

Can only large businesses truly make an impact in driving sustainable practices?

04 | 05 | 17



UNIVERSITY OF LEEDS



I learnt inside big business!

ASDA: 7 yrs - Head of Corporate Sustainability

- Created and ran Sustainability Department
- Wrote and managed Asda's strategy and policies
- Responsible for external engagement – governments, NGOs, media
- Responsible for internal alignment – Board to stores across 180,000+



Co-opted to support Walmart activity

- Created and co-directed the Global NGO Management Network
- Wrote policy and delivered global sustainable palm oil procurement
- Subject matter lead on timber & wood fibre sustainability
- Embedded into US Team on regular basis



Tesco: 10 yrs - Head of Regional Corporate Affairs

- Led Tesco's local engagement across a third of the UK
- Responsible for all local stakeholders – MPs, Councils, other traders
- Media spokesman on local issues



Now I support big businesses

ETANTE set up in 2014 with clear aims & principles

- Deliver value through sustainability
 - Unlock competitive advantage
 - Mitigate future risks to operating model
 - World class communications & engagement
-
- Unique position having 'been there and done it' in-house
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- Support FMCG brands, retail, food service, government, academia, finance & certification



The **co-operative** bank



HEALTH • HYGIENE • HOME



European Bank
for Reconstruction and Development



My case!

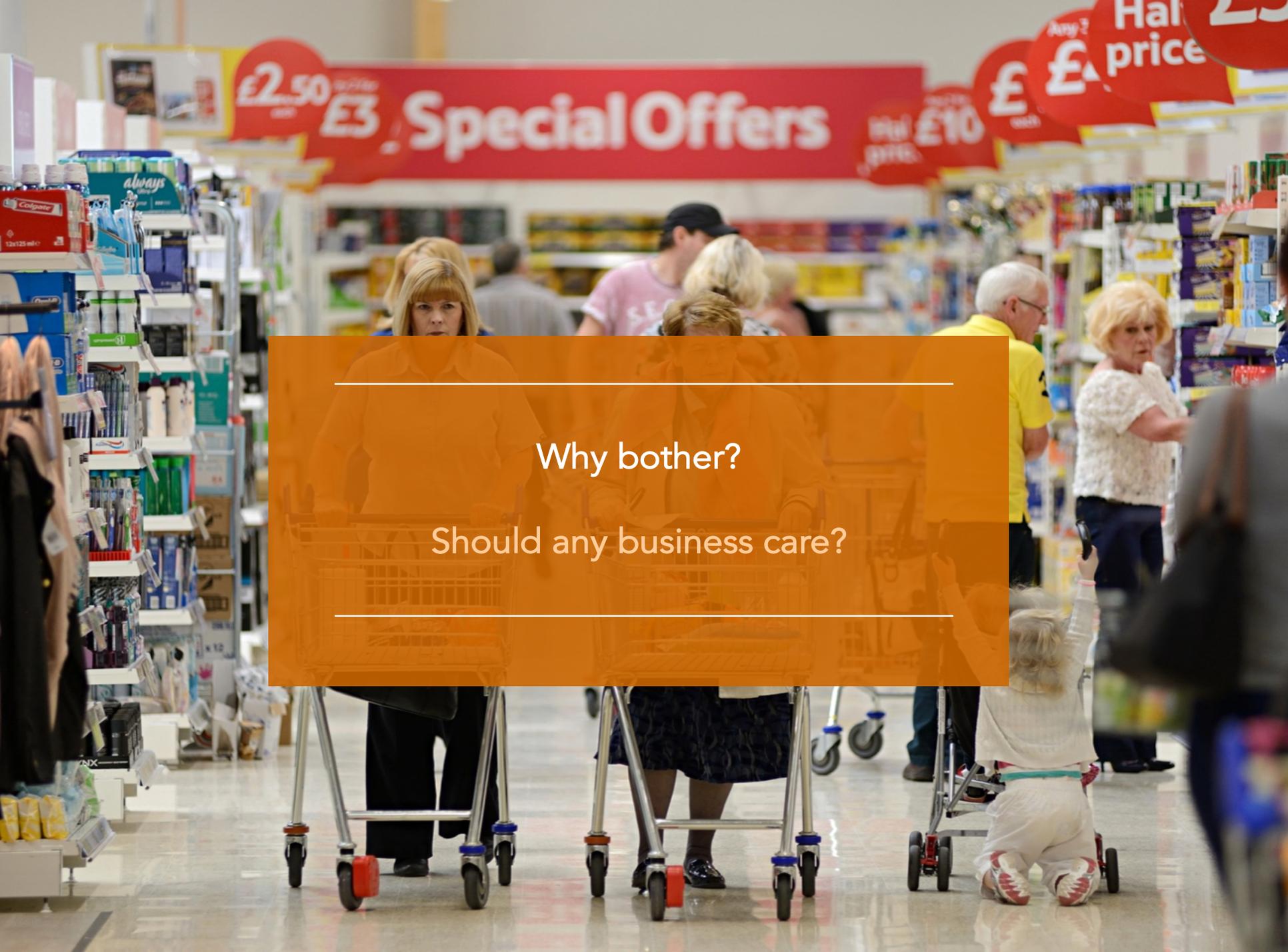
I believe big businesses make more impact on sustainability than niche, ultra-green ones ever can

