Convincing your company to lead the transition into Regeneration

A Playbook for Championing **Regenerative Practices** 



## Hear from the experts



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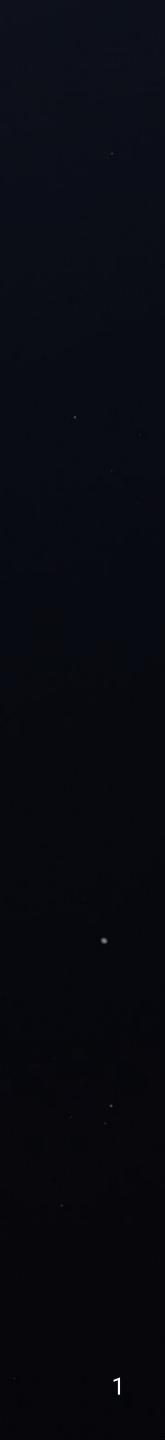
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PhD in Climate & Public Policy from the University of Southern California Founder of the Global Mangrove Trust, an NGO funding blue carbon forestry through blockchain technology.

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Introduction

## I. Why is doing good sometimes so hard?

Making decisions at the intersection of what is right for the planet and what is right for my company can be a tremendous task – especially with limited budgets and resources.

From market pressures to regulatory uncertainties and complexity of sustainability issues... the challenges are numerous.

In this guide, we tackle these concerns and give you the arguments to convince potential push backs.



## II. Legacy Sustainability vs. Regenerative Sustainability What is Legacy Sustainability?

Legacy sustainability refers to mainstream sustainability practices, such as footprint reduction, net zero goals, and carbon offsetting.

In traditional industries with significant environmental footprints, such as manufacturing, energy, mining and transportation, reducing the footprint of these industries is essential to reducing global temperatures.

However, in reality, legacy sustainability practices are not at all adequate in dealing with our mounting environmental concerns and preserving planetary health.



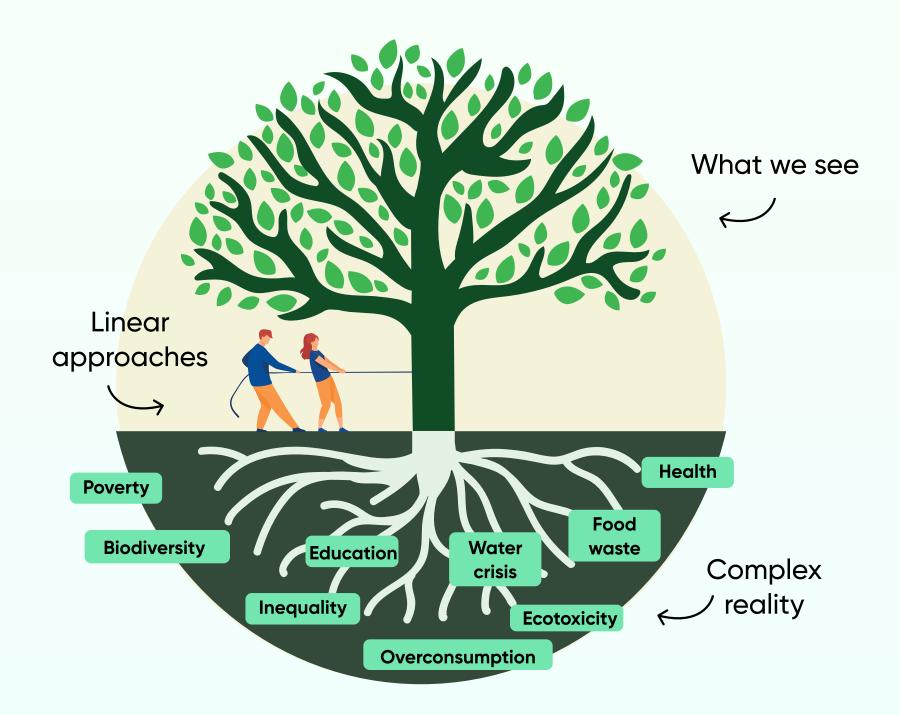




### Legacy sustainability

A corporate **linear-thinking approach** to the following problem:

"The global economy is responsible for high emissions of greenhouse gases in the atmosphere. Companies must take action to balance the concentration of greenhouse gases in the atmosphere by decarbonizing their operations."

