



TENDANCES IBM 2009

DONNEZ DU SOUFFLE
À VOS AFFAIRES ET À LA PLANÈTE

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Les bonnes pratiques vertes au sein des
entreprises

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3 FÉVRIER 2009

MOINS DE COÛTS POUR VOTRE BUSINESS,
PLUS DE RESPECT POUR L'ENVIRONNEMENT.

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Agenda

1. Context
2. Companies Best Practices
3. Lessons Learned

It's not speculation anymore

There is overwhelming evidence to make the case for "green"

Atmospheric warming is a now a broadly accepted trend

Increasing pressure on traditional energy resources
Energy consumption is expected to increase by over 129% in parts of Asia by 2020

Alarming degrees of change linked to global air and ocean temperatures
Global average sea level has risen from 1.8mm/yr to 3.1mm/yr from 1961 to 1993
Projected sea level rise at end Century: 18-59 cm

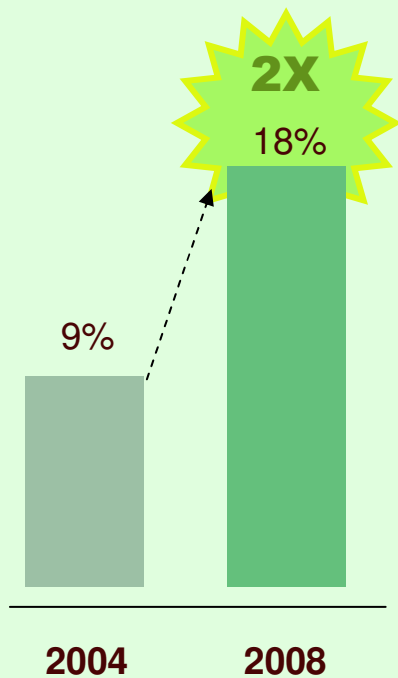
Frequency of extreme events increased over most areas

...But even hardened skeptics understand the imperative for action is material

- Consumers and markets are clamoring
- Employees are changing attitudinally
- Governments are regulating
- Fuel and resources are becoming scarcer
- CEOs and boards know it is time to act

Leadership focus on environmental issues has doubled

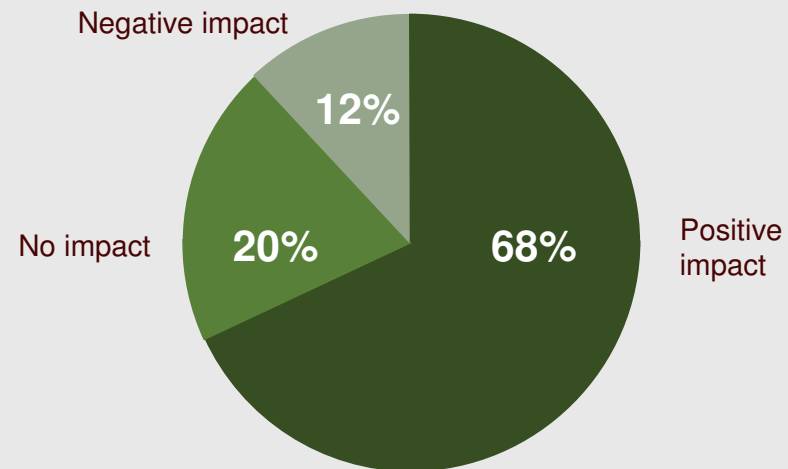
Environmental factors doubled in CEO importance over the past four years



External forces impacting the organization: Environmental factors

Source: IBM CEO Study 2008, n = 1,130

Expectations have for green have changed



80% 80% of CEOs view sustainability as impacting brand value

82% 82% of executives expect some form of climate change regulation within 5 years

31% 31% say they want to reduce their environmental impact





Source: IBM 2008 CEO Study | McKinsey Global Survey | IT Managers Driving Green Agenda | '08; IDC Green IT Survey | Sept '07

The imperative and pressures are shifting beyond traditional principled motivation

	Traditional view	Business sustainability view
<p>Energy</p>	<ul style="list-style-type: none"> • Conserve fossil fuels • Explore alternatives • Reduce environmental impact 	<ul style="list-style-type: none"> • Reduce cost of energy • Meet and exceed regulations • Improve operational efficiency
<p>Air</p>	<ul style="list-style-type: none"> • Reduce pollution • Reduce carbon footprint 	<ul style="list-style-type: none"> • Meet and exceed regulations • Leverage tax and governmental incentives • Provide employee benefits (such as work at home programs)
<p>Water</p>	<ul style="list-style-type: none"> • Reduce pollution • Preserve marine life 	<ul style="list-style-type: none"> • Reduce water and waste water expenditures • Regulatory compliance • Improve products and services
<p>Land & Resources</p>	<ul style="list-style-type: none"> • Reduce pollution • Conserve nature and open/natural spaces 	<ul style="list-style-type: none"> • Reduce operational footprint and associated costs • Reduce redundant infrastructure • Leverage improved, smarter technology




