

# Debating Club

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**Marketing sustainable  
services and products**  
Where innovation creates value

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# Programme

- 09.30 h. Delegate registration
- 10.00 h. Inauguration
- Mr. Charles Hay. *Deputy Head of Mission, British Embassy in Spain.*
  - Mrs. Cristina García-Orcoyen. *Chief Executive of Fundación Entorno-BCSD España.*
  - Mrs. Teresa Ribera. *Minister for Climate Change.*
- 10.30 h. **Panel 1: Innovation in products and services for sustainability: towards a new style of marketing**
- Moderator:** Mrs. Cristina García-Orcoyen. *Chief Executive of Fundación Entorno-BCSD España.*
- **Integrated product policy: Understanding the role of products and containers in sustainability**  
Mr. Andrew Jenkins. *Sustainable Development Manager of Boots UK Limited.*
  - **Energy efficiency on a smarter planet**  
Mr. Moisés Navarro. *Member of IBM's Board of Technical Experts.*
  - **Reducing emissions in the cement industry through waste recovery**  
Mr. Manuel Soriano. *Sustainable Development Manager of Holcim España.*
- 11.30 h. Questions
- 12:00 h. Coffee break
- 12.15 h. **Panel 2: Marketing sustainable products and services: new market leaders**
- Moderator:** Mr. Bob Ryder. *Head of Sustainable Products Policy of the UK Department for Environment, Food and Rural Affairs.*
- **Sustainable products: policies, tools and marketing**  
Mr. Bob Ryder. *Head of Sustainable Products Policy of the UK Department for Environment, Food and Rural Affairs.*
  - **Communication and Corporate Responsibility**  
Mr. Juan Ramón Silva. *Head of Corporate Social Responsibility and Corporate Image of Acciona.*
  - **Sustainability at Procter & Gamble**  
Mr. Ioannis Hatzopoulos. *Head of External Relations, Western Europe of Procter & Gamble.*
- 13.15 h. Questions
- 13.45 h. **Conclusions**  
Mrs. Cristina García-Orcoyen. *Chief Executive of Fundación Entorno-BCSD España.*
- 14.00 h. End of meeting

# INTRODUCTION

The Fundación Entorno-BCSD España, with the support of the British Embassy and the Spanish Department for Environment, Rural and Marine Affairs, organised a Debate Series on 26 March 2009 at the Department's headquarters to find new approaches and tools for marketing sustainable products and services.



**Mr. Charles Hay.** *Deputy Head of Mission of British Embassy in Spain.*

*"Consumers increasingly expect products that are greener, healthier and more ethical, representing a powerful source of innovation in everything involving products and services"*

"The need to develop a low-carbon economy and to fight climate change is something that concerns companies from all industries around the world. The challenge involved in driving forward a global economic transition that is stable and sustainable, and implementing the necessary measures to achieve this, will have profound effects on industry and the global workforce.

This is also an excellent opportunity to make long-term investment, economic, scientific and technological, required to achieve green growth.

These measures will include investment in energy efficiency and research and development of new technologies, a true transition towards renewable energy sources and marketing of low-carbon vehicles. If countries work together on measures of this kind, investment can be brought forward, with forecast growth in the environmental industry of around 50% over the next decade.

Yet it is not just about implementing government initiatives: consumers increasingly expect products that are greener, healthier and more ethical, representing a powerful source of innovation in everything involving products and services.

This is not always easy, even less so in times of economic slowdown such as those we are currently experiencing. But in the long term, the most successful companies will be those that sell affordable and differentiated products to their customers.

In Madrid, for instance, the British Embassy has been looking at how the Ambassador's Residence might be made greener by fitting solar panels to generate electricity and hot water. We are weighing up several options to make our Embassy and Consulates in Spain and Portugal more sustainable by fitting, for example, smart metering systems to measure our electricity consumption and cut emissions; another step in our efforts in this context, bearing in mind that 100% of the energy used at this Embassy already comes from renewable sources.

Much of this success would not have been possible a few years ago, but innovation and energy efficiency are making these green technologies increasingly affordable, for government and private sector alike".



**Mrs. Cristina García-Orcóyen.** *Chief Executive of Fundación Entorno-BCSD España.*

*"Sustainability will be key to competitiveness in companies, gaining consumer trust and opening up new business opportunities"*

"The companies in our Focus Area 'The Role of Business in Society' decided some months ago to turn their full attention to this subject, and as usually happens with our organisation, the first step they took was to carry out a study of present and future of Sustainable Marketing, which is currently in progress. This is the key driving force behind this Debate Series.

