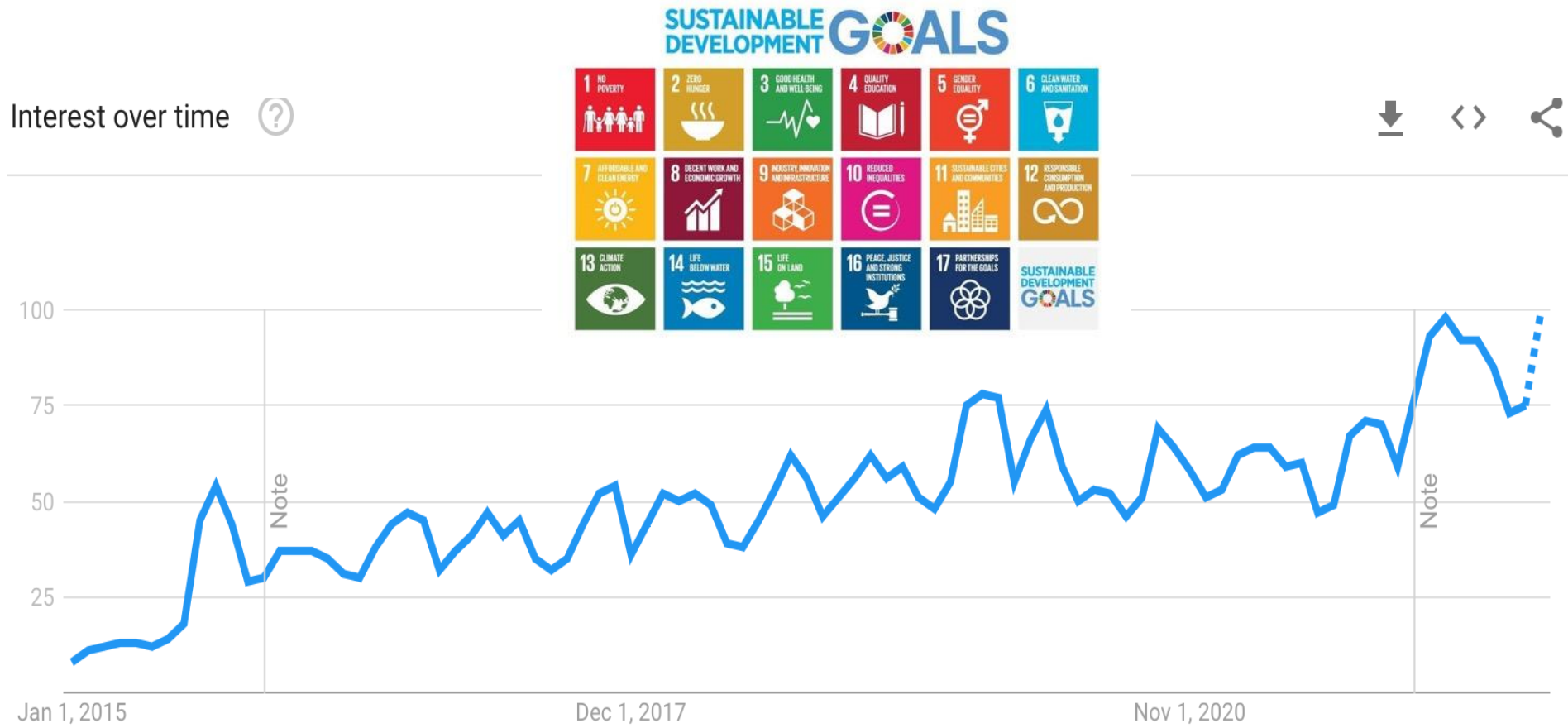




Marketing sustainability to customers – why & how

James Bryce Smith, **Magnetize**
Morten Kornerup, **Blue Business**

Google Trend: Sustainable Development Goals have taken off!





Customers



People want sustainability



Investors



Employees



Regulators

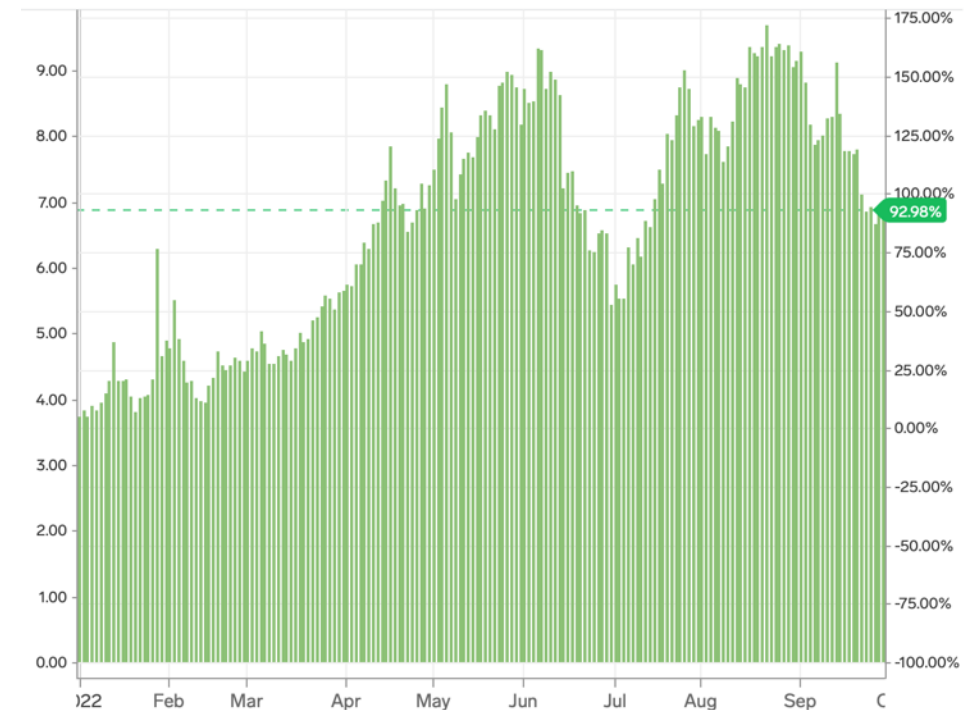


Companies

What does war in Ukraine mean for sustainability?

- Rising commodity prices & reduced supply of fuel, grain, metals...
- Increased demand for alternatives e.g. renewable energy, secondary materials
- Companies that can do more with less will be rewarded

Natural gas price 2022



Agenda

- 1:** Introduction
- 2:** Why market your sustainability to customers
- 3:** How to do it
- 4:** Offer

Practical remarks:

- The coffee is virtual ☺
- Please mute!
- Slides will be shared
- The webinar will be recorded and available on-demand
- Q & A at the end



