

CHAPTER 13

TEN COMPANIES THAT WILL SHAPE THE WORLD IN 2020

Shanghai, December 4, 2020: The First Global Business Summit on Sustainability concluded its meetings today. Organized in the wake of the final collapse of the UN climate-change summit, CEOs and senior executives of the world's largest companies assembled to coordinate efforts on carbon pricing in dollars, yuan, and euros and to discuss issues ranging from water extraction to the portability of health insurance across national borders. "The inability of governments worldwide to make good on—and extend—the targets set nearly three decades ago at Kyoto has forced business to take the lead in dealing with the urgent challenges of climate change and resource depletion," said Liang Xiling, CEO of Dell Lenovo, which has emerged as the world's largest maker of laptops and notebooks following the recent merger of Dell with China's Lenovo. "In addition, the global business community has increasingly recognized the need for coordination of policies on labor migration, work visas, management of shared supply chains, and joint R&D for projects of mutual benefit, especially on resource efficiency. None of us can operate profitably for long with oil now at \$280 a barrel and prices at an all-time high for copper, zinc, nickel, and other elements needed for high-tech manufacture everywhere."

PREDICTING THE FUTURE IS both a fool's errand and a fun parlor game.

But the currents we've identified in these pages lead inevitably to some version of the scenario above. Governments will continue to be intimately

involved in all aspects of regulation, but it seems highly unlikely that the coming years will see coordinated global action on the myriad of issues that fall under the banner of sustainability, climate change especially. In the absence of that, businesses, which require regulatory clarity about the rules of the game on important matters such as climate and water, will advocate for rules that allow them to compete on a sustainable basis.

As we have discussed throughout the book, the business landscape is being reshaped by the growing scarcity of resources, wages that are rising in the emerging world and stagnating in developed economies, increased consumer expectations concerning sustainability, and the relentless competition of global capitalism. As in any era of rapid change, winners and losers will be determined in large part by how well companies anticipate and embrace change. Just who will emerge as leaders and game changers is largely unknown today; many of tomorrow's most important companies don't exist yet or are just now being funded by angel investors or venture capitalists willing to take a chance. But some are visible now, and they will become more influential with each passing year. In that spirit, we have assembled a list of ten companies that we think are well positioned to define the future. Some of these ten we have already discussed in the book, and others we will introduce here. As the great Danish physicist Niels Bohr once said: "Prediction is very hard, especially about the future." Indeed, some of the companies we highlight may stumble in the years ahead, but each one is poised to define the next generation of sustainable excellence.

WALMART: TOO BIG TO IGNORE

As we discussed earlier, Walmart has become an undeniable force in setting the sustainability agenda worldwide. While the company still attracts criticism for its labor practices and impact on Main Street shops, its ambitious efforts to catalyze the creation of a sustainability index could well

lead the way toward ubiquitous sustainability labeling of products in the coming decade. Such a move would transform business—and consumer choice. If the last few years are any indication, it would be unwise to bet against this happening. Walmart has been extremely effective in using its vast supply chain to drive more transparency and radical product redesigns that range from liquid laundry detergent to product packaging to the way delivery trucks are powered. Its effects are felt far beyond the United States—where the company has a dominant footprint in retail as well as in food—due to its hundreds of superstores in Mexico, Brazil, and China. Its reach in the coming decade will likely extend to India, as well. In China alone, Walmart sources tens of billions of dollars of goods and has begun an aggressive rollout of superstores replete with chickens' feet and live fish ready for Sichuan hot pots.

Because of its global reach—two hundred million customers a week, eight thousand stores, and one hundred thousand suppliers—Walmart's efforts don't end with Walmart. A sustainability index would require large numbers of companies, from the makers of the most recognizable global brand names to the operators of small factories in all corners of the globe, to become radically transparent about how they make what they make. The company is mandating that its suppliers undergo a "sustainability assessment," and for those companies that depend upon access to Walmart's shelves, that means that they too have to move toward zero waste, lower emissions, renewable energy use, resource conservation, and a host of evolving metrics designed to push them toward greater efficiency.