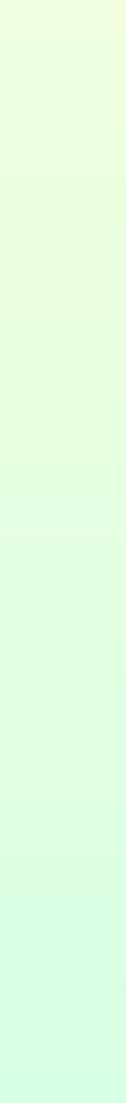


### **Regenerative sustainability**

A corporate **system-thinking approach** to the following problem:

"The extractive relationship between the global economy and Nature, treating it as a limitless resource, is hurting its health and resilience. Companies need to align the regeneration of Nature to the growth of their business to ensure their longterm survival."





## The pros and cons of legacy sustainability

### Pros

- Was a necessary first step to enable the corporate world to take action.
- Provided a simple lens that companies understand.



Led to unsubstantiated claims, like corporate carbon neutrality.

Limits companies' climate action to their own carbon footprint without taking into account the holistic health of the planet.

Not well suited for the rapidly rising Digital and Service Economy. When responsibility is defined as one's carbon footprint, companies outside of manufacturing/ transportation/extraction cannot significantly contribute, as their corporate carbon footprint is too small – leading to inaction for the majority of the economy.

Assumes that carbon is fungible (positive impact can simply cancel out, or offset, negative impact.)

With "carbon neutrality" claims becoming illegal for companies in more countries, legacy sustainability is becoming a risk factor for companies.



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# Is legacy sustainability losing its competitive edge?

Stringent reporting requirements from governments and transnational regulators are increasingly turning sustainability into a compliance framework.

Not only are companies inadequately contributing to planetary health, legacy sustainability is also losing its competitive advantage.

To stand out in the market, to attract and retain new customers, and to motivate people to work for you, simply doing what regulators are mandating is not enough.

What your stakeholders want.

Your lever of growth.

#### What the planet needs to heal.

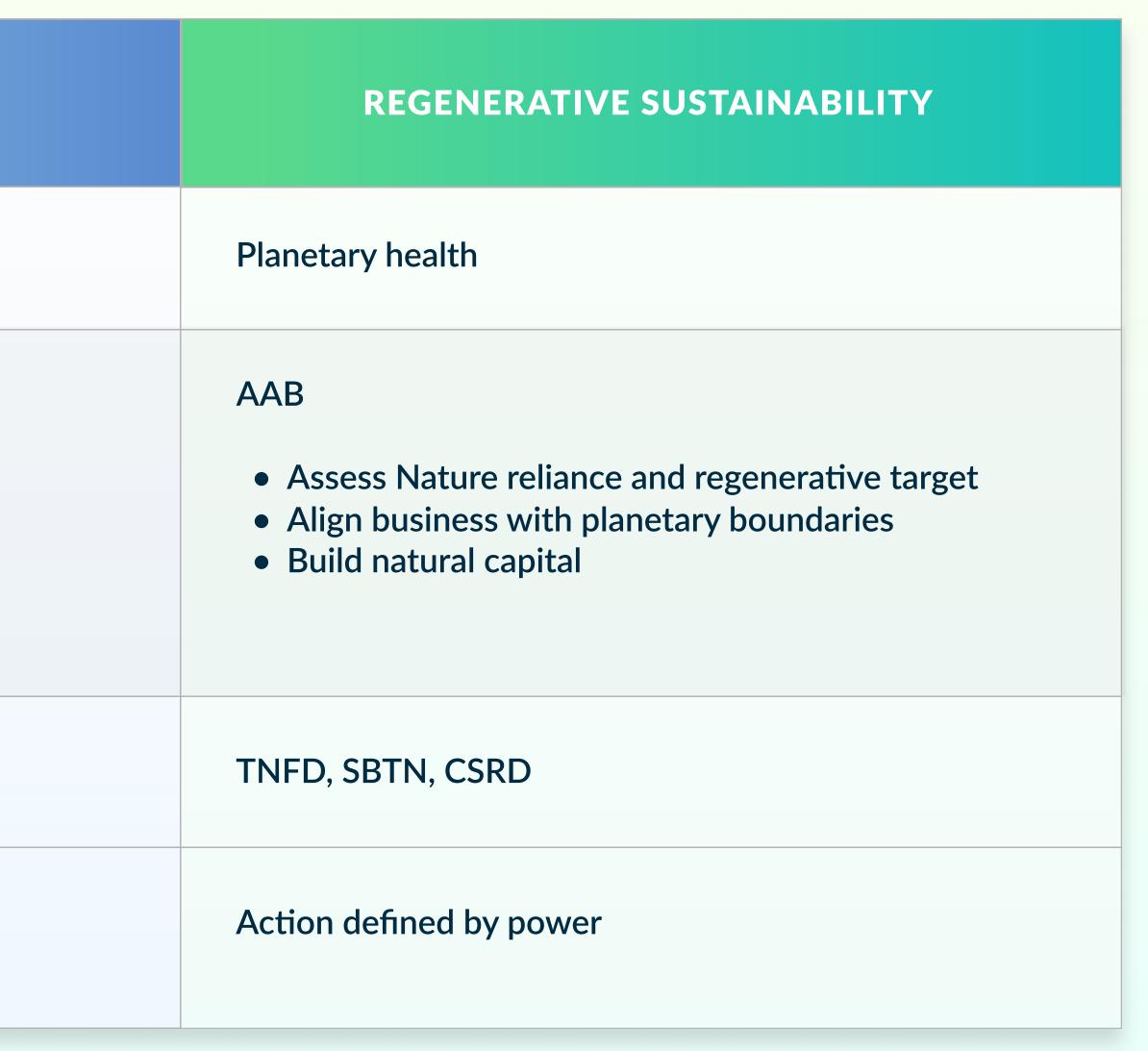
Your positive impact.