Introductions





BEFORE



AFTER



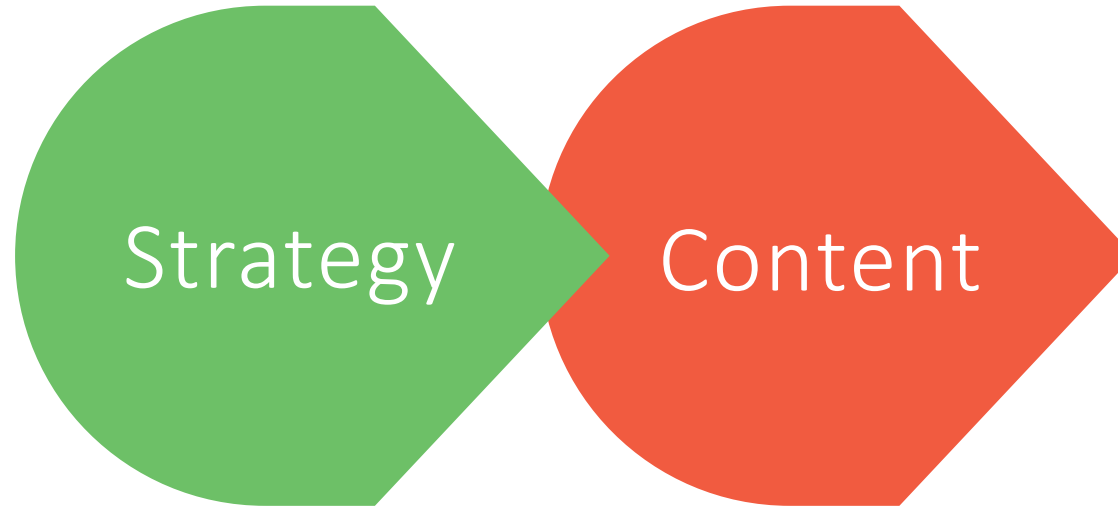
Vision:
Sustainable
products outsell
conventional
products



Mission: Help B2b companies
turn sustainability into a
competitive advantage

Magnetize: sustainability marketing agency

- Positioning & messaging
- Creative concepts
- Communications plan
- Corporate & product



- Web pages
- Social posts
- Slides presentations
- Video
- Emails
- Infographics
- Exhibition stands
- Annual sustainability reports

Morten Kornerup - Blue Business

- Co-founder, Partner, Blue Business
- We help B2B companies grow their pipeline, get better leads, and strengthen their position in the market
- Focus: branding, content marketing and ABM



Blue Business: Engagement drives pipeline



Fortunate to work with many small, medium & large brands

salling group

 **Nilfisk**[®]

DUPONT

CAT[®]

 **Amphenol**
ANTENNA SOLUTIONS


MÆRSK

SUNCORP 

FLSMIDTH

 **DFDS**

PHILIPS

 **lactosan**

**FOSS
FLAKES**
COMFORT INSPIRED BY SNOW

 **MAGNETIZE** | **BLUE**
BUSINESS

About you - Pitstop & Poll

- Do you have a sustainability strategy?
- How important is sustainability to your business?
- To what degree have you commercialized your sustainability?



Results from poll 1

Poll 1: Sustainability strategy

Poll 1: Sustainability strategy

Poll ended | 3 questions | 7 of 7 (100%) participated

1. Do you have a sustainability strategy (Single Choice)

*

7/7 (100%) answered

Yes (5/7) 71%

No (2/7) 29%

2. How important is sustainability to your business? (Multiple Choice) *

7/7 (100%) answered

Very important (6/7) 86%

Somewhat important (1/7) 14%

Not important (0/7) 0%

3. To what degree have you commercialized your sustainability? (Multiple Choice) *

7/7 (100%) answered

To a high degree (4/7) 57%

To some degree (3/7) 43%

We have not commercialized our sustainability strategy (0/7) 0%

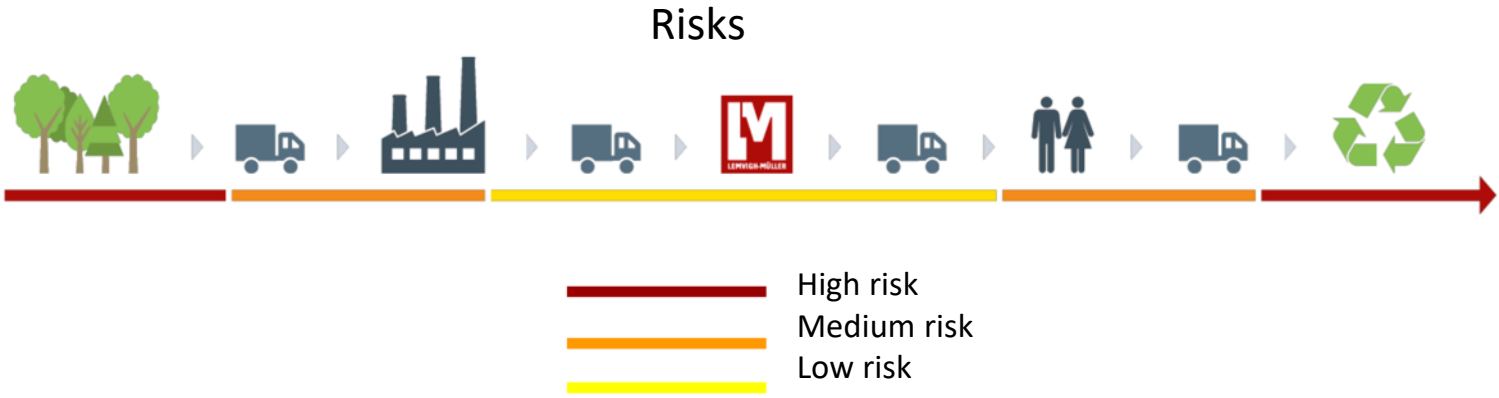
Why market your
sustainability to
customers?



1. Sustainability is now a significant B2B buying criteria

SUSTAINABILITY IN THE VALUE CHAIN

The biggest opportunities for improvement are outside a company's own operations



Source: Lemvigh Muller



1. Sustainability is now a significant B2B buying criteria

The image shows a screenshot of the Ecovadis website. The main header features the Ecovadis logo and navigation links: Enterprise Solutions, Sustainability Assessments, Resources, About, Blog, EN, LOG IN, and CONTACT. A banner at the top reads "Register for Virtual Sustain 2021, 8-9 March!" with a "REGISTER NOW" button. The main content area displays "The World's Most Trusted Business Sustainability Ratings" over a background image of terraced rice fields. A green play button is overlaid on the image. Below the banner, the ATGA logo is visible, along with a navigation menu: It-løsninger og services, Inspiration, Kontakt, Om Atea, Karriere, and IT EXPO 2021. The bottom of the image shows two circular sustainability rating badges for 2020 and 2021, both awarded a "PLATINUM Top 1%" rating. The badges include the Ecovadis logo and the text "Sustainability Rating". At the bottom right, the logos for MAGNETIZE and BLUE BUSINESS are displayed.

CDP - a massive buying force

- 150 members
- US\$ 4.3 trillion in procurement spend
- 95% of CDP Supply Chain members have or will have integrated CDP data into their supplier relationship management process by 2023



Source: CDP Global Supply Chain (formerly known as the Carbon Disclosure Project)

Companies changing their buying habits



Source: Businessgreen.com

Tesco launches trial to ditch unnecessary cardboard packing from toothpaste saving 680 tonnes of cardboard a year

novi

In the first half of 2021, Novi's customer network grew 300%. Novi is a B2B marketplace that helps brands build and manufacture transparent products.

