



### Millrace Marketing

Marketing agency with expertise in environmental, social and governance communication and design.



# Sustainability in Strategy

- Where are we now?
- What are brands doing?
- Greenwashing
- The responsibility of marketing
- Making a business case for sustainability

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# Situation Analysis

### Where are now?

"Sustainability has fast become a dealbreaker in business." *marketingweek.com Nov* 2021

"With 79% of consumers changing purchase preference based on products' social or environmental impact, marketers are racing to capitalise with sustainability messaging" *Forbes February 2021* 

"Over a third of consumers say ethical and sustainability issues are a key factor for almost a third of consumers, who claim this is a key driver in their buying decisions." *Millrace research November 2022* 



#### Spotted.....

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How consumers are embracing sustainability

"Adoption of sustainable lifestyles is on the rise, but consumers need more help" March 2021 Deloitte.



It's not one person making big changes, it's everyone making small changes, this applies to organisations too.

# What are brands doing?

# A BETTER FUTURE: SUSTAINABLE COTTON PRIMARK° CARES 8

Home > Company > Sustainability

# Consistent and holistic: sustainability at Audi

Climate protection, the responsible use of resources and social justice are among the major challenges of our time. In order to meet these challenges, Audi acts in accordance with the principle of consistent sustainability. Find out more about how Audi is shaping the mobility of the future on the basis of a clear strategy.



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Our Company Our Brands

Sustainability

Social Impact

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#### Our planet matters.

We act in ways to create a more sustainable and better shared future. To make a difference in people's lives, communities and our planet by doing business the right way.



# Greenwashing

Greenwashing is making brands appear more sustainable than they really are.

It could involve cynical marketing ploys, misguided PR stunts, or changing packaging of a product while continuing to use unsustainable ingredients or practices.

It's a way for companies to appear like they care while also increasing their profit margins, knowing people are willing to part with more money for sustainable products. In Nov 22 - the latest greenwashing case against the Swedish brand, a claim filed in a federal court in Missouri suing for "misleadingly, illegally, and deceptively" seeking to capitalise on consumer 'green' trends, where H&M customers are led to believe that Conscious Choice products are an environmentally responsible purchase.



HA CONSCIOUS

100% ORGANIC COTTON

SEE LABEL FOR THE PRODUCT'S

Another cynical greenwashing move is to slap a green label on something to make it appear more sustainable or healthy, as Coca-Cola did with <u>Coca-Cola Life</u> — that with 6.6% sugar was far from a healthy drink. You'd probably get less Life if you drank a lot of it.

## SWEETNESS FROM NATURAL SOURCES LOWER CALORIE

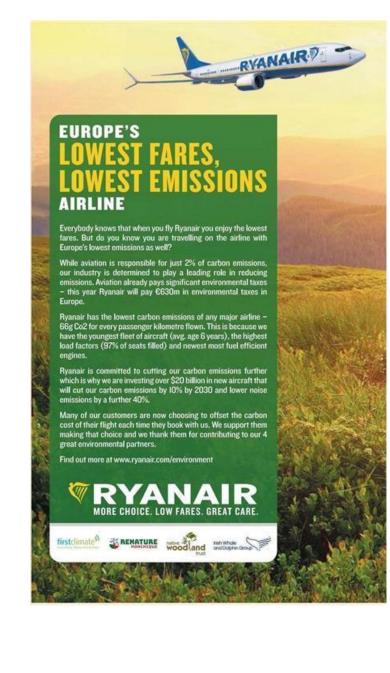
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Advertising Standards Agency called this one out in 2020.

- Mid-flight ads
- misleading luggage charge
- uncomfortable seats.

Are just a few of the reasons why people dislike flying Ryanair – and now you can add greenwashing to the list.

Ryanair audaciously announced itself to the British public as Europe's "lowest emissions airline". The claim was basically made up and banned immediately by the ASA.



#### Climate > News

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WE CREATE CONTENT.

SEE MORE.

