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ENVIRONMENTAL SUSTAINABILITY

Does It Make Dollars and Sense?

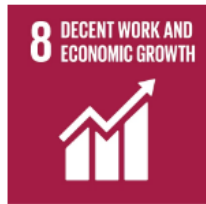
Kevin Moss – Global Director Business Center.

@KevinIMoss

THE BUSINESS CASE

- *Cost Reduction*
- *Futureproofing/risk mitigation*
- *Reputation Enhancement*
- *Employee Retention*
- *License to Operate*
- *Investor Attraction*
- *Market Opportunity*

THE GLOBAL GOALS



IT DOES MAKE DOLLARS & SENSE?

BY 2030:

Sustainable business models could unlock **\$12 trillion in revenue and savings** and create up to **380 million jobs**.

Business & Sustainable Development Commission

The Paris Agreement will help to open up nearly **\$23 trillion in opportunities for climate-smart investments** in certain emerging markets.

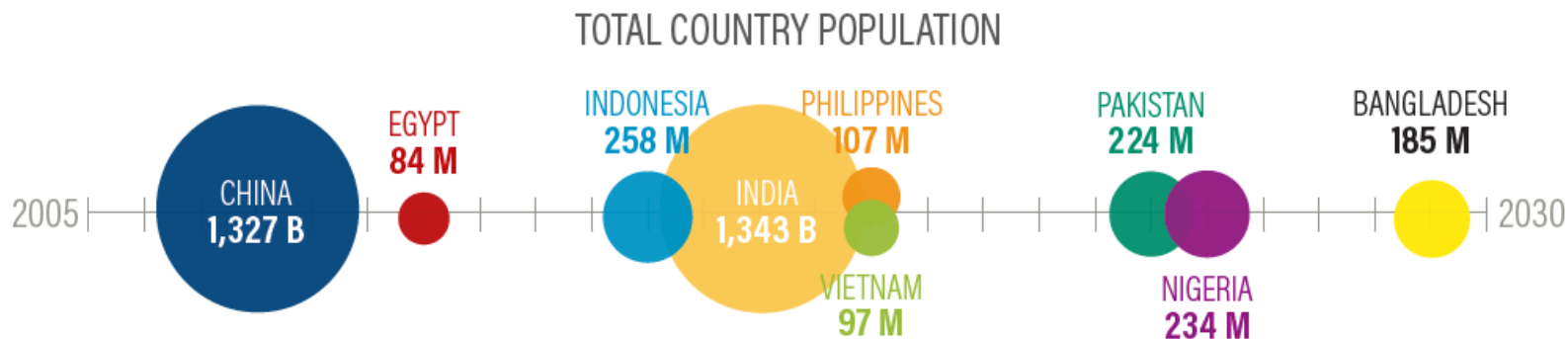
IFC

The world is expected to invest around **\$90 trillion in infrastructure**.

New Climate Economy

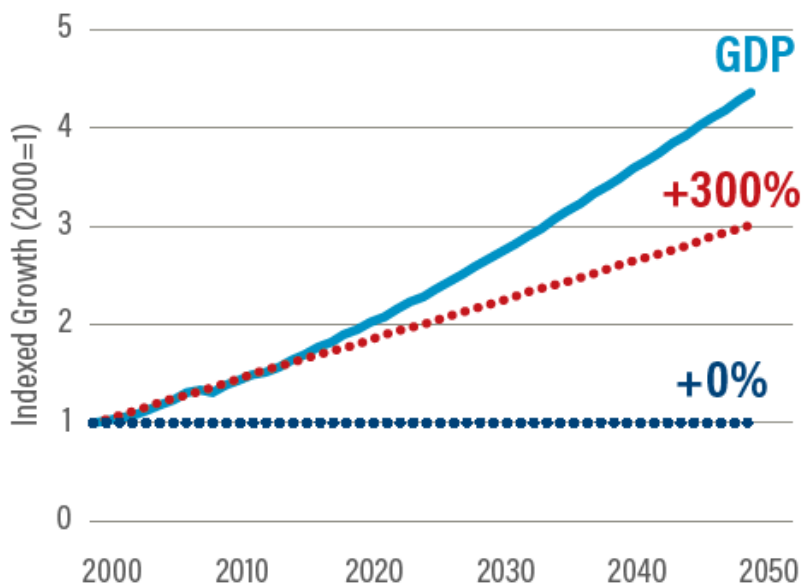
TOMORROW'S MARKETS: MANY MORE PEOPLE, LESS POVERTY

Nine countries have or are expected to achieve the 'middle-class effect' between 2005 and 2030.



"Middle-class effect" occurs when average per capita income reaches \$6,000 per year. At this point, consumption (real household expenditures) accelerates and contributes to further growth of the middle class.

