



Resilient Business  
Within Planetary  
Boundaries

# Reinventing Growth

Sustainability and Growth: Tension and Opportunity

March 2025



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# 01

## Objectives and Intended Audience of This Brief

You want to better understand the tension between growth and sustainability targets and the problem it poses to achieving your goals.

You want to understand the opportunity for your company to transform business models to ensure business resilience and meet your targets.

### Who is this brief for?

- This brief is for chief sustainability officers and/or members of the sustainability team who are facing a disconnect between their company's sustainability and business goals.
- Companies at all stages of maturity in their sustainability journey can leverage this brief.
- Companies in earlier stages will find foundational concepts and messaging.
- Companies with mature sustainability journeys will find food for thought to engage in internal conversations within their teams.

*While you're welcome to leverage the content, BSR suggests you don't use it per se to guide conversations with decision-makers in non-sustainability functions (e.g., CEO / CFO / Board) who might be less familiar with some of the key concepts in this deck. Please refer to the BSR Engagement Guide and tailor to your context and the knowledge, expertise, and priorities of the stakeholders you are addressing.*

### Why is this guide needed?

- Our many conversations with BSR member companies show that many corporate sustainability pioneers experience a significant tension between business and sustainability goals, and as a result they likely to miss them.
- By addressing this tension through business model innovation that reimagines growth, companies have an opportunity to increase business resilience and future-proof their organizations.





# 02

## The Problem and Opportunity for Business

Traditional business models expose companies to significant risks and are a barrier to delivering sustainability outcomes. Reinventing business models is an untapped opportunity for business resilience.

**Ambition and efforts** to achieve global climate, nature, and societal goals **have increased** significantly in the past decade...



Set of foundational global agreements and frameworks to guide international efforts toward a more sustainable and equitable future.



United Nations  
Convention to Combat  
Desertification



Convention on  
Biological Diversity



THE GLOBAL GOALS  
For Sustainable Development



PARIS2015  
COP21-CMP11



Dramatic increase in climate commitments by countries and business. 128 countries have national targets, companies with science-based targets grew over 100% a year over the past three years.



Global investment in clean energy technologies and infrastructure is set to reach US\$2 trillion in 2024, and renewables are now the cheapest source of energy.



Annual issuance of all green, social, sustainability, and sustainability-linked bonds could hit US\$1.05 trillion in 2024, up from US\$0.98 trillion in 2023, and may reach 14% of the global bond market.



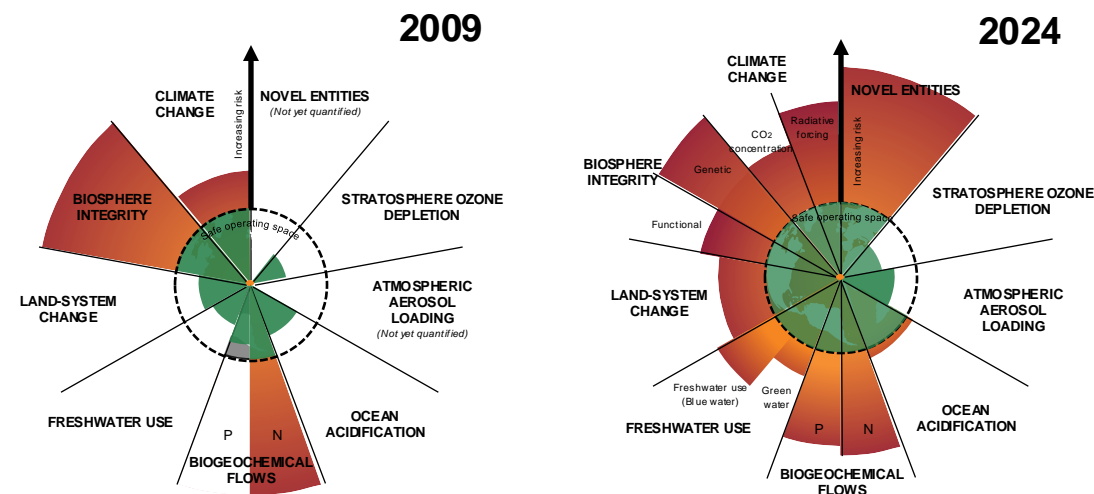
Biodiversity conservation is receiving heightened attention. The Kunming-Montreal Global Biodiversity Framework, adopted by 196 countries at COP15, sets targets to halt and reverse biodiversity loss by 2030.



But **progress is insufficient**. On the contrary, the world is moving outside of the planetary boundaries – the critical limits that define the safe operating space within which humanity can thrive.



