

# Eco-Innovation in the Corporate Sustainability Process and the Entrepreneurs' Vision: Implications and Opportunities for Sustainable Businesses in the Era of Climate Change

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## Abstract

*The impacts of climate change extend across various facets of human existence, exerting widespread effects on all aspects of life. The corporate sector is increasingly recognizing the importance of sustainability and adopting renewable energy sources and eco-friendly practices. Eco-innovation is driving clean energy development and sustainable solutions and can be a win-win solution for both companies and the environment. This paper examines eco-innovation in the corporate sustainability process, emphasizing the advantages of sustainable businesses. It specifically analyzes the business landscape in Moldova, exploring the adoption of sustainable practices and entrepreneurs' perspectives on business sustainability in the face of climate change. The findings reveal that Moldovan companies require support and concrete actions. While there is awareness and understanding of sustainability concepts among entrepreneurs, many companies lack a solid sustainability/eco-innovation strategy. These results highlight the need for increased awareness and proactive measures within Moldova's business community to effectively address sustainability challenges.*

**Key words:** eco-innovation, corporate sustainability, climate change, sustainability strategy, Republic of Moldova

**J.E.L. classification:** Q0, O31, O32

## 1. Introduction

In the early 21st century, humanity found itself on the precipice of an unprecedented global challenge – the era of climate change. As the Earth's climate began to shift and extreme weather events became more frequent and severe, it became abundantly clear that our actions as a species were taking a toll on the planet we call home. The consequences of climate change are far-reaching and affect all aspects of human life.

The Paris Agreement (UNFCCC), signed by nearly every country in the world, stands as a testament to the global recognition of the need for action. It aims to cap the rise in global temperatures significantly below 2 degrees Celsius while making dedicated endeavors to restrict the temperature increase to a more ambitious target of 1.5 degrees Celsius. The agreement also promotes adaptation measures, financial assistance to developing nations, and the transfer of clean technologies.

Transitioning to a sustainable future requires a multi-faceted approach. Governments are implementing policies and regulations to promote renewable energy, reduce emissions, and incentivize sustainable practices. The European Union assumes a pivotal role in facilitating the shift towards a more sustainable global paradigm, that fulfills multiple key functions. It serves as a dynamic force, shaping policies and enforcing regulations as a rule-maker. Furthermore, as a major producer and consumer, it wields significant influence in driving sustainable practices. The EU also acts as a vital source of substantial funding and it plays a pivotal role as a convening power, fostering collaboration among stakeholders. With its innovative spirit, the EU drives transformative change and sets new benchmarks as an innovator and a standard-setter in sustainability (Hedberg et al, 2022). The business sector is recognizing the value of sustainability, embracing renewable energy sources, and implementing eco-friendly practices. Innovations in technology are driving the development of clean energy alternatives and

sustainable solutions. In the Sustainable Development Scenario, the clean energy transition is primarily propelled by technological advancements, although it is not solely reliant on them (IEA, 2020). Consumer behavior also plays a significant role in this scenario, as there is a substantial shift in how much energy services and commodities are consumed, driven by a growing awareness of the negative environmental and societal consequences of current consumption patterns.

The climate change era is undoubtedly a challenging time, but it is also a time of immense opportunity. This era calls for innovation, collaboration, and collective action. By embracing sustainable practices, investing in renewable energy, and prioritizing the well-being of our planet, we can steer humanity toward a future where the adverse effects of climate change are mitigated, and harmonious coexistence with nature is possible.

The business approach to the climate change era has become increasingly crucial as corporations recognize their role in driving both the problem and the solution. Many forward-thinking businesses have embraced the concept of corporate social responsibility and are actively integrating sustainable practices into their operations. Companies that continue to view climate change exclusively through the lens of corporate social responsibility, rather than recognizing it as a fundamental business challenge, face the highest potential repercussions (Porter et al, 2007).

One of the primary drivers for businesses to address climate change is the growing demand from consumers who prioritize environmentally friendly products and services. In response, companies are adopting greener manufacturing processes, reducing emissions, and developing eco-friendly alternatives. This shift not only meets consumer expectations but also enhances brand reputation and fosters customer loyalty. Moreover, businesses are recognizing that embracing sustainability can be a source of innovation and competitive advantage. By investing in research and development, companies are finding creative solutions to reduce their carbon footprint, optimize resource efficiency, and develop renewable energy technologies. These efforts contribute to mitigating climate change and improving cost efficiency and resilience in the face of regulatory changes and market disruptions.

