

THINK 2030

TEN TRENDS FOR SUSTAINABLE BUSINESS







FOREWORD

As we enter a new decade, it's worth noting that some of the biggest climate tipping points identified ten years ago are now active. Deforestation, the collapse of major ice sheets and ocean coral reef bleaching are all happening at an alarming rate. Reversing these losses and preventing any further harm to our planet is now business-critical.

Given these disruptive dynamics, companies more than ever need to take a long-term view of their operations and impacts. That means adopting time horizons beyond the obligations of quarterly or annual reporting and taking steps to address the risks, opportunities and expectations that are likely to emerge five to ten years from now.

It's hard to predict the future, but having the ability to think ahead is a good start. In this briefing paper, we highlight ten global trends that are likely to drive priorities for sustainable business over the next decade. This outlook is based on our own knowledge of what's resonating right now with responsible corporations and the wider shifts that are occurring within government, industry and society.

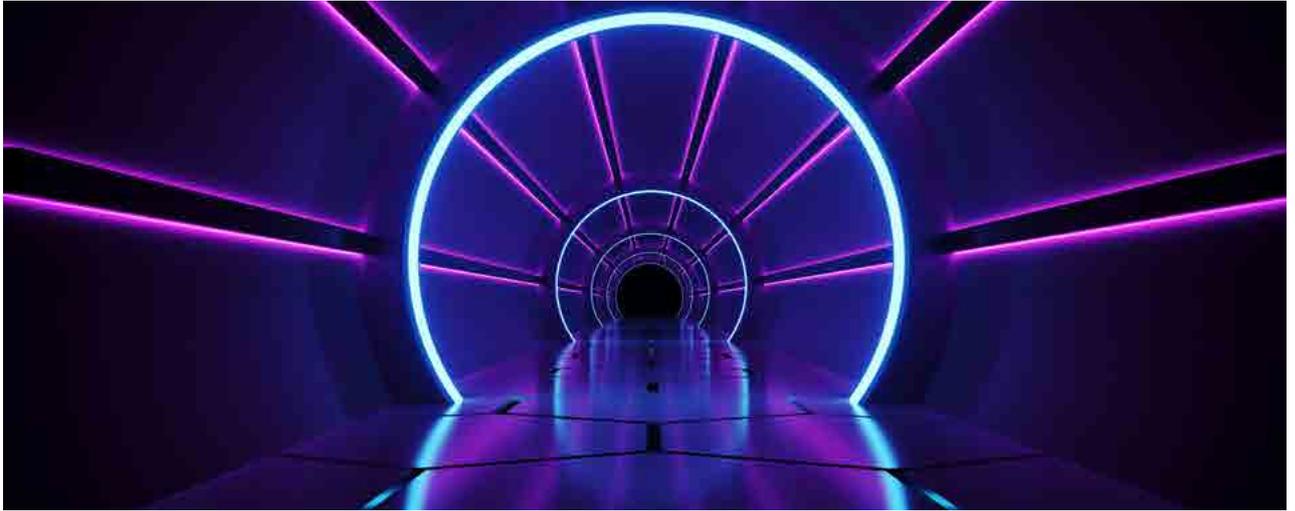
Kate Cawley

Kate Cawley,
Founder, Veris Strategies.

If you would like help interpreting these trends for your business, please do [get in touch](#).

Trend One

GOAL RUSH



Businesses will increasingly be judged on performance against external rather than internal goals.

Businesses will increasingly be judged on performance against external rather than internal goals. The Sustainable Development Goals (SDGs), the defining global goals of the decade, are intended to be achieved by 2030. There is good business appetite for the SDGs, but tracking and reporting progress remains challenging. As better metrics emerge, boardroom buy-in for SDG investment should become easier. The ability to self-reflect will become critical as meaningful engagement with SDGs requires businesses to understand their place in society.

The Paris Agreement is set to drive new commitments to cut carbon emissions over the next ten years and science-based target (SBT) setting will continue as a result. Given the complexity of SBTs, some companies are opting for a net zero approach instead. One appeal of net zero targets is they allow offsetting, however the risk is they may not be considered as effective. Organisations should expect greater scrutiny of both goal setting and goal success as they prioritise action in this area.