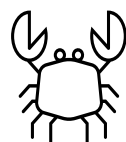
In 2024, 6 out of 9 planetary boundaries were crossed and one was on the verge of boundary transgression:



Global temperatures are projected to increase by nearly 3°C by the end of the century. 2024 was the hottest year on record, breaching the 1.5°C mark for first time.



Existing vulnerabilities and inequalities intensify with adverse impacts of climate change. Around 3.3 to 3.6 billion people are highly vulnerable to climate change.



The WWF Living Planet Report 2024 highlights a global crisis, revealing a catastrophic decline of 73% in wildlife populations over the last 50 years, as measured by the Living Planet Index (LPI).

**Business action is critical** to achieve global sustainability goals and has increased significantly.

**But even the most sustainability-minded companies are struggling** to operate within those boundaries and meet their own targets.

 **TRELLIS** | FORMERLY GreenBiz

**Microsoft, P&G, Unilever and Walmart among 239 companies to miss net-zero deadline**

 **Reuters**

**Some 40% of regions, cities and companies lack emissions-cut targets, survey says**

**EARTH · ORG**

**Google Emissions Grow 48% in Five Years Owing to Large-Scale AI Deployment, Jeopardizing Company's Net Zero Plans**

**FINANCIAL TIMES**

**Walmart pushes back climate change targets**

World's largest company by sales acknowledges progress is delayed and it expects to miss its 2030 goals

 **The Guardian**

**'Top oil firms' climate pledges failing on almost every metric, report finds**

Oil Change International says plans do not stand up to scrutiny and describes US fossil-fuel corporations as 'the worst of the worst'

**VOGUE  
BUSINESS**

**Fashion's carbon footprint is outpacing its climate progress**

As brands and sustainability leaders descend on New York for Climate Week, we take stock of where commitments lie and what needs to happen for progress to pull ahead.

