

Creating S.H.I.F.T.

Leadership in Sustainability: a Key to Competitiveness

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Is Sustainability a Fad?

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Global Material Constraints

By 2030 there will be 3 Billion more Middle Class Consumers in the Global Marketplace (1.8 today, 3.0 new consumers by 2030 total 4.8)

Estimated 80 percent rise in steel demand between 2010 and 2030

McKinsey & Company 2011

Is Sustainability a Fad?

Global demand for clean water will outstrip supply by an average of 40 percent by 2030

Since 2000 there has been a 147 percent increase in real commodity prices

In the past 10 years, the cost to bring a new oil well on line has increased 100 percent

McKinsey & Company 2011

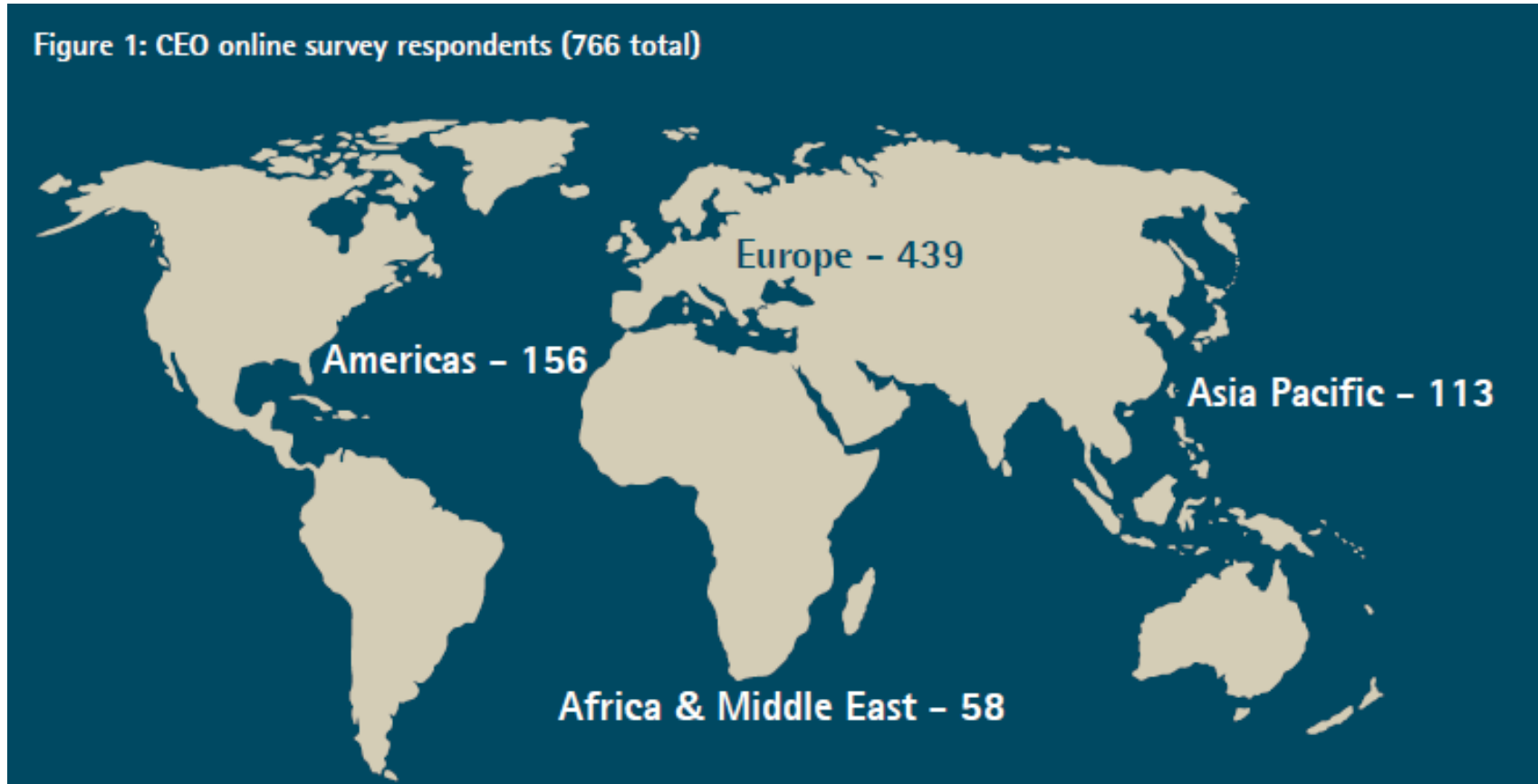
Is Sustainability a Fad?

