

The Next Legacy>

Impact-Driven Innovation

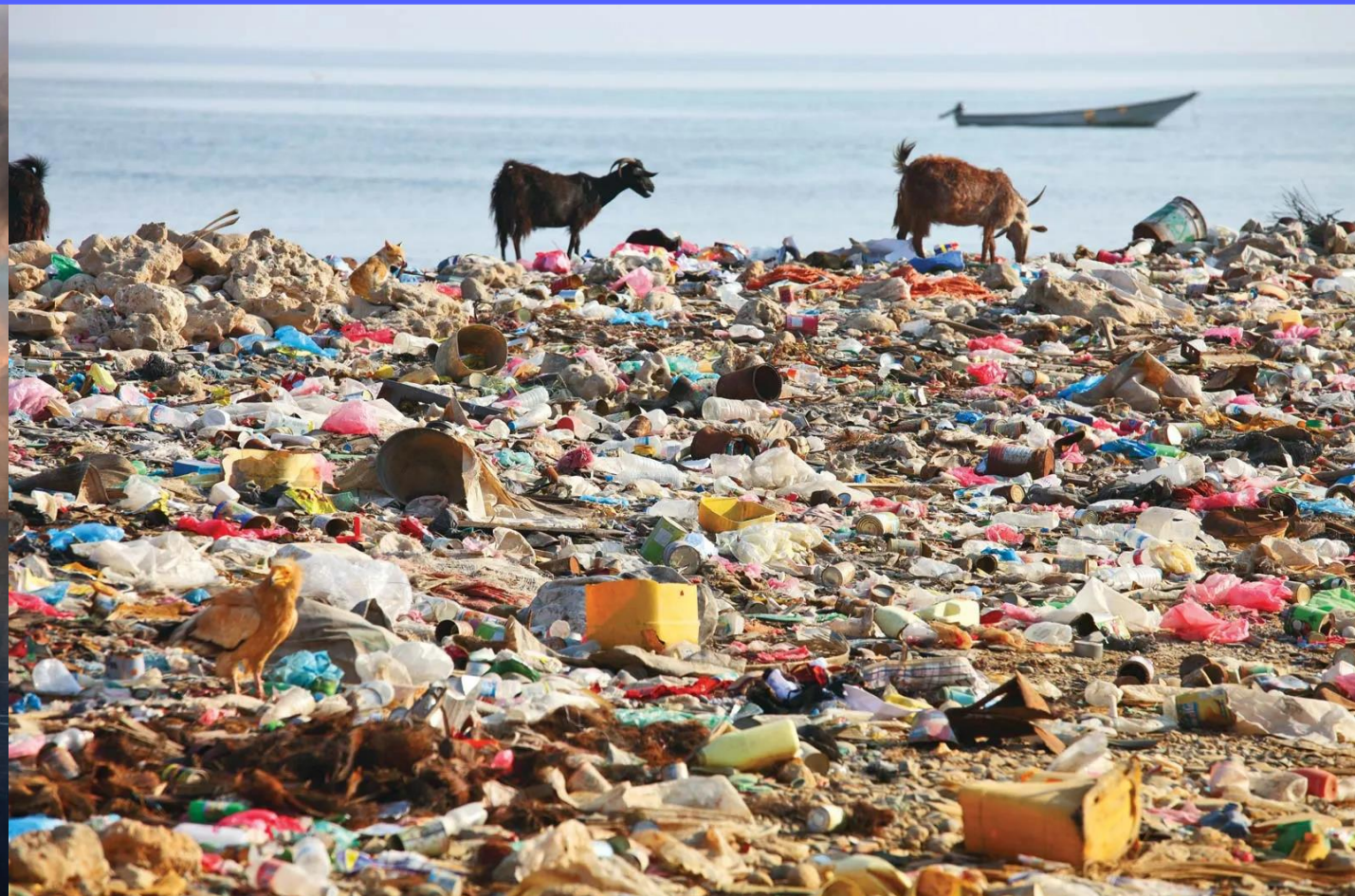
Climate emergency



Nature collapsing



Waste and pollution at disturbing levels



Social unrest and inequalities



Ambiguities and populism



What is expected from business and companies is changing fast

Politics fail



Scrutiny increases



Trust at risk



Norms change



SCIENCE
BASED
TARGETS

Business as usual is...

Economically Risky



Environmentally stupid



Socially Unacceptable



Legally dangerous





4 Opportunities

3 Reasons

5 Stages

3 Horizons

4 Opportunities

in the business case of sustainability

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in the business case of sustainability

Consumers want sustainability and are influencing their purchasing decisions accordingly.

Talent is moving to employers that place sustainability at the core of their actions.

The Green Economy is a big business.

