

The Business Case



for Sustainability

Meeting the Future
A Research Agenda for Sustainability
US EPA
May 19, 2005

John Mizroch
President & CEO
World Environment Center

WEC Mission



WEC promotes sustainable development by encouraging environmental leadership, improving health and safety practices worldwide, and fostering the efficient use of natural resources.

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WEC Participating Companies



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Sanofi-Aventis

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Amerada Hess

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Bristol-Myers Squibb

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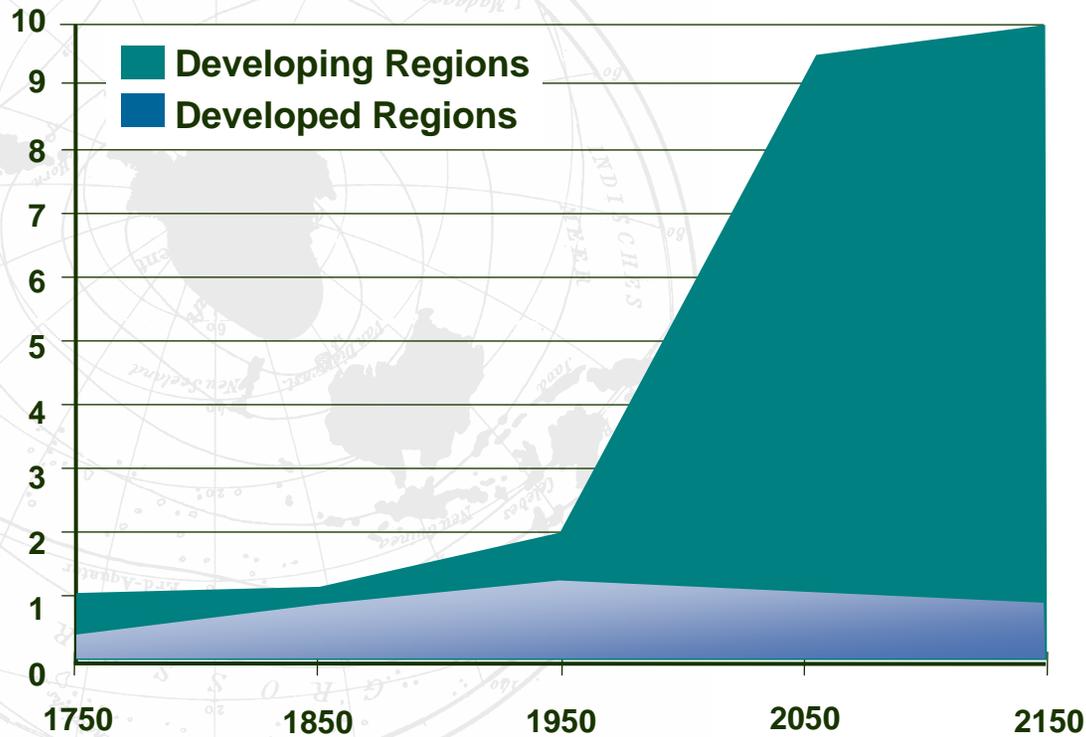
Syngenta International

Total

World Population Growth Population in Billions



(Population in Billions)

