BUSINESS IN THE COMMUNITY Responsible Business Network



# DELIVERING SMART GROWTH

A business strategy for a sustainable economy

## SMART GROWTH REPORT

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# SMART GROWTH REPORT

#### Foreword

The timing of this report is important, as we move from a summer of extreme weather, towards an autumn that will see the Intergovernmental Panel on Climate Change release pathways to a 1.5°C future. It is clear that the need for action to deliver a sustainable future is greater than ever and speed is of the essence. As a result, markets are giving clear signals that these are now truly commercial imperatives. From the groundswell of public calls for action on plastic pollution, to increasing demands from investors for businesses to demonstrate their environmental and social credentials to access finance, to governments across the world getting to grips with how to decarbonise, build community health and wellbeing and find new ways to create economic opportunities for people. These issues are here to stay and successful companies will be those that find ways to address them as part of their core business.

In a world of political uncertainty, price volatility and sluggish economic growth, it is therefore heartening to see business embracing the principles of Smart Growth to find new ways to drive productivity and growth by tackling environmental challenges. The principles identified in our research show that by applying a cyclical process of investigating risks and opportunities in your value chain, identifying your unique role and then collaborating with others to innovate, is a reliable way to deliver shared value for your business and the communities you serve.

By looking beyond the immediate horizon, businesses are creating new products and services; building resilience in their operations and through their supply chains; making significant financial savings and engaging employees and communities to improve morale and brand loyalty. As the Environment Director and Chair of BITC's Environment Leadership Team, we are excited to see these trends and witness the real world benefits that a smart growth approach can achieve. We look forward to seeing many more examples over coming months and helping to support businesses to implement these principles themselves. Please get in touch if you would like to find out more.

Gudrun Cartwright, Environment Director, Business in the Community Tim Doubleday, Finance Director Burger King UK and Chair, BITC Environment Leadership Team

By looking beyond the immediate horizon, businesses are creating new products and services; building resilience in their operations and through their supply chains; make significant financial savings and engaging employees and communities to improve morale and brand loyalty.





## **INTRODUCTION**

### A RESILIENT ENVIRONMENT UNDERPINS ECONOMIC STABILITY. SMART GROWTH EMBRACES THIS CONCEPT AND IDENTIFIES THE RESOURCES, MARKETS AND CONNECTIVITY NECESSARY FOR GROWTH WHILST DELIVERING FINANCIAL, ENVIRONMENTAL AND SOCIAL RETURNS.

Climate change and environmental degradation present risks to economic growth whilst adaptive technologies provide new market opportunities.

This research builds on Business in the Community's 2017 'Achieving a 2 degree economy' which set out eight themes identified by business that will help us deliver on the Global Goals by 2030:

#### - ENERGY SECURITY AND RENEWABLES

- SCOPE 3 EMISSIONS: WORKING WITH CUSTOMERS AND SUPPLIERS
- SCIENCE-BASED TARGETS
- AN INNOVATIVE AND DIGITAL FUTURE
- FUTURE PROOFING THE BUSINESS
- SOCIETAL SUSTAINABILITY
- ACCOUNTING FOR CLIMATE CHANGE
- COLLABORATIVE ACTION

Themes that will deliver on Global Goals

Building on these themes, we use research from businesses who are leading on the Smart Growth agenda to identify a framework for Smart Growth and the business benefits that can be delivered through investing in our landscapes, people, business and society. The Smart Growth framework will support businesses to respond to policy changes at a local, national and international level. The Paris Agreement and Global Goals have set the legislative and global agenda for action internationally.

There is no long-term economic progress if we haven't taken into account environmental performance.

> Emma Howard-Boyd, I Chair, Environment Agency

In 2018 the UK Government set out a 25-year plan for the environment and city region devolution enables greater autonomy of local management for environmental issues. Each of these policies has created space for private sector engagement and collaboration. This research sets out how businesses can optimise these opportunities.

Business in the Community encourages businesses to use this report to guide their approach to identifying new opportunities and gain insights from the action already underway by such a variety of businesses.

## **DRIVERS FOR SMART GROWTH**

The operational environment for business is in a period of transformation. The 4th industrial revolution is driving technological innovations, providing new solutions to old problems. This has opened the markets for new and disruptive business models that challenge the assumptions at the heart of traditional business models. Data and knowledge exchange have increased transparency with both consumers and investors, leading to increased demand for responsible business.