Supply challenges for five rare earth metals (dysprosium, neodymium, terbium, europium and yttrium) may affect clean energy technology deployment in the years ahead.

US Dept of Energy, 2012

What do Business Leaders Believe?

Figure 1: CEO online survey respondents (766 total)



Accenture 2010

A New Era of Sustainability

CEOs around the world are starting to see the shape of a new era of sustainability coming into view. In the face of rising global competition, technological change and the most serious economic downturn in nearly a century, corporate commitment to the principles of sustainability remained strong throughout the world: 93 percent of CEOs see sustainability as important to their company's future success.

Accenture, 2010

Accenture Study

72% of CEOs cite “brand, trust and reputation” as one of the top three actors driving them to take action on sustainability issues. Revenue growth and cost reduction was second with 44%.

72% of CEOs see education as the global development issue most critical to address for the future success of their business. Climate change is second with 66%.

Accenture Study

58% of CEOs identify consumers as the most important stakeholder group that will impact the way they manage societal expectations. Employees were second with 45%.

91% of CEOs report that their company will employ new technologies (e.g., renewable energy, energy efficiency, information and communication technologies) to address sustainability issues over the next five years.



What do Future Business Leaders Believe?

Future Business Leaders

Market research agency Populus, interviewed 751 graduate trainees, current and recently graduated MBA students, and high potential middle managers earmarked for leadership positions 2011.

Future Business Leaders

1. 79 percent indicated the vision and values of a company affected their perception of potential employers.
2. 70 percent believe sustainability can create new opportunities for companies.
3. but just 35% feel they have received sufficient sustainability training from their business school or employer.

What Kind of Organizations are Leading the Way Toward Sustainable Practices?

1. Social Entrepreneurs

Definition of Social Entrepreneur:

“An enterprize that creates social or environmental value alongside profit by using sustainable business practices”

Profit
or
Non-Profit



Bunker Roy founded Social Work and Research Centre (now known as Barefoot College) in 1972, emulating the work style and lifestyle of Mahatma Gandhi. The college focuses on demystification of technology and placing control and ownership in the hands of very poor rural communities. It is the only college in rural India that is fully solar electrified. Its constituency includes people who have been rejected by society or have little or no formal educational qualifications.

Drinking Water: Since 1986, the College has replicated the Barefoot approach of collecting rainwater in 901 remote villages of India and Afghanistan in Asia, and Ethiopia, Mauritania, Senegal, The Gambia, Sierra Leone and Mali in Africa.

We envision a new sector of the economy
which harnesses the power of private enterprise to create public benefit.



– *the B Corporation* –
*Which is purpose-driven and creates benefit for all stakeholders,
not just shareholders.*

*As members of this emerging sector,
as entrepreneurs and investors in B Corporations,
We hold these truths to be self-evident:*

- *That we must be the change we seek in the world.*
- *That all business ought to be conducted as if people and place mattered*
- *That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.*
- *To do so requires that we act with the understanding that we are each dependent upon another and thus responsible for each other and future generations.*

The Sustainable Enterprise has been defined by Deloitte Consulting as a company that applies five major platforms/principles across the enterprise:

1. Green Products/Services Portfolio;
2. Green Workforce;
3. Green Workplace;
4. Green Function/Process Model; and
5. Green Management and Governance Principles.

Developing an Action Plan

What are the first steps to a more sustainable enterprise?

Path to Sustainable Practices

1. Become informed
2. Identify your baseline
3. Develop your unique value set
4. Establish your performance goals
5. Develop a plan and train your people
6. Implement an internal management system
7. Assess progress against goals
8. Review for continuous improvement
9. Report progress to stakeholders

1. Become informed

Resource productivity

Companies stretch natural resources by increasing productivity for a given amount of a resource by factors of 5, 10, or even 100. They work to eliminate dependencies on materials and energy from resources dug from the earth's crust. This commitment addresses issues of overharvesting and depletion of natural capital.

Become informed

2. Design for the Environment

Up to 70 percent of all negative environmental impact is embedded in the design phase. Companies acknowledge eliminating waste in the design process is the easiest way to improve efficiency and eliminate waste. Companies realize they can't throw things away because there is no "away." They also work to eliminate man-made toxic chemicals from their production processes.

