

Dear members,

2015 was a year of ambition that saw the adoption of the historic Paris Agreement and the Sustainable Development Goals (SDGs). World leaders committed to building an inclusive and thriving low carbon economy, and the SDGs provide us with an all-encompassing agenda for developing our societies while addressing the critical issues of poverty, inequality and environmental degradation. This unprecedented framework for action calls upon each of us to contribute.

In 2016, we move from ambition to implementation. Delivering on the commitments will be key to achieving the SDGs and the goals of the Paris Agreement. For business, embracing these goals will open new markets, trigger innovation in low carbon technologies, stimulate investment and add value to the economy through new jobs. By seeking out the WBCSD sustainability business solutions that align to your strategy and operations, you can capitalize on these new opportunities and economic incentives while contributing to the SDGs.

We believe three economic systems will drive the transformation in coming years – food & land, climate & energy, and sustainable cities. These systems provide pathways to our existing business solutions and also enable us to open new opportunities for collaboration. As we move forward, we will work together to expand and scale up our business solutions to contribute to the SDGs.

I am pleased to share the key outcomes of our Liaison Delegate meeting in Montreux. I hope that it will provide you with the inspiration for implementation in this important year.

Warm regards,

Peter Bakker President and CEO, WBCSD







From Ambition to Implementation

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The big news from Montreux

- LCTPi internally launches an energetic new campaign below50 The campaign aims to grow a global corporate market for low carbon transport fuels and accelerate the shift from fossil fuels by overcoming outdated perceptions and putting low carbon transport fuels back on the policy agenda. Despite their immense potential to reduce CO₂ emissions, low carbon transport fuels suffer from negative perceptions linked to old biofuel debates – technology issues, food vs fuel, and questions of land use. The below50 campaign, to be publicly launched at the Clean Energy Ministerial in San Francisco, involves a global commitment on low carbon fuels that emit at least 50% less CO₂ emissions compared to traditional fossil fuels.
- European Commission endorses WBCSD's Sustainable Mobility Indicators We are pleased to announce the European Commission's endorsement of the Sustainable Mobility Indicators. The indicator set is the result of a collaboration between the members of our Sustainable Mobility Project (SMP2.0), the Ghent University, the Organisation for Economic Cooperation and Development (OECD) and the International Transport Forum (ITF). The indicators were tested in six cities; Lisbon, Hamburg, Indore, Chengdu, Bangkok and Campinas.

• WBCSD announces the Conservation and Financial Markets Initiative (CFMI)

The ground-breaking Conservation and Financial Markets Initiative (CFMI) funded by the Gordon and Betty Moore Foundation brings together Ceres, WWF and WBCSD in a collaboration to help bring mainstream financial markets into line with conservation-minded approaches to feeding a hungry planet.





<u>Working towards increased clarity in the reporting space</u>

We have joined forces with the Climate Disclosure Standards Board (CDSB) and Ecodesk to create The Reporting Exchange, a freely available, collaborative and global knowledge platform that aims to provide a central resource for reporting requirements, helping business to prepare sustainability information for voluntary, compliance or mainstream reporting purposes. Funded by the Gordon and Betty Moore Foundation, the platform is planned for global release in mid-2017.

Business and Sustainable Development Commission

In Montreux, we had the opportunity to explore the work of the Business and Sustainable Development Commission, which was created to articulate and quantify the business case for contributing to the SDGs. Chairman Paul Polman and President Peter Bakker are among the Commissioners. Moving forward, WBCSD will continue to feed into the important work of the Commission and facilitate outreach to the business community via its membership and Global Network partners.

• Towards a collaborative partnership with the Eat Foundation

Food is a major sustainability challenge that requires solutions from producer to consumer. We are exploring a partnership with the Eat Foundation to create a multi-stakeholder platform that will take a holistic approach to accelerating the transition towards a global sustainable food system through scientific research and implementation of scalable solutions.

• Developing a WBCSD vision for Sustainable Cities

Initial thoughts on WBCSD's sustainable cities vision were presented in Montreux. The vision will consist of a holistic sustainability framework based on WBCSD's priority areas, underpinned by an engagement process between WBCSD member companies and cities. The vision will help develop a common understanding of challenges and solutions and drive action-oriented discussions among cities and business.