Adapting to this changing context can be challenging for established businesses, but it also offers an opportunity to reframe existing business models to be more resilient to the future challenges. The UK industrial strategy identified clean growth as one of the four Grand Challenges that will put the UK at the forefront of industries in the future. The 25 Year plan for the environment placed business at the heart of environmental policy for the first time and the government's "Resource and Waste strategy" will undoubtedly highlight the opportunities within the circular economy.

#### The risk of standing still is clearly well known. Now it is about pushing into the opportunities.

Mark Newbold, CSR Manager, Lidl

#### **Opportunities**

Leading businesses are already maximising the opportunities for more circular models of working, production and distribution; they recognise the value of healthy, productive landscapes and by putting monetary values on their natural assets, are seeing the economic return from their actions.

National commitments to reducing carbon use by 80% from 1990 levels<sup>1</sup> have driven demand for clean energy alternatives and the development of the bioeconomy. It is estimated that the UK's clean economy could grow at four times the rate of GDP.

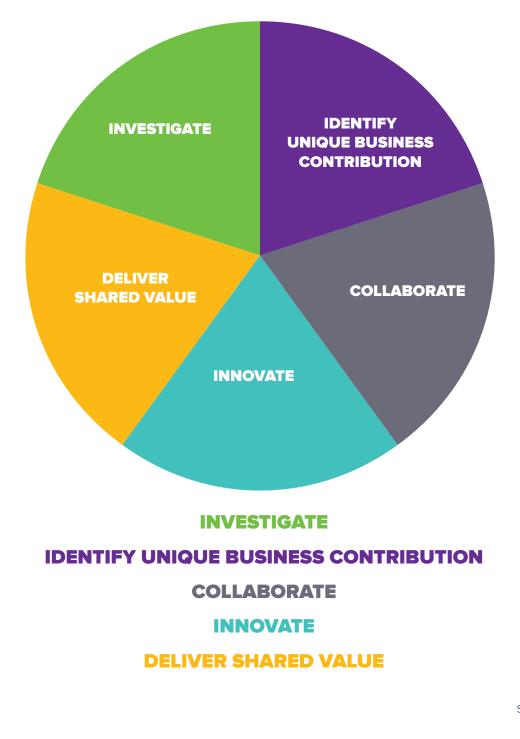
The degradation of natural resources creates a cost in terms of wasted resource. In England and Wales, 2.2 million tonnes of soil are lost every year, costing £0.9-1.4 billion and further damage is caused by soil compaction<sup>2</sup>. Collaborating on the management of natural resources in a pre-competitive environment enables businesses to reduce risk and share the cost of investment, as well as providing opportunities for diverse organisations to benefit from improvements in air quality, flood mitigation, wellbeing and carbon.

Defra's commitment to a goal of zero avoidable waste by 2050 will require a system change in our approach to waste. Shifting from a linear to a circular economy could increase resource productivity by 3% annually, generating £10bn in GVA and 200,000 new jobs by 2030<sup>3</sup>.

These policies and frameworks set out a series of connected opportunities in energy, natural capital and resources that will put business at the heart of creating a sustainable economy.

## **WORKING TOWARDS SMART GROWTH**

Analysis of the research for this report, has identified 5 key attributes and enablers that will deliver Smart Growth; all best practice examples have elements of each of these.



#### IMPACT STORIES

#### **INVESTIGATE YOUR VALUE CHAIN:**

Marks and Spencer assessed water risks across their food supply chain, down to farm level, in partnership with WWF-UK. Areas of risk were identified and prioritised in line with the volumes being sourced and the associated value to the business. They are now working to develop mitigation strategies that support collective action to develop integrated solutions. The next stage will be to establish the infrastructure necessary to secure long-term, sustainable water management in high risk areas.

#### **IDENTIFY UNIQUE BUSINESS CONTRIBUTION:** Sky made use of its unique position to influence attitudes and behaviour to tackle the issue of ocean plastics through its campaign, Sky Ocean

**Rescue.** Their ability to develop content and drive communications through multiple media platforms enables them to achieve significant impact reaching over 30 million people since launch in January 2017. At its launch Sky News and TG24 broadcast two days of coverage on plastics and have continued to air news reports and documentaries on the issue. This was backed up with initiatives such as Ocean Ventures, investing £25million over 5 years in new ideas and businesses that will find solutions to ocean plastics.