This paper analyzes eco-innovation in the corporate sustainability process and the key benefits of sustainable companies. The research begins with an analysis of business motivation for eco-innovation and sustainability and identifies several reasons starting from different existing studies all over the world. The research continues with a short analysis of the 2021 ESG Index (ESGI) rankings by continent and country. In the paper, the author gives some examples of eco-innovative companies and describes the actions they adopted to become more sustainable. In this context, the author analyzes the sustainable organization model in the vision of several authors, such as Elkington, Hart and Epstein. Also, the author analyzes the business environment in the Republic of Moldova regarding the adoption of sustainable practices and presents some relevant conclusions from the study she carried out regarding entrepreneurs' perception of business sustainability in the context of the climate change era.

## **2. Theoretical background**

In recent years, the urgency to address climate change and promote sustainable practices has become a key concern for businesses worldwide. Corporations are increasingly recognizing the need for eco-innovation within their sustainability processes, while entrepreneurs are embracing a visionary approach to drive sustainable business practices. This section provides a theoretical background on the concept of eco-innovation, and its significance in the corporate sustainability process in the era of climate change.

Eco-innovation is a component of innovation that opens new ways to achieve sustainable economic activities, comprising four essential aspects: economy, environment, society, and politics. And for each of these aspects, organizations' approach to this concept has long-term beneficial effects.

In the context of increasing global concern regarding climate change and environmental degradation, companies are increasingly aware of the need to implement sustainable practices and eco-innovative approaches. Eco-innovation can be a win-win solution for both companies and the environment. The implementation of eco-innovative practices can bring economic benefits by reducing costs and increasing efficiency, but it can also contribute to increasing the social responsibility of companies as well as the brand image.

Eco-innovation represents a crucial element in the transition towards sustainable development, as it enables businesses to reduce their environmental footprint and enhance resource efficiency. Scholars and practitioners have emphasized the importance of eco-innovation as a key driver for achieving corporate

sustainability goals and mitigating the adverse impacts of climate change.

As the concept of eco-innovation is a relatively new one, there are still different definitions in the vision of different authors. According to OECD (OECD, 2009), eco-innovation can be generally defined as "an innovation that results in a reduction of environmental impact, no matter whether or not that effect is intended". Several scholars have extensively cited the works of Ekins (2010), Hellström (2007), Carrillo-Hermosilla and Könnölä (2009; 2010), and Andersen (2008) in the domain of eco-innovation, among others.

