

GREEN TO GOLD

HOW SMART COMPANIES USE
ENVIRONMENTAL STRATEGY TO INNOVATE,
CREATE VALUE, AND BUILD COMPETITIVE
ADVANTAGE

Canola! Growing a Healthier World
Canola Council of Canada & National Institute of Oilseed
Boca Raton, Florida
March 9 - 11, 2008

"No executive can afford to ignore the Green Wave sweeping the business world. This book shows how to make sustainability a core element of strategy—and profit from it."—Chad Holliday, CEO, DuPont



GREEN TO GOLD



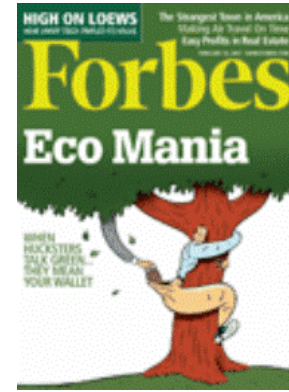
HOW SMART COMPANIES USE
ENVIRONMENTAL STRATEGY TO INNOVATE, CREATE VALUE,
AND BUILD COMPETITIVE ADVANTAGE



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GREEN BUSINESS = BIG NEWS



WHY ENVIRONMENT IS NOW A KEY ELEMENT OF BUSINESS STRATEGY



Energy
Prices



Evolving
regulation



Natural world
drivers



Green-oriented
stakeholders



ENERGY PRICES



- Oil at nearly \$100/barrel
- New energy efficiency logic
- Conservation calculations of the past must be redone



EVOLVING REGULATION

- Carbon controls
 - EU “cap and trade” system
 - Changing U.S. political landscape
 - Emerging interest in China
- Extended producer responsibility
- Waste regulations
- Recycling rules
- Packaging Restrictions
- Limits on heavy metals and chemical exposures



