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Department of Environmental Protection

Sustainability and Green Energy

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Making the Business Case for Sustainability

I always make the business case for sustainability. It's so compelling. Our costs are down, not up. Our products are the best they have ever been. Our people are motivated by a shared higher purpose — esprit de corps to die for. And the goodwill in the marketplace — it's just been astonishing.

- Ray Anderson, Interface Inc.

Sustainable Business Initiative

- Initiative of the NJ Department of Environmental Protection (NJDEP)'s Sustainability and Green Energy (SAGE) Program in partnership with NJ Business stakeholders.
- Includes representatives from State government, the business and non-profit sectors.

www.nj.gov/dep/sage/sustain_bus.html

Environmental & Social Threats

- Water pollution
- Air pollution
- Toxic chemicals
- Deforestation
- Declining biodiversity
- Climate change
- Asthma
- Unfair labor practices
- Obesity
- Exponential population growth
- Increasing cancer rates
- Farmland destruction

Sustainability:

Sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their own needs.*

*World Commission on Environment and Development, 1987

A New Way of Thinking

- Sustainable businesses need new approaches to meet business needs.
- Create economic value, while also integrating concerns for the human communities in which they operate, and the natural world where they have an impact.
- New strategies for buildings, products, and services.

People

- Sustainable companies understand that business and society are intertwined
- Sustainable companies recognize people as human capital vital to the success of their business.
- They invest in human capital and thereby invest in the well being of the local community and society.

Planet

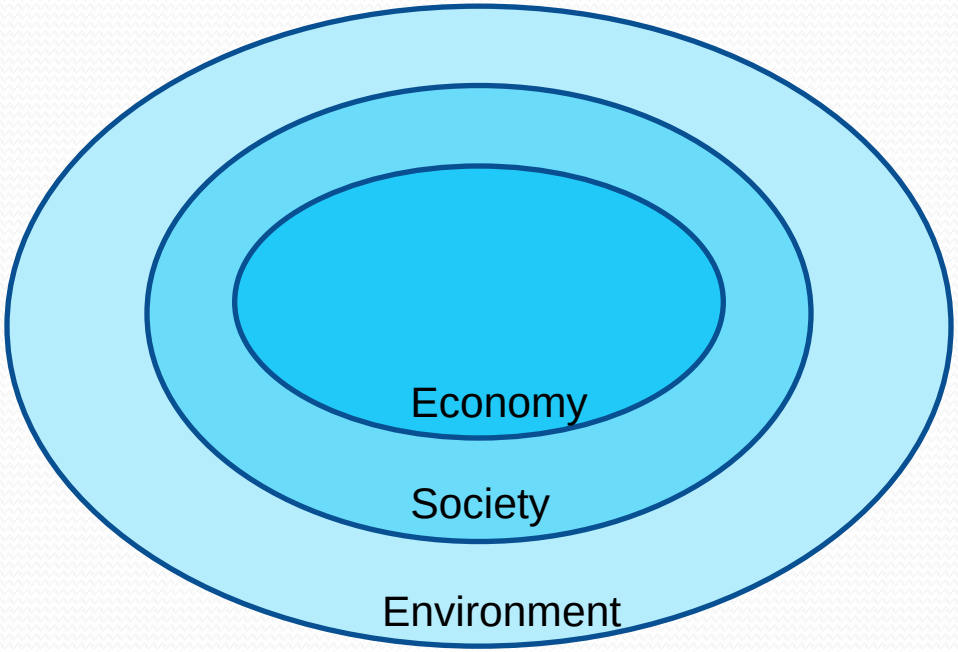
- Sustainable companies recognize that natural capital is vital to the success of their business.
- This applies to wood, minerals, water, fuel, etc.
- Sustainable companies minimize their impact on the environment and conserve resources necessary for the success of their business.

Profit

- The economic value produced by a company or organization after the costs of inputs have been deducted.

- People and Planet are as important to the long-term success of your business as Profit.