Become informed

3. Investment in natural capital

Companies restore, maintain, and expand ecosystems to sustain society and business needs.

Become informed

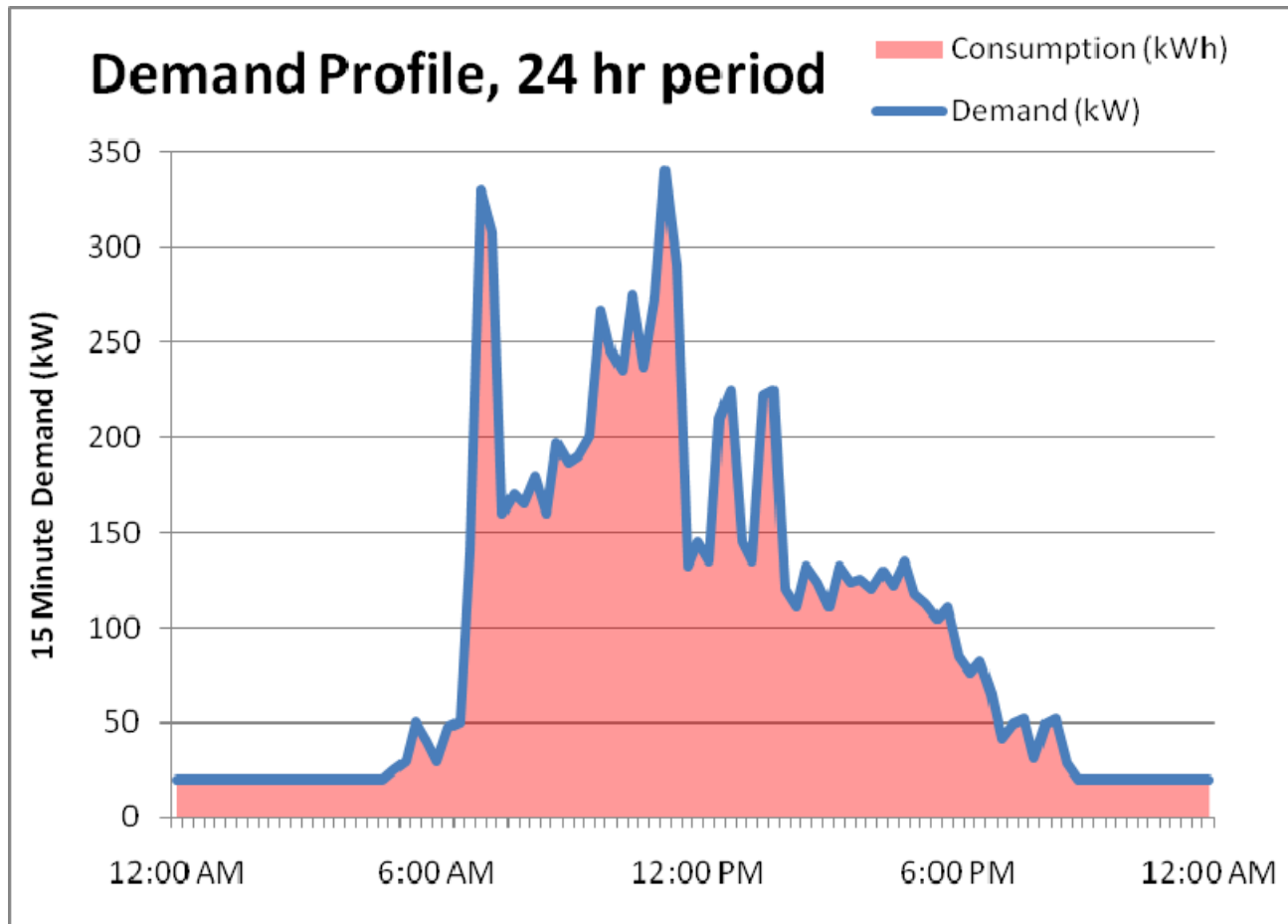
4. Identify your social responsibility

Each of your stakeholders has a role to play in the success of your enterprise. Evaluate the local, regional, national and international moral and ethical obligations to each group.