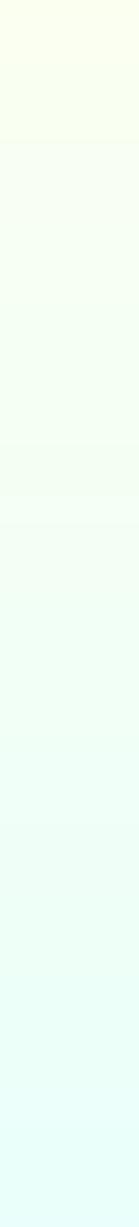
What aligns with your brand.

Regeneration

Your authenticity.

	LEGACY SUSTAINABILITY
Focus	Greenhouse gas emissions
Framework	<ul> <li>MRO</li> <li>Measure carbon footprint</li> <li>Reduce carbon footprint</li> <li>Offset carbon footprint</li> </ul>
Disclosure	GRI
Magnitude of action	Action limited to carbon footprint





## III. How to pitch regeneration to your company

Become the sustainability champion the planet needs





An effective pitch answers the following questions: What is right for the planet?

What is good for my business?

What is compliant to the regulation?

Are my actions future-proof to impending regulation?



Arguments that will stick in mind for top management

### **Business growth**

Consumers of today are increasingly demanding genuine planet-positive action from the businesses they support. There are many examples and case studies of companies winning with regeneration:

- in need

### **Capital access**

• Ultra Football saw an increase of 16% in sales by integrating a mangrove restoration plugin

• Uber Eats saw an increase of 9% in ad-recall by providing meals for children

• Alipay increased user engagement by creating collective action

• Ecosia wins market share using regenerative positioning, proving social business models can be economically successful while creating positive benefits for society

• Studies show that products marketed as sustainable grew 5.6 times faster.

Investment funds now have ESG criteria.

ESG investors will be able to categorize your revenue as Green Revenue.



#### **3** Lead the change

When everyone is aiming for legacy sustainability, it won't drive competitive advantage. With regenerative sustainability, you'll build your legacy as a pioneer where it matters most.

#### **4** Happy employees

Employees are increasingly hungry for purpose and for values that align with theirs:

- 83% of people want to take action on climate change in their jobs
- Companies with the best employee satisfaction beat the market 2-3%/year

change in their jobs on beat the market 2-3%/year





## The moral case for Regeneration

Behind the scientific consensus that 8 trillion dollars need to be invested in Nature by 2050 to avert biodiversity collapse, we also encounter an ethical obligation.

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Our economies, livelihoods, and well-being are intricately linked to Nature's ecosystems. From soil health and biodiversity to climate regulation and water purification, ecosystem health forms the backbone of our survival and prosperity.

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The consequences of insufficient action are dire, jeopardizing not only the natural world but also the physical and socioeconomic fabric sustaining human societies. Businesses bear a moral responsibility to ensure future generations inherit a biodiverse and ecologically resilient world.

Choosing regeneration over exploitation acknowledges the moral duty of businesses as influential global actors to contribute to restoring and preserving the delicate balance of life on Earth.



# Embedding sustainability at the heart of your business

Your Sustainability department with Legacy Sustainability

With regenerative sustainability, the sustainability function becomes part of the strategy, and the center of attention in your organization – where everyone is involved in the company's commitment to Nature.