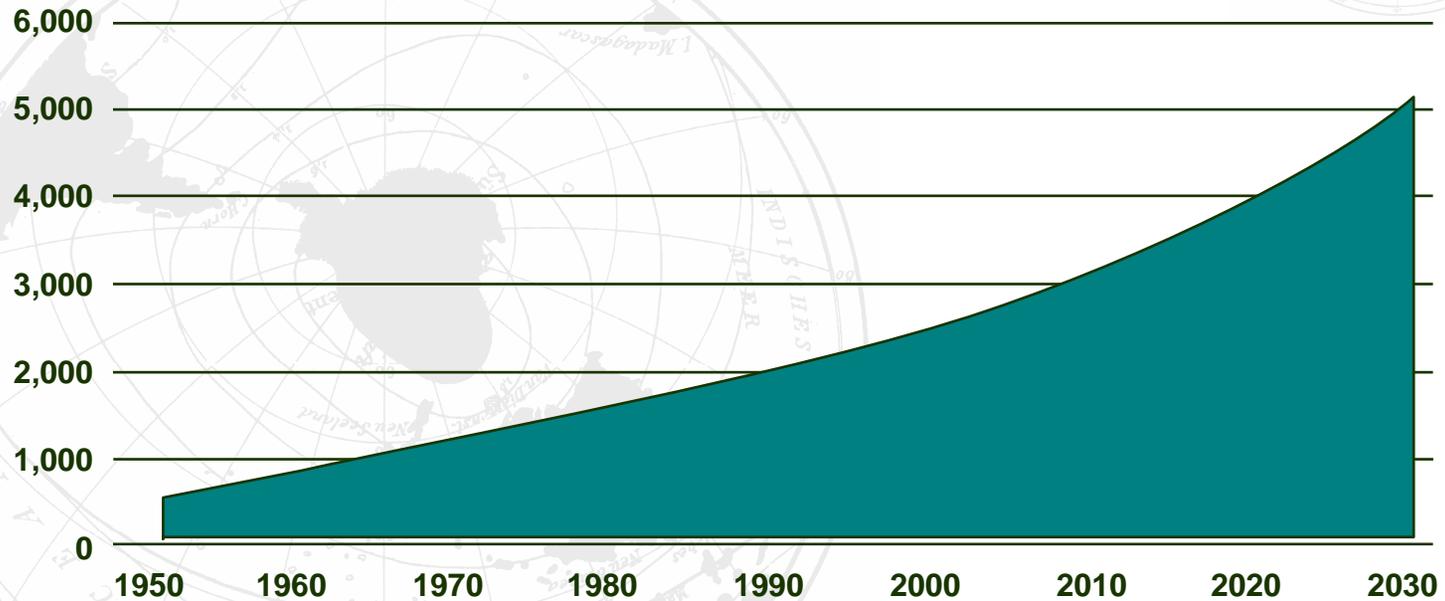


Urban Populations Could Double by 2030

FIGURE 2.3 Urban Population Growth by Region 1950–2030



Urban Population



Source: United Nations Population Division.



95% of the People in the World Live
Outside of the United States

The Global Challenge

DECLINING RESOURCES

Overfishing
Food System Stress
Fresh Water Scarcity

ALTERED BIO GEOCHEMISTRY

Ozone Depletion
Carbon Dioxide
Eutrophication

NATURAL

UNSUSTAINABLE = UNSTABLE

SOCIAL

SOCIAL DISINTEGRATION

Unemployment
Health Crisis
Family Breakdown

SWELLING POPULATION

3 Billion more by 2025
Refugees
Urbanization

Metropolitan Areas with More than 10 Million People

1995

Tokyo	26.8 million	Calcutta	11.7
Sao Paulo	16.4	Seoul	11.6
New York	16.3	Jakarta	11.5
Mexico City	15.6	Buenos Aires	10.9
Bombay	15.1	Tianjin, China	10.7
Shanghai	15.1	Osaka	10.6
Los Angeles	12.4	Lagos	10.3
Beijing	12.4		

Source: *The Washington Post*

Metropolitan Areas with More than 10 Million People



2015

Tokyo	28.7 million	Dhaka	19.0
Bombay	27.4	Mexico City	18.8
Lagos	24.4	New Delhi	17.6
Shanghai	23.4	New York	17.6
Jakarta	21.2	Calcutta	17.6
Sao Paulo	20.8	Tianjin, China	17.0
Karachi	20.6	Manila	14.7
Beijing	19.4		

Source: *The Washington Post*

Sustainability Stages



5. Purpose / Values

4. Integrated Strategy

3. Beyond Compliance

2. Compliance

1. Pre-Compliance

“Perfect Storm” of Business Risks

10 Market Forces		5 Business Risks
5 Mega-Issues	5 Demanding Stakeholders	
Climate Change	Green Consumers	Market Risks
Pollution & Health	Activist Shareholders	Balance Sheet Risks
Globalization Backlash	Civil Society / NGOs	Operating Risks
Energy Crunch	Government Regulators	Capital Cost Risks
Erosion of Trust	Financial Sectors	Sustainability Risks
		+ Difficult access to capital

7 Benefit Areas



1. Reduced recruiting costs
2. Reduced attrition costs
3. Increased employee productivity
4. Reduced expenses in manufacturing
5. Reduced expenses at commercial sites (energy, water, consumables)
6. Increased revenue / market share
7. Reduced risk, easier financing

**Usual
focus**

Emerging Drivers



5. Purpose / Passion

- Passionate CEO

4. Integrated Strategy

- “Perfect Storm”
- Business Value

3. Beyond Compliance

- Regulatory Threat
- Business Case

2. Compliance

- Regulatory Pressure
- PR Crisis

1. Pre-Compliance