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Inserting the topic of sustainability in the business strategy of 20 model companies in Brazil

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Abstract: This paper explores the issue of inserting the theme of sustainability in the core of corporate business strategies, since this insertion is based not only in punctual improvements in production processes, certifications, awards or adaptations of products and services, but also in the effective thinking about the needs of human beings that this product or service is tending to. From several benchmarks, including a few market surveys, the paper highlights and compares data from 20 model companies featured on the 2011 *GuiaExame de Sustentabilidadewith* the concept of the five corporate development stages, by Nidumolu, Prahaladand Rangaswami (2009) that support the discussion and strengthen the need to align products and services with strategies, in order to have sustainability in business. The conclusion is that few companies are in the most advanced stages and there is the need for greater corporate empowerment on the topic and for further research with similar topics.

Key words: strategic alignment; sustainable development; sustainability in business; corporate sustainability.

1 INTRODUCTION

The sustainability topic can be seen everywhere: in television, newspapers, advertising, cartoons, movies, social networks, T-shirts, company brands, and many other places. In newspapers, one reads about environment catastrophes like Katrina or the earthquake in Haiti or the tsunami in Japan. TV news broadcast the slowness in global leader meetings, named with acronyms like COP or Rio+20, to emit less carbon to the atmosphere. In movies, there are extraterrestrial beings, such as in *Avatar orStar Trek*, defending the nature and base of their planet against insatiable, power-hungry men. In cartoons, there are several humanized animals, walking on two feet and talking, who try to selectively sort waste, something the “evolved” *Homo sapienscannot* do. In social media and networks, many Twitter and Facebook posts feature animals suffering and social themes from around the world. It is also noticed that Brazilian banks are becoming greener, a considerable part of cosmetics companies are assessing their vendors, the automobile and logistics industry are considering the emission of CO2, electric and electronic industries are developing recycling practices, ore and natural byproduct extracting companies are studying their legacy in regions – to sum up, several actions are being conducted aiming at a greater, common goal.

With this concept stamped every day on the news, there is the issue of the theme’s complexity and how companies include sustainability in their activities. In this line, the main purpose of this document is to conduct an analysis on the issue of including the sustainability in the strategy and business of Brazilian companies.

A considerable part of our feeling of powerlessness when facing financial dynamics comes from the fact that we simply do not have the instruments to know what the contribution of different activities to our well being is. The nearly hysterical appeal from the media for a few additional percent points in GDP growth acts on the generalized distress of unemployment and deviates our focus from the main goal, which is quality of life in the society, leaving people confused and uniformed. Poorly informed people, naturally, do not participate. (DOWBOR, 2008, p. 33)

The frantic pursuitof GDP growth by governments and of increased profit by companies leaves aside the real pursuit of activities and products for the well-being of people around the world. More than that – to achieve this utopian well-being for everyone, non-renewable resources are being consumed in an unplanned manner.

We have come to a critical point where the future of the spaceship named Earth, from its passengers to its crew, is no longer certain as it used to be. There are technical conditions to devastate the biosphere, rendering the human adventure impossible. This is the new radical way of being that makes all other issues relative in the sense of diminishing them and making them relative. The true question one must ponder is, therefore, how can the survival on Earth be guaranteed, with its ecosystems, and how can the conditions of life and development of the species *Homo sapiens etdemens* (BOFF, 2001) be preserved.

Despite of all these arguments and demonstrations of the emerging need for a real change of culture and systemic and holistic thinking, and of the challenges and difficulties faced by the planet, most employees, managers, executives and board members in companies, according to Wilhelm (2009), continue to make the same remarks:

- “I have to worry with the first bottom line” (according to the concept of triple bottom line, this would be the financial one).

- “We cannot invest in this now!”

- “It will cost more.”

- “I don’t handle environmental issues.”

- “I am waiting for each quarter’s productivity, and with everything that’s going on, climate issues are not priority.”

- “Even if we do the best we can, there will still be gaps as far as environmentalists are concerned, so what do you want?”

But how can we change this reality, this model in force? Senge, Jaworski, Scharmerand Flower (2007) state that seeing in a new way starts when the usual way of thinking and perceiving is interrupted. They quote the cognition scientist Francisco Varela, who explains that, in order to develop this capacity, there must be “suspension, distancing from the usual flow (of thinking).” To Varela, suspension was the first basic “gesture” to enhance perception. Making a pause does not entail destroying or ignoring the mental templates we have of reality – that would be impossible, even if we tried. It does entail what the famous physicist David Bohm calls “hanging our assumptions in front of us.” Thus, we start identifying thoughts and mental models as products of our own mind. When we become aware of our thoughts, their influence on what we see diminishes. Making a pause allows us to “see our way of seeing.”