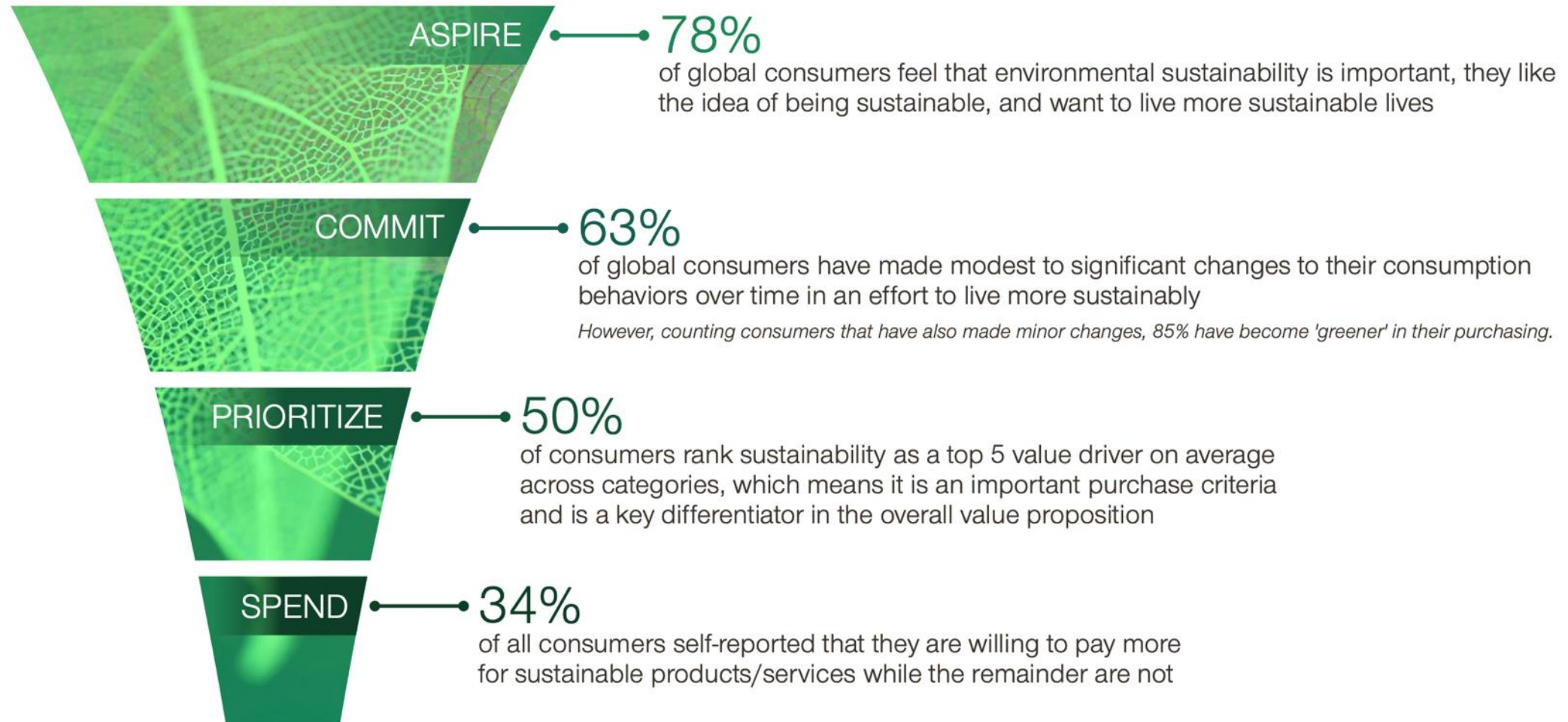
Source: <https://cottrillresearch.com/>



Salesforce.com will require all its suppliers to set science-based climate targets by 2024



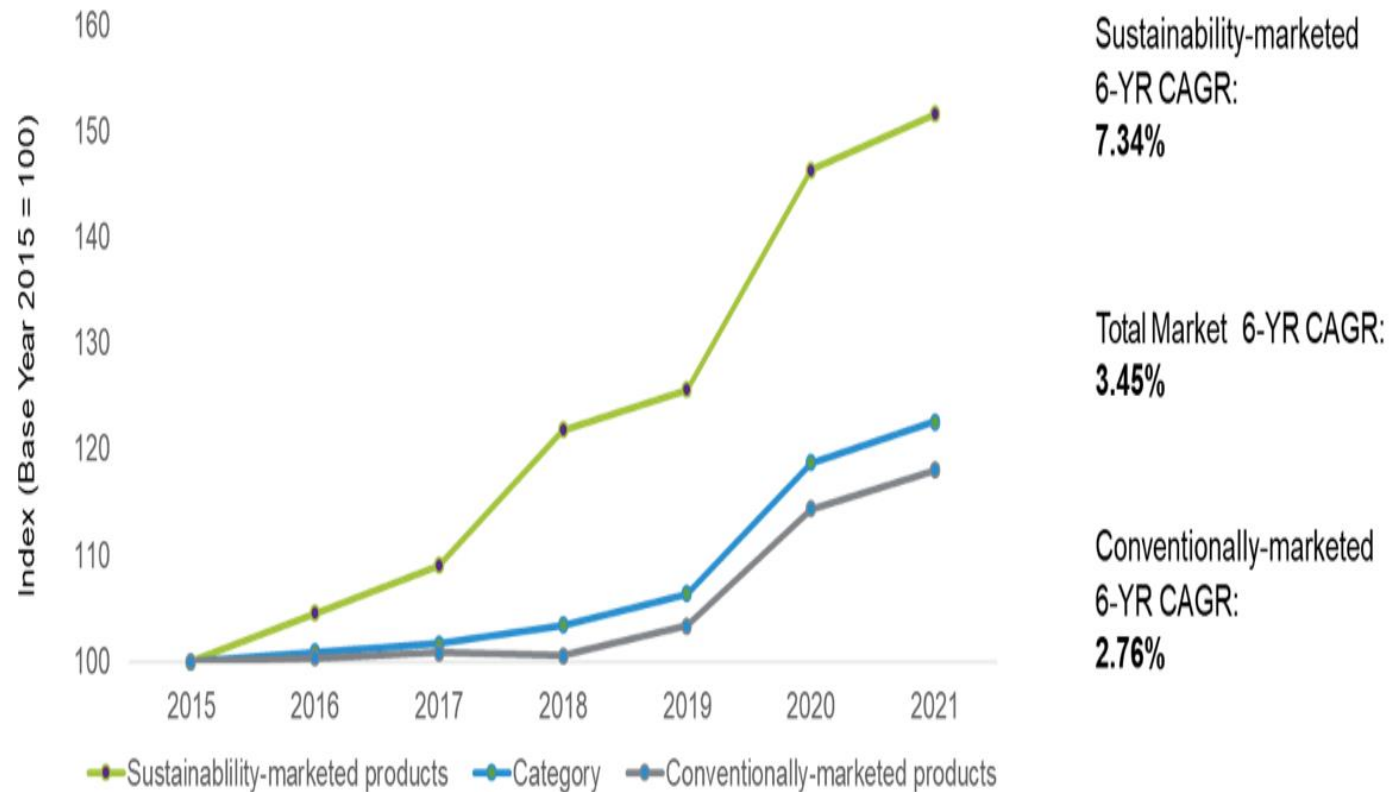
Consumers are willing to pay for sustainability



Source: Simon-Kucher, 2021

Sustainable brands grow 2.7 times faster

Sustainability-marketed products grew more than twice as fast as conventionally marketed products and the CPG market.