We want to examine the current situation, but above all future alternatives and the conditions needed to build a true market, in other words, real supply of and demand for sustainable products.

We believe that marketing products and services based on sustainability criteria will be key to competitiveness in companies, gaining consumer trust and opening up new business opportunities.

Some years ago the European Union began to tackle what has been described as Integrated Product Policy, which at last will translate into a series of Directives designed to link production and consumption of goods and services to sustainable development, and more specifically anything involving climate change and energy efficiency.

We believe companies will support these measures, given that many of them can already clearly see a way out of the recession which is closely linked to sustainable development, specifically a low-carbon economy.

Companies essentially build their competitive advantage through brand innovation, and to achieve this they need to understand changes in society, and to a large extent anticipate them in their business plans, from technological innovations to new consumer trends and purchasing habits.

During this Debate Series we want to put forward the following question: Is there really an opportunity right now for marketing professionals to use sustainable development as leverage for brand innovation? Of course there is, and as they themselves recognise, we are overusing green buzzwords and the superficial trappings of sustainability, which can in no way make up for intrinsic weakness in product quality.

Consumers are tired of all these 'green' messages, even before there is a true supply of sustainable products and services. They wonder how much truth there is behind such products and services. Meanwhile, companies that produce them complain that there is no demand for them.

For society to evolve unreservedly towards more responsible consumption, we do not have to implement major changes in classical marketing principles, because they are also applicable to green marketing: developing first-class products through innovation. If we have a first-class product, with attributes that fit in with sustainable development principles, we can use its social and environmental qualities to set it apart from others and create a new source of profitability.

We at Fundación Entorno and the companies working with us are convinced that values of sustainability can be a distinguishing factor for success; a key part of functional and emotional attributes of a product or service.

We also know there are no one-size-fits-all solutions or short cuts for marketing to benefit from the challenges of sustainable development. Our job is precisely to motivate and encourage companies to ask themselves about how crucial sustainable development is to their business and how it can contribute to achieving their

goals while generating long-term value. Sustainable products and services are appealing and believable if they are clearly consistent and aligned with company values and business activities.

I hope that this Debate Series, as well as being a channel for gathering the best possible information for the new Fundación Entorno study, will contribute to all of you thinking about the issues and experiences shared today in terms of the benefits to yourselves and to your companies".



**Mrs. Teresa Ribera. Minister for Climate Change.**

*"Having passed the stage of quality or design as a differentiating factor, reducing the environmental impact of products will be key to clear market positioning, with obvious added value".*

"I believe this meeting is particularly opportune, coming at a time when society is seriously questioning the limitations of traditional production and the link between message and content (hopefully not because consumers are tired of this), so providing an opportunity to strengthen trust.

In this respect, the political, institutional and regulatory leadership is seeking to consolidate a strong framework, where clean production, responsible consumption and innovation in reducing environmental impact are not just the driving force for growth for business, but also a consumer right.

This Debate Series is also a good opportunity to reflect on the environment in which private financial

institutions and their regulators need to operate, and on the development model that is being financed, driven by the need to strengthen elements of environmental fairness and consistency in the medium to long term.

However, when we speak of sustainable consumption and production, it is hard to translate it into an appealing message for public opinion. And in this respect, marketing professionals always ask themselves two questions: what do consumers want and what will they want in the future? The more a company can anticipate these future requirements with its product offering, the greater its success in the medium term.

It is in this respect that public responsibility must be expected to rise to the occasion and be capable of

following the path to change, so that strong messages regarding the reduction of environmental impact can be incorporated into its demands.

Another key factor is fairness. Today we know that 15% of the world's population consumes 56% of products produced worldwide, 65% of electricity and almost 50% of all meat. We also know that this trend needs to change, because if this consumer pattern established in the last 150 years is replicated globally, the planet will be unable to keep up. Accordingly, if we want to succeed the key will be innovation based on the fundamental premises of environmental protection, gradual reduction in the need to consume resources and generation of real impact.

Having passed the stage where the main goal of companies was to enhance the quality of the final product, aesthetics or design features that set them apart from their competitors, the next stage will be ensuring that our product has less of an impact in production, transport, consumption and disposal.