#### **COLLABORATE:**

## Yorkshire Water re-imagined their wastewater treatment process at their plant in Esholt with a

**commercial rather than waste focus.** This has led to the reuse of material as construction aggregate and the identification that a number of treatment bi-products could be utilised as a resource for water and energy sensitive housing, sustainable industry, job creation and GVA growth in the region. They are now working with a broker to identify industries that could occupy the site and contribute to an onsite circular resource system, such as agriculture, IT, biotec and traditional industries.

#### **INNOVATE:**

#### Air traffic control services company, NATS took a digital approach to climate change adaptation creating digital modelling systems that reduce the amount of time that planes spend in holding

**patterns.** Recognising that climate change will lead to higher windspeeds their systems, known as Time based spacing (TBS), enables aircraft to very accurately hold patterns in strong headwinds to ensure consistent throughput of landings. This significantly reduces fuel burn and CO2 emissions.

#### SHARED VALUE:

#### JC Decaux is developing more sustainable

**street furniture.** The outdoor advertising company is working with partners and cities to develop sustainable street furniture. The pilot bus shelter near Manchester Piccadilly incorporates charging points, Wi-fi touch screens, a green wall and a living wall powered by renewable energy. It reduces pollution, increases community wellbeing and is being used as a learning opportunity for future street furniture installation.



## **DEMONSTRATING SMART GROWTH**

Smart Growth delivers financial, environmental and social returns for business. Businesses consistently measure and report on the financial, but the social and environmental are often overlooked or perceived only as positive externalities. There is a growing demand from investors, government and consumers for businesses to report on their triple bottom line.

For example, one year on from the release recommendations from the task force on climate related financial disclosure, 130 investors with \$130 trillion in investments have recommended that the G20 consider these recommendations in national disclosure rules<sup>4</sup>.

Businesses have already started to respond to this demand. The Crown Estate has developed Total Contribution Accounting as a methodology to account for financial, social and environmental capital.

Drawing on business case studies the research has identified five areas where shared value can deliver financial returns alongside environmental and/or social returns.

#### **Shared Value**

- For business: This type of model usually relates to businesses that are directly reliant on natural capital or those who have identified new market opportunities in the green economy.
- For employees: The average cost of replacing a staff member is £30,614 <sup>5</sup>, costing UK business over £4billion a year. Wellbeing and strong values can attract staff, particularly younger staff to develop with the business.
- In places: The industrial strategy sets out that every region will have a role in boosting the national economy. This will be supported by local industrial strategies and investment through funds such as 'Transforming Cities Fund.' In addition, BITC has identified how businesses can achieve economies of scale by working collaboratively at a city level.
- Supply chain: Business can face risk through their supply

chain. Engaging suppliers with good environmental and social practice can help provide long term sustainability for commercial goods.

• For future prosperity: Digital technology and green financing will have a transformational impact on how businesses can optimise social and environmental capital.

We are constantly on the lookout for the next win-win proposition that will provide both a sustainable solution and also contribute to the commercial success of the business.

> Chris Griffiths, SuDs Marketing Development Manager, Marshalls

**IDENTIFY UNIQUE BUSINESS CONTRIBUTION** 

COLLABORATE

INNOVATE

**DELIVER SHARED VALUE** 



Direct business benefits are perhaps the most well documented to date. Whilst cost savings from efficiencies are still prevalent, as evidenced in last years 'Smart Growth: Achieving a 2-degree Economy', much of the focus is shifting to reducing exposure to risk, adapting to changing market and climate conditions and finding new customers and markets.

#### Smart Growth is enabling us to create business that didn't exist 5 years ago.

Alex Vaughan, Managing Director I Natural Resources, Costain

#### IMPACT STORIES

Costain has launched a new tool designed to reduce the environmental impact of the construction and infrastructure sectors, which currently accounts for more than 50% of the UK's emissions. The Carbon Infrastructure Transformation Tool (CITT) detects carbon emission hot-spots in the parliest stages of delivering complex projects. The

earliest stages of delivering complex projects. The open-source plug-in works with all industry standard project planning tools and enables project managers to make decisions about how to minimise the amount of carbon they generate. Landsec have set a Science Based Target (SBT) of 40% reduction in carbon & energy intensity by 2030, with 87% of sites taking forward energy reduction measures. They have also shared the methodologies of how they have set their SBTs to provide guidance for smaller businesses in the industry to follow in their steps.

