

Impact Hub NYC Event Highlight

Green Giants: The Six Secrets to Building a Billion Dollar Sustainable Business,

with E. Freya Williams. Co-hosted by the Bard MBA in Sustainability and Impact Hub NYC on October 16, 2015.

About E. Freya Williams

Freya Williams is CEO of Futerra North America, a global sustainability communications and consulting firm whose clients include Danone, Estee Lauder, Kering, OVO Energy, and Unilever. Throughout her career she has advised these and other organizations including Coca Cola, the United Nations, Tetra Pak, Waste Management and Kraft. Prior to Futerra, she built her own sustainable business as co-founder of OgilvyEarth, the sustainability and CSR communications practice within the global agency network Ogilvy and Mather.

Freya Williams cut to the chase as she opened the evening. She's on a mission to bust the myth that sustainability isn't good for business. Her presentation was based on her new book, *Green Giants: How Smart Companies Turn Sustainability into Billion-Dollar Businesses*, in which she shows how mega businesses are maximizing profit while being forces for good.

The event centered on nine brands with over \$1 billion in annual revenues that are "directly attributable to a product, service, or line of business with sustainability or social good at its core." The companies that made the cut are Chipotle, Nike, Unilever, Ikea, Tesla, Whole Foods, Toyota, and Natura (the Brazilian cosmetics company). She also included GE Ecomagination, although GE itself doesn't qualify as a sustainable company by most people's definition--think Hudson River PCB pollution, or more recently, their involvement in oil sands. To meet the screened revenue criteria, Williams' includes only the greener parts of GE (Ecomagination), as well as Nike (Flyknit shoes), IKEA (Sustainable Life at Home products), and Toyota (the Prius); while including all of the sales of Tesla, Chipotle, Whole Foods, Unilever, and Natura. Collectively, these nine companies' revenues exceed \$100 billion.

Williams brought several case studies to life, starting with Chipotle. Her research uncovered that the progressive fast food chain had \$4.11 billion in annual revenue in 2014--four times bigger than Burger King's revenue that same year. Chipotle achieved this stunning performance while primarily purchasing their ingredients from sustainable sources, and leading the fast food industry in environmental and social practices.

In contrast to young companies like Chipotle that embed sustainability in their business model from the start, the GE story shows how a century-old behemoth can create a new growth strategy embracing sustainability. GE's Ecomagination portfolio includes products ranging from electric vehicle charging stations to diesel locomotives, all certified and verified by a third party to deliver superior environmental and financial performance. It was worth \$28 billion in 2014, a value equivalent to a Fortune 100 company.

After compiling her Green Giants list, Williams was intrigued to uncover what they had in common, to help guide other companies toward profitable sustainability. The six key factors she identified are: iconoclastic leadership; disruptive innovation; a purpose or mission beyond profit; integration of sustainability throughout the organizational structure; transparent and consistent behavior; and products that are better, not just greener.

A standout take away was the Green Giants' stock market performance versus a portfolio of their direct competitors. The Green Giants performed 11% better over the last five years. Now that's compelling data in favor of socially, environmentally screened investments.

The evening wrapped up with a shout out to companies on their way to joining the Green Giant ranks: Patagonia, Warby Parker, Sweet Green, Zady, Airbnb, BMW, and Method. Freya Williams' meticulously researched and passionately presented

arguments left the room, and I expect most readers of the book, thoroughly convinced of the business case for sustainability.
