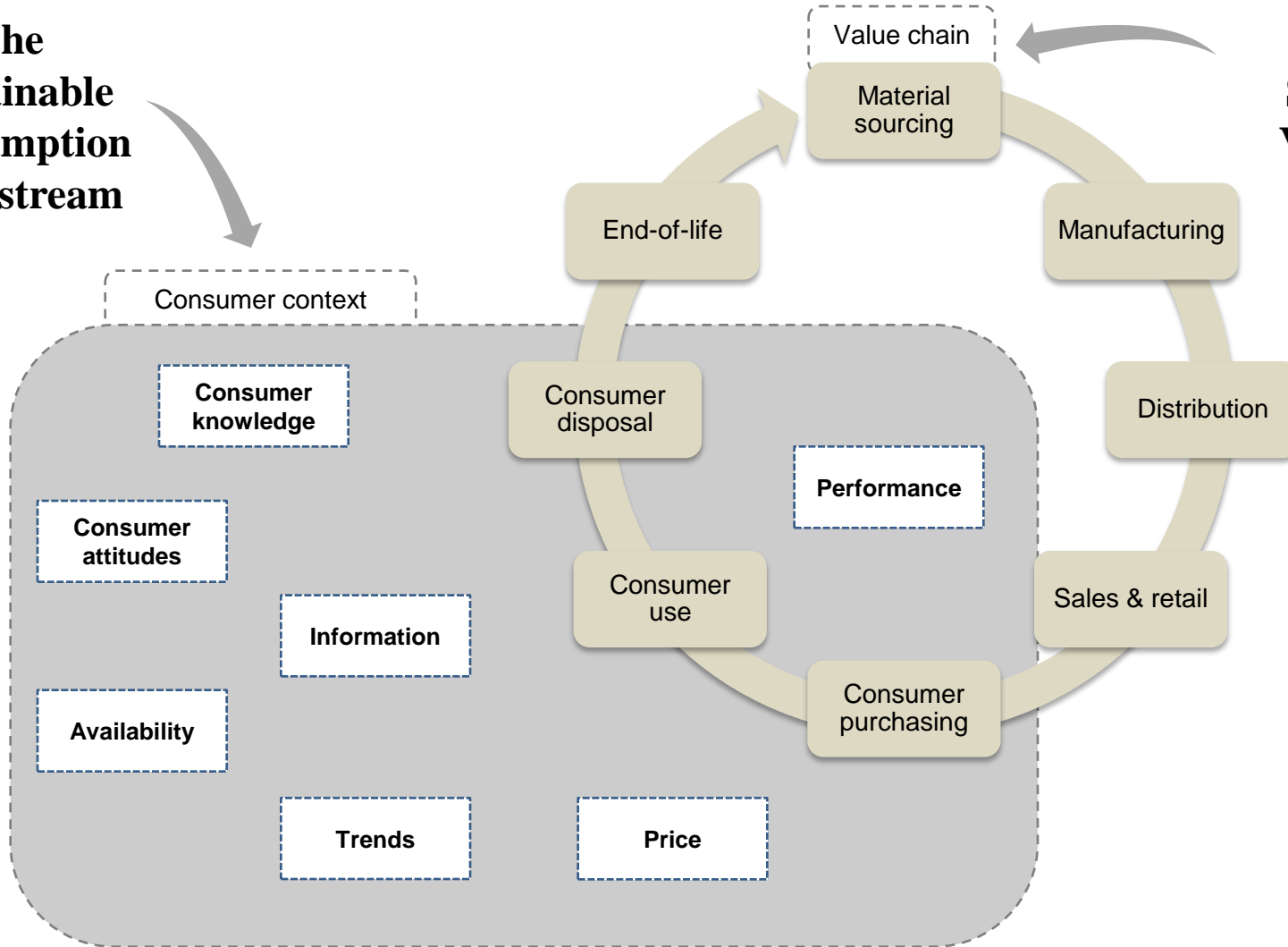
- Consumer Goods Forum
 - Global Packaging Project (GPP) with ECR Europe and EUROPEN
 - Future Value Chain/ Future Supply Chain
- GeSI - The Supply Chain Initiative
- Global Compact/ BSR - Sustainable Supply Chain Initiative
- Sustainability Consortium
- Sustainable Agriculture Initiative
- UNEP
- World Economic Forum - Driving Sustainable Consumption
- World Resource Institute – Green Supply Chain