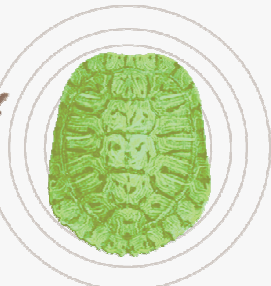


The imperative and pressures are shifting

Traditionalist view:
I need to do what is right for the planet

	Conservation & clean energy
	Reducing pollution/ CO2
	Clean water
	Protection

Traditional imperatives for green focused on a moral imperative to preserve safety & life

New sustainability view:
I need to do what is smart for my business and the planet

Brand & Growth 	Talent 	Regulation 
		
Risk	Operational effectiveness	Cost reduction

The new pressures are about being responsive to stakeholders and building a better, sustainable business

Today's green business leader doesn't abandon principle nor business acumen, but embraces both in the new sustainability view.

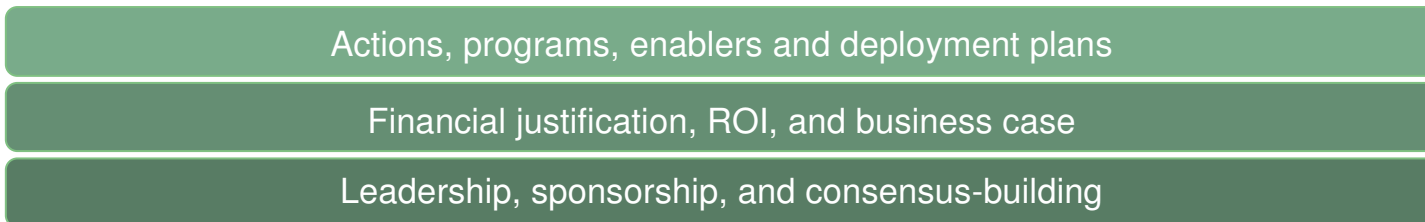
Making sense and taking action requires a *Green Strategy*

Many organizations struggle with how green fits into their business. Others can't find the right sponsorship or agreement for green initiatives. Others know they have to act, but don't know what to do. A green strategy addresses these challenges.

At the top level, a green strategy defines and understands:



At a tactical level, a green strategy determines:















Key questions C-Suite and LOB executives are pondering

Key Questions



- How can I develop a Green strategy that is part of my overall Corporate Social Responsibility strategy and more important, part of an overall business strategy?
- How can doing the right thing for the Energy & Environment help my bottom line and improve my stock price?
- What is the cost of not acting on this?
- How can I ensure that I don't become the target of some NGO attack?
- How are we going to survive the rising energy costs and dwindling supplies of needed resources?

Green Industry Issues sharing

 <p>Government</p> <ul style="list-style-type: none"> ▪ Paper reduction ▪ Smarter transportation systems ▪ Green workforce and virtualization 	 <p>Retail</p> <ul style="list-style-type: none"> ▪ Efficient Supply Chains and Merchandising ▪ Performance Analysis ▪ Store Operations and retail footprint ▪ Brand reputation ▪ Green as a differentiator and growth engine 	 <p>T&T</p> <ul style="list-style-type: none"> ▪ Fuel and energy optimization ▪ Intelligent routing, RFIDs, and logistic operations ▪ Green asset management ▪ Emission and carbon trading 	 <p>Chemical & Petrol</p> <ul style="list-style-type: none"> ▪ Constrained supply and demand growth ▪ Sustainable site, property, and asset mgmt ▪ Workforce attraction and optimization ▪ Regulatory compliance 	 <p>Electronics</p> <ul style="list-style-type: none"> ▪ Brand & reputation ▪ Supply chain optimization and materials usage ▪ Hardware & asset consumption /disposal/ recycling ▪ Manufacturing and supply optimization 	 <p>CPG</p> <ul style="list-style-type: none"> ▪ Efficient Supply Chains and Merchandising ▪ Performance Analysis ▪ Workforce attraction and optimization ▪ Brand reputation ▪ Green as a differentiator and growth engine
 <p>Telecom</p> <ul style="list-style-type: none"> ▪ Hardware and asset disposal/ recycling ▪ Supply chain optimization and materials usage ▪ Manufacturing and supply optimization ▪ Brand & reputation 	 <p>Energy & Utility</p> <ul style="list-style-type: none"> ▪ Emissions and carbon trading ▪ Sustainable site, property, and asset management ▪ Sustainable performance management ▪ Waste disposal optimization 	 <p>Banking, Financial Markets & Insurance</p> <ul style="list-style-type: none"> ▪ Paper reduction ▪ Green workforce and virtualization ▪ Green data centers 	 <p>Life Sciences</p> <ul style="list-style-type: none"> ▪ Efficient Supply Chains and Merchandising ▪ Performance Analysis ▪ Manufacturing and supply optimization ▪ Brand reputation ▪ Green as a differentiator and growth engine 	 <p>Aero & Defense</p> <ul style="list-style-type: none"> ▪ Hardware and asset disposal/ recycling ▪ Supply chain optimization and materials usage ▪ Manufacturing and supply optimization ▪ Brand & reputation 	 <p>Automotive</p> <ul style="list-style-type: none"> ▪ Hardware and asset disposal/ recycling ▪ Supply chain optimization and materials usage ▪ Manufacturing and supply optimization ▪ Brand & reputation

