SUSTAINABILITY: THE BUSINESS OPPORTUNITY

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POOLE COLLEGE SUSTAINABILITY INITIATIVE

CONNECTING STUDENTS, FACULTY AND INDUSTRY TO ADVANCE SUSTAINABLE BUSINESS STRATEGIES IN THE CLASSROOM, RESEARCH AND THE REAL WORLD

NC STATE  Poole College of Management
Sustainability Initiative
SUSTAINABILITY MEGAFORCES

- Climate Change
- Population Growth
- Urbanization
- Energy & Fuel
- Material Resource Scarcity
- Water Scarcity
- Wealth
- Food Security
- Ecosystems Decline
- Deforestation

Source: KPMG, Expect the Unexpected

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Sustainability Initiative
THE BUSINESS OPPORTUNITY

- **People**
- **Planet**
- **Profit**
DRIVER OF INNOVATION

Stage 1: View
- Compliance as Opportunity

Stage 2: Make
- Value Chains Sustainable

Stage 3: Design
- Sustainable Products & Services

Stage 4: Develop
- New Business Models

Stage 5: Create
- Next Practice Platforms

Source: HBR, Why Sustainability is Now the Key Driver of Innovation
NC STATE
INNOVATION + DESIGN CLUSTER

Rosanna Garcia,
Professor, Poole
College of Management

Christian Hölljes,
Professor, College of Design
**SUSTAINABLE SUPPLY CHAIN MANAGEMENT**

**Competitiveness**
- Create competitive advantage
- Increase operational stability
- Secure supply

**Conscience**
- Respect moral obligations
- Reinforce values

**Compliance**
- Get ahead of regulation
- Counter social pressure

**Costs**
- Reduce costs
- Reduce energy consumption
- Reduce water use
- Reduce packaging waste
- Increase productivity
- Mitigate risk

**Customers**
- Attract customers
- Retain customers
- Protect reputation
- Improve brand

This infographic is based on research by Stephen Brammer, Stefan Højjmose and Andrew Millington and NBS (2011).

Contact NBS for more information and resources
APPLE & LABOR AND HUMAN RIGHTS
WALMART & ENERGY

Walmart has over 335 renewable energy projects globally.

These projects provide Walmart with:

- 2.2 Billion+ kWh of electricity annually
- 24.2% of electricity globally*

*In combination with renewable energy from the grid
LEVI’S & WATER

THE LIFE CYCLE OF LEVI’S® JEANS

1. COTTON PRODUCTION

Growing cotton takes a lot of water. We joined the Better Cotton Initiative to reduce water and chemicals while supporting farmers and healthy soil.

2. FABRIC PRODUCTION

As a supporter of NRDC’s Responsible Sourcing Initiative, we’re working with textile mills to reduce water, chemicals, and energy usage.

3. GARMENT MANUFACTURING

We were the first apparel company to require manufacturers to protect water quality and restrict the use of harmful chemicals – ensuring water leaving factories is cleaner than when it comes in.

4. WATERLESS JEANS

An average pair of our jeans uses 42 liters of water to get a worn-in look. Our Waterless Jeans have the same great style but a lot less water – as little as 1.5 liters for some jeans.

5. TRANSPORTATION & DISTRIBUTION

We measure our greenhouse gas emissions in an effort to make the most significant reduction to our global carbon footprint.

6. CONSUMER USE

Most of the environmental impacts of our jeans occur after you take them home. Reduce the impact of your jeans by up to 50% by washing in cold water and line-drying. Save more than 500 liters of water a year by washing them every other week instead of once a week.

7. RECYCLING

“A Care Tag for Our Planet” is a reminder to extend the life of your jeans by donating them to Goodwill® when you’re finished with them.

8. END OF LIFE & REBIRTH

Old jeans can be used as building materials. We used 25,500 pairs of jeans to create recycled denim insulation for our SF headquarters.