Yet in order to establish the value of these distinguishing features, it is necessary to generate a widespread culture among consumers regarding these features and details, raising their responsibility and demands on producers, government and legislators.

Marketing professionals have realised that information plays a key role in this effort to change consumer patterns. We should not forget that advertising and marketing are the drivers that broaden the demand for a product or for its specific features. They can, however, lead to an ad-nauseam effect, and some disappointment or incredulity unless handled with care, and especially if consumers find that it is merely an empty campaign with no robust content at its foundations.

Accordingly, the most crucial distinguishing feature of products must be innovation in reducing environmental impact and improved efficiency and sustainability in their lifecycles. Moreover, advertising images and messages need to convey accurate data, and the accompanying information must be transparent, clear and believable.

The Spanish Government is committed to these goals. The future is less impact and more fairness, factors that will encourage consumers to demand such innovation and businesses to invest in such innovation, with both working in the same direction".

# PANEL 1

Innovation in products  
and services for sustainability:  
towards a new style  
of marketing

# Integrated product policy: understanding the role of products and containers in sustainability

**Mr. Andrew Jenkins.**

*Sustainable Development Manager of Boots UK Limited.*

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*Having gained a degree in Environmental Science in 1977, Andrew Jenkins has worked in product materials and design and packaging development for several leading manufacturing and retail companies, including Storehouse Group. He joined Boots UK Ltd in 1994.*

*As a member of the Quality Support and CSR Team, his role is to advise product marketing professionals on sustainable development. His job includes developing the company's corporate social responsibility strategy and introducing sustainable innovation in product design.*

*Jenkins also has a seat at the EU Round Table on Sustainable Development Standards and on the BSi Responsibility Committee for drafting the BS8900 Sustainable Development Management Guidelines.*

*One of the priorities of Jenkins' current role is to develop a methodology to identify the impact of products using a number of key indicators. His recent achievements include carbon-footprint studies with The Carbon Trust organisation, and joint projects with The Green Alliance in the 'Designing Out Waste' project. He is also responsible for developing external partnerships in sustainable development with trade organisations, academic institutions and organisations such as 'Forum for the Future.'*

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*"Through our products we can become ambassadors for sustainability and have the opportunity to encourage consumers to change their consumer habits".*

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Ever since it was established in 1914, Boots has striven to be socially responsible in its mission to improve the wellbeing of its customers, including those in lower income brackets.

Since then, the company has sought solutions to reduce the environmental impact of its products, reduce its consumption of energy and raw materials and improve the social wellbeing of its customers, in a world in which consumption and population size are both fast increasing.

However, high levels of consumption do not improve satisfaction levels in individuals. This brings about an opportunity to engage with the consumer.

Boots looks at the product lifecycle as a whole: from design, to raw materials, to production and distribution through its various channels. Above all, it focuses on what consumers do when they buy its products - domestic use- and what happens at the end of the product's useful life.

In this respect, he highlighted the work that can be done to reduce environmental impact from the product design stage onwards, where 93% of the materials can be recycled at the end of their useful life and 80% of products are discarded after a single use. "Good product design can substantially reduce environmental impact and raise awareness among the media and consumers, making these improvements more visible", he explained.

In addition to product design, Jenkins highlighted the measuring of Boots products' carbon footprint. Thanks to this system the company has reduced its carbon footprint by 10% by using recycled plastics for shampoo bottles, for instance, and by distributing products to stores using more sustainable containers.

In this respect, Jenkins believed it was crucial to address consumers through messages linked to the products themselves. Such messages might be, for example, that lowering water temperature by a few degrees when washing your hair cuts CO2 emissions and energy costs, or merely that very hot water causes hair damage. "These sorts of messages are well received by consumers, and enhance the company's reputation, brand and marketing", he stressed.

To conclude, Andrew Jenkins asked us to reflect on some questions we need to address in future:

- Are we measuring the impact correctly?
- Is reduction in carbon emissions the key factor in measuring the impact?
- How do we measure ethical aspects?
- How do we preserve biodiversity?
- How can we get consumers to use our products sensibly? What advice can we give consumers to ensure a more sustainable use of our products?

In Jenkins' view, new technologies are not going to address all the pressing issues on the sustainability agenda.

