



How the World's Biggest Corporations Are Making Themselves Sustainable

Sustainability often means taking care from the top to the bottom of the supply chain. Here, the unique sustainability approaches of companies of all types are showcased.

Across all industries, it is clear that making an attempt to protect the environment, and to be a positive member of the local and global community, are activities that can be done by individuals and by corporations. They carry benefits that are both abstract and tangible.

For one, it is simply good public relations. If a company releases a detailed set of goals and actually sticks to them, the public will notice. On the other side, conscientious consumers are making efforts to support ethical and green businesses at the expense of other companies, and businesses who care about the long term bottom line can't help but notice this impact.

As a result, companies are taking a variety of approaches to integrating sustainability into their daily practices and the supply chain at all levels. These tend to fall into three main areas – a *reduce, reuse, recycle* approach, a focus on renewability, and more responsible spending. The following sections showcase a few of the world's top firms in each area.

Option 1: Reduce, Reuse, Recycle

Sometimes the simplest solution is the most effective. Many businesses have established goals and initiatives to reduce the waste they produce, or at least to offset their effects on the environment.

A low-visibility but important example comes from Chr. Hansen Holding. That name has little brand recognition, but Chr. Hansen Holding has a hand in nearly every corner of the agricultural and pharmaceutical industries. They have announced initiatives to bring their practices inline with the UN's Sustainable Development Goals. Their goals include reducing food waste, achieving more sustainable farming, and eliminating antibiotics in meat.

In contrast, the 2018 agreement organized by the Ellen MacArthur Foundation is a highly visible commitment mutually agreed to by over 250 companies. This commitment outlines broad goals for the reduction of plastic use in various industries, from snack food to clothing.

Big names such as Coca-Cola, PepsiCo, Unilever, Colgate, SC Johnson, and H&M are among those who have sworn themselves to the commitment, along with several governments. They will be expected to implement policies to ensure, for example, that recyclable



materials actually get recycled. Over the long term, all companies and governments involved in the commitment plan to make all plastic packaging either reusable, recyclable, or compostable by 2025.

Option 2: Sustainability from Renewability

In general, it is more effective to remove the root causes of unsustainability, than to simply clean up the messes after the fact. To this end, several companies have announced attention-grabbing plans to remove wasteful materials, methods, and energy sources from their supply chains and daily business practices.

The Neste Corporation is an oil refining operation headquartered in Finland. It is rare to find an oil company that sets a good example of environmental sustainability or societal responsibility, but Neste Corporation is one. Given that they already have extensive contacts in the oil industry, they are in a perfect position to push for alternative fuels from inside the relevant corporate communities.

So what are they doing? Neste is investing heavily into biofuel research and development, with plans for biofuel to account for almost half of their total revenue by 2050. They have even been listed as number three on the Corporate Knights' Global 100 list of the world's most sustainable corporations in 2020.

Number twenty-six on that list of most sustainable corporations is Prologis, the only real estate investment trust to make the list at all in 2020. Their projects use design principles that have been shown to allow structures to reach desired temperatures with minimal use of energy. They also encourage their suppliers to adopt methods that are more environmentally friendly and socially conscious.

Option 3: Responsible Spending

For some firms, shifting to a recycling or renewables approach is difficult. Or they may find that, for any number of reasons, they have no direct means to make the degree of change that they would like to within their own business. They may be in an industry that is inherently more sustainable than most, or they might not be able to spare the labor required to design and implement the necessary changes.

Some such companies are choosing the pragmatic path of trying to do business only with other sustainable companies whenever possible.

For example, Banco de Brasil has been called "the most environmentally sustainable bank in the world." Fully one third of their loans are "green loans," which means loans that are granted to environmentally-focused projects.



Bosch, the engineering and technology group, on the other hand, has dedicated 50% of their research and development budget toward creating and supporting technology that protects the environment. This includes both internal and external research projects. By shifting their spending, they can have an impact that stretch much further than what they're able to do within their own projects.

Lessons Learned

From biofuel to grass roofs, there are as many roads to sustainability as there are industries in the modern economy. The route chosen by any particular business depends heavily on the resources, opportunities, and connections available to them.

The examples cited above are only a tiny fraction of all the efforts being made to achieve corporate sustainability. However, they provide a useful framework for seeing how the world's biggest companies and firms with a broad reach in multiple industries are working to make a difference. By understanding these efforts taking place, it should be easier to orient any firm against its peers and the global trends to see where more opportunities can be found for sustainability improvements.