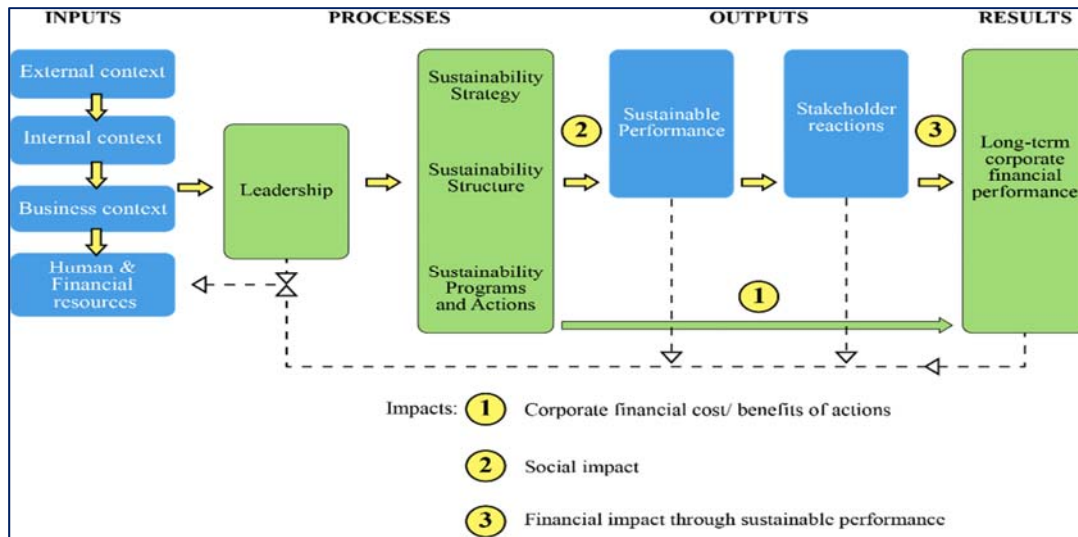
Two significant publications have been released by international organizations, namely the OECD's "Green Growth" (2011) and UNIDO's "Policies for supporting green industry" (2011). These publications lay the groundwork for exploring the broader possibilities of green growth. Within the European Union, eco-innovation is recognized as a means to advance the broader goals of the Lisbon Strategy, which focuses on enhancing competitiveness and fostering economic growth. Additionally, the European Commission has initiated its EcoAP (Eco-innovation Action Plan) initiative, reflecting the increasing interest from both policymakers and academia in eco-innovation. This interest is further evidenced by the growing number of academic works focused on eco-innovation. The EcoAP builds on the 2004 Environmental Technologies Action Plan (ETAP) and expands the focus from green technologies to the broader field of eco-innovation (EcoAP, 2011). According to EcoAP, eco-innovation is defined as "the creation, adoption, or utilization of novel approaches in products, production processes, services, or management and business methods". Its overarching objective is to prevent or significantly reduce environmental risks, pollution, and other adverse impacts associated with resource utilization, including energy, throughout the entire lifecycle. The Final report of the "MEI" project, which focuses on measuring eco-innovation (2007), defines the concept as follows: "Eco-innovation refers to the creation, adoption, or utilization of a product, production process, service, or management or business method that is new or novel to the organization involved" (MEI, 2007). The defining attribute of eco-innovation lies in its ability to consistently mitigate environmental risks, pollution, and other detrimental impacts associated with resource consumption, including energy, across its entire life cycle. This sets it apart from comparable alternative approaches by ensuring a superior overall environmental performance. The key differentiation between the two definitions primarily lies in their approach to the purpose and outcome of innovation. Specifically, they address whether environmental benefits can arise from innovation even if they were not the initial intention, and vice versa. The MEI definition demonstrates a greater degree of flexibility in terms of innovativeness, as it considers innovation to be novel as long as it is new to the specific organization. Similarly, it allows for a range of environmental impacts, requiring only a slight reduction compared to alternatives. In contrast, the EcoAP definition emphasizes the necessity of substantial improvement in environmental impact. Paduraru suggests a more complex definition of eco-innovation from the perspective of the organization and the entire value chain and namely "a set of interdependent and interacting processes, activities, resources and decisions within an organization, economic entities, public/private/non-profit organizations that result in the development and implementation of products (goods or services), processes, economic-managerial methods, and tools, development plans and strategies, organizational structures, equipment, etc. new or significantly improved, which results in the achievement of sustainable development by reducing the negative impact of activities on the environment, increasing natural resistance to loads or ensuring greater efficiency and responsibility in the exploitation of natural resources, in cooperation with partners within the entire value chain" (Paduraru, 2022).

Corporate sustainability entails the integration of social, environmental, and economic dimensions into business strategies and operations. The process involves the identification and management of sustainability challenges, the adoption of sustainable practices, and the pursuit of long-term value creation. Within this context, eco-innovation plays a vital role by providing innovative solutions that enable organizations to achieve sustainability targets, reduce costs, and gain a competitive advantage. By incorporating eco-innovation into their sustainability process, companies can enhance their environmental performance while driving economic growth and social progress (Schaltegger et al, 2011).

The Corporate Sustainability Model has been developed over many years by researchers and specialists in the field of sustainability and management. They analyzed current trends and identified best practices to create an organization that can be sustainable in the long term and that can work harmoniously with the environment, society and economy. One of the authors who contributed to the development of this model is John Elkington, the inventor of the term "triple bottom line". Elkington

introduced the idea that an organization should not only focus on making a profit, but also consider the social and environmental impact of its activities (Elkington, 2018). This approach gave birth to the concept of corporate sustainability and laid the foundation for the corporate sustainability model. Another important author in the development of this model is Stuart Hart, a pioneer in the field of business strategy for sustainability. Hart introduced the concept of "sustainable innovation" and emphasized the importance of involving the supply chain in sustainability efforts (Hart et al, 2016). Another expert and author in the field of corporate sustainability are Marc J. Epstein, who developed a model of the sustainable organization, which helps managers integrate the strategy of sustainable development into their activity and transform this strategy into concrete actions, to improve performance financial and sustainable of the organization (Figure no. 1).

Figure no. 1. The Corporate Sustainability Model



Source: (Epstein et al, 2010)

According to this model, to improve the implementation of the company's sustainability strategy, managers must carefully identify and measure critical performance factors, which include different inputs, processes and outputs. This model helps leaders develop an appropriate sustainability strategy, configure the necessary structures and systems, align programs and take necessary actions. Managerial actions have a direct impact on sustainability performance and stakeholders, ultimately affecting long-term corporate financial performance.