# Energy efficiency on a smarter planet

## Mr. Moisés Navarro.

*Member of IBM's Board of Technical Experts.*

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*Moisés Navarro holds a degree in Computer Science from Madrid Polytechnic University.*

*He started his career in 1996 with the Internet Services department of IBM and, after several on-the-job training stints in consultancy and technical areas, he is now Executive Consultant in IT Strategy, leading this service offering in Spain, Portugal, Greece and Israel.*

*Navarro also sits on the IBM Board of Technical Experts, and is company spokesman for the Smarter Planet initiative, where he specialises in evolution of service provision and its relationship with energy efficiency.*

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*"In terms of its production lines, IBM can see a clear return on its profit and loss account thanks to increased efficiency: reduction in its consumption of water, energy and chemicals. An advantage to which we can also add the brand's reputation".*

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Navarro noted the ways in which information technologies can be used to improve efficiency and productivity of production lines while also reducing their carbon footprint. In his view, information technologies are the driver.

"One of IBM's successes is management of human capital based on values, where customer satisfaction comes first, followed by working innovatively and finally trust in interpersonal relationships with customers and society", he explained.

According to a survey conducted by IBM, information technologies generate almost 3% of the world's CO<sub>2</sub> emissions, more than the aviation industry. Accordingly, IBM believes it is important to work on energy efficiency in the provision of services and on the production line of information systems and products. "Sustainability is core to IBM's business", said Navarro.

Internally, the company is consistently working on raising employee awareness via its Intranet. IBM is also applying new, more efficient technologies and, based on its experience, exporting it to its customers. For some years now IBM has been working on the 'IBM Big Green Project', which seeks to transform the company into a sustainable business. The result of this is a \$1 billion investment to improve the situation and develop energy efficiency solutions and services for information technologies and others, with a view to reducing energy consumption by 80% and raised floor by 85%. IBM expects to double the computing power of its computers by 2010 without increasing CO<sub>2</sub> emissions. Furthermore, through conciliation and home-working schemes, travel to and from work is being avoided, reducing CO<sub>2</sub> emissions.

Following three years of internal transformation, the company can safely say that it is in a position to double its capacity without increasing its CO<sub>2</sub> emissions. This is a significant message.

"In production line terms, IBM can see a clear return on its profit and loss account, given the evidence of reduced water, energy and chemical usage, which is a clear cost-cutting benefit, and is good for the company's name", he said.

Among the many products and tools the Big Green Project has brought to industry, Moisés Navarro highlighted the assistance they are offering their customers in order to follow the same transformation route as IBM: the so-called 'Carbon House' that holistically addresses a company's management and carbon footprint across all corporate levels (production lines, policies employees are expected to follow, supply chains, etc.). Yet for this to be effective "it needs to be developed holistically". "Don't just talk, do something", he concluded.

# Reducing emissions in the cement industry through waste recovery

**Mr. Manuel Soriano.**

*Sustainable Development Manager of Holcim España.*

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*Manuel Soriano Baeza is an Industrial Engineer, majoring in Chemistry, with a degree from the ETSII in Seville, and a Master's Degree in Business Administration and Management from ICADE.*

*He has an extensive track record in industry and services to companies belonging to major groups such as Carbuos Metálicos, Dragär and ABB. He has also worked as an independent consultant.*

*He has been working for Holcim España Group since 1997 where, after an initial period as General Manager of Energis Valorización de Residuos, S.A. (currently Geocycle España), he now works as Head of Sustainable Development. He is also a director of Geocycle España and has been Joint Chairman of the Organising Committee for the Sustainable Construction Convention held in Seville from 21 to 23 November 2007.*

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*"In order to reduce CO<sub>2</sub> emissions in the cement industry, two basic requirements need to be addressed: energy efficiency in processes and innovation in products".*

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Manuel Soriano pointed out that companies produce, provide services, carry out installations, use natural resources, generate waste and therefore have an impact on the environment. "This is a fact and there's no avoiding it, though we can minimise it", he stressed. In this respect, "there is a major challenge to do something, from the design process and more sustainable methodologies to produce the products, to using more suitable materials, etc."

This is the scope of the company. On the other side of the equation is the consumer. "There is no benefit in having a sustainable product if consumer habits and waste generation are not truly responsible", he added.

And "ultimately what we get from a product is its waste, and what we have to do is apply a system, a sustainable methodology for this waste in order to make use of it". If we consider three variables: technologies used in sustainable manufacture of products and services, responsible consumption of these products and sustainable waste management, "we can contribute more efficiently to how these natural resources are used and to reducing CO<sub>2</sub> emissions", he stressed.

