



The Sustainability Professional

On the Record with Bob Corcoran
Vice President, Corporate Citizenship
General Electric

*Many of us might have longstanding, preformed opinions about various corporate entities, or even about the business world as a whole: They're good guys; they're bad guys, they're evil, they treat their employees poorly, they hire part-timers to avoid going union, they abuse immigrant workers, they make weapons, they manufacture poison, they're big polluters, they're entirely toxic. But how much of what we think we know about a corporation is actually—or even currently—true? And isn't it possible that a corporation itself just might have evolved for the better? Some might consider Fairfield, CT-based General Electric to be in that category. **Sustainability: The Journal of Record** managing editor Lori Tripoli interviewed Bob Corcoran, vice president of corporate citizenship at General Electric and president of the GE Foundation, about the company's progress on sustainability, how corporate social responsibility can even be managed at an entity so large, and whether consumer awareness reflects recent GE achievements.*

Your job title emphasizes corporate citizenship. How does sustainability fit into your job responsibilities?

My role for GE is looking at corporate citizenship and all the elements of what it takes for GE to be a good citizen. I'm not directly responsible for environmental engineering. I'm not directly responsible for labor law. I'm not directly responsible for investment strategies, but have more of a responsibility to look at all the issues around corporate citizenship and responsibility and ensure that we have a process for engaging with individuals and organizations and also a way to hold up a mirror sometimes and look at issues that are from a perspective of other stakeholders and determine how can we handle some of these.

Do you have a headquarters-based staff that works on sustainability, or are employees dedicated to sustainability initiatives posted at various locations in the company?

We have a very small headquarters staff but a large network of individuals who have partial responsibility for these kinds of issues. I end up working very regularly with our labor and community

relations people, with our human resources folks on employee-related matters, with our general counsel and our legal operation around various opportunities, with our environmental and our ecomagination leaders on environment-related issues such as climate change, adaptation, and mitigation.

How do you measure success in your job?

A part of it is around helping ensure that we engage a broad and diverse set of stakeholders, both to listen to and get feedback from them to identify issues and trends and ensure that those are being addressed by the appropriate staff in the company, and then report on our progress, including our progress against our environmental commitments, against our human right commitments, against our transparency commitments. Our progress is described in an annual corporate citizenship report available at www.ge.com.

What are GE's sustainability goals?

Sustainability, corporate social responsibility, and corporate citizenship all seem to be merging to address the same kinds of issues. Sustainability appears to have its roots in the environmental movement. Corporate social responsibility, or CSR, has its roots in the human rights and labor rights advocacy groups, and corporate citizenship has its roots in business. A business perspective, labor and human rights perspectives, and environmental perspectives all tend to merge when you start to look at sustainable organizations, sustainable entities, sustainable license to operate.

Our sustainability goals, including those for the environment, are very clearly disclosed and reported annually in our website. Our commitments around the environment are actually quite simple and are based on our ecomagination program. Number one, it's around a commitment to double our research and development on environmentally friendly technologies from \$750 million to \$1.5 billion a year by 2010. Last year we ended at \$1 billion, and we are on track to end 2010 at \$1.5 billion.

Second, our goal was to double our sales of green-certified products from a 2004 baseline of \$10 billion

Close Up:
Bob Corcoran

Years in current job: 5

Location of current job:
Fairfield, CT

Career highlights: A 30-year GE veteran who is a former executive in its health care and in its lighting businesses. Served as chief learning officer for five years.

Goals for 2009: "The goal is for us to look to see where can we help to make a difference in this time of crisis."

Birthplace: Boston

Education: Business degree from Northeastern University

Motto: "Good leaders always run toward a crisis, never away."



Bob Corcoran is also the president and chairman of the GE Foundation.



We've been told for a decade or longer that we have an internal system for tracking and measuring environmental health safety metrics that is better than anything that you're going to find.

to \$20 billion by 2010. In 2007, we had completed \$14 billion, so we actually raised the goal last year to \$25 billion by 2010.

A third commitment was to keep the public informed. A fourth commitment is to reduce our own greenhouse gas emissions, our own energy consumption. A more recent goal was added to reduce our water footprint as well. So we have very clear targets.

GE is such a large company, with more than 300,000 employees in 160 countries. How does the company deal with its own bureaucracy in becoming more sustainable?

