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# Sustainability from the CEO Perspective

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In 1987, the term 'sustainability' officially shifted from financial to environmental when Norwegian Prime Minister Gro Harlem Brundtland in a key United Nations report coined the original definition, "Meeting the needs of the present without compromising the ability of future generation to meet their own needs." Two decades later, we've come full circle and corporations are seeing the financial power and business case of focusing on the environment.

To gain perspective on how CEOs view sustainability, on August 16, 2011 I moderated a discussion on efficient sustainability with five business leaders: Greg Babe, CEO, Bayer Corporation; J.P. DeJoria, co-founder & CEO, John Paul Mitchell Systems (and owner Patron Spirits Company); Diane Gulyas, President, DuPont Performance Polymers, Tim Espy, Leader, Strategy and Transformation, IBM; and Bob Shapard, CEO, Oncor & Chairman of the GridWise Alliance. Following are verbatim answers from the executives on 5 key issues: 1. organization view; 2. advancing sustainability; 3. engaging staff; 4. business community; 5. shareholders.

### 1. How does your organization view sustainability?

*Greg Babe, Bayer*: "What I'm most proud of is the fact that we realize that there is a very solid business case for sustainability. Our mission is Science For A Better Life. And the science part is all around our innovation and how we decide to use our discretionary dollars to drive innovation. And we basically drive that through megatrends. And those megatrends include a growing and aging population. As the population continues to grow, there will be an even greater demand for available food on a global level. This same population will continue to grow older and live longer and we must be

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prepared to care for these people. We're also focused on the third megatrend of energy efficiency – or how we manage the increasingly scarce natural resources - which is leading to new innovations in energy-efficient building designs and lightweight automobiles."

Diane Gulyas, DuPont: "From 1990 until present day we have reduced energy use by 6 percent while our company has grown 40%. We estimate over that period of time that we've saved \$6 billion of energy running our factories around the world. But probably the thing I'm most proud of is that we've now transitioned from being footprint-focused to being market-focused."

John Paul DeJoria, John Paul Mitchell Systems (& Patron): "I think besides your own company and what we're doing right now for our yearly profits, we have to look into the future and what we have to do for sustainability to have customers in 10 and 20 years that are living a decent way of life to buy our good products."

Bob Shapard, Oncor & GridWise Alliance: "What you find in big, large industrial concerns is they're fairly sophisticated in how they consume energy. What you don't find is with individual consumers in their own personal lives in residential homes they don't consume energy smart at all. They're not given the information to do it.

What we're trying to do at GridWise is enable consumers by advancing the grid, providing them real-time information about their energy consumption so they can make better decisions. We make decisions all day long on consuming energy, but we have no idea what the environmentally cost impact of those decisions are. What we're finding is if you'll give consumers real-time information they're going to use it smart - it's the equivalent of putting a speedometer in a car. And if we would give consumers real-time information about the impact of their decisions they'll use - studies have shown they'll easily use 10% less energy.

If we could install advanced meters around this country, if we could give consumers more real-time information about what their usage - the impact of their usage is, we would dramatically change the equation."

*Tim Espy, IBM*: "Sustainability is a topic that IBM's really passionate about. Our view is that we now live in a world that's becoming a system of systems and that is a world of multiplicity and diversity. Given that, we believe that for effective action there's got to be collaboration across organizations, not just within one specific organization."

### 2. How can we advance sustainability?

John Paul DeJoria, John Paul Mitchell Systems & Patron: "Sustainability is becoming so important not just with our companies but other companies. We started the site, www.jpselects.com where people can find and shop the inventory of sustainable companies; the day we launched, which was two months ago, we had 103 million hits!"

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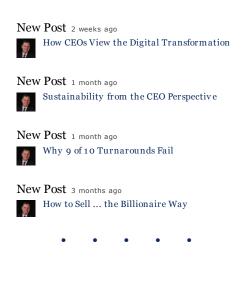
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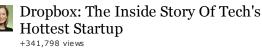
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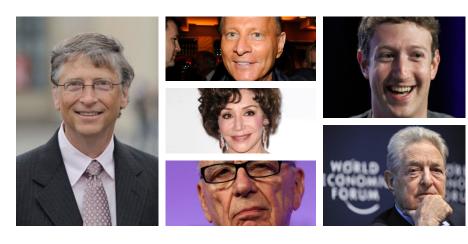
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