Launching the new SDG Business Hub: Connecting business with the Sustainable Development Goals

As an engine for economic growth and innovation, business has a critical role to play and a self-interest in contributing to the SDGs. The SDGs can help connect business strategies with global priorities. Companies can use the SDGs as an overarching framework to shape, steer, communicate and report on their strategies, goals and activities, allowing them to capitalize on a range of benefits. These include identifying future business opportunities; enhancing the value of corporate sustainability; strengthening stakeholder relations and keeping pace with policy developments; stabilizing societies and markets; and using a common language and shared purpose with stakeholders.

Many discussions in Montreux focused on the role of business in contributing to the SDGs, the opportunities they represent for innovation and growth, as well as companies' responsibilities in this regard.

We launched the SDG Business Hub, a "one-stop-shop" on the WBCSD website, which aims to consolidate the voice of progressive business around the SDGs and support companies connecting with this agenda. The Hub provides the latest business-related information on the SDGs, including programs and tools, case studies, advocacy opportunities and what recent developments mean for business.

The SDG Business Hub also highlights a key resource, the SDG Compass, developed in partnership with the UN Global Compact and GRI, which provides guidance to companies on how they can align their strategies as well as measure and manage their contribution to the SDGs. New resources have now been added to the SDG Compass, including briefing notes summarizing business challenges and aspirations for each of the 17 SDGs as well as Portuguese, Japanese and Korean translations of the Compass guidelines.

Discourse around the SDGs at Montreux clearly highlighted the appetite by leading business to engage meaningfully in this arena, as well as the importance of maintaining an open and progressive business dialogue; a dialogue which the SDG Business Hub will work to stimulate and enrich moving forward.



New Members

Since our Liaison Delegate Meeting last year, 19 new companies have joined the WBCSD, including 2 who re-joined. Since the beginning of 2016, 7 companies have joined. We are very pleased to welcome all of our new members.

Santander Group – May 2015 S.C. Johnson & Son Inc. – July 2015 rejoined Tata Group – July 2015 OVG Real Estate B.V. - July 2015 Diageo plc. – July 2015 Wal-Mart Stores Inc. – August 2015 Yes Bank – September 2015 Tyson Foods Inc. – September 2015 Godrej Group – October 2015 **China National Petroleum Corporation** (CNPC) – November 2015 **Iberdrola SA** – November 2015 **Charoen Pokphand Group** (C.P. Group) - January 2016 Old Mutual - January 2016 AECOM Technology Corporation - January 2016 First Solar – January 2016 The Coca-Cola Company (Coke) - January 2016 rejoined China National Building Material Company Limited (CNBM) – January 2016 Salesforce - February 2016 Enel – March 2016





WBCSD's Finance workstream kicks off

Key Outcomes at Montreux

Montreux 2016 was the first meeting of our new Finance workstream, an exciting new development area for WBCSD. Over 40 participants discussed three project ideas distilled from discussions with interested members:

- Corporate Climate Finance WBCSD has promising low carbon solutions whose scalable implementation will depend on substantial innovative financing. Together with corporate solution providers, treasurers, banks, credit-raters, assurers, insurers and the Climate Bonds Initiative (CBI), we discussed corporate interest as well as impediments to a very specific climate finance instrument green bonds. Discussions confirmed the current corporate issuing deficit despite a low interest market environment and rising investor demand. Addressing major internal and external barriers to this discrepancy such as project supply and scale, sustainability/treasury alignment as well as risk assessment and impact disclosure were identified as key growth challenges to the corporate green bond market and climate financing in general. Assessing climate finance instruments and their appropriate deployment and leverage will become the first working group mandate.
- Natural Infrastructure Investments (NII) The decisive economic aspects underlying any NII such as financing, insurance as well as impact reporting were placed at the center of the discussions. Together with our corporate natural infrastructure solution providers and The Nature Conservancy (TNC), we discussed areas and means to create a pilot investment portfolio. Setting up and monitoring the economic effectiveness of such an NII portfolio in selective coastal cities was identified as the preferred option, also due to the emphasis on resiliency and the connection to WBCSD's work program on sustainable cities.
- Corporate Pension Plan Alignment The group agreed that it was essential to address the investment strategy and transparency of WBCSD members' pension allocations for two reasons: First, it may give employees the opportunity to select a SRI option in their employee retirement benefit plans; second, over time and on the aggregated level, corporate pension portfolios can be screened for stranded asset risks, decarbonized where necessary and aligned with overall corporate sustainability strategies. A first pilot on the individual employee investment level is planned in the U.S.