They have the reach to influence others

Let's look at 2 MNCs & 2 SMEs & compare their impacts

Am I an apologist or someone trying to drive sustainability as fast as possible?





Why bother?

Should any business care?

Sustainable development case is made



In UK by 2080

4° higher summer temps

1/4 less rainfall

1 metre higher sea level

By 2023 need

50% more food & energy

30% more fresh water

~8.3 billion people

Will hit profits

Higher agri-chemical prices

Water reflect real cost

Soil health!

Costly mitigation



So this stuff is real

The case for big businesses



Unilever

Sustainability enhancing profitability

Sustainable Living Plan



Unilever

Since 2010 aim to decouple growth from environmental impact while increasing positive social impact, driving profitable growth, saving costs and fueling innovation.

Aim to make sustainable living commonplace.

Established: 1929

Turnover: €52.7 billion

Employees: >169,000

Daily users: ~2.5 billion

THE VALUE CHAIN



Partnering with suppliers, customers and consumers
to grow our business while reducing our
environmental impact



Environmental activity

Ranked top in Oxfam's brand sustainability review

- Climate change, water, women, workers, smallholders, transparency, land
- Versus Nestle, Coke, Kellogg's & others

Highlights

- 60% raw agricultural materials sustainably sourced
- 97% less manufacturing waste
- 39% less CO2 from production energy
- 37% less water

Linked business success with lower environmental impacts

- Saved over €400 million directly by this activity
- Sustainable brands >half all growth and x2 growth vs other brands

