



Business and sustainable development:

Moving from ambition to implementation

International Forum for Sustainable Asia and the Pacific

Filippo Veglio
Yokohama, 13 July 2016

The World Business Council for Sustainable Development (WBCSD)



200 global
member
companies



\$9tn Aggregate
revenue of
members



19m Employees
in WBCSD member
companies



Our **mission**:

Accelerate progress to a world where more sustainable companies are **recognized** and **rewarded**, and therefore are more successful

Japanese corporate members of WBCSD

- Bridgestone Corporation
- Canon
- Denso Corporation
- Fujitsu
- Hitachi Ltd.
- Honda Motor Co.
- Komatsu
- Mitsubishi Chemical Holding Corp.
- Mitsubishi Corporation
- Renault-Nissan Alliance
- Sompo Japan Nipponkoa Insurance
- Sumitomo Chemical Company Ltd.
- Sumitomo Rubber Industries, Ltd.
- Taiheiyo Cement Corp.
- Toyo Tire & Rubber Co., Ltd
- Toshiba Corp.
- Toyota Motor Corp.
- The Yokohama Rubber Company

2015 was a historic year



15 LIFE
ON LAND



10 REDUCED
INEQUALITIES



6 CLEAN WATER
AND SANITATION



Paris Agreement & business action

14 LIFE BELOW
WATER



4 EDUCATION



Business interpretation of the Paris Agreement

- **Global ambition** through the national climate action plans of 187 countries covering virtually all emissions
- **Policy certainty** through a global mitigation goal of net zero GHG emissions in the second half of this century
- **Confidence** through 5-year INDC improvements to government commitments which will outlast any particular administration
- **Level-playing field** with the participation of all major economies

Paris Agreement – 3 business pillars

- **Scale up business solutions** to climate change because it makes economic sense
- **Increase innovation** – encouraged by appropriate policy frameworks (regulatory, fiscal, carbon pricing)
- **Collaboration within sectors or between sectors** across the supply chain to remove barriers so that cleaner technologies and best practices can be deployed



Low Carbon Technology Partnerships initiative – led by WBCSD

Accelerate the development and deployment of low-carbon and climate smart technology and business solutions – with concrete action plans and implementation roadmaps presented at COP21. They are now moving into implementation.



Renewables



Carbon Capture
& Storage



Energy Efficiency in
Buildings



Materials: Cement



Materials: Chemicals



Low Carbon
Freight



Low Carbon
Transport Fuels



Climate Smart
Agriculture



Forests

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Understanding the SDGs in a business context

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SDGs will not be delivered without business – along these 3 pillars

Role of business

- Key development function as an engine of economic growth and employment.
- A vital source of finance, technology and innovation in crucial sectors such food, cities and energy.

Responsibility of business

- As a priority business should look to identify and mitigate negative social impacts.
- Negative social impacts in areas such as human rights cannot be offset.

Opportunity for business

- Embracing the transformative power of the goals will open up dynamic and lucrative new markets.
- SDGs provide a roadmap for development highlighting growth opportunities and future trends.



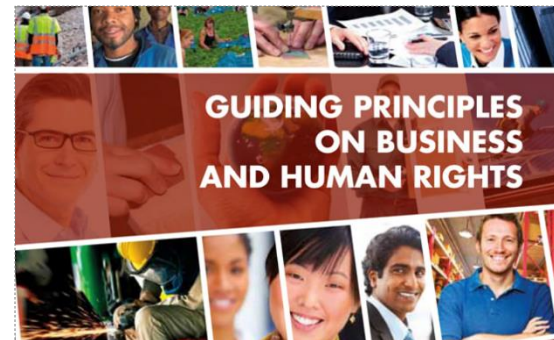
Understanding the SDGs

Baseline Responsibilities

Comply with all
relevant national
legislation

Uphold internationally
recognized frameworks,
principles and guidelines

Respect human rights and
prioritize action on
adverse human rights
impacts or risks



Understanding the SDGs

Opportunity: The Business Case

Risk
Management
(pre-emptive
compliance)

Anticipation of
consumer
demands

Strengthen supply
chains

Enhance impact of
CSR activities

Identify new
markets &
opportunities

Differentiate from
competitors

Access to capital

Strengthen
stakeholder
relations



“There is no business case for
enduring poverty”

Paul Polman, CEO of Unilever

Understanding the SDGs

Barriers to Comprehensive Understanding

In order to ensure crucial engagement of the private sector, there may be certain risks and barriers to overcome

Complexity of the SDG agenda is broad and can be difficult for business to properly understand.