Objectives for 2016

• Formally set-up the work-streams; determine work-stream objectives, participation and alignment with relevant working groups; agree on project outcomes, delivery approach, member contribution and strategic partners.

For more information please contact Dominik Breitinger@wbcsd.org









Social Impact Cluster

Key outcomes at Montreux

- The first draft of the Social Capital Protocol was shared with members based on leading companies' experience and expert review, and illustrated with best practice on the subjects of Employment, Skills and Safety. Companies are now invited to pilot the protocol within their organizations. Initial findings will be shared in Chennai and a first public version of the Protocol will be ready by the end of 2016.
- The Cluster launched a new business solution under the leadership of JPMorgan Chase: Finance for Social Impact. It will bring together corporations, institutional investors and impact investors to explore how closer alignment and collaboration could unlock new capital for corporate social impact. Companies are invited to contribute to a joint perspective on the potential of new forms of corporate-investor collaboration.
- In the area of human rights, we are organizing a comprehensive work program built around a series of webinars/email briefings on emerging human rights developments and solutions; efforts to establish links between human rights and the SDGs; business and human rights related advocacy; and integrating human rights into the WBCSD's work on measurement & reporting.
- Inclusive business ventures can deliver both business and societal value in full alignment with the SDGs. We will continue to provide members with a platform for catalyzing further action and scaling up these solutions.

Approach and Objectives 2016

- Strengthening companies' foundations by embedding an understanding of social risk and social impact in the business areas of risk and responsibility (by implementing the UN Guiding Principles for Business and Human Rights) as well as measurement, valuation and decision-making (by developing the Social Capital Protocol).
- Capturing opportunities by enabling and advancing companies' unique needs and interests in the areas of: strategy and business models (by focusing on two themes: inclusive business models targeting the base of the economic pyramid and cross-industry collaboration to make rural areas more attractive places to work, live and invest in) and finance (by zooming in on finance as a catalyst for social impact).



Sustainable Lifestyles Cluster

News Since Paris

- We are delighted to welcome WBCSD members Kering and Sonae to the Sustainable Lifestyles working group. We are also very excited that Whirlpool Corporation and Fossil Group have joined us as project members for 2016.
- Whirlpool hosted the working group at their wonderful ReNEWW House (renewwhouse.com) in March. 10 companies came together, including executive board members, to explore the 2016 Sustainable Lifestyles investigation agenda.

Key Outcomes at Montreux

- Our metrics workstream, led by CSCP and the Global Footprint Network, will develop an example persona to demonstrate what it would take for business and behavior solutions to be combined together to make a sustainable lifestyle possible today.
- In addition to a multi-year plan of investigations at the ReNEWW House, we will explore the activities that member companies are already engaged in, in Europe, to determine how we can drive further insights and continue to refine business collaboration to enable more sustainable lifestyles.
- HAVAS presented their work to date on 'The Good Life Playbook'. The group must agree the precise target audience for the first iteration of the playbook.



Work Program for 2016

- Metrics: What exactly do we need to do, and where? Together with CSCP and the Global Footprint Network, we are conducting research into lifestyle impacts to reveal further detail in our focus areas of food, mobility, home and household goods, as well as data modelling scenarios that will lead towards more sustainable lifestyles.
- **Prototyping:** *Can we do it?* Sustainable Lifestyle investigations are being introduced into Whirlpool's ReNEWW House – these will drive corporate action, innovation and collaboration towards making more sustainable living possible. By the end of the year we aim to have greater clarity on the extent to which we can enable sustainable lifestyles today, what the gaps are and where there are new opportunities that need to be developed.
- The Good Life: How do we inspire people to aspire to better lifestyles? With HAVAS, we are reframing the sustainable lifestyle narrative, developing language and imagery that supports an aspirational shift towards an inspirational "Good Life" providing tangible personal benefits that are not in conflict with more sustainable living.