The cement industry accounts for 5% of the world's greenhouse gas emissions. In Spain, this percentage is as high as 7%. Furthermore, this industry is a major consumer of materials, energy, fossil fuels and raw materials, most of them minerals, and above all, limestone. However, there is a more sustainable way to manufacture cement: through recycling of products that are unusable as raw materials and use of alternative energy sources.

The European Cement Association claimed in a recent report that for cement production in European countries, 5% of raw material is waste raw material, 18% is energy generated from waste and 12% is recycled by-products and waste from cement manufacturing.

Reusing waste for recycling and generating energy is what is known as waste recovery. However, in Spain we are not using all available resources to produce more sustainably, and neither are we making use of alternative components to replace fossil components as much as other European Union countries. "We have only achieved a 6% overall", said Soriano.

"This because the waste management techniques used in Spain rely on landfill; and landfill, in addition to failing to make use of waste or the resources found in waste, is clearly an unsustainable course of action because fermentation of organic matter in waste not only releases CO<sub>2</sub> emissions, rather it also releases methane, which in terms of greenhouse gas impact is 20 times worse", he explained.

This is why Holcim is using energy recovery from waste to on the one hand avoid landfill emissions from recovered waste, and on the other to reduce emissions from cement plants in terms of traditional fuels (coal, coke, etc.).

One of Holcim's targets is to cut its net CO<sub>2</sub> emissions by 20% in 2010 (based on levels of emissions in 1999)). To achieve this, its strategy is based on efficiency of processes (improving energy efficiency and waste recovery) and innovation in products, for example with admixtures cements (with lower clinker ratios).

At Holcim España, 18% of thermal energy used to manufacture cement comes from waste and alternative fuels such as starches and animal fats, sawdust and wood chips, worn tyres, waste oil, sludge, solvents, etc. To this we must add safety in its procedures and at its facilities: chimney-fitted emissions monitoring system, waste control laboratory, preparation of alternative fuels from waste, etc. Through this policy, since 1990 Holcim España has succeeded in reducing its CO<sub>2</sub> emissions per tonne of cement by 25%.

# PANEL 2

Marketing sustainable  
products and services:  
new market leaders

# Sustainable products: policies, tools and marketing

## Mr. Bob Ryder.

*Head of Sustainable Products Policy of the UK Department for Environment, Food and Rural Affairs (DEFRA).*

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*Bob Ryder is responsible for Sustainable Consumption and Production Policy at DEFRA, dealing with improving environmental operation of products, including tools to measure product impact (lifecycle and carbon footprint), consumer information (environmental labelling, energy labelling, demand for green products), and the minimum environmental standards for products, government procurement, voluntary roadmaps and action plans to improve product operation in the main sectors. Ryder has previously worked in other areas such as environmental management, environmental information, best practice schemes and schemes to change consumer habits in sustainability terms.*

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*"The greatest environmental challenge we currently face comes from products: demand for and supply of goods and services"*

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Bob Ryder started his presentation by highlighting growing interest in sustainability on the political agenda in the last ten years, such as the Integrated Product Policy.

This is because the greatest environmental challenge we currently face comes from products, demand for and supply of goods and services, be they food, clothing, construction, travel, consumer electronics, etc. The way to control them is through more imaginative and innovative legislation than in the past.

Changes in lifestyles and growing consumption of products are having a major environmental impact and are increasingly putting more stress on the environment: development of new technologies, changes in consumer preferences, products with a shorter life expectancy, higher consumer demand or the endless parade of new products are factors that also add to this environmental stress. "Furthermore, we run the risk of these lifestyles being mimicked -with all the pitfalls- by emerging economies lacking the resources to satisfy them", he added.

The role of regulators, and in this case the British Government, is to seek innovative solutions to provide incentives for more sustainable production and consumption. To achieve this, tools are being implemented throughout the lifecycles of products, such as the production of best practice guidelines, voluntary agreements, tax breaks, marketing guides, support for innovation in the supply chain, consumer information to raise awareness, etc.

Nationally, many policies and tools are being developed in this respect, and there is already plenty of room for

development to improve product quality, such as offering cash and tax incentives and educating the public in an attempt to influence their behaviour -somewhat easier to achieve regionally than from European institutions-.