Access to smart capital at cheaper costs.



CONSUMER-GOODS' BRANDS THAT
DEMONSTRATE COMMITMENT TO
SUSTAINABILITY OUTPERFORM THOSE THAT
DON'T

"Responsible" companies perform better on the
stock market



Every CFO Should Know This:
'The Future Of Banking' Ties
Verified ESG Performance To
Cheaper Capital

**Purpose-Driven Companies
Evolve Faster Than Others**



FINANCIAL
TIMES

**Companies with a purpose beyond profit tend
to make more money**

It is a paradox that the most profitable companies are not the most profit-focused

Nielsen study

30.000 consumers in 60 countries

Consumers are willing to
pay **more** for purposeful
brands

66%

Of global consumers
are willing to pay more
for sustainable goods

73%

Of Millenials

Unilever today announced that its purpose-led, Sustainable Living Brands are growing **69% faster** than the rest of the business and delivering **75% of the company's growth!**

Unilever's Sustainable Living Brands are those that communicate a strong environmental or social purpose, with products that contribute to achieving the company's ambition of halving its environmental footprint and increasing its positive social impact.





**DON'T BUY
THIS JACKET**

patagonia
patagonia.com

COMMON THREADS INITIATIVE

REDUCE

WE make useful gear that lasts a long time

YOU don't buy what you don't need

REPAIR

WE help you repair your Patagonia gear

YOU pledge to fix what's broken

REUSE

WE help find a home for Patagonia gear
you no longer need

YOU sell or pass it on*

RECYCLE

WE will take back your Patagonia gear
that is worn out

YOU pledge to keep your stuff out of
the landfill and incinerator



REIMAGINE

TOGETHER we reimagine a world where we take
only what nature can replace

patagonia
patagonia.com

4 Opportunities

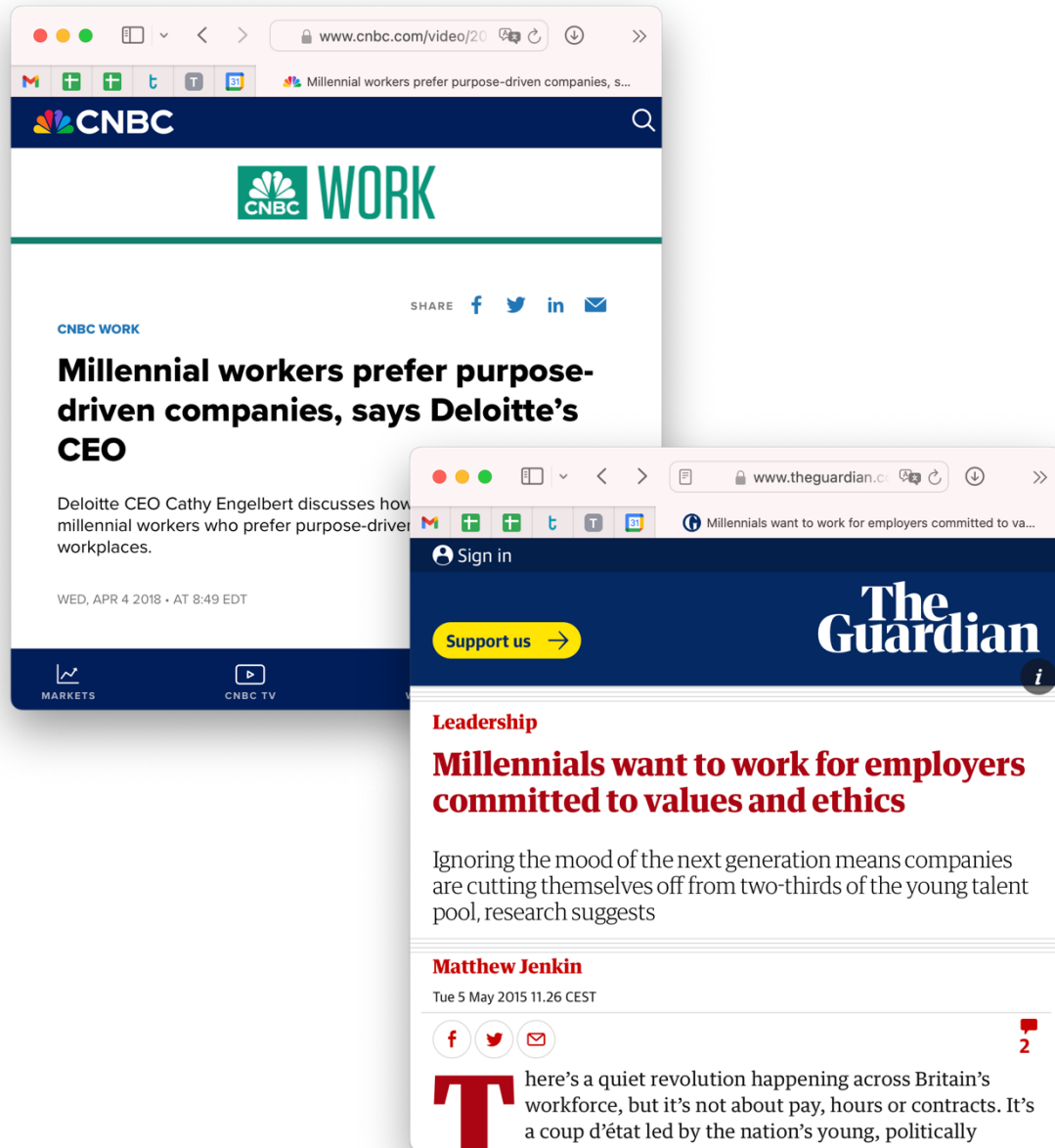
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62%

