

## STRATHMORE SUSTAINABILITY PORTFOLIO

The new Strathmore Sustainability Portfolio features the inspiring stories of six companies that are pioneers in environmental and social stewardship. It is intended to empower designers to initiate their own sustainable initiatives at work, at home and in communities across the country.

ASPEN SKIING COMPANY FOUNDED 1946 ASPEN, COLORADO 3,400 EMPLOYEES [WWW.ASPENSNOWMASS.COM](http://WWW.ASPENSNOWMASS.COM)

One of Colorado's premier ski resorts. ASC takes action to prevent climate change by engaging in political advocacy and public dialogue about global warming and energy policy.

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START: ANN WILLOUGHBY'S INTERVIEW WITH AUDEN SCHENDLER, DIRECTOR OF ENVIRONMENTAL AFFAIRS, ASPEN SKIING COMPANY

*Ann: First, I'm interested to know how your program at Aspen developed.*

**Auden:** Okay, here's the history of the program. In 1996 a new CEO came into the company and his name was Pat O'Donnell. He's been a lifelong mountaineer and rock climber. When he was 19 he was a bellman in Yosemite and climbed with people like Galen Rowell, Yvon Chouinard, Warren Harding—all the legends of Yosemite climbing. He was on the first American attempt of Annapurna; he was CEO of Patagonia; he was CEO of the Yosemite Institute, which is a well-known environmental education group. He was at a point, in his late 50s and advanced in his career, so that when he came to a company he could say, "I want to do certain things if you're going to hire me." The three things he asked that Aspen Skiing Company do were, one, create a set of guiding principles that would be agreed upon and developed by employees that would make the company values-based instead of simply going after ticket sales, and that was done, and one of those principles was that we would be stewards of the mountain environment. The next thing he did was create the first environmental affairs department in the ski industry, and that was my department. And the mission of that department was, in a broad sense, to reduce the company's environmental impacts. And the third thing he did was ask employees to create a foundation where they would give a dollar a week out of their paycheck, voluntarily, and the Aspen Skiing Company would match that money and then it would get matched again by a local foundation. It would be run by employees, and 100 percent of the funds raised would be donated to local environmental causes. And that foundation has given away almost a million dollars to date.

*Ann: Does that really help the morale of the company?*

**Auden:** Well, the whole program helps the morale. It's been a cultural change process for 10 years in terms of creating a new perspective, but they're very proud of the foundation and they're very proud of the other work we're doing.

*Ann: How did you come to the company?*

**Auden:** I was working at a resource policy think-tank called the Rocky Mountain Institute, so I was working with businesses, trying to help them be profitable and green. That was all in theory, and this job was an opportunity to put that theory into practice, so I jumped at it.

*Ann: And how's it going?*

**Auden:** It's going better than I could have hoped. The two sides of the coin are, one, everything the consultants say is easy to do is hard, so we sort of learned what the real-world of implementing sustainable business policies is like. But the flip side is that we've pulled off some really exciting groundbreaking efforts that are really broad in scope. **Ten years ago environmentalism of any sort wasn't on the radar of the ski industry, and climate change wasn't even an issue—it wasn't on the table at all. Today, climate is a major issue in the industry, and we've organized all our programs around it and taken major steps—like offsetting our electricity use with windpower credits, using biodiesel in snow cats, building green buildings. We've done a lot of emissions- and energy-related programs that are substantial, versus your typical programs in many corporations like recycling, or environmental education, that are fine and good and important, but they're ultimately tokenism.**

*Ann: You've really hit on a point that I think we're learning as we go through this process. There are companies that are really doing it, and there are companies that are just getting into it. And there are companies, like Herman Miller, where it's been embedded in their culture forever. And Monterey Bay Aquarium has used the Seafood Watch program to create awareness about conservation of our oceans. Are you saying that the climate issue is the core of everything you do?*

*Auden: Yes. Climate is the umbrella, the defining paradigm of all our work. To add a side comment: I think you'll find that there are synergies among the different corporations that are actually trying to do green things. For example, the reason we're talking is because we're using Mohawk paper because we wanted to use an increased post-consumer waste product. It also happens that we've adopted the Monterey Bay Aquarium seafood principles for our restaurants, and we made a purchase of furniture recently and we selected Herman Miller based on their environmental programs.*

*Ann: We've seen that connection among green companies with every interview we do. I think this whole environmentalism thing is going mainstream, and the global warming thing—you've probably seen Al Gore out on the stump speaking about this—do you see this becoming a huge environmental issue in the next two years before the election?*