The Sustainable Consumption workstream and Sustainable Value Chain initiative

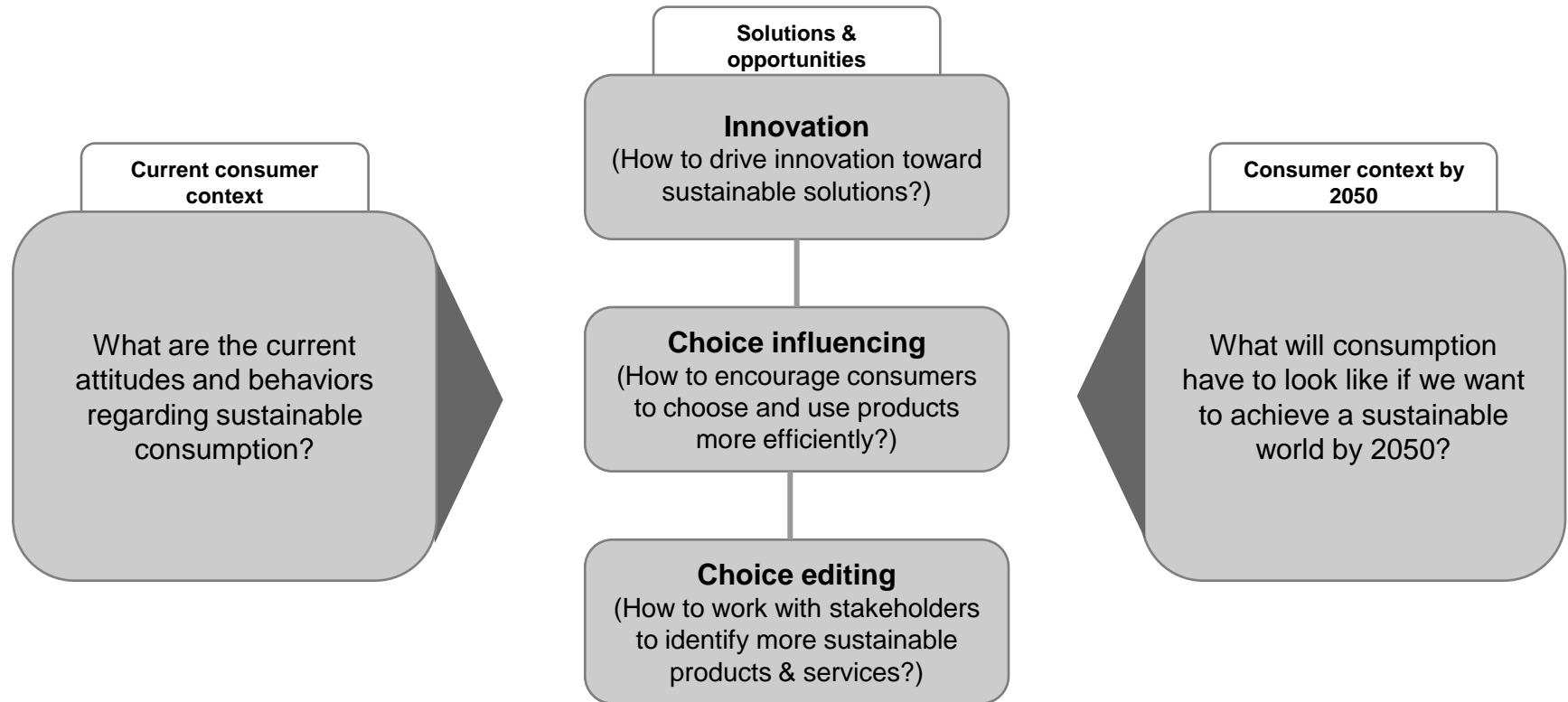
The Sustainable Consumption Workstream

The Sustainable Value Chain Initiative





Our four areas of action for 2010: making the consumer a co-pilot in the green race



Set of metrics

How to measure sustainable consumption and what are the indicators that tell us if we are well on track to 2050?



