



Green Companies:

Legitimate Claims & Actions of Sustainable Business

By Thea Hui Yang

Thesis Advisors: Dr. Joe Storlien & Dr. Derek Larson



Introduction:

With the increasing concerns for the environment, more companies with green perspectives are seeking sustainable ways to operate. These companies are described as “green” companies because they tend to reduce environmental burdens by applying sustainable strategies which are believed to be better for the planet. What is a sustainable business? What are the benefits of being sustainable? What are some real improvements that companies make by becoming sustainably focused? How can sustainable business reduce environmental impacts?

This study answers these questions by exploring the potential for manufacturers to be both sustainable and profitable. This project measured whether claims of leading sustainable business were legitimate or if they were merely greenwashing. This study wants to understand how sustainable strategies companies are already employing can be expanded into other organizations.

Methods:

This paper focuses on a sustainability analysis of Patagonia, Tesla, and Coca Cola. By researching companies from the different industry, this enables one to think about the questions like which company has better performance on improving sustainability and approaches its sustainability goals? In order to determine which company is more legitimately sustainable, there are different criteria to measure.

There are two major scales to weigh sustainability – how sustainable the producing process is and how sustainable the product is. For clothing industry, Patagonia claims to be a sustainable business, the production process becomes a crucial measurement to determine whether they legitimately approached sustainability or not. Likewise, Coca Cola will be viewed as legitimate sustainable business when they improve sustainability in producing process such as use recyclable materials to produce bottles. The main criteria of measuring sustainability Patagonia and Coca Cola are how sustainable the production process is. However, Tesla is viewed as a sustainable company because of their sustainable products. Therefore, the criterion of measuring sustainability for automobile industries are how sustainable their cars are and how much environmental impacts their car reduced such as carbon emission.

Clothing Company: Patagonia

Sustainability Philosophy & Missions

“Building the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.” - Sustainability Philosophy of Patagonia

- Producing clothing using 100% organic cottons
- Decreased the use of synthetic fibers such as polyester and nylon (not biodegradable)
- No toxic dyes or harmful effluent
- Create multifunctional products
- Recycled products and worn-out garments into polyester fibers to produce clothing.

2016 Sustainability Report of Patagonia:

- ◆ 25% less carbon emissions
- ◆ Reduce 30% less energy
- ◆ Use 84% less water
- ◆ Recycled more than 13,200 pounds of fabric
- ◆ 80%-90% apparel are recyclable



Result:

Patagonia is a successful apparel company that is legitimately sustainable. Patagonia reached its sustainability missions to reduce the environmental impacts through taking practical actions.

Conclusion:

Company	Scale of Weighing Sustainability	
	Production	Product
Patagonia	3	3
Tesla	2	2
Coca Cola	2	1

3	Sustainable Scale
2	Very sustainable
1	Sustainable
	Not sustainable

Automobile Company: Tesla

Sustainability Philosophy & Missions

Tesla’s mission is to accelerate the world’s transition to sustainable energy. - Elon Musk, the CEO of the Tesla

- Zero gasoline consumption
- Zero carbon emission while car operation
- Lower the cost of lithium-ion battery
- Aim to incorporate Tesla with the SolarCity to replace lithium-ion battery to a complete renewable energy battery storage system

Result:

Tesla is approaching its sustainability goals. However, the electric cars of Tesla cannot be viewed as fully sustainable products. Tesla cars run on electricity which will be generated from different sources. The most common electricity generation is fossil fuel. Therefore, electric battery-powered car can be seen as coal-burning cars. Generating electricity brings environmental impacts too. Coal burning power plants emit not only carbon dioxide, but other noxious gases such as nitrogen oxides and sulfur dioxide in a greater quantity than gas-powered cars. Hence, the electric cars of Tesla for now does not make Tesla a completely legitimately sustainable company.

Beverage Company: Coca Cola

Sustainability Philosophy & Missions

“Dedicated to contributing to a healthier, happier world.” - Coca Cola

- Used PET plastic to produce bottles which made from up to 30 percent plant-based materials (PlantBottle)
- Recover and recycle 60% bottles and cans
- Reduced carbon emissions 14% in total - 20%-25% reduced from packaging

Result:

The practice of Coca Cola is the least convincing of being legitimately sustainable. Coca Cola did not reach the 30% plant materials of producing bottles. Most bottles contains only a maximum of 15% plant materials. Soft drink production in general uses tons of water and leaves ton of waste. Moreover, the distribution of Coca Cola emit hundreds of thousands of pounds of carbon emissions.