

A woman with long dark hair, wearing a blue and white plaid shirt and a black apron, stands in a greenhouse. She is holding a tablet computer and smiling at the camera. The greenhouse has a high, arched glass roof and rows of plants in the background.

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# The Business Case for **Sustainability**

 **Univar**Solutions



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# How Sustainable Business Practices Can Help Deliver Value to the Bottom Line

***Liam McCarroll, Director of Global Sustainability at Univar Solutions***

Few topics are driving more conversation in today's business landscape than sustainability. It's a frequent touchpoint in our culture and especially top-of-mind in the new normal of a post-pandemic world. There's simply no escaping its impact.

Many of the business world's most significant challenges (e.g., climate change, resource pressures, labor shortages) are converging with major generational and demographic shifts and demands for economic transparency. These all add up to a greater incentive for companies to consider their path forward on sustainability. In short, sustainability affects every corner of the business, and stakeholders care more than ever before.

Sustainability is now foundational to how we conduct business in the modern world. Leading and successful companies embed and align their operational, hiring, safety and other core practices with key performance indicators that align with sustainability goals. The bottom line is this: developing a culture of embedded sustainability and investing in sustainable solutions can help deliver value and reduce risk, allowing a company to better compete and win in the market.

That's good news for companies of all sizes, wherever they are on their sustainability journeys. Companies already well down the sustainability road can unlock more value by expanding their actions to address stakeholders' environmental and material concerns, shifting gears to more advanced strategies. For smaller and mid-sized players that may not be as far along in the journey or fear being too far behind the curve, there are more opportunities than ever to capture and uncover value. No matter where your organization is on the journey, embedded sustainability practices can pay clear dividends across the value chain. Let's take a closer look.



## Operating Efficiently is Good Business

Many sustainable practices can help save time and money while making organizations more efficient. Conserving resources and reducing waste have long boosted savings for wise businesses, so optimizing efficiency is an excellent place to start. But while organizations largely accept this notion, many don't realize how much money they might be leaving on the table by not fully exploiting the breadth and depth of possibilities around sustainable practices.

The use of resources to run our businesses is unavoidable. However, sustainably speaking, not all resource use and waste treatment and disposal are equal. As we move from a linear model of resource use (produce-consume-dispose) to a circular model where we seek to maximize the useful life of resources across the business, vetting all opportunities to eliminate waste, recover materials and increase reuse can help deliver unrealized value.

For companies new to sustainability, much can be done to minimize or move closer to zero waste in production and processes. Where zero waste is not possible, beneficial reuse and strategic recovery and recycling can help achieve additional gains. Every element of the waste stream can be reconsidered and optimized. Every drop of water or canister of gas is up for consideration in an effort to bring value to the bottom line.

## Decreasing Risk is Good Business

Over the past few years, global events have underscored the need for businesses to anticipate disruptions or at least plan better ahead to mitigate environmental, operational and financial risks. A business must protect its social license to operate through responsible and sustainable safety practices that consider employees' health, safety and well-being and the communities and environments in which they operate. Risks that pose environmental, social and governance issues are highly visible and carry enormous consequences.

Businesses face many mounting risks tied to sustainability: compliance risks triggered by rapidly expanding regulatory frameworks, financial risks due to resource availability and volatility, and the damaging reputational risks linked to unethical and irresponsible practices. In addition, rising energy prices and competition for supplies alone will have decision-makers considering new and better ways to obtain and use needed materials.

New materials, technologies and practices can help companies stay agile and resilient in the face of uncertainty, supporting capabilities to withstand resource challenges or anticipate supply chain disruptions. Organizations that implement sustainable practices like these and others that are similar can help promote health and safety and decrease risk:

- Embedding better safety and material handling practices focused on human factors
- Substituting conventional materials for equally effective alternatives with increased sustainable characteristics (safer, more environmentally friendly, circular feedstocks, etc.)
- Investing in resource development and energy-efficient technologies for long-term operational expenditures.

## Offering Better Products and Services is Good Business

Increasingly, consumers understand the effects of their purchasing decisions and are willing to pay for products that deliver better environmental and social impacts. They also value safer, cleaner and more transparent choices and understand the difference between greenwashing (falsely conveyed improvement claims) and real, verifiable change.