Before interrupting our usual way of thinking and perceiving, we must understand the existing mental models in the issues of sustainability, strategy, trend and reality, and then start thinking about the future.

In the future, the unlikely happens instead of what is likely. Can our immaturity be overcome? It is possible, yet unlikely. However, major movements start small. Christianity and Islamism, for example, started with a prophet, and both have become gigantic phenomena. This shows that we must wait for the unlikely. Young people come to me saying they have no cause to fight for, like we did when I was young. I say to them: yes, you do have, the most gigantic cause: your destiny. We need to consider the future with the possibility of hope. (MORIN, 2008)

The WBCSD – World Business Council for Sustainable Development, represented in Brazil by CEBDS – Conselho Empresarial Brasileiropara o Desenvolvimento Sustentável (or Brazilian Business Council for Sustainable Development), through its document *Vision 2050*, aims at viewing the possibilities for the future of the planet with companies. The document addresses three questions: How would a sustainable world be? How can we make it happen? What role can companies perform to ensure quicker progress toward this world?

For this thinking, it is crucial to know the main concepts, ideas and examples on the topic of sustainability, sustainable development and its direct relationship with companies, as well as the main concepts on sustainable products and services, and what must be the core of every company, the reason for existence of an organization that aims at profitability as the reason for its pursuit.

2 DATA AND METHODOLOGY

2.1 Method

For this research, we used vast theoretical bibliographic references, due to the need of understanding the existing relationship between corporate strategies, the theme of sustainability, and sustainable development.

2.1.1 DISCUSSION ON THE METHOD

The investigation explored corporate strategy themes, articulated by definitions, strategies, strategic planning and typologies. Thus, we understand that it is possible to gain more clarity in the alignment of fundamental theoretical concepts of strategy, the base of a company concerning sustainability issues, an urgent topic on present times.

To measure sustainability issues against corporate strategies, a qualitative analysis was conducted based on the 2011 *GuiaExame de Sustentabilidade* (Exame magazine's Sustainability Guide). This analysis was based on the Guide's data when compared with the five corporate evolution stages model, by Nidumolu, PrahaladandRangaswami (2009).

GuiaExame de Sustentabilidadeis an annual publication by GrupoAbril, highlighting companies that are benchmarks in social corporate responsibility – it is the biggest and most respected inquiry on the topic conducted in Brazil, now on its 12th edition. Any companies, whether state-owned or private, open or closed-capital, major, medium and small, can participate in it. The Sustainability Studies Center from FundaçãoGetulio Vargas (GVCes), an institution considered the benchmark in this topic in Brazil, prepares the questionnaire and is responsible for the analysis of information. The questionnaire is divided into four parts, with an approximate total of 140 questions. The first part addresses issues on commitment, transparency and corporate governance. The other parts address the economic-financial, social and environmental dimensions. After being completed, the answers are analyzed statistically, in order to exclude companies with the worst performances in any dimension in the questionnaire. Based on this analysis, a group of nearly 40 companies is selected and submitted to the decision by a deliberative council – comprised of experts – that selects the 20 model companies. In the case of these model companies, there is no ranking, and they are featured in the publication in alphabetical order. In 2011, 158 companies that answered to all questions participated on the survey.

A thorough bibliographic research was conducted to select, understand and analyze data and secondary information, originated from existing market surveys on the topic, stressing the relevance and urgency of this discussion, aiming at presenting the theme by interconnecting the concepts of sustainability with business strategies from the companies selected by this prestigious Brazilian annual business publication.

The research suggests that, when one wants to head towards product and service sustainability, there must be strong alignment with corporate strategies. Reviewing product and service cycles not linked to business strategies can generate costs much higher than the ones forecasted by business managers and investors.

2.1.2Main sustainability concepts

Issues on the non-sustainability of life and, consequently, business have been discussed more frequently over the past decade. Several meetings have occurred aiming at more awareness between nations and partners to reduce the high negative impacts from several industrialized countries that have severe repercussions for the planet, generating catastrophes of environmental, social, economic, cultural, organizational, psychological, human natures, among others.

The term 'sustainability' was the center of discussions during the Earth Summit (United Nations Conference on Environment and Development), held in Rio de Janeiro in 1992. Sustainability was initially defined by the Brundtland Commission in 1987, as "a development that meets the needs of current generations without compromising the ability of future generations to meet their own needs" (or, according to a recent variation, "allowing future generations to do the same").