We are getting some real momentum behind showing the circular economy in practice, using heat, treated waste water and spare land. It feels genuinely exciting. I see this project as being a game changer.

Gordon Rogers, Head of Sustainability, Yorkshire Water

#### Insights

Smart Growth approaches can create a competitive advantage for businesses seeking to differentiate themselves in a sector. Making products like Costain's carbon infrastructure transformation tool open source can also create shared value across the sector and highlight a company's ability to innovate with new technology and ideas.

IDENTIFY UNIQUE BUSINESS CONTRIBUTIO

COLLABORATE

DELIVER SHARED VALUE



## FOR PEOPLE

People are at the heart of vibrant, healthy communities and are often the driving force as well as the beneficiaries of Smart Growth. Businesses who have engaged employees through Smart Growth solutions report improved employee engagement, development of skills, and an opportunity to attract, retain and stretch talent.

#### It is clear that for all this to work, there is a need for vision, passion and drive at the level of the environment team manager, matched with the vision at the top.

Christina Downend, Climate Change Manager, Tesco PLC

Managing risk and optimising opportunities within the green economy requires businesses to build a dialogue with customers, understanding and influencing behaviour change or supporting the adoption of new technologies. For many businesses, strong consumer engagement has eased the transition to a Smart Growth approach.

#### IMPACT STORIES

From 1 January 2019, ALDI UK and Ireland will operate carbon neutrally. A key element to achieving this is its behaviour change programme bringing employees on board with the carbon challenge, reducing energy consumption and waste production.

Anglian Water identified seven challenges for the business to 2035 – climate change and sustainable growth being the most significant. Love Every Drop fundamentally changed how the business operates with a set of bold, far-reaching business goals, embedded throughout all operations. To deliver this, Anglian developed a customer outcomes-based Business Plan as part of its corporate statute, as well as a series of structural initiatives achieving increased staff engagement, customer service and operational performance.

**Reduced electricity and waste costs have saved** Midcounties Co-operative £1mllion a year, while embracing community renewable energy has provided growth opportunities for the business and broader engagement with colleagues and members, such as its Central Oxford Regional **Community.** They are working with the Low Carbon Hub and Botley Primary School solar programme through their Central Oxford Regional Community. Also, through their Forest of Dean, Stroud and Cheltenham Regional Communities they are working with Severn Wyre Energy Agency in Gloucestershire to raise awareness of energy saving and initiatives to help alleviate fuel poverty in the community. These initiatives have also engaged colleagues in energy saving measures and seen further reduced energy usage at their local trading sites.

#### Insights

Setting social outcomes at the heart of a customercentric business can help build trust, cohesion and dialogue with customers. This can become a valuable asset when you need to work with customers on issues related to behaviour change or risk management. People are at the heart of a successful Smart Growth approach and businesses that can build trust with consumers will reap the benefits.

**IDENTIFY UNIQUE BUSINESS CONTRIBUTION** 

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**DELIVER SHARED VALUE** 

## **ACROSS VALUE CHAINS**

A healthy ecosystem provides shared benefits such as food production, flood protection, wildlife habitats and sites of natural beauty. Effective, sustainable use of resources and climate change adaptation requires collaboration between businesses, suppliers, communities and customers. The traditional, linear approach to production is no longer viable and businesses are looking to reduce risks in supply chain, building expertise to identify new ways of managing assets and innovating to create a circular, Smart Growth approach.

Unlocking Smart Growth through value chains often starts with investigating and understanding the impact of natural assets on the business. For example, the British Retail Consortium, Beverage Industry and Food and Drink Federation all have tools to measure, manage and report water stewardship; National Grid have created a natural capital accounting system, while IHG led the Hotel Carbon Measurement Initiative standard now used across the industry.

#### Risk - and how we minimise the risk to supply – is still driving the company's approach to the environment.

Barry Harland, Director of Corporate Responsibility, Whitby Seafoods

#### IMPACT STORIES

**Samworth Bros. worked with their potato farmers to reduce food loss and waste.** By identifying that up to 40% of the potato crop was being sent for anaerobic digestion or to land fill, and by working with the supplier and retailer, waste was reduced to 10%. Working with Tesco, they also increased the use of farmers' crops by using smaller and mis-shaped potatoes in mash for ready meals. This increased usage from 60% to 90%.