Walmart doesn't do things halfway. The relentlessness with which it pursues its agenda has not always painted the company in a positive light, as is demonstrated by the criticism it has received for its antinonion and anti-health insurance stances. But the company has repeatedly shown its willingness and ability to change, as it did when it made a 180-degree reversal to become a staunch advocate of health care reform in the United States

in 2009–2010. It did so for many of the same reasons that it embraced sustainable excellence: The costs of the alternative were not tenable, and its new approach allowed the company to recast its image and credibly claim that it was both doing the right thing and generating substantial return for shareholders.

Its embrace of a far-reaching sustainability strategy hasn't won over all critics; in the United States, there is still a cultural divide, especially since Walmart's stores are underrepresented in the more politically liberal redoubts of the Northeast, coastal California, and many other urban centers. The company still arouses passions and is seen by some as an icon of all that is wrong and harmful about the modern corporation, including the drive for unsustainable levels of consumption. But given the scope and intensity of its programs and ambitions, it's likely that by 2020, even the skeptics will be using Walmart as a gold standard against which others companies are measured. Not only that, but Walmart may be writing more of the rules of global commerce than national governments are.

BETTER PLACE: REMAKING TRANSPORTATION

Shai Agassi has a vision for the future, and it doesn't include gasoline. It's a vision of electric cars, millions of them, and thousands upon thousands of charging stations in parking lots, on street corners, and in home garages. This vision emerged from a challenge put to Agassi at the World Economic Forum's 2005 annual meeting in Davos: "How are you going to make the world a better place in 2020?" Agassi thought about it and replied that the key question was instead "How would you get a country off of oil?" Today, it's not just an idea; in Israel, Agassi's company, Better Place, is making his vision a reality. Better Place has already put thousands of electric cars on the road and created a network of charging stations near movie theaters and beaches and malls that customers can access with key cards.

A former executive at SAP, Agassi approaches the problems of automo-

biles' large impact on the environment and extraordinary claim on natural resources as system-level problems. It isn't just a question of making cars with batteries—anyone can now do that. It's creating an entirely new infrastructure and altering consumer behavior and expectations. One of the challenges of promoting fully electric cars is allaying consumer concerns that the battery will run out in the middle of nowhere, especially since the range of an electric car is currently less than that of a conventional combustion engine. That is one reason why the initial version of Agassi's Better Place plan works so well in Israel, a tiny country where few people drive more than a hundred miles at a time. While it's true that in both Europe and the United States, most people drive within a limited radius of their homes, Americans in particular seem to crave having the ability to get into a car and drive endlessly—whether they actually do or not. That cultural mind-set is a considerable obstacle to ushering in wide-scale adoption of electric cars.

Better Place isn't simply selling electric cars. It is building an alternate infrastructure for electric transportation with cars as the central component. If Agassi is looking to an existing industry model, it's mobile phones, not Detroit. Better Place's model relies not on selling expensive hardware (the car), but instead on providing access to the energy needed to power it (like minutes on your mobile phone plan). The company invests not in building vehicles (for that, it's partnering with Renault-Nissan, among other manufacturers), but instead on building the charging infrastructure and a wireless network for payments. With the initial test launch in Israel, the goal is now to roll out the model in the United States. With a \$1 billion initiative in California, the San Francisco Bay Area is slated to be the location for the first tests in 2012. The company won't wean the world from gasoline by 2020, but it may be able to show that it's possible, feasible, easy, affordable, and, maybe, just maybe, fun. As the company puts it, it's ushering in the era of Car 2.0.

DUPONT: CLEANER CHEMICALS

DuPont is one of the oldest and largest chemical companies in the world, and it's as much a part of the "old economy" as any. Over the past decade, though, its leadership has shown unusual foresight in developing products suited for new markets, different needs, and a changing world.