The 178 nations gathered in 1992 for the Earth Summit listed the main phases towards sustainable development on a founding document, which forms a kind of common program for the 21st century: Agenda 21. In June 2012, Rio+20was a conference held in Rio de Janeiro with the purpose of discussion again the environment, green economy, eradication of poverty and international governance for sustainable development. However, one of the concerns was that the event was a mere balance, because it had no deliberative character, not representing considerable advances in the pursuit of sustainability in the planet.

In addition to these debates, Rio+20 assessed practical results from important documents generated from the aforementioned ECO 92, such as Agenda 21, Conventions on Climate Change and Biological Diversity, Declaration of Principles on Forests, Fight Against Desertification, among others that were prepared afterwards, such as the Earth Charter, in 2000.

2.1.3 Sustainability in companies

According to Laville (2009), the pre-historical time of corporate social responsibility (CSR 0.0) was marked by a philanthropic, patronage posture, developed especially from the 1980sto mid-1990s: at that time, different social and environmental imperatives started being acknowledged by financial instances, and companies started realizing that they could not thrive in declining social or natural environments. Thus, they started engaging in the easiest route: implemented and developed foundations or patronage actions, through which they redistributed part of their profits to organizations for environment protection, human rights defense or fight against exclusion – but without changing one bit of their financial model, strategy or offer.

The second era, marking the creation of the concept of CSR per se (which the author calls CSR 1.0), extended from mid-1990sto mid-2000s: it was characterized by an enrichment of the previous approach, with a more active posture of defense of eco-efficiency and prevention of risks, especially the ones with greater effect on reputations. By opening to outside and to social and environmental issues, companies were confronted with internal and external questions concerning the impact of their own institutional practices in areas such as production, personnel, procurement, among others, over certain issues.

According to the author's reflections, the third era (CSR 2.0), in which we have been for quite some time, corresponds to a revolution that has just begun – but that may have an important impact on sustainable development policies from major groups. Such revolution is fed by several factors combined: the publication of the Stern report, which demonstrated that it is cheaper to fight against climate changes than suffering its consequences; the shock effect from the documentary by Al Gore and the Nobel prize he won; the growing visibility of these topics in the media; the multiplication of headlines about "green growth"; the arrival of "alter--consumers" with strong power of purchase, who incorporate social and environmental criteria to their buying decisions and represent a growing part of the population in developed countries (France, Japan, USA, etc.) (LAVILLE, 2009).

MeloNeto (2004) separates into decades the evolution of the concept of sustainability. Initially, in the 1960s, sustainability emerged as a concept directly associated to environment preservation. Sustainable projects were seen as a set of actions that minimized environmental risks. The idea of preserving natural resources was predominant. Then, in the 1970s, sustainability evolved to the full scope of environmental actions, especially the ones to prevent risks and damages caused to the environment. However, it was in the 1980s that the binomial sustainability/corporate responsibility emerged. He continues by talking about the 1990s with social responsibility practices and, in the 2000s, with social environmental certification practices. it is noticed that the moment requires from companies not only respect with the environment and the use of environmental management practices, but especially the minimization of social risks and the pursuit of solutions for social problems existing in communities.

From this perception has arisen the importance of social as a sustainability factor for any project and/or business. This is the current model – sustainability as a social-environmental management practice focused on formal, legal and institutional instruments for social and environmental certification. (MELO NETO, 2004)

Sustainability as a strategy for companies has currently been seen only as an improvement on a more eco-efficient process or in product changes, making it fully or partially recyclable. In many companies, the topic has not been inserted when it comes to tracing their strategies to generate value. There is an attempt to insert sustainability in a fragmented manner into the product or service, but this insertion is not analyzed in a broad, holistic way. Drucker (2010) ponders that social responsibilities from a business may arise in two areas: they can emerge from social impacts of the institution or from issues in society. The first one addresses what an institution generates to society, and the second, what an institution can generate to society. The modern organization exists to provide a specific service to provide a specific service to an audience in the society and, with this, it needs to be committed to this group considering its insertion through making business in a social scenario, not only financial, a standard in the capitalist paradigm. The exploratory idea of making business is now pressured to a review, and this pressure has also been made by nature itself, which is rebelling against the impact on its lands, waters, climate, biodiversity, among others.

Drucker (2010) states that the purpose of an iron ore plant is not to make noise or release harmful fumes – it is to manufacture high-performance metals to serve its clients. However, in order to do that, it generates noise, heat and fumes. These impacts are incidental to the purpose of the organization, but are largely inescapable products.