Tools To Thrive

Thrive, a sustainability benchmarking tool from Veris Strategies, enables businesses to align their goals with global standards, ranking their performance against peers and industry leaders. As standards change and evolve, Thrive takes account of this, giving real-time appraisal of any performance gaps as well as stakeholder expectations and market opportunities.

RADICAL TRANSPARENCY



Radical transparency will no longer be a buzzword, but an expectation.

Businesses will start to engage in actions and approaches to remove any murkiness behind their processes, products and supply chains. As provenance becomes a virtue, working out what information is safe or relevant to share, and with whom to share it with, will become a new type of risk assessment as companies grapple with issues of trust, competition and reputation.

In the food industry, radical transparency is already proving to be the must-have ingredient. Higher consumer expectations on food quality, integrity and safety are driving new levels of scrutiny from farm to fork. The 'meat versus plant' protein debate is just one example of this. Over the coming years, nutrition will likely evolve

into a public health issue with food companies rethinking the role they play in people's diets. New levels of disclosure will be necessary as companies work together to build trust back into the food system.

Proving Provenance

Cranswick's Radical Transparency report shines a light on what food companies can do to improve transparency and engage with consumers on the issue. Marks & Spencer's online interactive map, showing the locations of factories it uses and where it sources raw materials such as beef and fish is one example of this, as is Nestlé's palm oil transparency dashboard sharing company progress against deforestation-free targets.



Trend Three

CAPPING THE KNEE-JERK

The trend for green polarisation should start to fade, enabling more pragmatic thinking on topics such as plastics and packaging.

The quest to 'speed solve' these issues has sometimes resulted in over-simplified solutions and worse outcomes. But as these scenarios play out over the next decade, businesses are likely to become less reactionary to such pressures and instead take more proactive approach in addressing the deep-seated problems these dilemmas pose.

Industry-led alliances built around pre-competitive dialogue could emerge to solve these issues

collectively, enabling companies to unite with one voice, rather than engage in divisive debate. This collaboration should accelerate the development of universal tools, frameworks and methodologies to level the playing field for action. Greater industry alignment around themes like plastics will also help with stakeholder engagement, making it easier to build investment cases for transformative solutions along the supply chain.