DuPont has set ambitious goals that it aims to achieve by 2015. In addition to reducing its own carbon footprint, the company is pushing itself to achieve "market-facing goals," which is what it calls its new wave of products that enable consumers to reduce their environmental impact. DuPont aims to spend close to \$700 million on R&D to create \$2 billion in annual sales of products that either create greater energy efficiency or help customers reduce their own greenhouse gas emissions. DuPont also plans a dramatic increase in revenues—to \$8 billion, up from the less than \$6 billion they now total—from chemicals composed of "non-depletable resources." This is particularly important in an industry that relies heavily on petroleum and other carbon-based fuels as its basic ingredients, and DuPont has spent heavily to invent chemicals that are formed from biomass materials and cornstarch instead of petroleum products.

DuPont's changes may not be visible to most of us, but they are in fact addressing a huge problem: Petroleum-based chemicals are present in almost every product we use. Wear cosmetics? Most contain petroleum-derived chemicals that DuPont is replacing with biomaterials. Your clothes? Most synthetic fibers are composed of oil, so DuPont is working on plant-based synthetics that can be cheaply mass-produced to replace them. Your kitchen? There's a good chance your countertops are DuPont Corian or the company's newer line, called Corian Terra, both of which are made with recyclable and composite materials and also have mold-resistant properties that remove a major health risk. Have insulation in your home? DuPont's new biodegradable, nonpetroleum organic Tyvek ThernaWrap enhances the efficiency of insulation, allowing less of it to be used to greater effect in reducing heating

DuPont once led the world in the production of chlorofluorocarbons (remember Freon?), the ozone-depleting compounds that have now been phased out of air-conditioning and refrigeration systems and a range of other products. Today, the company's goal is to create solutions that the world will celebrate, not ban. In that respect, DuPont is a standout. Carving out a larger market share with innovative products that make sustainable consumption possible sets an example for other companies, especially those with tarnished reputations who are aiming to reinvent themselves for a new era. And if other chemical companies in India or China do not immediately follow a similar path, then DuPont's solutions will be that much more attractive and competitive in a world hungry for sustainable alternative building blocks to make the goods used in daily life.

SCHNEIDER: POWER TO THE PEOPLE

Those hundreds of millions of people entering the global middle class share one thing: a voracious appetite for energy to power the appliances, cars, computers, and homes that mark their economic advancement. So far, this has meant expansion of conventional energy sources. As we noted earlier, China alone has been building an average of one new coal-fired power plant every week, and India is ramping up production. Even as those countries look to base their futures on more energy derived from wind, solar, water, and nuclear sources, today they rely on the one ready, cheap source of energy available in their backyards: coal. But as plentiful as coal is, it has costs. It is a primary source of greenhouse gases, and in the developing world, air pollution from coal is a prominent cause of death and lung disease, which impede sustainable growth.

Schneider Electric is one of the largest makers of power equipment worldwide. Its meters and control systems manage electricity usage in everything from ships to mines to hotels to massive office buildings and data centers. Its products are designed to enable customers to reduce their

energy use, which has the dual benefit of reducing their household or business expenses while simultaneously slashing their environmental footprints. Unlike General Electric, which makes the heavy power turbines that generate electricity, Schneider focuses on how businesses use electricity.

The case for remaking the way we use energy in buildings is clear. Nearly 40 percent of all energy use in the United States is attributable to buildings. As such, there is money to be made—and savings to be gained—from the kinds of products Schneider is bringing to market. In addition, recent studies, including an influential report by the McKinsey Global Institute, have shown that one of the most readily available—and economically advantageous—means of reducing energy use is to increase efficiency. Smarter energy use can in fact have a transformative effect on the global energy system, even without a major transition to alternative, noncarbon forms of power.

Schneider has the potential to lead this revolution. It is spending heavily on R&D tailored to the needs of disparate industries, and it has profited greatly from the growing commercial market for Schneider controls that produce cost savings today and sustainability benefits tomorrow. In China and India, Schneider is helping new businesses, factories, and buildings leapfrog the problems of inefficient energy systems by installing next-generation equipment from the outset. While few people out side of large businesses and utilities are aware of what it does, Schneider will be an integral player in the transition to a sustainable global economy in the coming decades.