Understanding what the impacts the company causes in the society are, including the environment, is crucial so that it can achieve its market and financial goals. And the organization can go beyond; as Drucker (2010) says, it is always necessary to try to turn the elimination of an impact into a business opportunity, but this is not possible in many cases. Most of the times, eliminating an impact means increasing costs. What was an “externality” for which the general public paid becomes a business cost. Therefore, it becomes a competitive disadvantage, unless every player in the industry accepts the same rule. Most of the times, this can only be done via regulation – that is, by some form of public action. Whenever an impact cannot be eliminated without increasing costs, it is up to the management to step forward and elaborate the regulation most likely to solve the problem with the lowest possible cost and greatest benefit both to the public and the business, and then work so that the right regulation is established.

As mentioned on strategies, Porter (2004) states that one of the generic strategies is precisely the leadership in costs, but if the impact of the product, service or business is not measured, this deviation can put this generic strategy in extreme jeopardy, making the organization lose its market share.

Drucker (2010) declares that the social problems are dysfunctions in the society and, at least potentially, degenerative diseases in the political organism. The corporate task is to turn change into innovation, that is, into new business. History shows that social change and innovation have been as important as technology, a fact to alert investors who excessively value technologies and reserve meager amounts to social and human issues.

Porter and Kramer (2010) follow the same topic that companies are in the society, and their interdependence can be analyzed with the same tools used to analyze the competitive position and development strategy. Thus, the company can focus its Corporate Social Responsibility activities on better effect. More than mere good-intentioned actions leveraged by or reacting to external pressure, the organization can develop an affirmative Corporate Social Responsibility agenda that produces the maximum social benefit and business gain. To any company, the strategy must go beyond good practices. This is choosing an unique position – doing things differently than competitors in order to reduce costs or better meet the needs of a particular group of consumers. These principles apply to the relationship between companies and society, as well as with its clients and competitors. Many opportunities for pioneer innovations to benefit the society as well as the company competitiveness may arise from the product offer and the value chain.

Nidumolu, Prahaladand Rangaswami (2009) emphasized that sustainability is a rich niche of organizational and technological innovations capable of generating revenue and profit. An environmentally correct company has lower costs, an important strategy according to the several authors aforementioned, because it uses fewer inputs. Also, the process generates additional revenue – thanks to better products or for allowing the company to create new business. The authors also highlight that, since these are the corporate innovation goals, smart companies are handling sustainability as the new innovation frontier. The study by Nidumolu, PrahaladandRangaswami (2009) shows that companies that have already started this journey go through five different stages of change.

Table 1 – Five stages for sustainability

STAGES	MAIN CHALLENGE	NECESSARY COMPETENCES	OPPORTUNITIES FOR INNOVATION
1ST STAGE Face as an opportunity in relation to rules	Ensure that compliance with rules becomes an opportunity for innovation.	Ability to foresee and influence regulations. Ability to work with other companies, including competitors, to implement creative solutions.	Use the compliance to lead companies and partners to test sustainable technologies, materials and processes.
2ND STAGE Make the value chain sustainable	Increase the efficiency throughout the value chain.	Proficiency in techniques such as carbon management and lifecycle assessment. Ability to reformulate operations to use less energy and water, contaminate less and generate less waste. Ability to make sure that vendors and retailers also become eco-friendly.	Develop sustainable sources of raw materials and components. Increase the use of clean energy sources, such as sunlight and wind. Find innovative uses to disposed products.
3RD STAGE Create sustainable products and services	Create sustainable products and services or reformulate the existing line to not harm the environment.	Ability to understand which products and services are more harmful to the environment. Ability to gain real public support with sustainable products (in contrast with skin-deep ecology). Managerial know-how to increase the scale of supply of green raw materials and product manufacturing.	Use techniques such as biomimetics in product development. Create compact and environment-friendly packages.
4TH STAGE Create new business models	Find new ways to generate and obtain value, changing the base of competition with this.	Ability to understand what the consumer wants and find different ways to meet those needs. Ability to understand how a partner can increase the value of the product or service.	Create new supply technologies to considerably change relationships in the value chain. Create monetary gain models based on services, not on products. Create business models that combine digital and physical infrastructure.
5TH STAGE Create "next practice" platforms	Question, through the sustainability bias, the current dominating logics in corporate activity.	Ability to understand how renewable and non-renewable resources affect the ecosystem in companies and industries. Confidence to synthesize business models, technologies and regulation in different segments.	Create business platforms that enable clients and vendors to manage energy in a radically different manner. Create products that do not use water in categories where its use is normal, such as in cleaning products. Invent technologies that allow the industry to use energy generated by byproducts.

Source: Nidumolu, PrahaladandRangaswami (2009)

To boost and effectively include sustainability in corporate strategy, Nidumolu, Prahala-dandRangaswami (2009) state that smart companies pursuing sustainability must follow very simple rules:

- Do not start with the present: if the starting point is the current approach, the vision of future will be an optimistic extrapolation. The best is to start with the future. When there isconsensus on the shape the future will take, the company management can bring this future to the present.
- Before investing, learn: the board's interest in sustainability sometimes leads the company to invest in projects before knowing how to execute them. A smart company starts gradually, learns fast and expands the project scale.