### 3. Eco-innovation in the corporate sustainability process

Eco-innovation has now become an essential approach for companies that want to meet their sustainability goals and remain competitive in the long term. From an economic point of view, material and energy costs are reduced, new products, services, and new markets appear, and last but not least, new sustainable business models appear. The environmental effects of eco-innovation are obvious: sustainable management of natural resources, addressing climate change, and improving biodiversity and ecosystems. In addition, it increases the quality of life and creates new sustainable jobs.

Currently, there is widespread acceptance, globally, of business motivation for eco-innovation and sustainability for several reasons, such as:

- *The global market for products with low carbon emissions is worth billions of dollars.* According to the World Bank's annual State and Trends in Carbon Pricing report, the year 2021 witnessed a substantial surge of close to 60% in global carbon pricing revenues compared to the previous year, amounting to approximately \$84 billion. This considerable influx of funds presents a critical opportunity to bolster a sustainable economic rebound, facilitate broader tax restructuring initiatives, or make significant investments in local communities (Worldbank, 2022);

- *The sustainable supply chain is no longer a trend, but a necessity* to meet consumer demands. For example, the global retailer Walmart developed its own sustainability index in 2009, which is a comprehensive system evaluating the sustainability of the products sold in its stores (Walmart, 2012). The index assesses the environmental and social impact of products and assigns them a score based on various factors such as greenhouse gas emissions, waste reduction and labor practices (Worldbank, 2022);

- *An environmentally friendly business generates financial benefits.* According to the Nielson Global Study 2019, a growing number of consumers (66% of respondents) are displaying an escalating inclination towards natural products and social responsibility in their interactions with sellers and suppliers. They prioritize sustainability and green practices, expressing their willingness to pay a premium for products and services that align with these values and meet these criteria (Green Business Bureau, 2019);

- *Employees look for and appreciate sustainable and environmentally responsible companies.* In a comprehensive study conducted by the Institute for Business Value in 2019, involving 10 countries and 16,000 respondents, it was observed that employees are demonstrating a growing interest in seeking employment with environmentally conscious and sustainable companies. The study revealed that 67% of respondents expressed a higher willingness to apply for positions at such organizations, while 68% were more inclined to accept job offers from them. Moreover, the study found that 35% of individuals who changed jobs in the previous year specifically chose employers they deemed sustainable, while 34% opted for roles where they could directly contribute to driving sustainable outcomes. (Kerencheva, 2022).

The examples given above show the motivation of entrepreneurs and consumers alike, in the development of more sustainable businesses that offer alternative solutions and align with the new behavioral trends of consumers regarding climate change and care for the environment.

To become sustainable and adopt sustainability practices, there are multiple benefits for a company, starting from increasing efficiency, reducing costs and risks, improving reputation on the market and attracting more customers and investors.

Table 1 are exemplified some key benefits for companies according to the OECD, which are divided into 3 large categories, namely: financial performance, excellent business and relations with stakeholders, to which the author made additions to each of them.

By reducing energy and material consumption, companies can reduce costs and save money. Also, by improving production and distribution processes, companies can reduce waste and save financial resources by avoiding fines and taxes. By implementing sustainability practices, companies can improve operational efficiency and generate more revenue by increasing productivity and reducing downtime. Thus, the dependence on materials and resources decreases, and productivity increases, which increases sales and financial performance. Business performance, according to Table no. 1, is characterized by reducing the risks associated with climate change, which helps in strategic business forecasting, improved access to capital and last but not least by proactive attitude and compliance with legal environmental requirements or standards environment and sustainability.

*Table no. 1. Key benefits for sustainable companies*

<b>Financial performance</b>	<p><i>Increase sales</i> – by anticipating and meeting environmental and social expectations better than your competitors.</p> <p><i>Improve efficiency and productivity</i> – by reducing resource use and waste, and by cutting regulatory burdens.</p> <p><i>Reduce dependence on expensive or hazardous materials</i> – by exploring, innovating and introducing greener alternatives.</p> <p><i>Increasing operational efficiency</i> – improving production, distribution and sales processes.</p>
<b>Excellence in business</b>	<p><i>Stay ahead of regulations</i> – by being proactive and shaping best practices, rather than reacting after changes are implemented.</p> <p><i>Win access to capital</i> – by reducing risks in operations, strategy and the supply chain and by developing innovative solutions and new products for the market.</p> <p><i>Gain strategic foresight</i> – by anticipating how your business can innovate solutions or adaptations to new added value.</p> <p><i>Reducing the risks</i> associated with climate change.</p>
<b>Relations with stakeholders</b>	<p><i>Enhance reputation</i> – by demonstrating green know-how and setting a positive example.</p> <p><i>Improve employees' morale and retention</i> – by empowering them to contribute to a better environment and more productive business.</p>

	<p><i>Build better community relations</i> – by demonstrating a responsible and proactive approach to the local environment and people.</p> <p><i>Increasing attractiveness for investors.</i></p>
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Source: elaborated and completed by the author based on the source (OECD, 2011, p.6).

