



#### Greenpeace Gives Apple a Valuable Lesson in Stakeholder Engagement

Words by Raz Godelnik

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Poor Apple. It's only been two weeks since Apple's <u>Foxconn plant</u> was in the news for worker violations and Apple is again at the focus of allegations of unsustainability – this time from Greenpeace over its reliance on "dirty energy" to power its data centers.

Greenpeace's report <u>How Clean is Your Cloud</u>, which was released earlier this week, focused on Apple, Amazon and Microsoft, which all scored badly for relying on coal and nuclear power for their data centers. For Apple, this report provided a valuable lesson not only with regards to its data centers, but also about the need to revamp its stakeholder engagement practices.

You might think that after everything it went through with Foxconn, Apple wouldn't need such a lesson, but Greenpeace report, and the debate that followed on the accuracy of its findings, show that Apple still needs help. Apparently even smart companies like Apple have challenges managing the basic tenets stakeholder engagement.

Greenpeace's report focused on 'the cloud' and the energy used to run the data centers, which store the much of the information we access from our computers, phones and other mobile devices. Greenpeace mentions that if the cloud were its own country, it would rank fifth in the world for how much electricity it uses, and that electricity demand will triple by 2020. This magnitude drives Greenpeace to highlight companies like Google, Yahoo and Facebook that lead the way by moving toward powering their clouds with clean energy, as well as companies that are lagging behind, "powering their growing 21st-century clouds with dirty, 19th-century coal energy."

In the second group, Greenpeace focused on Amazon, Apple and Microsoft, which "are all rapidly expanding without adequate regard to source of electricity, and rely heavily on dirty energy to power their clouds." For example, Apple, according to the report, has invested at least \$1 billion in an "iDataCenter" in North Carolina to deliver iCloud services, and just announced another facility to be built in Prineville, Oregon. Unfortunately, Greenpeace explains, both of these investments are powered by utilities that rely mostly (55.1 percent) on coal power. Apple also received an "F" for energy transparency and a "D" for transparency, energy efficiency and GHG mitigation renewable energy investment and advocacy.

The news about Apple's transparency was particularly interesting: "Apple has been incredibly selective about the energy-related details of its iCloud in North Carolina, offering those nuggets of detail and data that it feels are most favorable, such as the size or scale of onsite renewable energy investment, but refusing to disclose the size of the energy demand of the facility itself, or the environmental footprint associated with the iCloud." In addition, Greenpeace noted that Apple was provided with Greenpeace's facility power demand estimates to review. The company claimed that Greenpeace's estimates were not correct, but not provide alternative estimates.

Not surprisingly, Apple was very quick to respond after the report was released, disputing Greenpeace's assumptions and calculations. In a statement issued in response to the report, Apple disclosed that the data center in NC would consume about 20 megawatts at full capacity - much lower than Greenpeace's estimate, which was 100 megawatts. "We are on track to supply more than 60% of that power on-site from renewable sources including a solar farm and fuel cell installation which will each be the largest of their kind in the country," Apple said in a statement. "We believe this industry-leading project will make Maiden the greenest data center ever built, and it will be joined next year by our new facility in Oregon running on 100% renewable energy."

This is great news. If Apple is correct, and we assume they are, they should be one of the good guys and not the bad guys in this report. And the inevitable question is why didn't Apple share this information with Greenpeace in the first place? Instead of just telling Greenpeace that its calculations are wrong, Apple could

also provide Greenpeace the same information they are sharing now with the whole world and avoid the stain of accusation and the need to justify itself after the fact. The public debate between Apple and Greenpeace could have been avoided if Apple communicated with Greenpeace more proactively.