GE is a large company, but it actually feels small. That's the benefit of GE and the marvel of it. The company has some very strong central processes that basically wind throughout the entire company, yet it's got flexibility in business-specific goals and management teams. There are a handful of common processes required across General Electric. They are specifically required for operational planning, growth, budgeting risk, strategic planning, environment, compliance, and processes around people and organizational structure. These processes are disciplined and thorough and most of them are over 50 years old, so it's ingrained. No one here has ever known anything different. These processes are required of every GE business everywhere on the planet.

It's about process discipline, not about an event. We have a beautiful way to knit the company together, yet maintain the individual flexibility of businesses to serve a lighting market or an aircraft engine market or a rail market or a power/alternative energy market. We've been told for a decade or longer by peer companies, occupational safety and health experts, and the environmental professionals that we have an internal system for tracking and measuring environmental health safety metrics that is better than most anything that you're going to find. It's an internally developed tool required of all businesses. It's online and includes measurements, metrics, flags, hazards, red/yellow/green, and all kinds of elements that we've believed are essential over the last 20 years.

We also put the responsibility for compliance at the very base level, with environment permitting controls, hazardous material controls, etc., with the plant manager. We do not delegate accountability to the environmental engineer. We have plant manager meetings from an environmental standpoint where we require that the data on the plant be reviewed and shared with the other plant managers, so it has multiple effects. The sharing of data both brings to light issues of potentiality to other businesses or other plants, as well as it takes advantage of best practices

from 25 of the best plant manager minds we have in the room to bring to bear on the one problem that "Plant A" brings to the table. It's a good way of making the plant managers accountable.

Before you became vice president of corporate citizenship, you were GE's chief learning officer, where you oversaw GE's corporate training programs. Has sustainability been introduced into the curriculum?

Yes, throughout the curricula. We both have courses dedicated solely to these issues for technical folks, but also more general courses for employees at all levels. In the past we've had our head of environment and our general counsel come and lecture at our executive courses; we don't outsource it. Our general counsel talks about compliance, and our vp of environment talks about permitting, consequence, and remediation. We've also developed specific GE case studies in those cases for leaders to work through.

While I was the chief learning officer, we took one of our highest-level courses—and this was in 2002—and had attendees focus on kind of the aftermath of the breakup of trust from the tech stock collapse, Enron, WorldCom. Remember back in '01 and '02, investors and media and everybody was saying these business guys are a bunch of crooks. Thirty of the



GE at a Glance

- GE's predecessor company, Edison Electric Light Company, was founded by Thomas Edison in 1878.
- GE is the only company listed in the original Dow Jones Industrial Index of 1896 that is still listed in it today.
- Its core businesses are technology infrastructure, energy infrastructure, GE Capital, NBC Universal, and consumer and industrial products.
- Earned \$18.1 billion in 2008
- 327,000 employees in 160 countries
- Launched ecomagination initiative in 2005 to provide environmentally friendly products, invest in research and development of cleaner technologies, and to reduce the footprint of its own operations



top 500 people in the company took three weeks and focused on defining the problem. They spent a couple of days at Harvard Kennedy School of Government, and went out and talked to a number of different NGOs, government officials in the EU. They talked in Washington. They talked in Asia. They met with customers, and did over 100 data collection interviews. They reported back to Jeff Immelt, our chairman, with an action plan that said, “We think this is a critical need and a critical opportunity, and you should create a role with a senior officer in the company focused on corporate citizenship.” And lo and behold, that later became my job.

In the past, GE has been seen by some as aggressively opposing certain environmental initiatives. The company challenged the constitutionality of the federal Superfund hazardous waste site cleanup law and has been involved in a long battle with the U.S. Environmental Protection Agency over cleaning up polychlorinated biphenyl pollution in the Hudson River in New York state. How do you reconcile that approach with GE’s current efforts on sustainability?

We actually don’t see them as being in conflict. On Jeff Immelt’s first week in the office after he got the job as chairman and CEO of GE, his first internal action was to go to our environmental and legal department and say, “We are going to cooperate with the EPA on implementing their decision. Let’s do what we have to do to clean it up.” We have built on the Hudson what may be the world’s biggest mud plant. It’s working. It’s employing people, whose job it is to dig mud out of the Hudson, extract the water from it, put it on trains and ship it to Texas as part of the clean-the-Hudson process.