Climate and Energy Cluster

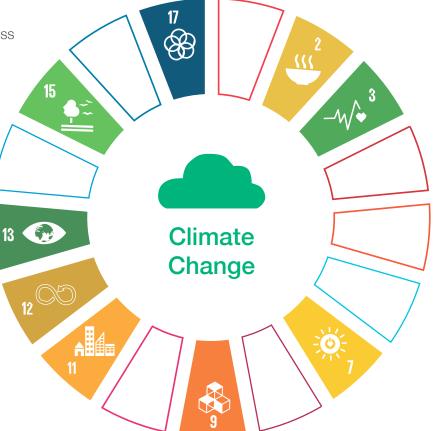
Key Outcomes at Montreux

- There are 12 business solutions contributing to the Climate Change Must Have on reducing emissions in energy, industry, landscape management, <u>forests</u> and <u>climate smart agriculture</u>, transport and cities. In this report, we present the progress of the energy and transport solutions. Please check the sector and value chain projects for specific updates on the rest of the solutions that were presented in Montreux.
- We progressed implementation of the LCTPi action plans for Renewable Energy, Low Carbon Transport Fuels (LCTF) and Low Carbon Freight. We received constructive feedback and engaged new members across C&E working groups.
- The LCTF companies internally launched a global "below50" campaign, whereby companies can pledge that they will produce, consume or invest in transport fuels that are at least 50% less carbon intensive than fossil fuels.
- We confirmed the need for, and engaged members in a discussion on, a WBCSD narrative for decarbonizing transport.

- Implement LCTPi action plans
 - > Convene forums with corporate procurers, industry and governments to break down barriers and facilitate the scaling of the Renewable PPA procurement models; scale up deployment of renewable based micro grids focusing on technology solution sets and new mechanisms to finance; work with investors and banks to remove the barriers to capital access through innovative instruments.
 - > Transport
 - Low Carbon Transport Fuels (LCTF) Build a global coalition across the supply chain in support of the below50 campaign and emphasize the potential of these technologies to policy-makers and the B2B market. Collaborate with stakeholders in key regions around the world to explore market opportunities and identify locally specific solutions.







 Low Carbon Freight - Design demonstration project that tests customer value propositions and business models capable of significantly reducing GHG emissions through: driving and route optimization, shared digital and physical infrastructure, alternative fuels and vehicles at the cutting edge of efficiency.

Understand the policy landscape post-Paris

EUE

- UNFCCC Continue to monitor and influence negotiations leading up to COP 22. Follow the LPAA track for non-state actors and raise awareness of Green Climate Fund developments. Develop an understanding of the (I)NDCs and provide timely feedback to their revision from the relevant LCTPi.
- Carbon Pricing Participate in World Bank Carbon Pricing Leadership Coalition and support outreach. Raise awareness around internal and external carbon pricing best practices through US and India offices.
- Strategic Partnerships

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- **Research aligned with LCTPi:** Identify opportunities to join leading research institutions in areas that are aligned with our work program in order to secure additional value for our members (competence, credibility and cash)
- O We Mean Business Align messaging with WBCSD and leverage the coalition to amplify the visibility of LCTPi
- Platform Facilitate participation of WBCSD companies in the most important climate events: Climate Action 2016 Summit; Business Climate Summit 2; COP 22 LCTPi event.





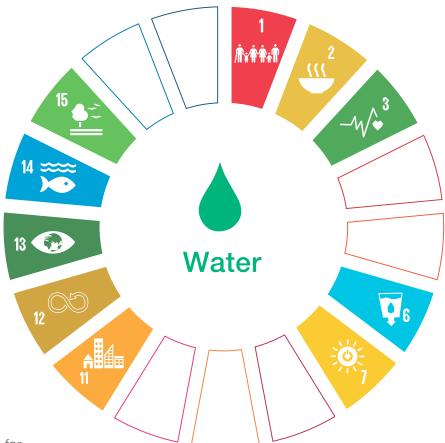
Water Cluster

Key Outcomes at Montreux

- The Leadership Group members provided strategic input to Cluster 2016-2017 priorities and governance as well as links to the SDGs.
- In collaboration with the Ecosystems & Landscape Management Cluster, nearly 30 members and GN partners joined the first session of the Natural Infrastructure for Business (NI4Biz) training, followed by a field visit to Henniez ECO-Broye site (Nestlé).
- The first scoping workshop for the Plastics & Marine Debris solution brought together 31 members and potential partners. Participants shared knowledge and analyzed the current landscape of ocean plastics and agreed on the scope & value of the business solution.