With sustainability affecting nearly every link of the value chain, it's easy to see why building sustainability into product and service lines would be a wise move. Fortunately, technology and innovation are helping answer the tallest environmental challenges, and the advances across industries and sectors are truly inspiring in their ability to serve people and the planet responsibly.

Whether it's reducing volatile organic compounds (VOCs) in formulations, offering more circular packaging solutions, or incorporating new, plant-based ingredients and sustainably sourced materials for greener food, beauty and cleaning products, manufacturers are finding they don't have to sacrifice performance or profitability for sustainability.

Of course, every business is unique, and the road to a more sustainable future looks different for each one. Still, the chemical and ingredient industry has an essential role to play as the world addresses common challenges. Manufacturers and chemical suppliers rising to the challenge to offer their customers more and better sustainable products and services will likely see their value rise accordingly.

Whether manufacturers source sustainable materials, build more sustainable features into existing products or create entirely new products or services to address

global challenges, sustainable solutions will continue to offer opportunities for competitive distinction by creating new markets and revenue streams.

## **Attracting and Keeping Quality Talent is Good Business**

Beyond health and safety, many companies overlook the human element in their sustainability planning and strategies. But in today's business landscape, where the meaning and application of sustainability are more holistic than ever, the societal and human focus on sustainability matters.

Today's strategies go well beyond better employee health and safety to a better employee experience. Whether it's appealing to a generation of employees that seek to reduce their carbon footprints, value a better work-life balance, or overcome pay and opportunity inequalities, it's clear companies will compete on every level to recruit and retain talented workers who value sustainability as a must-have rather than a nice-to-have.

Increasing focus on diversity, equity and inclusion (DEI) is also essential for growing a more sustainable business. A diverse workforce brings different backgrounds and perspectives together, fostering a more inclusive environment and driving innovation. Prioritizing DEI will be critical to maintaining a thriving workforce and achieving the operational excellence that comes when sustainable, forward-thinking practices are put in place.

Simply put, people want to work for companies that do the right thing for people and the planet. Working for a more significant cause – the greater good – is exciting. While this concept might offer slightly less tangible benefits, it shouldn't be underestimated in its value to attract talent and build better teams.

## **Taking Care of Your Brand and Your Reputation is Good Business**

Having a reputation for cutting corners, poor labor practices, questionable ethics and compliance, or putting profits before safety jeopardizes the bottom line and puts employees, investors, neighbors and the community at risk. Being known as a company that, through innovation and operational excellence, safeguards employees, business partners, investors and the community helps the bottom line and makes brands more valuable.

Being recognized as a company that leads the way in sustainable solutions and contributes to the greater good is even better. This is where our industry can shine. Working together, with science and ingenuity leading the

way, better chemistry and collaboration produce better solutions to the world's biggest challenges.

## **So, Sustainability is Good Business?**

Considering all the benefits, sustainability is not only good business – it's great business. Making organizational decisions with sustainability in mind helps create better, safer, more efficient and more valuable companies that listen to and care about their employees, customers, investors and communities. People want to work for and do business with companies that share their values and demonstrate meaningful and measurable commitment to people, the planet and the greater good.

Make no mistake: Sustainability adds value. The best way to take care of the business of sustainability is to take care of your business.

## **About the Author**

Liam McCarroll joined Univar Solutions in January 2017, serving as the Global Director of Sustainability. From 2014-2016, McCarroll served as the Global Sustainability Officer at Innovation Group, a major service provider to the insurance industry. He has more than six years of expertise in corporate sustainability and, prior to joining Univar Solutions, held various roles across the energy industry supply chain. McCarroll holds a bachelor's degree with honors in environmental management from the University of Northumbria, a master's degree in environment, health and safety from the University of Sunderland and is currently progressing doctoral studies on workplace pro-environmental behavior.

**At Univar Solutions, we believe that sustainability makes good business sense and aligns with our core values of being serious about safety, a place where people matter and a company that's valuable to others and does what it says so that together, we win. These sustainability principles illustrate how working together today, we can help create a better tomorrow through next-generation solutions.**