As for the Superfund law, there is no appeal process in it. That, to us and to many, seems to be incongruous with the fundamental rule of law and principles in the United States, that there is no day in court, no appeal. There’s an administrator that issues a finding, and that’s it. That was the reason for us following through on the Superfund suit. It had nothing to do with avoiding building the mud plant, because the mud plant’s built and proceeding on the task.

Some environmentalists claim that GE’s ecomagination initiative to produce more environmentally friendly products is greenwashing. Do you think the criticism is unfair?

I would say it’s uninformed. I think it is skeptical. We need to embrace skeptics everywhere, because they question. They make you think. They make you do your homework. They make you cross the Ts and dot the Is. Skeptics are very valuable everywhere in every process. That is a key part of our outreach to stakeholders. It’s not to listen to people who say and think like we do. With the greenwashing claims, well, I appreciate that that may have been many people’s view coming out and that they thought it was going to be just a marketing campaign. Today, less than five years later, we are America’s largest wind turbine manufacturer. We have a large business on solar. We’ve got research that’s coming to bear on more densely packed, higher-yield, lower-cost solar photovoltaics that improve the efficiency by about double. We have the most efficient thermal gas turbines on the planet in terms of their efficiency and ability to extract energy from a measured volume of fuel input. Our sales of green products have gone from \$10 billion to \$17 billion in three years. Those products all had to be validated by and approved as green by Green Order, an independent nongovernmental organization out of New York. In addition, if you look at our research and development for green products, that’s a \$1 billion renewable R-&-D fund invested annually. Go find a bigger green energy investment fund in California or anywhere else. Give me a call if you find one.

Some companies’ reputations improve over time with respect to environmental issues, and I would put GE in that category. But it’s a difficult challenge for companies, after they have improved, to get that word out to the average consumer.

Some of those edgy consumers will say, “Why can’t GE be like Google?” Well, GE is more than 10 years old. We make stuff. We have a history of 130 years of creating the kinds of product and infrastructure and goods that powered a nation and powered the world. Every single day, 25 percent of the electricity generated on the face of the earth is generated by GE products.

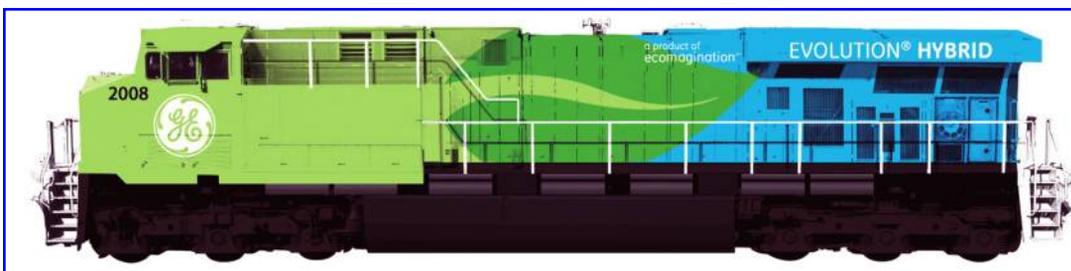
Does GE’s listing on the Dow Jones Sustainability Index give credibility to the company’s sustainability initiatives?

It does. A decade or more ago, socially responsible investment funds (SRIs) defaulted to some other external third party to assess a company’s green-



We have built on the Hudson what may be the world’s biggest mud plant. It’s working. It’s employing people.

We have a history of 130 years of creating the kinds of product and infrastructure and goods that powered a nation and powered the world.





It's not at all about training people for GE. It's about helping people who will end up working for Chinese companies, some of whom may be our suppliers, do better.

ness or a company's humanity or social responsibility. We have a huge number of investors around the world, and the socially responsible investment funds wouldn't invest in us because we weren't certified by Innovest, or Dow Jones, or others.

So we looked at the different certifiers, and submitted an application to the Dow Jones Sustainability Index. It is a very extensive process, as you probably know. A very large submittal is required each year. The index is capped at around 300 companies in the world. Every year you must reapply. They've bounced out companies who don't make the cut the following year. It's actually been a great process, because, as I said earlier, when you start to work with people that don't think like you, it starts to open up and ask questions that you didn't think of, or ask them in a light and in a way that you never quite understood or appreciated before, which leads to further explanations. So for us, not only has the process of disclosure been good, but the questioning and then responding has led us to become better both in our practices and, in some cases over the past several years, in our policies.