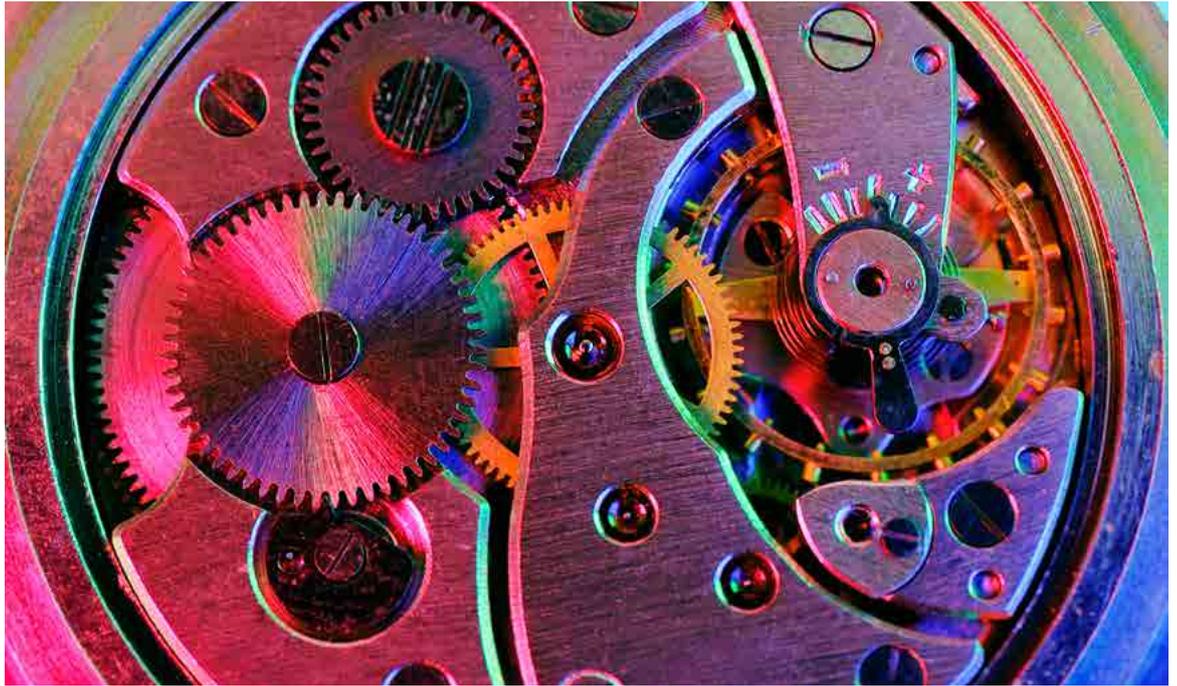


Fashion Statement

The Sustainable Apparel Coalition shows what can be done when every link in the supply chain works together. By devising a common approach for measuring and evaluating clothing and footwear sustainability performance through the Higg Index, the sector is better placed to tackle some of its most systemic challenges around waste, chemicals and social labour.

Trend Four

SYSTEMS SHIFT



This could be the decade where systems thinking gets translated into action at scale giving rise to universal solutions that work, not isolated fixes that fail.

Systems thinking involves companies understanding that their actions occur within a larger context, in which everything is interconnected. The circular economy is one example of this, as is the multi-capital models used within integrated reporting.

Expect cross-industry consortiums working on circular models that function across value chains to merge or engage in knowledge transfer. As their impacts are amplified across different geographies and economies, system shifts will start to occur with the power to alter societal attitudes and behaviours for positive change. Businesses can expect greater engagement and co-creation through non-

traditional partnerships – joining forces with governments, cities and civil groups – as they start to position themselves as problem solvers for a better world.

Future of plastics

Through the Ellen MacArthur Foundation (EMF) New Plastics Economy platform, hundreds of businesses and governments are reshaping the global plastics system to tackle waste and pollution at source. Actions taken so far include plans to eliminate problematic packaging items, active reuse pilots, changes in packaging design to increase recyclability and the setting of recycled content targets.

Trend Five

TECH FOR GOOD

Leveraging Fourth Industrial Revolution breakthroughs to support problem-solving will become the norm as businesses look to harness digital technology to act more responsibly.

Advances in fields such as machine learning, artificial intelligence, robotics, the Internet of Things (IoT) and biotechnology will all drive transformational change – whether its improving land use, air and water quality, making supply chains more transparent or changing the way we consume.

Significantly, the IoT could become a gamechanger for sustainable development. Research from the World Economic Forum suggests most current IoT

projects have a valid role to play in achieving the SDGs, especially for goals focussed on industry, innovation, infrastructure, smart cities and affordable clean energy. Strengthening innovation and digital budgets or even integrating them into wider financial planning will become a priority should companies seek to capitalise on these opportunities. As will equipping staff with new skills to effectively manage such transitions.

Recycling revolution

'Invisible barcode' technology developed by Digimarc is being piloted by P&G, Nestle, PepsiCo and others – in a consortium brought together by EMF – to enable more accurate sorting of plastic types. The invisible barcodes are embedded onto packaging labels and can be instantly scanned by recycling facilities to determine what the packaging is made of and where it comes from.



POLITICS WITH PURPOSE



As businesses rise to the challenge of ensuring the planet doesn't reach breaking point, the need for global governance will become apparent.

Governments may become more progressive with international collective action superseding any race to demonstrate climate leadership. Post-Paris Agreement response measures that can steer social systems towards the prevention of specific climate risks could emerge through formal treaties, conventions or protocols, underpinned by national adaptation strategies to increase resilience to extreme weather, higher temperatures and sea levels. Mandating purpose for business through state-led intervention could become the order of the day. Policies that help reform the nature of business in society may be accompanied with tougher regulation to force unsustainable companies to change. This will likely necessitate greater collaboration between government

and the private sector to improve corporate responsibility standards and ensure that social objectives are followed through. Expect a new generation of ethically-minded entities to emerge, redefining how businesses produce, consume, work – and care.

