

BUSINESS & INDUSTRY DIALOGUE ON SCP



Third International SCP Meeting, Stockholm

26-29, June , 2007

SCP Agenda – Role of Business & Industry

- Business & Industry – Key players in the SCP Agenda.
- Dual role – Producers & key organisational consumers
- Responsible Business & Industry – Vital for Pushing SCP
- Perspective & Support of Business & Industry essential for 10 Yr SCP Programme
- Need for a New Dialogue with Business on SCP

Essential Challenge



- **De link Economic Growth & Environmental Degradation through**
 - **Technological Innovation**
 - **Rethinking on existing business models**
 - **Conducive Policy Environment**
- **Need of the hour – Proactive Approach to Environmental Stewardship**
- **Early Success Stories**
 - **New Decision making tools – LCA, Eco design , Closed loop**
 - **Improved Resource Management**
 - **Use of renewable Energies**
 - **Supply Chain Management**
 - **Codes of conduct on CCSR**
 - **Carbon foot print reduction - addressing dimensions of global environment**

Current Status

- **UNEP –Industry Report Card, 2006, -30 Sectors**
- **Tangible Progress since WSSD , 2002**



- **Initiatives include :**
- **Capacity Building Approach**
- **Marketing Strategies based on Sustainability Criteria**
- **Sector wise Policy Statements / Guidelines**
- **Specific Targets & Indicators**
- **Standardisation of Issue based management into integrated approach to organisational behaviour – ISO 9000 , 14001, 18001 , 26000 etc**
- **Partnership Tools – UN Global Compact , UNEP-SETAC LCA, APELL , EQUATOR Principles , EITI , GRI , ISO 14001**
- **Sector Specific Voluntary Standards**
 - **Fuel Efficiency Standards in Europe .**
 - **Increasing Energy Efficiency to reduce GHG's**
 - **Energy Efficiency , Emission Reduction Targets**
- **15 global / 140 local businesses/ 01 Industry Association – UN Global Compact Members (2006)**
- **WBSCD –WRI GHG Protocols Industry Partnership in key Sectors**



Public Private Partnerships on SCP

- Programmes largely driven in response to Government / Public Pressure
- Proactive approach not yet mainstreamed
- Voluntary Initiatives shaped to preempt strong government regulation
- Government Policies - flexible & sensitive to business concerns
- PPP's are important vehicles for promoting SD
- Effective Business engagement with government crucial to ensure certainty in future markets frameworks & coherence of mix of policy instruments.
 - **US Climate Action Partnership**
 - **Institutional Investors –Powerful Influence on CESR.**

CESR –Concept to Action

- Need to shift to practical applications – CESR influence on marketing strategies, production processes, business partnerships etc.
- Evaluating Progress- Need to develop reliable, meaningful & comparable indicators (WRI – GHG Protocols)
- Voluntary Actions & Partnerships (UN Global Compact)

Business Partnerships along the Supply Chain



- Integration of global supply & Value Chains - Powerful way to engage companies including SME's
- A beginning - Integration of Supplier Screening Criteria , Quality Audits environmental & social aspects
- Desirable -Harmonisation of codes, capacity building Initiatives - minimising compliance burdens

Investor Engagement

- Filtering Sustainability Criteria into business investments through Socially Responsible Investments
- Canada, Australia, Europe – strong foothold
- Marginal Efforts -SRI in emerging Markets
 - CDP – 1000 Investors
 - PRI - First Charter for Investors
 - Equator Principles



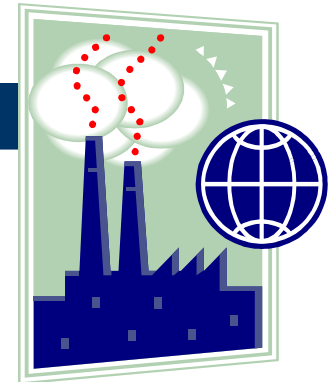
Customer Engagement

- Rising Consumer Demand for Sustainable Goods – Key driver for mainstreaming SCP
- Sectoral Coverage Enhancement
- Sustainable Product & Services Databases – easy access online – Role of ICT



SCP Innovative Approaches in Business & Industry

- LCA , LCC
- EPR
- Closed Loop Economy
 - Eco Industrial Parks -China
 - Asia –Ecodesign Electronics



