Business has seized the initiative from policy makers in moving to low-carbon economies and conservation, writes Sarah Murray.

Developed by a New York start-up, a controllable radiator cover means residents of homes heated by old steam systems no longer have to waste energy in winter by opening windows to cool off. A growing number of companies see business opportunities in green technologies. But while both start-ups and multinationals are capitalising on these, policy makers have been slower to act.

“Ten years ago I would have said that policy leaders were out front and companies were following regarding the recognition and acknowledgment of sustainability,” says Mindy Lubber, president of Ceres, a US-based coalition of investors and environmental groups. “That has flipped completely.” In Europe and the US, governments have been scrambling to recover from the global economic crisis. Despite evidence that limiting global temperature rise could be cheaper than adapting to them, policy makers have focused on reviving sluggish growth, rather than implementing measures that promote a low-carbon economy and resource conservation.

In emerging markets, too, growth can trump green. In China, where senior leaders have grasped the importance of combating climate change and shifting the country’s energy mix away from coal, national policies can hit roadblocks at the local level. “The framework and recognition are there,” says Peter Lacy, managing director of strategy and sustainability services for Accenture in Asia-Pacific. “But once it gets down to the province, city and county level, there are real world challenges and trade-offs between the environmental agenda and economic development.”

Even for companies that have adopted ambitious environmental goals, it is hard to balance the drive to reduce emissions with the desire to reduce costs. Unilever, which has the goal of doubling its business while halving its environmental impact, recently reported that the total greenhouse gas footprint of its products (including consumer use) had increased by 5 per cent since 2010 as a result of its acquisition of Alberto Culver, the beauty products business. While, in 2011, Unilever’s CO2 emissions from energy in manufacturing were 32 per cent below its 2008 levels per tonne of production, acquiring a new enterprise has meant the company has taken on all the carbon emissions associated with that business, adding to its overall level.

Yet evidence is mounting that environmental sustainability does not necessarily have to involve economic trade-offs. In California, for example, the solar industry has seen rapid growth, with the addition of about 2,600 jobs, a rate of growth five times faster than the state’s overall employment rate, according to research by the Solar Foundation. While industry groups have often resisted tighter environmental regulations, reports from Citi Investment Research and Ceres, found that stricter fuel efficiency standards would in fact boost sales for US car makers. “We have a clear message to the ministries of finance – this is your business,” says the chairman of the Clean Air Coalition to Protect New England’s Climate.

The world is changing. Today, balance and respect are just as essential as mining and its applications when it comes to achieving progress. Sustainable development is the only viable option. That’s what we believe in, and that’s why we invest in new technologies, environmental protection and the development of the communities where we operate. We know we have a long way ahead of us. But by exchanging ideas and seeking solutions that are good for everyone, we believe we can build a brighter future together.
**Talent is drawn to cities that offer fresh air and open space**

Urban change: Municipalities are benefiting from clean initiatives, writes Sarah Murray

It is March, Pepperidge Farm announced it would phase out artificial flavors, coloring and hydrogenated oil from its potato chip products by 2015. The news is significant for the $15bn US snack food market, but also a timely reminder that the ‘rise of the planet’ is happening. The environmental movement is deepening and changing, and the belief that consumption matters is spreading.

The power of the planet is clear in the era of clean capitalism and corporate sustainability. According to a recent New York Times article, 2015 is the year when corporate social responsibility becomes mainstream. The days of CSR as a useful but non-core initiative are over.

The nature of sustainability is changing. From a focus on reducing waste and pollution, to deeper questions of how business, cities and people interact, the conversation is shifting. The challenge is how to make a business difference while doing good. The question, as always, is how can business make change happen?

There are two types of business leaders: those who want to do well, and those who want to do good. For most companies, it is now clear that both are necessary.

Sarah Murray

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**Ethical sales recovery but price is still driving force**

Consumer markets

Shoppers are being offered extra for added benefits, writes Andreas Fendler

The profusion of eco-friendly products could easily be seen as a sign of the times.

Andreas Fendler

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**Sustainable Business The Green Economy**

**Bid for growth, hamper progress**

Continued from Page 2

Capital markets are logical—if you have the right signals, they respond efficiently

Markets, particularly in the growth markets, are demanding that companies have a sustainable business plan. Whether it is a strategy to reduce carbon emissions, improve energy efficiency or ensure that the price of raw materials is not spiraling out of control, sustainability is now a key part of the business plan.

Andreas Fendler

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**Chicago—Co-ordinated effort by diverse agencies help city realise its ambitions**

The monthly Sustainable Markets Index for Chicago is evenly matched between for-profit and non-profit organizations. The newspapers, television stations, radio stations, and community groups are all working together to promote sustainability.

Andrea Felsted

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UN joins mission to balance investment goals

Finance

Timescale mismatch presents a challenge

For the investment world, a "long term" typically means 10 years or more. But if it means decades, centuries and beyond, then the scale is truly vast. That is why a fundamental mission for climate change is to Capital is flowing into environmental initiatives, such as oil and gas reserves, and available to invest in them from impacts such as deforestation.

