

# Companies now embracing sustainability

By Jim Blackburn and Elizabeth Harwood

A quiet revolution in the manner in which corporations address environmental and social issues is occurring today. Sustainability is emerging as a key element of corporate policy and strategy, and it promises to shake up business as usual.

Sustainability is concerned with the maintenance and resilience of our social, economic and ecological systems. Consumers are now shopping for products that meet their needs, but have less of an environmental footprint.

In turn, companies see the promise of increased customer loyalty, and a greater market share, by adopting sustainability policies.

When companies first faced environmental issues, the focus was upon complying with air, water and hazardous waste regulations. Later, corporate efforts expanded beyond compliance to voluntary reduction of their social and environmental footprint.

Now it has become commonplace for corporations to regularly report not only their energy and water use, but also greenhouse gas emissions and operational waste, as well as their efforts to reduce those impacts. IBM's en-

ergy conservation efforts from 1990 to 2011 saved the company \$442 million. Coca-Cola Company saved \$90 million in 2010 by reducing packaging waste and is becoming much more sophisticated in its views of water — a key raw material.

Economic and ecological efficiency — eco-efficiency — is now routine. Leadership in Energy and Environmental Design (LEED) certification for buildings is touted on corporate web sites. The Sustainable Sites initiative has established efficiency and ecology standards for landscaping, and the tools are being developed to evaluate the sustainability of roads, bridges and engineering projects.

Innovative companies are beginning to take larger steps toward sustainability. Electronics giants Apple and Dell are reducing or eliminating damaging chemicals such as arsenic, mercury, lead and brominated flame retardants (BFR) from their product lines. Levi's brand jeans is pushing water conservation to the limit with its Water-Less line that uses up to 96% less water in production than traditional jeans. Starbucks intends to buy 100 percent renewable energy by 2015 and has



Appliance makers promote their products as energy efficient, such as this Energy Star washing machine on the showroom floor of a Best Buy in Miami.

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committed to becoming carbon neutral.

Changes are also under way in supply chain contracting procedures. Supply chain refers to the companies that sell raw materials, parts or finished materials to corporations that assemble these pieces into finished goods. In the retail industry, the supply chain has an enormous footprint. Footwear maker Puma estimates that its suppliers account for 94 percent of its total environmental impact. It is a growth area for innovation.

In addition to eco-efficiency, corporations are also focused on social concerns such as community outreach and participation, local vendor support, employee volunteer programs and grants to various nonprof-

its. Again, such concerns are driven by consumers, such as the Occupy movement (financial) and the buy local movement (social and financial).

Another important social issue is environmental justice. Here, companies are attempting to better understand their relations with their neighbors.

Among the innovations in this arena are programs to improve community facilities and increase job opportunities and job training for those living adjacent to heavy manufacturing facilities, such as efforts by Motiva and Valero in Port Arthur.

Corporate sustainability is often motivated by consumer image. Today, tools are available so that, without extensive individual research, con-

sumers can distinguish between products that are sustainable and those that aren't. Access to information promises to further accelerate this corporate change process.

Since the development of the Blue Angel certification in Germany in 1978, many eco-labels have been developed, including Energy Star, which identifies energy-efficient products. In 2011 alone, the increased efficiency in Energy Star products saved Americans \$23 million on electricity bills. However, there is a lack of uniformity in reporting as companies seek to develop their own eco-labels and ratings, and until recently it has been difficult for consumers to obtain timely information.

This is a perfect opportunity for the smart

phone. With an app such as GoodGuide, the click of a cell phone camera scans a product's bar code and the consumer receives a sustainability rating on a scale from 1-10. These ratings go far beyond the typical focus on eco-efficiency by taking into account the product's impact on the consumer's health, the environment and society.

The bottom line is that the bottom line is changing. Interest in sustainability is alive and well in corporations around the world.

There are unlimited opportunities for creative thinking and innovation in developing sustainability strategies. In the coming years, those corporations that fail to move forward in the fast-paced sustainability arena may find themselves to be unsustainable.

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