Taking responsibility

Extended Producer Responsibility (EPR) sets an early example of purpose-led politics in action. There are around 400 EPR schemes operating across the world, obligating companies to remain accountable for their products beyond purchase and use. EPR legislation mainly applies to packaging, electrical and electronic goods, cars and batteries, but some countries like France and Japan have taken it further to cover other manufacturing industries.

Trend Seven

THE NEW CITIZENSHIP

The Greta Thunberg effect will have hardened as businesses look to make corporate citizenship a core part of their strategy and identity.



Thunberg's ability to focus the world's attention on environmental injustice is already forcing a radical rethink among business leaders seeking to build capacity and buy-in for responses that resonate. Moving beyond simple community actions such as charitable donations and volunteer days, and becoming accountable for social, financial and environmental impacts within wider society will be at the heart of this shift.

How organisations define their key duties in a more social context, especially in terms of ethical behaviour and philanthropy will be critical, as will managing public and stakeholder expectations when it comes to rhetoric versus reality. Expect new C-suite roles such as Chief Purpose Officers to become more prominent – corporate citizenship

efforts are likely to fail unless they are accompanied by some level of agenda-broadening, stewardship, innovation and behaviour change.

Banking on kindness

Citi's role in society means tackling issues such as affordable housing and financial inclusion. The banking group has provided \$6 billion to finance the construction of over 36,000 affordable housing units in the US, while more than 440,000 customers of minority-owned banks and credit unions have received surcharge-free ATM access through the Citi ATM Community Network.

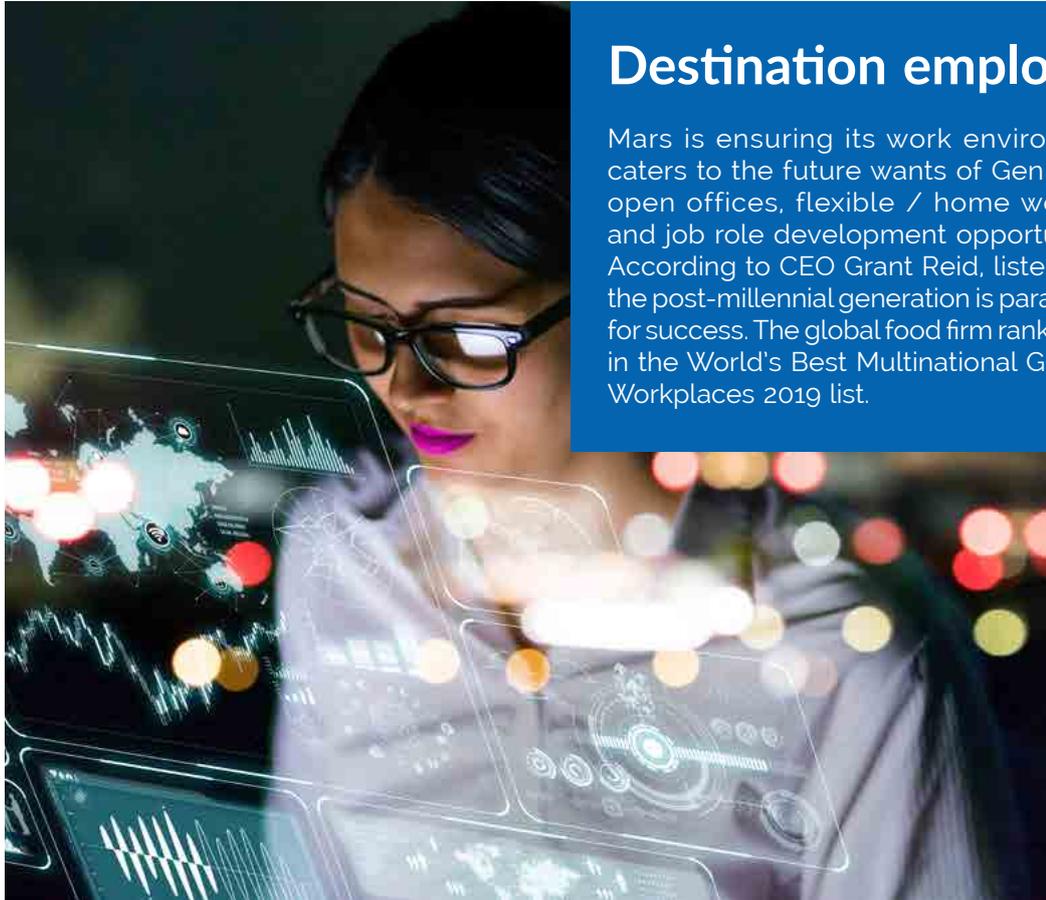
GETTING READY FOR GEN Z

Generation Z will make up much of the workforce in 2030.