Businesses must change their behavior, but so too must individuals. That's why Schneider is also making forays into manufacturing products that allow for better management of energy usage at home: In early 2010, it introduced an iPhone application that helps people measure how much energy they consume; the app works in conjunction with the company's Wisser home controller technology that links lights, appliances, and air-conditioning units. By 2020, millions of individuals will be using mobile

communications devices to gauge, calibrate, and adjust their home energy use. Schneider's products for individuals and large organizations may well enable an energy revolution at home and work.

GOOGLE—YES, GOOGLE

At the World Energy Technologies Summit held in New York City in the spring of 2010, the director for climate change and energy initiatives at Google, Dan Reicher, made a stump speech for Google's new PowerMeter application—free software that allows people to monitor everything from lighting to appliances to the heating of their homes all from a centralized application. "It's ET meets IT—energy technology meets information technology," said Reicher. It's also an example of how Google is applying its vast information resources to tackle one of the most pressing issues of the next decades.

Earlier, we focused on Google's efforts to create nationwide smart grids in partnership with General Electric and other companies that might once have been considered strange bedfellows. But Google's efforts extend beyond smart grids and meters. The company sees itself becoming a centralized information hub that organizes and rationalizes all aspects of daily life, serving as the information clearinghouse for individuals, businesses, and governments worldwide. It's an ambitious agenda for an ambitious company. For some, it has troubling implications because the company seems poised to control and monetize both public and very private information with its proprietary algorithms. Google does not own that information, but in a world where access is everything, electronic information is arguably becoming a de facto utility, one that is every bit as vital to daily life as food and water. While there are sure to be battles in the years to come over the company's ubiquitous presence in our lives, Google is likely to play an even greater role in daily life in the next decade than it has in the first years of

the twenty-first century. As such, it will be an integral part of the next generation of sustainable excellence.

Google's leadership recognizes that as the outdated infrastructure of electricity grids comes under increased pressure and advances like plug-in cars and next-generation appliances proliferate, individuals and utilities will need more energy while also wanting more efficiency and reduced electricity costs. So will businesses, and no matter how good Schneider's systems are, they will need data and information inputs provided by Google or someone else to help determine optimal levels. Because Google has the ambition, the human resources, and more cash than most, it is likely to play a central role.

The company has styled itself as a disruptor right from the start, much to the disadvantage and chagrin of companies (think newspapers) whose business models have faced existential crises in the digital age. With a flat organizational structure and high levels of employee engagement, Google has always possessed a clear social purpose—sometimes bordering on missionary zeal—along with its interest in making money. That is in part why it was willing to risk a potentially lucrative China franchise when the level of censorship and security breaches became unacceptable to an executive team that allows its moral views to sit side by side with what is expedient. Whether or not everyone shares its worldview or appreciates its ambition, the leaders at Google believe the company has a responsibility to make the world a better place. For Google, the phrase “sustainable excellence” is almost redundant, and the company will continue to define and shape the business landscape well beyond 2020.

AUTODESK: WHAT GOES UP MUST NOT COME DOWN

In the next thirty years, it is estimated that China alone will build four hundred billion square feet of residential and commercial real estate. That's

the equivalent of the office space of nearly ten thousand Midtown Manhattan. How that space is constructed will be a key determinant of whether the world plunges into energy and resource scarcity. If engineers and architects construct with an eye toward energy efficiency—using lightweight composites in lieu of the heavier steel, copper, and cement and employing materials that make better use of water and light to reduce the costs of cooling and heating—then the burden might be bearable. And one company that holds the key to that outcome is Autodesk.