Source: Sustainable Market Share Index, NYU Stern

Sustainability is good for business

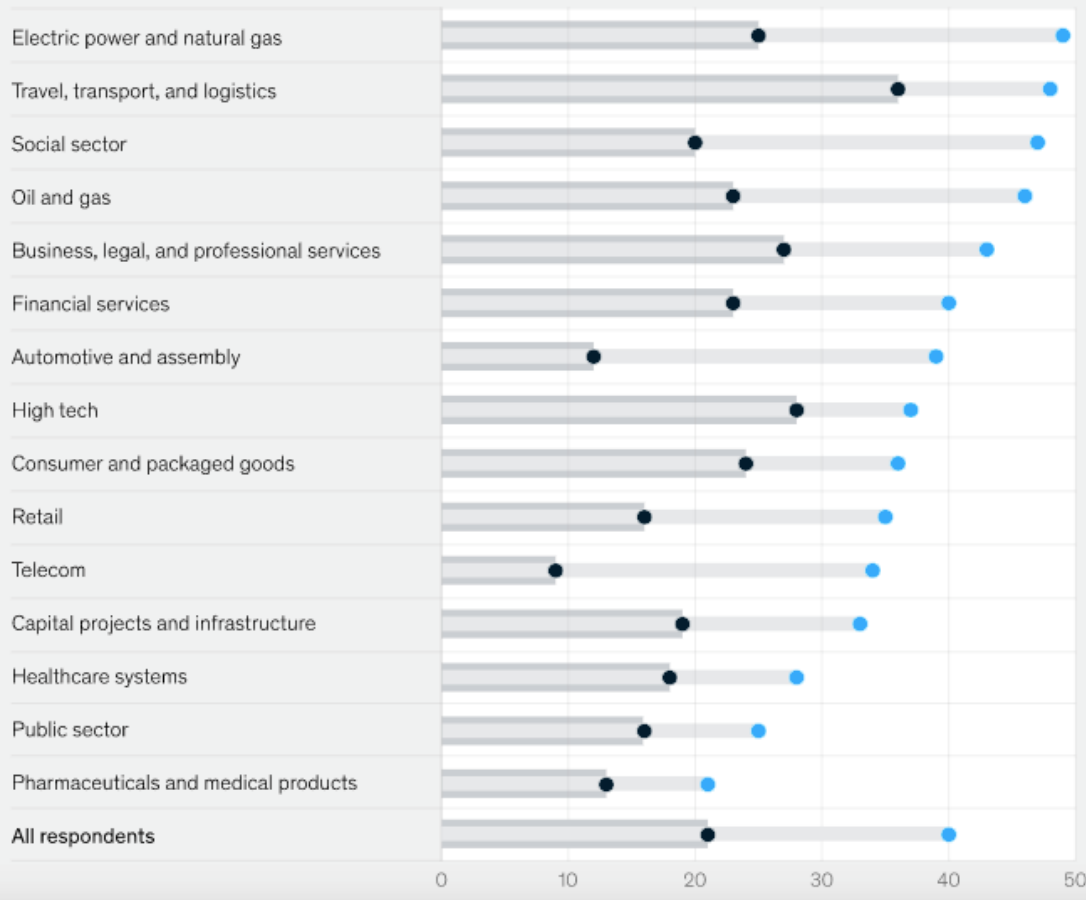
- Top ESG performers enjoy **faster growth and higher valuations** than other players in their sectors, by a margin of **10** to **20** percent in each case.
- Strong ESG credentials **drive down costs** by **5** to **10** percent, as these companies focus on operational efficiency and waste reduction

Sustainability as a value driver

Forty percent of respondents expect company sustainability programs to generate value in the next five years—nearly double the current share.

Share of respondents who report or expect 'modest' or 'significant' value created from sustainability programs, by industry,¹ %

● In the past 5 years ● In the next 5 years

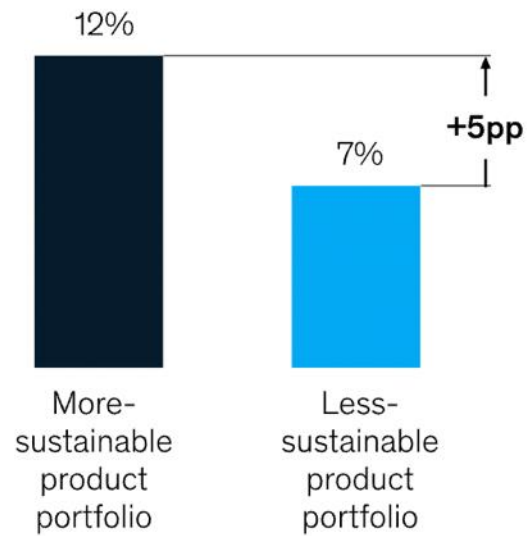


Twice as many companies, or 40 percent, expect their sustainability programs to generate value in the next five years, compared to the previous five years.

Source: Organizing for Sustainability Success, McKinsey & Co, 2021

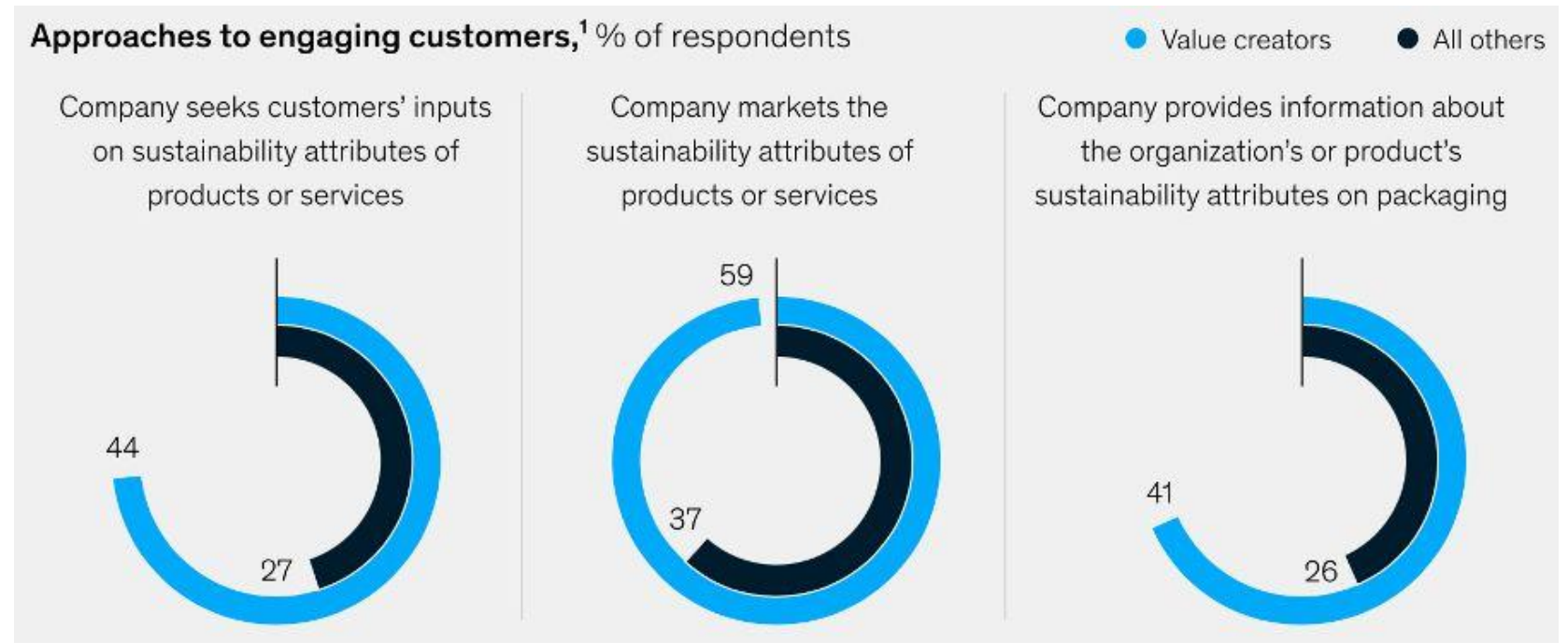
Sustainability as a value driver

Example from the chemical industry:
Total returns to shareholders, CAGR 2016 - 20



Marketing key to creating value from sustainability

Value creators are more likely to market their sustainability and offer sustainable brands



Investor pressure driving corporate sustainability

“I spend more time discussing ESG with investors than the latest quarter’s results.”