- Adjust tactics, but never forget the goal: a smart executive knows he will have to make many tactical adjustments along the way. A route with five different stages, lasting one decade or longer, cannot be concluded without correcting paths and making considerable changes. Although the company shall not forget the greater goal, tactical flexibility is crucial.
- Create collaboration resources: nowadays, it is very difficult to produce innovation – whether to comply with rules, whether to create a new product line – without partnering with other companies, NGOs or the public power. Oftentimes success depends on the executive's ability to create new mechanisms for developing and distributing products and sharing revenue.
- Use the global presence to experiment: an advantage of having a multinational company is to be able to experiment in your own country and abroad. Currently, governments of many developing countries are concerned with environmental issues and encourage companies to launch sustainable products and processes, especially for the population in the pyramid base. For the multinational company, it is easier to innovate in emerging markets. This is where there are less systems established – and traditional ways of thinking – to overcome.

Nidumolu, Prahalad andRangaswami (2009) state that two major initiatives help the company become sustainable: the first one is when top management decides to strongly focus on the issue by accelerating change, and the second is the importance of hiring and retaining the right type of people. Leadership and talents are critical to the creation of a lower-carbon economy. The existing financial system puts a huge pressure on the planet, but only considers the needs of a quarter of the people that inhabit it. Over the next decades, however, the world will absorb the double of it in terms of new consumers and producers. Traditional approaches to corporate activities will crumble and the companies will have to pursue innovative solutions, a fact that will require quick understanding from leaderships, joining sustainability with innovation.

Due to the difficulty companies face when incorporating sustainability into the business strategy, this paper presents a few qualitative and quantitative research studies to reinforce the discussion.

The research "Communication and Sustainability: What does your organization think and do in this area?" conducted with the 25 major companies members of CEBDS (Conselho-EmpresarialBrasileiropara o DesenvolvimentoSustentável, or Corporate Council for Sustainable Development), in October 2008, revealed important data and information on the topic. The prominent information for this paper is that 90% of the respondents commented that sustainability is incorporated in the business strategy, and 10% answered that it is not.

In another research by IBOPE, named IBOPE Environmental Research, from September 2011, with 400 interviews with medium and major Brazilian and multinational companies operating in Brazil, 52% stated having their sustainability area structured, focused exclusively on activities concerning this topic. From the total, 48% have sustainability policies with goals and planned actions. Additionally, in companies that practice sustainable actions, 8 in10 have a strategic sustainability plan. The research also shows that the share of resources targeted at sustainable prices by companies, regardless of having a structured sustainability area or not, is virtually the same (4% and 3%, respectively), indicating that the investment in isolated sustainability actions has no major highlight, but at the same time it is not known how to calculate/

identify how much the sustainability component is inserted in other investments conducted. In other words, this research offers the important information that the theme is not being addressed in companies organically, with the creation of departments, plans, goals and sustainable actions, and a percentage (even if small) of the sales forwarded to this topic. However, as it can be noticed, the research leaves a gap to check how much the topic of sustainability in inserted into other corporate strategies.

Another Brazilian research conducted by Sebrae,named “What micro and small businesses think about sustainability,” launched in 2011, had the purpose of assessing the level of perception of owners of micro and small businesses in Brazil concerning the topics of sustainability and environment. 3,058businessmen from micro and small-size segments were interviewed. As a result, it was verified that most of these businessmen (58%) state that they don’t have knowledge on the topics of sustainability and environment. Despite it, 72% understand that micro and small businesses shall give great importance to the environment and 79% believe that companies that adopt actions to preserve the environment can attract more clients. For 47%of the businessmen interviewed, the environment issue represents opportunities of gain for their companies, 40% do not see gains nor expenses, and 13% believe that the environment issue represents costs and expenses.

Globally, the MIT Sloan Management Review and the Boston Consulting Group conducted a research, released in the winter of 2012, showing that companies are starting to give more highlight to the sustainability issue. From the companies that participated in the survey, 70% have this theme permanently in their management agenda, and 31% believe that sustainability contributes to company profits. The third issue of the yearbook was released with more than 2,800 leaders from major global companies in 113 countries, in different segments of operation. The study also shows that 66% of the companies believe in sustainability as a crucial competitive factor in the current market – in 2010, 55% believed in it. Investments in the area of sustainability have also increased, according to the research.

