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Hey Google: The Business Case of Environmental Sustainability in Developing Corporate Social Responsibility

Abstract

What Google wants is to power the world with technology, namely their technology, and in doing so make the world's information universally accessible and useful (Google, 2017). With a lofty goal of empowering four billion global citizens (adding to the existing three billion) with the benefits of information, their business case strategy has become one of sustainability (Google, 2017). The company realizes that the necessary resources for their technology, energy and water, are becoming increasingly scarce (Google, 2017; Hensel, 2011). Additionally, Google acknowledges the impacts and externalities of the creation of technologies on the environment, specifically its contributions to of climate change. By entrenching major sustainability practices within their corporate structure, Google increases their triple bottom line while satisfying shareholders and stakeholders simultaneously (Slaper and Hall, 2011). This is seen through food waste reductions, renewable energies, and investment in efficient infrastructures (Google, 2017; Richey and Taylor, 2018; Gunders, 2012). Their initiatives do not go uncriticized, pegging Corporate Social Responsibility (CSR) as a self-interested marketing tool and corporate monopoly, which affects market prices and individual agency. However, the aim of this work is not to focus on whether Google is just "another bad corporation," as critics emphasize, but rather to delve deeper into the good they leverage into daily accountability. Therefore, using direct examples of Google's sustainability initiatives and drawing upon theory, the capacity of CSR to foster ingenuity and innovation growth within multinational corporations is shown, highlighting the benefits to profits, people, and the planet.

Disciplines

Political Science

Keywords

Google, environment, sustainability, business, corporate social responsibility, ethics

In a world of evolving technology companies, some seem to have started off with unique ideas of how to structure their business ideology and the kind of ethics they should embody. Google is an example of this uniqueness. Creators Larry Page and Sergey Brin developed Google through the evolution of its prototype, Backrub (Google, 2017). Their early beginnings of creating search engines started with a personal desire to “develop services that significantly improve the lives of as many people as possible” (Ovide, 2011). In pursuing their goals, they have entrenched socially responsible actions into their corporation right from the start. In an interview with the *Wall Street Journal*, the founders stated that their approach to pursuing business advances often involves engaging in activities that they believe “to have positive affects on the world,” even if such activities do not deliver obvious short-term financial returns (Ovide, 2011). This central point of their corporate culture—that they call the “Don’t be Evil” manifesto—was born out of the belief that everyone is served better if a company does good things for the world—even if that means forgoing short term gains (Google, 2017; Ovide, 2011). These overarching characteristics of doing good rather than evil are broadly entrenched within the company, which been favourable for Google’s reputation as a responsible firm. However, what makes Google’s “Don’t be Evil” manifesto so trendsetting is that their goals are not to be mistaken for “good deeds” that most conglomerates boast about through marketing tactics to pad their financial bottom line. Specifically, Google insists on being just to its stakeholders—its users (Rosoff, 2011). This is seen in the instances of refusing to engage in money making tactics, such as showing irrelevant ads, using pop-ups or other annoying gimmicks, or selling off actual search results (Swartz, 2011). This approach is a form of Offensive CSR in which corporate interests are determined by evaluating and assessing multiple fronts, from diverse points of view ranging from traditional shareholders to the more modernized stakeholders (Knudsen, 2011).

Not all companies share in the desire to leverage stakeholders over shareholders. These kinds of corporately responsible activities within a business can be self-limiting, as JG Frynas (2005) points out, if actions are not embodied by the entire company from CEO to general employees or when the motivation for being socially responsible is purposed purely for corporate gains. To this end, Volkswagen is exemplified in 2014, when the company’s engineers went out of their way to hide that its diesel engines were extremely environmentally contaminating (Dans, 2015). At the same time, Volkswagen publicly marketed their brand as being a leader in sustainable carbon emission regulators by maintaining that they had emissions controls that rendered their

vehicles environmentally friendly (Dans, 2015). The heads of engineering, research and development, and the CEO at Volkswagen denied claims of any knowledge of this scandal, however, it was later shown that these key individuals of the auto-giant were actually aware of the situation (Dans, 2015). In understanding that businesses have largely operated within the ideology of the ‘business of business is business’ (Friedman, 1970), Google aims to contradict the corporate norms of global society—to do good in the world while maintaining profits. They acknowledge that constructivism can lead to ingenuity in how markets source, produce, design, transport, sell, and recycle their products (Alder, 1997; Prater, 2001), and they are on a mission to be the social, economic, and environmental corporate leaders through a myriad of productive initiatives (Google, 2017).