Alan Jope, Unilever CEO

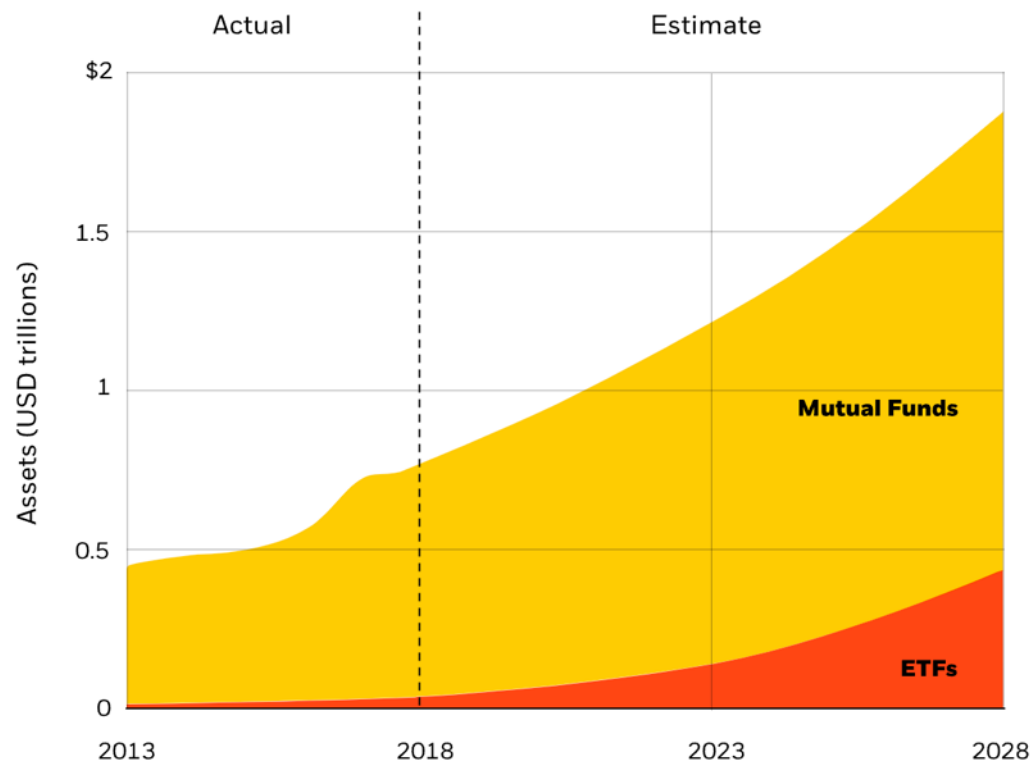
BØRSEN BØRSEN BÆREDYGTIG

BÆREDYGTIG

En gang om ugen skal FLSmidth levere klimadata

Sustainable Swell

Assets of sustainable mutual funds and ETFs, 2013-2028



Source: Blackrock

The rise of corporate climate reporting

Chart 3a: "Net Zero" References in Corporate Reporting 2012-2021

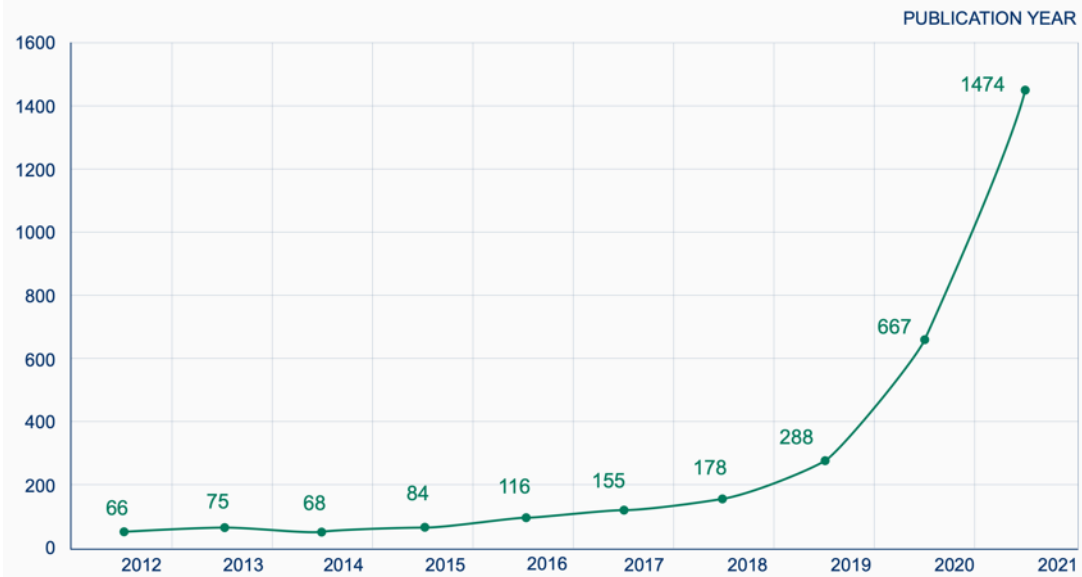
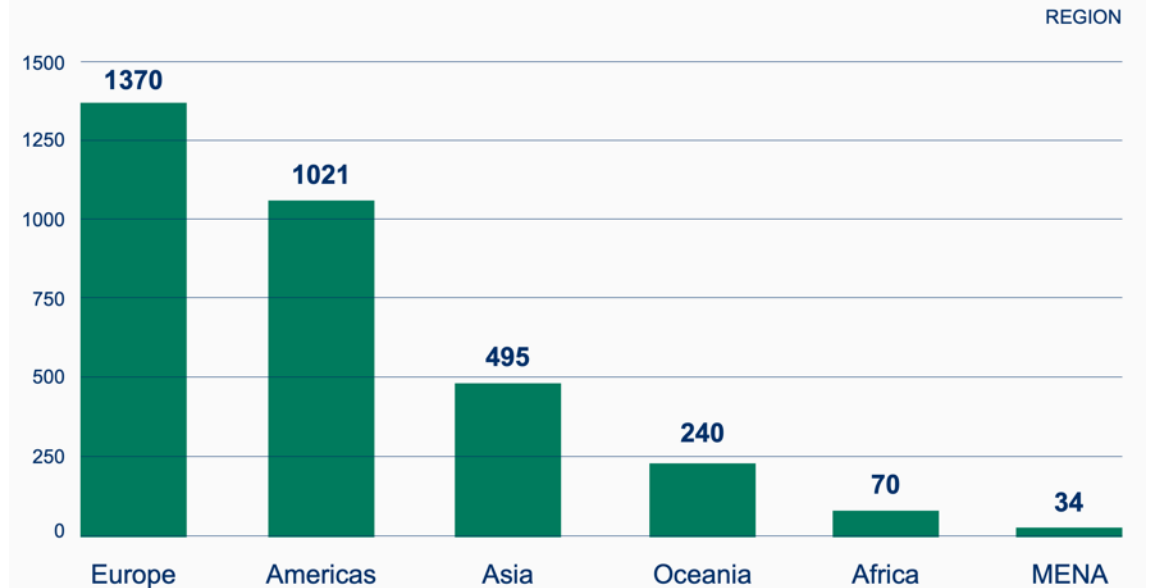


Chart 3b: "Net Zero" References in Corporate Reporting by Region 2012-2021



Source: [ERM, The Sustainability Institute, 2022 Trends](#)

Top management is now measured on sustainability



FINANCIAL TIMES

Half of FTSE 100 companies link executive pay to ESG targets

MARCH 17, 2021



BØRSEN

BØRSEN BÆREDYGTIG

BÆREDYGTIG

Bæredygtighed rykker ind i lønpakkerne hos topselskaberne

Sustainability is now a significant B2B buying criteria

57% of B2B buyers say sustainability influences the purchase decision “somewhat” or “decisively”

48% of B2B companies are encouraging or requiring **suppliers and business partners** to meet specific environmental-sustainability criteria

