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Sustainability Strategies in Spanish International Organizations

Problem

After the United Nations (UN) proposed the Sustainable Development Goals (SDGs) in 2015 (United Nations, 2021), the European Commission made a call for action to its members (European Commission, 2018), and Spain approved the Action Plan for the Implementation of the 2030 Agenda (Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, 2018). The plan assigns the Agenda to the largest Spanish organizations with five commitments: (1) incorporating the SDGs in organizational strategies, (2) aligning the core business with the SDGs, complying with international regulations, (3) integrating a culture linked to the SDGs, (4) establishing public and quantifiable commitments including a timeline, and (5) establishing alliances with the public administration, the civil society, the scientific community, and other organizations to develop joint solutions.

More than just implementing actions framed under corporate social responsibility or environmental compensations, in which organizations compensate for the damage they cause by performing good deeds for the benefit of society and the environment, organizations should integrate sustainable purposes in their strategy and operational models, cultures, and values (Deloitte, 2017). To date, no study has analyzed how Spanish international organizations are fulfilling the five commitments set in the Action Plan for the Implementation of the 2030 Agenda.

Setting

In this study, we draw on the writings of the King of Thailand, King Bhumibol Adulyadej, who espoused, in 1997, a theory on sustainability and sufficiency economy based on three principles that could be applied to any level of society: moderation, reasonableness, and prudence. Based on the quality conditions of knowledge and morality, and the applications of the three principles, a sustainable well-being is achievable in four dimensions--economic, environmental, societal, and cultural (Contipelli & Picciau, 2020). Each SDG relates to one of the four dimensions (Wongkumchai et al., 2020).

In this study, we focus on the 17 SDGs of the 2030 Agenda for Sustainable Development that was agreed on by the General Assembly of the UN (Leal Filho et al., 2018; Salvia et al., 2019; United Nations, 2015), and on the country-specific actions approved in Spain by the Ministry Council (Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, 2018), specifically, on the five commitments of the Spanish organizations. It builds on previous studies in the area (e. g., Firoiu et al., 2019; Raszkowski et al., 2019), and, specifically, in those performed in Spain (e. g., Ancos, 2019; Boto-Álvarez et al., 2020; Pache-Durán & Nevado-Gil, 2020).

Purpose

We explored how three Spanish international organizations are fulfilling the five commitments set in the Action Plan for the Implementation of the 2030 Agenda, for the environmental dimension of the SEP.

This study focused on the following research question: What examples are found in the annual reports to explore the extent to which these international Spanish organizations are fulfilling the five commitments set in the Action Plan for the Implementation of the 2030 Agenda, for the environmental dimension of the SEP?

Methods

Integrated reports (IR) enable measuring, managing, and reporting intellectual capital information by bringing together financial and nonfinancial data in one report that offers a global view of how organizations create value (Liu et al., 2019). This study analyzed the annual integrated reports of three Spanish international organizations, one for each of the target companies.

Through a qualitative multiple case study approach (Kivunja & Kuyini, 2017), we conducted using a documentary analysis that adopted an archival research design (Tight, 2019) to study the annual integrated reports of three international Spanish organizations. The 2019 annual integrated reports were publicly available through the organizations' websites. The documents were downloaded, and data related to the environmental dimension of the SEP were gathered from the sustainability strategy sections. We explored whether they were moving towards the implementation of the five commitments set in the Action Plan for the Implementation of the 2030 Agenda (Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, 2018) for the environmental dimension of the SEP.

The action plan showed agreement of the largest Spanish organizations with the five commitments. Because the Action Plan implied large organizations, we purposively selected three of the most relevant international Spanish organizations from different sectors (Mohajan, 2018; Reyes-Maroto, 2020): Inditex from the retail sector; Repsol from the energy, water, and resources management sector; and Ferrovial from the construction and infrastructures sector. Each of these is described next.

Inditex

Inditex has a globally recognized trajectory in the textile fabrication and distribution industry. Through its eight brands (Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home, and Uterque), Inditex (2021a) owns more than 7,000 branches in 202 markets, and has a workforce of more than 150,000 professionals (Inditex, 2021b).

Repsol

Repsol is a multi-energy supplier that offers a great variety of products and services (asphalts, aviation, specialized products, lubricants, chemicals, oil and gas trading, service stations, butane and propane gas, electricity and gas, diesel and heating oils, and petcoke) (Repsol, 2021a). It operates in more than 35 countries with a workforce of more than 25,000 professionals (Repsol, 2021b).

Ferrovial

Ferrovial operates in the infrastructure industry, offering highways, airports, construction, and other related products (Ferrovial, 2021a). It is present in more than 15 countries with a workforce of more than 11,000 professionals.

Findings

Based on our review of the three companies' 2019 annual integrated reports, we reviewed the steps these companies are taking to implement the SDGs.

Inditex

Inditex launched its new strategy in the 2019 shareholders' meeting (Inditex, 2019a), specifying the sustainable transformation as one of its key strategies.

The 2019 annual report (Inditex, 2019b) incorporated these strategic commitments and established a series of objectives with short- and mid-term goals to be met by 2020, 2023, and 2025.