Siloed and compliance oriented Your Sustainability department with Regenerative Sustainability

> Strategic driver of growth



1 Creates internal purpose for employees The HR department collaborates with sustainability team on updates about the company's strategy. Employees participate by restoring their ecosystem of choice and receive customized updates on the difference they're making.

2 Creates competitive advantage

- Your sales team collaborates with the sustainability team to have a strong ESG chapter in tenders and commercial proposals, with easy-tocommunicate benchmarks, e.g. "We are among the top 1% of companies in our industry that are regenerating nature." In comparison, net zero goals no longer resonate or provide competitive advantages. **3** Offers powerful engagement opportunities

Your Customer Success team reaches out: Remember the coral reef we have planted for *client X* when they signed the contract? It's been 6 months and it's time to send them a positive update about the biodiversity that's coming back to the reef, and show them how their ecosystem is thriving.

4 Provides C-level team with a positive narrative

When asked about your company's sustainability strategy by their board or journalists, your CEO no longer merely talks about footprint reduction. The sustainability team empowers them to give a progressive, scientific narrative about how the company is leading the economy's transition toward a Regenerative economy that benefits nature – beyond carbon, beyond footprints. Your CEO is positioned as a visionary leader.



### Influential international organizations are calling for a shift towards Nature



'Let's talk about 'regenerative business' not sustainability'  $\rightarrow$ 

> McKinsey Sustainability

Nature in the balance: What companies can do to restore natural capital  $\rightarrow$ 



**UN Environment Programme:** State of Finance for Nature  $\rightarrow$ 

#### '<u>Nature Strategy Handbook' →</u>



Forum For the Future →





'Une grande bascule vers l'entreprise régénérative'  $\rightarrow$ 

### Tailoring your message

The arguments for regeneration may resonate differently depending on who you talk to. Here is what to say to...

#### CEO

"We need to build a brand that is in line with the long term health of our planet. This will differentiate us and put us on the cutting edge of competition."

#### Finance

"Impending regulation requires us to disclose more non-financial information about our contributions to Nature. Using regeneration, strengthens our triple bottom line and helps us get access to green funds and ESG-based capital."

#### **Product**

"We can use regeneration as a frame for solving genuine user pain points and create sticky customer experiences that promote the use of our product and create positive impact."

#### Marketing

"Everyone is making the same sustainability claims, which will not make us different than the rest. Regeneration helps us tell better stories by creating a sense of collective action with our audience."

#### **Sustainability**

"Regeneration helps us make sustainability truly the core of our business, plugging it into all our services. Through accurate tracking of this impact we are staying at the most cutting edge of sustainability offerings."

#### HR

"Many employees today and even more employees of tomorrow need to know that their workplace actively makes a positive impact. Regeneration helps us have more motivated and engaged employees."

#### Sales

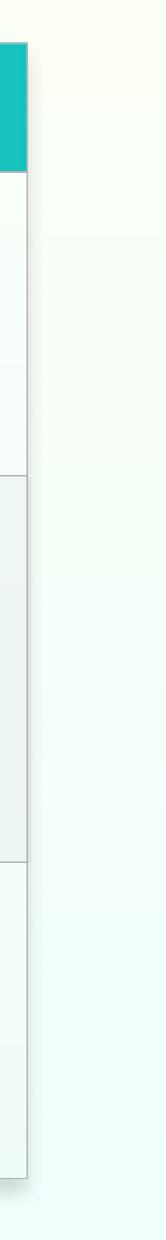
"Sustainability can be more than a cost. Through regeneration we can use it to actively nurture new leads and reward old ones by rallying them around a collective vision of Nature restoration."