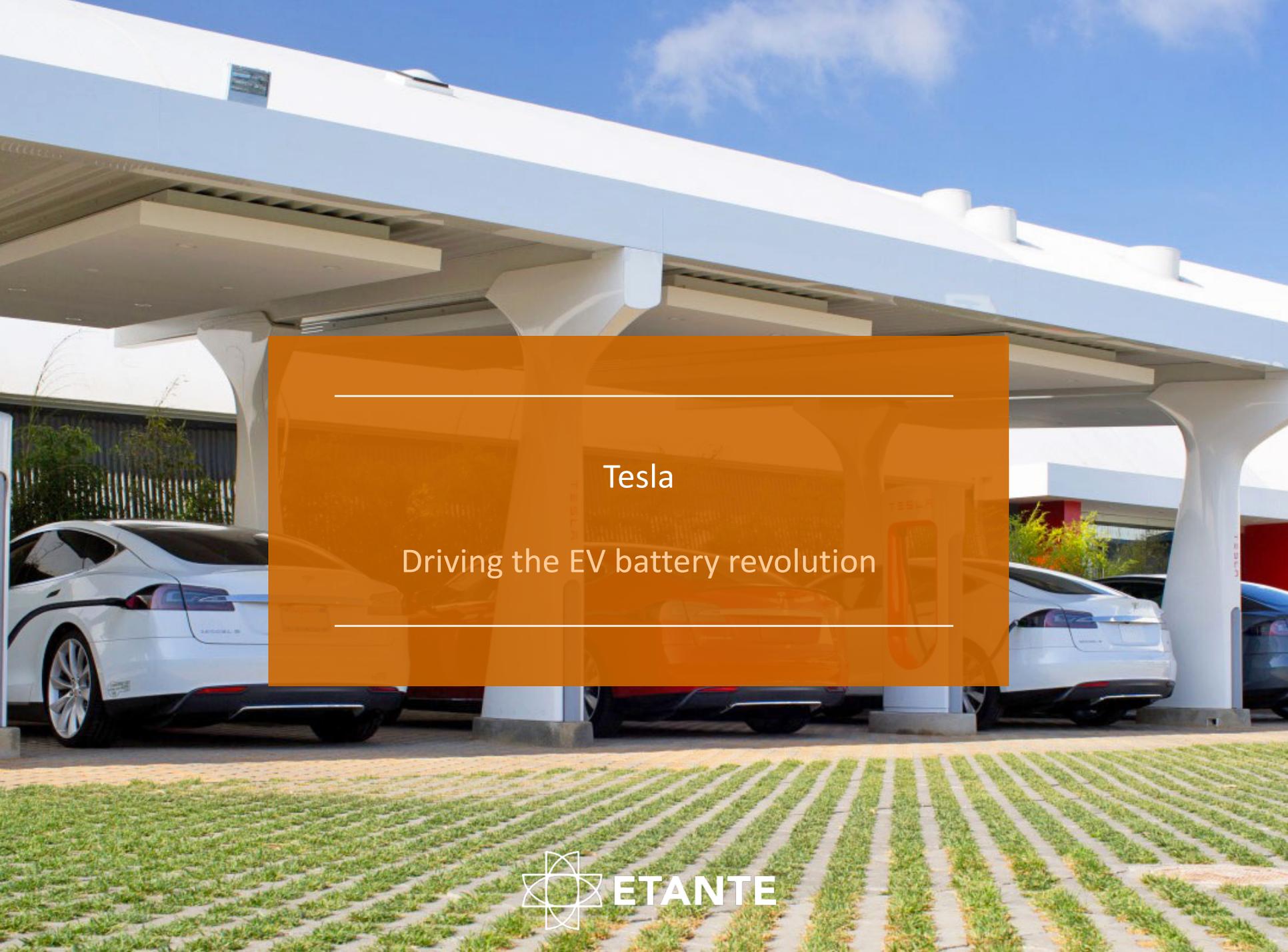
Social activity

Activity across consumers & supply chain

- Helped 482m people improve their health & hygiene
- 34% food products meet highest national nutritional standards
- 54% global buying from suppliers meeting Responsible Sourcing Policy
- 800,000 women accessed initiatives to enhance their skills
- 2.4m small farmers helped to improve farming practices

Linked fairness with business success





Tesla

Driving the EV battery revolution

Tesla's strategy

Tesla's Master Sustainability Plan is way bigger than just cars!

Elon Musk is a one-man environmental pioneer

Mission: "accelerate the world's transition to sustainable energy"

Established: 2003

Musk CEO: 2008

Turnover: \$2.2 billion

Produces: Rooftop solar
Energy storage
Autonomous EVs



Advancing sustainable transport

Tesla is regarded for having made the first long distance EVs

Tesla removed patents on EV intellectual property because:
"It is impossible for Tesla to single-handedly scale up the production of EVs to address the carbon crisis"

In 2016 introduced an affordable model – Tesla Model 3

Sales of these cars alone need every EV battery in the world!

Tesla Giga Factory is a game-changer:

- Poor batteries biggest barrier to EV dominance
- Investing in this means they can sell more cars
- AND allow other larger players to build EVs



World's largest clean energy company?

November 2016 Tesla became a clean-energy company through acquiring SolarCity

Deal means Tesla now sells:

- Solar PV for home roofs
- Powerwall electricity storage
- Cars, small trucks and soon public transportation

Visiting one Tesla store means you can buy an EV, solar panels and storage in one transaction & potentially take yourself off the brown electricity grid!

