A MESSAGE FROM THE PRESIDENT AND CEO:

2015 has become one of the most consequential years for the development of environmental and sustainability policies in our lifetimes. The release of the Papal Encyclical, promulgation of the US Clean Power Plan, adoption of the UN Sustainable Development Goals and decisions at COP21 in Paris have re-defined national and global expectations and policy frameworks for global companies and their stakeholders. WEC’s contributions—through convened dialogues, publications, roundtables and on-the-ground implementation of major projects—has mirrored these developments. To provide you with a more thorough understanding of our achievements, I am delighted to present this 2015 World Environment Center Annual Review and invite your continuing participation in our initiatives.

2015 — A YEAR OF IMPACT

In this momentous year of global change, WEC generated meaningful results in several different ways. We catalyzed a global conversation among corporate and NGO sustainability leaders about the Papal Encyclical “Laudato Si” by exploring both short and longer-term consequences of both spiritual and secular communities seeking to develop common frameworks for joint action. In partnership with the US Department of State, WEC is engaging in pioneering work in building sustainable enterprises across multiple business sectors in Latin America, an ambitious effort to transform ideas into action for market development. Through our engagement with Chief Financial Officers of leading global companies, WEC and our partner The Corporate Eco Forum explored the migration of sustainability’s value proposition towards a more central feature in risk management, innovation and brand management. And WEC’s newest program, “Preparing Business Leaders for a Sustainable Future,” launched in 2014, has now engaged companies, universities and students in several continents to accelerate the teaching of sustainable business practices in business and engineering school classrooms.
Preparing Business Leaders for a Sustainable Future

This signature WEC program was successfully launched in May 2014 through core funding obtained from Ingersoll Rand and SC Johnson. Since that time, more than 25 global companies, 20 universities, 8 non-governmental organizations, 4 government agencies and over 100 students have participated. Its core objectives are to accelerate the transfer of knowledge on sustainable business practices from leading global companies to the classroom; create opportunities for students to learn of company operations during their course of study; and enable companies to identify talented students as potential employees.

2015 RESULTS

“Building a Sustainability Value Proposition with CFOs,” at the Miami CFO: Rising East Conference, March 11-12 featuring leading CFOs, WEC and The Corporate Eco Forum. The conversation highlighted six areas where the CFO-sustainability value proposition can advance: reducing costs and improving efficiencies; mitigating risks; fostering innovation and growth; enhancing brands; building momentum and scale; and recruiting and retaining talent.

“Innovation and Sustainability: Keys for Growth and Competitiveness,” Negocios Verdes (Green Business) Summit, Mexico City, April 27-29 in partnership with the EGADE Business School at Tec de Monterrey. WEC co-organized a session that included senior executives from FEMSA, Walmart, GreenMomentum, and Ingersoll Rand, in addition to several dozen students.

“Critical Skills for Implementing Sustainability in the Asia/Pacific Region,” Singapore, June 5 in collaboration with IBM and Ricoh. Approximately 80 business, government, NGO and university representatives, including local students, participated in the roundtable to review grand challenges and solutions in the region.

“Building Sustainability Knowledge for Business Managers in Emerging Markets,” Washington, D.C., September 24, in partnership with Coca-Cola, The Dow Chemical Company, IBM and Royal Dutch Shell. Panel discussions focused on company programs to develop business leaders; building relationships and skills needed for strategic collaboration; integrating sustainability into business planning; and scaling sustainability initiatives for business transformation.

“Advancing Sustainable Design and Systems Thinking in Manufacturing Operations,” Houston, November 3-4 in collaboration with ExxonMobil. Executives from Boeing, ExxonMobil, Hewlett Packard and IBM and thought leaders from Carnegie Mellon, Georgia Tech, Stanford, University of Michigan and University of Texas, as well as recent engineering school graduates, evaluated new approaches to engineering design and systems thinking that can create sustainable business value.

