

Sustainability surveys making way down to small cos.

By Kyle Alspach

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In May, sustainability consultant Bryan Sheehan got an email from a worried client, a small New Hampshire manufacturer.

The company had just received a survey from one of its customers asking 30 specific questions about the company's environmental and social practices. And the company had to act fast to turn it around — the survey was due in two weeks.

The questions looked "very similar to the kinds of questions you see in some of the Fortune 500 companies' supplier sustainability assessments or surveys," said Sheehan, founder and president of **SymbioSus Sustainability Consulting Inc.** in Southborough.

But this customer wasn't a Fortune 500 — and the manufacturer hadn't been expecting this type of inquiry, Sheehan said. Such surveys, however, shouldn't be such a surprise to small suppliers going forward, according to consultants.

For years, larger suppliers to certain Fortune 500 companies — **Wal-Mart**, **IBM** and **EMC Corp.** for instance — have known they would have to answer for their sustainability records and goals. Surveys from those big players on greenhouse gas emissions, recycling and the like have become commonplace.

But consultants say they've been expecting the surveys to begin to move down the supply chain to smaller suppliers — and now, anecdotal evidence suggests this is starting to happen.

"We're seeing companies from across sectors and across sizes start to make pretty serious inquiries to their suppliers," said Matthew Gardner, a director of consultancy **Sustainserv Inc.** in Boston. "They are requiring a much higher degree of transparency. Companies need to be prepared for this — need to be prepared



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Consultant Bryan Sheehan said a survey sent to one of his clients about its sustainability practices has turned up the heat for small companies.

to answer these kinds of inquiries."

For now, Gardner and Sheehan say they haven't been aware of any companies that have lost a customer over sustainability issues. But Gardner said he expects sustainability to be an increasingly important factor when contracts are negotiated.

In the case of the small New Hampshire manufacturer, the survey asked questions both about current performance (does the company have an environmental management system to reduce environmental impacts?) and future targets (does the company have published goals for reduction of energy use, greenhouse gas emissions, waste and water use?)

The company had made strides in many of the areas, but didn't have answers to the questions ready and was concerned because of the two-week deadline, Sheehan said. "Even for a company fairly ahead of the game, they felt an added bit of pressure," he said.

Sheehan suspects the short window could have been for several reasons. One possibility is that the company sending out the survey was facing pressure to quickly pull together information for its own customer; another is that the company wanted to get a snapshot of the current sustainability picture, and not give time for the supplier to make changes.

The survey gave no indication that contracts would be affected based on the results, but "there is that implied risk that (the supplier is) expected to make continued improvement," Sheehan said.

Boosting sustainability efforts offers many benefits on its own, such as cutting costs and inefficiencies, he noted. But companies that act now to prepare for these types of inquiries could make themselves stand out from their competitors, Sheehan said.

"To stay ahead of the game, you probably want to be proactive about this," he said.