It is more than brightly coloured headquarters and eye-popping homepages that Google uses to capture the spirit of their intentionally-unconventional methods (Google, 2017). Google is a sustainability powerhouse, and they are doing this not only because they want to bring awareness of environmental issues through leadership and knowledge sharing, but also because it is good for their bottom line (Google, 2016b). Through environmentally conscious and sustainable programs, proven reductions have been made to business costs, resource dependence and consumption, carbon-based energy, food and landfill waste, as well as e-waste (Irfan, 2017; Google, 2016c, 2017; Gunders, 2012). Additionally, their programs increase circular economies while increasing profits (Ellen MacArthur Foundation, 2017). There have also been increases in sales, users, innovation, as well as the spread of a modernised corporate culture that is positioned at the forefront of global awareness (Globe Scan, 2016; Google, 2016a; Google, 2016b; Google, 2017). This good governance is an attempt to shift the international perspective of normative corporate behaviours away from competitive pursuits of market gains, which often produce unsustainable productions of raw materials, excessive market consumption, and end-of-life waste (Farm to Table Talk, 2016; Globe Scan, 2016; Google, 2016a; Gunders, 2012). What follows are several revealing examples of Google’s common practices in this context which highlight the corporation’s moves toward forward-minded accreditation.

To Google, sustainability is an awareness. In the United States, eighty percent of fresh water, fifty percent of land, and ten percent of the energy budget are used to produce and distribute food (Google, 2016). Meanwhile, forty percent of this food that is produced never actually is

consumed (Gunders, 2012). This is largely because stores and restaurants throw away or refuse to use fruit and vegetables that have any kind of aesthetic imperfections despite having no effects on taste or quality of the produce (Google, 2016b). In recognition of this disparity, Google's food team set out change the way food is valued to reduce waste—not only through using undesirable produce, but also by initiating LeanPath technology in all their cafes and kitchens. As co-creator Larry Page has stated, “people are starving not because we don't have enough food, but because we're not organized around solving that problem” (TED, 2004).

The ugly veggies program saves perfectly good food from being wasted—either by being tossed away in grocery stores, being unsellable to restaurants, or rotting in farmers' fields (Google, 2016a; Google, 2016b). Because there is nothing wrong with the food, Google pays a cheaper price, which is a good thing since they spend more than \$216,810,000 in food costs per year to feed their employees, free, organic, and healthy meals. (Bort, 2016; Hartmans, 2016). By supporting local and regional farmers in buying their “ugly” produce (Farm to Table Talk, 2016), Google is helping ensure the creation of revenues for farmers, whose produce would have gone bad and unsold (Google, 2017). For example, their imperfect produce initiative made use of 330,000 pounds of produce in the Bay Area alone (Google, 2016b; Google, 2017). This produce would have normally gone to waste, including the water, land and energy required to produce it—commodities this corporation recognizes are becoming increasingly scarce. In the big picture, Google is making efforts, maybe even dents, in the issues of food insecurity and hunger around the world by contradicting the norms of only buying “perfect produce,” which creates huge wastes when that food could be going to hungry people or supporting livelihoods.

In the spirit of reducing waste, Google has been utilizing a mechanized scale that is enhanced with a food-wastage software system since 2014—they call it LeanPath (Google, 2017). Applied in all their kitchens, LeanPath first tracks food waste—expired, over-produced, and spoiled items (Google, 2017; Google, 2016b). Then, it measures the amount of kitchen-prep waste that is created in producing the 108,000 daily meals in Google's more than one-hundred kitchens around the world (Google, 2017). For example, kitchen staff use LeanPath to measure the amount of waste involved in chopping and preparing a meal and the associated costs. After this, the software measures how much food was produced against how much was consumed, which provides data that enables kitchens to produce less food next time, thereby decreasing waste

(Google, 2017). In just one campus, the LeanPath technology prevented more than 392,492 pounds of food waste in 2015 (Google, 2016a; Google, 2016b; Google, 2017). Even further improvements in waste were made in 2015 by decreasing this by another 50,000 pounds through a combination of using less, reusing leftovers, and donating unused inventory. In 2016, the amount of waste saved was more than 1 million pounds (Google, 2017). Their LeanPath program monitors how much food is being used, wasted, and consumed. This allows for savings in financial costs—benefiting shareholders and stakeholders—and allows for rethinking ideas of waste cycles.