“Managing Sustainability Challenges in Multinational Multi-Tier Value Chains,” Eschborn, Germany, October 22. The conference was co-sponsored by WEC and the International Forum for Sustainable Supply Chains (ISVC), and led by Prof. Joerg Hofstetter, Assistant Professor of Logistics Management at the University St. Gallen (Switzerland). Results will be used in both research and teaching at St. Gallen.
CAPACITY BUILDING

$48 million in savings, 119,000 tons of carbon, 685 million gallons of water—these are just a few of the measurable results produced by our WEC capacity building projects around the world. While most of these projects have or will continue to produce savings, here is a look at 2006-2015 savings achieved during the project lifecycles.

<table>
<thead>
<tr>
<th>Country</th>
<th>Project</th>
<th>Year(s)</th>
<th>Energy Savings (KWh)</th>
<th>Water Savings (gallons)</th>
<th>Wastewater Savings (gallons)</th>
<th>Solid Waste Savings (tons)</th>
<th>GHG Savings (CO2 tons)</th>
<th>Savings (USD)</th>
<th>Investment (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>Greening Alcoa Fujikura’s Supply Chain in Romania</td>
<td>2006-07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>$52,000</td>
</tr>
<tr>
<td>Australia</td>
<td>Greening General Motors-Holden Supply Chain</td>
<td>2008-09</td>
<td>4,430,154</td>
<td>594,792</td>
<td>2,434</td>
<td>692</td>
<td></td>
<td>$621,400</td>
<td>$293,500</td>
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<tr>
<td>Guatemala &amp; El Salvador</td>
<td>Cleaner Production Private Sector Partnership</td>
<td>2008-10</td>
<td>64,712</td>
<td>4,455,264</td>
<td>1,329,504</td>
<td>30</td>
<td>1,162</td>
<td>$571,262</td>
<td>$521,096</td>
</tr>
<tr>
<td>Costa Rica &amp; Nicaragua</td>
<td>Cleaner Production Private Sector Partnership</td>
<td>2009-11</td>
<td>862,341</td>
<td>4,893,240</td>
<td>125</td>
<td>872</td>
<td>$571,262</td>
<td></td>
<td>$521,096</td>
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<tr>
<td>Honduras</td>
<td>Cleaner Production Private Sector Partnership</td>
<td>2011-13</td>
<td>163,025</td>
<td>3,759,888</td>
<td>2,476,056</td>
<td>346</td>
<td>$257,838</td>
<td></td>
<td>$222,498</td>
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<tr>
<td>Morocco</td>
<td>Cleaner Production Private Sector Partnership</td>
<td>2010-14</td>
<td>1,050,391</td>
<td>32,485,728</td>
<td>27,514,344</td>
<td>53</td>
<td>3,674</td>
<td>$978,205</td>
<td>$1,091,708</td>
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<tr>
<td>Morocco</td>
<td>Green Growth</td>
<td>2012-15</td>
<td>190,352</td>
<td>1,293,600</td>
<td>1,273,536</td>
<td>29</td>
<td>521</td>
<td>$142,692</td>
<td>$88,243</td>
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<tr>
<td>Chile</td>
<td>Cleaner Production Private Sector Partnership</td>
<td>2010-14</td>
<td>487,027</td>
<td>2,339,230</td>
<td>2,156,616</td>
<td>144</td>
<td>263</td>
<td>$157,838</td>
<td>$114,802</td>
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<tr>
<td>Guatemala, Nicaragua, &amp; Honduras</td>
<td>Higher Education and Capacity Building</td>
<td>2005-13</td>
<td>151,374,890</td>
<td>621,342,710</td>
<td>8,731,800</td>
<td>33,795</td>
<td>111,438</td>
<td>$45,387,017</td>
<td>$6,881,083</td>
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<tr>
<td>TOTALS</td>
<td></td>
<td></td>
<td>158,806,734</td>
<td>684,954,918</td>
<td>43,481,856</td>
<td>36,610</td>
<td>118,968</td>
<td>$48,351,728</td>
<td>$9,617,202</td>
</tr>
</tbody>
</table>