Want to work for a company that makes a positive impact

53%

Would work harder if they were making a difference to others.

*In the USA, Millennials (born after 1980) will be 75% of the workforce by 2025



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10 trillion USD



www.euractiv.com/section/energy-environment/news/green-deal-will-be-o

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31

E Green Deal will be ‘our motor for the recovery’, von der Leyen says – Euractiv

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Green Deal will be ‘our motor for the recovery’, von der Leyen says

Green Deal will be ‘our motor for the recovery’, von der Leyen says

By Frédéric Simon | EURACTIV ⌚ Est. 4min 🗒️ 29 Apr 2020 (updated: 🗒️ 7 May 2020) Advertisement

28/04/2020



Euractiv Members

FEAD - European Waste Management Association
NetworkNature
Petcore Europe
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Recommended articles



61.2B€

Until 2027

6.8B€

Per year

18.6M€

Per day

4 Opportunities

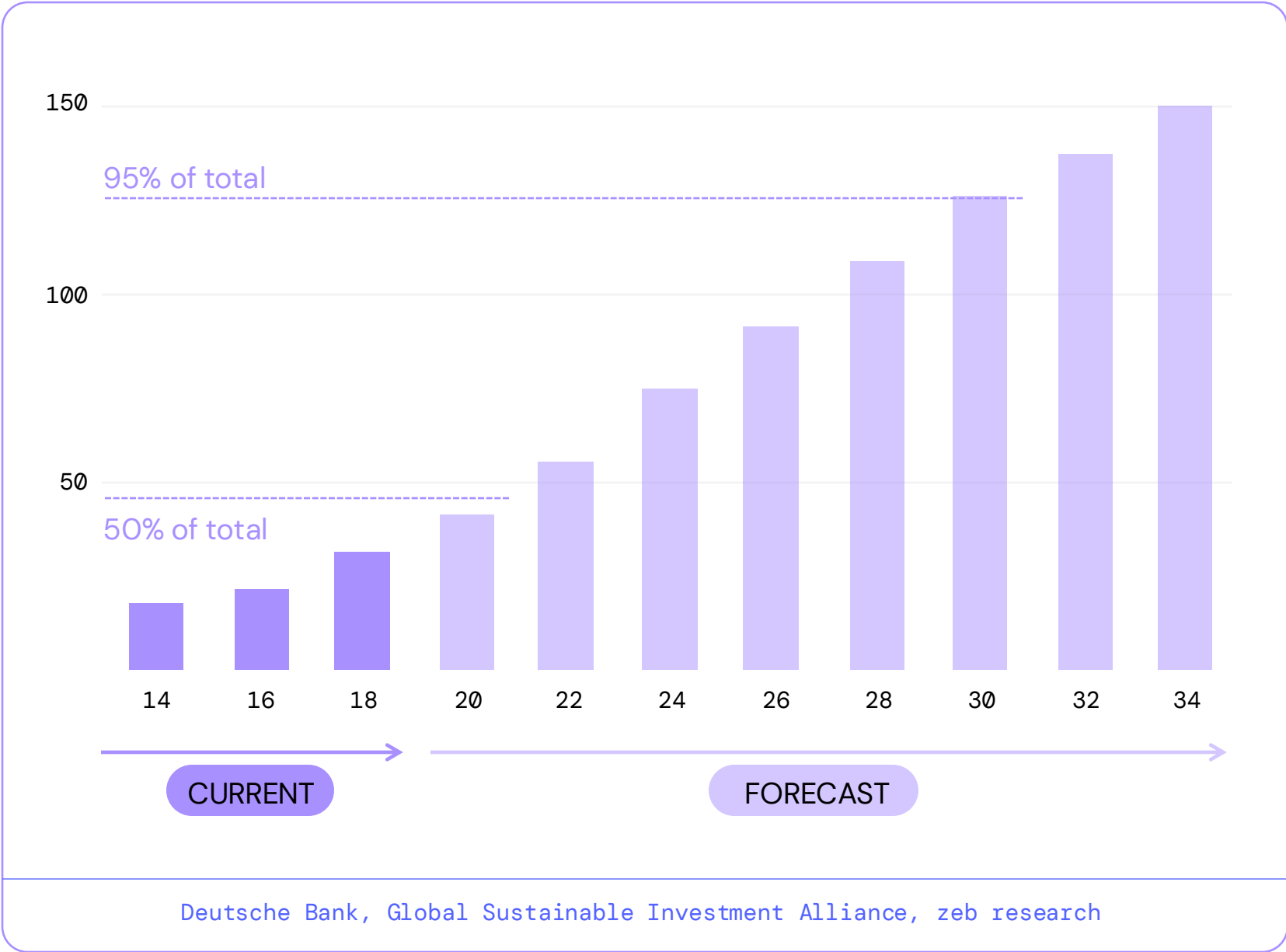
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Sustainable financing vehicles

