

# [Steve sustainability program includes policies and changes that](https://assignbuster.com/steve-sustainability-program-includes-policies-and-changes-that/)

SteveBuckley EMBA 215Regulatory and Ethical Environment of Business January28, 2018    Water Sustainability Plan – Final Report          Water Sustainability Program – State Bank of India California(SBIC)California has endured severalsustained periods of drought, leading to reduced groundwater availability, astressed water infrastructure and increased public and political pressures toconserve resources.  Businesses areincreasingly becoming targets of both social media and politicians, requiring aproactive approach towards water sustainability.  The following proposal for SBIC’s sustainabilityprogram includes policies and changes that allow for economic and publicitybenefits while minimizing legal and regulatory risk. SBIC can play a significant role inwater conservation and acting as a leader in promoting sustainable waterusage.

The proposed water sustainabilityprogram focuses on two areas: minimizing the corporate footprint and promotingsustainability to our clients. Corporate FootprintImplementa water sustainability training program to include mandatory training andongoing, distribution of educational materials. Engaging an outside consultant to develop the program is required. Performa water footprint assessment for all offices. In coordination with training, SBIC should determine where areas ofwater waste exist and how they can be minimized.  This could include maintenance of plumbinginfrastructure and/or upgrading toilets, facets, etc. Consultwith property management companies at SBIC locations about their own watersustainability plans.  Ensure that theyare property maintaining landscaping and implementing water saving features.

ClientSustainability ProgramIncorporatea company’s water sustainability plan into loan underwriting, ensuring allclients are mindful of the need to eliminate waste. Createa lending program specifically for improvements to water conservationefforts.  Including, low-cost loans forimproving irrigation systems of agricultural and commercial clients.

SBIC has an opportunity to stand as aleader in the legal charge to “ Make Water Conservation a Way of Life” (1).  In 2016, Governor Brown signed the executiveorder requiring several of the drought emergency protocols becomepermanent.  Promoting internal andexternal water conservancy can act as a source of cost savings, revenuegeneration and social/environmental recognition.

Corporate FootprintUrban water use in California equatesto approximately 10% of the state’s total usage. (2) With an estimated 50% ofthat use is for residential landscaping, residence need a source of educationabout how their usage impacts the state. (3)  Providing a training program not onlydemonstrates SBIC’s commitment to water conservation, it also establishes aculture of ethical responsibility to bettering the community as a whole.  Through conservation and educational efforts, California was able to reduce usage from 178 gallons in 2010 to 130 gallons perday by 2015. (4) Through continued education, employees can help to furtherreduce this usage.    In coordination with education, SBICneeds a partner to assess their current water footprint.  Engaging the Water Footprint Network for anassessment will determine areas of waste and areas of improvement.

Asthe network states, “ Understanding your water footprint is to understand wherewater is important to your business and how it relates to the products you aremaking.” (5)  As a financial institution, SBIC can make incredible savings by reducing our usage throughout the 8branches.  Per the EPA, office buildingsaccount for approximately 9% of all commercial/industrial water usage.

37% of that usage is for domestic/restrooms. (2)  Implementing water saving measures such asutilizing WaterSense labeled fixtures can save as much as 20% in water versusconventional fixtures. (2)  Additionally, California provides rebates and incentives for installations; $100/toilet,$150/urinal. (6)  Beyond the ethicalresponsibility to conserve, there are economic incentives to implementsustainability measures. SBIC canfurther lead in water conservation by educating and working with propertymanagement partners to enhance their water saving methods. Landscaping for office complexes accountsfor 22% of water usage for the industry. (2) Ensuring that locations that house a SBIC office are compliant with lawsand maximizing water conservation, we can promote our brand as stewards ofwater sustainability.  A proactiveapproach to water management stays in line with Senate Bill 814, which couldresult in “ fines and possible drought-shaming.

” (7)Client SustainabilityWhileinternal water conservation is important, SBIC must ensure that our clients areethically managing their own water resources. Especially in the field of agriculture, we have a duty to educate andassist businesses in water sustainability. All loans need to include a client’s water sustainability plan and/orefforts used to maximize water usage.  Ifone is not implemented, SBIC should aid in its creation.  Agriculture utilizes 40% of the totalCalifornia water usage, which translates to 80% of all non-environmental usage.(4)  With passage of the Sustainable GroundwaterManagement Act in 2014, agricultural producers will be under extreme pressurefor water reduction practices.  Sustainabilityplans due in 2020 and 2022, changes are due to increase lending risk. (12)  Managing this process now ensures that SBICremains proactive versus reactive.

Finally, SBIC needs to develop lending programs for agricultural businesses seeking tocreate water conservation.  An example isto provide financing for drip irrigations systems.  A barrier to entry for many farmers iscost; $1, 000-3, 000 per acre. (8) Converting has been documented to save as much as 25% water usage whencompare to gravity fed systems.

(8) Financing can be secured by traditional UCC-1 filings. (9)  Repayment can partially occur throughgrants and rebates from Federal and State agencies.     (8 & 11)  Conservation in agriculture is the highest ofimportance.  Drought conditions haveplaced the industry in a spotlight. Highlighted are the economic inefficiencies of using water foragriculture over urban/commercial use.

Water from the Colorado River sustains Las Vegas and the ImperialValley.  Yet Las Vegas yields revenue ofapprox 7x that of farming in the valley. (10) As lendersto the agricultural industry, SBIC has a moral duty to lead in promotingresponsible use of our water resources. Through conservation efforts recommended within this proposal, we canreduce our corporate footprint and that of our clients.  Not only is this an ethical approach tobusiness, it presents an opportunity for revenue growth.

New lending programs and a reputation forsustainable business practices will generate public approval and new clients.  All leading to higher profitability and brandvalue.