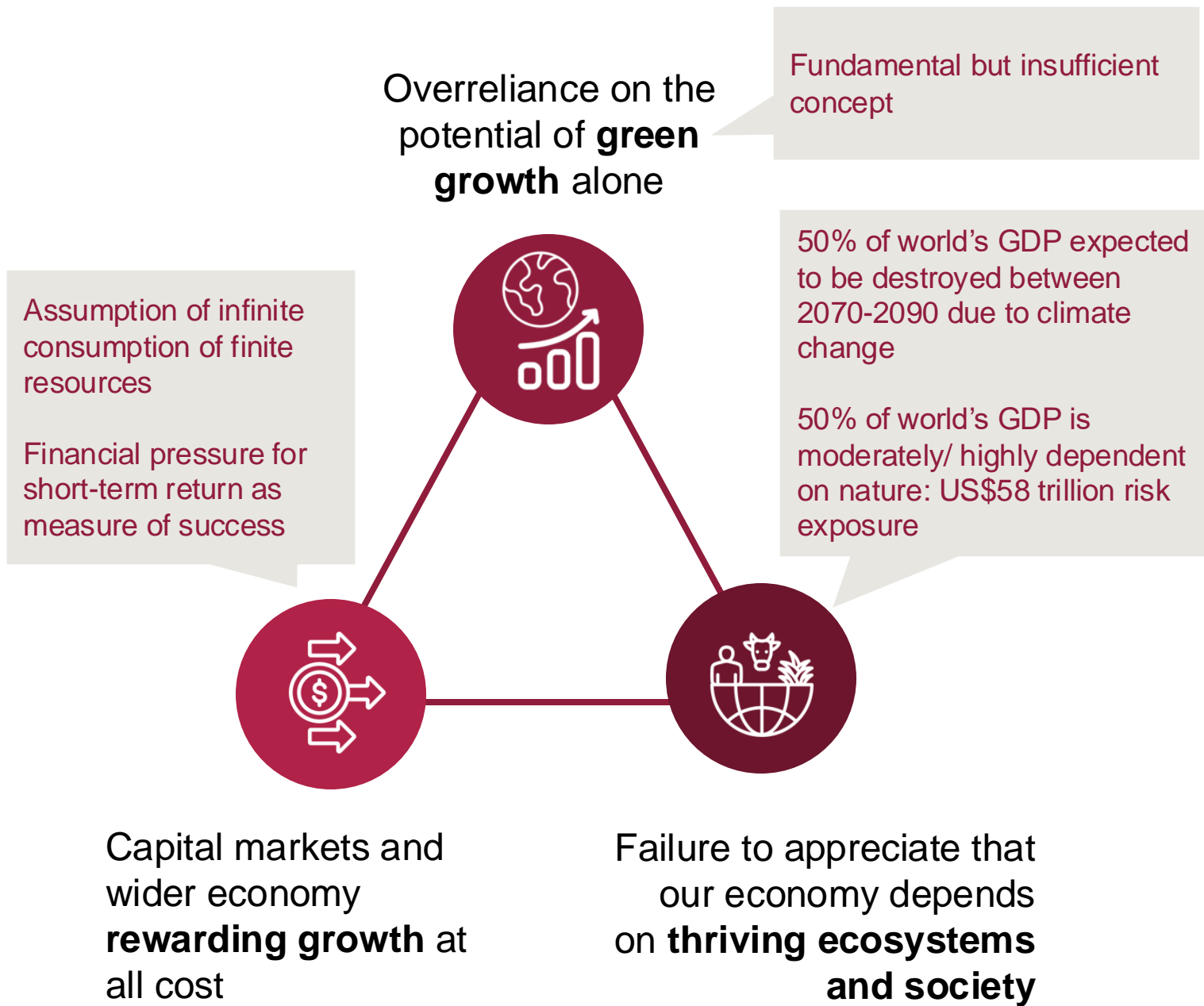
 **recycling  
today**

**Plastic packaging report finds gaps in companies' commitments, actions**

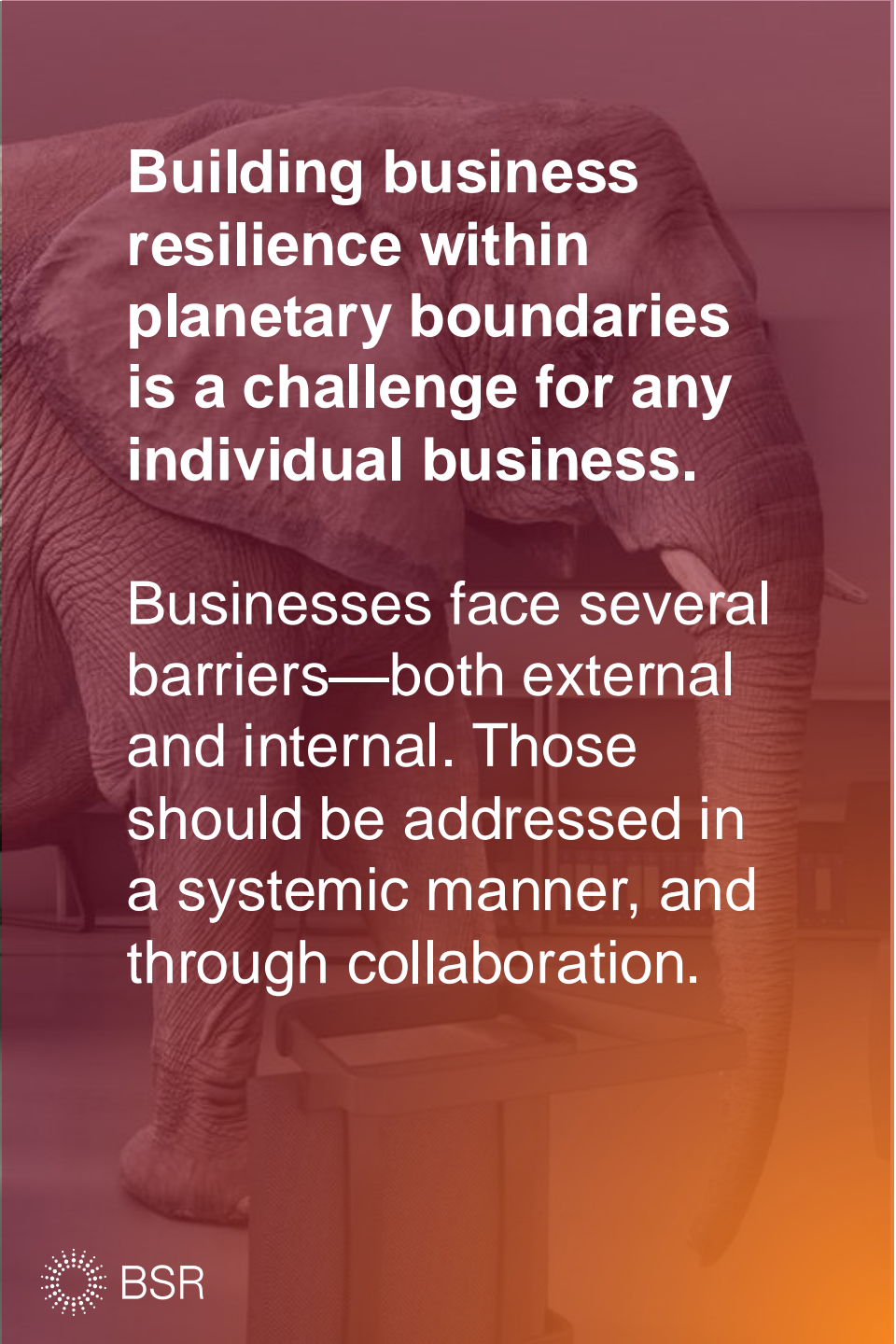
As You Sow's "2024 Plastic Promises Scorecard" claims only 22 of 147 companies researched are on track to meet upcoming recyclability targets.