Whitby Seafoods use their Responsible Sourcing Strategy as a major driver for how the company reduces their impact on fishing grounds around UK waters and improves the health and welfare of the fishermen who fish these. This has led to the growth of Fishery Improvement Projects (working with industry and the Marine Stewardship Council (MSC) and formation of working groups to improve the health, safety and welfare of UK fishermen. These reforms will provide transparent contracts, welfare improvements, enhance safety processes and formalise pay policies for fishermen. All fishing organisations will need to demonstrate transparency in this area and Whitby Seafoods are breaking new ground.

#### Insights

Climate change will increase the vulnerability of supply chains. For example, following extreme weather in the UK during 2018 it is estimated that there will be a 5% rise in food costs <sup>6</sup>. Businesses can manage this risk by working across the value chain to build resilience to shocks and ensure sustainable supplies for future markets.

## FOR PLACE

Every place is defined by its environment. Healthy environments underpin healthy communities. Businesses have an opportunity to help catalyse environmental solutions at a local level; driven by commercial risks, opportunities and dependencies, with local government strategically positioned to act as an enabler.

#### **Delivering shared value**

Collaboration is an intrinsic part of delivering Smart Growth in a place. The research conducted for this report found that businesses are harnessing the social, environmental and business benefits gained through cross-sector collaboration on place-specific challenges.

Business in the Community has worked with members to model approaches to collaboration, in rural and urban contexts. These models, as set out below, show new approaches to shared investment and stewardship in a shared landscape, or place. Both have developed new economic models, seeking to deliver long term environmental, social and financial outcomes.

IMPACT STORIES

Business in the Community has been working to develop a new way in which businesses can collaborate to protect the natural capital in their local landscape that impact on their bottom line. These Landscape Enterprise Networks (LENs) are built by understanding the aspects of a landscape that have value to business and building a network of businesses and beneficiaries with shared interests to develop solutions for improving the health of those landscape assets.

This approach demonstrates that through a shared interest in landscape assets, there is an economic

case for businesses to identify how they could focus investment and influence to deliver environmental sustainability. Business in the Community is piloting this approach in Cumbria with Nestlé and United Utilities.

We see it as an inspiring way to work together with regional networks of businesses, to protect our common interest in the health and performance of the landscapes in which we operate and source vital raw materials.

Andrew Griffiths, Head of Value Chain Sustainability - Nestlé UK&I



**IDENTIFY UNIQUE BUSINESS CONTRIBUTION** 

COLLABORATE

INNOVATE

**DELIVER SHARED VALUE** 



#### IMPACT STORIES

Green space in cities provides multiple benefits for business and communities, including resilience to climate change, improved air quality and wellbeing. The Water Resilient Cities programme developed a business case for green infrastructure by modelling the cost saving opportunity of using green infrastructure to reduce wastewater bills in schools and NHS sites across Greater Manchester. The results indicated that with a return period to 15 years, 598 sites could invest in green infrastructure, saving over £800,000 per year, creating over 300,000m2 of green and blue space and delivering over £83million worth of social and environmental benefits.

Understanding the opportunities for co-investment allows businesses to allocate resources more effectively. By valuing wider benefits businesses can shape strategies to optimise social and environmental good.

#### Insights

Focusing on a place allows businesses to identify and evaluate the interdependencies that exist between them. They can understand where they share values, either in the social or natural capital of that landscapes. This approach creates opportunities for co-investment which can increase efficiencies and reduce long-term costs. Working collaboratively can be challenging, but Business in the Community are working with Government and stakeholders to develop and understand how models for collaborative investment can be successfully delivered. To adapt to climate change and ensure we have healthy ecosystems, our focus is to work with partners to find shared solutions to shared problems.

