



## What is the Sustainable Business Model of the Future?

### Overview

With a growing population set to reach 9 billion in 2050, this panel explored how companies can adapt their business models to create sustainable business models that meet the needs of the future.

### Speakers:

Moderator: John Morrison, Executive Director – Institute for Human Rights and Business

- Dante Pesce, Chair of the UN Working Group on Business & Human Rights – UN High Commissioner
- Louise Nicholls, Head of Responsible Trading for Food – Marks & Spencer
- Jonathon Porritt, Founder – Forum for the Future

### Session Highlights

Interview with Dante Pesce:

- UN Guiding Principles of Human Rights (UNGPs) have received a lot of political recognition and they are referenced in many places (i.e OECD, 2030 SDGs, RobecoSAM), but we are not seeing enough in practice
- The largest resistance is coming from the government, which is not showing the necessary leadership and support to get the UNGPs onboard.
- In order to solve this issue, the UN is trying to build a platform where the government is held more accountable, and aiming to increase transparency by requiring sustainability reporting, asking about social rights. However, this is difficult to implement outside of Europe, where governments are weaker.
- Europe is using its leverage to push the UNGPs forward, however we have to get the rest of the world onboard as well. Many developing countries have large business' with investors overseas, however we must ensure that European countries are players in developed countries, and not just investors. Therefore one could say that the world is too reliant on the European leverage, however it works with the current economic market and trade agreements.

#### Presentation by Louis Nicholls:

- We live in a world of VUCA => volatility, uncertainty, complexity, ambiguity
  - o M&S customers are more concerned about how M&S handles sustainable issues (i.e. M&S focusing on Good Waste)
  - o There is a rise in social agenda with rapid migration and rising inequality (Modern Slavery Act)
  - o Rapid era of transparency – we are more interconnected via social media and have to have more information publically available on M&S website etc.
- M&S Journey:
  - o Currently embedding Sustainability and Human Rights Report
  - o Eco-ethical Plan – linking the consumers with the brand values, making it easy for people to participate in sustainable consumerism (sustainability score card)
  - o Ethical HR – learned what mattered to employees and increased labour productivity from 10% to 35%.
  - o Environmental Projects:
    - Reduced hangers – every hanger saved went to UNICEF for water sanitation in Bangladesh
    - Encouraged consumers to bring back clothing to be recycled or re-sold
    - Food re-distribution
    - Change packaging to protect produce and extend produce life
    - Focus on individual stores sustainability – i.e. using rain water for the toilets
  - o Global Community Program – goal to increase resilience in local communities via Loyalty Cards => every percentage they buy with M&S; consumer can choose a charity that will benefit from their purchase
- Next Steps – focusing on increasing transparency on M&S website and provide more information about M&S supply chain

#### Presentation by Jonathan Porritt:

- The world is a confusing place, there is a lot going on and there are hundreds and thousands of different tools and methodologies that are seeking to shed light on CSR, and working on better social agendas.
- Therefore, collaboration is critically important – it is hard for stakeholders of big companies to follow what CSR agendas are being implemented, and it is difficult for consumers to truly understand what these agendas mean in regards to their consumer behaviours and choices.
- Progress of companies to initiate change is moving very slowly – for example, in regards to the Rana Plaza disaster in Bangladesh in 2013, there has been massive efforts from companies such as H&M, but marginal progress, as we still cannot even deliver fire exits in the factories in Bangladesh.
- There are two things we cannot avoid:
  - o Consumers in the west have all intentions to continue life as cheaply as they can get it (i.e. cheap clothes, cheap food etc..) – however we have to start valuing people, communities and environment, and this has to be paid for
  - o Failure of government to regulate properly

- In conclusion, it is systemic issues that prevail: as the government knows what to do but not prepared to do it, the business community is working internally and can't raise their voice for the better world we are looking for, and developing countries can't afford to do anything
- All in all, the greatest threat is in fact, accelerated climate change

## Quotes

- *"We must speed up and scale out, move from good intention to practice, move from surface problems to root causes and solve them"* – Dante Pesce, Chair of the UN Working Group on Business & Human Rights – UN High Commissioner
- *"We are in need of more leadership and courage, where companies use their leverage to move forward, but are also able to admit when they are not perfect, but that they are doing their best to fix the problems in a systemic way, all together"* – Dante Pesce, Chair of the UN Working Group on Business & Human Rights – UN High Commissioner
- *"Collaboration is key, we have to stop competing and stop talking and start action. We have to work together for leverage"* – Louise Nicholls, Head of Responsible Trading for Food – Marks & Spencer
- *"We can say great things, but it's much harder to deliver on the ground"* – Jonathon Porritt, Founder – Forum for the Future
- *"Until we hear the voice for free trade to speak up for better and more vigorous regulation, we will never move this agenda very far forward"* – Jonathon Porritt, Founder – Forum for the Future
- *"If everything that was signed at the Climate Change Conference in Paris 2015, it would STILL cause a 3.7 degree world temperature increase, and anything above 2 degrees increase, will stop the world as it is today by the end of this century"* Jonathon Porritt, Founder – Forum for the Future