**We're trying harder than ever.** But current sustainability efforts are under-delivering due to three interconnected assumptions that are proving wrong.







**Building business resilience within planetary boundaries is a challenge for any individual business.**

Businesses face several barriers—both external and internal. Those should be addressed in a systemic manner, and through collaboration.

## EXTERNAL BARRIERS

Economic system and policy environment focused on profits

Limited understanding of risks and opportunities

Market dynamics that favor continuous growth and consumption

Lack of case studies, experience, expertise

Focus on maximizing shareholder value

Cultural inertia and internal resistance to change

## INTERNAL BARRIERS

**However, there is a timely opportunity for companies to build business resilience and help shape a new economy that delivers health, jobs, and well-being.**

**The earlier we do it, the lower the risks.**



Reduce financial, operational, and supply chain risks that are inherent to inaction



Future-proof business considering future resource availability in a context of increased resource and geopolitical competition and high economic risk linked to climate change and nature degradation



Proactively respond to current regulations that require to report (e.g., EU Corporate Sustainability Reporting Directive or CSRD) or act on business model transformation (e.g., Corporate Sustainability Due Diligence Directive or CSDDD)



Make sustainability a key driver of competitiveness



Innovate to unlock the US\$10 trillion and 4 million jobs per year opportunity of a nature-positive economy, in a world moving toward stagnating, even declining, economic growth



Build first-mover advantage and shape a renewed narrative at a time when momentum is building for alternative economic thinking



Reach sustainability goals and act collectively to address systemic and internal barriers



# 03

## The Solution: Business Model Transformation

Alternative business models provide an opportunity for business to thrive within planetary boundaries and work collectively in unlocking the current systemic barriers that prevent progress.



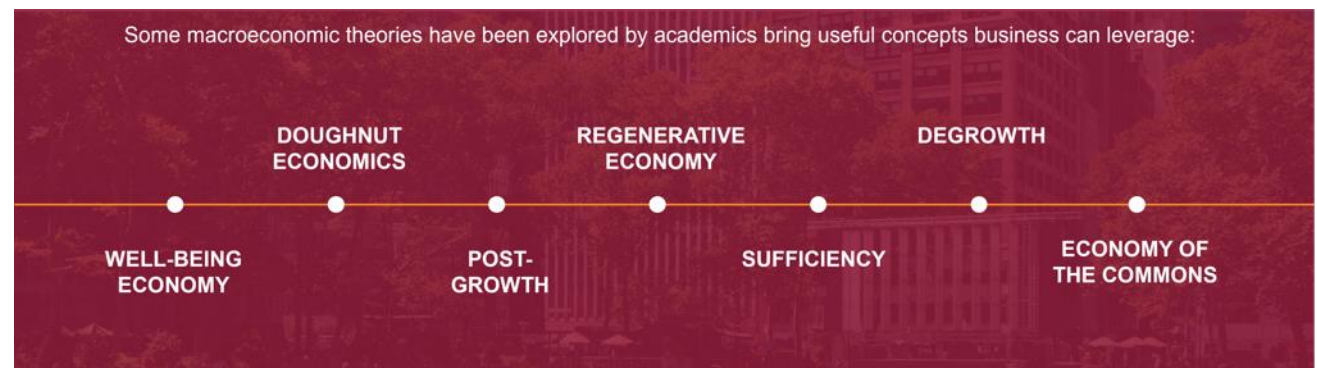
We can explore and scale alternative business models that better align business and sustainability goals.

Our existing economic models have enabled a great deal of societal progress. But it is now clear that continuing the current path risks slowing—or even reversing—this progress.

A **business model** essentially describes how an organization creates, delivers, and captures value, and for whom. It considers a company's key resources and activities, value proposition and purpose, cost structure and revenue streams.

Alternative business models innovate how we produce and consume. This redefines the **role of growth**, from an objective to a means to an end: success is defined by how much and whether economic activity can contribute to social and environmental outcomes.

There is a big opportunity for companies to focus on products and services that align business resilience and planetary boundaries rather than on those that do not.