Best practices sharing

- ***Natural England*** engaged
Develop a Strategic Carbon Reduction Programme
- ***China Logistic Leader***
Green Logistic
- ***IBM***
Realtime Carbon Consol
- ***French Group***
EHS Information System (Process, Orga and Tools)
- ***IBM***
Boulder Green Data Center



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2. **Companies Best Practices**
3. Lessons Learned

Natural England

Develop a strategic Carbon Reduction Programme



The Client: Natural England's purpose is to conserve, enhance and manage the natural environment for the benefit of current and future generations

The Challenge

Natural England is working towards the delivery of four strategic outcomes:

- a healthy natural environment
- enjoyment of the natural environment
- sustainable use of the natural environment
- a secure environmental future.

It has set itself the challenging target of achieving 50% carbon reduction within three years.

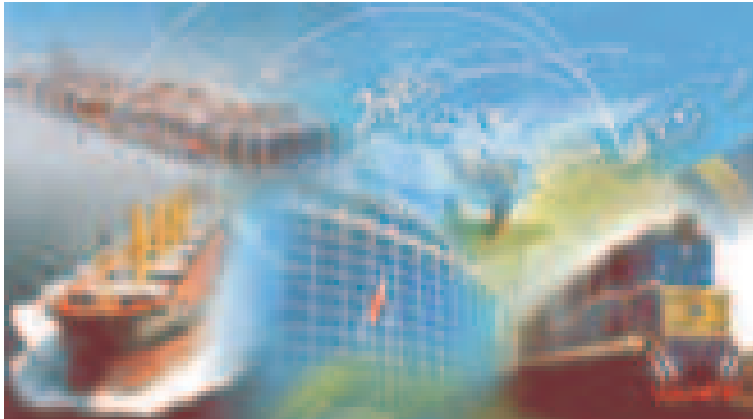
The Solution

IBM worked closely with Natural England to develop a vision, change roadmap and detailed delivery plan. A tailored staff communication and engagement programme, based on leading practices, were key to motivating people to change their behaviour.

Key programme benefits include:

- Clear roadmap to achieving 50% CO₂ reduction by 2010
- implementation of a strong, evidence-based carbon measurement and management system
- on target to achieve a 20% reduction in within one year

Leading China logistics company Green logistics



The Client: is a diversified service company with one of the most recognized and admired brand name in the world focusing on shipping and modern logistics businesses. It operates over 250,000 sq m of warehousing, 1200 vehicles as well as shipping, rail and port assets

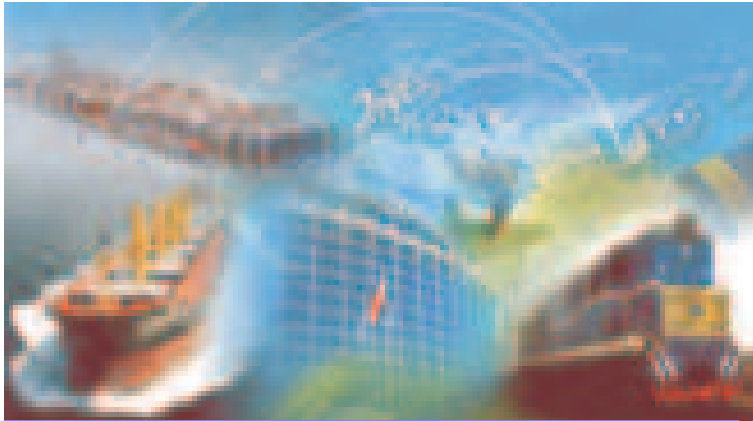
The Challenge

- The leading third party logistics company in China needed to carry out a broad review of its logistics operations
- The goal was to optimize logistics scheduling activities across multiple clients from their manufacturing facilities to customer delivery points
- This project was under the banner of a Green Logistics project which required analysis of their operational 'carbon footprint' which met targets for reduced ghg emissions

The Solution

- IBM Consultants worked with the client using their Carbon Supply Network Optimisation Workbench (SNOW) tool
- The model was used for tradeoff analysis between carbon, logistics cost and customer service as well as looking at alternative mode and freight consolidation strategies
- Preferred solution identified a 20% carbon reduction with negligible impacts on cost and service

International Industrial Group EHS Management System



The Client EHS organisation :

- A central EHS services supported by local EHS team
- More than 100 sites around the world
- An EHS network of more than 2000 people
- 1 EHS KPI at the CEO level
- 50 EHS KPI to manage