The British Government has two tools to achieve this: one to measure the carbon footprint of products 'PAS 2050' and guidelines for green-product advertising messages.

Companies were looking for a management tool that, in addition to assessing the potential risks to their reputations, would be capable of analysing energy efficiency, and a tool for communication with stakeholders and consumers. This tool is PAS 2050, the result of a partnership between BSI British Standards, the British Government and The Carbon Trust. It was set up through a group of experts from academia, NGO, government and industry charged with devising a single methodology to measure polluting emissions from products and services.

The methodology was tested on 20 companies from different sectors, and made public in October 2008, with guidelines for reporting on the methodology and how to market it and the benefits of communicating and engaging with markets.

Technically, it is worth noting that this tool manages the main greenhouse gases, not just CO<sub>2</sub>, measuring the entire lifecycle, not just that of the product, and how it is used; the application of this methodology is the same for all companies.

This tool can help companies to innovate in the more difficult areas, such as in the supply chain, where

alternative sources of supply and new materials can be evaluated, and different production methods considered. It also helps companies to compare themselves to their competitors, in turn encouraging them to improve the end result.

Furthermore, the tool allows for more direct communication with the customer, with a clear and consistent message, based on a recognised methodology that in turn engenders trust. The tool is free and available to everyone, it can be downloaded from the Internet and so far has logged 10,000+ downloads to over 80 countries.

As for control over advertising of 'green' products, some years ago the British Government produced a guide to help companies write these messages, yet pressure from the media, complaints about this code, new buzzwords such as 'zero emissions', 'carbon neutral' and the surge

in concepts such as bio diesel, biodiversity, renewable energy sources, etc. all call for an up-to-date review of this guide.

The role of governments in this respect is necessary and essential, because companies expect it, and because governments are duty bound to help the market improve how it produces, facilitate marketing in the more questionable sectors, support fair competition between companies, generate consumer confidence in sustainable marketing and help pressure groups process their complaints.

# Communication and Corporate Responsibility

## Mr. Juan Ramón Silva.

*Head of Corporate Social Responsibility and Corporate Image of Acciona.*

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*Juan Ramón Silva Ferrada (born in Santiago de Chile, 1955) is Head of Corporate Marketing at ACCIONA, responsible for Corporate Responsibility, Marketing, Advertising, Events, Brand Management, Sponsorships, Internal Communication and Website Development. As such, since 2005, he has implemented ACCIONA's policy in this area.*

*Before joining the company, Juan Ramón Silva was CEO at Signomedia, a direct and interactive marketing agency, where he was responsible for online campaigns and strategies for customers such as BMW, BP and Reebok, among others.*

*From 1997 to 2003 he was CEO of Click! Market, where he was a founding partner and developed projects for customers such as Motorola, SAP, Kimberley Clark; Norwich Union, British Life, Compaq and Loewe.*

*Before setting up his own agency, he was Creative Director at Intermedia Club & Sponsoring, an agency specialising in sports promotion and sponsorship, where he worked for accounts such as Johnnie Walter, Barclays, Carlsberg, Seven Up, Ron Pampero and Kodak.*

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*"At Acciona we see communication as discussion. Employees must act as change agents in an ongoing and stable discussion with the company's stakeholders".*

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ACCIONA wishes to continue to pioneer sustainability; sustainability based on a strategy which focuses on three basic premises: economic growth, ecological balance and social progress.

In terms of communication, ACCIONA is concerned with internal and external communication, consistency of messages, managing negative impacts and above all integrating values. In addition to what is purely a communication process, Juan Ramón Silva's department also handles the company's 'voice'. This makes optimising communication channels, and maintaining consistency and relevance of messages crucial.

In addition, communication should be conceived as discussion, "because we live in social networks". ACCIONA has recently conducted a survey highlighting that the company's 35,000+ employees generate a monthly volume of around 2 million messages on the company. So it is crucial that employees act as change agents. This is why stimulating employee engagement, involving employees with corporate strategy, and an ongoing discussion with stakeholders are such key factors. "Moreover, we need to identify and drive the opinion of internal leaders", he added.

Communication, Juan Ramón Silva noted, is also a management task, and must serve to steer internal capabilities towards creating value (knowledge and know-how transfer between countries). It is also essential to monitor the impact of communication activities.

As for Corporate Responsibility, the department that leads on this essentially deals with promotion, communication, discussion and management of the company's sustainability issues.