On the same note, a sustainable company can gain a better reputation and attract and retain loyal customers by adopting more sustainable practices, such as reducing carbon emissions and negative environmental impact in general. They also have a positive impact on employees by improving their morale and retention. Investors are increasingly interested in and looking to invest in sustainable companies. Therefore, a sustainable company can be more attractive to investors and obtain financing more easily. Last but not least, one of the key benefits for sustainable companies is the building of a better relationship with the community in which they operate, by demonstrating a responsible approach to the environment and the local community. These are just some of the key benefits for companies that want to become sustainable, which can be added: increasing competitiveness, entering new markets, stimulating innovation and eco-innovation, etc.

Due to increasing pressures to improve sustainability, a growing number of companies are committed to finding solutions to the environmental and social problems they face. These companies are evaluated in terms of their sustainability performance by consulting and media firms such as Deloitte, Corporate Knights, as well as by researchers using methodologies such as Environmental, Social and Governance criteria (ESG Environmental, Social and Governance).

In a context where the protection of the environment and human rights are becoming increasingly important, the Global Risk Profile (GRP) has published the 2021 ESG Index (ESGI), which measures environmental, human rights, health and safety risks people all over the world at country level. Europe remained at the top of other world regions with a score of 26.8, well ahead of Oceania, South America, North America, Asia and Africa (GRP, 2021). In 2021, the podium of the ESG ranking is occupied exclusively by Nordic countries, with Finland at the top, followed by Sweden (2) and Iceland (3). Norway ranks fourth, followed by Switzerland (5), whose overall ranking is hampered, like several other European countries, by a poor average score (20th in the corresponding sub-index). In Europe, Germany, France and Italy perform similarly overall, ranking 16th, 17th and 18th in the ESGI, while the UK ranks 26th. Russia (76th) performs poorly on political rights and civil liberties and is held back by its poor human rights score (118th in the human rights sub-index) (GRP, 2022).

Regarding the ranking of sustainable companies, one of the most popular rankings is offered by Corporate Knights. From 2005 until now, it annually publishes the "100 most sustainable companies in the world (Global 100)" report. The purpose of the Global 100 is to strengthen, raise awareness and showcase, annually, the world's leaders in corporate sustainability, including those who have successfully achieved equilibrium in environmental performance, social performance and economic performance while delivering superior returns to investors. In the 2021 list, 46 of the most sustainable corporations are based in Europe; 33 in North America; 18 are in Asia; two are in South America and one in Africa (ENERGY, 2023). These findings can also be seen in the Table below, which presents the list of global leaders in sustainability from 2021.

Table no. 2. Top 10 most sustainable public companies in the world in 2021

	<b>Organization</b>	<b>Country</b>	<b>Field of activity</b>
1	Schneider Electric SE	France	Electric devices
2	Orsted A/S	Denmark	Electricity production
3	Banco do Brazil SA	Brazil	Financial services
4	Neste Oyj	Finland	Oil and gas industry
5	Stantec Inc	Canada	Engineering, Architectural Design
6	McCormick & Company Inc	USA	Processed and packaged goods
7	Kering SA	France	Luxury industry: couture and leather goods, jewelry
8	Metso Outotec	Finland	Manufacture of industrial machinery
9	American Water Works Company Inc	USA	Utilities, Water and Wastewater
10	Canadian National Railway Co	Canada	Rail transport

Source: elaborated by the author based on (2021 Global 100 ranking).

In the context of growing global concerns about climate change and environmental degradation, companies are increasingly aware of the need to implement sustainable practices and eco-innovative approaches. Eco-innovation can be a win-win solution for companies and the environment. The implementation of eco-innovative practices can bring economic benefits by reducing costs and increasing efficiency, but it can also contribute to increasing the social responsibility of companies and their image on the market.

