

Steve sustainability  
program includes  
policies and changes  
that



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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.

Client Sustainability Program Incorporate a company's water sustainability plan into loan underwriting, ensuring all clients are mindful of the need to eliminate waste. Create a lending program specifically for improvements to water conservation efforts. Including, low-cost loans for improving irrigation systems of agricultural and commercial clients.

SBIC has an opportunity to stand as a leader in the legal charge to "Make Water Conservation a Way of Life" (1). In 2016, Governor Brown signed the executive order requiring several of the drought emergency protocols become permanent. Promoting internal and external water conservancy can act as a source of cost savings, revenue generation and social/environmental recognition.

Corporate Footprint Urban water use in California equates to approximately 10% of the state's total usage. (2) With an estimated 50% of that use is for residential landscaping, residence need a source of education about how their usage impacts the state. (3) Providing a training program not only demonstrates SBIC's commitment to water conservation, it also establishes a culture 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 per day by 2015. (4) Through continued education, employees can help to further reduce this usage. In coordination with education, SBIC needs a partner to assess their current water footprint. Engaging the Water Footprint Network for an assessment 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 <https://assignbuster.com/steve-sustainability-program-includes-policies-and-changes-that/>

utilizes 40% of the total California water usage, which translates to 80% of all non-environmental usage. (4) With passage of the Sustainable Groundwater Management Act in 2014, agricultural producers will be under extreme pressure for water reduction practices. Sustainability plans due in 2020 and 2022, changes are due to increase lending risk. (12) Managing this process now ensures that SBIC remains proactive versus reactive.

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

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

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

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New lending programs and a reputation for sustainable business practices will generate public approval and new clients. All leading to higher profitability and brand value.