An initiative by the UN could help to channel that capital, but will take time. The agency that your bank may not have heard of is trying to work within a "sustainable finance" framework. The initiative is trying to enable policy makers to design appropriate incentives.

If you are a day trader, you do not take much notice of "climate issues". But investors, the supply side of the economy, are exposed to the market. As the cost to invest in energy markets rises, the cost of Halien, a co- founder of the UN's Sustainable Finance Initiative, gives his policy recommendations that in very large economies such as China, the US and Europe, money is being moved out of policy measures, such as the cost to invest in energy markets rises, the cost of capital is rising. As the cost to invest in energy markets rises, the cost of capital is rising.

In the last few years, China has also experienced a significant shift in energy use. The country, which relies heavily on coal for its energy needs, is now investing heavily in renewable energy sources such as wind and solar. This shift is not only reducing the amount of coal used, but also lowering the cost of energy for Chinese consumers.

Michael O'Leary, Ryanair's chief executive, has said in the past that the airline industry is undergoing a "green revolution". The company is currently investing in new aircraft that are more fuel-efficient, and it has set targets to reduce its carbon emissions by 2030. Additionally, Ryanair is also exploring the possibility of using sustainable aviation fuels in the future.

Debates to forest code add to farmers' anxiety

Brazil agriculture

Implementation of a new law is essential, writes Joe Lobhny

On arrival at Cuiaba just before the beginning of the 2014 World Cup, the world's media were focused on the controversy over whether the country's "green" initiatives had been successful or not. The country had promised to reduce deforestation in the Amazon rainforest, but critics suggested that the efforts were not enough.

The UN is now trying to help the country implement its green policies by creating a "national green agenda". The initiative has been welcomed by some, but others remain skeptical.

Juggernaut of state control keeps focus on heavy industry

China

Efforts to launch low-carbon initiatives continue to be sidelined by the relentless pursuit of economic growth, says Lucy Hardy

It is the northern Chinese city of Baoding that has been leading the charge on solar energy in China. The solar-panel manufacturing boom in the city has resulted in the city being dubbed the "solar capital" of China. The solar-energy industry has been growing rapidly in the city, with more than 100 companies involved in the sector. The city is among the top five in the world in terms of solar-panel production.

The solar-panel manufacturing industry in Baoding is booming, with over 100 companies producing solar panels. The city is now considered the "solar capital" of China, with more than 50% of the country's solar-panel production coming from the city. However, despite the growth, the city is still facing challenges, including the need for better infrastructure and access to finance.

The energy model is no longer sustainable

Well run companies tend to perform better in environmental terms

Profitability

Initiatives with the bad guys are now in demand

In the world of business, companies are increasingly being asked to demonstrate their social and environmental impact. This is not only due to pressure from shareholders, but also from governments and customers. As a result, many companies are implementing strategies that focus on sustainability, such as reducing their carbon footprint and improving their supply chain practices.

Mike's Green Food, a Japanese company that produces organic and sustainably sourced products, has seen a significant increase in sales since it started implementing sustainability initiatives. The company has also invested in renewable energy sources, such as solar power, to reduce its carbon emissions.

The system is now working

Governments and companies are working together to create a system that rewards good behavior and penalizes bad behavior. This has led to a rise in the number of companies implementing sustainability initiatives, as well as a shift in consumer preferences towards environmentally friendly products.

The system is working, but there is still work to be done. Governments and companies need to continue to work towards a sustainable future, and consumers need to continue to demand environmentally friendly products.
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Repurposing shows potential for high added value

Switching over Dutch groups come round to idea of non-linear operations

While the construction of a new building is a common sight in our towns and cities, a company called Ettu is repurposing old waste to build a new one. It makes architectural interiors in a circular way, so that nothing is left behind. The Quarnford-based company, established in 2008, believes that its approach means more than cutting back on waste. It is an example of how a company that produces old furniture or “chair-making” models to a circular way in which waste, energy and other components can be fed back into the production chain. From the outset, Ettu was able to develop its design technology, production capabilities and organisational structure needed to make a sustained commitment to repurposing waste.  

For a start, the circular approach means new enterprises will need to move from selling products to offering services or remanufacturing components. “We have seen companies that are pursuing this path persuading their clients to keep things for a year, after which companies can keep them for another year, or sell them. The same goes for the company,” said Ettu manager. “And, other parts of the同一个 enterprise can be brought back to the company.”

From this, it is clear that the repurposing of products and their components will become increasingly important. Ettu demonstrates that resource management is a valid way to take away that the circular approach is a valid way to take away that the circular approach is a valid way.

For me, that means that the repurposing of products and their components will become increasingly important. Ettu demonstrates that resource management is a valid way to take away that the circular approach is a valid way to take away that the circular approach is a valid way.