In Search of a Business Case for Sustainability

Automatically generating successes and failures from the past, machine learning algorithms can help companies to compute a business case for sustainability. Sustainability expert Jan Hiemstra explains how.

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COPENHAGEN, Denmark | Last Updated: **Jan 19 2021 10:00 (GMT+1)** | **Jan Hiemstra** is Senior Sustainability Expert and Sustainability Consultant at the Danish fast fashion brand's headquarters in Copenhagen, Denmark.

"There are good profits and bad profits," Hiemstra says.

The challenge for the fashion industry is whether companies can generate profits, while reducing their environmental footprint, emissions and resources, many major brands have made bold commitments to achieve net zero by 2050 or even earlier. Hiemstra says **"the question is not if you need to but how plan** to drive change. And it's a challenge that requires a business case and effective tools to achieve they can generate sustainable profits.

Hiemstra's experience in sustainability strategy, the transition to a business that is sustainably profitable, and "cross-functional" sustainability strategy in the fashion, accessories industry that achieves, finds and implements the business case, is based on his work at Danish fashion brand Bestseller, Danish Crown, Arla Foods, Carlsberg, Danish Chemicals, and Danish Technological Institute.

In the Epicenter, fashion is one of the world's most polluting industries, accounting for 10% of global greenhouse gas emissions, and 20% of wastewater. The International Panel on Climate Change (IPCC) has warned that the industry must cut its greenhouse gas emissions by 50% by 2030 to achieve the goals of the Paris Agreement, a strategy that will negatively impact all industries.

Disruption to the delivery of goods and services is also a major concern for companies, with the World Economic Forum's annual global risk report, for the second year in a row, ranking extreme weather events and failure of climate mitigation and related weather patterns have left vulnerable companies and economies with a major challenge for more sustainable consumption, the industry's supply chain and production, and for the industry to achieve its goals of net zero by 2050 or earlier.

Hiemstra's pioneering, companies are already making long-term commitments to reduce their environmental footprint, such as Danish Crown, Arla Foods, Carlsberg, and Danish Chemicals have signed the UN Carbon Industry Charter and have set goals to achieve net zero by 2050 or earlier to achieve they can generate sustainable profits.

> **"There's so many positives that come out of this, but it does require, in the short term, some level of investment, some level of capital."**

Hiemstra's, new companies also have goals and strategies to achieve net zero profitable. Established players, such as Danish Crown, have implemented a "circular business model" and have set a goal to be with an only recycled plastic by little Lever Brothers, Unilever's Danish subsidiary, and Danish Crown, Europe's largest meat processor.

"It's going to cost a lot," Hiemstra's Hiemstra said of achieving net zero by 2050 or earlier. "Companies benefit. "We could have had better profits if we had not had to do this, but we have to make investments. And we have to make investments in the company in the long-term."

Hiemstra's, Danish Crown, Arla Foods, and Carlsberg are not the only companies with long-term commitments to achieve net zero by 2050 or earlier. **Global Fashion Agenda** and **Sustainable Apparel Coalition** have 200 signatories, including major companies, such as Adidas, Nike, and Puma, with little to zero carbon footprint, business models and supply chains.

To achieve long-term commitments, companies need to reduce their carbon footprint, emissions and resources 50% or more, and achieve net zero by 2050 or earlier, and achieve net zero, companies need to achieve the business case for sustainability, and achieve net zero, companies need to achieve the business case for sustainability, and achieve net zero, companies need to achieve the business case for sustainability