The sheer scale of industrialization and urbanization makes China the perfect laboratory for next-generation building solutions. Autodesk is the most innovative and specialized developer of architectural modeling tools used in the design and construction of that country's buildings, infrastructure, and industrial facilities. But while China is its most significant growth market, its market-leading AutoCAD software has already made Autodesk a dominant player in global architecture and design, especially for large, complicated structures. Even though its business is booming, it has not been content to simply nurture its franchise. Instead, Autodesk is perfecting its version of sustainable excellence by investing heavily in writing new software that will allow engineers and architects to design buildings that have energy efficiency and the use of sustainable materials embedded in the initial design. It is considerably less expensive and more effective to design buildings with that goal in mind than it is to retrofit buildings to make them more energy efficient, just as it is more cost-effective and indeed simply more effective to construct buildings that are earthquake resistant than it is to try to retrofit older buildings.

In the early 2000s, Autodesk recognized that the demand for efficient buildings—and for cost-effective ways to construct them—would be a vast growth market that it was uniquely positioned to dominate. And because it has passionately pursued a business opportunity that meets an urgent global challenge, it stands as yet another example of sustainable excellence.

Its software will be part of the wave of green building that is only beginning to gain momentum globally.

And it isn't just buildings. The nearly one hundred new airports that China will construct by 2020 (which Autodesk software will help to design) require the same types of long-range planning and efficiencies as factories from Brazil to Russia to India to Vietnam do. Autodesk's three-dimensional modeling software will be joined by new programs developed by the company that allow engineers to test the durability of different materials in whatever architectural configuration is needed or desired, along with modeling energy-efficiency variables such as heat retention, cooling properties, and the market costs of power. It's likely that many of the solutions will involve a combination of sustainable design made possible by Autodesk programs, equipment provided by companies like Schneider, and information provided by companies such as Google. Autodesk may never be a household name, but its programs will be a key ingredient in the sustainability of economic growth in the coming decade.

GRUPO ABC: A GLOBAL VISION FROM THE GLOBAL SOUTH

Having won the right to host the World Cup in 2014 and the Summer Olympics in 2016, Brazil will certainly generate attention in the coming years. But in the areas of energy and resource efficiency, Brazil would shine even if the global spotlight wasn't on it. China and India notwithstanding, the 2020s could well be Brazil's decade, and the marketing and communications firm Grupo ABC will devise many of the images the world will see during those two mega-events, as well as one more: the 2012 Rio+20 Earth Summit. Indeed, the company was selected to create the logo for the 2014 World Cup. The São Paulo-based company is challenging many of the rules of corporate communications, bringing a distinctively social flavor to advertising and consumer engagement. The result? A unique melding of flash salesmanship and social conscience.

Grupo ABC's mission statement states baldly that it aims to do business differently. It aims to produce *joy* and profit. This company, animated by the vision of its founders, João Valente, Icatu Bank, and the charismatic Nizan Guanaes, brought a uniquely Brazilian concept to the world of advertising: a determination to integrate social inclusion into its messaging. In a country that is poised to make great progress in narrowing the huge gap between rich and poor that now exists, Grupo ABC understands how companies can think and communicate about the role of business in bringing prosperity to communities that have long lived on the margins.

It is a truism that we live in an information age, and much of the data and images generated for the global community come from the developed world. That is unlikely to last. In the years ahead, universally appealing images for a global world may well come from Brazil. A marketing vision that builds on an intimate awareness of the human deprivation—and aspiration—present Brazilian favelas combined with a local understanding of the need to preserve the Amazon rain forest is uniquely capable of delivering a message that embraces sustainable consumption. A decade when all eyes will be on Brazil puts Grupo ABC in an excellent position to influence global commerce. Its ability to reach those “three billion new capitalists” from emerging economies that economist Clyde Prestowitz speaks of is unique, and it will have a clear impact on how other, longer-established advertising and communications firms operate.

And if Grupo ABC translates this into marketing that transcends pure salesmanship to increase global awareness of the sustainability dilemmas—and solutions—emerging from Brazil and elsewhere, its impact will be felt long after the Rio Olympic Games end.