- Continue to increase the number of <u>WBCSD WASH Pledge</u> signatories; research challenges for implementation of WASH provisions within supply chains; engage in <u>WASH4Work</u>, a UNICEF-led coalition to support business action on WASH at the workplace, throughout supply chains and communities.
- Develop a Business Guide to water reuse.
- <u>NI4Biz</u>, a project co-developed by the Ecosystems & Landscape Management and Water Clusters, will focus on three pillars:
 - O Capacity building, through finalization and launch of the training
 - O In-depth analysis of incentive frameworks to support mainstreaming of NI solutions
 - O Exploration of financing and insurance solutions to upscale NI projects
- Pursue scoping of the following two business solutions:
 - O Water stewardship (increasing business engagement in reducing shared water risk)
 - O Reducing marine debris through improved land waste management and collaboration across the entire plastics value chain







Ecosystems and Landscape Management Cluster

Key Outcomes at Montreux

- The Leadership Group members provided strategic feedback on the Cluster 2016 priorities, links to the SDGs and opportunities to engage in the IUCN World Conservation Congress.
- In collaboration with the Water Cluster, close to 30 members and GN partners joined the first session of the Natural Infrastructure for Business (<u>NI4Biz</u>) training, followed by a field visit to Henniez ECO-Broye site (Nestlé).
- Working sessions on the Business Learning Hub on Landscapes and Biodiversity Measurement and Reporting business solutions were instrumental in further refining and advancing the Cluster's 2016 work plans.

- Advance implementation of the <u>NI4Biz project</u>. Please see details under the Water Cluster for more information.
- The <u>Business Learning Hub on Landscapes</u> will be strengthened by developing business-specific materials (e.g. Business Case briefing, infographics and case studies).
- The Biodiversity Measurement and Reporting project will be scoped out in partnership with IUCN and other organizations with expertise on biodiversity indicators for business.
- The <u>Restoring Degraded Land</u> business solution will focus on scoping a new area of work on "Connecting Landscapes for multi-functional benefits".
- WBCSD will rally members for increased private sector participation and visibility at the <u>IUCN</u> <u>World Conservation Congress</u> (Sept 1-10, Hawaii), a key event with a pivotal role in implementing the SDGs and shaping the global conservation agenda. The Cluster will also contribute to the <u>CBD Business & Biodiversity Forum</u> (Dec 2-3, Mexico).





Sustainable Materials Cluster

Key outcomes at Montreux

- The Leadership group discussed and agreed on the strategic priorities of the work program for 2016. These include developing the Solutions Lab for policy recommendations on sustainable materials management, supporting secondary materials reuse through innovative online platforms such as the Materials Marketplace, and promoting the development of more sustainable product solutions to drive towards a circular economy.
- The Life Cycle Assessment for Whole Buildings working group launched the development of the Business Case for Environmental Life Cycle Impacts in the Built Environment. The focus of the workshop was on detailing a stakeholder engagement strategy to collect information from various members of the value chain.

- Engage with key organizations and members to show how moving towards a circular economy can help business deliver on the SDGs.
- Develop the Solutions Lab to deliver policy recommendations through dialogues on barriers and enablers to sustainable materials management.
- Support the expansion of the US Materials Marketplace in partnership with the US BCSD and the Corporate Eco Forum. Expand the marketplace concept (digital platform for company-to-company secondary material reuse) in Europe through a proposal for Horizon 2020 funding from the European Commission for a large-scale demonstration project.
- Deliver the business case for product portfolio sustainability steering. Develop guidance for portfolio sustainability assessment and best practice for delivering more sustainable solutions.
- Publish the "Business Case for Environmental Life Cycle Impacts in the Built Environment" report by October 2016.







Redefining Value

Key Outcomes at Montreux

- The Conservation and Financial Markets Initiative (CFMI) funded by the Gordon and Betty Moore Foundation was announced. The CFMI initiative is a five-year partnership and WBCSD will lead or co-lead two different strategies focused on the outcomes: i) financial and business risks and opportunities are assessed, quantified and disseminated among financial institution stakeholders, with the ultimate goal of impacting risk management decisions and capital allocation; and ii) a critical mass of companies makes and implements commitments to track, assess and manage for performance against environmental factors that pose significant business risks or opportunities. WBCSD will define implementation partners and work with members to engage in this new and exciting workstream.
- The <u>Natural Capital Protocol</u> briefing session offered a progress update, including the recent public consultation in which many WBCSD members participated, and a discussion of the bigger journey towards natural capital accounting. WBCSD members Shell, Novartis and Tata shared their experiences as Protocol pilot testers. The approximately 80 session participants were also very supportive of the new Natural Capital Protocol Toolkit project that was proposed.
- The first draft of the <u>Social Capital Protocol</u> was shared with WBCSD members based on leading companies' experience and expert review, and illustrated with best practice tools and examples for the subjects of Employment, Skills and Safety. Companies are now invited to pilot the protocol within their own organizations.
- The <u>Reporting Exchange</u> session highlighted exciting research and training and development opportunities for the Global Network partners which will contribute to the development of the platform. For further information, Global Network should <u>contact the Reporting Exchange team.</u>
- The training on the <u>CDSB Framework</u> increased visibility and understanding of the Framework among members.







