

Environmental responsibility within Corporate Social Responsibility (CSR)

December 2010

During the last decades, the world's economy has shown a real tendency towards the environmental variable. Products and services sold must not only satisfy the bottom line of the final balance sheet of the companies but must also incorporate the "think green" concept in both their production, as well as in their consumption. Swedish companies follow and operate on this phenomenon as a challenge, both from the point of view of strategic marketing planning in the long term as well in the consideration of the survival of the people living in their community.

In the Swedish Argentine Chamber of Commerce we feel we are participants in this care of nature's process, be it as a form of our identity as a country or as being responsible of setting up and following a trend in our commercial and environmental projects in the Argentine community and markets.

This identity is the authority derived from the recognition of **Stockholm** as the first city in being chosen as capital of the environment in Europe. The prize, granted in February 2010, was achieved by fulfilling the objectives related to the local contribution to the struggle against climate change and acoustic contamination and sustainable development in the processes of local mobility and transportation of passengers, development of green spaces open to the public and residential managing.

Some of these premises of ecological thinking were not left out of the South American market in these last months, precisely in Argentina, together with the countries that are part of the Nordic region. The **Nordic Conference on Clean Technology** was held last November 3 in Buenos Aires. The Swedish Ambassador in Argentina, Charlotte Wrangberg, opened the event at the Intercontinental Hotel with the participation of around three hundred persons among companies, experts in clean technology, government authorities and organizations of the civil society of Denmark, Finland, Norway, Sweden, Argentina and neighboring countries.

The goal pursued by the conference¹ was to submit the visions, experiences and the specific Nordic solutions in the subject of clean technology, as well as to improve the bases for bilateral cooperation. The event not only represented an opportunity to become aware on the new demands that our planet mandates, but also to exchange ideas towards the possibility of real and ecologic development.

Companies that place value on the utilization of land, the quality of water and mankind's need to gain access to a clean air will be the winners in the long run. This is the firm belief of the investigator Oskar Villani, President of SDI-Research in Vienna (the Institute for the Investigation of Sustainable Development), who

¹ Declared of national interest by the National Secretariat of the Argentine Presidency

who conducts market, trends and future scenario analyses for corporate clients².

Villani affirms that the first seeds of the environmental trend were sown around 1972 when Dennis Meadows and several colleagues published the report “The limits to growth”. It was the first time that attention was called to the limited resources of the earth and on the need to curtail environmental destruction.

Three member companies of our Chamber offer us their experience in sustained development. Each of them with the contribution that their product and service demands from them regarding the responsibility in question.

Vehicles with ecological responsibility

One of our members engaged, for more than eighty years, in offering solutions for transportation and known as one of the world’s three largest manufacturers of medium and heavy duty trucks, is committed to environmental sustainable economy.

The company enjoys a long tradition in environmental matters. They believe that the whole life cycle of a product from extraction and transportation of the materials even up to better and more sustainable methods in their manufacture, usage, processing and recycling. In this way, they are competent in creating more efficient and sustainable transportation.

In the context of their concrete efforts, we can find a detailed statement regarding the impact of their trucks on the environment. They are the only manufacturer in their line of business that provides this service.

The **Environmental Product Declaration (EPD)** was published in 2001 in connection with the launching of new truck models. Since then, the EPD service has enjoyed a constant development and today, we can find environmental declarations for all the types of trucks of the company.

This information on the climatic and environmental track of the products of the company is accessible through an interactive service of their web page. With it, the truck owner can make detailed calculations of certain parameters such, as for example, production, initial extraction of crude materials up to their processing both in company plants as well as in those of their suppliers.

The EPD tool is divided into five sections: materials and production, fuel, exhaust emissions, maintenance and management of withdrawing from service, i.e. recycling.

Recycling is an important part of the pro-environment work. Nowadays, more than 90% of the truck can be recycled and this figure is increasing. For instance, in a new

² Villani’s declarations were extracted from an article published in the web site of one of our member companies.

model that is already in the market, for instance, 97 per cent of the cast iron used in the truck comes from recycled iron.

Another concrete project, that intends to set a global trend, is the one developed by the company in Sweden. Also first in its kind, the outstanding feature is the **utilization of Bio-DME** (dimethylether) as fuel for their vehicles. With the inauguration last September 7 of a *DME* gas station by the distributor Preem, the first five trucks *DME* propelled are in operation in the Swedish highways. BIO-DME is a very promising bio-fuel as, compared to gas oil, it produces 95 per cent less carbon dioxide emissions.

The field test will be carried out for a five year period. The purpose is to demonstrate the DME potential, produced as from a biomass, for a large scale investment. The project involves the complete technical chain from the biomass up to the fuel, i.e. distribution, gas stations, trucks and transporters.

This project is financed by the Seventh Framework of the European Union program, the Swedish Energy Agency and the participating companies.

Construction projects with green shades

One of the largest construction and services groups with the largest infrastructure in the world, to be found in Europe, United States and Latin America, with more than 130 years standing and with 12000 projects underway in 18 countries, is convinced that to be project developers and to be environmentally developers are roles absolutely compatible.

Aiming towards modernizing and reorganizing their technological resources, optimizing costs and reducing the environmental impact, in the last quarter of 2010, they virtualized all the information of the servers of the complete Business Unit of the Latin American region. By doing so, they were able to reduce in a 60% the hardware and network cost and minimizing, at the same time, electricity consumption and CO2 emissions.