Eco-innovation can also help companies meet the growing demand for environmentally sustainable products and services. Consumers are becoming increasingly aware of the impact of their choices on the environment and are increasingly choosing products and services that align with their values. According to a study conducted by Nielsen (NIQ, 2019) in 2019, 73% of consumers globally say they would definitely or probably change their consumption habits to reduce their impact on the environment. Moreover, eco-innovation can help companies comply with increasingly strict environmental regulations. Governments around the world are implementing policies to reduce greenhouse gas emissions and protect the environment. For example, the European Union has set a target of reducing greenhouse gas emissions by at least 55% by 2030, and the United States has rejoined the Paris Agreement and committed to net zero emissions by 2050 (UNFCCC, 2018).

Currently, we have many examples and models of sustainable companies from all over the world, both from the public and private sectors. A notable example of eco-innovation is in the field of renewable energy supply. Many companies in the energy sector have started investing in renewable energy solutions, such as solar and wind power, to reduce greenhouse gas emissions and meet their sustainability goals. An example of a company that has successfully implemented renewable energy solutions is *Google*. The company is committed to achieving carbon neutrality by 2020 and powering its operations with 100% renewable energy. The US giant has increased its solar and wind portfolio by more than 40% with offers for 1,600 megawatts of electricity (Google, 2019). Over the past decade, Google has purchased more renewable energy than any other company, based on cumulative renewable energy purchased in megawatt-hours, from 2012 to 2021, and plans to run 24/7 on carbon-free energy by 2030 (Our biggest). Another eco-innovative approach is the use of recycled and biodegradable materials in the production process. For example, the footwear company *Allbirds* (Our Approach) uses a wide range of natural materials such as wool, hemp, sugar cane and is committed to reducing its environmental impact, including using recyclable and biodegradable packaging. Similarly, companies can reduce carbon emissions by investing in energy efficiency and optimizing production processes. For example, the sharing economy model, which allows consumers to share resources instead of owning them, has the potential to reduce resource consumption and greenhouse gas emissions. Companies like *Airbnb* and *Uber* have disrupted traditional industries by offering more sustainable alternatives to accommodation and transportation services.

These few examples shown above demonstrate that companies know how to align themselves with the current trends and requirements regarding climate change, they become sustainable through the practices they adopt and through the long-term sustainability plans they undertake. By investing in eco-innovation, companies can reduce their carbon footprint, conserve resources and improve the overall sustainability of their operations. And this can be transposed into the corporate sustainability model.

#### **4. Research methodology**

To develop this paper, the author extensively researched theoretical and practical sources, employing diverse research methods including literature analysis and synthesis, comparative analysis, induction, logical deduction and survey method as well. The findings were then disseminated to present a unique perspective. The author drew on a range of information sources, including bibliographic resources, studies, normative acts, official reports, and documents, as well as publications from the Republic of Moldova and other countries focusing on sustainable development, sustainability and eco-innovation. The author also has chosen a quantitative analysis for this investigation, for a better understanding of the entrepreneurs' perceptions regarding sustainability. In this case, the research method utilized for this study is inquiry. Analysis and synthesis are based on processed and summarized data.

## 5. Findings

Entrepreneurs, driven by a vision for positive change, play a crucial role in advancing sustainable businesses. Their innovative thinking, risk-taking propensity, and ability to identify market opportunities enable them to create environmentally friendly products, services, and business models. Moreover, entrepreneurs often challenge existing paradigms and traditional approaches, paving the way for disruptive eco-innovations that transform industries. Their vision for sustainability, coupled with their entrepreneurial skills, drives the adoption of sustainable practices and fosters a culture of innovation within organizations.

The Republic of Moldova has made significant strides in recent years towards fostering sustainable business practices. With a growing awareness of environmental issues and a commitment to achieving the United Nations Sustainable Development Goals (SDGs) (UN, 2023), Moldovan businesses are pursuing innovative solutions to reduce their ecological footprint and contribute to a greener and more sustainable future. Although modest, the main fields of investments in sustainable projects are the renewable energy sector, industry, manufacturing, organic farming and agriculture, circular economy or waste management.