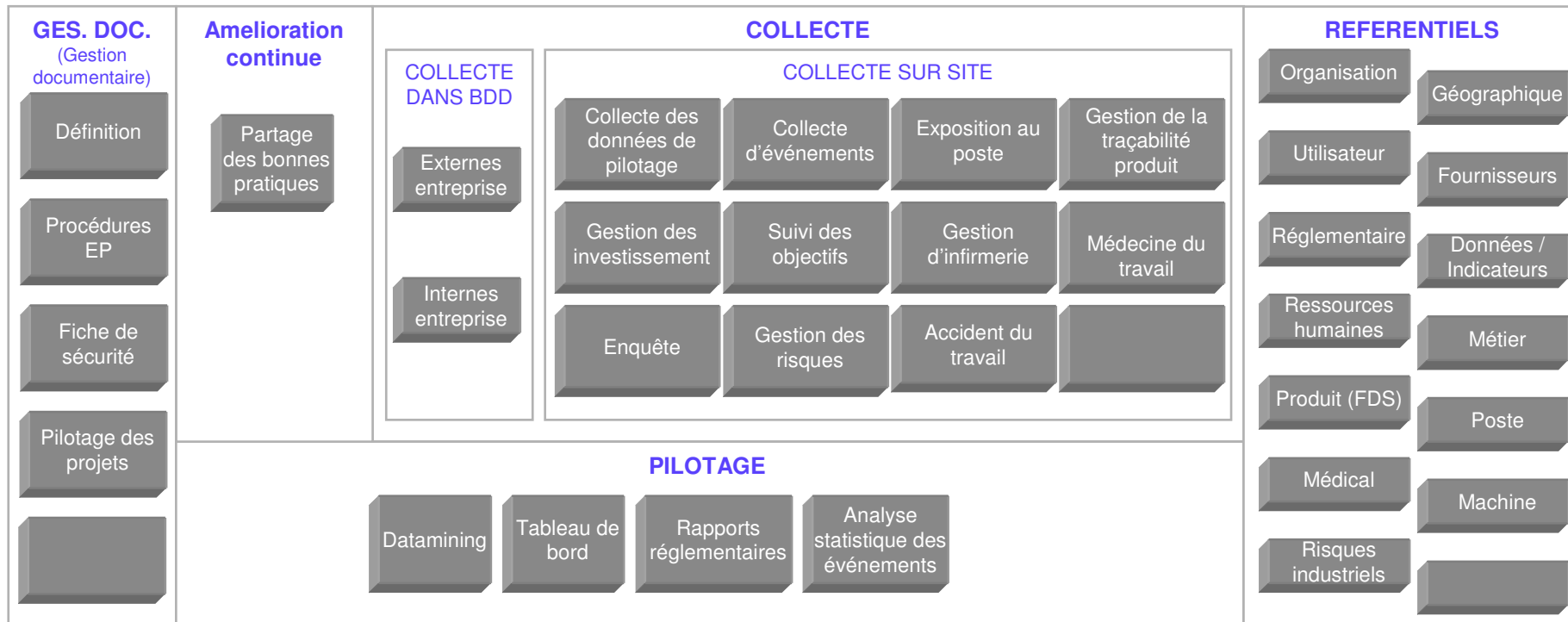
The Challenge

- Accelerate and secure EHS reporting from the local sites for General Management Use
- Give an operational reporting tools for local EHS leaders and allow performance benchmark between sites in order to allow best practices identification
- Be able to collect and analyze fire and security events coming from local sites in order to improve security investment, processes or organization
- Easy to deploy solution

The Solution

- Build the EHS Information System Roadmap
- Design and implement the a web reporting tool allowing local data collection and automated top down reporting using websphere application server
- Design web application allowing event collection and analysis locally & centrally using websphere application server

Results examples : Targeted EHS IS

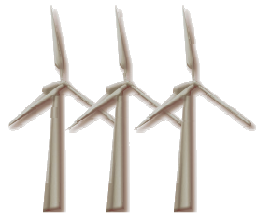


IBM Realtime Carbon Management System Pilot



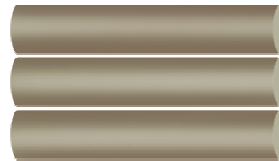
IBM Boulder *Green Data Center*

IBM's new data center in Boulder, Colorado is a leader in energy efficiency and sustainability, and is the greenest data center in North America.



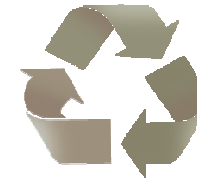
40%

Wind-generated electricity cuts carbon emissions, reduces energy costs by more than 40%



75%

Water economizer reduces annual energy consumption by 75%



98%

98% of an existing building's shell plus 25% of new products made from recycled materials make up the new 225K square feet center