“The most inexpensive energy is the energy that is not used” (Google, 2017). This is a mantra that Google employs at all its facilities globally to reduce and conserve as much energy as possible. Acknowledging that energy use is their biggest impact on the environment, Google has taken a multi-faceted approach to tackling their impacts (Google, 2016a; Google, 2017). The first tactic Google issues is an aggressive approach to efficiency, and they have spent more than a decade researching and applying improved efficiency techniques (Google, 2017b). This is accomplished through actions such as measuring energy use through Power Usage Effectiveness (PUE), because one cannot improve what one does not measure (Google, 2016a; Google, 2017). Other efficiency actions include managing airflows, adjusting thermostats, taking advantage of free cooling, and optimizing power distribution (Google, 2017b).

Next, Google has made clear that there is need for corporately pioneered approaches to climate advocacy and the issue of dependence on carbon-based electricity sources. This is seen through publicly announcing the fact that carbon-based sources are becoming increasingly expensive, potentially being depleted, and that a shift to renewables is occurring and available in most major markets and businesses—especially innovative ones (Gunders, 2012; Google, 2017b; Peters, 2016). This advocacy is most prominently exemplified in Google’s status as the biggest purchaser of renewable energy in the world (Google, 2017b; Peters, 2016). For instance, in 2007 the company became 100 percent carbon neutral, and in 2017 it was purchasing 100 percent renewable energy for all its operations (Irfan, 2017; Google, 2016a; Peters, 2016). This amounts to more than 3 gigawatts of renewable energy to power all its global operations (Irfan, 2017). In the Netherlands, Google has invested in renewable energy projects with community-owned cooperatives. There, they have committed to purchasing wind power directly from four thousand landowners whose lands double as the site of wind turbine power production (Irfan, 2017; Google,

2016a; Peters, 2016). When the wind farms are fully functional in 2019, the tech giant will be buying more than 350 gigawatt hours (GWh) per year, which equates to more than one-hundred thousand homes' energy usage (Google, 2016a). In the United States, 536 megawatts (MW) of wind energy have been contractedly bought from wind farms in Oklahoma, Iowa, and South Dakota, adding to their pre-existing 1,800 MW of wind energy purchases (Hunt, 2017). Additionally, Google signed a 20-year contract with the Chilean government to support renewable energy giant Acciona Energia, purchasing one-hundred percent of their energy requirements for their Chilean operations. This ensures that more power is produced and available for South American residents, providing enhanced political and social stability—despite coming at a fiscal loss for Google (Bebon, 2017). However, there are locations where renewable energy cannot be used, such as certain far removed data centers in which the location inhibits receiving or consuming clean energy. In these scenarios, Google buys Renewable Energy Certificates (REC's) so as to ensure that clean energy is purchased. Then, this energy that is purchased through the REC's is pumped into locations where renewable energies are not a part of the energy supply. Following this, Google retires the REC's that were purchased and used—which drives demand for new REC purchases and drives down the price of sustainable alternatives to decrease reliance on fossil fuels (Irfan, 2017; Google, 2017a).

Lastly, when instances arise where carbon emissions cannot be completely eradicated, the company purchases alternative carbon offsets for remaining greenhouse gas emissions (Google, 2017b). This is not the traditional offset program due to the types of offsets they purchase. For example, one of their long-standing carbon offset project partners is Oneida-Herkimer Solid Waste Management Authority in upstate New York. Here, the methane released by the community landfill is captured and burned by flares, which is then directly converted to electricity in their facilities. Methane, one of the worst types of greenhouse gases for the atmosphere, is used to fuel energy needs in place of carbon-based energy sources (Google, 2017b). This socially responsible tactic thereby eliminates hazardous methane from reaching the atmosphere and creates renewable energy sources, while simultaneously counting as Google's carbon offset purchases because the use of carbon energy was avoided (Google, 2017a). Due to their corporate culture of doing good, Google agreed to long-term contracts with many carbon offset partners who are reducing greenhouse gas emissions and selling it as offsets, which has allowed for innovation of technologies in this field, such as methane flares (Google, 2017b). Other ways to change the

trajectory of carbon through offsets is accomplished by using the Cloud instead of paper, advocating for green electrical grids worldwide, strongly supporting clean energy and climate change policies, and investing billions of dollars in solar and wind energy where NGOs and governments would not (Google, 2017a).