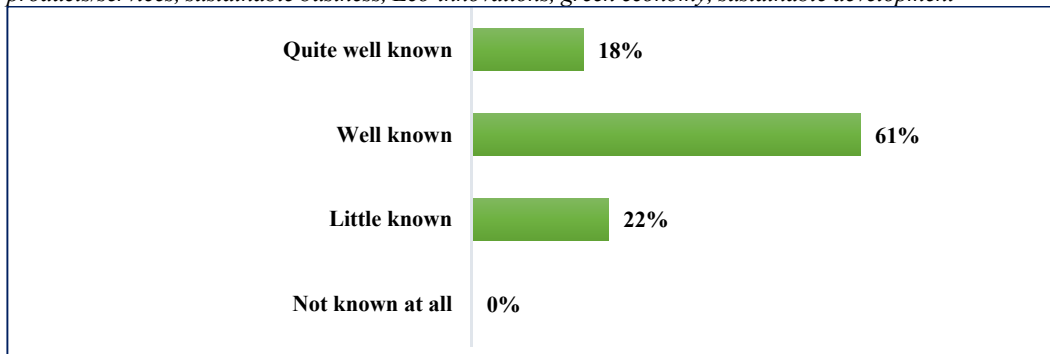
As a result of investigations aimed at entrepreneurs' perceptions of business sustainability and the assessment of eco-innovation potential, the author did not identify any relevant study conducted in Moldova. For a better understanding of the context from the perspective of the business environment regarding business sustainability in the context of climate change, the author initiated a survey among companies from Moldova (Centre Region and the City of Chisinau). There were selected 200 enterprises from the field of Industry, Agriculture and Services. **Some of the results of the study elaborated by the author show that:**

1. A majority of entrepreneurs have a good level of knowledge regarding concepts such as green products/services, sustainable products/services, sustainable business, eco-innovations, green economy, and sustainable development.
2. The varying degrees of importance placed on different climate change factors by entrepreneurs, with customer demand and cost implications being the most widely recognized, while the influence of civil society organizations appears to have a lower level of significance in their businesses.
3. A significant proportion of entrepreneurs recognize the importance of various climate change factors for their businesses over the past 5 years. 78% of the companies consider increasing customer demand for products that help mitigate or adapt to climate change as very important and 72% perceive the increase in costs or input prices resulting from climate change as a very important factor.
4. A significant portion of companies have yet to establish a concrete sustainability/eco-innovation strategy to reduce their carbon footprint, improve resource efficiency, or minimize negative environmental impact.
5. Most companies that state that they have a sustainability strategy are found in the Agriculture sector (30%), followed by the Industry sector (11%) and the Services sector (9%).

The survey results indicate that a majority of entrepreneurs have a good level of knowledge regarding concepts such as green products/services, sustainable products/services, sustainable business, eco-innovations, green economy and sustainable development, with 61% stating they are well-known. Additionally, it is encouraging to note that none of the respondents reported having no knowledge of these concepts, suggesting a positive level of awareness and understanding among the entrepreneurial community.



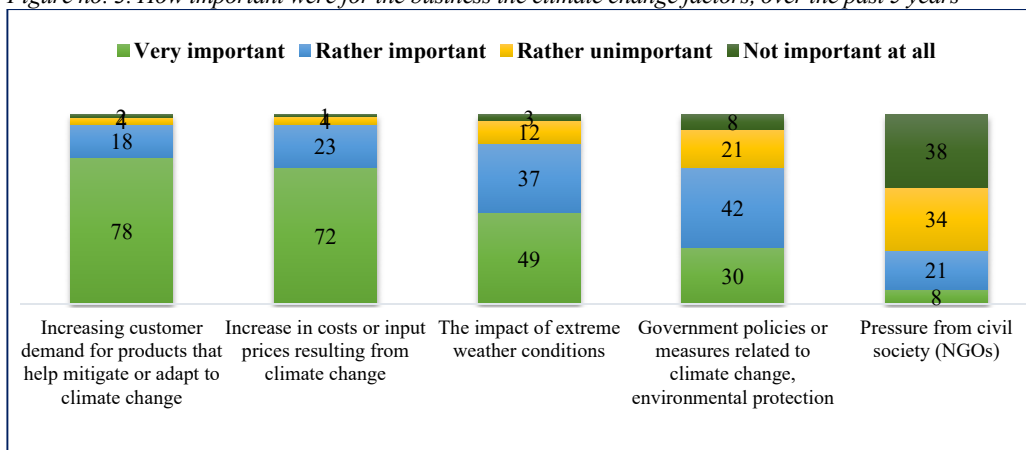
Figure no. 2. Entrepreneurs' degree of knowledge of the concepts: green products/services, sustainable products/services, sustainable business, Eco-innovations, green economy, sustainable development



Source: elaborated by the author

The survey results also indicate that a significant proportion of entrepreneurs recognize the importance of various climate change factors for their businesses over the past 5 years. The majority of respondents (78%) consider increasing customer demand for products that help mitigate or adapt to climate change as very important. Similarly, a significant percentage (72%) perceive the increase in costs or input prices resulting from climate change as a very important factor.