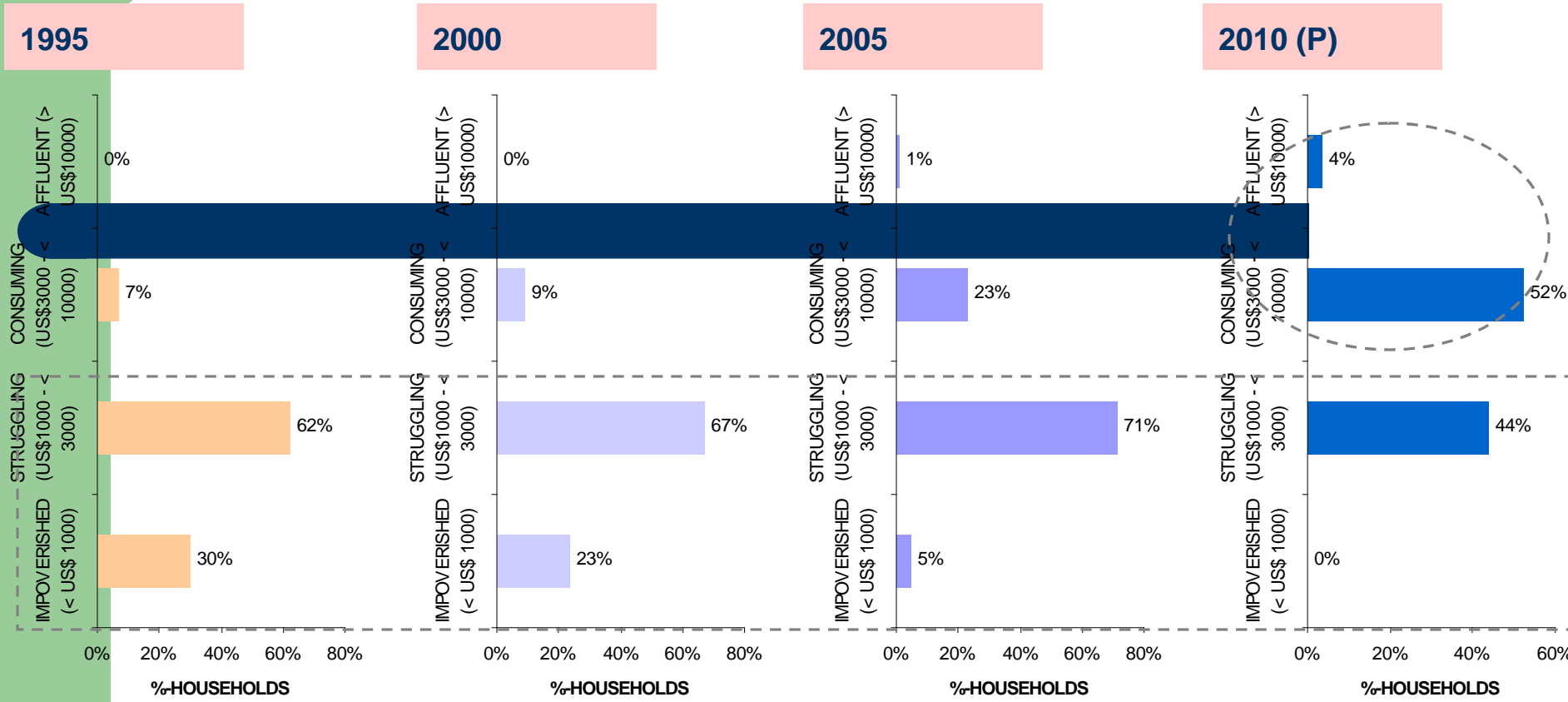
Challenges & Opportunities

- **Business and industry require an enabling environment in order to help shift markets towards sustainable consumption and production (mix of legislation, regulation, voluntary agreements, economic instruments, integrated product policies, stakeholder engagement).**
- **Currently early movers in business and industry have invested in development of sustainable products, but consumer preferences do not always match corporate aspirations.**
- **Education and information tools are important for enhancing the SCP awareness of consumers.**
- **SMEs - constraints in resources and capacity to incorporate international standards in their business operations.**