It's not about responding to an individual request. It is about taking an active role in building relationships with with stakeholders. Take Yahoo for example. Christina Page, Global Director of Energy & Sustainability Strategy at Yahoo, referred to the report at the Sustainable Operations Summit. "There's a role for both businesses and activists," she said. "The Greenpeace report is encouraging us to do better." Just think what would happen if Apple adopted such an approach. Greenpeace might still be critical of the company's performance, but their ultimate goal is conversation. With active engagement, Apple might have avoided some of the negative press. It's not rocket science, but somehow Apple still can't figure out how to develop open and honest engagement with its stakeholders. Will it learn the lesson this time?

#### [Image credit: Greenpeace]

Raz Godelnik is the co-founder of <u>Eco-Libris</u>, a green company working to green up the book industry in the digital age. He is an adjunct faculty at the University of Delaware's Department of Business Administration, CUNY and the New School, teaching courses in green business and new product development.



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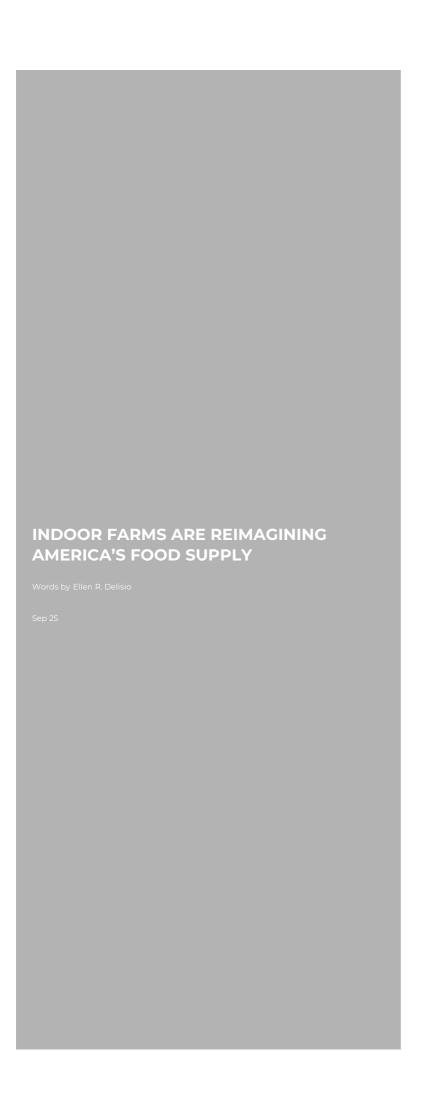
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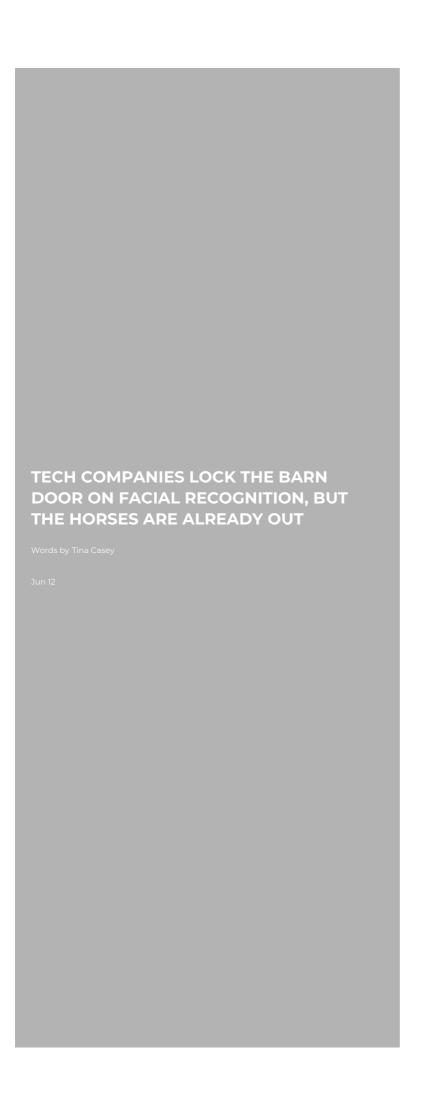
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