Examples of the goals to be achieved in 2020 (the 2020 annual report is not yet available) include:

- Reaching 100% eco-efficient branches in all brands.
- Complete elimination of plastic bags in all brands.
- Reach more than 25% Join Life clothing. Join Life is an internal standard that Inditex uses to label clothing that uses sustainable resources.

Examples of the goals to be achieved by 2023 include:

- Reduce to zero the dumping of unwanted substances into the water in the supply chain.
- Use 100% of sustainable cellulose fibre.
- Completely eliminate single-use plastic.

Examples of the goals to be achieved in 2023 include:

- Reach 80% renewable energy in all its facilities.
- Use 100% sustainable fibre (cotton, polyester, and linen).

Repsol

Repsol published its first annual SGDs report in 2019 (Repsol, 2019), focusing on the SDGs in which the organization could maximize its contribution: climate action, clean water and sanitation, affordable and clean energy, responsible consumption and production, and life on land, which focuses on terrestrial ecosystems, forests, and the fight against desertification, land degradation, and biodiversity loss.

As an energy organization, Repsol aims at building a future with low emissions, setting the goal of becoming zero net emissions by 2050 (Repsol, 2019). Its energy transition strategy proposes a progressive reduction: 10% by 2025, 20% by 2030, 40% by 2040, and 100% by 2050.

They measure the carbon intensity indicator, which has been reduced by 2.8% since 2016. In addition, they have invested more than 2,500 million euros in low emission businesses. They have also started the production of one of the world's major floating wind farms in Northern Portugal and have increased by 75% the m³ of reused water. Repsol moved from reusing almost 9 million m³ in 2015 to 15.6 million m³ in 2019. In 2019, water reused by the company reached 22% of the total used by the company, excluding water from the electricity and gas business unit.

In the same year, 38% of residual water was treated to obtain the best possible quality for wasted water. The remaining 62% underwent secondary treatment procedures that included a biological stage or other treatments to comply with regulations.

Repsol will double the production of high-quality biofuels to reach 600,000 tons per year in 2030, half of which will be produced by 2025. In addition, Repsol has established alliances with other organizations in support of the SDGs, such as the signator of the first global agreement between the UN Program for Sustainable Development and an organization that operates in the oil and gas sector (Repsol 2019), or its membership in the Oil and Gas Climate Initiative to fight climate change (Repsol,

2019). They have also developed a plan for the protection of biodiversity in the Amazon rainforest with the goal of maintaining the integrity and quality of the forests and protect the habitats (Repsol, 2019).

Ferrovial

Ferrovial prides itself on being the most sustainable company in its sector in the world. It works on three SDGs: clean water and sanitation; industry, innovation, and infrastructure; and sustainable cities and communities (Ferrovial, 2019). They focus on climate change and its carbon footprint.

Ferrovial's climate strategy (Ferrovial, 2019) is based on the following goals:

- Reduce emissions as approved by the Science-Based Targets Initiative 2030
- Achieve neutrality of emissions by 2050
- Use 100% renewable electricity by 2025.
- Manage the risks and opportunities in the short-, mid-, and long-term associated with climate change.

Since 2009, Ferrovial has measured 100% of the emissions of greenhouse gases caused by its activities around the world, aiming at reducing them, and it has set the goal of a 32% reduction by 2030. They have been trying to reduce emissions since 2009. These strategies incorporate concrete goals and targets.

In addition, Ferrovial measures its progress through indicators; presents strategy and monitoring reports to show the commitment of the organization and the key points of their business model with the sustainability and the environmental international commitments (Ferrovial, 2019).

Conclusions

The studied Spanish international organizations are progressing towards the fulfillment of the five commitments set in the Action Plan for the Implementation of the 2030 Agenda related to the environmental dimension of the sufficiency economy philosophy. We found evidence of their progress on four of the five commitments (1, 2, 3, and 5). Although the data reviewed did not specifically address the concept of organizational culture, we infer that the culture will evolve as organizational strategies and narratives will influence it (Warrick, 2017).

Implications

The study implies that, besides the voices that claimed that Spain needed to adopt urgent regulatory measures and public policies if it were to fulfill its commitments to the 2030 Agenda (Boto-Álvarez et al., 2020), there can be found examples in the private sector that might be advancing in the agreed-upon direction (e. g., Inditex, Repsol, and Ferrovial).

Recommendations for Future Research

We recommend that researchers should adopt a quantitative approach to analyze the progress in the implementation of the strategies as measured by the indicators.

Based on the current COVID-19 pandemic situation and the challenges it has placed on organizations, policymakers, and governments (Karmaker et al., 2021), future studies should address these challenges and analyze the consequences of the pandemic on the sustainability strategies of Spanish organizations.

Limitations

The study focused on three organizations. Additional research could increase the number of organizations examined to gain a broader perspective of the Spanish context, and organizations from other countries could be included to get a cross-cultural perspective.

Keywords sufficiency economy philosophy, corporate sustainability, sustainable development goals, SDGs, 2030 Agenda, Action Plan for the Implementation of the 2030 Agenda, Spain.

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