> Chris Matthews, Head of Sustainability, United Utilities



## FOR THE FUTURE

IN THE PREVIOUS SECTIONS, THIS REPORT DETAILS NEW WAYS OF WORKING AND NEW MECHANISMS BEING USED TO ASSESS, CREATE AND MAXIMISE VALUE THROUGH SMART GROWTH. AS WELL AS FURTHER DEVELOPMENT IN THESE AREAS, IT IS CLEAR THAT THERE ARE TWO MAJOR DISRUPTORS GAINING TRACTION:

#### **Innovative Financing**

To achieve sustainable change, environmental projects need to be viable for financial investment. Many businesses are already developing projects that create new financial mechanisms related to environmental performance and enable consistent valuation of natural capital assets. There is no doubt that the future lies in leveraging these opportunities to drive commercially driven environmental change, creating economic growth through sustainability.

> All this is a huge balancing act, how do you show that you understand this combination of environmental factors in a way that can deliver performance, and transition over time to a low-carbon economy?

Emma Howard-Boyd Chair, Environment Agency<sup>8</sup>

Business in the Community held an innovative financing roundtable, hosted by Lloyds Banking Group, to explore the opportunities for green financing with businesses. The roundtable discussions identified that whilst the business case for collaboration and financing was strong, there is a lack of institutional infrastructure to support models for blended financing. It was identified that this is a barrier that central government could help to address.

#### IMPACT STORIES

#### National Grid's natural capital approach has enabled it to prioritise action and target investment to deliver the greatest environmental, social and economic

**returns.** It conducts 'scenario analyses' through a net gain valuation tool which compares different management options for each site over a 30-year period. This helps them to target investment and work with local partners to determine the route which will deliver the greatest social and environmental benefit. This is raising awareness of natural capital within their business as all major construction schemes will deliver net gain.

#### In 2016, Lloyds Banking Group set up a £1 billion Green Loan initiative to incentivise commercial real estate to become more energy efficient. As a

result, more than 5 million sq. feet of Britain's real estate became more energy efficient by the end of 2017, with a further 5 million sq feet targeted by 2020. Through this proposition, Lloyds Banking Group supported and structured the green element of an innovative €650 million syndicated refinance for Europe's largest commercial real estate business, which incentivised performance against a number of green performance indicators. Lloyds Banking Group also supported a £50 million loan to help one of the UK's largest pub companies drive its sustainability agenda across its pub estate. It is also helping more of its commercial clients to understand and manage their sustainability risks as part of ongoing client relationship conversations

#### **IDENTIFY UNIQUE BUSINESS CONTRIBUTION**

COLLABORATE

#### INNOVATE

**DELIVER SHARED VALUE** 



#### Digital

Digital transformation will disrupt traditional business models, creating challenges for society<sup>7</sup> but also opportunities to create new ways of working in line with Smart Growth. Businesses are continually innovating in this area to identify or create new opportunities for efficiencies, collaboration, and action. New platforms can offer wider understanding of environmental triggers or assets and use of big data makes it easier to predict and reduce the risk of environmental issues.

> Now more than ever we must dare to lead the way in pioneering technologies that will benefit the cities and communities we serve around the world.

> > Wilfrid Petrie Chief Executive, ENGIE

#### IMPACT STORIES

## In 2016, 3,500 of Northumbrian Water's customers experienced flooding. In response, Northumbrian

Water developed an Asset Performance Analytics project that uses big data to provide intelligence that makes use of readily-available analytical toolsets. By gathering and transforming years of data they can predictively model the effect of heavy rainfall on their services, leading to improvements in sewer pump performance and reductions in flooding incidents. In addition, the project is delivering ongoing cost reductions of around £4 million over five years, including energy efficiency savings of 15-20 percent. ENGIE has helped customers to better understand patterns of behaviour in their workspace in relation to energy usage so they can make better decisions.

They also piloted a new approach to Building Information Modelling with its customer The British Library and for Kings College London, developing an app that keeps staff and clients informed about local air quality.

#### The Land App is a collaborative, online mapping platform. It streamlines the process of designing and managing land based projects, unlocking a wide range of economic, environmental and social

**benefits.** Their mission is to help land managers make better decisions on how to manage land for long-term profitability and environmental sustainability.