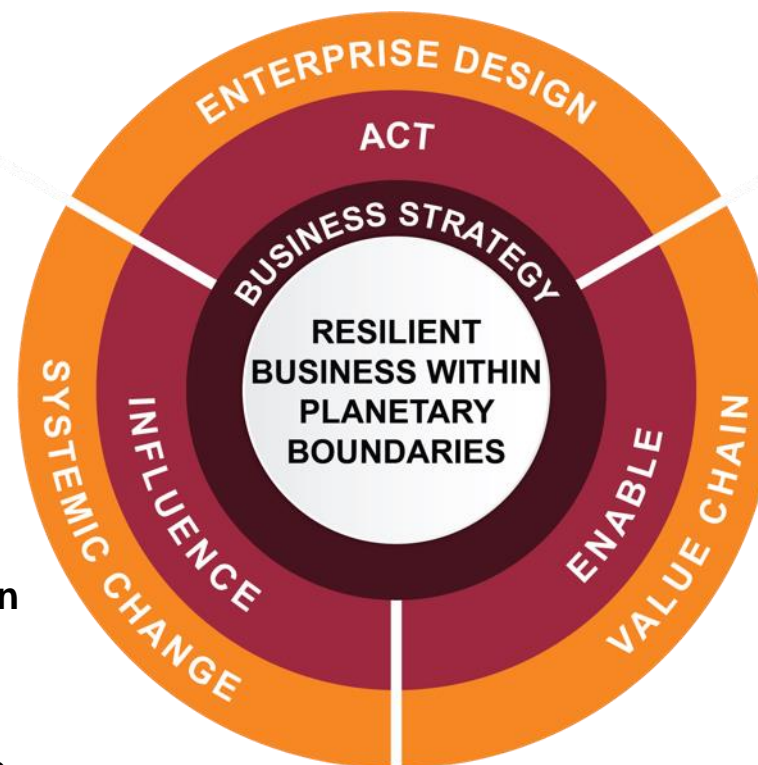




**Transforming models will require aligning the business strategy with the sustainability purpose.**

This means moving to transformational change within the value chain, intentionally engaging with the operating environment, and rethinking the enterprise design.

How do we **engage with the wider environment** (policymakers, financial institutions, consumers) to unlock critical barriers to action?