These post-Millennials are being tagged the 'True Gen' – the generation engaged in searching for truth. Businesses will need to rethink how they engage and deliver to a new breed of digital natives that can fact-check and cross-reference with a few swipes. Transparency, business ethics and prosumer models will be prioritised given that Gen Z will want to work for organisations they can be proud of.

Inclusive workplaces will be highly sought after as Gen Z is poised to become the most diverse

generation to ever enter the workplace in terms of ethnicity, sexuality, gender, disabilities and more. As companies reskill for job automation, flexible and remote working could become the new normal. Gen Z is likely to be highly tech-savvy, but may struggle with people skills. Building these softer skills will require a focus on the human connection angle when creating entry-level opportunities such as internships and apprenticeships.



Destination employer

Mars is ensuring its work environment caters to the future wants of Gen Z with open offices, flexible / home working, and job role development opportunities. According to CEO Grant Reid, listening to the post-millennial generation is paramount for success. The global food firm ranked fifth in the World's Best Multinational Greatest Workplaces 2019 list.

Trend Nine

BEYOND NET ZERO

As 2050 comes into greater focus, Net Zero commitments may fade in favour of Climate Positive pledges as tipping points are reached.

By removing additional CO₂ from the atmosphere, perhaps based on a percentage of their overall emissions profile, businesses can put more back into the environment than they take out. A key differentiator will be not relying on carbon offsetting to meet this goal, but rather being proactive in areas of identified materiality.

For the pulp and paper industry, this may mean engaging in reforestation or afforestation initiatives.

For a consumer-facing brand, it could involve helping customers reduce their own CO₂ emissions through the products they use. Demand will grow for Climate Positive design strategies as companies seek more aggressive air mining solutions to capture and sequester CO₂. The ability to turn carbon from a liability (pollutant) into an asset (resource) will undoubtedly prove to be a gamechanger.



Staying positive

IKEA has committed to becoming Climate Positive by 2030. Its strategy includes storing carbon in land, plants and its own products to reduce emissions in absolute terms while growing the business. The company also wants to address a footprint larger than its own value chain, working with suppliers to reduce their total footprints and inspiring customers to generate renewable energy at home.

Trend Ten FUTURES THINKING



The 2020s are already being hailed as the decade of disruption.

Being one step ahead is critical if businesses are to successfully navigate the next ten years of uncertainty and remain relevant. Key to this will be the ability to move past the status quo, to reimagine, and to develop the capability to shift existing markets or create new ones through sustainable product and service innovation.

Demand for new skills and tools built around lateral thinking and emotional intelligence is likely to grow as companies look to build capacity for thinking about the future in a structured and collaborative way. The adoption

of 'futures work' through immersion activities such as role playing and visualisation will help kickstart this process, as will new types of partnerships beyond the usual suspects. Rewarding longer-term thinking could become a priority as companies look to make futures work more relevant to job role and function.

Future Fit

Fashion Futures 2030 explores what fashion and nature might look like over the next ten years within four possible scenarios. The online interactive toolkit – the result of a collaboration between Forum For The Future, London College of Fashion and others – contains practical resources to help fashion companies and educators develop future-fit products and innovations.

Veris is an award winning transformative change agency that works with ambitious clients to demystify sustainability and strengthen existing strategy.

We use our unique Thrive software to benchmark our client's performance and identify strategic areas to step change performance.

Our USP is boardroom to shop floor employee engagement that inspires and accelerates action.

We help amplify communications, advise and upskill key personnel so sustainable systems are in place and on exit provide a critical friend service to help ensure our clients' pioneering leadership stays on track.

www.veris-strategies.co.uk

The logo for Veris is written in a black, cursive, handwritten-style font. The letters are fluid and connected, with a prominent 'V' at the start and a 's' at the end.