What is con

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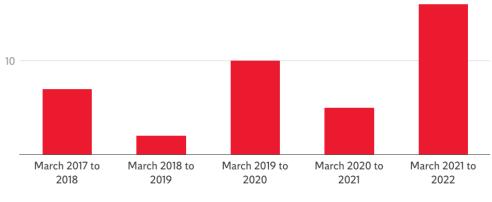
#### Number of adverts banned for 'greenwashing' triples in a year

Exclusive: 'I think we are seeing a sea change in public understanding of green claims,' watchdog spokesperson says

green claims, we are the guys you come to if you think it is inaccurate or may not be telling the truth," he told *The Independent*.

#### How many adverts have "greenwashed" in last 5 years

Data from ASA watchdog rulings from middle of March each year



#### Source: Infratest dimap

**WINDEPENDENT** 

He added: "I think we are seeing a sea change in public understanding of claims and people want to huw othically in a groop way. We all want

### Greens claim code

1. Be truthful and accurate: Businesses must live up to the claims they make about their products, services, brands and activities

2. Be clear and unambiguous: The meaning that a consumer is likely to take from a product's messaging and the credentials of that product should match

3. Not omit or hide important information: Claims must not prevent someone from making an informed choice because of the information they leave out

4. Only make fair and meaningful comparisons: Any products compared should meet the same needs or be intended for the same purpose

5. Consider the full life cycle of the product: When making claims, businesses must consider the total impact of a product or service. Claims can be misleading where they don't reflect the overall impact or where they focus on one aspect of it but not another

6. Be substantiated: Businesses should be able to back up their claims with robust, credible and up to date evidence



We've seen a shift in emotive drivers of marketing.

No longer are productbased brands selling happiness.

They are selling sustainability.

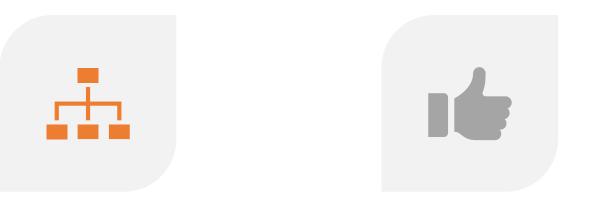
Marketings role and building the business case

# Marketing is part of the problem – or is it?

Str	rength	Weakness
	We are really good at translating information and finding the "success" or angle We can educate ourselves, in a marketing context, to advise senior teams on these area, over coming green washing and make change	<ul> <li>Marketing must drive growth regardless of people/planet outcomes</li> <li>Fake news pressures</li> <li>Over consumption focus</li> </ul>
Op	portunity	Threat
of t pie cus	Aarketers could be an essential part the complex sustainability puzzle to ece together business/organisation, stomers, and better outcomes for r world	- Marketing could be out of the picture for change. We have a bad "rep" as green washers and untrustworthy sources.



### How do marketers respond?



WE ARE A CENTRAL COG - IT'S A COMPLEX INFRASTRUCTURE THAT WE CANNOT SOLELY IMPACT. FOR EXAMPLE, WE MAY NOT BE RESPONSIBLE FOR A SUPPLY CHAIN, BUT IF THAT GOES WRONG AND THE WORLD KNOWS VIA AN ANGRY SOCIAL MEDIA THREAD, IT'S OUR PROBLEM. GOOD BUSINESS PRACTICE = PROFIT "Products making Environmental, social and governance (ESG) claims averaged 28 percent cumulative growth over the past five-year period"

https://www.mckinsey .com/industries/consu mer-packagedgoods/ourinsights/consumerscare-aboutsustainability-andback-it-up-with-theirwallets



In 2018, our 28 Sustainable Living Brands – those taking action to support positive change for people and the planet – grew 69% faster than the rest of our business. That's up from 46% in 2017.

https://www.unilever.com /news/newssearch/2019/brands-withpurpose-grow-and-here-isthe-proof/

<u>Nearly two-thirds</u> of consumers across six international markets believe they "have a responsibility to purchase products that are good for the environment and society" — 82% in emerging markets and 42% in developed markets.

https://hbr.org/2016/10/the-comprehensive-business-case-for-sustainability



# What about the workforce? Millennials.

Why millennials are the driving force behind corporate ESG policies – July 2022

• "40 per cent have chosen a job because the company had a better sustainability score. However, employee retention is just as important, with 70 per cent of millennials saying they would stay with a company with a robust sustainability plan.

