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Jones Lang LaSalle sponsored study says CFOs see benefits in environ. sustainability

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In an in-depth study of its kind, CFOs and other senior finance executives overwhelmingly report that environmental sustainability is an increasingly important issue for their companies, and that a range of significant financial benefits are achievable for companies that can implement strategies that truly reduce their impact on the environment.

Conducted by CFO Research in collaboration with leading global commercial real estate and money management firm Jones Lang LaSalle, the study surveyed 175 corporate CFOs and senior finance executives. Among the key findings of the report:

More than half of finance executives believe their companies are "very likely" or "somewhat likely" to increase revenue, reduce operating costs, improve investor returns and shareholder value, and improve employee retention through sustainability. The most often cited benefits were reduced risk ("very" or "somewhat" likely to produce benefits at 78% of companies), enhanced brand and reputation (77%), customer retention (72%), and improved employee health and productivity (68%).

The highest priority objectives in corporate sustainability are regulatory compliance (ranked as a high priority for 61% and a mid-level priority for 26% of respondents), improving energy efficiency and reducing greenhouse gas emissions (a high priority for 47%, mid-level for 32%), and reducing the environmental impact of operations (45% and 32%).

The greatest barriers to incorporating sustainability into financial strategy include the inability to measure the effects of sustainability on shareholder value (ranked among the top three challenges by 46% of respondents), inability to document the effects on financial performance (37%), and a lack of standard decision-making frameworks that consider environmental factors (36%). The least significant challenge was organization resistance, ranked among the top three barriers by just 20% of respondents.

Although most finance executives acknowledged that their own role in driving sustainability was limited, the survey results point to a tremendous opportunity for CFOs to guide their companies to sustainable strategies that bring financial success, according to Lauralee Martin, global chief operating and financial officer at Jones Lang LaSalle.

"Most CFOs believe sustainability can lead to cost savings, increased revenues, greater customer retention and a competitive advantage, so clearly this is an opportunity that can not be ignored," Martin said. "The question each of us should ask is whether we are taking an aggressive enough position, given the rapidly approaching tipping point of this issue."

"At Jones Lang LaSalle, we are pursuing ways to make our own operations more sustainable, but our biggest opportunity to make an impact is to help our clients-the owners and users of real estate-in making their buildings more sustainable, lowering their energy costs and reducing their carbon footprint," said Dan Probst, chairman of the global environmental sustainability board at

Jones Lang LaSalle.

In 2007, Jones Lang LaSalle helped corporations reduce energy usage by 210 million kilowatt-hours, saving $38 million in energy costs and reducing greenhouse gas emissions by 133,000 metric tons. The firm provides more than 11,000 properties with specialized energy services, manages 27 buildings that received Energy Star certification in 2008, and has 40 Leadership in Energy and Environmental Design (LEED) registered project under way totaling more than 25 million s/f.

About the Study

CFO Research, in collaboration with Jones Lang LaSalle, surveyed 175 senior finance executives and conducted in-depth interviews with executives at several firms leading the way in sustainability, including Bank of America and Herman Miller. Results are detailed in "The Role of Finance in Environmental Sustainability Efforts," a report available by request from Jones Lang LaSalle.