Key Questions

- 1. How to mainstream CSER?**
- 2. What can governments do to facilitate the environment for business and industry innovation on SCP?**
- 3. How to bring more capacity building to SMEs?**
- 4. What are the key element(s) that business would like to see reflected in the 10YFP ?**

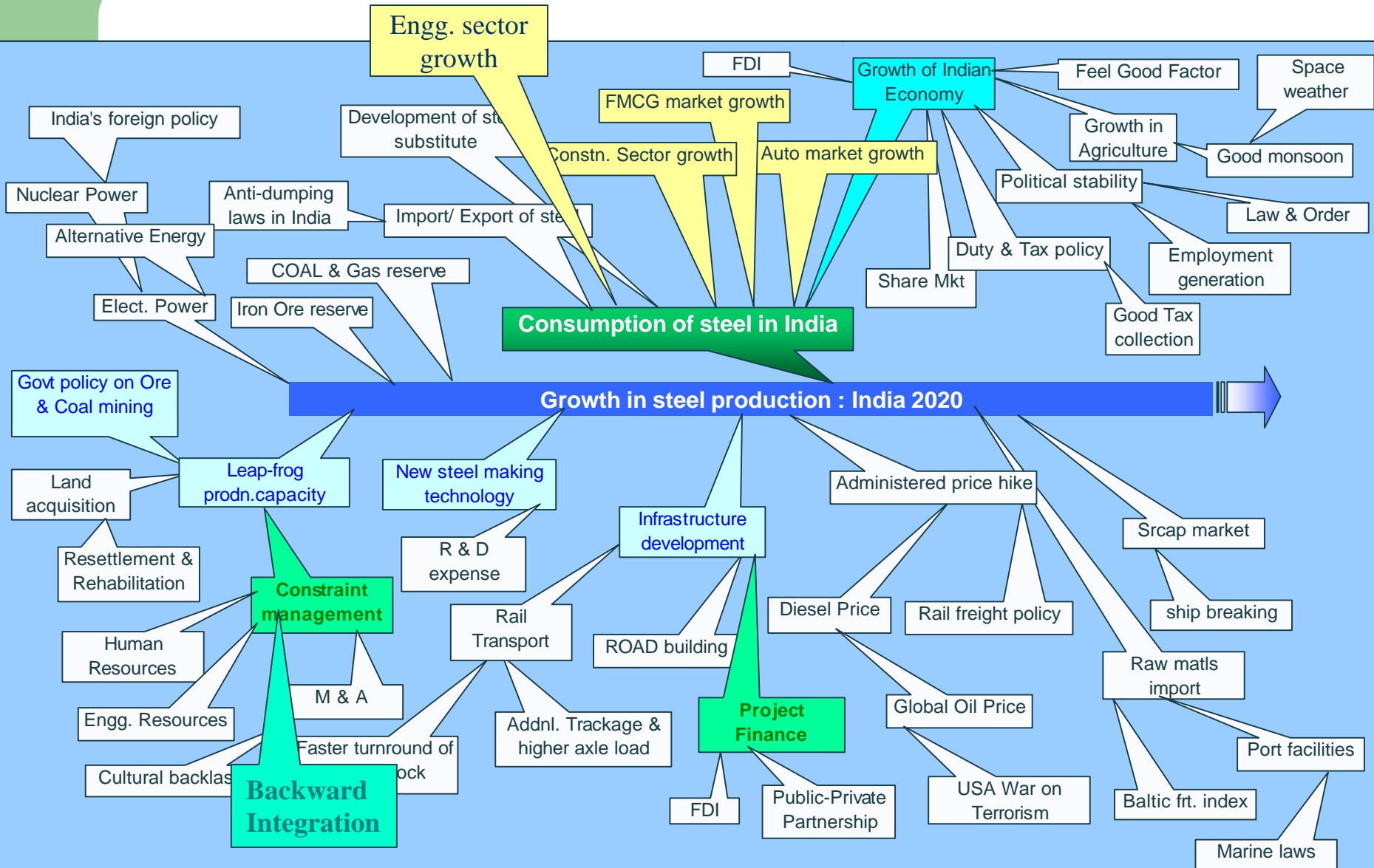
INDIA : TRANSFORMING CONSUMER DYNAMICS



Source : EIU / ACCENTURE