Objectives for 2016

Natural Capital

- Continue to <u>lead the technical development</u> of the <u>Natural Capital Protocol</u>, to review all consultation feedback in advance of the global launch on 13 July 2016.
- Lead the development of the Natural Capital Protocol Toolkit working with strategic partners like the Natural Capital Coalition and set up an Advisory Group, estimated delivery of final product in 2017.
- Contribute to a successful <u>IUCN World Conservation Congress</u> in September 2016, including the delivery of a <u>training session</u> on the Natural Capital Protocol and relevant tools.
- Work with the Ecosystems and Landscape Management Cluster on measurement, valuation and reporting of biodiversity.

Social Capital

• Pilots of the <u>Social Capital Protocol</u> will begin in May 2016, and the first findings will be shared at the WCBSD Council meeting in Chennai. The first public version of the Social Capital Protocol will be ready by the end of 2016.

Reporting

- Continue the development of the <u>Reporting Exchange</u> ahead of the second, openly available, pilot of the platform in December 2016. This pilot will feature near global coverage and significant developments which will help bring clarity to the reporting landscape for WBCSD members.
- Continue collaboration with standard setters to facilitate harmonization of the reporting landscape.
- Help members and the wider corporate community improve the effectiveness of non-financial reporting by providing recommendations and showcasing examples of good practice.







Education

While the WBCSD Leadership Program did not host a session in Montreux this year, the key objectives for 2016 are:

- Enhance the leadership and professional skills of the 34 participants to the program.
- Organize successful meetings:

Module 1 (Yale/NYC), completed in January;Module 2 (The Netherlands) in May; and

- o Module 3 (India) in October
- Bring a fresh perspective into the WBCSD, involving 34 individual projects and 5 group projects around "innovation". The group projects will be presented at the Council Meeting in Chennai.
- The topic of the 2017 WBCSD Leadership Program has been announced: "Integrating Strategic Sustainability into Business Decision Making".







The Forest Solutions Group Value Chain Project

Key Outcomes at Montreux

- FSG defined its joint position on the new Forest Dialogue (TFD) on Biomass to Energy to effectively build relations and drive collaborative action on one of the highest priority issues facing the world's forests and their capacity to sustainably contribute to GHG emissions reductions.
- FSG agreed to profile the sector's multiple impacts on water through the development of a Leadership Statement on Water Stewardship with science and industry partners.
- To strengthen FSG's contribution to WBCSD's broader agenda, the group scoped out the sector's contribution to the Social Impact and Safe & Sustainable Materials clusters.
- FSG Key Performance Indicators (KPIs) were aligned with the SDGs. FSG members and associate members submitted their second round of data.
- During the Certification Dialogue, FSG and the leadership of the three major forest certification systems FSC, PEFC and SFI committed to collaborate on shaping the future of certification in forest and forest products.

Objectives for 2016 - 2017

- Active contribution to The Forest Dialogue (TFD) on Biomass to Energy
- FSG contribution to the Social Impact cluster
- FSG Water Stewardship Leadership Statement
- FSG interpretation of Global Forest Watch (GFW)
- Renewed Sustainable Procurement Guide (SPG) program
- Renewed Forest Finance and Investor Toolkit
- Work with certification systems to increase the area of sustainably managed forests





Climate Smart Agriculture (CSA)

Key Outcomes at Montreux

- The working group discussed the strategy for each of the four Priority Action Areas (AA1: Building smallholder resilience AA2: Scaling-up investment in CSA; AA3: improving businesses' ability to trace, measure and monitor CSA progress; AA4: implementing agriculture-driven zero deforestation and sustainable land-use commitments), in alignment with the action plan published in 2015.
- Following a systematic screening and selection process, the working group approved roadtest countries both for Priority Action Area 1 and 4. Both action areas will focus on Brazil and India; additionally, AA1 will focus on the ASEAN zone while AA4 will also explore possibilities to implement solutions in Nigeria.
- Stakeholder management and communication plans have been approved for the year 2016.

- 2016 is the year of screening and mapping of existing activities, solutions and tools across the four priority action areas along with building partnerships.
- Activities will focus on preparing delivery of large scale and high impact solutions on the ground in the areas of:
 - o smallholder resilience
 - o agriculture-driven zero deforestation & sustainable land-use
 - o scaling up climate-smart agri-finance
 - o the development of the corporate CSA measurement protocol.