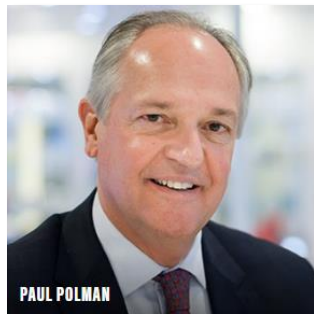
The SDGs could be perceived as a “**cost on business**” as opposed to a vast economic opportunity.

Language of development may not instantly resonate with representatives from business.

Finally, businesses may see delivering the SDGs as the **responsibility of governments** and hence not within their remit.

Understanding the SDGs

Articulating a Clear Economic Prize



- Launched at the World Economic Forum on 21 January 2016 by **Paul Polman**, CEO of Unilever, and **Lord Malloch Brown**, former UN Deputy Secretary-General.
- Brings together multiple **leaders from business and civil society**.
- Will present a comprehensive report in January 2017 which will look to define a **compelling economic** business to engage with the SDG agenda.
- The report will clearly **articulate the potential market opportunity** associated with achieving the goals and present new business and financing models that will help to accelerate the transition.

SDGs Perspectives from CEOs

- ▶ 80% believe that demonstrating a commitment to societal purpose is a **differentiator** in their industry
- ▶ 70% see the SDGs providing a **clear framework** to structure sustainability efforts
- ▶ 87% believe the SDGs provide an **opportunity to rethink** approaches to sustainable value creation
- ▶ 49% believe that business will be **the single most important** actor in delivering the SDGs

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How should business engage?

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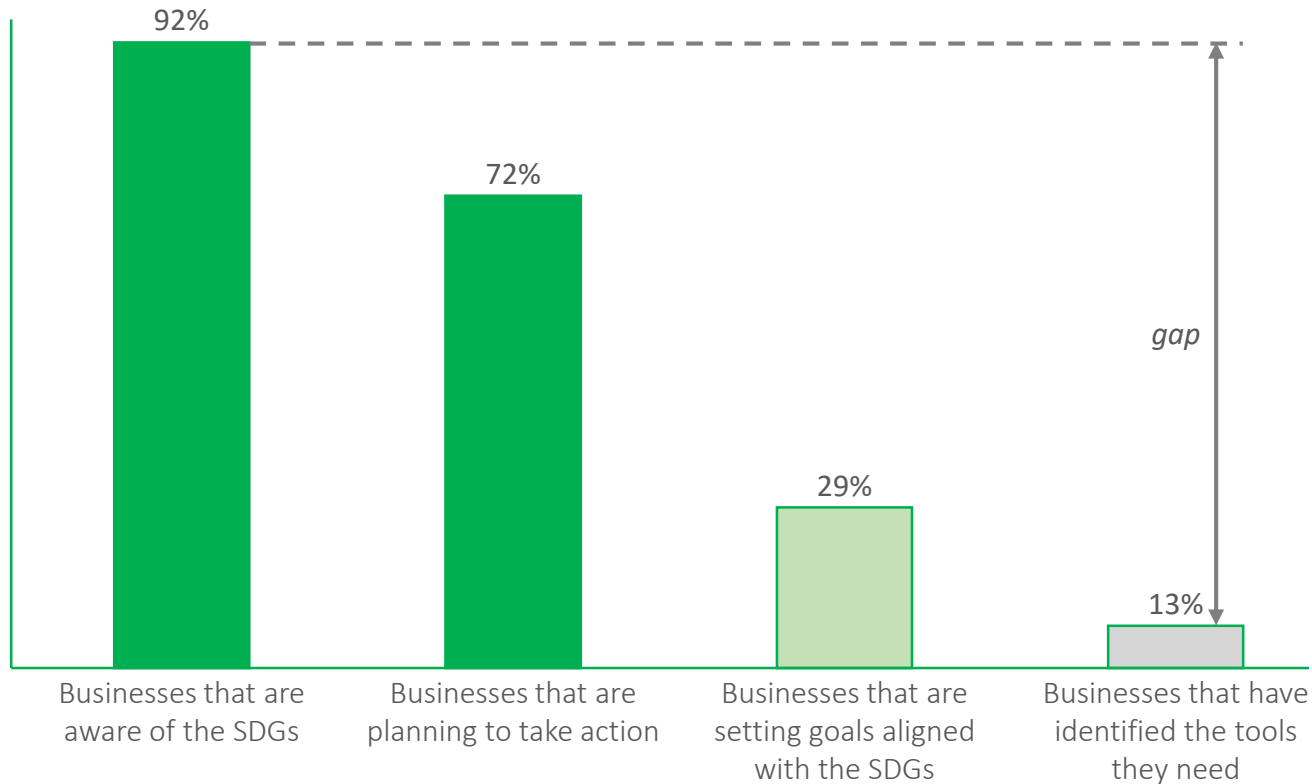