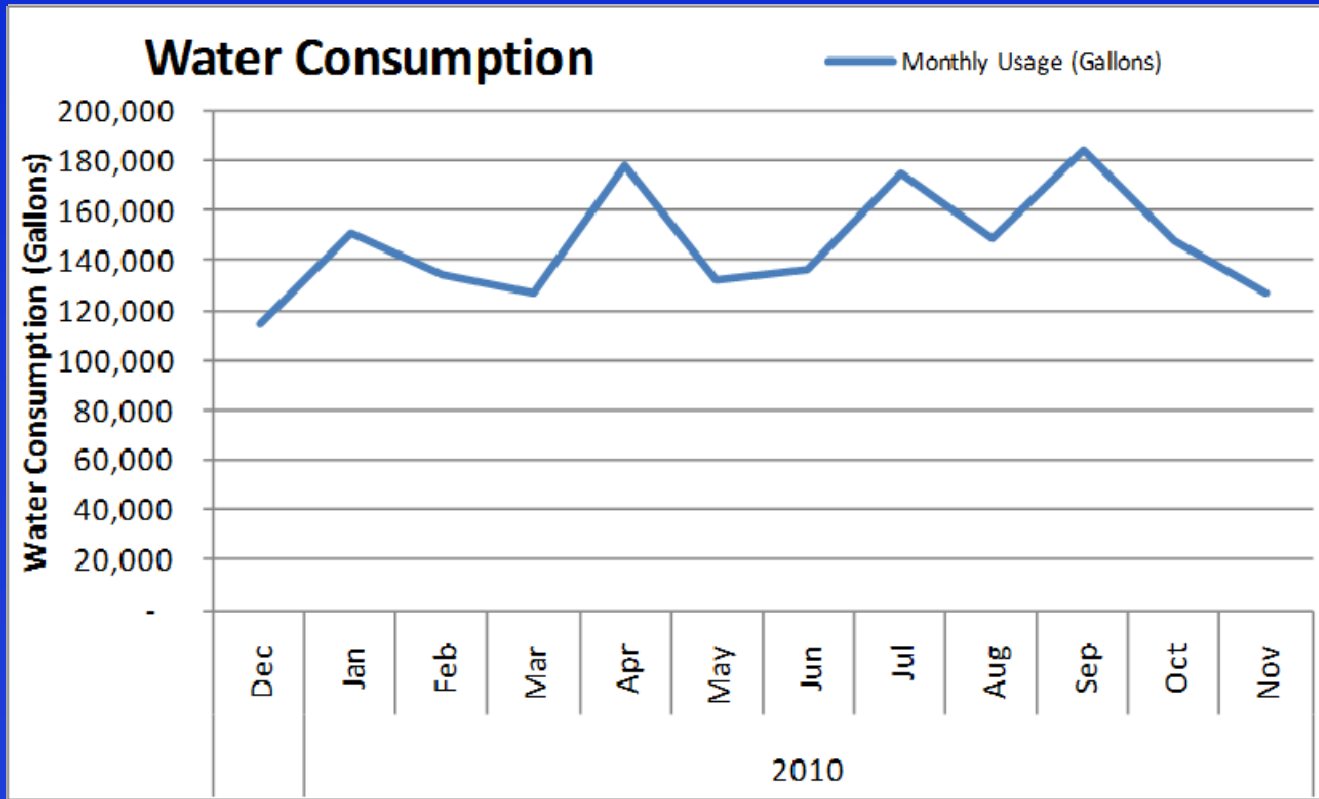
2. Identify your baseline

- a. What are your legal and other commitments
- b. What is your material consumption
- c. What is your energy consumption
- d. Greenhouse Gas generation
- e. What is your water consumption
- f. What is your waste generation

Energy Consumption



Water Consumption



3. Develop your value set

Legal Compliance

Waste

Energy Efficiency

Greenhouse Gas Emissions

Toxic/Hazardous Chemicals

Collaborate with Community Partners

Water Discharge

4. Establish your goals



Our Vision and Policy

At Herman Miller we believe the future quality of human life is dependent on both economic vitality and a healthy, sustainable natural environment. We do not see these goals as mutually exclusive, but inextricably linked. Mankind's future depends on meeting the needs and aspirations of a growing global population, while enhancing and protecting the ecosystem on which all life depends.

UNILEVER SUSTAINABLE LIVING PLAN

We have to develop new ways of doing business which will increase the social benefits from Unilever's activities while at the same time reducing our environmental impacts. This is why we have created the Unilever Sustainable Living Plan.