RESOURCE LIMITS COULD PUT A BRAKE ON BUSINESS GROWTH



We are on track to triple our use of natural resources by 2050, posing a severe threat to economic and human security.



We must decouple use of natural resources and economic growth to contain our current overuse of water and land and drastically reduce our carbon emissions.



IGNORE
resource limitations

IMPROVE
existing models

EMBRACE
new models

DELINKING BUSINESS GROWTH & ENVIRONMENTAL IMPACT



We need new business models that are not predicated on selling more stuff to more people.

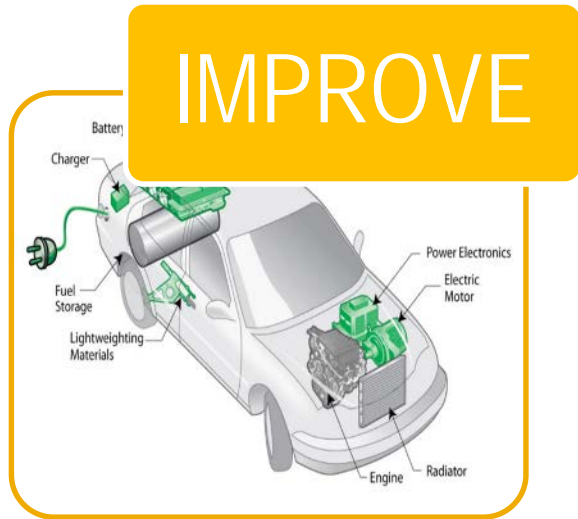
SYSTEMIC CHALLENGES



TRANSPORT



IGNORE



IMPROVE



EMBRACE

APPAREL



IGNORE

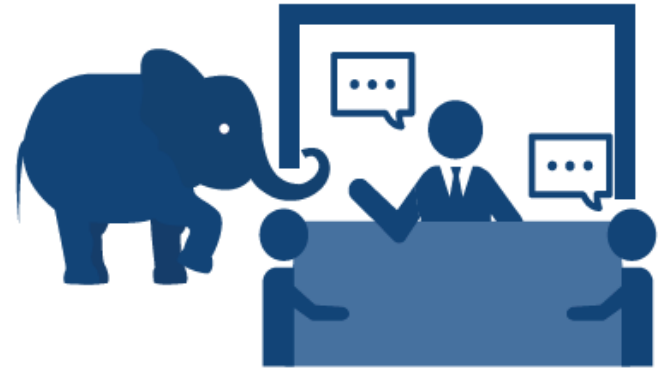
IMPROVE



EMBRACE

CALL TO ACTION FOR BUSINESSES

It's time to address the elephant in the boardroom. Normalizing the conversation on consumption will lead to new business models that meet demand within the planet's limits in new and exciting ways.



Three recommendations for business leaders:



Do the math. Can your business meet demand in 2050 without consuming more resources than it uses today? If not, what needs to change?



Take a leadership role and change the conversation with customers, investors, policymakers and peers.



Transform your business to one that will thrive in a resource constrained future. Look at circular economy, sharing economy and other innovations.

DOWNLOAD THE PAPER

www.wri.org/publication/elephant-in-the-boardroom

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#TomorrowsMarkets



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WORKING PAPER

THE ELEPHANT IN THE BOARDROOM: WHY UNCHECKED CONSUMPTION IS NOT AN OPTION IN TOMORROW'S MARKETS

SAMANTHA PUTT DEL PINO, ELIOT METZGER, DEBORAH DREW, AND KEVIN MOSS

EXECUTIVE SUMMARY

There has been a sea change in business leadership on environmental and sustainable development issues over the past 20 years. Many CEOs speak "sustainability," and many multinational companies have invested resources to build internal capacity on sustainability. It has become common for these companies to establish greenhouse gas emissions reduction targets and renewable energy goals and to address water risk and deforestation. Indeed, it is difficult to imagine how the historic Paris Agreement on climate change or the United Nations' wide-ranging Sustainable Development Goals could have been cemented without the support of business.

However, underneath this welcome progress lies an uncomfortable truth: Most businesses' growth is still predicated on more people buying more goods. The world will have more than 9 billion people by 2050, and the middle class will have swelled by 3 billion by 2030. On top of this, consumer expectations for yet more are being stoked by trends such as fast fashion. The rapid expansion of consumption-driven markets in the coming decades is the anticipated engine for continued business growth.

The problem is that the planet's natural systems and finite resources cannot keep up. Studies cited in this paper show that we are already at or close to the limits of the planet's ability to provide. A continuation of business as usual would mean not just a slight additional strain, but three times as much consumption of the planet's already overused resources.

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Working Papers contain preliminary research, analysis, findings, and recommendations. They are circulated to stimulate timely discussion and critical feedback, and to influence ongoing debate on emerging issues. Working papers may eventually be published in another form and their content may be revised.

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