Sustainability is now a significant B2B buying criteria

63%

of companies agree that sustainability is an important competitive parameter

Sustainability is now a significant B2B buying criteria



Join us

Generational shift

- Buyers under 45 are twice as likely to prefer a brand that shares their stance on environmental and social issues, compared to buyers over 45

[Global Agenda](#) | [Sustainable Development](#) | [Youth Perspectives](#)

Gen Z cares about sustainability more than anyone else – and is starting to make others feel the same



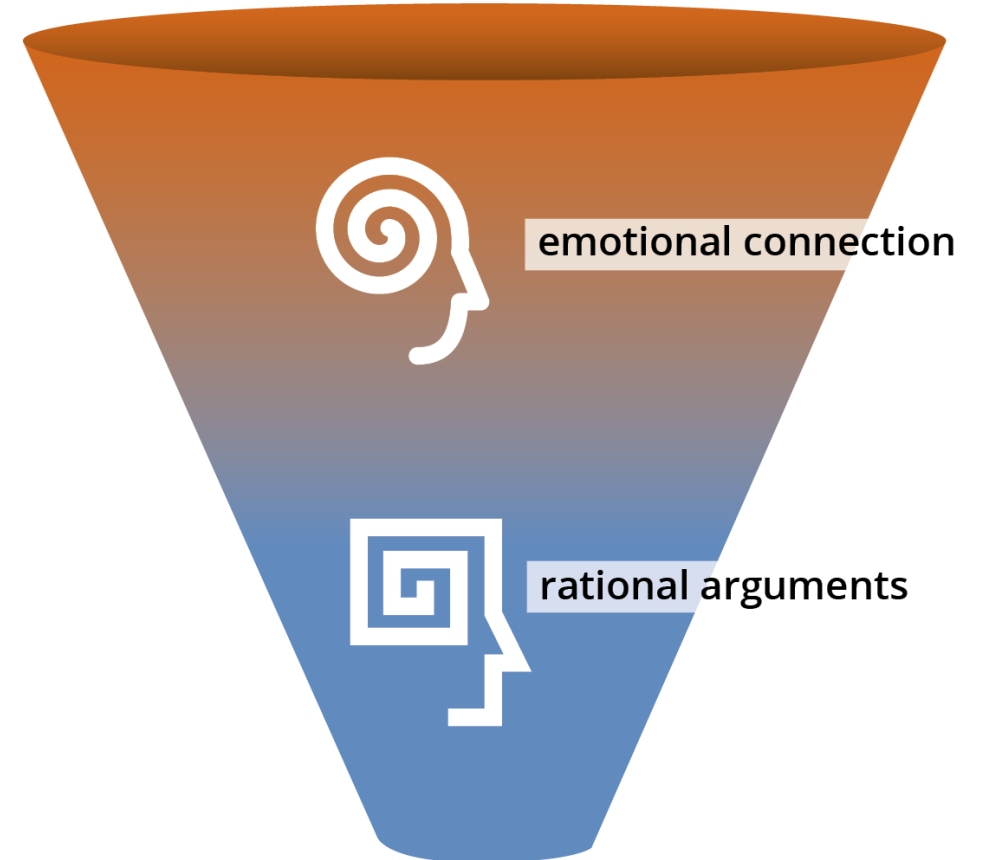
Source: World Economic Forum 2022

You need to differentiate your brand

- If you don't stand out you become a commodity and chosen on price
- “Only **31%** of B2B marketing and insights professionals believe their brand communicates a distinct purpose or strong USP”
- “**71%** of B2B customers do not feel engaged with their B2B suppliers”

Sources:

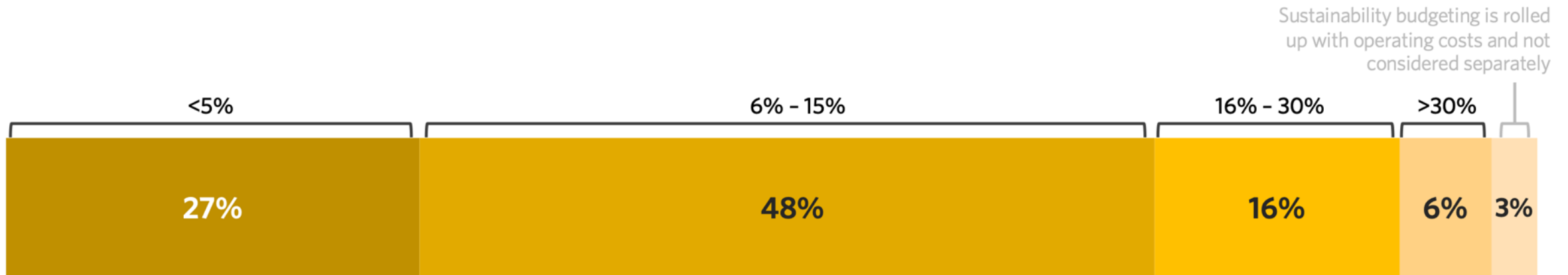
- Gallup, Analytics & Advice for B2B Leaders, 2019
- B2B International, Top 3 Focus Areas for B2B Brands, 2020



You need to differentiate your brand

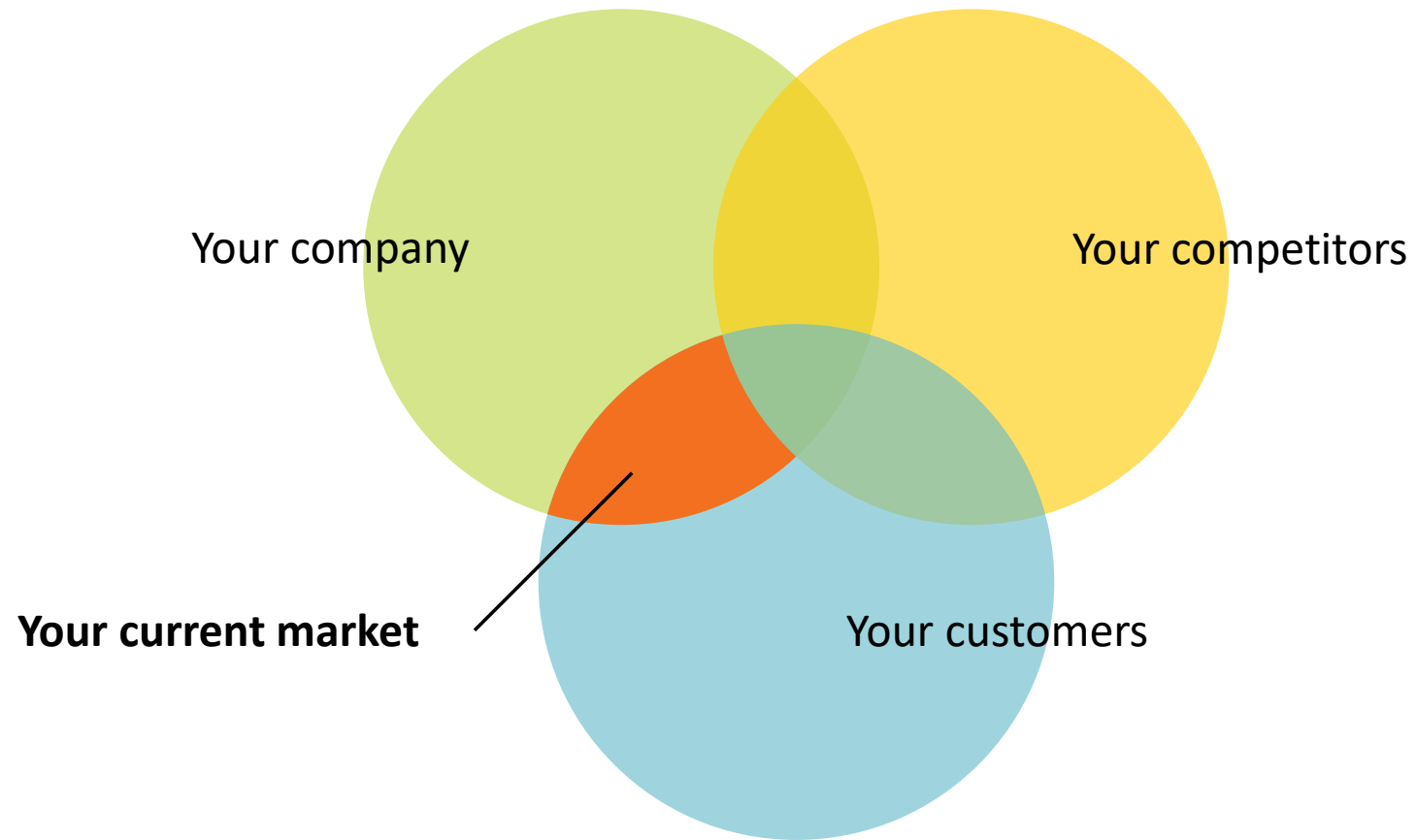
- Varying levels of sustainability investment suggest varying degrees of commercial opportunity
- But ultimately your ability to differentiate on sustainability depends on your ability to prove the value of your sustainability to customers