One reason to drive CSR at ACCIONA is the certainty that it is helping them to mitigate reputational, environmental and social risks; to align CSR strategy with stakeholders'

expectations; to maintain and improve their licence to operate; to reduce the impact of the recession on the company; to integrate new values; and to promote sustainable practices. In addition, it strengthens company communication by allowing it to extend its communication channels to stakeholders and improve its relative positioning through greater transparency.

Furthermore, RSC is a "discussion platform with stakeholders to learn about their expectations, drive commitment and pride of ownership among employees, and acts as agent for change", added Silva.

Communication and CSR at ACCIONA are completely intertwined. This is why they launch major external information campaigns that also serve to establish discussion with society. This is what happened in the 2006 campaign, where they launched an interactive website that during the month the campaign lasted had 30 million hits, gained 20,000 members and received 21,000 messages that have been examined, taking note of suggestions.

In 2008 they launched another smaller campaign under the slogan "Let's be realistic, but let's ask the impossible", which reflected the company's message that this was no time to back down, rather it was time to move forward and face the challenges of sustainability.

As for internal communication, campaigns have been more simple, more practical and with messages calling for action. The 2006 one was called 'Are you doing everything you can?' and was designed to get employees to make efficient use of water, electricity, reuse and recycle materials in their jobs. In 2007 the focus was on safety at work, ACCIONA's most important social aspect, along with health. In 2008 and 2009, these campaigns have focused on driving forward the energy efficiency plan under an initiative called: 'Operation: Butterfly effect' to explain how by being more efficient in the minutiae major changes can be achieved.

# Sustainability at Procter & Gamble

## Mr. Ioannis Hatzopoulos.

*Head of External Relations, Western Europe of Procter & Gamble.*

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*Ioannis Hatzopoulos read chemistry at the University of Frankfurt, Germany, and obtained a PhD in Photochemistry from the Frankfurt Institute of Physics and Chemical Theory. A speaker at the University of Copenhagen, Denmark, and at the Italian University of Padua's Institute of Photomedicine and Photobiology, his scientific work has been recognized and supported by NATO's Institute of Advanced Studies, the European Association of Photochemistry (EPA) and the Alexander S. Onassis Charity Trust in Athens, Greece.*

*Ioannis Hatzopoulos joined P&G in 1995 as a researcher, where he led research into product lifecycles (LCA) for the company, and was head of environmental quality and safety of children's and feminine personal care products. Subsequently he was appointed Senior Researcher in 1999, heading sustainable management in development and recycling of personal care products.*

*In 2000, Hatzopoulos joined the newly created External Relations Department, where he focused on baby products and the family care division for Western Europe. From 2002 to 2005, he sat on the Consultation Committee of the British Government's LCA project on reusable nappies, led by the British Environment Agency. Since 2003 he has chaired the Task Force on the Environment and Sustainability of the European Disposables and Nonwovens Association (EDANA).*

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*"We really must listen to the 'boss', and at P&G that means the consumer. Sustainability is a journey, and we want the consumer to join us for the ride"*

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Ioannis Hatzopoulos opened by reminding us of the importance of sustainability in the last few years on the world agenda, but he pointed out that consumers "are also extremely confused because they go to the supermarket and are faced with too much information, labels, messages on shelves: everything is natural, organic, environmentally friendly, green...". There are hundreds of ways to describe a product as sustainable, and that is confusing consumers.

In the quest for sustainability, for P&G innovation is key: The Company has five clear corporate strategies:

1. Products.
2. Operations (manufacturing).
3. Social Responsibility.
4. Employees (involvement; provide them with the right messages so they can be ambassadors, etc.).
5. Future agenda on how to work with stakeholders.

5-year measurable targets are set for all these strategies and they are then followed and often improved on.

In terms of production, P&G aims to cut its energy consumption, CO<sub>2</sub> emissions, waste and water by 10%. As for Social Responsibility, the company has its 'Live, Learn and Thrive' scheme through which it aims to reach out to 250 million children worldwide to improve their quality of life. This includes access to drinking water by designing a product to purify water.

Ioannis Hatzopoulos noted the importance of listening to the 'boss', which for P&G means the consumer, but also to experts. "Both have a lot to say about our products", he said.