Figure no. 3. How important were for the business the climate change factors, over the past 5 years

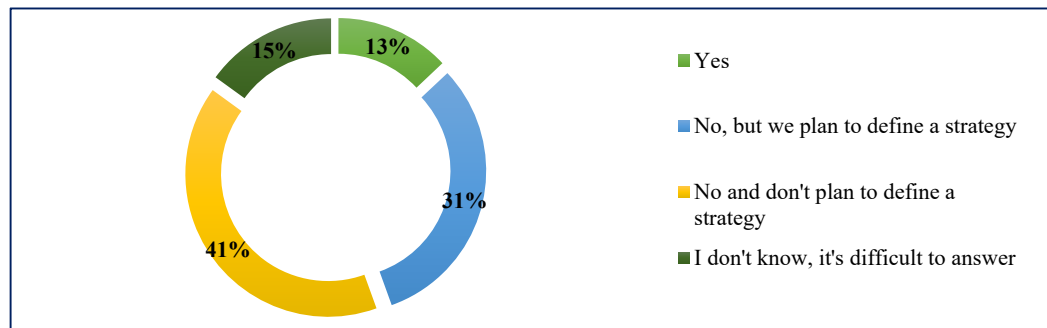


Source: elaborated by the author.

Furthermore, a considerable number of entrepreneurs (49%) recognize the impact of extreme weather conditions as very important, highlighting their awareness of the risks associated with climate change. Government policies or measures related to climate change and environmental protection are also seen as significant by a notable portion of respondents, with 30% considering them very important and 42% regarding them as rather important. However, there seems to be a lower level of recognition regarding the importance of pressure from civil society (NGOs), with only 8% of respondents considering it very important. A higher percentage (34%) perceive it as rather unimportant, and a substantial number (38%) believe it is not important at all. These results highlight the varying degrees of importance placed on different climate change factors by entrepreneurs, with customer demand and cost implications being the most widely recognized, while the influence of civil society organizations appears to have a lower level of significance.

The survey results indicate that a significant portion of companies has yet to establish a concrete sustainability/eco-innovation strategy to reduce their carbon footprint, improve resource efficiency, or minimize negative environmental impact. The majority of respondents (41%) reported not having a defined strategy and having no plans to develop one. However, it is promising to note that a notable percentage (32%) expressed intentions to define a strategy in the future, indicating a growing recognition of the importance of sustainability.

Figure no. 4. Do companies have a concrete sustainability/eco-innovation strategy to reduce the carbon footprint, make resources more efficient or reduce the negative impact on the environment?



Source: elaborated by the author.

The most interested to define a strategy in the future are the companies from the Industry sector (41% stated that don't have a sustainability strategy, but intend to define it). Additionally, a smaller percentage (13%) of companies reported already having a concrete sustainability/eco-innovation strategy in place. Most companies that state that they have a sustainability strategy are found in the Agriculture sector (30%), followed by the Industry sector (11%) and the Services sector (9%). These findings highlight the need for increased awareness and action within the business community to address sustainability challenges effectively.

## 6. Conclusions

Companies that choose sustainable strategies and practices will have a competitive advantage in the market, obtaining value by increasing revenues due to new goods and services, reducing costs through eco-efficiency and eco-innovation, managing operational risks and complying with more effective regulations. These organizations will have the ability to harness intangible resources like brand equity and reputation, fostering collaborative networks encompassing all stakeholders (customers, employees, partners, competitors, suppliers, etc.), which will accelerate the process of improving sustainability. To support the transition to a low-carbon economy, governments around the world are implementing regulatory frameworks and incentive programs. In response, businesses are adjusting their strategies to align with these policies and capitalize on the associated opportunities. By proactively complying with regulations and anticipating future changes, enterprises can gain a competitive edge by proactively anticipating future trends and strategically positioning themselves for sustained prosperity.

In this context, the vision of entrepreneurs from the Republic of Moldova regarding sustainability and climate change is a positive one, but still needs support and concrete actions. Despite a positive level of awareness and understanding of the sustainability concepts among the entrepreneurial community, a significant portion of companies has yet to establish a concrete sustainability/eco-innovation strategy to reduce their carbon footprint, improve resource efficiency, or minimize negative environmental impact. The results of the research underscore the necessity for heightened awareness and proactive measures within the business community from Moldova to effectively tackle sustainability challenges.

In conclusion, the business approach to the climate change era encompasses a range of strategies and actions. From integrating sustainability into core business practices to fostering innovation, collaboration, and transparency, businesses are recognizing the urgent need to address climate change and are actively working towards a greener and more sustainable future. By aligning economic interests with environmental concerns, the business sector has the potential to drive significant positive change and be a key player in global efforts to combat climate change.

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