Sustainable Cities Project

Key Outcomes at Montreux

- Initial thoughts on the WBCSD Sustainable Cities Vision were presented to members. The vision will consist of a holistic sustainability framework based on WBCSD's priority areas underpinned by an engagement process between WBCSD member companies and cities. It will help drive solution-oriented conversation and demonstrate the value of engagement between a city and a group of companies.
- An open Working Group is being formed to work on the framework with a first meeting scheduled on June 29 in Geneva or London. Webinars are planned on April 26 and May 3. Interested WBCSD members can register <u>here</u>.
- The scope of work of the 3 initial Zero Emission Cities (ZEC) cities was presented: Amsterdam, Birmingham and Navi Mumbai. In Amsterdam, the project will present a draft implementation plan at the <u>Smart City event</u> on June 8. In Birmingham, the City Council will use ZEC input to frame its master plan for the Smithfield development area, which will go to market at the end of the year. In Navi Mumbai, a workshop with the city's development agency in May will frame the ZEC ambition. Project members agreed that San Diego will become the fourth ZEC city.
- The Energy Efficiency in Buildings and Sustainable Mobility project members met to define their strategies to scale up solutions beyond 2016. Both scale-up strategies will facilitate and encourage participation from the wider membership in order to drive uptake of energy-efficient buildings and integrated mobility concepts respectively in cities around the world.
- The <u>Habitat III</u> engagement strategy was presented. The 3rd United Nations Conference on Housing and Sustainable Urban Development will take place on 17-20 October in Quito, Ecuador and aims to secure renewed political commitment for sustainable urban development. Business participation is critical for delivering sustainable cities. A group of WBCSD companies/partners have committed to contribute to the process through the General Assembly of Partners (GAP) chaired by WBCSD and Arcadis. WBCSD companies can be key contributors to the main outcome of the conference, the New Urban Agenda, and showcase their work and thought leadership.





Objectives for 2016

• A first draft of the WBCSD sustainable cities vision and framework will be presented at the Chennai Council Meeting and Habitat III conference in October 2016. WBCSD will approach some of its strategic partners to join and support this work.

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- The Zero Emissions Cities project will deliver the results of the three initial city engagements by the end of the year and initiate work in San Diego and one or two more cities.
- Energy Efficiency in Buildings and Sustainable Mobility projects will define and adopt their scale-up strategies by Habitat III and COP 22 respectively.
- For Habitat III, WBCSD will maximize engagement opportunities for its members and position business as a key solution provider for cities by showcasing the importance of early strategic collaboration between business and cities.

Reaching Full Potential Chemical Sector Project

Key outcomes at Montreux

- Following on from the LCTPi Chemicals and the Reaching Full Potential project, chemical companies met to discuss and align the next phase of chemical sector collaboration in the WBCSD.
- Areas of collaboration that will move forward are in the areas of Chemical Metrics, Chemical Solutions in the Value Chain, and Chemicals Production.
 - Chemical Sector Metrics: A working group will be formalized in 2016 to take forward implementation plans for the chemical sector metrics developed under the RFP project: Social Life Cycle Metrics, Environmental Life Cycle Metrics, Value Chain GHG Emissions, and Avoided Emissions.
 - o Chemical Solutions in the Value Chain: under the Sustainable Materials Cluster, a group of chemical companies is developing a business guide for companies to assess and steer the sustainability of their product portfolio.
 - o Chemicals Production: companies are exploring next steps to further develop the breakthrough technology road map for the chemical industry.

Key outcomes in 2016

- The Chemical Solutions in the Value Chain output from the Sustainable Materials Cluster will deliver the business value for product portfolio steering and a framework for how companies can assess their product portfolio.
- Chemical Sector Metrics will deliver implementation activities focused on building wider adoption and awareness of existing metrics guidance documents developed under Reaching Full Potential.



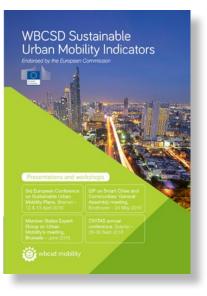


Sustainable Mobility Project

Key outcomes at Montreux

- The European Commission announced its endorsement of the <u>SMP Mobility Indicators</u>. The Commission will support cities in using the toolkit, including the provision of possible financial support for data collection.
- The project met with several GN partners and defined action plans to scale up SMP.
- Project members worked on the development of the Sustainable Urban Mobility Planning web tool and the framework for scaling up the SMP methodology.

