The Business of Sustainable Business
Being Responsible
Being Responsible

Being a Responsible Company
Being Responsible

Community

Every store is part of a community, and we take our responsibility to be good neighbors seriously.

Ethical Sourcing

We are committed to offering high-quality, ethically purchased and responsibly produced products.

Environment

Minimizing our environmental footprint and inspiring others to do the same.

Global Responsibility Report

Learn more about our goals and performance in the area of sustainability and corporate social responsibility.
Being Responsible

Community

Ethical Sourcing

Think, Create, Serve, Inspire, Lead.

Environment

Global Responsibility Report

Minimizing our environmental footprint and inspiring others to do the same.

Learn more about our goals and performance in the area of sustainability and corporate social responsibility.
Being Responsible

**Community**

**Ethical Sourcing**

**Environment**

**Goal**

Ensure 100% of our coffee is ethically sourced by 2015.

**Progress**

- 95% of our coffee was ethically sourced in 2013 through C.A.F.E. Practices, Fairtrade or another externally audited system.

**Environment**

- Minimizing our environmental footprint and inspiring others to do the same.
- Learn more about our goals and performance in the area of sustainability and corporate social responsibility.
Being Responsible

**Goal:** Reduce water consumption by 25% in our company-operated stores by 2015.

**Progress:**
- Baseline:
  - 2008: 39.35 gal
  - 2012: 36.16 gal
  - 2013: 30.20 gal
  - 2015: 18.37 gal

Water consumption decreased more than 4% over the prior year, bringing us to a total decrease of 21.1% since 2008.

Average water use per square foot. Historical records U.S. and Canada company-operated stores. Percentage change to the 2008 baseline.

2012 results previously reported as 11.7% due to differences in rounding methodology.
What is a “Business”?  

• What is the purpose of a Business or Corporation?  

• What is a “Triple Bottom Line”?  

sustainable science for sustainable schools

NSF-Funded GK-12 Project

ARIZONA STATE UNIVERSITY
What is the purpose of a business?

• To be financially successful
  • To make a profit
  • *Provide “bottom line”* benefit to its stakeholders
    – Owners / Investors
    – Employees
    – Customers / Consumers
What is the purpose of a business?

• To be financially successful
  • To make a profit
  • *Provide “bottom line”* benefit to its stakeholders
    – Owners / Investors
    – Employees
    – Customers / Consumers

• To be responsible to the community
  • *Corporate Responsibility* – how business takes account of its *economic, social* and *environmental* impacts in the way it operates, maximizing benefits and minimizing negative impacts
Triple Bottom Line

- Economic Impact
- Social Impact
- Environmental Impact
Triple Bottom Line

- **Economic Impact**
- **Social Impact**
- **Environmental Impact**

- **ASU Biodesign Institute**

- **The Coca-Cola Company**
  
  For more than half a century, The Coca-Cola Company has provided strong support for Boys & Girls Clubs of America and the youth served by Clubs worldwide.

- **APS**
  
  March 15, 2013
  
  Freshman's idea becomes endangered species project
  
  APS grant provides support
Business Model

Business
Business Model

Resources (Supplies) → Business
Business Model

Resources (Supplies) → Business → Waste → Red Shoes
Business Model

Resources (Supplies) → Business → Customers → Sales

Waste

Alex Osterwalder, http://business-model-design.blogspot.com/
Business Model

Resources (Supplies) → Cost of Goods → Operating Costs → Sales

Waste → Business

Customers → Wastes

Cost of Goods
Operating Costs
Sales
Taxes
Profit (Net Income)
Business Model

- **Business**
  - Resources (Supplies)
  - Cost of Goods
  - Operating Costs
  - Sales
  - TAXES
  - PROFIT (Net Income)

- **Customers**
  - Waste

© Alex Osterwalder, http://business-model-design.blogspot.com/
Business Model

• How might business do BETTER?

![Diagram of a business model showing the flow from resources to business, then to customers, with cost of goods, operating costs, sales, taxes, and profit (net income) highlighted.]
Sustainable Value Framework

Adapted from Laszlo (2008)
Sustainable Value Framework

DO WELL  |  Business/Shareholder Value

DO GOOD  |  Common/Stakeholder Value

Adapted from Laszlo (2008)
Sustainable Value Framework

DO WELL | Business/Shareholder Value

LOSER | LOSES

DO GOOD | Common/Stakeholder Value

Adapted from Laszlo (2008)
Sustainable Value Framework

**Risks**
- Loss of sales
- Product substitution
- Preemptive regulation
- Reputation damage
- Fines, penalties

- **Win**
- **Lose**

- **Do Well**
- **Business/Shareholder Value**

- **Do Good**
- **Common/Stakeholder Value**

Adapted from Laszlo (2008)
Sustainable Value Framework

Adapted from Laszlo (2008)
Sustainable Value Framework

**Opportunities**
- Efficiencies
- Product differentiation
- Motivated employees
- License to operate
- New markets and business models
- Enhanced reputation

Adapted from Laszlo (2008)
Corporate Responsibility

Brogues add distinction to any outfit

STAND OUT

SHOP WOMEN'S
SHOP MEN'S

One for One.

www.toms.com
Where would you like to work in the future?