DEBT

SALES

EQUITY

SUBSIDIES

www.dinheirovivo.pt/empresas/sonae-emite-20-milhoes-de-obrigacoes-verdes

Sonae emite 20 milhões de obrigações verdes. Já tem mais de 15% da dívida associada a sustentabilidade

JN DN TSF Dinheiro Vivo O Jogo Motor 24 Men's Health Women's Health Evasões Volta ao Mundo NM N-TV Delas

Classificados ASSINAR >

dinheiro vivo Últimas Economia Empresas Opinião Fazedores Mais Lidas #mundo #banca #energia #habitação

OUVIR TSF

Sonae emite 20 milhões de obrigações verdes. Já tem mais de 15% da dívida associada a sustentabilidade

d Ana Marcela

Leitura: min

O novo empréstimo obrigacionista ocorre depois de, no passado dia 10, a Sonae já ter realizado um conjunto de refinanciamentos de 150 milhões de euros também ligados a indicadores ESG.

f A Sonae emitiu 20 milhões de euros em obrigações "verdes", indexadas ao desempenho dos indicadores ambientais do grupo. A operação, organizada pelo BBVA, por subscrição particular, sem

Pub

Main advantages of sustainability for companies

Risk management

Differentiation with customers

Reduction of the cost of capital

Cost reduction

Business and Investment opportunity

Shared purpose (talent attraction and retention factor)

4 Opportunities

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A portrait of Bill Gates, wearing his signature black-rimmed glasses and a grey sweater over a white collared shirt. He is positioned in front of a blurred background of bookshelves filled with books. The lighting is soft, highlighting his face.

60
MINUTES

3 Reasons

Why I4I Transcends Ordinary Innovation

3 REASONS

Why I4I Transcends
Ordinary Innovation

Stronger
Rationale

More
disruptive

More
collaborative

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5 Stages

To drive your innovation efforts through impact

[stage 1] Viewing Compliance as Opportunity

Central Challenge

- › To ensure that compliance with norms becomes an opportunity for innovation.

Competencies Needed

- › The ability to anticipate and shape regulations.
- › The skill to work with other companies, including rivals, to implement creative solutions.

Innovation Opportunity

- › Using compliance to induce the company and its partners to experiment with sustainable technologies, materials, and processes.

[stage 2] Making Value Chains Sustainable

Central Challenge

- › To increase efficiencies throughout the value chain.

Competencies Needed

- › Expertise in techniques such as carbon management and life-cycle assessment.
- › The ability to redesign operations to use less energy and water, produce fewer emissions, and generate less waste.
- › The capacity to ensure that suppliers and retailers make their operations eco-friendly.

Innovation Opportunity

- › Developing sustainable sources of raw materials and components.
- › Increasing the use of clean energy sources such as wind and solar power.
- › Finding innovative uses for returned products.

[stage 3] Designing Sustainable Products and Services

Central Challenge

- › To develop sustainable offering or redesign existing ones to become eco-friendly.

Competencies Needed

- › The skill to know which products or services are most unfriendly to the environment.
- › The ability to generate real public support for sustainable offerings and not be considered as “greenwashing”.
- › The management know-how to scale both supplies of green materials and the manufacture of products.

Innovation Opportunity

- › Applying techniques such as biomimicry in product development.
- › Developing compact and eco-friendly packaging.

[stage 4] Developing New Business Models

Central Challenge

- › To find novel ways of delivering and capturing value, which will change the basis of competition.