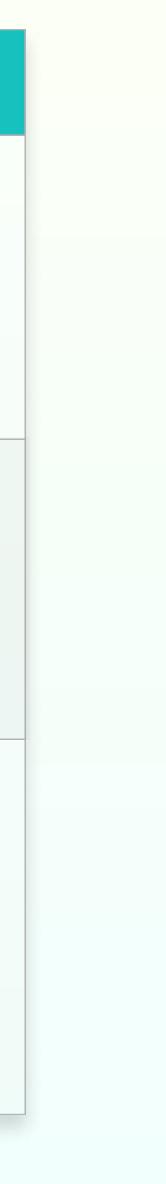
## IV. Common objections and answers



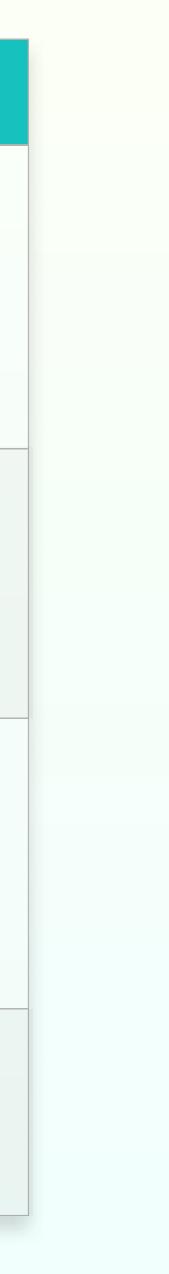
ISSUE	OBJECTION	ANSWER
Short-Term Profit Focus	"Sustainability initiatives require a lot of upfront investments and we do not know if we'll get immediate returns."	Studies have shown that, in the long run, sustainable practices can lead to cost savings and increased efficiency – and that <u>products marketed as sustainable grew 5.6 times</u> <u>faster than those that were not</u> . A pure focus on costs ignores the reality that there is a price premium for more sustainable products and services.
Lack of Awareness and sense of Responsibility	"I don't see the long-term benefits of sustainability." "I'm not aware of the environmental and social impacts of my operations." "We don't have a high footprint, hence we cannot do much."	For too long companies have equated their responsibility for the future health of our planet with the damage they have done historically to the planet. Given the urgency of the crises, this argument is no longer tenable. We all have to do our part. Companies building regenerative business use cases can capture massive benefits. For example, <u>Ant Forest</u> is the stickiest loyalty program on earth, creating massive business benefits by embracing regeneration.
Cost Concerns	"Implementing sustainable practices can be costly, and I fear that it may negatively impact our bottom line." "In our sector, up-front costs of more sustainable processes are high."	Higher costs are not guaranteed but even if costs increase, this tends to be temporary and over time the running costs of more sustainable assets are much lower and the only way to ensure longterm profits for your company.



ISSUE	OBJECTION	ANSWER
Complex Supply Chains	"Our industry has complex and global supply chains, making it challenging for us to track and control every aspect of our operations."	Embracing regeneration can be done inside and outside of supply chains. Especially for digital and service companies, the latter approach is easy to implement because it only enriches your existing business processes, without fundamentally changing them.
Resistance to Change	"The existing business model has been successful. Our employees, executives, or shareholders might resist changes perceived as disruptive."	Regeneration provides many quantifiable long-term benefits, economic viability, and innovation opportunities (see pg. 11). By moving in incremental steps, we can align the transition with our corporate values and build internal champions to facilitate a smooth and successful transition.
Lack of Clear Standards	"In our industry, there is a lack of clear and universally accepted standards for measuring and reporting sustainability. This can make it difficult for us to set meaningful goals and benchmarks."	Instead of focusing entirely on meeting ambiguous measurement and reporting goals, companies can set targets and focus on transparently delivering positive impact. They can be on a science-based pathway towards a regenerative economy: where the growth of your business leads to the growth of our natural capital, defining a new regenerative benchmark that inspires collective action.



ISSUE	OBJECTION	ANSWER
Short CEO Tenure	"As a CEO with a shorter tenure, I am more focused on short-term goals that can be achieved during my tenure. Long-term sustainability initiatives often take longer to yield results."	Shifting towards regenerative sustainability aligns with short- term goals by enhancing brand reputation, attracting conscious consumers, and fostering immediate market differentiation. Regenerative practices provide a strategic approach that balances both short and long-term objectives.
Competitive Pressures	"Our industry is too competitive. If we invest in sustainability, it could give our competitors a cost advantage."	This perception can hinder collective industry progress toward sustainability. Regeneration provides many quantifiable long- term benefits, economic viability, and innovation opportunities (see pg. 11) – giving us a competitive advantage rather than a perceived cost burden.
Lack of Stakeholder Pressure	"There is not enough pressure from customers, investors, or other stakeholders to adopt sustainable practices if sustainability is not a priority for them."	Proactively embracing regenerative sustainability positions companies as a forward-thinking industry leader, anticipating and exceeding evolving stakeholder expectations. This preempts potential future regulatory requirements and emerging market trends among conscious consumers and investors, ensuring a competitive edge.
Regulatory Compliance Focus	"We just want to focus on meeting minimum regulatory requirements rather than adopting more ambitious sustainability goals."	This approach may limit initiatives to what is legally mandated rather than what is environmentally or socially responsible (pg. 13) or economically advantageous (pg. 11).



## Comments, questions, thoughts? We'd like to hear from you!

### Send us your thoughts



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