

# Setting the Coordinates for a Corporate Sustainability Strategy

By JANE E. OBBAGY

Interest among senior managers in advancing corporate sustainability strategies has increased significantly over the past few years. In fact, sustainability is now considered an emergent business driver that executives acknowledge affects shareholder value. The reasons for this heightened interest are clear: A growing number of case studies demonstrate sustainability initiatives help reduce environmental impacts, retain employees and customers, and generate new revenue streams. Moreover, stakeholders increasingly want a window into the corporate mind to understand how sustainability figures into business decisions such as product stewardship and eco-efficiency.

In response, organizations have implemented a variety of sustainability activities ranging from reducing greenhouse gases and developing greener supply chains to implementing programs focused on employee development, business ethics and social justice. Benchmarking data gathered from companies surveyed within the energy, chemicals, pharmaceuticals and retail industries indicate organizations that create value from these initiatives do so by focusing on a specific set of issues that are aligned with core business values and reinforce the sustainable attributes of their products or services.

These same companies realize that establishing the right set of qualitative and quantitative metrics (e.g., placing greater reliance on renewable energy or land reclamation) allows them to generate hard numbers that instantly reflect the actual business value of their sustainability activities. Using a simple rating scale such as high, moderate or low to evaluate the return on investment, these forward-thinking companies use the measurement results to refocus their sustainability portfolio to better align initiatives with the organization's risk profile and social goals.

Taken as a whole, sustainability data suggest that the coordinates for a successful strategy are those that reinvigorate compliance related activities, implement innovative employee and product management tactics, and measure value relative to core business and societal interests. Moreover, businesses are taking the call for action seriously. They are implementing this type of sustainability compass and integrating initiatives into day-to-day activities.

For example, several of the benchmarked companies' sustainability platforms include activities to address climate change, reduce the corporation's environmental footprint, invest in local communities and pursue a safe and healthy workplace for its employees. Corresponding metrics have been established to measure and report on progress in enhancing social benefits and minimizing environmental impacts such as reducing waste generation, improving energy efficiency, increasing investments in employee and community training courses, and implementing programs to improve safety in the workplace.

In many ways, these types of strategies that are focused on achieving operational excellence are aligned with the definition of sustainability established more than 20 years ago by the Brundtland Commission. Furthermore, these types of strategies can serve as a positive force that draw the organization toward a common sustainability vision and garner broad internal support for communicating to internal and external stakeholders in a clear and transparent manner. ■

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