Competencies Needed

- › The capacity to understand what consumers want and to figure out different ways to meet those demands.
- › The ability to understand how partners can enhance the value of offerings.

Innovation Opportunity

- › Developing new delivery technologies that change value-chain relationship in significant ways.
- › Creating monetization models that relate to services rather than products.
- › Devising business models that combine digital and physical infrastructures.

[stage 5] Creating Next-Practice Platforms

Central Challenge

- › To question through the sustainability lens the dominant logic behind business today.

Competencies Needed




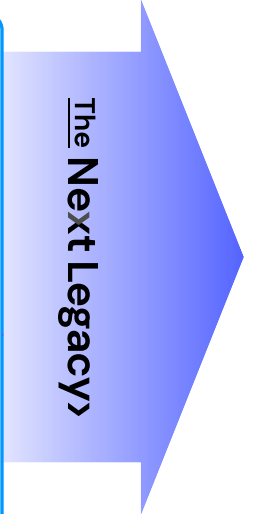
- › Knowledge of how renewable and nonrenewable resources affect business ecosystems and industries.
- › The expertise to synthesize business models, technologies, and regulations in different industries.

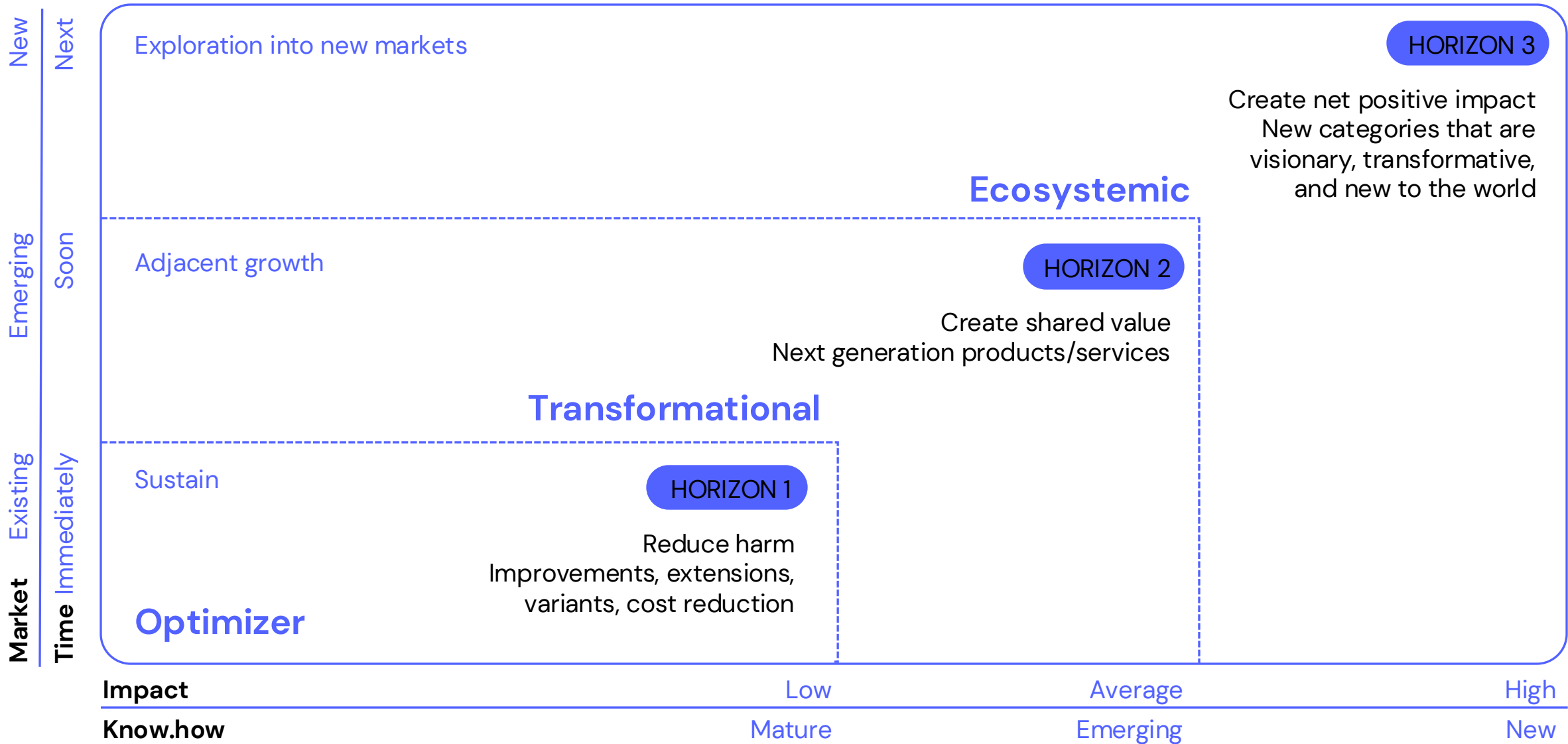
Innovation Opportunity

- › Building business platforms that will enable customers and suppliers to manage energy in radically different ways.
- › Developing products that won't need water in categories traditionally associated with it, such as cleaning products.
- › Designing technologies that will allow industries to use the energy produced as a by-product.