• "Overall, with the millennial generation acting as the driving force behind workers becoming increasingly sustainably minded, it is clear that companies are going to have to listen to their demands when it comes to ESG. "

# What about the workforce? Gen Z

"Diversity and inclusion matter a lot to Gen Z. They also want their employer to care about the environment and have high standards when it comes to ethics and transparency. They do not want greenwashing, but real commitment to fighting climate change and safeguarding the environment. They seek truly sustainable companies, both to work for and buy from. This could drive a shift in companies' mindsets and strategies."

https://www.zurich.com/en/media/magazine/2022/ how-will-gen-z-change-the-future-of-work

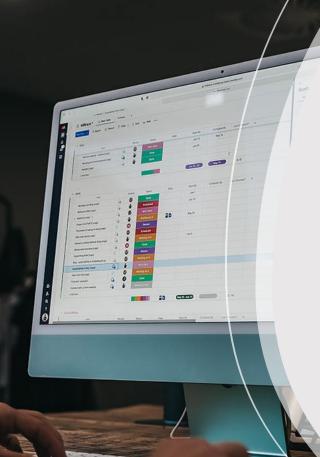
### What does sustainability look like for your organisation?







### Where are you aligned?



- Shipping
- Printing
- Travel

Plastics

Recycling

• Water

• Repair

• Reuse

• Land

• Circular

economy

preservation

• Food choices

- Vehicle use (fleet)
- Energy
- Waste
- Light
- Packaging
- Shipping
- Refrigeration
- Supply chair
- Digital



#### Audit

- Where are we?
- Where do we want to get to?
- What matters to our audience and stakeholders
- How can we impact the local community and or those impacted by our operations? Internally and externally.
- What areas are ones we are aligned to and how can they be adapted?
- What are your competitors doing? Or what are the political, economical impacts you face?
- Who do you need to internally work with, HR, operations, Sales, IT?
- Existing marketing plans are they sustainable? Consider the impact of any shift: i.e. The biggest OOH issue with digital signs and their electrical output.

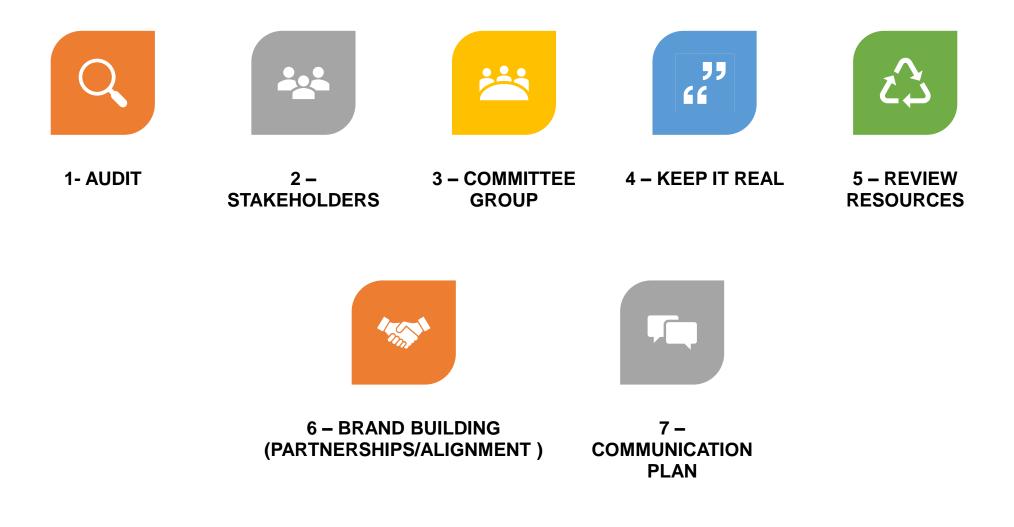




• B corp, legal status (people, profit and planet). Aligns with UN sustainable goals and even if you don't go through with the accreditation its also like a check list of where you can start. It's a lengthy process even as a small organisation.

• You can also speak with Cynnal Cymru in Wales re sustainable teaching and training, plus they run carbon literacy training for carbon heavy organisations.

# Practical actions





"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently."

Warren Buffet

# THANK YOU.

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