NATURAL WORLD DRIVERS

Climate Change



Energy



Water Quality & Quantity



Biodiversity&Land Use



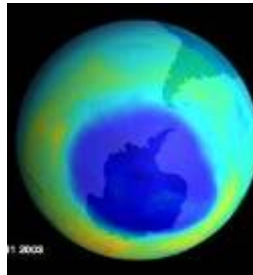
Chemicals, Toxics, Metals



Air Pollution



Waste Management



Ozone Layer Depletion



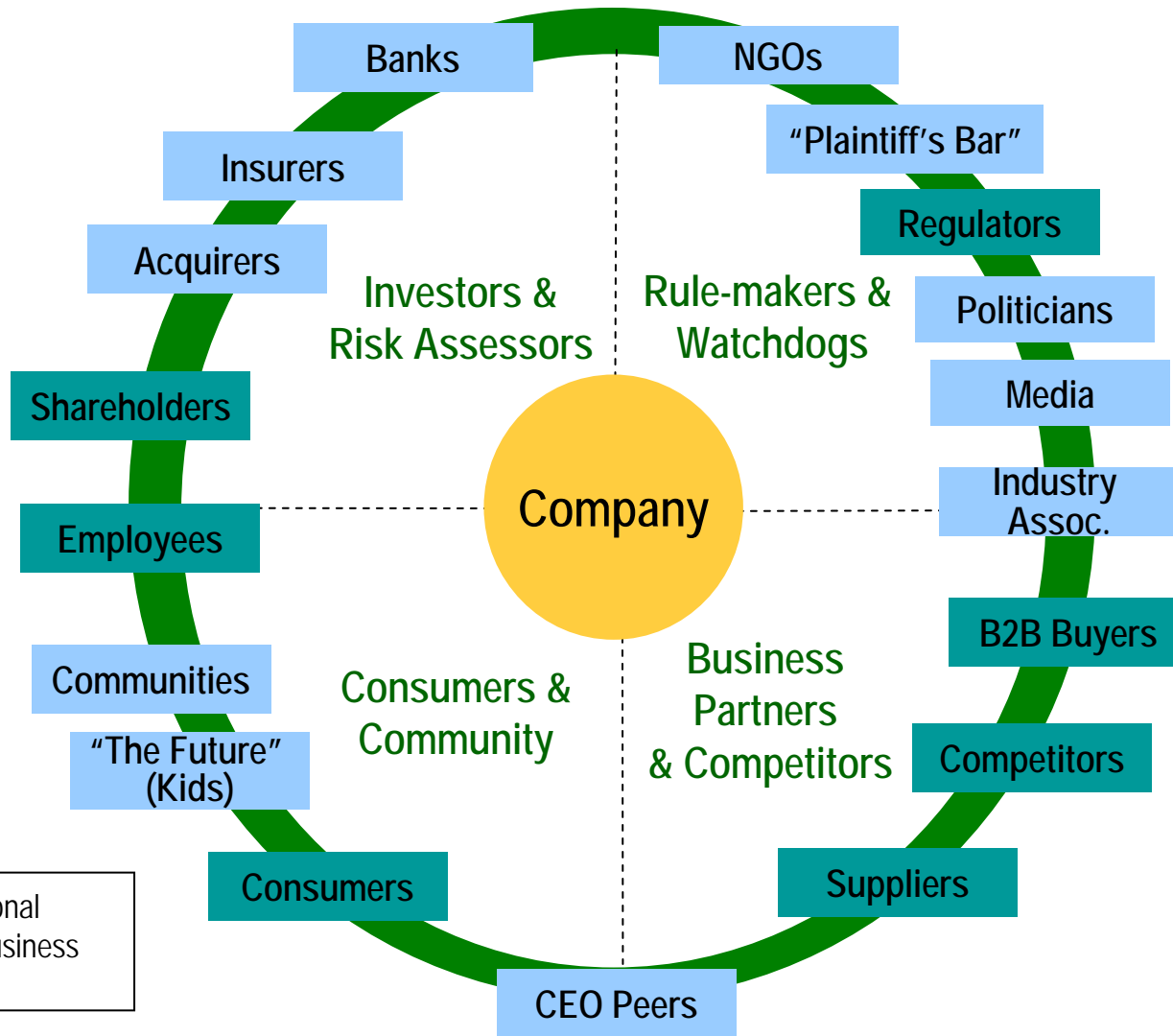
Oceans & Fisheries



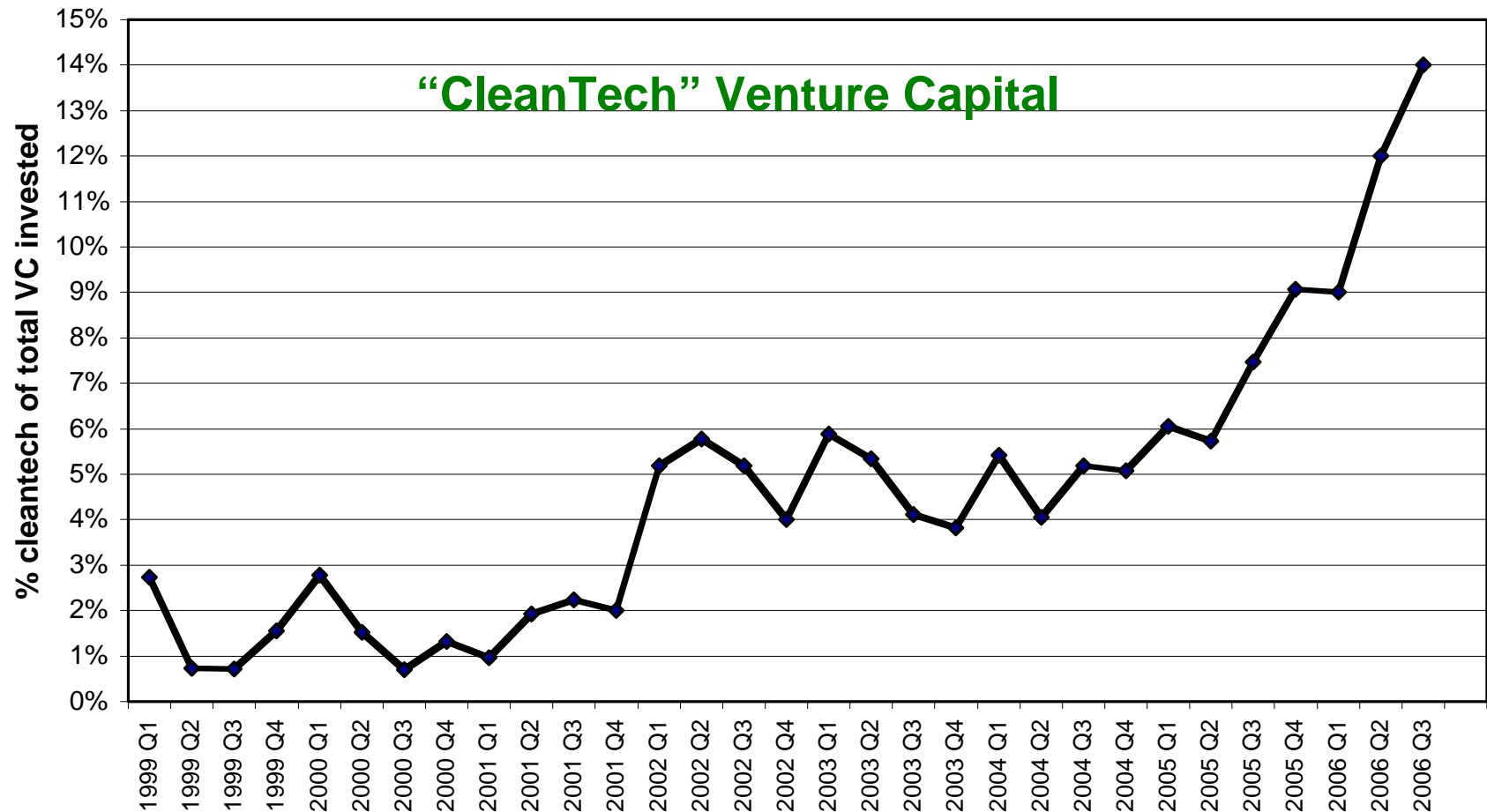
Deforestation



NEW STAKEHOLDERS



CHANGE CREATES OPPORTUNITY



MAINSTREAMING OF GREEN BUSINESS



NEED TO BE STRATEGIC



ELEMENTS OF AN ECO-ADVANTAGE STRATEGY

- Issue spotting
 - AUDIO analysis
- Stakeholder mapping
 - Stakeholder engagement evaluation matrix
- Eco-Advantage “plays”
 - Manage costs & risks
 - Develop upside opportunities
- Environmental management “best practices”