3 Horizons

For IMPACT-DRIVEN INNOVATION

Approach	 1. Operational Optimisation “Eco-Efficiency”	 2. Organisational Transformation “New market opportunities”	 3. Ecosystem Building “Societal Change”	 The Next Legacy›
Innovation objective	Compliance, efficiency — Doing the same things better	New products, services or business models — Doing good by doing new things”	New products, services or business models that are impossible to achieve alone — Doing good by doing new things with others”	
Innovation impact	Protect the Core Reduce Harm	Expand the Core Create shared value	Explore beyond the Core Create net positive impact	
Innovation outcome in the company	Incremental improvements to business as usual	Fundamental shift in the company’s purpose	Extends beyond the company to drive institutional change	



Source: Rui Coutinho (inspired by McKinsey)



1. Operational Optimization: “Doing the Same Things Better”

Keywords associated with Operational Innovations:

Bolt-On or “End of Pipe” Solutions;
Incremental
Change; Risk
Reduction;
Competition;
Winning; War;
Products; Short-
Term; In- house
R&D; Technology.

Definition: Compliance with regulations or optimized performance through increased efficiency.

In the stage of Operational Optimization, **the organization actively reduces its current environmental and social impacts without fundamentally changes its business model.** In other words, an Optimizer innovates in order to “do less harm”. Innovations are typically incremental, addressing a single issue at a time. And they tend to favour the “techno-fix” – focusing on new technologies as ways to reduce impacts while maintaining business as usual. Innovation tends to be inward-focused in both development and outcome; at this stage, companies typically rely on internal resources to innovate, and the resulting innovations are company-centric: their intent is primarily to reduce costs or maximize profits.

Rui Coutinho (inspired by “Innovating for Sustainability. Network for Business Sustainability”).

Innovation Examples

Organization Level

- Pollution Controls
- Flexible Work Hours/Telecommuting
- Waste Diversion
- Shuttering or Consolidating Facilities
- Energy Efficient Lighting
- Use of Renewable Energy
- Reduced Paper Consumption

Product Level

- Reduced Packaging
- Decreased Use of Raw Materials
- Reduced Use/Elimination of Hazardous Materials
- Optimization of Product Size/Weight for Shipping

Service Level

- Hybrid Electric Fleet Vehicles
- Delivery Boxes Redesigned from Single to Multi-Use



Nova cápsula de café Delta Q, 100% de origem orgânica e biodegradável.

Esta nova cápsula, desenvolvida pelo nosso Centro de Inovação em conjunto com parceiros externos portugueses, é 100% orgânica, feita à base de cana de açúcar, mandioca e milho.





2. Organisational Transformation: “Doing Good by Doing New Things”

Keywords associated with Organizational Innovation:

Creative Disruption;
Regeneration;
Contribution; Benefit;
Effectiveness;
Resilience; New
Markets; People;
Opportunity;
Collaboration; Social
Entrepreneurship;
Social Innovation.

Definition: The creation of disruptive new products and services by viewing sustainability as a market opportunity.

Rather than focusing on “doing less harm”, **Organizational Transformers believe their organization can benefit financially from “doing good”**. They see opportunities to serve new markets with novel, sustainable products, or they are new entrants with business models predicted on creating value by lifting people out of poverty or producing renewable energy. Organizational Transformers may focus less on creating products and more on delivering services, which often have a lower environment impact. They often produce innovations that are both technological and socio-technical – designed to improve quality of life for people inside or outside the firm. Transformers are still primarily internally-focused in that they see their organization as an independent figure in the economy. However, they do work up and down the value chain and collaborate closely with external stakeholders. The move from Operational Optimization to Organizational Transformation requires a radical shift in mindset from doing things better to doing new things.

Rui Coutinho (inspired by “Innovating for Sustainability. Network for Business Sustainability”).

Innovation Examples

- **Disruptive New Products that Change Consumption Habits.**

Example: A camp stove that turns any biomass into a hyper-efficient heat source and whose sales subsidise cheaper models distributed in developing countries.

- **Disruptive New Products that Benefit People.**

Example: CT scanners that are portable, durable and have minimum functionality – making them affordable and useful for health care providers in developing countries.

