

A Study on Recent Global Approaches towards Green Business for Healthy and Sustainable Future

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Abstract—Today the world has seen Earth resources are becoming scarce and costly; customers, employees and investors are increasingly environmentally-conscious and due to these reasons companies across the world have realized the value of being Green or running Green Business. Green Business or Sustainable Business is an enterprise that has minimal negative impact on the global or local environment, community, society, or economy. It is a business that meets the needs of the present world without compromising the ability of the future generations to meet their own needs. It is the process of assessing how to design products that will take advantage of the current environmental situation and how well a company's products perform with renewable resources. It develops and practices business strategies that go beyond regulation and demonstrate commitment to a healthy and sustainable future. Many companies now also consider green practices to be vital to remaining competitive and many affirm that these practices are contributing to profits. This research paper attempts developing an understanding about business benefits and strategy of Green Business This paper also shares how recent disciplined approach taken by some business corporation to run a Green Business while still being profitable and the same time maintaining respect and leadership. Exhaustive literature survey regarding the topic and related concepts has been done. Secondary data inclusive of quantitative and qualitative data as well collected from various sources including books, research papers, newspapers, magazines, and websites is used for the purpose of study.

Keywords: *Green Business, Sustainable Business, Profit, Business Corporation, Healthy and Sustainable Future.*

1. INTRODUCTION

A sustainable business or green business is any organization that participates in environmentally friendly or green activities to ensure that all processes, products, and manufacturing activities adequately address current environmental concerns while maintaining a profit. In other words, it is a business that “meets the needs of the present world without compromising the ability of the future generations to meet their own needs. It is the process of assessing how to design products that will take advantage of the current environmental situation and how well a company's products perform with renewable resources. The Brundtland Report emphasized that sustainability is a three-legged stool of people, planet, and profit. Sustainable

businesses with the supply chain try to balance all three through the triple-bottom-line concept—using sustainable development. Nowadays everyone affects the sustainability of the marketplace and the planet in some way. Sustainable development within a business can create value for customers, investors, and the environment. A sustainable business must meet customer needs while, at the same time, treating the environment well. Businesses take a wide range of green initiatives. One of the most common examples is the act of "going paperless" or sending electronic correspondence in lieu of paper when possible. On a higher level, examples of sustainable business practices include: refurbishing used products or revising production processes in order to eliminate waste (such as using a more accurate template to cut out designs); and choosing nontoxic raw materials and processes eating the environment well.

2. PURPOSE

To understand the concept and scope of Green Business and getting an insight in Sustainable Business in the light of the recent disciplined approach taken by some business corporation for building healthy and sustainable future by going green.

3. OBJECTIVES OF THE STUDY

- To understand the concept of Green Business
- To find out the scopes of Green Business.
- To know how global approaches taken by leading Business Corporation like Procter & Gamble (P&G), Godrej, and Hindustan Unilever (HUL) fulfilled their responsibility towards all stakeholders through specific activities, programs and strategies they have set, devised and implemented.

4. RESEARCH METHODOLOGY

Exhaustive literature survey regarding the topic and related concepts has been done. Secondary data inclusive of quantitative and qualitative data as well collected from various

sources including books, research papers, newspapers, magazines, and websites is used for the purpose of study.

5. WHAT IS A GREEN BUSINESS?

A “green” business strives to have a positive impact on the environment and community. It develops and practices business strategies that go beyond regulation and demonstrate commitment to a healthy and sustainable future. A green business adopts principles, policies, and practices that improve the quality of life for its customers and employees. There are now certification systems that strive to standardize these principals such as the B Corporation, Green America's Certified Business program, LEED Certification etc.

6. CRITERIA FOR GOING GREEN

In general, business is described as green if it matches the following four criteria.

1. It incorporates principles of sustainability into each of its business decisions.
2. It supplies environmentally friendly products or services that replace demand for non green products and/or services.
3. It is greener than traditional competition.
4. It has made an enduring commitment to environmental principles in its business operations.

7. DRIVERS OF GREEN BUSINESS: THE VALUE OF BEING GREEN:

Companies have strengthened their commitment to sustainability as the benefits become more apparent (and the alternatives more untenable). Just as natural resources are becoming scarce and costly; customers, employees and investors are increasingly environmentally-conscious. Championing sustainability allows businesses to align deeply with their missions and engage customers on a more meaningful level.