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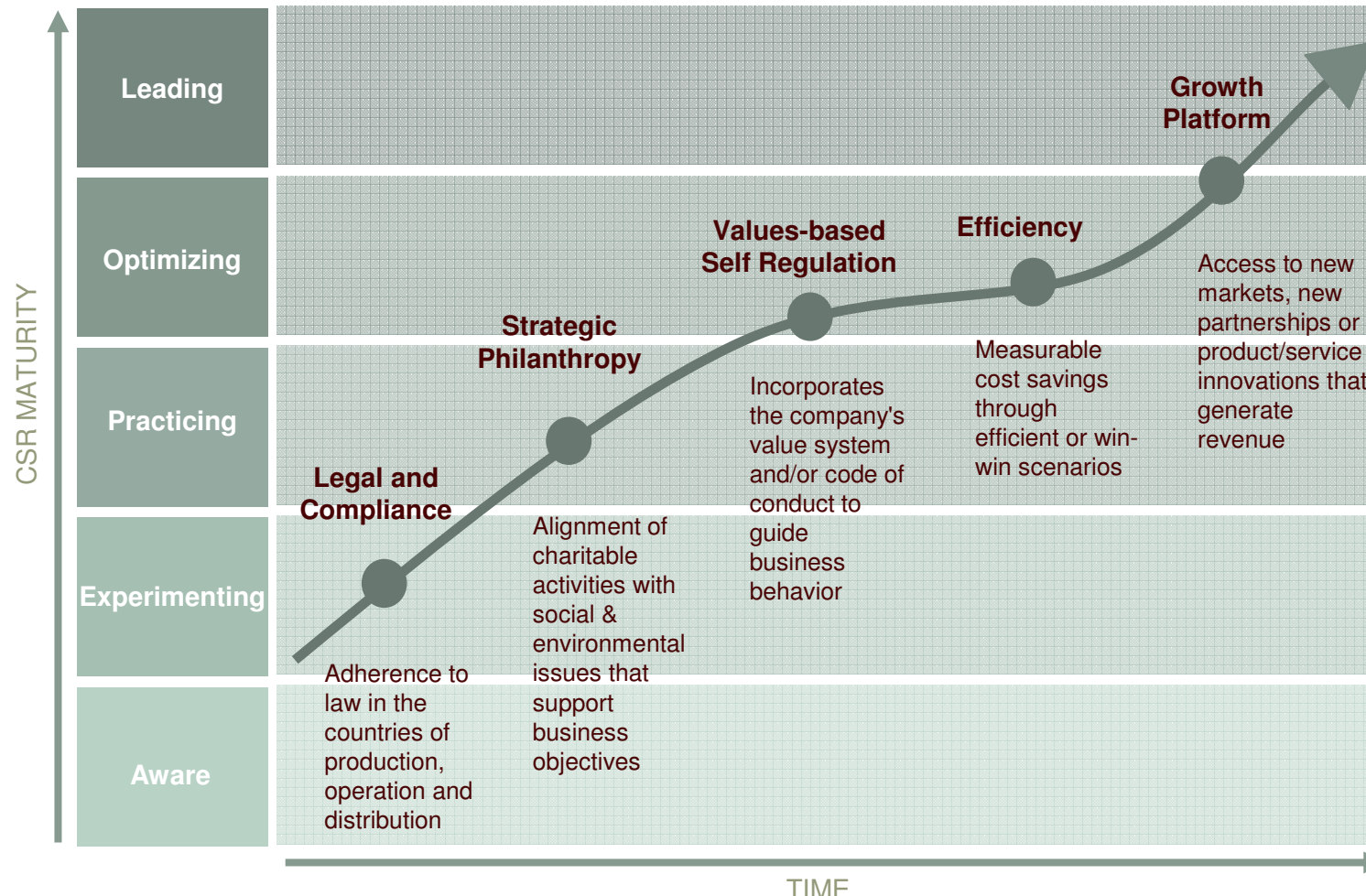
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The CSR & Green Value Curve: a shift from cost to returns



Keys to Success

- Impact on business: from cost to growth
 - Align and incorporate Green with your business strategy and apply it across business functions
- Be pragmatic, as for example
 - Start with one KPI at the CEO level (such as energy consumption reduction) allowing you to fastly show green value, supported by a dedicated organisation
- Relationships: from containment to engagement
 - Increase the level of engagement with your employees, customers and key constituents

QUESTION

- **Back-up**

Pressures & imperatives: Defining Your Green Strategy



Key questions:

- How do we align green with our core strategy to achieve our business objectives?
- We do not have a coherent overarching energy and environment strategy. Where do we start and what do we do when?
- What does “green” mean. What do we really need to do? What is enough?
- We need to access our information and make it transparent to our stakeholders
- I need new sources of revenue. Is there a market for the processes or new products I have implemented?

Green strategy requires a comprehensive framework

This framework helps identify manageable pieces of work to address as part of a larger, cross-organizational approach which can be prioritized and integrated into existing strategies and plans while also revealing opportunities for new business models, increased efficiencies and growth opportunities.



This Energy & Environment Framework is an holistic view of the challenges that organizations face in responding to energy, climate change and environmental responsibility. It is a component-based model that identifies the impact caused by an organization's strategy, people, information, product, IT, property and business operations.