Percentage of Earnings Allocated towards Environmental Sustainability
Reporting: % Selected

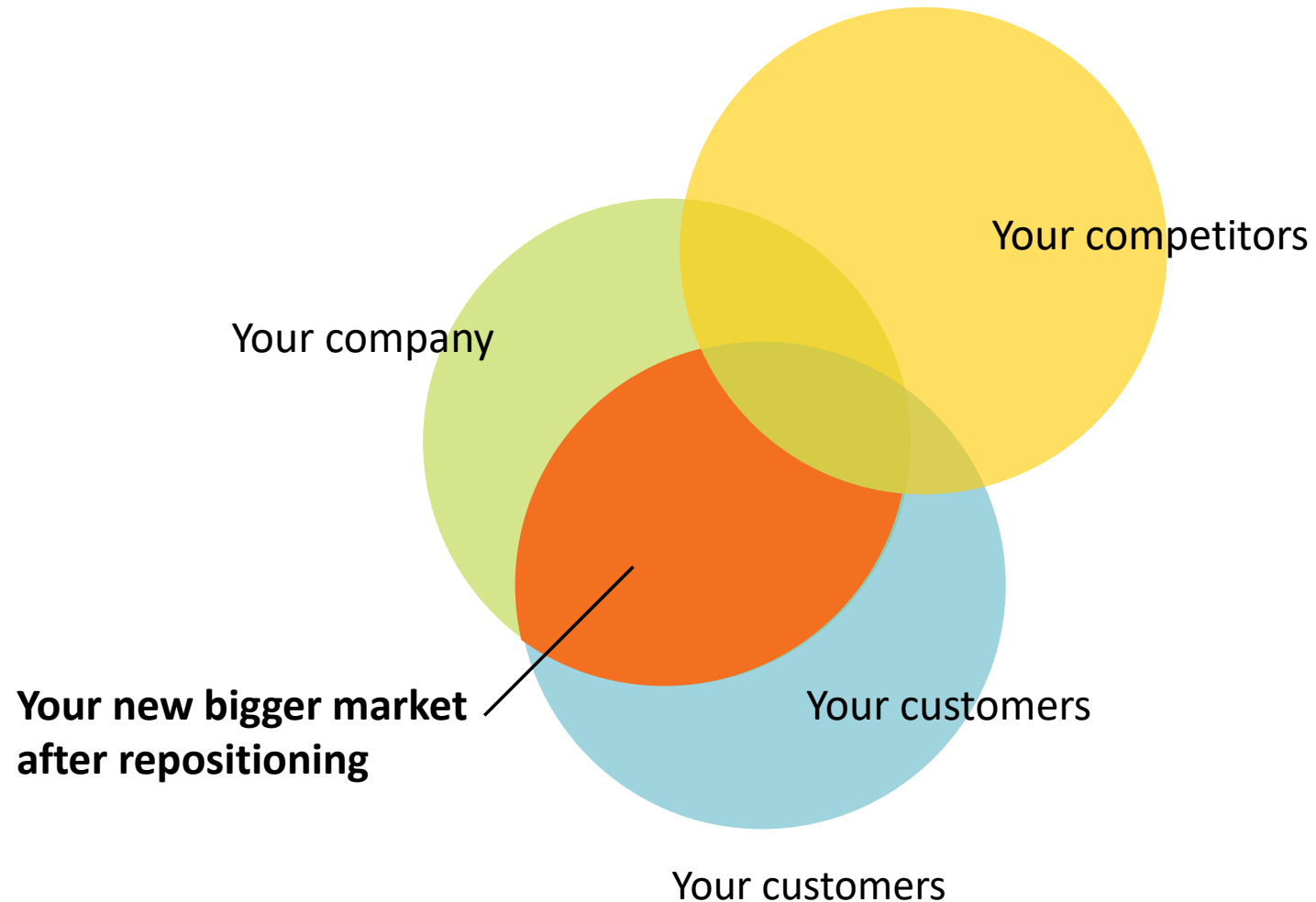


Source: Food & Nature Digest, The Nature Conservancy, November 2020

You need to differentiate your brand



You need to differentiate your brand



Stronger brands command higher prices



A sustainability report is a great starting point...

- Provides data, targets, strategy, results, initiatives
- Targets a broad audience with the goal of demonstrating responsibility
- Not a focussed message for customers
- But it's a great launchpad

“We used to see the same in B2C... Today, we see diverse sustainability communication accessible for several target groups.”

Source: Creating a Culture of Sustainability, Sustainable Brand Index, 2019

And the movement is growing

House passes Biden's \$1.7 trillion social safety net and climate package



NEWS

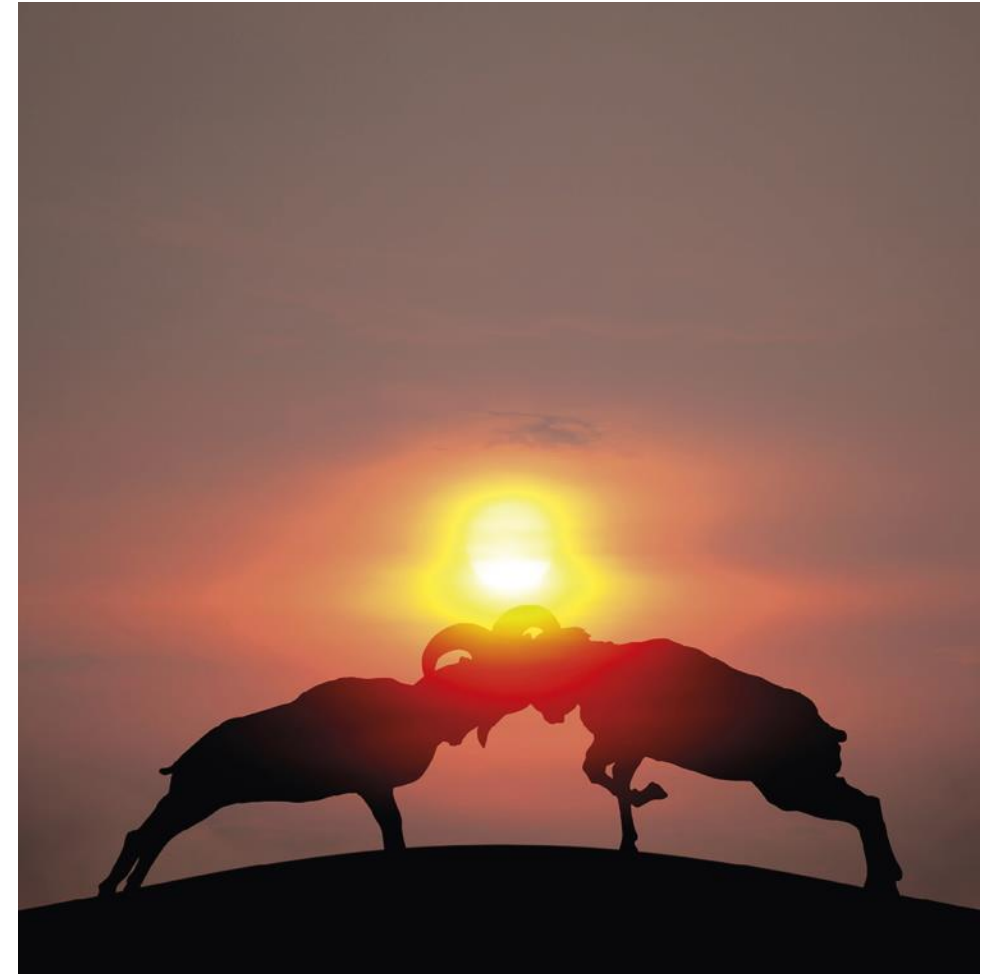
European Green Deal strives for climate neutrality in Europe by 2050