- **Replacing Products with Services.**

Example: Leasing and maintaining carpets over a prescribed life-time rather than selling them. Introducing car and bike-sharing services in urban centres to reduce pollution caused by individual car ownership while increasing overall mobility.

- **Replacing Physical Services with Electronic Services.**

Example: Reducing paper consumption by delivering bills electronically rather than by mail.

- **Services with Social Benefits.**

Example: A smartphone app that rewards people with coupons for local merchants when they make charitable donations.





3. Ecosystem Building: “Doing Good by Doing New Things with Others”

Keywords associated with Systems Innovation:

Holistic; Shared Benefits; Net Benefit; Interdependence; Cooperation; Society; Integration; Long-Term.

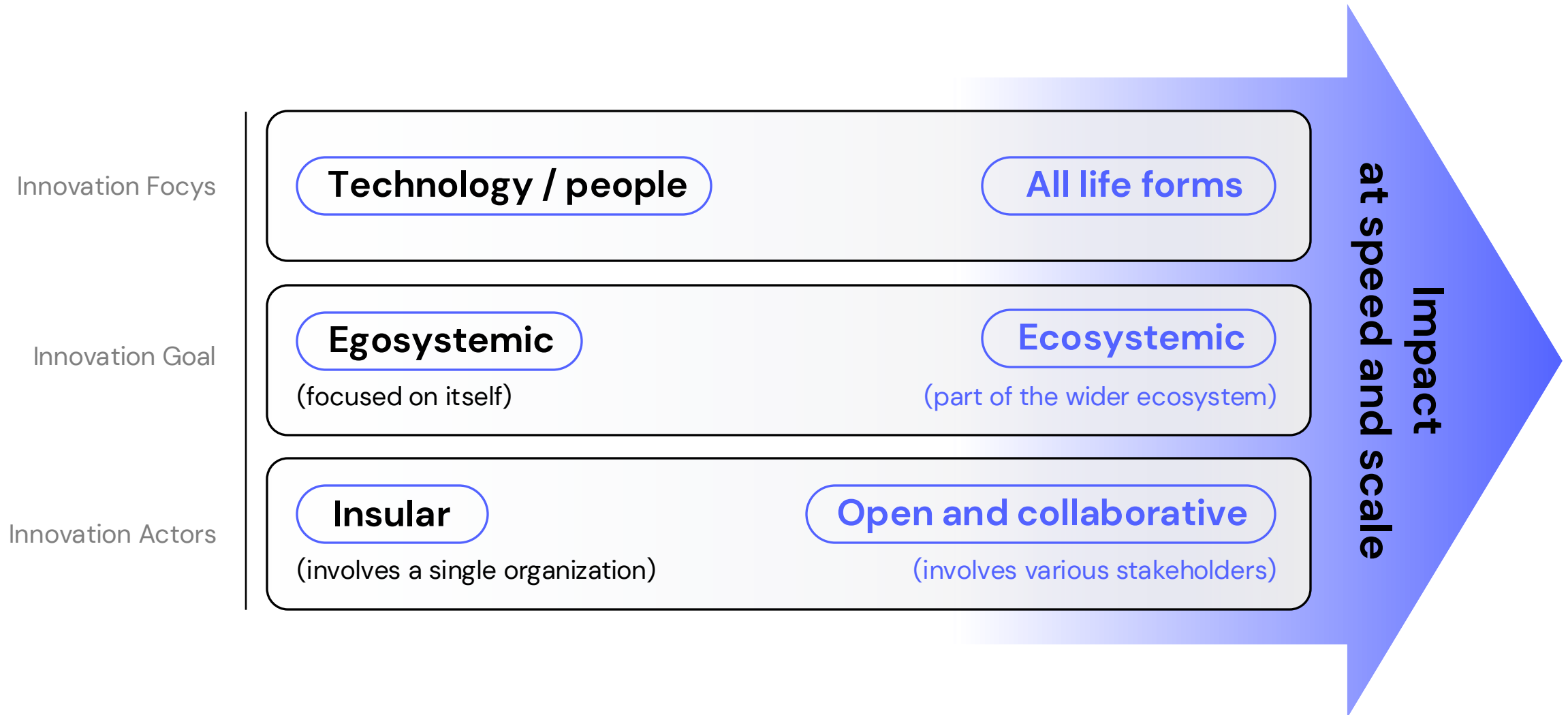
Definition: The intimate, interdependent collaborations between many disparate organizations that create positive impacts on people and the planet.