According to a 2011 study by MIT, sustainability is now a permanent part of 70% of corporate agendas. Most companies now also consider green practices to be vital to remaining competitive and many affirm that these practices are contributing to profits. Some of the important drivers or reasons for going green include:

7.1. Reduced Risk:

Environmental degradation threatens the ecosystem services that allow our economy to function and companies are beginning to take notice. PepsiCo, for example, is investing in sustainable solutions to water scarcity while Siemens is abandoning investment in dirty energy sources for the renewable that will power the future. As investors and partners become more knowledgeable about green strategies that

improve the bottom line, climate-responsive business practices are becoming the norm.

7.2. Global environmental pressures and public awareness:

The public has clearly grown increasingly aware of environmental issues. Over the past few years public awareness and concern about global climate change has risen considerably. Private companies followed closely such changes in public attitudes. An instance, in January 2007, 10 major US companies in collaboration with the four US environmental groups planned for swift action on global climate change known as USCAP (the United States Climate Action Partnership (USCAP)) by federal action on carbon regulations. In addition, the proliferation of organizations focusing on going 'carbon neutral' is an indicator those concerns over climate change have firmly taken root in the public at large. Furthermore, companies around the world are realizing that reducing their environmental footprints can also provide benefits for business. A 2006 survey of 150 companies in the US, UK, France, and Germany by AMR Research found that the top environmental concern among the executives in the survey was 'Energy and Emissions Reductions. As companies are increasingly scrutinized on their stewardship of the environment, corporate social responsibility has become a key component of almost every company's business strategy. Even without government regulations, the energy use and greenhouse gas emission have apparently risen to the top of the list of targeted activities of different companies in private or public domain. Demand for environmentally-friendly services and products continue to grow. According to a survey conducted by Cohn & Wolfe, a majority of consumers in all countries say that it is very or somewhat important that companies are environmentally-friendly and 35% are willing to spend more for green products.

7.3. Capital markets acceptance:

Now, capital market investors understand the level of public interest in climate change issues. They have started to invest in industries that reduce human impacts on the environment. The clean tech market originally consisted mostly of specialist investment firms and people with a strong environmental focus. However, the world's major public and private equity investment entities are committing capital investment to clean tech industrial production. Nevertheless, the shifting in public awareness and desire for more action both at corporate and government levels has not completely changed the consumer's preferences. Business leaders still believe that the majority of customers will not pay a premium purely for a greener product. Customers want 'green' as an added benefit, whilst they will still consider price, convenience, and performance instead of green attributes. Being green is a benefit which is growing in importance but a majority of customers is still not likely to compromise. However, there is a large and growing segment of the population those prioritizing green factors

provide an attractive market for a number of companies. Such niche markets are growing and therefore the opportunities for business are still considerable. These niche green markets will account for several billion in annual revenue. Companies therefore will try to capture the market share for expanding niche of 'green' products by promoting the different qualities of their products as part of their business strategy. They are also trying to differentiate themselves through 'green branding'. In fact, to be successfully green, the businesses need not only to implement cleaner business practices and reduce their carbon footprint, but also develop better communications with their customers.

7.4. Creating environmentally-friendly market:

One of the most commonly cited proposals for dealing with climate change is establishing carbon price through an emissions 'cap-and-trade' system, where greenhouse gas (or carbon) emissions would be 'capped' at a given level for different companies. Those companies who exceed their allocated limit are required to buy credits to cover their surplus from those companies who emit less than their limit. The world's largest carbon emission cap-and-trade system is the European Emission Trading Scheme which began operational in 2005.

7.5. Attracting Talent:

Environmentally-conscious business practices help attract and retain the best employees by increasing employee satisfaction and pride in the workplace. According to a Monster TRAK poll on green employment, 92% of young professionals would be more inclined to work for an environmentally-friendly company. Engagement programs that empower employees by giving them easy ways to support causes they care about, such as the EarthShare @ Work giving program, are also proven morale boosters.