Another global research released by Accenture and the United Nations Global Compact (2010) shows that most CEOs– 93% - say that sustainability will be crucial for the future success of their companies. Additionally, the CEOs believe that, within a decade, an inflection point can be achieved, there sustainability is related to the core business – in their capabilities, processes and systems, and the entire global supply chain and branches. These are some of the main conclusions from a survey with 766 CEOs worldwide –the biggest studied ever conducted on the topic of sustainability. In addition to an online research, the study included in-depth interviews with 50 of the world’s top CEOs. The CEOs mentioned several barriers to achieve their sustainability goals, including:

- The complexity in implementing the strategy in all company areas (mentioned by 49 per cent)
- Competitive strategic priorities (48 per cent)
- Lack of recognition from financial markets (34 per cent)
- The CEOs also believe that some conditions must be met before sustainability is completely integrated to the core business, and that companies need to take a leadership role concerning this topic. The action by companies will be necessary in five key areas:

- Configure the consumers' taste, in order to build a strong market for sustainable products.
- Train the management, employees and next generation of leaders to handle sustainability issues.
- Communicate with investors to create better understanding on the impact of sustainability.
- Measure the performance in sustainability – and explain the value of companies in the society.
- Work with governments to define a clear regulation and create fair conditions for competition.

There is also the international ranking of the greenest companies, by the American magazine *Newsweek*. With each company's Green Score, *Newsweeksums* the score related to Environment Impact with two other factors: Environmental Governance and Environmental Transparency. The list, from October 2011, places the giant Munich Re as the greenest company in the planet, with a Green Score of 83.6, where the maximum would be 100. Then,come IBM, with 82.5, and the National Australia Bank, with 82.2. Brazilian bank Bradesco, also with 82.2 points, is ranked in fourth, being the best-rated Brazilian company. Other Brazilian companies featured in the ranking are: Santander (17), Banco do Brasil (50), Itaú (54), Eletrobrás (214), GrupoPao de Açúcar (248), Vale (312), Petrobrás (364), Ambev (412), andGerdau (463). Since they don't have industrial facilities, financial companies take an advantage according to the criteria by *Newsweek*. Governance concerns policies, actions, programs and goals each company has to handle the management of natural resources and the impacts of their activities. The score for transparency is assigned to companies that disclose to the public data on their environmental footprint and inventories on greenhouse gas (GHG) emissions. According to *Newsweek*, if governments hesitate to embrace the low-carbon economy, the same cannot be said about private initiative. Corporate sustainability is currently one of the most relevant topics in the business world, and virtually all major companies have long-term plans and are making their activities cleaner and more efficient each year. The 500 companies assessed by the ranking are responsible for the emission of more than 6 billion tons of GHG, which corresponds to the emission by the United States.

Another famous global ranking is the one developed by Interbrand, which assessed in 2011 the performance and perception from 50 global companies in 10 countries – USA, Japan, China, Brazil, Germany, France, Great Britain, Italy, India and Spain. Considering social-environmental data from more than 3,000 corporations available in the platform ASSET4, research partner Deloitte developed a corporate environmental performance methodology named The Green Performance Score, including the pillars of governance, engagement from stakeholders, operations, supply chain, transports and logistics, products and services. On the other side, Interbrandchecked the opinion of 10,000 consumers concerning the brands based on criteria of authenticity, relevance, differentiation, consistency, presence and understanding. Among the main results, stand out the importance of transparency, the difference in opinions depending on the country and the research segment, and the considerable gap between performance and perception. Despite it, the stronger green brands are actually in the intersection between these two items. In 2011, the top 10 companies in the survey are, from the highest score: Toyota, 3M, Siemens, Johnson&Johnson, HP, Volkswagen, Honda, Dell, Cisco and Panasonic.

As it can be noticed, there are many rankings, surveys and ratings on sustainable companies or that are heading towards sustainable development or concerning the topic. On a global vision, there are more accurate data informing that sustainability is slowly becoming part of companies' strategic agenda (which does not occur in Brazilian micro and small businesses). It is believed that these companies answer correctly and are audited in these questionnaires, indicators and benchmarks. However, we question if these companies effectively have sustainability in their business strategy. What may be happening is a couple of actions, plans and programs that are only part of their processes and procedures to become greener, inclusive and responsible. The differences in concepts and interpretations may interfere with the answers to the questionnaires and questionings. We highlight that these practices are highly valuable in a sustainable development process, but are not sufficient, because the complexity of the world and of business has demonstrated that it is necessary to go beyond the existing indicators and programs created by the companies. In Brazil,when a company prepares its articles of incorporation and later defines the methods for sales and profitability, it will necessarily define the products and/or services generated to the society. Thus, generating products and services requires taking care of the processes for production, distribution, sale, collection (take back and recycling), and these process points can adjust to a few rules, standards, legislations, ISOs, etc. The studies by Nidumolu, PrahaladandRangaswami (2009) have stated that companies will need to achieve the 3rd Stage to create sustainable products and services and then, on the two following stages, develop new business models and platform for the next practices.