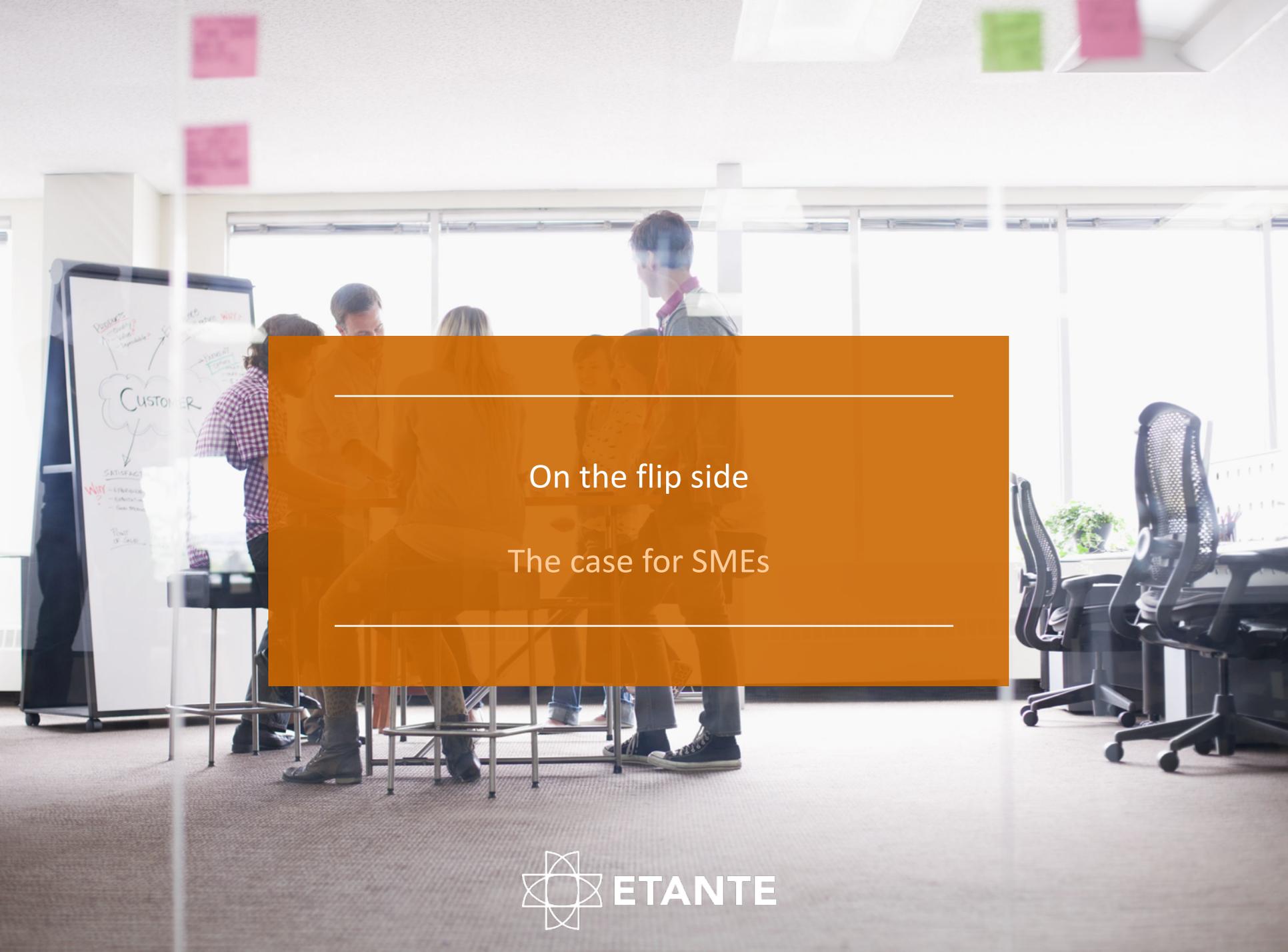
Are these companies making a difference?