8. THE GREEN BUSINESS NETWORK:

Green businesses adopt principles, policies and practices that improve the quality of life for their customers, employees, communities, and the planet. The businesses that make up the Green Business Network are, simply put, rewriting the rules of commerce. They challenge themselves to bring the goals of social and economic justice, environmental sustainability, as well as community health and development, into all of their activities — from production and supply chain management to employee relations and customer service. Businesses that proudly call themselves "GBN members" not only reduce, reuse and recycle, but also offer products and services that help in areas like affordable housing, sustainable agriculture, education, clean energy and efficiency, fair trade, healthy air. Green businesses often spring up in marginalized communities—inner cities, rural and indigenous communities. Many are even started by the people in these communities who, in turn, bring respect and dignity to their employees and the wider neighbourhood. Green businesses create jobs that

empower workers and honour their humanity. They also contribute for environmentally sustainable society.

9. PREVIEW OF APPROACHES TAKEN BY ORGANIZATIONS:

It has been observed that corporations that are considered leaders in terms of business performance take a common approach to sustainability or green business. Here disciplined global approaches of three organizations have been shared to understand how they approach Green Business for Healthy and Sustainable Future.

1. Procter & Gamble India.
2. Godrej India.
3. Hindustan Uniliver.

9.1. Procter & Gamble India.

Procter & Gamble India popularly known as P & G is a global FMCG giant and exhibit wonderful approach towards green business. Being a big company P & G also being able to create impact as far as creating a healthy and sustainable future.

9.1.1. P & G Long Term Environmental Vision & 2020 Goal:

P & G announced a long-term environmental sustainability vision in September '2010. They developed this vision over the course of a year, partnering with external experts and soliciting input from hundreds of P & G employees at all levels of functions. Their complete visionary and end-points are described below. These end-points are long-term in nature because some of them will take decades to come to function.

9.1.2. P & G long-term Products End-points:

- Using 100% renewable or recycled materials for all products and packaging
- Having zero consumer waste go to landfills
- Designing products to delight consumers while maximizing the conservation of resources.

9.1.3. Sustainable Product Innovation in India:

P & G innovate to incorporate sustainability criteria into their products in a number of ways - from formulation to packaging. In doing so, we find ways to deliver significant sustainability improvement without asking the consumer to make trade-offs in performance or value. Let us find some brilliant example of product innovations outlined below.

- Ariel and Tide: Pioneers in introducing compact detergents in India using less raw material and packaging material, while ensuring superior consumer value.
- Whisper and Pampers: Re-designed packaging to reduce thickness, thus reducing raw material usage and saving paper.

- Olay: Re-designed pump package reduces plastic consumption and is 25% lighter. Saves over 400 tons of packaging a year (the weight of a Boeing 747).

9.1.4 P & G Long-term Operational End-points:

- Powering our plants with 100% renewable energy
- Emitting no fossil-based CO₂ or toxic emissions
- Delivering effluent water quality that is as good as or better than influent water quality with no contribution to water scarcity having zero manufacturing waste go to landfills some of the excellent approaches being shared below as far as Long-term operational end-points are concerned.
 - P&G's Baddi plant has adopted various innovative ideas to transform 575 tons of scrap material into useful daily needs. The melted plastic is being used for making chairs while the metal laminate is being applied as mixture with cement for construction. 380 tons of shampoo production waste has been converted to car washing agent. 5.5 tons of manufacturing scrap of skin care product has been turned into tire polishing material. The plant has achieved 40% reduction in carbon footprint over the last 3 years
 - P&G's Goa plant has recycled and reused over 4000 tons of scrap, which equates to the daily paper & plastic waste generated by 12 times the population of a major Indian metro
 - P&G's Bhiwadi plant has saved energy equivalent to the daily energy need of more than 12,000 people in India. The plant saved 13.3 million liters of water last year, enough to fill more than 5 Olympic sized pools. The sludge's from site wastewater treatment plant and the oil soaked cloth from the blade manufacturing process were applied for cement production process
 - P&G's Head Office in Mumbai has reduced its annual energy consumption by over 27% over the last 9 years, saving over 1700 gigajoules of energy. This has been possible with conscious behaviour change from the employees and technological innovations at the facility.

9.2. Godrej India:

Godrej India is one of India's bigger and highly respected companies and a phenomenon name on Earth as far as Green Business is concerned. Godrej is one of those pioneer companies that taken the agenda of Green or Sustainable Business to the next level and always considered as a company which will act socially to develop a healthy and sustainable future for itself or its customer. In following lines an effort being put to frame some of the brilliant approaches taken by Godrej India.