IBERDROLA: A SPANISH WIND IS BLOWING

The Spanish city of Bilbao is rightly famous for its kinetic Guggenheim Museum designed by Frank Gehry, but it's another of the city's institutions that will matter more for sustainable excellence: the utility company

Iberdrola. With nine million customers in Spain and sixteen million total throughout the world, Iberdrola is now the world's fourth-largest utility company by market capitalization, and that makes its commitment to using only renewable energy that much more significant. It isn't just a small experiment; it is a complete commitment by a substantial, publicly listed utility that is managing to provide power using wind, nuclear, natural gas, hydropower, and geothermal sources. While it isn't yet carbon neutral, that is its long-term goal.

The company has been moving rapidly to become the world's leading green utility company, and under its current CEO, José Ignacio Sánchez Galán, it has been run with sustainable excellence front and center. It has actively courted NGOs and critics to assess its operations, set an audacious goal to become the first major utility in the world to wean itself from coal and oil, and worked with investors to convince them that the higher short-term costs are acceptable given the long-term results. The company is the top-rated utility in the Dow Jones Sustainability Index, and its commitment to wind power has made it an innovator in that field.

Iberdrola's economic performance has been highly competitive, and its stock has done well. In the nine years since the company began its strategic change, it has gone from ten thousand employees to thirty-three thousand now operating in forty countries. In the next few years alone, it plans to invest at least \$5 billion in expanding renewable energy infrastructure, with wind far and away the dominant growth area. It has also been an aggressive acquirer of like-minded smaller companies like ScottishPower in 2007 and the US-based Energy East in 2008, and it created a separate company, Iberdrola Renewables, that's focused entirely on renewable energy sources and strongly emphasizes financing new development and helping customers hedge against the volatility of prices. Iberdrola Renewables is the second-largest provider of wind power in the United States and serves more than 850,000 customers.

While its reliance on natural gas and willingness to build nuclear plants do not please some environmental purists, it is so ahead of the curve in its efforts that it has been hard for these criticisms to gain traction. It has also been criticized for overpaying for some of its acquisitions, which Galán defends on the grounds that financial markets place too much emphasis on short-term valuation and not enough on long-term value. Galán and the company have been willing to engage critics and don't fall back on the typical corporate stonewalling or PR language, which have proved effective techniques in defanging potential adversaries.

If the above sounds like a paean to a company, it's because it is. There is little to object to and much to support in how Iberdrola manages its business. More to the point, it is succeeding in its efforts, and that success will demonstrate to other companies the possibilities inherent in embracing sustainable growth.

ICICI: FUNDING THE REVOLUTION

Many of the companies we've focused on are in the business of making products or providing services that will solve the conundrum of sustainable consumption in the years ahead. But there is also the equally pressing problem of how to improve the lives of the hundreds of millions who still live in dire poverty, with inadequate food and limited access to clean water. The challenges are particularly acute in India. Banking services that enable the poor to accelerate their economic advancement hold immense potential for improving the lives of hundreds of millions of Indian rural dwellers (more than the entire population of the European Union).

At the forefront of those efforts is a bank that's hugely influential at home but little known outside India, ICICI Bank, which we first discussed in Chapter 5. In India, ICICI is a leader in both retail and corporate banking and in the fast-growing field of microfinance. In line with the

groundbreaking work of Grameen Bank founder and Nobel laureate Muhammad Yunus, leaders at ICIICI have recognized that if you raise millions out of rural poverty with the aid of small loans, you not only lay the groundwork for a new wave of growth and affluence, but also create a loyal group of customers.

Its efforts extend beyond just providing small loans to rural ventures.

ICIICI is an innovator in the field of mobile banking, which marries mobile phone technology—the primary means of Internet access in the developing world—with its financial services. ICIICI is at the forefront of a movement toward economic inclusion that provides ways for farmers and small businesspeople, many of them women, to build markets and obtain better prices for crops and handicrafts. While the Internet may have enabled day-trading in every American living room, ICIICI's efforts in mobile banking provide a service and an access point that is more fundamental to economic development where it is most needed.

The bank states that its fundamental challenge isn't to make money or generate profit, but rather to create a "just society." That means making India's economic growth "more inclusive." The bank's self-interest is, of course, well served by that vision, but that shouldn't detract from the integrity of the goal or the company's efforts to achieve it. In India—which is beginning to travel the path of heavy industrialization and urbanization that China has been racing down for the past decade—attention to the preservation of the environment and to the rights and needs of hundreds of millions of impoverished rural residents has been notably muted.