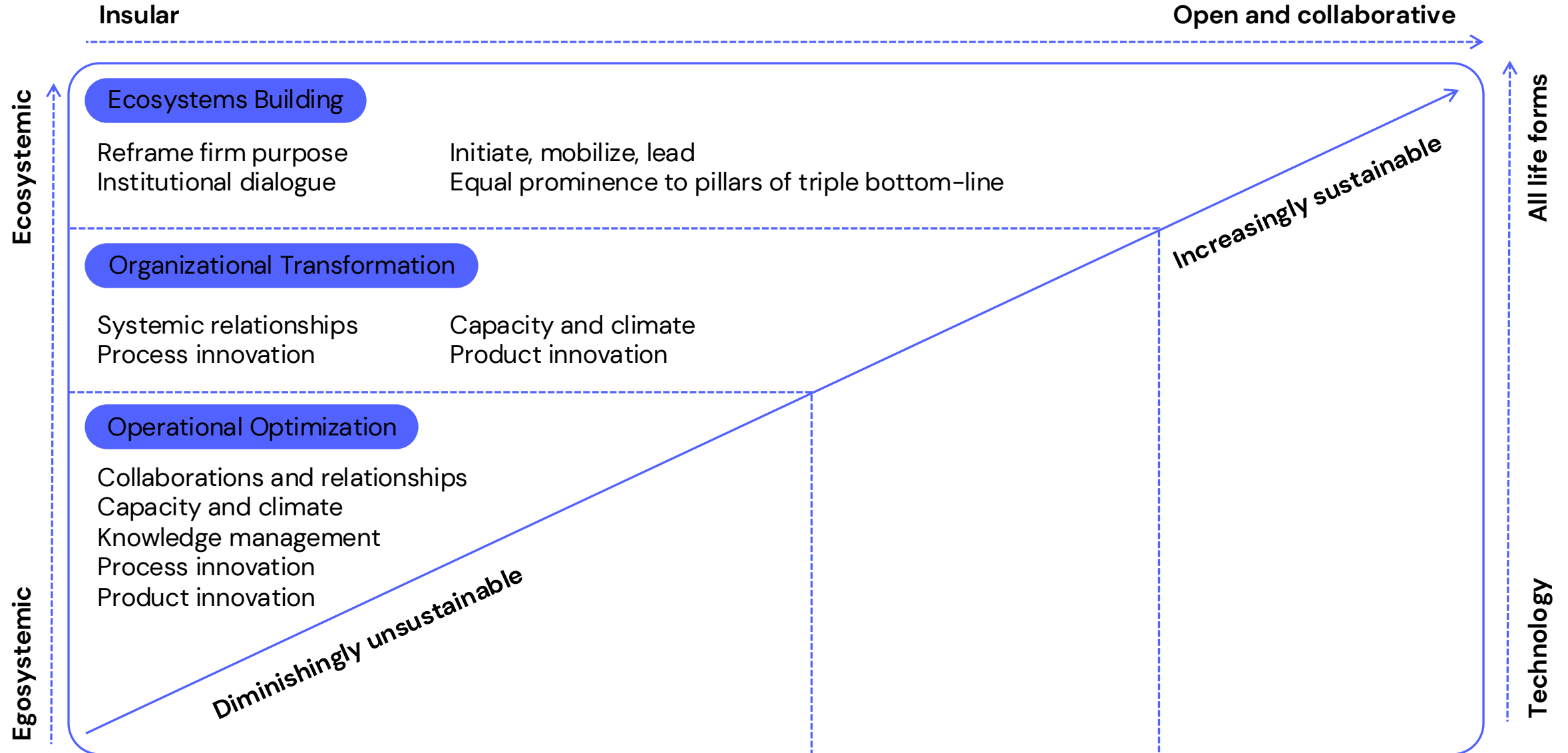
Systems Builders perceive their economic activity as being part of society, not distinct from it. Individually, almost every organization is unsustainable. But taken as a collective, systems can sustain each other. **Ecosystem Builders extends their thinking beyond the boundaries of the organization to include partners in previously unrelated areas or industries.** Because the concept of Systems Building reflects an unconventional economic paradigm, very few organizations or industries occupy this realm. The move from Organizational Transformation to Systems Building **requires another radical shift in mindset – this time from doing new things and serving new markets to thinking beyond the firm.**

Innovation Examples

- **Industrial Symbiosis.** Disparate organizations cooperate to create a “circular economy” in which one firm’s waste is another’s resources. Example: A construction company uses other companies’ glass waste: the synergies lead to environmental and economical benefits for all.
- **B Corporations.** Conceived in the United States but now existing in dozens of countries worldwide, B Corporations are organizations legally obliged to deliver societal benefits. Well-known examples include ice cream producer Ben & Jerry’s, e-commerce platform Etsy and cleaning product manufacturers Method and Seventh Generation.







(Let's chat)



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