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## Profits and responsibility go hand-in-hand

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P&G is not waiting for the Competition Bureau to legislate its guidelines on green claims

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Neal Hamberg /Bloomberg News

When the Corporate Social Responsibility (CSR) movement began over 10 years ago, its proponents extolled the virtues of cost reductions through eco-efficiency, resource protection and improved brand reputation as a result of sound corporate citizenship. Meanwhile, the detractors of CSR dismissed its warm and fuzzy appeal and lack of objectively measurable results.

With both the maturity of the movement and the new economic reality, there is compelling proof that the proponents had it right, or at least that the scale is tipping in their favour. Indeed, today, with the business world awash in green claims, it is becoming increasingly difficult to see the forest through the trees. And the lack of rigour applied to many of these claims is driving the need for a new approach to sustainability innovation.

Moving forward, the true innovators will observe the tenets of CSR (eco-efficiency, responsible procurement and clear reporting), while simultaneously mining the field of opportunities afforded by the heightened consumer environmental awareness. It is in marrying Responsibility with Opportunity that corporations truly reap the Innovation benefits that sustainability presents: The [R+O=I] of Sustainability.

But who are the organizations realizing the potential of this formula? And how are they bringing to life the [R+O=I] of Sustainability? What does this mean for other businesses?

Global consumer goods company Procter & Gamble has long been a sustainability leader. Surprised? P&G has been listed on the Dow Jones Sustainability Index since its inception in 1999, and featured as a sector leader for seven of those nine years. The company is passionate about staff development, preferring to promote from within, and is a waste-management leader, with 95% of raw material inputs leaving plants as finished products. The corporation has been releasing a Sustainability Report since 1999 and in 2007, on its 170th anniversary, CEO A.G. Lafley instituted a significant change by embedding sustainability into P&G's core values.

Still, in today's marketplace, this model CSR behaviour would only carry P&G so far. Recognizing the opportunity to meet growing consumer demand for products with a lighter environmental footprint, P&G launched two significant initiatives in 2008: a full category conversion to concentrated liquid laundry detergent and Future Friendly - a bundle of household products with at least a 10% improvement in environmental performance.

With its focus on R&D and scientific rigour, P&G is not waiting for the Competition Bureau of Canada to legislate its guidelines on green claims, something Canadians won't see for another year.

P&G is not alone.

In the south of Ottawa lies the community of Manotick, now home to Inspiration - the Minto Ecohome. Inspiration is one of 12 selected to be part of the EQUilibrium demonstration projects, a competition sponsored by the Canada Mortgage and Housing Corporation that challenged builders to design and build an affordable and healthy net-zero-energy dwelling - that is, a home that produces as much energy as it consumes. With its intelligent design, robust insulation and use of renewable energy technology, Inspiration exceeds the CMHC criteria and is, in fact, a net producer of energy. This means the homeowner is selling energy back to the grid and benefiting from the proceeds. Inspiration is the latest in a long line of Minto innovations, from rainwater harvesting to solar applications, including a clever empowerment tool called the "all-off" switch that makes it easy to remember to turn the lights out. No wonder the company was recently recognized by the Ontario Home Builders' Association as the 2008 green builder of the year.

And there is the Greater Toronto Airports Authority (GTAA). It is leading the charge on Partners in Project Green, a growing community of businesses working together to uncover cost efficiencies, generate new revenue opportunities and in the process build an internationally recognized eco-business zone around Toronto's Pearson Airport. It is yet another example of putting the [R+O=I] formula to work, showing that the diverse and competing businesses can realize cost savings and revenue opportunities first by embracing sustainability and second by embracing it collectively - a tall order indeed, but also an exciting prospect and telling indicator of the innovation driver that is sustainability.

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- The Innovolve Group is a sustainability consultancy helping clients commercialize green products and services.

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