VISIT LEVI.COM TO SEE HOW WE'RE FINDING WAYS TO CARE FOR OUR PLANET

STRONGEST MOST RELIABLE FABRIC ON EARTH
POOLE COLLEGE
SUPPLY CHAIN RESOURCE COOPERATIVE

SCRC 2000 – 2012:
RANKED IN THE TOP 20 NATIONALLY BY PRACTITIONERS AND ACADEMICS Alike. ACCORDING TO A SURVEY BY SUPPLY CHAIN MANAGEMENT REVIEW

10 SUPPLY CHAIN MANAGEMENT FELLOWSHIPS FUNDED & AWARDED

>630,000 GLOBAL COMPANIES

40 BUSINESS PARTNERS

1400 GRADUATE + UNDERGRADUATE STUDENTS

3 OF 50 ‘THE BEST 50 BLOGS’

“A View from the Field,” a blog by Rob Handfield was rated #3 by OnlineMBA.com in The Best 50 Blogs By Business Professors.

Clyde M. Crider
DIRECTOR OF SCRC

Robert Handfield
EXECUTIVE DIRECTOR OF SCRC, BANK OF AMERICA UNIVERSITY DISTINGUISHED PROFESSOR OF SUPPLY CHAIN MANAGEMENT

NC STATE Poole College of Management Sustainability Initiative
CEO ENGAGEMENT

% of respondents

Sustainability’s strategic position on the CEO agenda

CEOs

Top 3 priority

Most important priority

Source: McKinsey & Company, *Sustainability’s Strategic Worth*
EMPLOYEE ENGAGEMENT

Six growing trends

1. Sustainability reporting is growing, but the tools are still developing
2. The CFO's role in sustainability is on the rise
3. Employees emerge as a key stakeholder group for sustainability programs and reporting
4. Despite regulatory uncertainty, greenhouse gas reporting remains strong, along with growing interest in water
5. Awareness is on the rise regarding the scarcity of business resources
6. Rankings and ratings matter to company executives

Source: EY, *Six Growing Trends in Corporate Sustainability*
Consumers Are Willing to Pay a Price for Sustainability

% of consumers willing to pay more for goods and services from socially responsible companies*

Asia-Pacific
- 2011: 64%
- 2014: 55%

Latin America
- 2011: 63%
- 2014: 50%

Middle East / Africa
- 2011: 63%
- 2014: 53%

North America
- 2011: 42%
- 2014: 35%

Europe
- 2011: 40%
- 2014: 32%

Global Average
- 2011: 55%
- 2014: 45%

* based on a survey among 30,000 online consumers from 60 countries

Source: Nielsen
POOLE COLLEGE
CONSUMER INNOVATION CONSORTIUM

Dr. Stacy Wood
CIC Executive Director

Dr. Colbey Reid
CIC Director
Six growing trends

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Source: EY, Six Growing Trends in Corporate Sustainability
FLEXIBLE BUDGETING meets SUSTAINABILITY at Bacardi Limited

This article is based on a study funded by the IMA® Research Foundation

By Jon Bartley, CPA; Frank Buckless; Y.S. Al Chen, CMA, CFM, CPA, CGMA; Stephen K. Harvey, P.E.; Scott Showalter, CPA, CGMA, CGFM; and Gilroy Zuckerman

Bacardi Limited excels at innovation. One of its latest creations is an innovative application of flexible budgeting to physical measures of sustainability performance to get a more accurate picture of that performance. This picture is important because the company is seeking to become as environmentally friendly as possible and is leading and participating in a number of initiatives to do so.
Developing a global platform for measuring and reporting on product sustainability
WHY SHOULD WE CARE...

CLIMATE
SUMMIT

WHAT IF IT'S A BIG HOAX AND WE CREATE A BETTER WORLD FOR NOTHING?

- ENERGY INDEPENDENCE
- PRESERVE RAINFORESTS
- SUSTAINABILITY
- GREEN JOBS
- LIVABLE CITIES
- RENEWABLES
- CLEAN WATER, AIR
- HEALTHY CHILDREN
- ETC. ETC.
We are all in.

Dell is committed to leaving a positive, measurable and lasting contribution to our planet and our society.

SUSTAINABILITY INITIATIVE
INDUSTRY SPEAKER SERIES

Bruno Sarda
Chief Sustainability Officer, Dell
November 20, 4:45pm
Nelson Hall, NC State

1 Promise: Creating a Legacy of Good

3 Action areas where we can make the most impact

- Environment
- Communities
- People

10 Bold sustainability aspirations

21 Sustainability goals relating to our entire value chain, derived from these 10 bold aspirations.

100k+ Team members in 78 countries that are enabling our 21 goals to become a reality by the year 2020.

78 Countries spanning the globe
Connecting 1,000+ people across NC to share innovations and best practices in sustainable business
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