Inserting sustainability in the business strategy would happen from the 3rd Stage on, but not only with a few products in the portfolio or a small margin of sale from these products or new markets, but representing most of the company's sales, which would be ideal. For developing these products or services, it is not enough to have a few eco-friendly features, but also closed cycle, transparency, create value in the chain and, complementing with Almeida (2009), with the internalization of social and environmental costs, which favors the durability of assets to be designed to be repaired and updated. We end this discussion in this paper, without exhausting the theme, with Bonilla (2007), who highlights the actual needs, and the created needs, for necessary and unnecessary products.

3 Results

A qualitative research was conducted with comparative secondary data among 21 companies that are benchmarks in corporate social responsibility in Brazil by the 2011 *GuiaExame* de *Sustentabilidade*. It was noticed which evidence these companies have in the 1st, 2nd, 3rd, 4th and 5th Stages according to Nidumolu, PrahaladandRangaswami (2009), that is, it was analyzed if the companies effectively started a process of including sustainability in business strategies, understanding strategy as stated by Costa (2009) as the base over which plans are made, priorities are established and modified, external and internal communication is structured, risks are managed and the company path is changed, facing new facts, that is, the tangible cause for the company to exist in the society.

In this research, 99% of the companies declare, via top management, that the company is formally committed with sustainable development and that this commitment is manifested. 40% of these companies demonstrate the commitment through their Vision and Mission; 91% via strategic planning;and 51% through a public document with long-term goals and objectives.

Based on data provided by the magazine, especially the ones concerned the performance of indicators from the 2011 *GuiaExame de Sustentabilidadeabout* the company and the content of the highlighted article, the table below supports in the following analysis, from such secondary data, if these 21 companies have in their performance any item related to the 1st, 2nd, 3rd, 4th and 5th stages. It is considered in the analysis only what *Examemagazine* mentioned as items in which the company was above the average from the universe surveyed and the topics described in the article. With this, there is a base for qualitative analysis on the inclusion of sustainability in business strategy, according to Nidumolu, PrahaladandRangaswami (2009).

Table 2 – Evidence on 21 model companies featured on the 2011 *GuiaExame de Sustentabilidadeagainst* the 1st, 2nd, 3rd, 4th and 5th stages

COMPANIES	1ST STAGE Faces as an opportunity in relation to rules	2ND STAGE Makes the value chain sustainable	3RD STAGE Creates sustainable products and services	4TH STAGE Creates new business models	5TH STAGE Creates "next practices" platforms
SABIN / SMB	x				
ALCOA	x	x			
ANGLO AMERICAN	x	x			
APERAM	x	x			
BUNGE	x	x			
FLEURY	x	x			
MASISA	x	x			
SUZANO	x	x			
ELEKTRO	x	x	X		
EMBRACO	x	x	X		
ITAU UNIBANCO	x	x	X		
KIMBERLY-CLARK	x	x	X		
NATURA	x	x	X		
PHILIPS	x	x	X		
Unilever	x	x	X		
BRASKEM	x	x	X	x	
DOW	x	x	X	x	
EDP	x	x	X	x	
FIBRIA	x	x	X	x	
MEXICHEM (AMANCO)	x	x	X	x	
PROMON	x	x	X	x	

Source: Adaped from Nidumolu, PrahaladandRangaswami (2009)

It is noticed that most companies present evidence that they are on the 2nd stage, where the process of making the value chain more sustainable, is, thus increasing the efficiency of the entire value chain. From the 21 companies, 13 are aiming at creating sustainable products and services or reformulating the existing line to not harm the environment. And 6 of them are trying to find new ways to generate and obtain value, changing, with this, the competition base. A good example of company aiming at creating sustainable products and services is Braskem, whichopened a green polyethylene plant in Rio Grande do Suland has a new project in the area of renewable plastics. The project, which consumed 500 million reaisand launched the company into the position of the world's biggest manufacturer of green polyethylene, used to make bags, film and packages for companies. The ethanol-derived ethene plant is in the city of Triunfo, Rio Grande do Sul. In addition to this new product vision, Braskemachieves the 4th Stage, according to Nidumolu, Prahaladand Rangaswami (2009), with the green polypropylene plant, a resin highly applicable to flexible and hard packages, in the automobile industry and in the agricultural industry. This is a new way to generate and obtain value, changing, with this, the competition base.