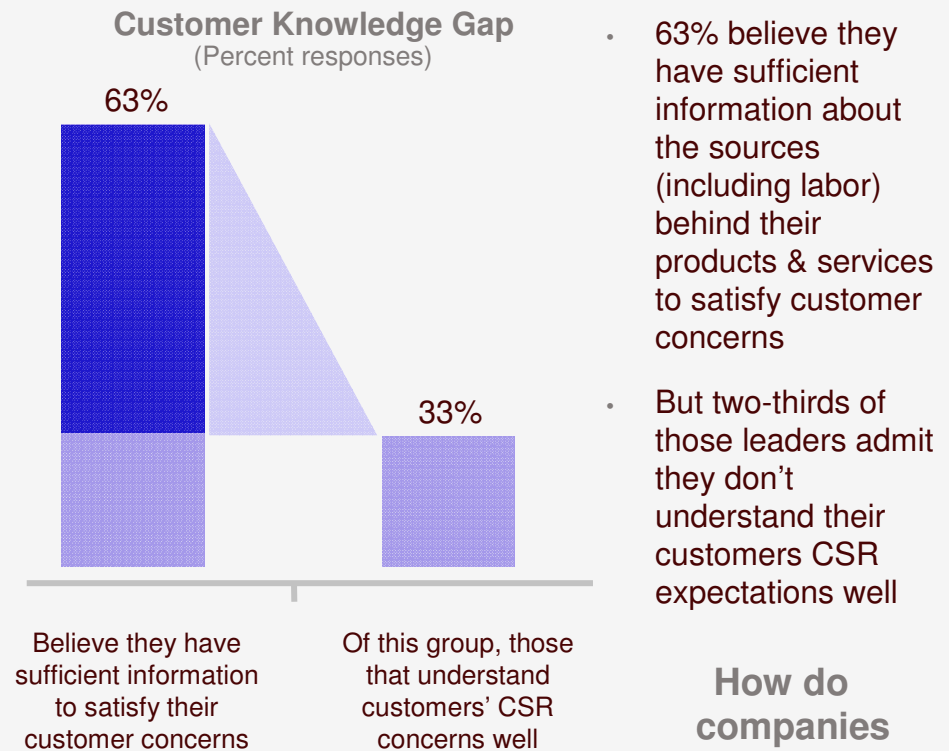
Pressures and imperatives: Drive brand and growth



Key questions:

- **How do I use this goodwill I am generating to increase revenue and market share?**
- **What to communicate, why and how and to whom?**
- **How do we keep existing customers?**
- **How do we access our information and make it transparent to our stakeholders?**
- **How do I innovate in sustainability?**

CEOs who feel prepared to meet customer concerns may be missing the mark



How do companies bridge this gap?

Source: IBM CSR Study 2008, n = 250

Pressures & imperatives: Manage talent & optimize workforce



Key questions:

- How do I green to attract and retain top talent?
- How do I tap the groundswell of interest in green to innovate my business?
- Our leaders are not advocates. How do we create momentum in our organization?
- How do we support our employees in accepting our own green changes?
- How do we frame the conversations internally?
- How do we get employee policies (e.g., travel and commuting) to consider energy and environment impact as well as cost

“Green” means many things in the talent lifecycle

Green Recruiting



Using green reputation and policies to attract candidates

Green Mindset



Changing leadership and employees attitudes towards sustainability

Green Utilization



Enacting policies and change programs that create green action.

Pressures & imperatives: Comply with regulatory requirements



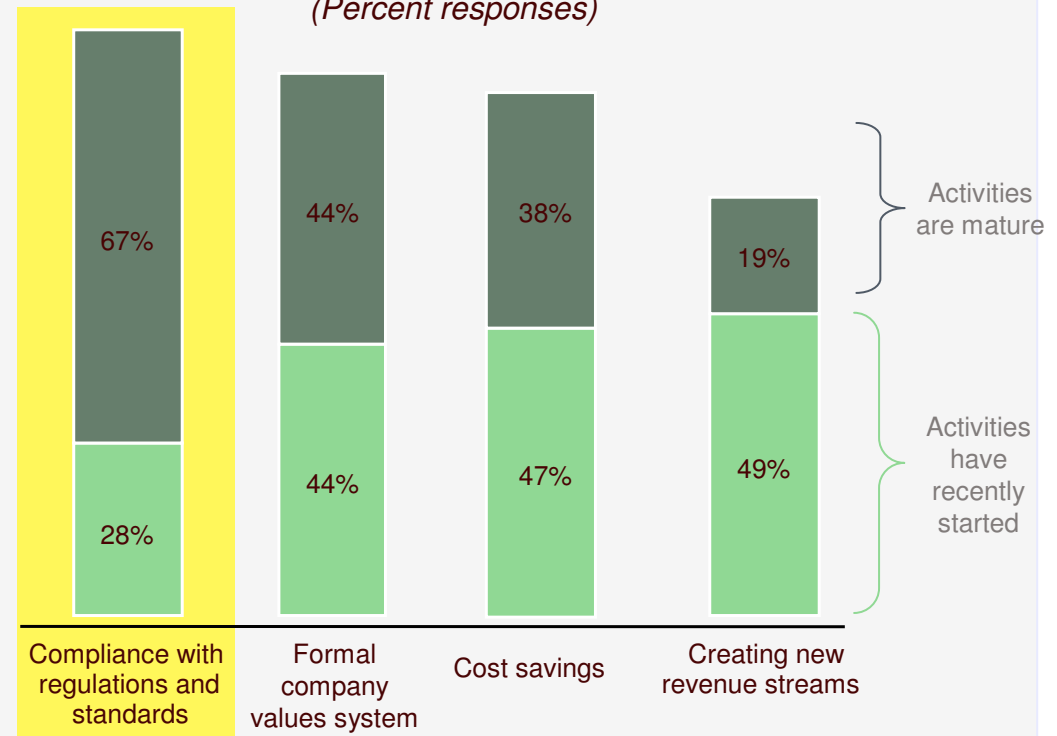
Key questions:

- We need to meet the regulatory requirements related to green issues like carbon, waste and water.
- How do I exceed regulatory requirements and gain competitive advantage?
- My product engineering, manufacturing and disposal are not compatible with energy and environment requirements.

Regulatory Requirements are both a top priority and the most mature CSR focus

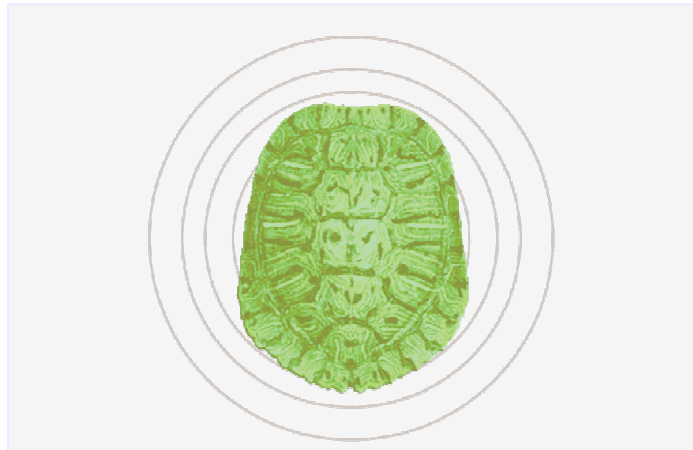
Companies that have focused their CSR activities in the following areas

(Percent responses)



Source: IBM CSR Study 2008, n = 250

Pressures & imperatives: Manage risk and enhance performance

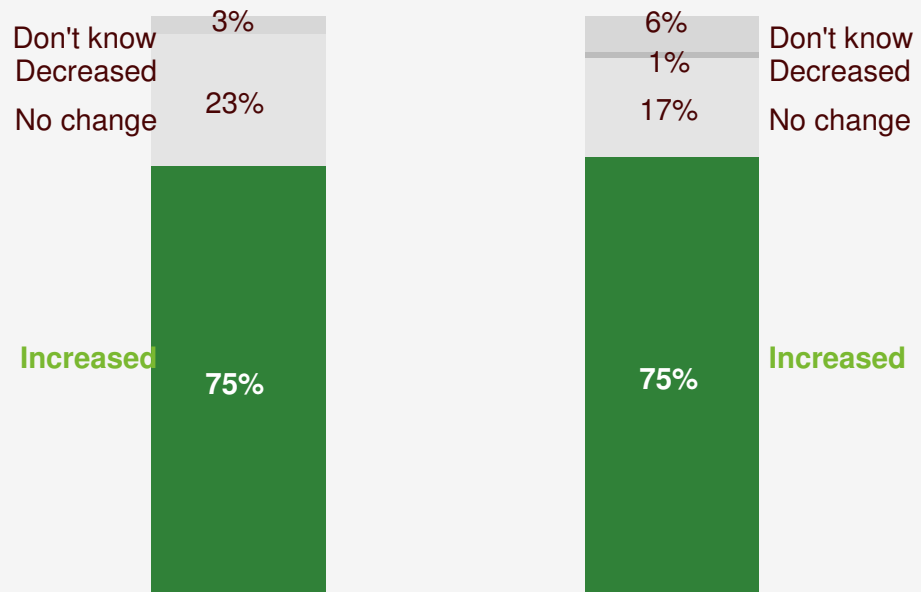


Key questions:

- How do I identify the gaps in my strategy and operations putting me at risk?
- Stakeholders including NGOs are increasingly monitoring our activities. How do I prepare and participate in this?
- What are the key green indicators I need to monitor?
- How do we implement a compliance program?

Risk information has overwhelmingly increased in green activities

Change in risk reporting over the past three years



Number of advocacy groups reporting data

The number of advocacy groups collecting and reporting information on your industry, enterprise and/or products in the past three years

Information availability

Information companies provide on the sourcing, composition and impact of their products, services and operations in the past three years