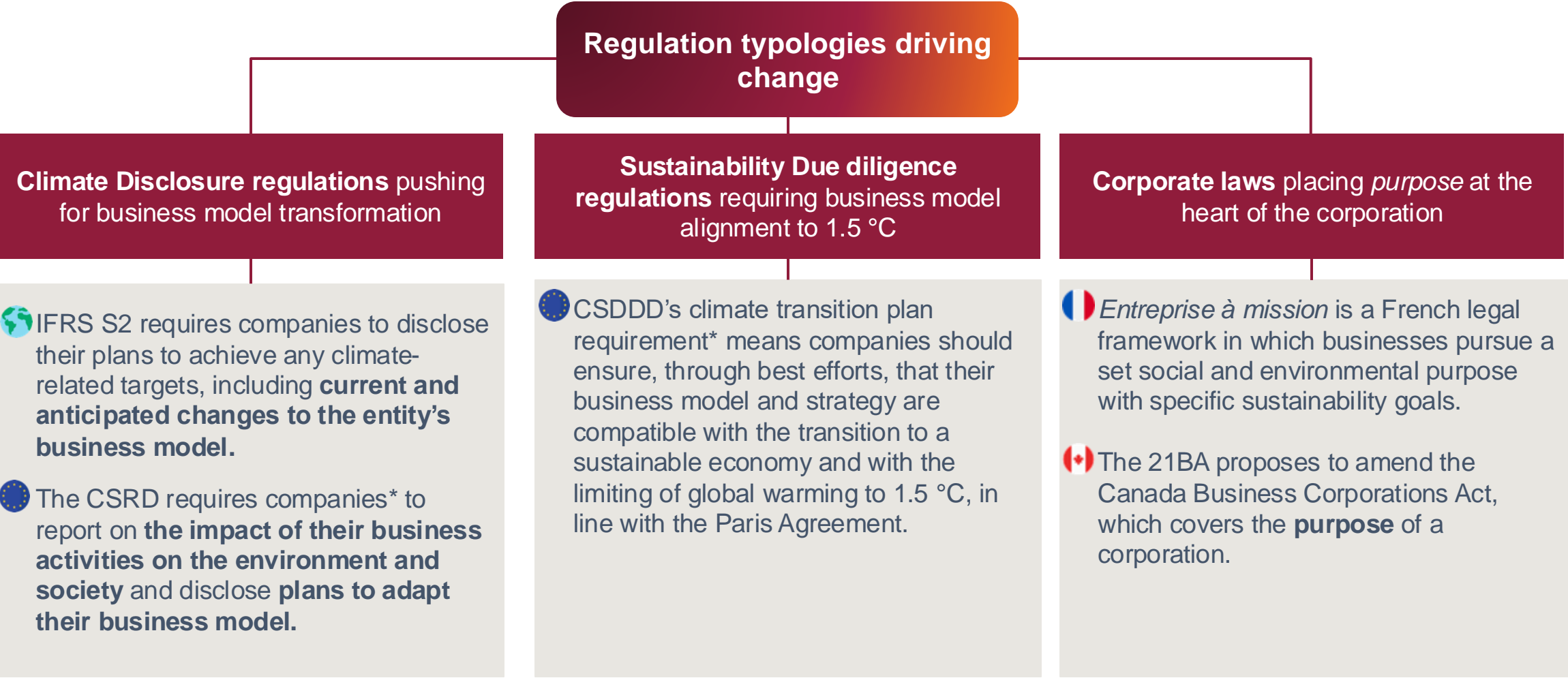


What **changes in our value chain** will support a renewed business model? What would the implications of this change be?

What is our **internal purpose, goals, and** What's the role of our governance, ownership structure, and relationship-to-profit of the company? **culture?** What's our revenue model and value creation structure?

# New regulations reinforce the importance of business model transformation

As regulatory bodies introduce new directives to address social and environmental challenges, companies will be required to adapt their business models to stay compliant.





# Alternative business model archetypes are emerging

Though there is no one-size-fits-all solution, promising alternative business models are starting to appear. They'll need to be further innovated, scaled, and considered holistically for their wider social and environmental implications.

## Regenerative Models

Focus on creating net positive impacts on the environment, society, and the economy



## Circular Models

Emphasize resource efficiency where waste and environmental impact are minimized, and continual use of resources is maximized



## Impact Businesses/ Social Enterprises

Focus on creating positive social or environmental impact while attaining financial sustainability











## Sufficiency-based Models

Focus on reducing absolute material throughput and energy consumption by moderating end-user consumption



# Early examples of companies adopting alternative business model principles

While there is no common framework for resilient business models within planetary boundaries, early examples of business efforts that align with key principles presented in this brief exist.

Circular	Regenerative	Impact Business	Sufficiency-based
<div>Interface®</div> <div>Works with recycled content and bio-based materials to make carpet tiles</div> <div></div> <div>Has a modular design for its smartphones, enabling users to easily repair or swap out a broken module</div> <div></div> <div>Offers a trading and buying platform for used items</div>	<div></div> <div>Develops a range of regenerative ingredients for the food, cosmetics, and pharmaceutical industries</div> <div></div> <div>Uses 100% of profits generated from searches to plant trees and regenerate nature</div> <div></div> <div>Is a B Corp that produces 30% of key ingredients with regenerative practices and embraces circular and regenerative models in its Vision 2030</div>	<div></div> <div>Has embedded social purpose into its business and gives equal importance to its social mission as its product and economic missions</div> <div></div> <div>Strengthened its mission of making chocolate in a responsible and ethical manner and creating a fair cocoa industry by seeking B Corp certification</div>	<div></div> <div>Launched on-demand production to favor a “less but better” model, aligned with principles of sufficiency</div> <div></div> <div>Got rid of 80% of its customer base to focus only on the top 20% most profitable</div> <div></div> <div>Limits the number of orders customers can place each year to 12</div>



# How can businesses start building resilience and thrive within planetary boundaries?



1

**Understand and acknowledge that a tension exists** between business growth and sustainability targets, and there is a need and opportunity to address it. Leverage that understanding to transform the narrative internally and externally.



2

**Take credible and ambitious action beyond incremental change by exploring alternative business models** and operational changes that enable business to operate within planetary boundaries and bring them to scale.



3

**Engage with external stakeholders**—investors, policy-makers, and consumers—to **create an enabling environment** that can help unlock barriers and address common challenges in a systemic manner.