**“CONSUMING” & “AFFLUENT” HOUSEHOLD COMBINED - GRADUATING CAGR @ 17% (1995 ~ 2010 P)
FROM 7% IN 1995 TO 56% IN 2010**

INDIA 2020 : INTERACTING & INFLUENCING FACTORS FOR GROWTH IN STEEL



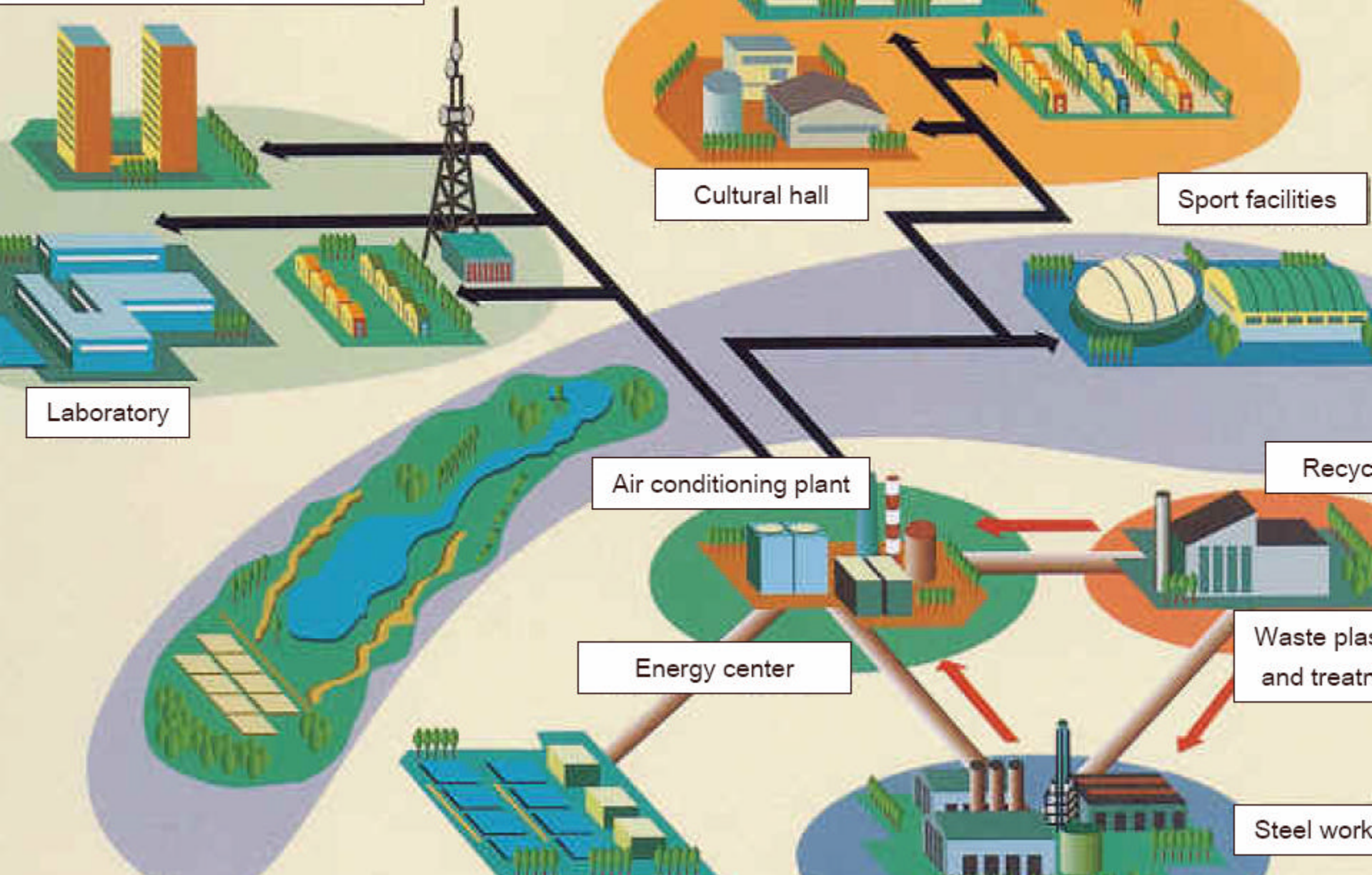


Major Steel Plants (brown & green) in India would be clustered mostly around the red ring passing thro' three states rich in coal & iron ore, putting severe pressure on logistics infrastructure.

