

## PS2: MEASURING OUR PROGRESS ON USING MATERIALS SMARTER, LESS AND LONGER

Material efficiency and its link with sustainability has become a clear mainstream topic since last year. It was already in mind of each decision-makers – companies and regulators – it is now becoming a must for the final consumers. Monitoring, reporting, improving the material efficiency is not a nice-to-have anymore... it is now a must-have. The work that the WMF has done since 2016 on KPIs (key performance indicators) is essential. Looking back, the WMF has identified 9 cross-industries material efficiency KPIs and has tested them on different industries from Automotive to Smartphones, including Aeronautical or even Coil for heating system. For this session, the WMF experienced the KPIs through a value chain approach and proved the KPIs value for investors and for companies.

During the WMF 2019 work on the KPIs the following main observations were made:

- The KPIs are practical and concrete and straight forward to communicate in all industries
- Sustainable and Responsible investing is booming and creating value... and material efficiency KPIs can bring value to investors by being the relevant tools to support them in consistently allocating their funds
- All industry sectors have a positive momentum for emissions. If material efficiency is included as a core sustainability metric, significant value will be attributed to the winners ,and investment will accrue to the best players. e.g. “people who implement ME are more profitable”
- A study from the steel industry demonstrate that the KPI approach “Use less, longer, smarter” provide solution to four megatrends 1) Mega cities, 2) Digitalization, 3) Global Climate Action and 4) Industry 4.0 and reducing CO 2 will remain a major KPI in steel industry.
- KPIs approach is very compliant with Real Estate concerns and processes. KPI approach study also shows how the “user” of buildings leverages the KPIs approach and why it can generate value
- There is still work to be done to educate financial industry and regulators about the benefits with ME

As a conclusion, we believe it is urgent to implement our KPIs approach, because pressure is raising from everywhere. KPIs could be selected in a pragmatic manner by each industry, and these KPIs could become a relevant standard – probably industry-specific – to be used by all stakeholders: companies, customers and investors. Measuring material efficiency is a game changing opportunity for industries.

### **SPEAKERS**

Osamu Masuko - CEO Mitsubishi Motors (Japan) - Co-chair

Pierre-André de Chalendar - CEO Saint Gobain (France) - Co-chair

Brett Olsher - Former Partner Goldman Sachs (UK)

Vincent Bamberger - MD Arthur D Little (France)

Musa Salah - Head of Environmental and Sustainability Management, Ecobank (Ghana)

Cécile de Guillebon - Global Director Facility Management, Renault Nissan Mitsubishi Alliance (France)

Eisaku Ito - Deputy CTO Misubishi Heavy Industrie (Japan)

**Moderator:** Johan Menckel, CEO Granges