

## **Companies: there is no future without the environment**

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Hundreds of associations are actively fighting to protect endangered species. Millions of children are participating in ecological movements. Scientific forecasts warning us about climatic change are everywhere. Influential global organizations are denouncing companies responsible for polluting the environment. Prestigious politicians such as Al Gore and institutions such as the U.N. and the European Union are launching every initiative possible to establish a sustainable human presence on this planet...

Clients are placing increasing demands on providers to respect the environment and adopt recycling policies, the absence of which is becoming less and less pardonable. Similarly, governments are beginning to legislate under the principle of "He who pollutes, pays". Spain's Environmental Responsibility Law, passed on October 23, 2007, establishes fines of up to two million euros, including cessation of activity for up to two years in the most serious cases.

Citizens are more and more sensitized to environmental issues, and therefore abiding by new environmental laws is more important than ever. No company can ignore this green movement because any activity that is perceived as a threat to the environment undermines that company's legitimacy and brings into question its very reason for existence.

One of the keys to avoiding such risks is the implementation of environmental management systems that, first and foremost, evaluate the impact of activities through external auditing to identify critical points and certify adherence to standards governing corrective measures such as the ISO 14000 regulations. However, it is also important to avoid making overly simplistic promises. These measures are never completed by miracles. They do not guarantee the reduction of environmental impact in and of themselves, and they do not ensure favorable results on the balance sheet. The successful realization of these objectives also depends on a series of factors and challenges that the company must face. These include the difficulty of having a 100% environmentally responsible supply chain, the existence of conflicting strategic priorities, the absence of environmental standards, the scarcity of qualified personnel or even the eventual inability of the market to recognize the true value of such strategies.

### **Cutting edge technologies**

In truth, these challenges demand an important ability to innovate. According to Gartner, some leading providers in the information technologies hyper-sector are already demonstrating this. These companies are currently responsible for 2% of the planet's carbon dioxide emissions, and Gartner is strongly warning that sustainability strategies will be of utmost priority for the makers of computers, mobile phones and electronic devices.

The series of measures announced this year by companies such as Intel, Sun, IBM, HP, Nokia, Toshiba and other providers confirms that this warning is well founded. Greenpeace has confirmed this in its 2008 Green Report by naming Samsung the sector leader in environmental behavior for its innovative design of the Nintendo video console.

The IT sector's newfound ecological sensitivity has affected many other areas such as the large corporate data centers. A few years ago, the electricity consumed by these centers was barely an issue. Now, the IDC consulting group estimates that this line item represents half of these centers' annual expenses, predicting that within two years this figure will rise to 70%. To confront this problem, these centers have developed innovative technologies such as server virtualization, which optimizes output while reducing energy consumption.

### **Spain: behind but not absent**

Sustainability strategies among Spanish companies are behind the eight ball compared to the European average and even more so when compared to the environmental efforts of Nordic companies. However, there is a favorable trend toward change, especially in the energy sector where Spain can demonstrate successes such as the fact that 20% of the nation's electricity is currently generated by windmill technology. And the environmental initiatives are multiplying. For example, Spain recently put its FTSE4Good initiative into place. This new IBEX index measures socially responsible investments made by companies that trade on the Spanish Stock Exchange.

Thanks to debates in specialized events such as the 2008 BP Forum on Energy and Sustainability held last month, there is increasing consciousness of the demand for technologies to help meet objectives for reducing carbon dioxide emissions from 25% to 40% in developed countries before 2020. And this brings important business opportunities along with it.

In this context, the challenge for our entrepreneurs is to create truly innovative companies that provide corresponding technologies, products and services. The demand for such companies is evident and encompasses everything including packaging, finding non-polluting substitutes for toxic materials, recycling, and reducing process times. At the same time, this means more and greater opportunities for our researchers and qualified professionals to help us launch and win the battle to save the environment.

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