9.2.1. Godrej Good and Green Vision:

In conjunction with their vision for "brighter living" for all stakeholders, Godrej has developed a long-term vision for playing our part in creating a more inclusive and greener India. They have named this the Good & Green vision. By 2020 they aspire to do the following:

9.2.2. Creating a greener India:

In order for businesses to truly become sustainable, efforts will be focused on creating carbon neutral, zero waste, water positive and energy efficient businesses.

9.2.3. Goal:

To become carbon neutral and water positive, achieve zero waste to landfill, reduce specific energy consumption and increase our renewable energy sources.

The Godrej Group has already been working on these goals as they are signatories to the CII code for Mission of Sustainable Growth (MSG) which is a 10-point program for ecologically sustainable business growth.

9.2.4. CII - Sohrabji Godrej Green Business Centre (CII - Godrej GBC):

CII - Godrej GBC is one of the 10 Centres of Excellences of the Confederation of Indian Industry (CII). CII - Godrej GBC offers advisory services to the industry in the areas of Green buildings, energy efficiency, water management, environmental management, renewable energy, Green business incubation and climate change activities. CII - Godrej GBC sensitises key stakeholders to embrace Green practices and facilitates market transformation, paving way for India to become one of the global leaders in Green businesses by 2015.

The Centre is housed in a Green Building which received the prestigious LEED (Leadership in Energy and Environmental Design) Platinum Rating in 2003. This was the first Platinum rated Green Building outside of U.S.A and the third in the world.

The way CII - Godrej GBC Operates:

CII-Godrej GBC as part of its Green initiatives has formed the Environment & Recycling Council constituting committed and eminent experts from manufacturing and service sector. The council is playing a catalytic role in facilitating Indian industries to adopt and promote various aspects of Waste Management and Recycling. As part of this initiative, CII-Godrej GBC is making concerted efforts in bringing together all the key stakeholders in highlighting the need and importance of waste management; in order to realize the vision of the council.

A) Focus Areas:

- Industrial (hazardous and non-hazardous) waste management.

- E-Waste management.
- Biomedical waste management.
- Municipal Solid Waste Management.

B) Technical Services Offered:

- Waste Audit / Waste Minimization Study.
- Waste Exchange activities, as a part of Resource Management.
- Technical Projects on Cleaner Production Study , Waste to Energy.
- Technical assistance on diverting and utilization of industrial wastes as AFR.
- Training Programs on Hazardous Waste Management.
- Training Programs on E-Waste Management and other waste management activities.

C) Achievements:

- 1400 energy audits.
- Rs 2350 million annual recurring energy savings realized.
- 16 green SME's funded.
- Rs.122 crore green investments facilitated.
- Sectors covered :Automobile, Buildings & Hospitals, Cement, Chemical & Fertilizer, Engineering, Foundry, Glass, Metals & Metallurgical, Iron & steel, Pharmaceutical, Pulp & paper, Power plants, Sugar, Synthetic fibres, Textiles & Tyres.

9.2.5. Innovating for good & green products:

Godrej India believes a good product/ service is that which addresses a critical issue for people living below the poverty line. The issue could be related to health, hygiene, water, sanitation, housing, education or livelihoods.

A green product / service is that which reduces energy, water or material consumption by 20%, GHG emissions by 20%, eliminates toxic materials or uses 100% recyclable, renewable and / or natural material.

9.2.6. Goal:

To have a third of portfolio revenues comprise good and/or green products and services – defined as products that are environmentally superior or address a critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid.

9.2.7. Green Approach:

Godrej's green approach has brought huge recognition, such as:

- Godrej Appliances launched India's first 100% green refrigerator in 2002, and to date Godrej is the only company to have a 100% green refrigerator.
- Godrej Appliances was the first to launch a 5 star DC range.
- Godrej Refrigerators were conferred the National Energy Conservation Award 2009 by the Government of India.
- Godrej & Boyce received the Leader in Energy Efficiency & Sustainability Award.
- Godrej Bhawan got the LEED Gold Certification by the US Building Council, the first such building in Mumbai.