PROJECT RESULTS

- Investments by companies: $404,272
- Dollars saved: $183,476, through energy and water reductions, waste disposal and raw material savings
- Gallons of water saved: 13,790,466
- Electric energy reduced: 183,842 kWh
- Fuel saved: 6,957 gallons
- Practicum courses: 16
- Students in practicum courses: 301
- Companies that have received technical assistance in CP/EE: 72

The Pathways to Cleaner Production builds capacity of small & medium enterprises (SMEs) in Latin America to achieve greater efficiencies in their facilities. The project simultaneously expands work forces by training university students through an on-site practicum with participating SMEs. During the last three years, WEC worked in close collaboration with two US Universities, local universities, and WEC’s local partners, assisting SMEs to apply students’ recommendations on cleaner production best practices. Local universities are: Instituto Tecnológico de Costa Rica (TEC); Instituto Tecnológico de Santo Domingo (INTEC), Dominican Republic; Universidad Centroamericana Jose Simeon Cañas (UCA), El Salvador; Universidad de San Carlos de Guatemala (USAC); Universidad Nacional Autónoma de Honduras (UNAH); Universidad Nacional de Ingeniería, Nicaragua (UNI); and Universidad San Ignacio de Loyola, Perú (USIL).
CAPACITY BUILDING

In Morocco, WEC finalized a $385,000, 3-year project with 15 Moroccan SMEs from the food processing and textiles industries. The project was implemented in cooperation with the Casablanca-based firm RIO (Reduce-Invent-Optimize) and focused on reducing costs by improving the environmental efficiencies of companies’ production processes. With a payback period of implemented action plans of only 0.5 years on average, companies saw savings of $142,692 in the first six months and are now projected to save $177,796 per year.

The main measures implemented by companies are related to chemicals, water, electricity and fuels (process improvements, water management system, reductions in compressed air leaks, insulation), which resulted in reductions of CO2 emissions by 2.6 % in the first 6-months period of year 2015. This reduction is the yearly equivalent of taking 10,000 cars off the road.

The project led Energy Efficiency and Cleaner Production trainings with 53 company representatives and also created a Cleaner Production Guide containing company cases and their implemented solutions.

EGYPT

Improving Environmentally Sustainable Production for Egyptian Food Processing SMEs

Under USAID’s Trade Facilitation Project, implementers Nathan Associates, WEC and local partner ENCPC (Egyptian National Cleaner Production Center) and the Ministry of Industry and Foreign Trade help private sector firms identify and implement steps to save energy and protect the environment while improving their international competitiveness. The project was implemented as well to help stakeholders achieve Egypt’s national goal of improving industrial energy efficiency by 20% by 2022. The activities focused on the food processing sector, which currently accounts for 14% of all energy consumption in Egypt, by assessing the energy use practices of 10-12 select food processors, evaluating the baseline levels, and subsequently tracking minimization efforts, costs, and results. In addition, WEC provided technical expertise in the development of the Egyptian National Competitiveness Council’s Energy Efficiency chapter in their Annual Review.
WEC and its partners continue to work with the most innovative local businesses throughout Latin America. This activity is part of the U.S. State Department-sponsored initiative, “La Red de Pathways Challenge” Network (www.lareddepathways.com), which supports the regional initiative, Pathways to Prosperity in the Americas (Pathways to Prosperity—www.pathways-caminos.org). These innovations range from technological platforms to sustainable biological products, addressing a wide range of agriculture, trade and manufacturing through Latin America and the Caribbean. The goal of La Red is to grow every innovation, share knowledge among network members, and build capacity to strengthen, sell, measure and evaluate, by:

- Highlighting the impressive collection of innovative solutions to external stakeholders
- Leveraging the access to skills and experience within the Network
- Building capacity through webinars & workshops
- Finding sources of local/international funding to support the innovators

Members of La Red are supported through a customized online platform, consistent communication with the team, and workshops and trainings. Members all met in Miami on 21-22 September for the Network’s Grand Forum where we provided roundtables with international experts from consulting, multilaterals and the private sector to further support the expansion of their individual initiatives.
WEC's annual Gold Medal for International Corporate Achievement in Sustainable Development honors business excellence and recognizes superior performance.