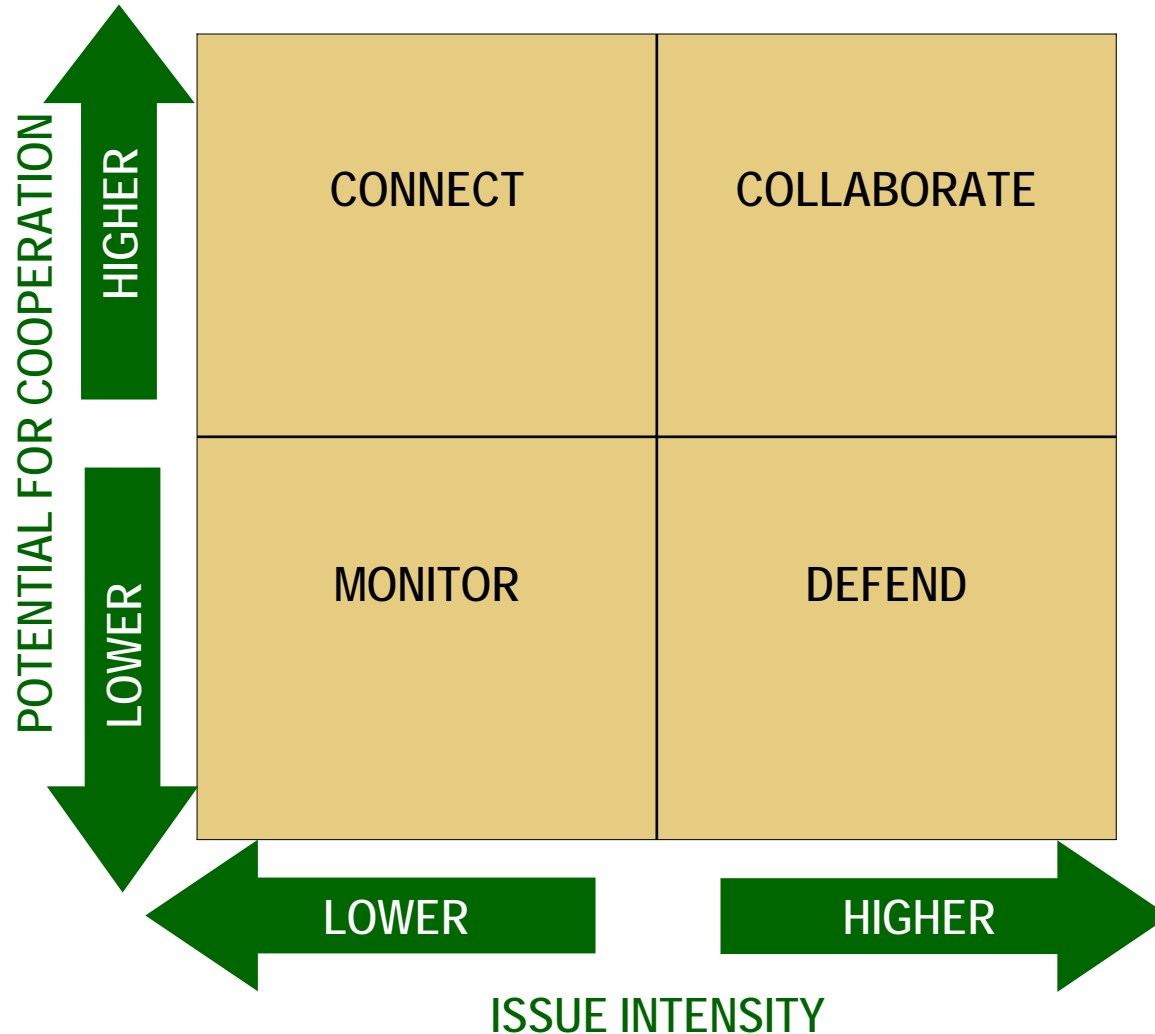


ENVIRONMENTAL "AUDIO" ANALYSIS

Issue	Aspects	Upstream	Downstream	Issues	Opportunities
Environment					
1. Climate Change					
2. Energy					
3. Water					
4. Biodiversity					
5. Chemicals/Toxics					
6. Air Pollution					
7. Waste					
8. Ozone Layer					
9. Oceans					
10. Deforestation					
11. Other (Industry-specific)					



STAKEHOLDER ENGAGEMENT EVALUATION MATRIX



ECO-ADVANTAGE PLAYS

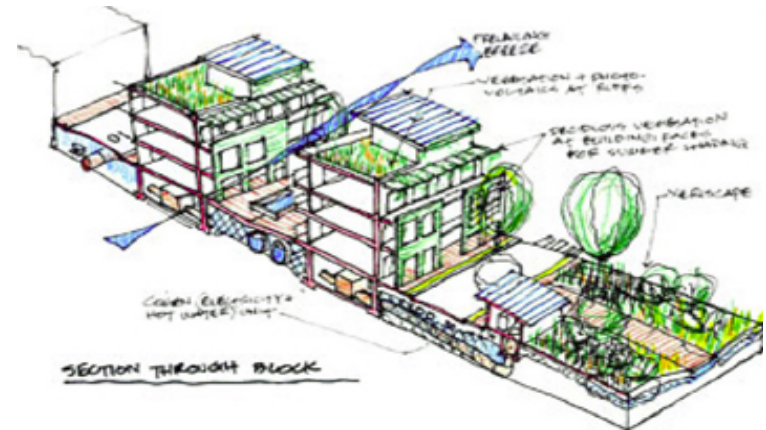


1. Cut costs
2. Lower eco-risks
3. Drive revenues
 - Green consumers
 - New market space
4. Promote intangible value
 - Brand building



ENVIRONMENTAL MANAGEMENT BEST PRACTICES

- CEO commitment
- Environmental management systems
 - metrics
 - incentives
- Be willing to take risks
 - learn from mistakes
- Supply chain audits
- Green design (buildings, production, products)
- Reporting and communications
- Culture of concern
- Regulatory strategy
- Partnering
- Advisory board



WHY ENVIRONMENTAL INITIATIVES FAIL



- Failing to be strategic
- Misunderstanding the market
- Expecting a price premium
- Middle management squeeze
- Silo thinking
- Over-promising



BOTTOM LINE

1. Environmental concerns are here to stay
2. Society's approach to environmental protection is evolving:
 - Information Age tools and opportunities
 - move towards "cost internalization" and market mechanisms
 - private sector as the engine of innovation
3. Corporate environmental strategy is critical to competitive strength
4. It's not easy being green





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