Constraints

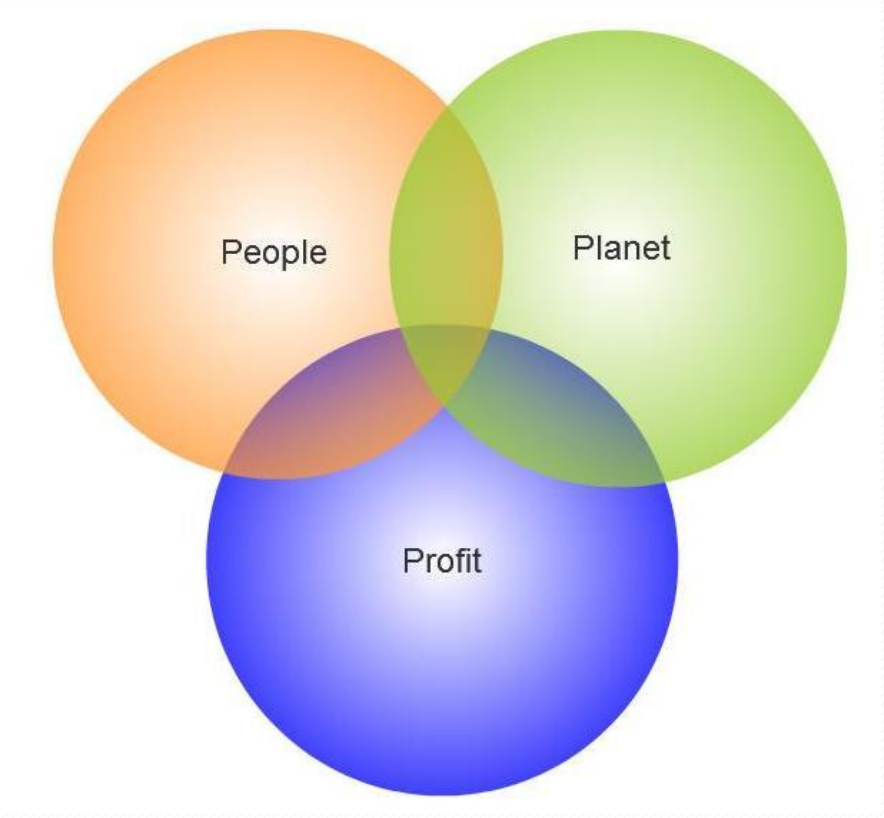


A representation of Sustainability showing how both economy and society are constrained by environmental limits.

The Triple Bottom Line:

People, Planet, Profit

Sustainability requires new business strategies that **create economic value** while integrating **concern for the communities** in which they operate, **and the natural world** where they have an impact.



Sustainability: Benefits

- Cost Savings through Resource Conservation

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- Risk Mitigation

  (price volatility, pollution effects, market pressure)