Source: IBM CSR Study 2008, n = 250

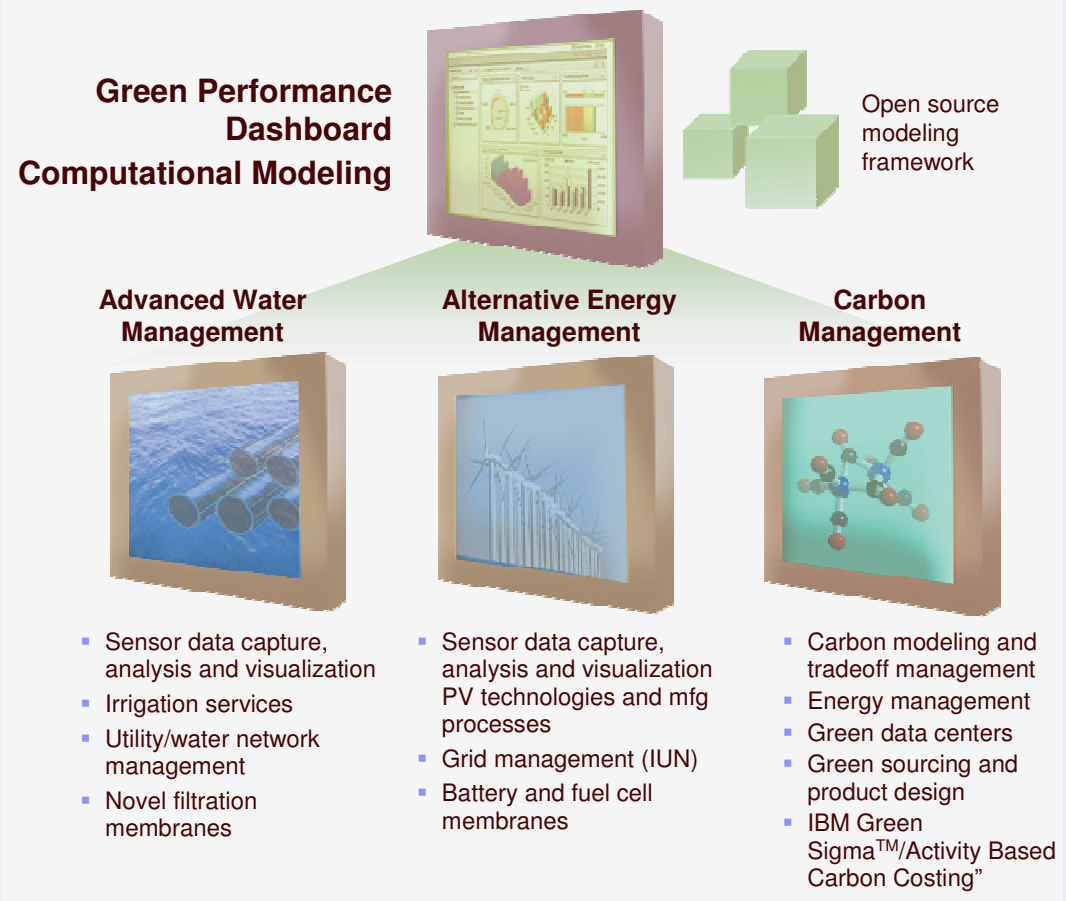
Pressures & imperatives: Drive operational performance, efficiency and excellence



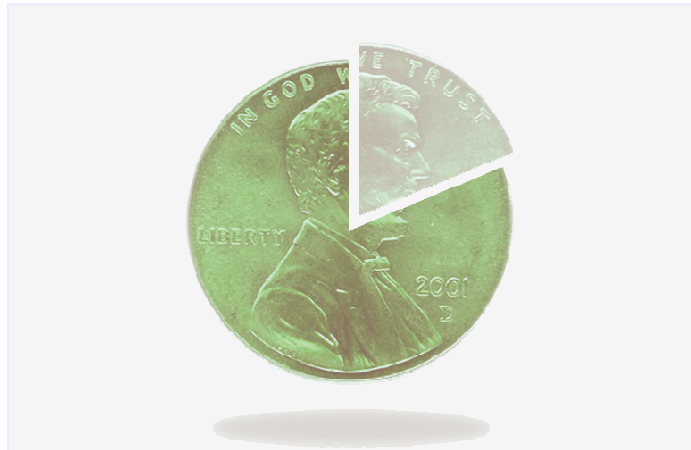
Key questions:

- **What is the operational or business value of green – what is the business case?**
- **How do I identify green initiatives that create operational efficiencies?**
- **How can I manage fuel and energy costs?**
- **How can we build off of our existing IT systems and not deploy all new ones?**
- **How can I change my operations and processes to be more environmentally responsible?**

Sophisticated performance monitoring and modeling can improve operational performance



Pressures and Imperatives: Reduce costs and secure resource availability



Key questions:

- How can green help me drive down costs?
- How do we pay these rising costs of energy, water?
- How do I seek alternative sources?
- How do I reallocate my scarce resources?

Reduction in resource use can have direct, measurable cost reduction/avoidance impact

Areas of cost reduction

Supply chain:	Fuel	Power usage	Raw materials e.g. water	Asset management
Human resources:	Office space	Travel expense	Talent retention	Paper/communications
Marketing, service & sales	Paper/communications	Contact center footprint	Retail/branch footprint	Return management
Information technology	Data center reduction	Hardware disposition	Power usage	Hardware refurbishing
Finance, legal, operations	Regulatory fines/incentives	Consumer litigation	Paper/communications	Infrastructure reduction

The business imperative must be to achieve this while maintaining or improving quality and performance