



What is sustainability, really?

Business sustainability is a goal for most enterprises. As a micro business owner you may want to sustain an income until retirement or to hand over a viable business to your family. You might be involved in a larger company which has a responsibility to protect the investment from shareholders and aims to increase its value. **But what is ‘sustainability’ and how can manufacturers achieve it?**

Traditionally businesses maintain a strong focus on factors that have a clear and direct effect on their economic performance. This is usually assessed by looking at financial measures such as cost of materials and overheads, quantity of sales and profit margins.

Increasingly firms are adopting a broader view and taking account of their relationship to the environment and the community. This is not just for the ‘feel good’ factor. It enables them to fully assess the potential and actual impact on their business – the costs and the benefits – from their interactions with the local and broader community and with the physical environment.

Making the perfect product with great profit margin is pointless if no one will buy from your company because of your association with a supplier who is known for exploiting underpaid or child labour, or if the community prevents your trucks from picking up or delivering. The cost of an environmental accident can go beyond clean up and downtime costs into rehabilitation, legal costs, compensation and customer backlash.

A broad future focus is essential for the long term viability of a business and ‘sustainability’.



People – Planet – Profit

Sustainability usually makes us think about carbon footprints, greenhouse gases and ecosystems. This is the environmental aspect of sustainability. Two additional aspects are generally recognised as contributing to sustainability – economic and social sustainability. These are often referred to as ‘people – planet – profit’.

Social sustainability activities focus on maintaining mutually beneficial relationships with employees, customers and the community.

Economic sustainability activities focus on business growth, efficiency, productivity and profit.

Environmental sustainability activities focus on the potential impact of resource usage, hazardous substances, waste and emissions on the physical environment and often have a direct cost benefit for a business.

Sustainability is a balancing act where business decisions take into account the impact they may have on the three aspects of sustainability including the economic viability of the business.





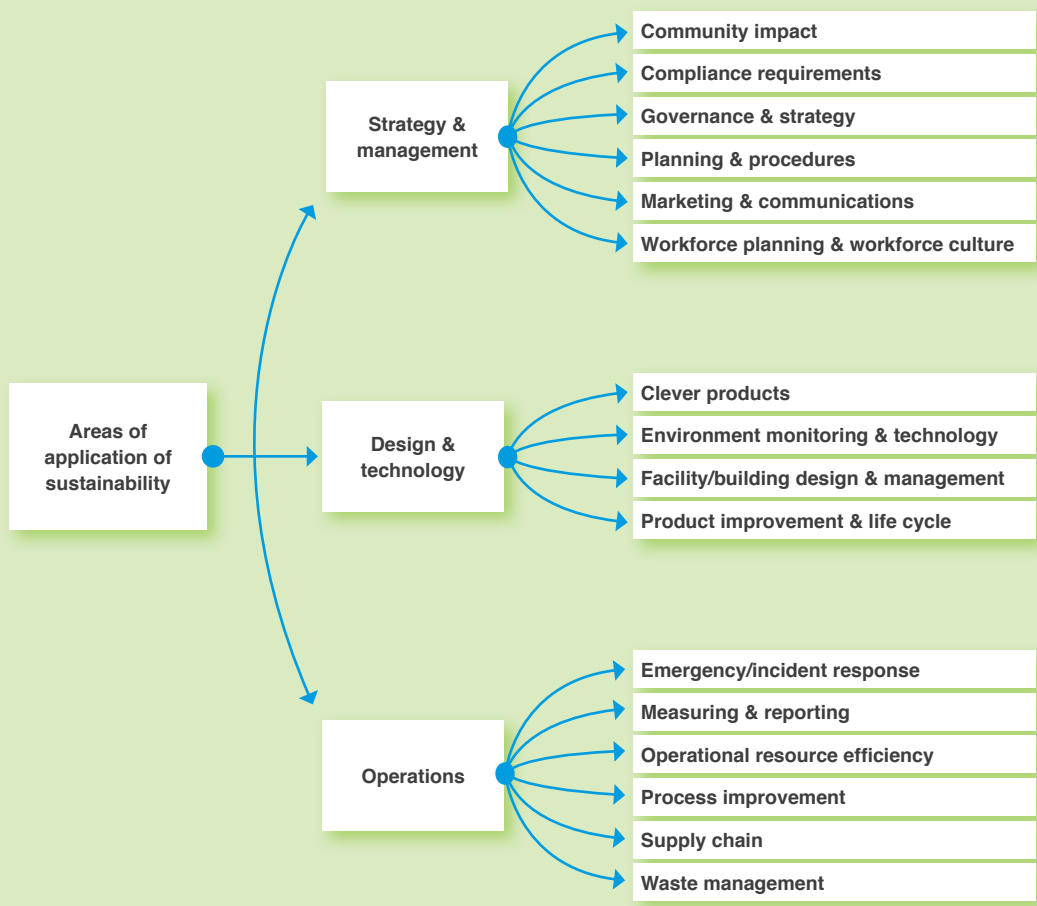
How is it relevant to me?