Business beliefs and positions on sustainable consumption (1/2)

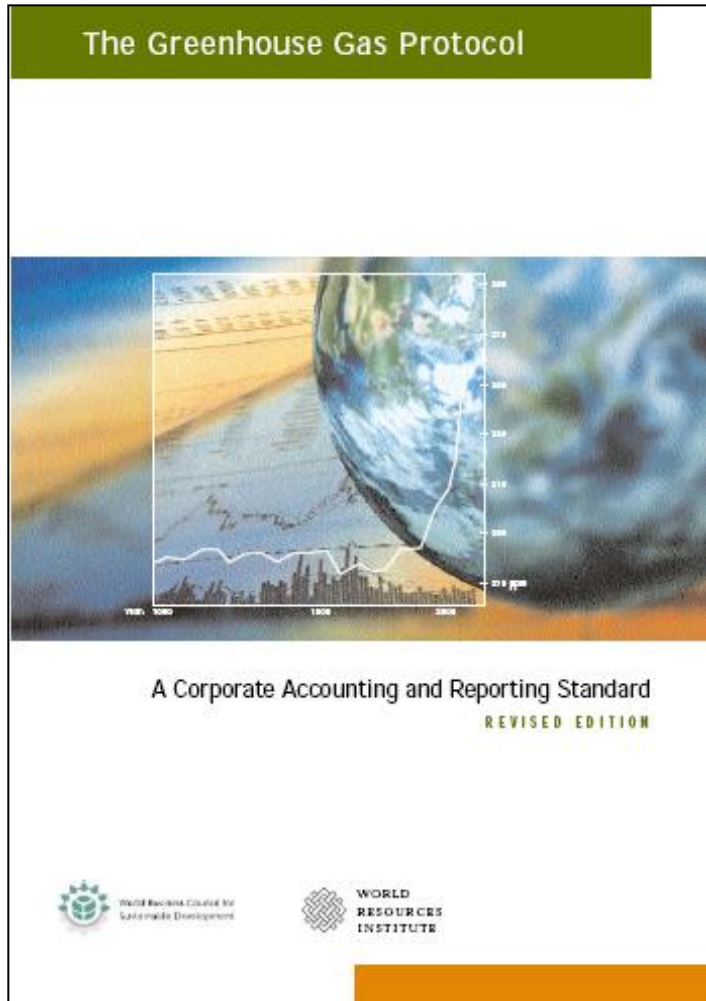
- Business needs to have more support from consumers to drive the sustainability transformation
 - Paradox 1: consumers want to change but don't
 - Paradox 2: consumers want to work with business but don't trust companies
- No trade-offs on performance
- Smarter consumption, not less consumption: eco-efficiency is still the answer
- Business, governments and society must work together to define sustainable products and lifestyles



Business beliefs and positions on sustainable consumption (2/2)