*Auden: The difference is, we've been talking about global warming for years, and it's always been couched as an environmental issue. But I think that the transition we're going through now, which you've seen in *Time Magazine*, *Wired*, *Vanity Fair*, is that people are realizing this was never an environmental issue in the old 1970s sense of what "environmentalism" meant. In the '70s, recycling and dealing with toxics was really all we needed to do to be sustainable, short of the population issue, which isn't as bad as it was perceived in the '70s. We didn't have a global crisis. But now the science is secure, there's consensus on climate change, and I think the transition is that people are realizing this is an economic issue, it's a business issue, it's a moral and ethical issue, a social issue—it just happens to also be an environmental issue. The short answer is yes, this is going to be a major political issue. There was speculation in *The Wall Street Journal* that Gore would run for president based on his resurgence of talking about climate change and climate change's relevance today.*

*Ann: Al Gore said, "We need a moral imagination to change this." It's not going to be just incremental changes, but it has to be this huge shift. Part of this is about corporations making this shift. What kind of things are you doing as a company? It sounds like you have a consulting arm that is helping move this agenda forward. How is your outreach?*

*Auden: Here's our perspective: We could eliminate all our CO<sub>2</sub> emissions, and then all CO<sub>2</sub> emissions in the entire ski industry, and that wouldn't matter at all, because the industry is so small it's irrelevant. We realize the biggest hammer we've got in our tool box is that we're Aspen, and that, one, we have access to powerful and influential people, and we also get covered in the press because people like to cover Aspen, so we've decided that the most important thing we can do is political advocacy, working on legislation, writing articles, lobbying—so we're increasingly politically active. We helped pass Amendment 37 in Colorado, which was a renewable energy standard for the state. It was the first ever voter-passed initiative. There are about 18 of these; they basically say 10% of our power will be green by 2015. We were very involved in passing that. We've gone to Washington, DC, to lobby Congress; we've met with Mark Udall and other representatives, and the governor and so forth, talking about not just climate, but energy and energy policy and even the Arctic National Wildlife Refuge, and how drilling there is part of the same bankrupt energy policy that is creating climate change. That is the lever. And the other part of that lever is that at Aspen, it's astounding who you get to meet just by being at Aspen. If we can influence the 1.3 million skiers that ski at Aspen, we can potentially have enormous drive change as well.*

*Ann: That's what the Ideas Conference is doing there in Aspen—that's why Gore was at TED; every CEO was really supportive of him. He really made an impact politically. And I see that happening all over the country. How do you keep the internal fires burning within the company?*

Auden: Many corporations will take environmental action but not talk about it because they're scared of being labeled "greenwashers." Our position has been that we're going to talk loudly about these issues, we're going to trumpet them, we're going to toot our own horn, and the reason is, we can't do this in isolation. We need to educate people; we need to create dialogue. So we talk about it a lot, and that creates a culture within the company that is both supportive and oppositional. The supportive component is people saying, "I know we're a green company and I have a great idea and would you think about doing this?" So we get those kind of calls all the time, but we also get people saying, "You're not that green, you didn't, name any number of things." And that's what we want, we want that kind of call to come in because that might be an issue that we overlooked. So it's by claiming to be green and trying to be green that I think we've created a culture of support for the program.

*Ann: Do you see companies starting to talk about it more? About reducing emissions?*

Auden: Yeah. I've been in this particular field of business and climate and sustainability for more than 10 years. I went to try to speak to Governor Owens five years ago about a renewable energy portfolio standard in the state, and before I went in, one of his advisors said, "Just don't talk about climate change—in fact, don't even use the word." And also, similarly, in 1997 my predecessor went into the environmental committee of the National Ski Areas Association and said, "Don't you guys think we should be concerned about climate change?" and he was all but laughed out of the room. And that is completely different now. The dialogue is going on. Even the most unusual suspects, like energy companies, are some of the leaders on this because it's obvious to them that there's going to be carbon regulation within a decade and they need to plan for that.

*Ann: I met the Chief Sustainability Officer of Wal-Mart. What do you think about what they're doing?*

Auden: I think any time a business starts to do progressive things we should be supportive. I mean, clearly they're motivated in part by the fact that they've been hit by the public and the press on a lot of environmental and social issues. But I don't necessarily care what their motivation is as long as they're moving in the right direction, because if they do even small things they can have huge impact.

