

# Beyond climate change – We have much more to worry about than just the weather

*For many businesses a singular focus on net-zero, climate change and the shift to renewable energy has largely blinded them from the reality that environmental issues are much wider than ‘just’ the weather. New businesses must seize the opportunity to embed a more holistic approach to sustainability from their inception.*

Temps de lecture : minute

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The health of our soil, the well-being of our oceans, the preservation of biodiversity, sustainable urbanisation, and thriving communities are all interconnected aspects of humanity’s impact on the natural world – and all demand the attention of businesses. To be effective in generating positive impact on our world, companies must broaden their understanding of their operations and value chains, moving beyond the sole objective of achieving net-zero emissions.

For existing and large enterprises, whilst this transition is urgently needed, it has the potential to be time-consuming, costly, and challenging. But for startups, scale ups and early-stage businesses, the opportunity to work with a blank slate offers the potential to devise future-fit supply chains and create competitive advantage.

By embedding sustainability into their business model from the beginning, startups can avoid the challenges of retrofitting sustainability practices into established operations later, avoiding potential reputational risks and costly transitions.

# Casting action beyond net-zero

Urgent issues including land degradation, water scarcity, and air pollution are all within the bounds of businesses power to address – with striking facts underlining the need for a broader environmental focus.

The *Status of the World's Soil Resources report* by the United Nations shows that 33% of land is moderately to highly degraded due to the erosion, salinisation, compaction, acidification, and chemical pollution of soils. The United Nations Environment Programme (UNEP) reports that *75 to 199 million tonnes of plastic* are currently found in our oceans, endangering marine ecosystems and biodiversity. While the World Health Organization states *almost all of the global population (99%)* breathes air that exceeds WHO guideline limits and contains elevated levels of pollutants, resulting in significant health risks. Acknowledging these challenges and proactively reassessing strategies and practices will enable businesses to embrace a more comprehensive and holistic approach.

Startups have the opportunity of choosing to embed sustainability early into the core of a business to build resilience, mitigate risks, and attract conscious consumers. *Nielsen's Global Corporate Sustainability Report* shows that 66% of global consumers are willing to pay more for sustainable products. Businesses can help restore soil health and combat land degradation by adopting regenerative techniques, such as cover cropping and rotational grazing, or implementing responsible sourcing and recycling programmes to promote a circular economy or joining collaborative efforts such as the Fashion Revolution movement to promote transparency and ethical practices in the industry.

# Reassessing your supply chain impact

Comprehensively addressing environmental challenges means businesses must reassess the impacts of their supply chains. Raw material extraction, manufacturing processes, transportation, and waste management all contribute, meaning that tracing areas of high impact and implementing sustainable practices are key. According to CDP's *Global Supply Chain Report 2022*, supply chain emissions are on average 11.4 times higher than companies' direct emissions. While Ellen MacArthur Foundation estimates that *by 2050, there could be a smidge more plastic than fish* in the oceans by weight if current consumption and waste management patterns continue.

Fostering transparency and collaboration with suppliers empowers businesses to drive positive change throughout the value chain by identifying areas of improvement, implementing sustainable practices, and promoting ethical sourcing - ensuring accountability and adherence to sustainability goals, the sharing of best practices, and facilitates a culture of continuous improvement.

Engaging startups in sustainable practices right from the get-go is crucial to unlocking competitive benefits, including attracting and retaining talent. *Deloitte's 2023 Gen Z and Millennial Survey* finds that at least 40% of respondents say they have rejected work assignments due to ethical concerns, while more than one-third have turned down employers that do not align with their values.

## Systems thinking, circularity, and innovation across the value chain

Value chain systems thinking enables companies to analyse operations holistically and identify areas for improvement. The *UNEP estimates that*

*circular economies* could generate \$4.5T in annual economic output by 2030, retain 95% of the value of plastic packaging that is lost each year, and reduce food emissions from production and use by 49%. Circularity models help businesses transition from a linear "take-make-dispose" model to a regenerative approach that maximises resource efficiency and minimises waste.

Innovation will be vital in driving sustainability across operations. Digital technologies such as artificial intelligence can analyse data to identify energy-saving measures (*C3.ai*), blockchain offers transparency and traceability in supply chains (*Provenance*), and the Internet of Things enables real-time monitoring and optimisation of resource consumption.

Sustainable practices often result in reduced resource consumption, waste generation, and energy usage – leading to cost savings. *A report by the World Economic Forum* states that companies that prioritise sustainability can see an increase in profitability and shareholder value; in fact, according to *Harvard Business Review*, investors' focus is shifting: it's no longer solely about a company's intentions, but rather about its strategic vision and capabilities to consistently achieve and uphold strong Environmental, Social, and Governance (ESG) performance. In all cases, the intersection of developing technology, a purpose-driven impact agenda, collaboration up and down the value chain and environmental transparency have the potential to support sustainable supply chain management.

It is time for businesses, old and new, to embrace a broader understanding of their environmental impact and take meaningful action to create a more sustainable future for our planet and future generations.

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