Cooperation system between industries and with society in the future

Industry infrastructure zone in the city

Cultural infrastructure zone in the city



Laboratory

Cultural hall

Sport facilities

Air conditioning plant

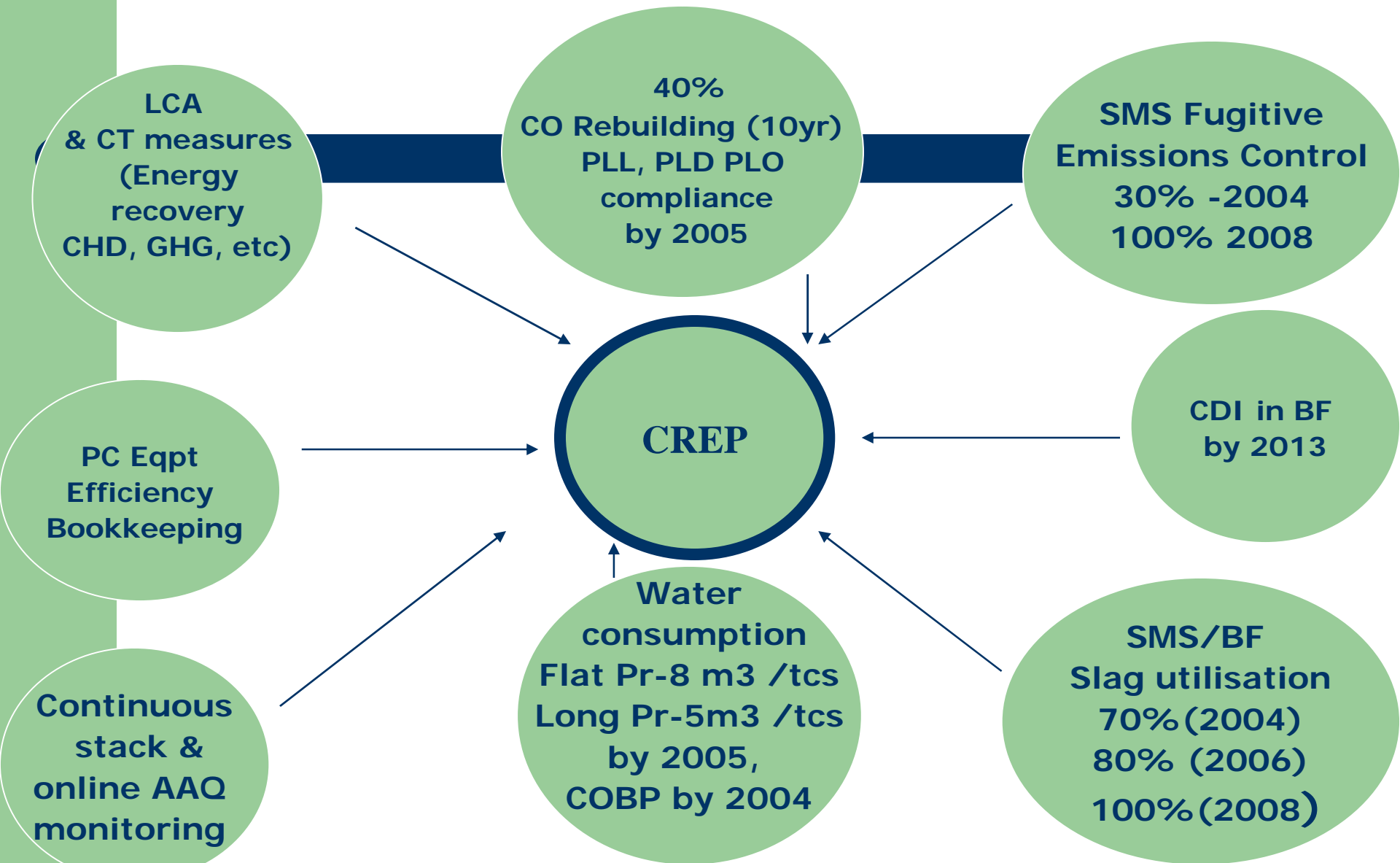
Recycling

Energy center

Waste plant and treatment

Steel works

Charter on Corporate Responsibility for Environmental Protection- Indian Steel Industry





Managing today for a
better tomorrow