Another endeavor related with the transparency of the information and corporate *management*, is that of clarifying the objectives related to sustainable environmental development and the search for the means to transforming the company, in the long term, into a green company.

To help in defining “how green” their projects are, experts in sustainability have developed the **Color Palette organization (Color PaletteTM)**. This mechanism illustrates the transition of the projects towards the green and it results in a useful tool to establish their aspirations and to identify improvement initiatives and actions that help to accomplish this goal.

The starting point is the vanilla color assigned to the projects that fulfill local practices, codes, standards and regulations. Projects designated as green are those that not only exceed legal compliance but what is constructed and how it is constructed is near the goal of Zero environmental impact. On the other hand, intense green was defined for measurement of zero value in priority subjects for this vision: energy, CO2, materials and water.

The objective of developing projects that reach intense green is for these to have a “guaranteed future”, i.e. that they comply with legal regulations. This vision is related to the process and to the final product. In this manner, the “promise” to the client is that the process will be defined by Zero environmental impact and Zero waste (trash) and, insofar as the “promise” of the product is concerned: Zero energy waste, Zero CO2 emission, Zero dangerous materials, Zero water waste.

Containers: Towards environmental conscience after consuming

Another one of our members provides absolute safety to food producers as from the manufacture of their containers. This safety is provided daily to each of the consumers when they chose protected food.

The company started operations in Argentina in 1983 with their local manufacturing plant of container materials in the province of La Rioja which received the ISO 9001 certification in 1996 and the ISO 14001 the next year.

From Argentina, the plant also supplies the markets of Uruguay and Chile. In 2007, over 2600 millions of containers were manufactured for the bottling of milk, yoghurt, juices, wines and tomato paste.

Their **environmental policy** describes their commitment to all the levels of the consuming and producing chain, from the selection and manufacture of the raw materials up to contributing to the consumer’s ethics when it comes to the time of discarding the container. Thus, we can observe three action axes in this respect:

- *Climatic change*: the goal is to obtain a 10% reduction, in absolute terms, in 2010 of CO2 emissions as compared to 2005. Their climatic program has qualified them to be part of the World Wildlife Foundation (WWF)’s Saviors of the Climate program. In 2007, their CO2 emissions were 7% lower than in 2005. Nine plants already use Certificates of Green Energy/Renewable and use the same amount of energy in the production of containers’ materials as in 2002, in spite of the fact that their production increased 29% in the same period.
- *Forestation*: the environmental most important goal of the company is for all the paper of their containers to be certified in line the FSC (Forest Stewardship Council)’s actual highest standard. One hundred per cent of their sources have been audited and obtained acceptable results. The chain of custody certification (from the tree up to the carton raw material) covers 75% of their typical container and 46% of their forest sources are certified as FSC or PEFC by the Sustainable Forest Management.
- *Recycling*: in 2007 over 22,000 millions of their beverage containers were recycled, 5% more compared to 2006. The number of plants that have recycled their beverage carton containers has increased and they have associated with community organizations and local companies to increase the recollection and recycling of their containers in the whole world.



Among the ecological campaigns organized by the company we can find the project **“Teachers: TP invites you to be an environmental multiplier”** which presents a booklet and a series of cards on the issue of residues, their recycling and the importance of the concern for the environment. It includes basic topics ideal for school use that allow putting into practice this so important work, both by pupils as well as their families.

The booklet on contents and suggestions for the teacher includes, among other subjects, information on the issue of different types of residues, information on the cycle of garbage, attitudes that protect the environment and sustainability of the containers of the company.

The company states that by cooperating and creating consciousness on the importance of separating residues for their later recycling is to make the daily investigation on the subject an information tool for consciousness. The idea, then, is to share information with transformation agents, such as the Municipalities of the city, mainly in the three subjects which are the main pillars to achieve an adequate promotion of recycling:

- Conditioning of the material segregated in the campaign:
- Regulation of Urban Solid Residues (RSU) at the local level,
- Communication of the campaign.

Bearing in mind this need, the company participated in the Third Inter American Congress of Solid Residues of the Inter American Association of Sanitary and Environmental Engineering (AIDIS), organizing a round table on **“Separation and Valuing of Residues in Municipalities”**, where it proposed sharing and analyzing in a comparative manner the resulting experiences of the different municipal programs.

Remarks

The reports of the Corporate Social Responsibility that we have presented from the Argentine Swedish Chamber of Commerce are pleased to have a diversity of cases from each one of our member companies which, for reasons of synthesis, we must include those that can serve as a reference.

In this particular case of productive environmental responsibility, most companies share in their practical ideas related to sustainable development which can be resumed in the following points³:

- Comply with all the applicable legislation and rulings.
- Assume the commitment of continuous improvement in environmental development, prevent and minimize the contamination resulting from the activities of the company.
- Reduce the generation of residues recycling all that is reasonably possible and ensure a responsible management of same.

³ Environmental policy of one of our members



- Train all personnel so that they perform their activities in an environmental responsible manner.
- Respond to all community concerns regarding environmental performance.
- Communicate and publish this policy to employees, suppliers and the community where our activity is being developed.

We wish to spread this manner of viewing trade not only because it identifies us as our worldwide way of working and thinking, but because from it depends, to a great extent, the future of the community where we live in.