# You must align opportunity to business value.

Nicky Conway, Sustainable Development Manager, National Grid

#### Insights

Business in the Community has partnered with Anglian Water and Capgemini to take a digital deep dive into how digital transformation can help deliver Smart Growth. This work has identified four principles that will help businesses harness the opportunity of digital transformation:

- **Open data:** A collaborative, pre-competitive approach is critical in delivering shared value.
- **Privacy:** Data should be used responsibly; whilst working with business to optimise transparency.
- Centralisation: Data from multiple sources held with a trusted broker can help anonymize individuals and maximise efficiencies.
  Smart Growth Report

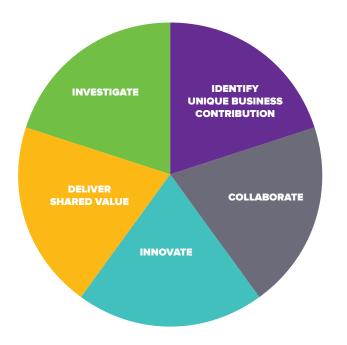
## **REALISING SMART GROWTH**

#### **For Business**

Through this report, we have highlighted the enablers for business and government to achieve Smart Growth. Business in the Community's mission for 'Smart Growth' is to find new ways to create commercial, economic and social value by tackling some of our most pressing environmental challenges. The Responsible Business Map identifies three key Smart Growth priorities:

- Maximising resource productivity in a circular economy
- Nurturing the health of the ecosystems we depend on
- Achieving net zero carbon and building resilience to climate risks

Businesses have an opportunity to integrate these three areas into commercial models, securing long term sustainability and competitive advantage. We hope that businesses will draw on the lessons established through our case studies to map out their own Smart Growth journey. We have recommended 5 steps to help businesses understand how they can adapt their existing model to a Smart Growth model.



#### **For Government**

The UK Government has promised that this will be the first generation to leave the environment in a better state than it inherited. At a global, national and local level they have set out a clear expectation on how business can deliver on Smart Growth. However, business also require government to provide an enabling environment for a Smart Growth transition. Business in the Community's research has identified six ways in which government can create an enabling environment for Smart Growth:

- Make fundamental changes to the recycling process
- Incentivise producers through environmental criteria
- Greater consistency on decarbonisation
- Strong environmental legislation
- Provide new measures for natural capital based on metrics
  not cost
- Keep ambitions high

Transitioning to a Smart Growth approach will require a systemic shift from a linear to a circular economy. Business, government and society will all have to play a role in achieving this. Business in the Community will support this approach by providing expertise to challenge and support companies to develop innovative products, services and processes. We will convene businesses and key partners to learn and solve shared challenges and facilitate collaborative projects that harness the power of technology, new financing models and better ways of influencing policy to change the game. We will continue to work with our members to achieve a Smart Growth approach.







This document has been based on Business in the Community's work supported by the Department for Environment, Farming and Rural Affairs for the last three years.

Business in the Community, supported by Bean Research, also interviewed 28 leading businesses to understand their motivations, lessons learnt and visions for the future.

Thank you to all those that contributed:

ALDI, ANGLIAN WATER, CENTRAL ENGLAND CO-OPERATIVE, COSTAIN, ENGIE, JC DECAUX, LANDSEC, LIDL, LLOYDS BANKING GROUP, MARKS & SPENCER, MARSHALLS, MID COUNTIES CO-OPERATIVE, NANDOS RESTAURANTS, NATIONAL GRID, NATS, NESTLE, NORTHUMBRIAN WATER, SAMWORTH BROTHERS, SKY, SOUTHERN WATER, SOUTH WEST WATER, STANTEC, TESCO, THAMES WATER, THE LAND APP, UNITED UTILITIES, WHITBY SEAFOODS, YORKSHIRE WATER.





## **ENDNOTES**

- 1 Defra, 25 year Environment plan
- 2 Defra, Safeguarding our soils
- 3 Business in the Community Resource Productivity and the Circular Economy
- 4 CDP, Reporting climate resilience
- 5 https://www.unum.co.uk/staff-recruitment-retention-simple-guide, 2014
- 6 Centre for economic and business research https://cebr.com/reports/feeling-the-heat-extreme-weather-set-to-cost-uk-con sumers-45-million-per-week/
- 7 BITC 'Brave New World' report https://www.bitc.org.uk/sites/default/files/a\_brave\_new\_world\_bitc\_accenture\_report\_novem ber\_2016.pdf
- 8 'What the Environment Agency does is real stuff': The Financial Times, 28 October 2017



The Prince's Responsible Business Network



#### Katie Spooner Head of Water

Business in the Community 137 Shepherdess Walk London N17RQ

www.bitc.org.uk

Chairman: Jeremy Darroch

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