How does sustainability fit into your work as the head of the GE Foundation?

There are a couple of different big priorities for the foundation itself in terms of funding. About half of it goes toward employee matching programs, where

our funding goes toward a health program in the developing world. It started out in Africa with rural hospitals, upgrading them with basic x-ray, basic ultrasound, patient monitors, anesthesia, things like that. We've now had projects completed in six countries in Africa and in Honduras. We have projects under way in five other countries in Asia and Africa. By the end of this year, we will have completed projects within a five-year period in over 100 towns and cities.

In the developing world, we also work on water purification in villages and hospitals as well as sustainable power. We have a smaller amount of money focused on, I'll say, policy and environmental projects, but it's mainly policy. We do some things to support growing capacity in environmental health and safety arenas.

Why did the foundation choose to fund an Environmental Health and Safety Academy in China?

China in many areas has good laws. They sometimes need help building capacity for compliance and auditing. You can have wonderful laws, but if you don't have the skills and the professionals in the factories and with the suppliers, it doesn't work. For five years we've had a summit at our research and development center in Shanghai. The first couple years we had it, half of them were ministry and government officials responsible for auditing and compliance and regulation. There were several representatives from a handful of multinational companies like us, but the other half was mainly representatives of large and medium-sized state-owned enterprises. We talked about how we all can improve training and achieve better compliance and make sure we know what the rules are.

We ended up working with the government and other companies to share our own environmental health and safety training that we've been doing for years in the Chinese language. We also pulled some resources from other multinationals who contributed in areas we didn't have expertise in. We had permitting requirements translated and compiled into a large, easy-to-find directory, and we shared that directory. It is now a resource in China for suppliers and for other companies.

In the process, as we worked through skill training and compliance routines, we didn't find the high level of skill in environmental health and safety professionals that we do in many other parts of the world. So we helped to fund and form the EHS Academy. That's been working beautifully, and its goal is to develop the capacity of EHS professionals in country to be able to comply, enforce, and train others on responsible sustainable practices around the environment and inside the walls of the factory



The GE Imagination Center in China showcased innovative technologies from GE businesses that contributed to the 2008 Olympic Games.

employees do things in their community and give money, and we match them. The employees really decide where those funds go. The other major portion of our funding goes toward strategic programs we've identified as a company around addressing educational issues, especially in the United States with a very large education reform program called Developing Futures in Education. A portion of



around health and safety. It's not at all about training people for GE. We know how to do that. It's about helping people who will end up working for Chinese companies, some of whom may be our suppliers, do better. We've also recently worked with a Canadian organization to provide some funding to insert a several-day module on sustainable development within the training that large city mayors receive in China. They have a formal process to train mayors and train many officials in China on fiscal responsibility.

How is the current economic climate affecting GE's internal sustainability efforts and those of the GE Foundation?

The downturn and recession is the big problem that faces businesses in the United States and multinationals. So when you look at the effect on sustainability, it does nothing to our commitments, the things that are within our control around our own internal compliance, our own focus on reducing our energy consumption footprint, our own internal emissions footprint. In some respects, it puts more pressure on us to bring to market faster and bring down the cost curve new, greener technologies to make them more readily available as cost becomes an even bigger issue. The risk or challenge for the world is with such an enormous amount of capital vaporizing, you still

have the problem of climate change, and you have technologies that need to get to market. You have to replace dirty systems with clean systems. But where do you get the money? That's the challenge for us as a manufacturer and as a supplier, and it's a challenge for the world. We strongly believe that becoming a green technology leader as a country is very important for the United States.

What do you think Thomas Edison, founder of the Edison Electric Light Company, the predecessor of GE, would think of the concept of sustainability?

One thing that Thomas Edison said in the early 1900s was, "I'd put my money on the sun and solar energy. What a source of power. I hope we don't have to wait until oil and coal run out before we tackle that." Were he alive today, he'd be looking and saying, "It's about time. Although oil and coal haven't run out, your time is running out." I think he'd look on his company and be very proud of both the industries and the gains it brought to society and to people. He had a passion for creating. He had a passion for solving problems. He said, "I never once thought about creating a technology or an invention that didn't start by thinking of how could it benefit mankind." I think he'd say, "You've done okay."

We strongly believe that becoming a green technology leader as a country is very important for the United States.