Another example of the 4th Stage is the company Fibria, which wants to provide food safety income while not being responsible for a “green desert”, due to the high use of land with single-culture crops. One of its operation fronts is apiculture. Throughout Brazil, 585 beekeepers produce honey in eucalyptus forests from Fibria. For example, in the unit of Jacareí, in the State of Sao Paulo, 46,000 kilos of honey were obtained this year alone with the seal from IBD, which guarantees the product’s organic origin. In another 4,000 hectares, 230 families cultivate foods such as corn, bean and fruit along with eucalyptus. In this case, there is an ability to understand how a partner can increase the value of the product or service.

For another example of the 3rd Stage, there is ItaúUnibanco, which put into practice a series of initiatives with the purposeof maintaining a sustainable relationship with its more than 60 million clients. According to its CEO, Roberto Setubal, this implies a change in the way of selling products.

Life insurance redesign is an example, because now it is only offered to those actually interested in it. According to the CEO, this made sales decrease 20%, but the cancelation rates and their costs were reduced by 40%. Another example was the change in the way of analyzing financing approval for the corporate area. In addition to the feasibility of payment and business growth, the bank teams try to analyze the project’s impacts on the environment. If they are above what is considered acceptable, financing will not be granted. In other words, the bank does not sell, because it awards credits with sustainability values. This is literally the reformulation of existing lines to not harm the environment.

This study was focused on the perception existing in the 2011 *GuiaExame de Sustentabilidade*, highlighting the main items in which companies were above the average.

4 CONCLUSION

The paper brings sustainability concepts, recalls international awareness events when several discussions and concepts were created and debated, but with few commitments taken and executed among the nations involved, such as the recently held Rio +20. It dialogues with authors strengthening the point that many companies have sustainable speeches, but still few concrete practices on what is actually necessary, giving attention to recycling or taking care of product and service residues, but unattached to the macro business vision (strategies, value chain, product cycle, mass production, etc.).

It highlights the relevance of including social issues in business strategies to gain competitiveness in the present world. It values data and information from market surveys that enriched and strengthened the discussion of sustainability in company strategies, along with the concepts and theories presented.

The theme is still very little disseminated to the majority of the corporate population, as the survey by Sebraewith 3,085 businessmen from Brazilian micro and small businesses demonstrated, where nearly 60% stated they don’t have knowledge about the topic – they represent most Brazilian companies. However, the topic has gained visibility thanks to the higher consumer awareness.

Major market leader or transnational companies in Brazil end up including the theme in their management thanks to movements like the ones from Instituto Ethos, CEBDS, InstitutoAkatuand GIFE. These organizations, plus a few international ones, have helped place

Brazil as a benchmark of progress in corporate sustainability worldwide. The implementation of indicators mentioned in the text was also a considerable driver of sustainable practices and actions from leader companies in this theme. Indicators and ISO certificates enabled many companies to measure sustainability in their everyday life and, more than that, compare with other companies, establish goals and further improve their processes.

On the research “Communication and Sustainability: What does your organization think and do in this area?,” conducted with the 25 major companies members of CEBDS (Conselho Empresarial Brasileiropara o Desenvolvimento Sustentável), 90% of the respondents commented that sustainability is incorporated in the business strategy. Additionally, the survey disclosed by Accenture and the United Nations Global Compact demonstrated that 93% of 776 CEOs interviewed believe that sustainability will be crucial for the future of companies. It was also verified that sustainable development goes beyond simply taking care of the product or service innovation, because every process shall be considered, including strategic business discussions, which must insert sustainability in a macro manner, in synergy with its products and services. When companies in Brazil prepare their articles of incorporation and later define the methods for sales and profitability, this will necessarily go through a product or service to the society. Whatever this product or service is, subsequently there will be its mass production, distribution, sale, and collection (take back and recycling), and these process points can be adjusted to a few rules, standards, legislations, ISOs, etc.

We have noticed that including sustainability in a company’s strategy and business has been widely discussed and is somehow being implemented by a few Brazilian corporations, but not in most and not organically. This fact is concerning when considering the topic in small and medium businesses. We also notice that the more sustainable products and services, added with processes, practices, actions, indicators and plans, must be closely related to corporate strategies. To make this change and transformation, it is necessary to make a major investment in education and awareness about the topic in and out of the organizations, as well as there is the need of mobilizing and engaging the company’s different internal and external audiences so that they can turn policies and plans related to strategy into actions, projects and activities.

This research achieves its purpose and may become a base for future researchers. We leave two suggestions for research: one about an in-depth study on the sales figures of sustainable of products and services in leading companies, and another about investigating the issue of which sustainable business strategies are benchmarks in Brazil.

We hope that this work effectively cooperates with the construction of new business models, included in sustainable financial, social and environmental development.

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