*Ann: Wal-Mart is rewarding its buyers—20 percent of their compensation is based on buying products that are made in a sustainable way and use less packaging. I think that could force the companies they buy from to begin making changes. They're working on the emissions standards with Amory Lovins, from the Rocky Mountain Institute. ... What do you think about all the social networks that are going on?*

Auden: You mean like MoveOn?

*Ann: Yeah. If you want to find out about a company now, it doesn't take long to put all the pieces together.*

Auden: I think it's a different world, and it's hugely helpful. You just need to look at Laurie David, who decided climate was her crusade; she has generated so much press and so much outreach and information, and Gore's doing the same thing. It's remarkable.

*Ann: Laurie David, who produced Gore's movie, is my new hero. Have you seen the movie?*

Auden: No. We have it here at Aspen but I haven't been able to see it.

*Ann: For the companies you work with, that you source from and partner with—how important is it to you that they have sustainable practices?*

Auden: That's a huge task. It's been on our radar but it hasn't been our priority, and now we're actually starting to work on that. The answer is, it's very important. And we are starting to send letters to all our suppliers saying that this is an issue to us, and that we'll be giving preferential treatment and contracts to greener companies based on certain criteria that we lay out. It's very important, but it's very difficult to do that, because in a lot of cases, your equipment is made by one company and one company only. Say, hotel managers have developed long-term relationships with suppliers, and that won't change based on what the environmental guy says. So it's complicated.

*Ann: It's very complicated. The reason I ask is that we're learning that there are a lot of smaller companies that are big suppliers, and there are huge opportunities for new business models.*

**Auden:** Here's an example. When we ordered a quarter million dollars' worth of furniture, we put out bids to three companies: Herman Miller and two others. The bids came in all about the same—same price, same quality of product. Herman Miller was much greener. We did an analysis of all three companies, and Herman Miller won out and we gave them the contract based on their environmental record. That's great, they're winning the contract and are incentivised to be even greener because they see the dollar signs. But, one of the companies that didn't win, who also sees themselves as green, called us and asked why they didn't win, and we told them and sent them our analysis of their environmental programs. So now they're incentivised to be greener, too, because they just lost a quarter million dollar contract.

**Ann:** *Thank goodness they asked. Were these things that are relatively easy to measure?*

**Auden:** No, it was difficult and very subjective. We asked questions like, were there national awards and third party certifications versus state and local? Were their environmental programs compliance-based or beyond compliance and very progressive? Those kinds of issues.

**Ann:** *Do you believe that there is a shift going on with sustainability within corporations and that the companies not on board are going to have a rude awakening in the next 10 years?*

**Auden:** Yes. Based on our experience and my understanding of other corporations, you don't just switch over and suddenly become a green company. It's a long process. **The technology is there to be green, but the culture is often what stops you.** So the companies that haven't been thinking along those lines, particularly with regard to climate, are going to be at a disadvantage.

**Ann:** *Because we consume most of the world's energy here in the U.S., how do you think this will roll out as the rest of the world develops, like China for example?*

**Auden:** First, I think the U.S. has to and will take a leadership role on developing and implementing the technology needed to reduce emissions radically and create clean energy, and then we need to help other countries leapfrog past the dirty industrial development we went through. And that doesn't put these other societies at a disadvantage. A good example is that in Africa, they've skipped past the whole hard infrastructure for telephones and they've gone straight to wireless. That's the kind of thing that the U.S. has to show leadership on. I mean, there's this big debate—the current administration says, “Why should we do anything? India and China aren't going to be regulated,” and the reason is that for one, we're using more than anyone else per capita, and two, we're in a position to lead, so we should. And I think that's going to happen, no matter what administration comes in after Bush, Republican or Democrat. They're going to be leaders on climate and energy—they have to be.

**Ann:** *Last question. In a company, what is the best way to inspire sustainability and how does it become a part of day-to-day business activities?*

**Auden:** There are two questions there. One, do these programs happen from the grassroots or are they top down? And the other is, does it require a moral mandate? I think the answer is yes to both of those. It's nice to think that grassroots movements of employees can create this kind of change, but it just won't happen, or it will happen over a hundred-year timescale. You have to have ownership or CEO support for these kinds of things. And then for the moral mandate, this is something that I've written about for the Harvard Business Review. It basically says you can do everything that Amory suggests and it will get you about halfway there, but there are some things that cost more money and require upfront capital and don't have a business rationale, and in order to make those happen you have to have a moral mandate.

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