Paul Polman, Unilever CEO



Elon Musk, Tesla CEO





On the flip side
The case for SMEs



Choisissez
FAIRPHONE

Fairphone

Innovating to reduce waste

Buy a phone, join a movement **FAIRPHONE**

Using design to change the relationship between people and their phones. Focusing on longevity and repairability to extend the phone's usable life and give buyers more control over their products

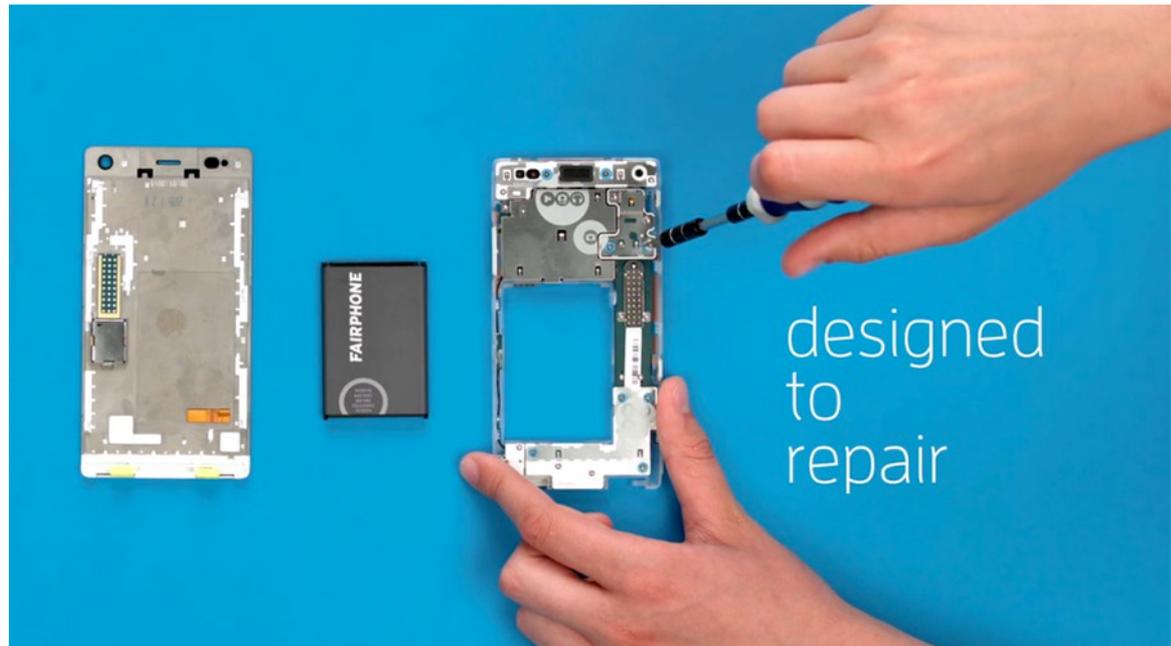
Established: 2013 in NL

Employees: >50

Users: >100,000

Social media: >250,000

Bcorp accredited company



Fairphone's marketplace

The opportunity

- ~37% of the European mobile market is with non major brands
- Kantar data shows its not just about selling features – price & making case for upgrades are key – opportunity for innovative SME
- Ethical Consumer's 'Best Ethical Consumer' rating in 2016
- Rise in interest in environmental issues & genuine differentiation

The challenge

- Samsung has a ~25% market share in Europe followed by Apple at ~15% – and the spend to maintain that share
- Kantar data shows >74% Europeans already have a mobile
- Limited geographical listings in major shops / networks for Fairphone 2

Challenges faced by most SME disruptive entrants!