"Consumers listen and give their opinion on issues such as climate change, air pollution, water, population

explosion, etc., yet always based on how they affect their personal lives, because the cost of living is increasing, because they are suffering extreme weather conditions, or their health is affected (allergies, cancer, etc.). Until this happens they are unaware that they can be part of the solution and take part in action designed to achieve greener lifestyles", he explained. And the thing is, "the vast majority of them want to consume sustainable products where quality is not compromised for environmental reasons".

Yet for P&G the challenge is to involve that majority of consumers, who ultimately are the 'bosses'. And to achieve this it is also important to listen to the experts who help to identify innovation and the best strategies to put products into perspective, and to reach consumers better, specifically regarding detergents and childcare products.

Ariel illustrates very well how to educate consumers and teach them that they can be part of the solution and not the problem. Through the message 'Every drop counts', P&G was supported by UNICEF and WWF with advice on how to make more efficient use of water when using this detergent (wash at lower temperatures, etc.). The campaign was also taken to the World Wide Web and to children, who turned out to be excellent 'educators' of their parents and who also happen to be part of future generations.

Regarding innovation in sustainability, P&G always seeks improvement through the life cycle of its products. With brands such as Pampers -Dodot in Spain-, ever since it was launched in 1961, the quantity of materials used has gradually diminished, while their absorbency is far greater. "Not many companies can claim to use fewer raw materials and resources to produce a better product with less environmental impact", he said, adding that continuous measurements are taken by independent

consultants to assess, not just use of fewer materials, but also water and energy consumption for their production and use.

To conclude, Hatzopoulos recalled the words of the President of P&G, Hartwig Langer: "We are certain that we will help to address the continuous challenges

faced by the world, and that we will succeed through innovation in products, improving the environmental profile of our operations and with schemes such as "Live, Learn and Thrive". Companies like P&G can become a force for good in the world. This is a responsibility and an opportunity that we are not going to waste".

# Main Conclusions

- It is essential for marketing to operate within a business philosophy that pervades the company as a whole. A sustainable product will be meaningless unless it is supported by business culture.
- From **BUSINESS**: Sustainable products and services have to be consistent with corporate culture. And marketing them must be based on the product's intrinsic qualities, and such qualities need to be communicated honestly and transparently.
- From **GOVERNMENT**: There needs to be clear support for innovation, where business is investing vast amounts of money that need to be buttressed. Furthermore, financial and commercial facilities are essential for companies investing in this field. Government needs to set an example by procuring and using sustainable products.
- From **CONSUMERS**: They have highlighted that they will neither back-pedal nor relinquish basic product requirements such as quality, safety or price, but then this also is sustainability. It is important to find a balance between satisfying these basic needs and being sustainable. (Seeking innovation, more efficiency, etc.).
- Regarding consumer awareness and education, little has been done by government, but it seems that now there is a concerted desire on the part of government to tackle key aspects such as Integrated Product Policy.
- Following the launch of PAS 2050 to measure the carbon footprint of products, Fundación Entorno has announced its plans to set up a trial scheme in Spain to integrate this tool and take it to Spanish business.

# Information on Organisers

## ■ About Fundación Entorno–Spanish Business Council for Sustainable Development (FE-BCSD España):

This is a private sector organisation in the service of companies seeking to strengthen their commitment to sustainable development. In March 2006 it became the Spanish member of the Regional Network of the World Business Council for Sustainable Development (WBCSD). The mission of Fundación Entorno-BCSD España is to work with business leaders by tackling the challenges of sustainable development as business opportunities.

The Fundación Entorno has been applying its Environmental Management System (EMS), which is governed by the European EMAS Regulation and ISO 14001, at its headquarters in Madrid since 2003. See the results of its performance through its Environmental Statement available at: <http://www.fundacionentorno.org/>

## ■ About the British Embassy in Spain:

The British Embassy is the highest institution responsible for representing and promoting the United Kingdom in Spain. One of its key priorities is climate change, where it works closely with the Spanish Government, business, NGO and society as a whole to drive a high-growth but low-carbon economic model. For further information on its activities see: <http://ukinspain.fco.gov.uk/es/>

## ■ About the Department for Environment, Rural and Marine Affairs:

The Ministry of State for Climate Change, headed by Teresa Ribera since April 2008, is part of the Department for Environment, Rural and Marine Affairs, and mainly covers matters involving coordination of policies to fight climate change and air pollution. Under its umbrella are also the Environment Quality and Assessment Directorate, the Spanish Office for Climate Change and the National Meteorology Agency.