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How Should Business Engage

An Appetite for Further Engagement



Source: Make it your business: Engaging with the Sustainable Development Goals, PwC 2015

How Should Business Engage

Navigating & Capitalizing on the SDGs

SDG Compass



- Guides companies on how they can **align** their strategies as well as **measure** and **manage** their contributions to the SDGs.
- Consists of a set of **thorough guidelines** as well as an **online inventory** of indicators and tools mapped against the SDGs.
- 2-page **briefing notes** for each of the 17 SDGs.
- Also available in **Japanese**

www.sdgcompass.org

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Japanese companies and the SDGs

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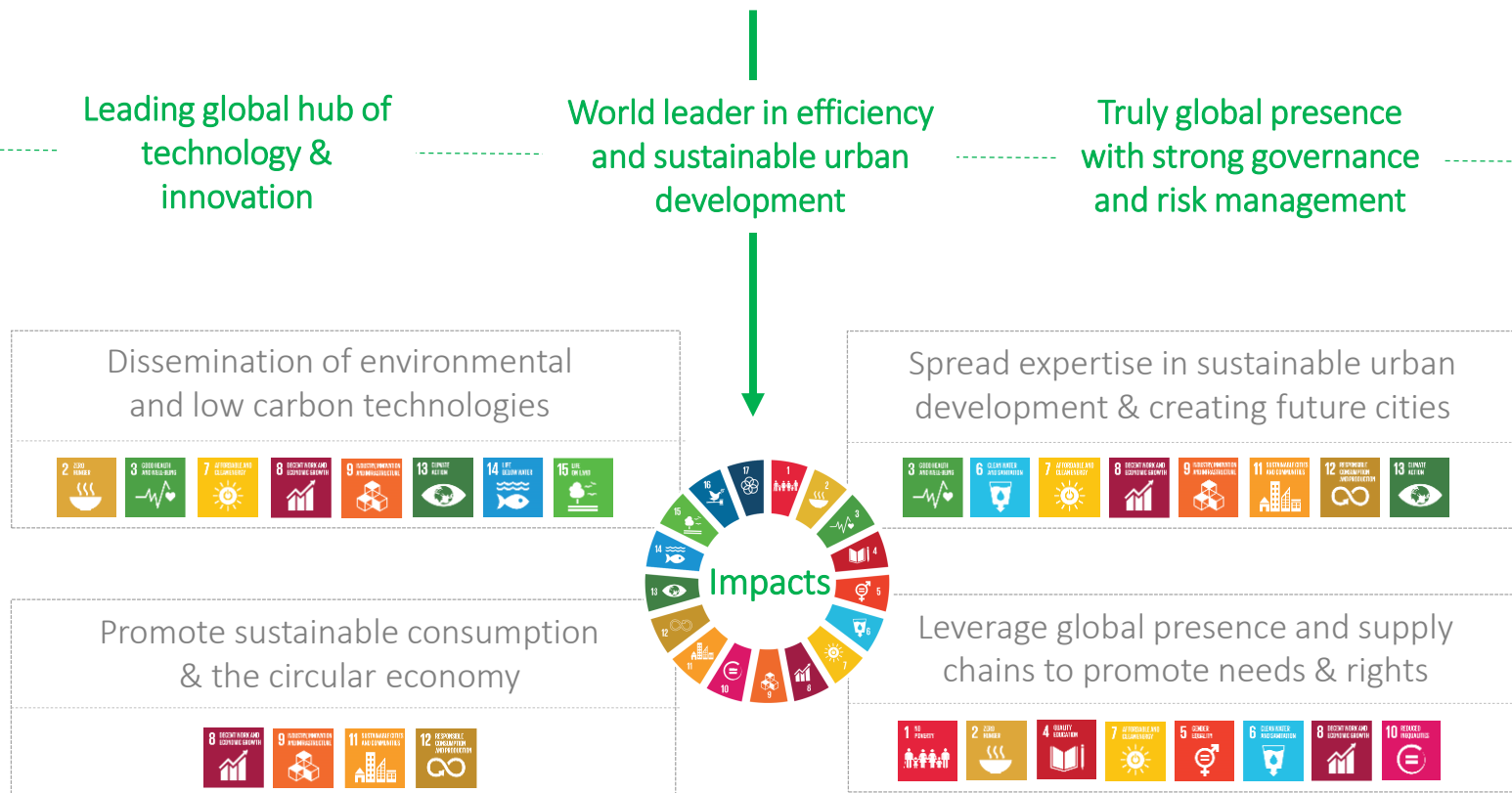


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Japanese businesses & the SDGs

Japanese business ideally placed not just to achieve SDGs in the context of Japan's development but also to leverage business opportunities and make a significant contribution on a global scale



Thank you

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