# 04

## Appendix: Understanding Interconnected Assumptions

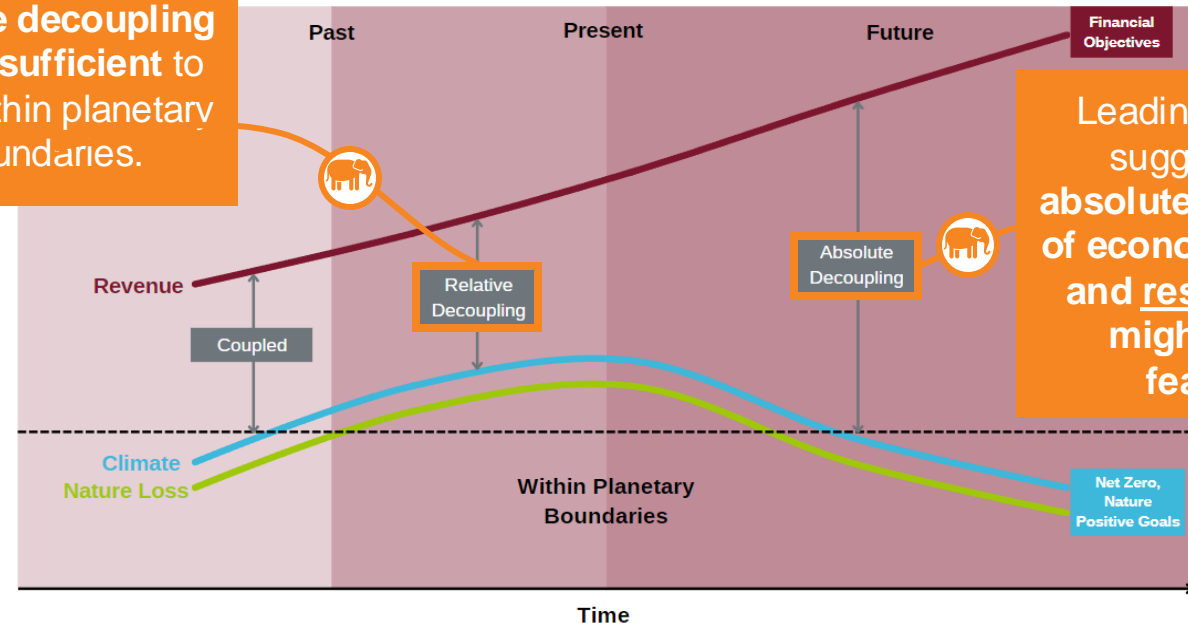


# Overreliance on the potential of green growth alone.

Green growth is based on the concept of *decoupling*\*: growing economic activity while reducing resources use.

**Decoupling** has been a cornerstone of corporate sustainability and policymaking, and it is certainly a **fundamental and useful concept**. However, research has shown that decoupling alone is **insufficient**. We are **over-relying** on a single concept.

Leading research suggests that **relative decoupling** is not sufficient to stay within planetary boundaries.



Leading research suggests that **absolute decoupling** of economic activity and **resource use** might not be feasible.

Source: BSR, inspired by Kate Raworth's Doughnut Economics

**\*Relative decoupling:** when emissions and resource use decelerate, but continue to increase while economic activity grows

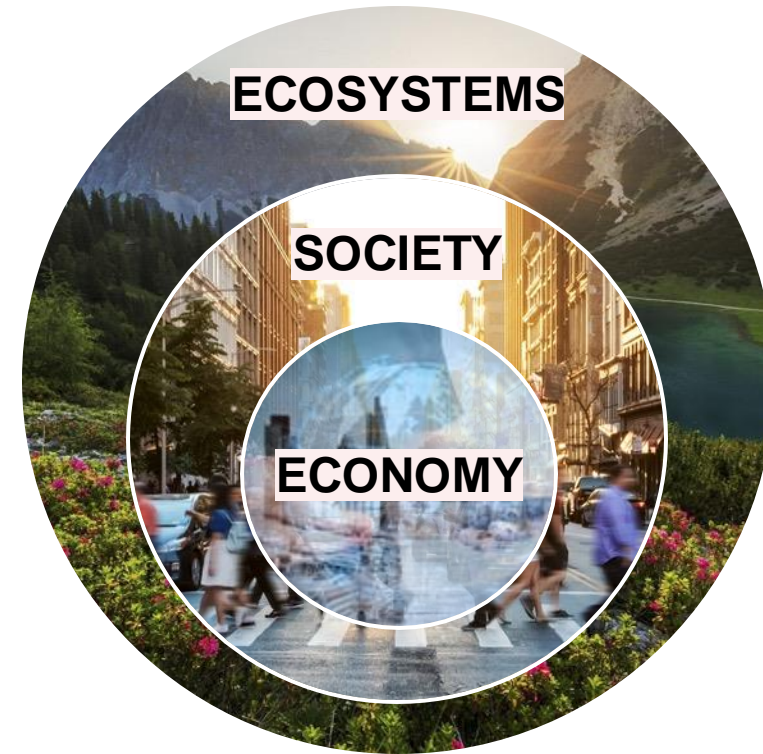
**Absolute Decoupling:** when there is an absolute decline in emissions and resource use even when economic activity grows





Failure to appreciate that our economy depends on thriving ecosystems and society.

The escalating climate and nature crisis are worsening inequalities and pose major economic risks. De-siloing approaches to environmental, social, and business issues is critical to make progress.



72% of companies are highly dependent on at least one ecosystem service.