9.3. Hindustan Unilever:

The global FMCG giant Unilever popularly known as Hindustan Unilever in India for decades is acting as a global leader in term of Green Business is concerned. Today they believe immensely in Sustainable or Green Business in their every action and the vision they live by. Truly they are following the principle of 3P- people, profit and planet. They have set up a common plan or blueprint for all the countries they are operating including India.

9.3.1. Sustainable Commonplace:

Today their purpose is to make sustainable living commonplace that means helping to build a world where everyone lives well and within the natural limits of the planet in following way:

- Brands that offer balanced nutrition, good hygiene and the confidence that comes from having clean clothes, clean hair and good skin.
- Products which are sustainably sourced and used in a way that protects the earth's natural resources.
- Respect for the rights of the people and communities we work with throughout the world.

9.3.2. Hindustan Unilever Strategy to Sustainability (The Compass Strategy):

In Unilever the strategy for sustainable growth is called as The Compass strategy. It sets out a clear and compelling vision of our future, in which our brands and services reach and inspire people across the world, helping us double the size of our business whilst reducing our environmental footprint and increasing our positive social impact. By leveraging our global reach and inspiring people to take small, everyday actions, we believe we can help make a big difference to the world.

9.3.3. Hindustan Unilever Vision:

Unilever Vision is to Double the size of the business, whilst reducing their environmental footprints and increasing their positive social impact. In order to achieve their goal in 2010 Unilever launched, The Unilever Sustainable Living Plan which acts as their blueprint to achieve their Compass Vision by 2020.

9.3.4. Hindustan Unilever Sustainable Living Plan:

Unilever has launched the Unilever Sustainable Living Plan has set out three big goals to achieve by 2020:

- Help more than a billion people take action to improve their health and well-being.
- Halve the environmental footprint of the making and use of their products as they grow their business.
- Enhance the livelihoods of millions of people as they grow their business.

9.3.5. The Three Major Goals & their commitments:

The Unilever Sustainable Living Plan is distinctive. It spans their entire portfolio of brands and all countries in which they sell our products. It has a social and economic dimension – their products make a difference to health and well-being and their business supports the livelihoods of many people and when it comes to the environment, they work across the whole value chain – from the sourcing of raw materials to the way consumers use our products.

The Plan is helping to drive profitable growth for Unilever brands, save costs and fuel innovation.

1. Improving Health & Well-Being:

It has got two commitments:

- Healthy & Hygiene
- Improving Nutrition

2. Reducing Environmental Impact:

It has four commitments:

- Greenhouse gases
- Water use.
- Waste & packaging
- Sustainable sourcing.

3. Enhancing Livelihoods:

It deals with three commitments:

- Fairness in workplace
- Opportunities for women.
- Inclusive business.

9.3.7. Highlights of Hindustan Unilever goals achievement in 2013:

- 58 million people reached through Lifebuoy Hand washing Programme since 2010.

- 57.5 million people gained access to safe drinking water from Pureit globally, by end of 2013.
- CO emissions per tonne of production in India reduced by 27%, water usage by 37% and waste by 84% compared to 2008.
- In 2013, total 35 sites out of 38 sites became zero non-hazardous waste to landfills; an addition of five more sites compared to previous year.
- Out of 38 HUL factories, 33 became zero discharge in 2013.
- A total of 86 tea estates in Assam, Darjeeling and Tamil Nadu were certified 'Sustainable Estates' by the Rainforest.
- 80% of tomatoes used in Kissan Ketchup were from sustainable sources.

10. CONCLUSION

It has been found that doing business sustainably is possible and that brands that build sustainability into their offer are more appealing to consumers. Green business opportunities provide consumers with ecologically sound products and services. These environmental friendly businesses also provide a competitive niche. As business continues to do more with less, green business opportunities are certainly here for the long haul. In addition to protect and preserve the environment, “going green” is the only way to grow the business by reducing the eliminate waste .The organizations realised that they can make a bigger difference to some of the world’s major social, environmental and economic issues if they leverage their scale, influence and resources to drive transformational change. The green business landscape is healthy and continues to grow. Green business opportunities exist today for both residential and business customers. The future is ready for green business and to dictate the terms as a leader in a profitable niche the organizations need to focus to ensure the long-term viability and growth of green business for healthy and sustainable future.

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