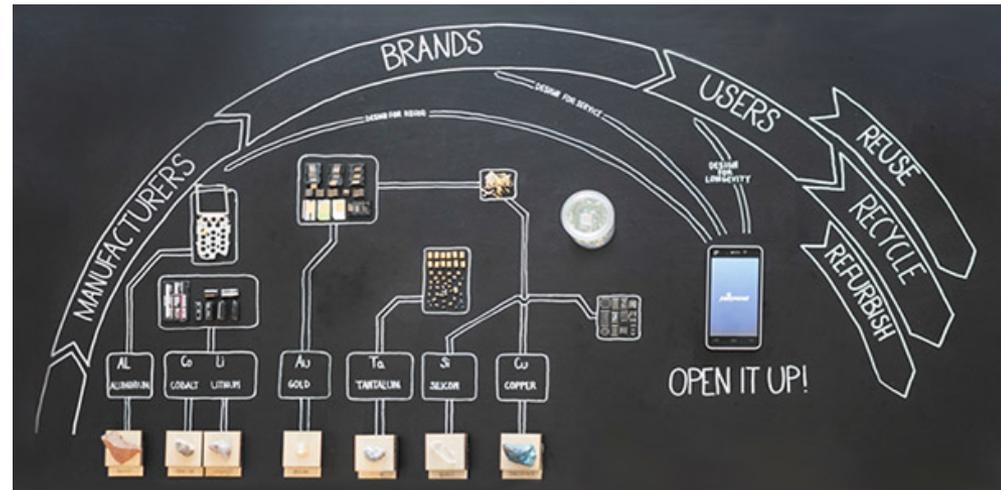
Environmental activity

Lifecycle

- Addressing full lifespan of mobile phones
- Focus on use, reuse and safe recycling

Design

- Extend lifespan and build for longevity
- Take a whole lifecycle approach (LCA)
- Open source software to assist longevity



Social activity

Mining (social)

- Integrate materials that support local economies
- Focus on conflict-free minerals from the DRC & alternative solutions
- Priorities are tin, gold, tungsten & tantalum
- Trace from source and partner with on the ground third parties

Manufacturing

- Employee wellbeing is essential
- Safe conditions, fair wages and worker representation
- Focus on helping manufacturers investing in employee wellbeing

Social entrepreneurships

- Directly engage with consumers
- Create transparency in phone production



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BY DELICIOUSLY ELLA

Deliciously Ella

Making being healthy aspirational



ETANTE

Deliciously Ella changing perceptions

SMEs don't just have to sell something

Deliciously Ella is an SME who wants to challenge the pre-conception that healthy eating is restrictive & bland

She takes a personal approach & influences the bigger players

Established: 2012

First app: 2014 (#1)

Employees: 50

Sells: Cookbooks
Runs delis
Retail products



Selling a lifestyle

Deliciously Ella has created a UK-wide movement

Her business aims are to:

"...create a socially & environmentally responsible company...change the conversation & perception around natural foods..."

She delivers this through influencing individuals to embrace new foods and ingredients to become healthier

This indirectly influences the product ranges sold by larger corporates who want to satisfy this new customer demand



Real progress

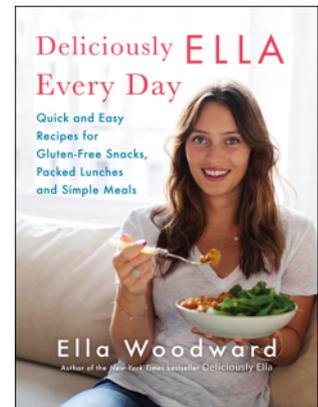
Championed plant-based, dairy & gluten-free foods

Helped focus on food waste through better portions, freezing leftovers & cooking according to your ingredients

Uplift in kitchen gadgets – smoothies, spiralisers, blenders...

Caused controversy through clean-eating & now distanced!

This is just one person with more influence than many large corporates & certainly higher trust!





So in summary

It's a powerful case...

We certainly cannot wait for governments to act

Serious regulation is unlikely in the short term

Consumers want businesses to tackle climate change

Small companies are great for making feel-good products but their scale and impact is too small to truly make a difference

Whereas large companies can quite literally change the world



But, is this the full picture?

I believe that big businesses have more impact on sustainability than niche, ultra-green ones ever could

They have the reach and might to trail-blaze

Their activity and strategies influence others

We've looked at Unilever & Tesla versus Fairphone & Deliciously Ella

Am I correct? What other facts are relevant? What's missing?

So let's debate further

Any flaws in my arguments?!