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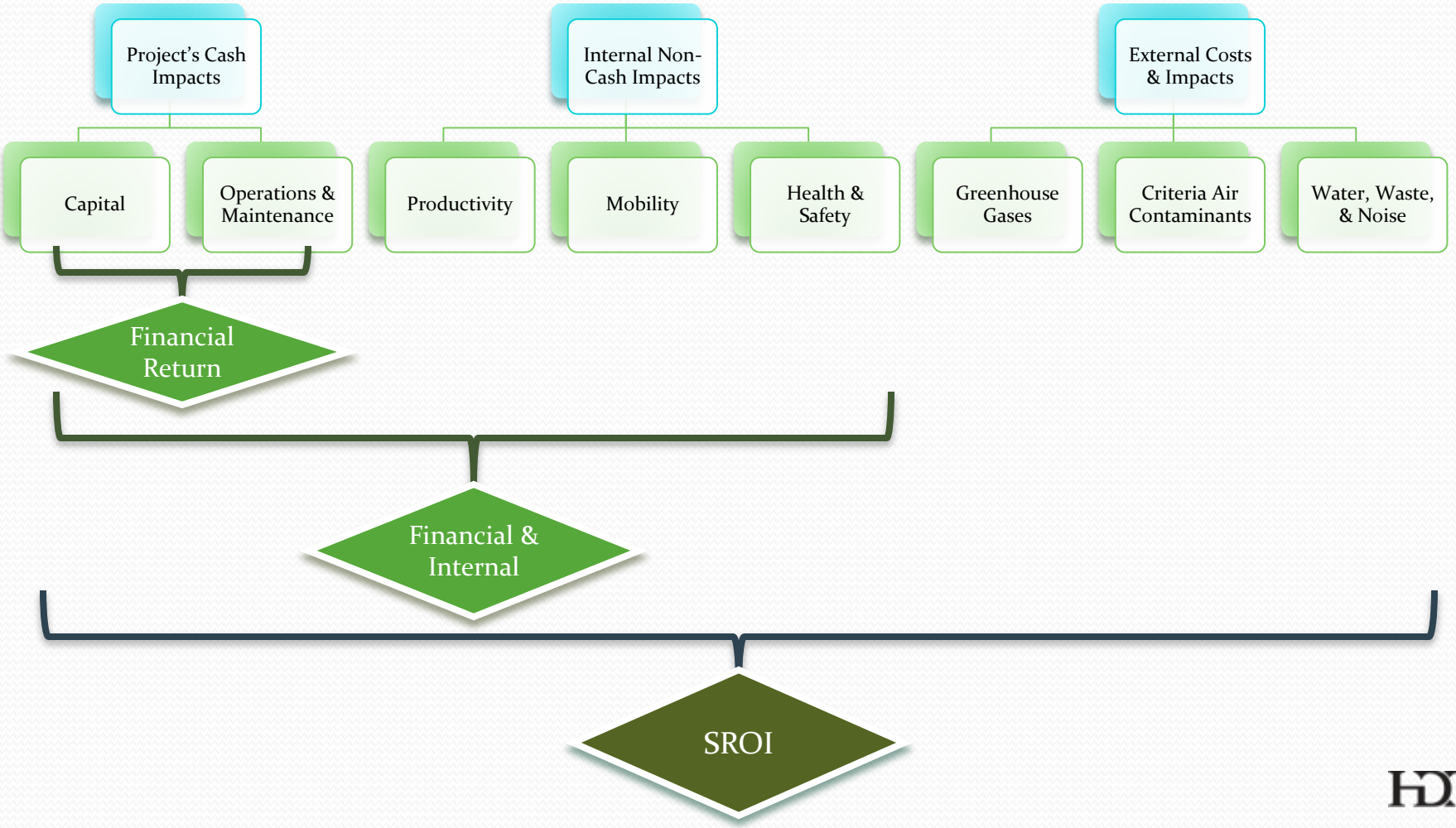
- Innovation and new opportunities
- Competitive Advantage / Improved
  Company Image (supply chain advantage & broader market)

Return On Investment

$$ROI = \frac{(\text{Income from Investment} - \text{Cost of investment})}{\text{Cost of investment}}$$

SROI = Calculating The Triple Bottom Line

SROI adds to traditional financial analysis the monetized value of non-cash benefits and externalities



For Real??

Nearly one half of CFOs see sustainability as a key driver of financial performance.1

One in two CFOs plan to invest in building energy equipment in the next two years. Video conferencing, data center efficiency equipment, and electric vehicles were the 3 areas with largest gains in investment year over year.

1 – 2012 Deloitte survey of companies with > $1B in annual revenue.

Getting Started

Biggest opportunity for cost savings and impact:

1. energy conservation and efficiency
2. waste reduction
3. transportation.

Energy

- Benchmark your current usage
- Set goals and targets for reducing energy usage
- Develop specific strategies for achieving the goals.
- Check results.

Waste

- Reduce
- Reuse
- Recycle

Transportation

- Reduce number of deliveries of raw materials and finished products.
- Plan efficient routes.
- Use alternative fuel vehicles in your fleet.

Take Home Message:

1. Sustainability has 3 equally important components

People	=	Society
Planet	=	Environment
Profit	=	Economy

2. Think about NEW WAYS to manage
   - Products
   - Services
   - Buildings and grounds

3. Energy → A good place for newbies to start!

Sustainability Last Words – I Promise!!

The Good News!

There are endless possibilities for companies to find strategies that will impact – and hopefully improve – their social, economic, and environmental performance.

This diversity of opportunities is where there is hope for turning in a new direction towards healthy and resilient human and natural communities.

THANK YOU

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