- Deliver a user-friendly online integrated Mobility Planning Tool.
- Deliver scale up schemes for SMP2.0 implementation worldwide.
- Present SMP2.0 results to a broad audience including cities, development banks, governments, transport organizations.







Cement Sustainability Initiative

In 2015, three new companies joined CSI. Cimenterie Nationale of Lebanon opens up the geographical coverage of CSI to include the Middle East, while Sim City Cement Group (Thailand) and West China Cement (China) were also welcomend.

2015 also saw the consolidation of the cement sector with the merger between Lafarge and Holcim.

Key outcomes at Montreux

- As a result of the mandate given by the CSI CEOs at their Paris Meeting on December 8th, 2015, CSI has developed a comprehensive work program on key focus areas:
 - o Climate change and energy
 - o Safety and health
 - o Local impacts
 - o Product stewardship and sustainable construction
 - o Resource efficiency
- Although the CSI group did not meet in Montreux, Cement LDs participated in different WBCSD cluster activities during the meeting.

- Q1 & Q2 will focus on finalizing the acquisition of the future members in the pipeline; implementing and measuring the impact of the solutions identified in the action plan of the Cement LCTPi; enhancing health and safety performance; and developing the assessment of the integrated value of CSI (including Concrete Sustainability Council). In addition, a new impetus will be given to CSI in China.
- Q2 & Q3 will focus on preparing the 10th CSI Forum on climate change mitigation and adaptation and on enhancing cooperation with CSI Communications Partners.





Tire Industry Project

Key outcomes at Montreux

Although TIP members did not meet in Montreux, TIP LDs participated in different WBCSD cluster activities during the meeting.

Objectives in 2016

- Q1 & Q2 will focus on securing approval to possibly collect and analyze PM10/2.5 TRWP in a targeted Chinese city; continuing work on risk assessment of the use of 6-PPD; and pursuing adoption by ISO of the TRWP test methods as international standards. The development of the State of Knowledge on the ELT management status and network will be initiated.
- Q2 & Q3 will focus on organizing and running the first international forum on ELTs; monitoring adopted EHS indicators and developing additional indicators when relevant; piloting the current PCR and including other tire categories; and developing practices for the sustainable use of new nanomaterial.





Global Network

WBCSD's Global Network is an alliance of more than 60 CEO-led business organizations worldwide, united by a shared commitment to provide business leadership for sustainable development. The Global Network has an integral role to play in creating awareness, promoting action, and advocating for an enabling environment to scale up business solutions for a sustainable world. It brings value on three levels, notably by enhancing the WBCSD's global outreach; fostering synergies with WBCSD member companies; and strengthening Global Network partners' local and regional sustainability activities.

Key outcomes at Montreux

- 35 partners representing 29 countries around the world attended the Montreux meeting.
- Five Global Network partners (Argentina, Brazil, Philippines, Spain, and Turkey) shared the plenary stage in a session titled "Delivering through the Global Network" with a specific focus on the SDGs. The partners presented on a range of topics, including their work with local businesses on SDG implementation; the main drivers for business action in their respective markets; domestic opportunities linked to the SDGs; and the importance of strong relations between government and business to ensure a sound enabling environment.
- An in-depth working session focused on next steps for further strengthening the value proposition, effectiveness, and impact of the Global Network. The foundations for this work are laid by a comprehensive survey conducted in the first quarter of this year, completed by over 90% of Global Network partners. The session also discussed engagement opportunities around climate action (national advancement of the INDCs, LCTPi engagement), the SDGs (most notably via the SDG Business Hub), and the Reporting Exchange and how to feed national perspectives and best practices into these WBCSD platforms.
- A workshop on the SDG Compass was also organized in view of rolling out the Compass across various regions, leveraging the tool's translation into several languages (Portuguese, Japanese, and Korean are now available. Spanish, Chinese, and French translation will be available soon).





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"If you miss Chennai you will miss the future of sustainable development"

WBCSD Council Meeting October 3-6

Souvenirs from Montreux





Videos

Hear from cities about why sustainable mobility is important.

Find out what business and policy leaders say about the power of collaboration.

Plenary Presentations

You can find the presentations from the plenary.



Photo Gallery

Re-experience the excitement. Check out our pictures from the event.



Thank you!

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