ICIICI is making the case that businesses must attend to those challenges, and, given its place in India's financial industry, it will be part of any viable solution that arises in the next decade. Its executives have considerable sway and command their own bully pulpit within India; one longtime veteran of the bank, in fact, recently became head of JPMorgan Chase's

operation in India. ICIICI's model of socially conscious banking hinges on the recognition that without attention to labor conditions, income equality, and the environment, there can be no sustainable growth, and without sustainable growth, no company can survive and thrive in the long term.

TSING CAPITAL: CLEANTECH IN CHINESE

Tsing Capital is the first clean-technology venture capital fund in China. While venture capitalists from Silicon Valley boutiques and Wall Street institutions have been trolling in Chinese waters for some time, Tsing is the first such purely domestic Chinese entity. It operates under the auspices of Beijing's Tsinghua University, which is often referred to as the MIT of China. Tsing Capital, led by a team whose experience bridges the United States and China, has two funds with a total of \$350 million—the equivalent of more than \$1 billion when adjusted for purchasing power in China. While that amount is small compared to the several hundred billion dollars that the Chinese government intends to spend on developing and deploying cleaner energy sources and modes of transportation in the decade ahead, it specifically targets new technologies and solutions rather than the roads and solar arrays and high-speed maglev rail lines that the central government includes among its national priorities. Some Chinese estimates place the domestic market for environmental protection and alternative energy technologies at more than \$200 billion, with the bulk of that going to environmental protection measures such as removing sulfur from the air and treating municipal wastewater.

Tsing Capital was started by a group of entrepreneurs who were concerned that along with China's rapid industrialization would come crushing pollution and a major negative contribution to climate change. Tsing's partners adopted the familiar Western mantra of Doing Well by Doing

Good, and its investment portfolio is guided by two simple questions: Will the investment be profitable, and will it meaningfully contribute to lessening the environmental impact of China's economic expansion?

Given that most of its investments are still in their early stages, it's hard to tell which of the companies it's invested in will break out. Its portfolio contains Chinese smart grid innovators, a publicly listed nickel battery manufacturer, developers of biodegradable polymers, domestic solar energy companies producing both silicon wafers and actual panels, a company focused on developing microbes to turn kitchen waste into animal feed and fertilizer, a hydroelectric power plant developer, and a company that repurposes used cars to extend their lives while reducing their emissions.

How China manages its development and whether it can maintain economic growth while decreasing environmental harm are among the most important variables in the viability of global growth. The formation and success so far of Tsing Capital is a sign that the Chinese are seeing both the imperative of addressing these problems and a market opportunity for domestic investors—which are the two necessary conditions for anything to change. Even if Tsing's specific investments aren't home runs, it has set a course for Chinese private investment that will be vital to the sustainability of prosperity and growth both for China and for the world as a whole.

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This list is hardly exhaustive, and a viable future will in fact see hundreds of companies leading the way in dozens of countries. We have described many other businesses that are on this path, ranging from global brands like Nike to retailers such as Marks and Spencer to resource companies such as Vale, and all are attempting to square a very complicated circle. Others we have mentioned but could easily spend more time on include

early movers like Ikea—which has taken steps to measure and calibrate every aspect of its business and applied that to reducing its carbon footprint—and Novo Nordisk, which has embodied the Scandinavian passion for sustainable business practices. And still others we discussed in somewhat greater depth but could give more space to include the Dutch logistics company TNT, consumer giant Procter and Gamble, and multinationals such as Siemens and Samsung, each of which is as significant as General Electric in the global business world. Finally, there are the thousands of smaller companies and startups that are busy developing less resource-intensive and more productive business models, some of which will become household names in due course and will add their stamps to the next generation of sustainable excellence. The ten companies we highlight may not all achieve their promise, but they illustrate what it will take to thrive in the coming decade.