In an era when the highest levels of government are undermining clean power, buying clean energy is a major way for the private sector to mitigate climate change through moving toward a lower-carbon generation (World Bank, 2008). By purchasing clean energy, innovative companies such as Google are trying to lessen their impact on the planet for the collective good (Knudsen, 2011). This may be related to the knowledge that consumers and employees are more than ever aligning themselves with utilitarian approaches to sustainable practices, which affects where they will work and with whom they will shop (Slaper, 2011). When a mega-corporation such as Google exemplifies the gains of becoming a good corporate citizen, it creates new business norms and enables other firms to follow suit. It also allows for ingenuity among competitors to spur on new business ideas through environmental actions. This is good for the triple bottom line of a firm and is an example of combined individualistic and collectivist approaches to social responsibility (UNCTAD, 2017). Impressive here, is that it is more than just energy savings or decreases in financial expenditures behind corporate social responsibility; those are just the perks of an innovative corporate mechanism to help battle the global climate crisis. What is really happening is the corporately-led restructuring of environmental awareness, which inclines societies around the globe to reevaluate their resources, consumption, and waste. What is more, corporations such as Google seem to be wielding their power and influence better than national and international governments by bringing policy initiatives relevant to sustainability into fruition through their business relations and market influence (Feroz, 2012).

Despite the major gains in favor of global sustainability, criticisms arise regarding the intentions of Google's social responsibility. The most abundant criticism is that large corporations can use CSR as merely a marketing tool and rhetoric. This occurs when a company says it is or will do something socially responsible—but it is not and does not—as was the case of Volkswagen (Dans, 2015). Another marketing ploy is when a company begins a social project, such as building a medical facility in a developing economy. The rhetoric of this kind of action is to benefit society but when the company then leaves without forethought or care as to how that community will staff,

run, or upkeep the facility, no gains have been made, yet the business still gets the accreditation as engaging in CSR (Frynas, 2005). By simply looking at sustainability initiatives at Google, one can see that the marketing-related condemnations of their CSR practices are incorrect. From the inception of its business, Google has created initiatives that not only benefitted its users but also lead the path in environmental sustainability—even when it did not add financial value to the company. Examples include their “ugly veggies” and LeanPath programs, as well as numerous non-profit enterprises like monitoring air quality, deforestation, illegal fishing, and weather systems with Google technology and then offering it over to governments and other institutions for free to help foster collectivist adaptation and mitigations within climate relations (Google, 2016b; Google, 2017a). Certainly, a company trying to do as little as possible to obtain CSR recognition does not go to these extremes just for marketing.

Other criticisms specific to Google include, despite being engaged in CSR, monopolizing the technology market (Brandom, 2017), which critics argue reduces the individual agency of start-up companies through electronic nepotism by giving advantages to their “friends” or co-investors (Brandom, 2017). The argument here does not add up because Google encourages and often supplies other companies with the technology to achieve similar sustainability goals free of charge or at a fiscal loss. The example from Chile shows that they invest in clean energy projects around the world for more than just profit or monopolization of markets. These initiatives encourage leapfrogging of technology through non-interventionist development strategies in emergent economies (Google, 2017a). Though criticisms are always going to be present at the corporate level, Google stands out as one of the good guys in social responsibility efforts.

It would be a fair assessment to say that Google was not created equal. This multinational corporation started off with specific social ideals as to how their business would be run and has created measures over the last two decades to ensure that these standards were upheld. From transparency of their user-based operations to the supply of free, equitably sourced food to its employees and actualized lofty clean energy goals, this tech powerhouse is doing business a little different than its predecessors. By acknowledging and embracing the relationship between shareholder and stakeholders, Google has entrenched environmentally responsible actions in every aspect of their firm, positioning environmental sustainability alongside of their financial bottom line as an equal and integral part of the corporate puzzle. They have recognized, for example, that

innovative technology that captures harmful greenhouse gases and uses them as sustainable options of electricity can be both good for the planet and good for sales. By investing in long-term contracts with solar power companies in emergent economies, they can increase national stability and broker business for long-term gains. By purchasing “ugly veggies” to feed employees, happy productivity occurs within Google campuses and deepens the fostering of local economies. That is the uniqueness of Google: they take the ethical path and combine it with the financially innovative path and create amazing results—results that are benefitting people, profits, and the planet.

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