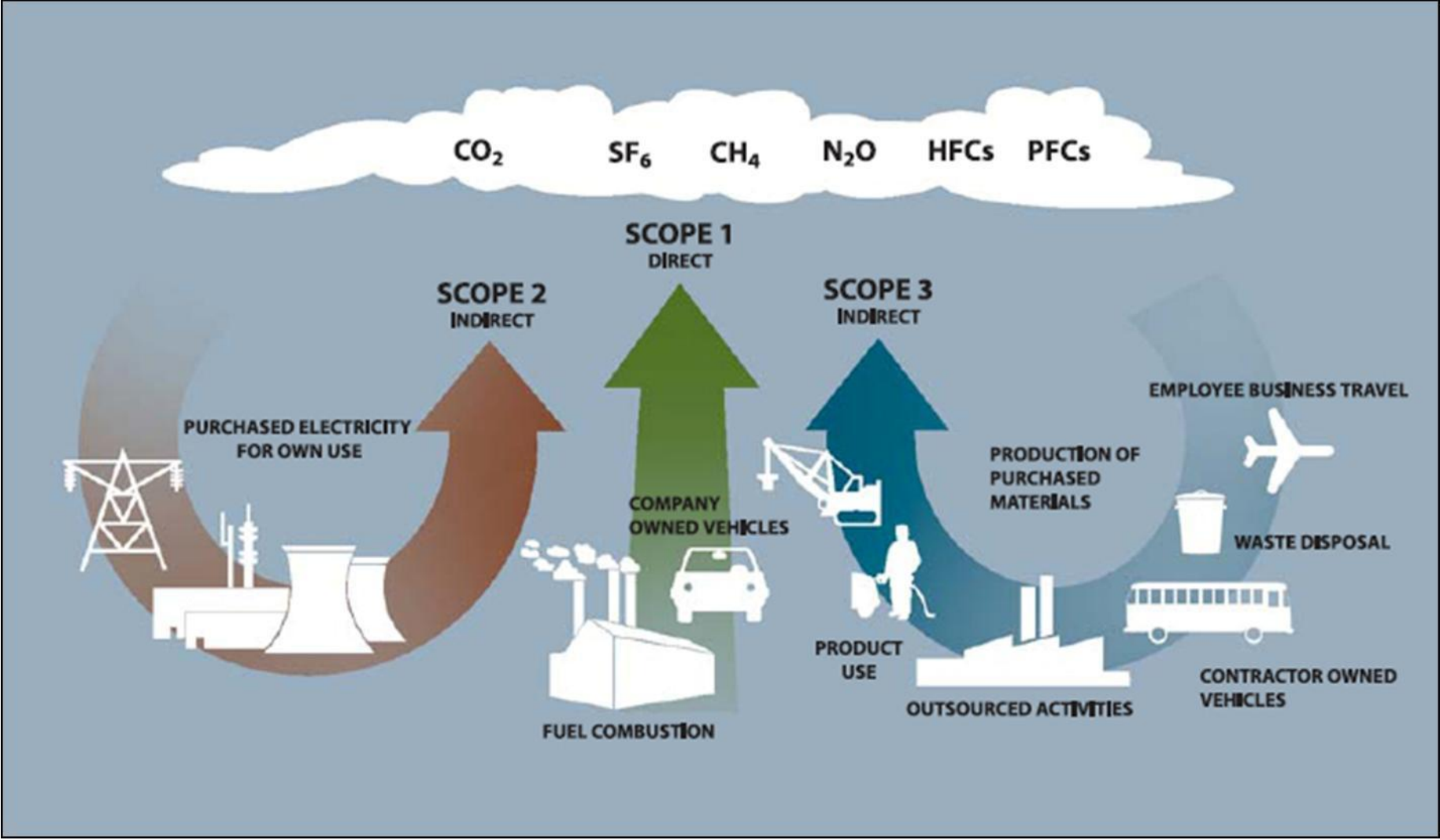
- Need to rethink the role of consumption in defining success and progress
- Making consumption sustainable is key for sustaining consumption
- Eco-efficiency has become the enabler for business growth

Greenhouse Gas Corporate Standard



- The most widely used international accounting standard for Corporate GHG accounting
- Provides the accounting framework for nearly every GHG standard and program in the world - from the International Standards Organization to The Climate Registry

Scopes Across the Value Chain





New Standards Under Development

Scope 3 Accounting & Reporting Standard

- To quantify, manage and report GHG emissions in the corporate value chain (Scope 3)
- Build on GHG Protocol Corporate Standard

Product Life Cycle Accounting & Reporting Standard

- To quantify, manage, and report the life cycle GHG emissions of individual products
- Build on existing life cycle assessment standards (PAS 2050, ISO 14044)



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