The Plan

The Plan contains over 50 concrete targets that will:

- Help more than one billion people improve their health and well-being
- Halve the environmental impact of our products
- Source 100% of our agricultural raw materials sustainably

<http://www.sustainable-living.unilever.com/the-plan>

5. Train People

Management

What is your company's sustainability vision?

Employees

How can each position contribute?

Customers

How will your products help improve their lives?

Community

How does your company increase quality of life?

6. Develop Internal Management Systems

Use DfE to eliminate the 70%

Embed company values in original design

Use an EMS to Stay on Course

Regulatory requirements

Sustainable Policy

Identify your unique significant aspects

set objectives and targets

Top management review

7. Assess Progress against Goals

Use Key Sustainability Performance Indicators with progress measured against company baselines for each indicator

Office DEPOT.
2010 Corporate Citizenship Report

Chairman's Message
We All Contribute

Taking Care of Business
Taking Care of People
Taking Care of the Planet

At-A-Glance
Certification Letter
Environmental Dashboard

Environmental Dashboard

[Click to download](#)

NEW! 2010 ENVIRONMENTAL DASHBOARD & KEY PERFORMANCE INDICATORS

2010 Office Depot North American Environmental Dashboard and Key Performance Indicators
We referenced the Global Reporting Initiative's (globalreporting.org) guidelines for many of the indicators (see column marked GRI). Numbers have been rounded for reporting purposes. Unless otherwise noted, data is for U.S. and Canada.

Objective: Buy Greener

Initiative	Functional Owners	#	Environmental Key Performance Indicator (eKPI) and Related Details	GRI	2008	2009	2010	Trend 08-10
Buy greener products for resale	Merchandising	1	Products with green attributes^{1,2}	EN26	6,160	9,200	9,000	-2%
			Items with a 'light green', 'mid green' or 'dark green' rating in the Office Depot GreenerOffice™ Rating system					
			1.1 Products with postconsumer recycled (PCR) content (10% - 100%) ^{1,2}	EN26	3,900	6,000	5,800	-3%
			1.2 Products with postindustrial recycled content only (20% - 100%) ^{1,2}	EN26	500	800	1,700	115%
			1.3 Products with other green attributes ^{1,2}	EN26	1,700	2,400	1,500	-30%
			1.4 Products with third party ecolabels ^{1,2}	EN26	NA	850	1,500	76%
			1.5 Percent of products with green attributes that are third party ecolabeled ^{1,2}	EN26	NA	9%	17%	89%
			1.6 Total products in Office Depot assortment ¹	EN26	NA	79,000	74,000	-6%
			1.7 Percent of products with green attributes vs. total products ^{1,2}	EN26	NA	12%	12%	4%
			1.8 Products with a 'light green' rating ^{1,2}	EN26	NA	3,500	2,800	-20%
			1.9 Products with a 'mid green' rating ^{1,2}	EN26	NA	5,400	5,700	6%
	1.10 Products with a 'dark green' rating ^{1,2}	EN26	NA	300	500	67%		
Buy greener marketing papers	Print Production and BSD Marketing	2	Percent of marketing papers from certified sources^{3,4}	EN14	63%	93%	93%	0%
			2.1 Percent of marketing papers from Forest Stewardship Council (FSC) certified sources ^{3,4}	EN14	51.5%	60.6%	63.5%	9%
			2.2 Percent of marketing papers from GSM/PEFC/DFI certified sources ^{3,4}	FN14	51.6%	38.1%	35.1%	-6%
			2.3 Percent of marketing papers with a minimum of 10% postconsumer recycled content ⁴	EN14	NA	NA	14.6%	NA

8. Review for Continuous Improvement

- Develop a routine auditing/assessment process
- Identify areas of nonconformance to goals
- Implement a corrective action plan
- Review with Top Management annually

9. Report Progress to Stakeholders



Record progress, both negative and positive

Report to key stakeholders

Identify areas of improvement and a plan to improve performance

10. Celebrate your Achievements

There are no improvements too small to incorporate into your processes:

Recognize each small step towards your sustainability goals.

Business Contributions to Society

Written Language



Astronomy



Arithmetic



Time



The Role of Business

There is only one institution in the world with the intellectual, financial and technical capability to make the changes needed fast enough to succeed...



The Global Business Community

A Sustainable Business Strategy

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