

# *Five steps to a greener business*

**Let's talk series**

*Forward-thinking companies understand the business case for sustainability and reap the benefits.*



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*You know Green sells when business goes to the trouble of publishing its environmental track record for all to see. This is exactly what more and more Canadian companies are doing by issuing annual sustainability reports. They intentionally look, feel and read like annual reports, only they take a retrospective look at the year that was from an environmental standpoint.*

“It’s become more mainstream in the last few years,” says Mel Wilson, Associate Partner, PricewaterhouseCoopers. He should know. Wilson has been working in the corporate environmental management area for more than 15 years. He got involved in the early 1990s when there was a surge in interest and awareness in environmental issues. Today, climate change and sustainability are no longer media buzzwords. They are business realities. And those private companies that appreciate this new reality are leading the charge, waving their environmental merits for all to see and reaping the rewards.

What sets a sustainable business apart? First, it looks beyond owners, and even beyond the needs of employees, suppliers and customers to the needs and concerns of other parties the business may or may not have a direct relationship with. Think the community at large.

“They don’t try to please everyone, but sustainable businesses do try to monitor and understand the bigger context,” says Wilson.

From an environmental standpoint, a sustainable business takes time to consider the environmental impact of its decisions and evaluates or compares them with the concerns of its stakeholders.

Consider the flip side: if there is rising public interest in energy-efficient products—and there is—an appliance manufacturer that ignores this and keeps producing energy wasters is unsustainable. “Short term they may make money, but longer term they are diverging from the values and interests of key stakeholders, in this case, their customers,” says Wilson. “Corporate sustainability is not just about the environment; it’s about your bottom line.”

The proof in the pudding, says Wilson, is that companies that start down the road of improving their environmental performance tend to maintain it because they see the business value in doing so. Take Nature's Path Organic Foods, for example. A privately held, family-owned company based in Richmond, B.C., it sees corporate social responsibility and sustainability as symbiotic. As a result, its business operations are conducted with an ongoing commitment to environmental stewardship and to the community at large. It has been a recipe for success. Its organic, health-conscious products are sold in 31 countries around the world and the company continues to grow.

"In a healthy economy like ours, consumers have more disposable income to purchase with their values," says Wilson. "If a company believes it can enhance revenue by being more environmentally friendly, the business case is evident. If you do the right thing and communicate it, consumers will choose you." Perhaps one of the biggest benefits for private companies of building a good track record on the corporate social responsibility and sustainability front, says Wilson, is creating a solid reputation. "Most private companies are local, and their impact is felt immediately where they live. A good reputation helps build customer and employee loyalty, supplier preference and societal approval."

In his role at PwC advising private companies, Mel Wilson has developed five key strategies to help companies fully benefit from environmental sustainability.

1. It starts at the top. The best-run companies are those where the owner or CEO is visibly supporting environmental good behavior. You can do this by regularly recognizing good environmental performance and emphasizing to employees that it's good for business.
2. Although corporate culture is important, you do need rules, procedures and structure that gives workers a clear understanding of what the expectations are, what they should and shouldn't do, and how they should consider environmental issues when making decisions.
3. Develop performance indicators that are specific to your operations. Set targets and goals for environmental performance that are measured rigorously and routinely so you can track the progress of the company. Implement a feedback loop so you're always evaluating how you're doing.
4. Communicate honestly and effectively with your stakeholders. Tell people what you stand for and how you are doing. Respond openly to their questions. Have discussions about what you can do better.
5. Have a philosophy of continuously trying to improve. Identify where the weaker areas of performance are and do something about it.

Over the years, the following motto has taken root among successful sustainable businesses: Say what you do. Do what you say. Prove it. And improve it. Words to live by.

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