Half the world's GDP is moderately/highly dependent on nature and its services, with an estimated US\$58 trillion exposed to nature-related risks.

50% GDP destruction is expected by between 2070 and 2090 due to climate change

The poorest 50% of the world population is exposed to 75% of relative income losses due to climate change despite contributing only 12% of global emissions.

# Capital markets and wider economy rewarding growth at all cost.

Our economy is linear, extractive and incentivizes short-term returns and continuous growth as a proxy of success—assuming infinite consumption of finite resources.

**Climate crisis costs the world 12% in GDP for every 1°C temperature rise, and other nature and climate stories you need to read this week**

Published Jan 6, 2024 - Updated Sep 10, 2024

## ECONOMIST IMPACT

**Nature's decline could bankrupt the global economy**

The natural world underpins half of the global economy—its demise presents a potentially devastating risk to the global economy.

## THE CONVERSATION

**GDP is an outdated way of measuring the health of the economy – it doesn't reflect the health of people or the planet**

Publié: 28 octobre 2024, 14:24 CET



# 05

## Case Studies



# Zoom In: Fairphone Case Study

## Conception and Design



### Context

With the smartphone industry contributing to high carbon emissions while having a poor reputation for supply chain worker treatment, **Fairphone** is an Amsterdam-based electronics company that aims to establish a viable market for ethical electronics by designing and producing modular and long-lasting smartphones while using fair materials and providing living wages for factory workers.

### Solution

Fairphone focuses on:

1. **Modular design and longevity:** Products are designed out of several modules, which enables users to easily repair or swap out a broken module. They are designed to last (average lifespan is 5.5 years, compared to 2.7 years for an average smartphone).
2. E-waste: take-back, reuse, and recycling.
3. Fair materials: choosing fairer materials.
4. Fair factories: decent work in manufacturing.

### Impact

In 2022, Fairphone sold over 115,000 Fairphones, which was more than in all previous years and **increased their revenues by 62%** compared to 2021 while **saving 1,100 tons of CO<sub>2</sub> emissions**. Their Fairphone 4 devices and modules are also **waste-neutral**, which means that they reuse or recycle the same amount of e-waste or end-of-life phone for every Fairphone 4 device and module sold.

# Zoom In: Nexans Case Study

Production



## Context

**Nexans** is a French cable and optical fiber manufacturer for various industries including energy, telecommunications, transportation, construction, and more.

Recognizing that urgent action was needed to reach a 1.5°C aligned trajectory, Nexans envisioned a shift in the way it operated and made profits.

## Solution

Nexans:

1. **Got rid of 80% of its customer base** to focus on the top 20% most profitable and engaged (4,000 in 2022 versus 17,000 in 2019),
2. **Reduced the number of products referenced by 30%,**
3. Refocused on **electrification businesses.**

They profiled each customer and assessed their ability to reduce carbon emissions while serving them.

## Impact

In the past 5 years, the company **doubled its profits without volumetric growth** and **reduced emissions by 40%.**



# Zoom In: ExpanScience Case Study

Marketing and Advertising



## Context

Mission-driven and B Corp-certified **ExpanScience** is a pharmaceutical laboratory that specializes in rheumatology, dermatology, and the marketing of active cosmetic ingredients.

In 2021, it committed to becoming a **“positive impact” company**—implying significant business model transformation, which has for instance led the company to give up certain activities incompatible with planetary boundaries, such as their wipes, which it will gradually stop selling by 2027.

## Solution

As part of its objective of “offering useful products and services that contribute to well-being” (one of the pillars of the company’s sustainability strategy, which focuses on “eco-social design”), ExpanScience is gradually **redirecting part of its marketing investments toward transforming consumer habits**, namely by promoting the well-being of parents or patients through the development of educational content and well-being initiatives.

## Impact

In order to measure and track parental well-being induced by its products and services, ExpanScience in 2022 launched a **barometer monitoring parents' perception of their brand** on the dimensions of utility, safety, naturalness, and environmental preservation, as well as a questionnaire for patients with osteoarthritis. The company has not yet released the results.

# Zoom In: Patagonia Case Study

## Usage and Consumption



### Context

To reduce the amount of waste generated as a company in the clothing industry, **Patagonia** is extending the product value of its clothing range through the Worn Wear program, which includes a trade-in and resell model.

### Solution

Consumers can trade in their items and receive a voucher for up to 50% of the resale price of the garment, while Patagonia resells the repaired garment at a reduced price on its online platform.

### Impact

It is estimated that Patagonia has sold **120,000 repurposed items** to date. Extending the lifespan of these garments and avoiding purchase of new apparel reduces the carbon emissions, waste production, and water consumption required to produce these garments.



# Thank You

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