Many enterprises identify direct business benefits from their investment in sustainability, for example:

- a whole of business view that supports innovation and improvement ideas from all levels in the enterprise
- skilled, knowledgeable and engaged workers who perform consistently to deliver quality products on time
- reduced waste disposal costs and less waste to landfill by re-use, recovery and recycling of scrap and waste material
- avoiding or reducing the number of incidents, emergencies or injuries and potential associated costs from legal proceedings, compensation, rehabilitation, clean up, environmental mitigation and public opinion
- opportunities in 'green' markets which are estimated to reach a value of \$US2.7 trillion per year globally by 2020.

You can find benefits from sustainability activities whether you choose to focus on big ticket technology and product improvement projects or low cost efficiency drives that deliver productivity gains and a reduced carbon footprint.

MSA has identified key areas where environmental, social or economic sustainability activities are usually targeted





How do I do it?

You can apply activities that support sustainability through almost any aspect of a business. You can choose to focus on different areas of sustainability but, like any other business decision, your strategy should be based on a review of the options and how they support your business goals. Looking ‘behind the scenes’ at your business operations can help to identify:

Workforce sustainability



Who is doing it?

Alcoa Fastening Systems moved to a new plant and used a grant from Australian Industry Group to optimise the environmental performance of the new facility.

The optimisations included:

- roof insulation and exhaust fans
- improved day lighting through high performance glazing in the warehouse
- raised computer room floor to assist cooling
- rain water connected to toilets
- high grade carpet to provide better insulation in office areas.

Fuji Xerox is aiming to achieve zero landfill, no pollution and zero illegal disposal. Its Australian eco-manufacturing centre collects used Fuji products such as copiers, printers and cartridges and disassembles them to be re-used and/or re-manufactured into products of equal or better than new condition.

The eco-manufacturing centre:

- has returned \$240 million on a \$22 million investment over 15 years
- re-manufactures approximately 250,000 parts and subassemblies annually to 'better than new' condition
- accounts for 40 per cent of Fuji Xerox Australia's spare parts requirements by value.

Woolworths logistics division has implemented a range of energy efficiency measures across major distribution centres



Useful information

Sustainability skills

Skills for sustainability www.sustainabilityskills.net.au

Manufacturing Skills Australia www.mskills.com.au

MkillsManager workforce development tools www.mskillsmanager.net.au

Federal government and regulators

Department of Climate Change and Energy Efficiency www.climatechange.gov.au/

Department of Sustainability, Environment, Water, Population and Communities
www.environment.gov.au/index.html

Department of Resources Energy and Tourism
www.ret.gov.au/Pages/default.aspx

Equal Opportunity for Women in
the Workplace Agency (EOWA)
www.eowa.gov.au/default.asp



**Amcor has achieved a 48%
reduction in waste to landfill**



Standards and other initiatives

ISO 26000 Social Responsibility Guidance Standard is a voluntary standard which provides guidance on corporate social responsibility (CSR) and the issues an organisation needs to address in order to operate in a socially responsible manner.

www.iso.org/iso/social_responsibility

ISO 14000 Environmental Management Systems (EMS) is a voluntary set of standards for setting up an enterprise EMS and improving environmental performance against objectives. www.iso.org/iso/iso_catalogue/management_and_leadership_standards/environmental_management.htm

The Australian Packaging Covenant is a voluntary code designed to minimise the environmental impacts arising from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials. www.packagingcovenant.org.au/

The Global Reporting Initiative (GRI) is a voluntary reporting framework. The GRI reporting guidelines and sector supplements explain sustainability indicators and measurement techniques that can be applied or adapted across most sectors.

www.globalreporting.org/ReportingFramework/ReportingFrameworkOverview/

The National Pollutant Inventory (NPI) has a series of Emission Estimation Technique (EET) manuals for each reporting industry outlining the industry processes and approaches for estimating emissions. The techniques can be used even if an enterprise is not required to report to the NPI under the National Greenhouse and Energy Reporting Scheme (NGERS).

The full list of manuals is available on the NPI website at www.npi.gov.au/

**Visit www.sustainabilityskills.net.au
to view detailed information
on sustainability in business**



Skills for Sustainability



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