The annual Gold Medal event is the longest lasting and most prestigious event in the field of sustainable development and attracts participants at the CEO and senior levels of global organizations.

GOLD MEDAL COLLOQUIUM

WEC's May 15 Gold Medal Colloquium addressed “Business Planning for a More Complex World,” which featured leading executives from the World Bank, State Department, World Resources Institute, DuPont, Merck Group, Intel, among many others.

UPDATED 2016 GOLD MEDAL CRITERIA

Since November 2014, the Jury, led by its Chair Kathy Sierra, has been reviewing global sustainability trends, other awards programs and comments from past Gold Medal applicants with the aim of updating the Gold Medal application criteria. The Jury also solicited input from an external advisory group comprised of Alan Hecht (U.S. EPA), Jane Nelson (Harvard) and Glenn Prickett (The Nature Conservancy), and from additional external expert stakeholders. Given the progress of leading companies in making sustainability more of a “core” part of their business, the need for a “signature initiative” is less compelling and will no longer be an evaluation criterion. Instead, new criteria have been developed that focus on: 1) sustainability commitments (reflected in governance, strategy, operations and products); 2) innovation; and 3) international leadership. The new criteria have been applied to the 2016 application process.
"From the Pope to Paris and Beyond: New Expectations for Global Companies.*" Terry Yosie and WBCSD President & CEO Peter Bakker co-hosted this conversation at the UN Foundation on September 22 in Washington D.C. that included the participation of about 80 senior executives from business, government and NGOs. The discussion addressed new and expanded expectations for business that have emerged in 2015, including UN Sustainable Development Goals, growing importance of social responsibility issues, impacts on business of the Papal Encyclical, and what happens after the Paris COP21 meeting.

"Innovative Governance for Sustainable Enterprise,“ WEC Europe executive roundtable, Munich, Germany, December 1. The roundtable’s focus was goal-setting for sustainability performance; strategies and initiatives for sustainable energy at company locations; and company experiences in designing and implementing carbon trading and pricing.


PUBLICATIONS


Terry F. Yosie, “Welcome to the Next Generation of Sustainable Development*, an analysis that explores the implications for business of the Papal Encyclical, UN SDGs, COP21 & other agenda drivers.
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WEC BOARD

Chair: Mike Barry, Marks & Spencer

Board members: Wayne Balta, IBM; Linda J. Fisher, DuPont; C. Scott Fulton, Environmental Law Institute; Neil C. Hawkins, The Dow Chemical Company; Aileen Ionescu-Somers, IMD International; Liz Maw, Net Impact; Jeff Seabright, Unilever; Leena Srivastava, The Energy and Resources Institute (TERI); Beth Stevens, The Walt Disney Company; Isabel Studer, EGADE Business School; Francisco Suarez, Coca-Cola FEMSA; Rupert Thomas, Royal Dutch Shell; Terry F. Yosie, WEC.

WEC EUROPE

WEC Europe e.V. held its annual General Meeting on July 1st, 2015. The annual meeting of the Supervisory Board was held on Dec. 1st, 2015. Board members are Martin Hostalek, Merck Group; Peter Schnurrenberger, Roche; and Dieter Hiller, ERM.

BUDGET

Fiscal year 2015: $1,895,176
Fiscal year 2016: $2,710,400

WEC MEMBER COMPANIES 2015

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