WBCSD @ UNECE-FAO

Timber Committee, Geneva, October 5

Sustainability in Forests & Markets

World Business Council for Sustainable Development

Private Sector Initiatives

WBCSD company actions

WBCSD – who are we?

- Coalition of 178 leading global companies
  - 35 countries, 20 major sectors, including forestry/forest products
- Shared commitment to SD
  - Economic growth + Ecological balance + Social progress
  - Development now without compromising prospects of future generations
- Mission is to provide business leadership as a catalyst for change towards Sustainable Development e.g.
  - Eco-efficiency, innovation, CSR & stakeholders
- Business leadership + Policy development + Best practice + Global outreach

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Sustainable Forest Products Industry (SFPI) Working Group

- **International forestry/forest product companies**
  - **Aracruz, Basic Element, Grupo Nueva, Grupo Portucel Soporcel, International Paper, MeadWestvaco, Metsaliitto, Mondi, Nippon Unipac, Norske Skog, Oji Paper, Sappi, Siam Pulp & Paper, Stora Enso, Sonae, UPM, Weyerhaeuser**
- **Major customers/service/ suppliers**
  - **BVQi, Caterpillar, Global Forest Partners, Hewlett-Packard, Procter & Gamble, Swiss Re, Time Inc**
- **Observers**
  - **BCSD's from South Africa and USA**
  - **Yale University Global Institute of Sustainable Forestry (The Forests Dialogue)**
- **Linked to Global Forest Products CEO Industry Forum**
  - **Another 9 global forestry/forest product companies**
- **WBCSD + CEO Forum = 50 % global industrial production**

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SD challenge for all forestry stakeholders

The sustainable forest management and sustainable production and consumption of forest products to meet the needs of today's world population for wood and paper products, renewable energy, ecosystem services and livelihoods, and those of an expected nine billion in 2050.

SFPI Working Group – Objectives

- **To enhance:**
  - Sustainable forest management and manufacturing performance of its members
  - Consumer confidence in sustainable sourced forest products
  - Stakeholder confidence in the Sustainable Forest Products Industry
- **To provide** global company leadership
- **To enable differentiation** *between* the sustainable *and* non-sustainable forest & non forest based industries

Key forestry stakeholders

- Governments (and Intergovernmental agencies)
- Local communities
- Forest owners
- **Forest product companies**
- **Customers** (and consumers)
- Finance sector
- **Environmental & Social NGOs**
- Media

WBCSD focus on forest product companies, customers & NGOs relationships & interactions - which are often conflicted!

SFPI Working Group – Scope

- Earning and expanding the forest industry's 'License to Operate' and market forest products:
  - Looking for value chain solutions (forests to markets)
  - Fiber supply and sustainable forest management
  - Communications & positioning that is credible = supported by NGOs and believed by customers, governments & media
  - Supply chain & cross-cutting issues e.g.
    - Energy, carbon, water, biodiversity, illegal logging
    - Forest certification, CSR & sustainability reporting

Relationship Strategies

- Multi-stakeholder dialogue (MSD) on SFM challenges to find **credible** solutions that are **broadly supported**
  - The Forests Dialogue (TFD) linking diverse stakeholders - Greenpeace Russia to International Paper Inc
- Partnerships with key non-industry stakeholders
  - e.g. WWF I (collaboration agreement), IUCN (quarterly dialogue/MOU), GRI (on Board),
- Constructive relationships
  - Conservation International, The Nature Conservancy, World Resources Institute

SFPI – priorities for 2004 - 06

- Supporting The Forests Dialogue seeking consensus on:
  - Forest certification system proliferation & conflict
    - Legitimacy Thresholds Model (LTM) concept for independent system assessment to support credible use of multiple systems
  - Definitions and management objectives for:
    - Forests & Biodiversity Conservation
    - Intensive Forestry & Role of Plantations
  - Stakeholder strategies to combat illegal logging, including companies
- Energy & climate change – international framework conditions
  - Influence policies to recognize and reward The Carbon Cycle
- Sustainability reporting guidelines for companies under GRI frame
  - Understanding sustainability factors relevant to external stakeholders

Challenges with an MSD based approach

- Global companies are intensely competitive and busy
  - Identifying & resourcing cooperation is hard
- Joint action and communications based on consensus:
  - Getting stakeholder buy-in, building trust and reaching consensus takes time, especially between NGO's and industry
- Avoiding "Co-option" & "Greenwash" is important
  - If done right, then credibility of outputs and messages is substantial & interesting to key audiences
- Value chain/LCA based responses are optimal to fully leverage all sustainability features of forest products, including carbon cycle

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