The decade of sustainable brands:

The new competitive battleground

- Next 2-3 years will be decisive in terms of establishing who the sustainable brands are and upsetting the status quo
- Still white space in many industries – easier to claim the sustainable position when it's vacant than oust a rival who has already claimed it



“The biggest commercial opportunity ever”

“The companies that will be the winners of tomorrow are the ones capable of commercializing their innovations to address the global challenges that our world is facing.”

Mauricio Graber, CEO, Chr. Hansen



THE VOICE FOR CLEAN CAPITALISM
Corporate Knights
SINCE 2002

The 100 most sustainable corporations of 2022

2022 G100 Rank	2021 G100 Rank	Company	Country	Climate commitments	Overall Score
1	21	Vestas Wind Systems A/S	Denmark	1.5°C, SBTi	A+
2	24	Chr Hansen Holding A/S	Denmark	1.5°C, SBTi	A

Achieving a net-zero world by 2050
may well prove to be the largest
reallocation of capital in history,
leading to an increase in spending in
the range of \$1 trillion to \$3.5 trillion
more per year than today

Shift from playing defence to winning in offence



“B2B organisations need to accelerate the translation of their sustainability efforts into a compelling value message and enabling growth”

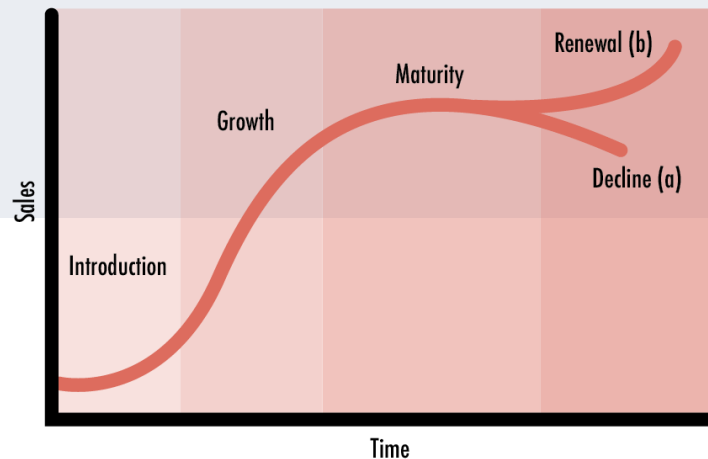
IMPLEMENT
CONSULTING GROUP_

Source: Commercialising your sustainability efforts in B2B, Supply Chain Magasinet, 2022

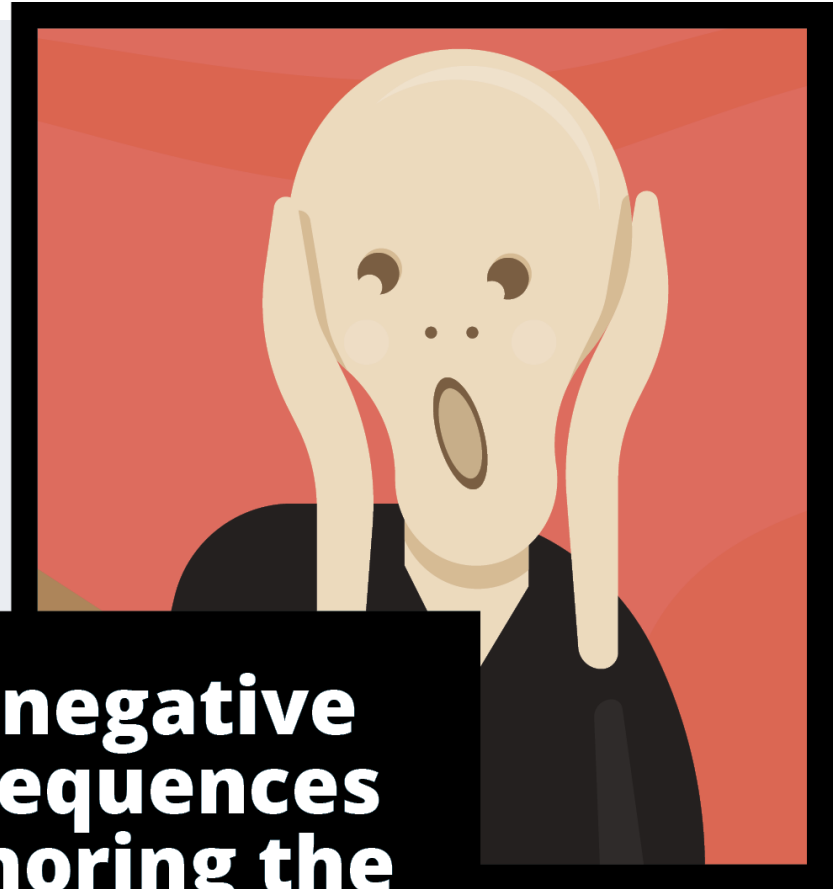
But if you don't market your sustainability...

The future could be bleak:

- Declining sales may lead to financial difficulties
- Lost talent and investment



The negative consequences of ignoring the trend



But if you don't market your sustainability...

"Our focus had to be a complete green transformation if the company wasn't to end up in the grave within a decade."

Peter Pallishøj

CEO of foundry & component company Baettr



Let's make marketing meaningful



Pitstop & Poll

Which reason to market your sustainability is most relevant to your business?

1. Survival of your business
2. Improve competitive position
3. Meet demand from buyers/ procurement
4. Strengthen pricing power/profit
5. Have a positive impact in the world



Results from poll 2

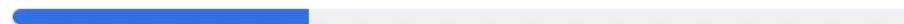
Poll 2

Poll ended | 1 question | 6 of 6 (100%) participated

1. Which reason to market your sustainability is most relevant to your business? (Multiple Choice) *

6/6 (100%) answered

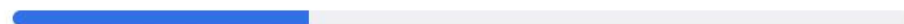
Survival of your business (2/6) 33%



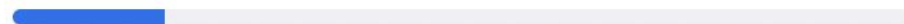
Improve competitive position (3/6) 50%



Meet demand from buyers/ procurement (2/6) 33%



Strengthen pricing power/profit (1/6) 17%



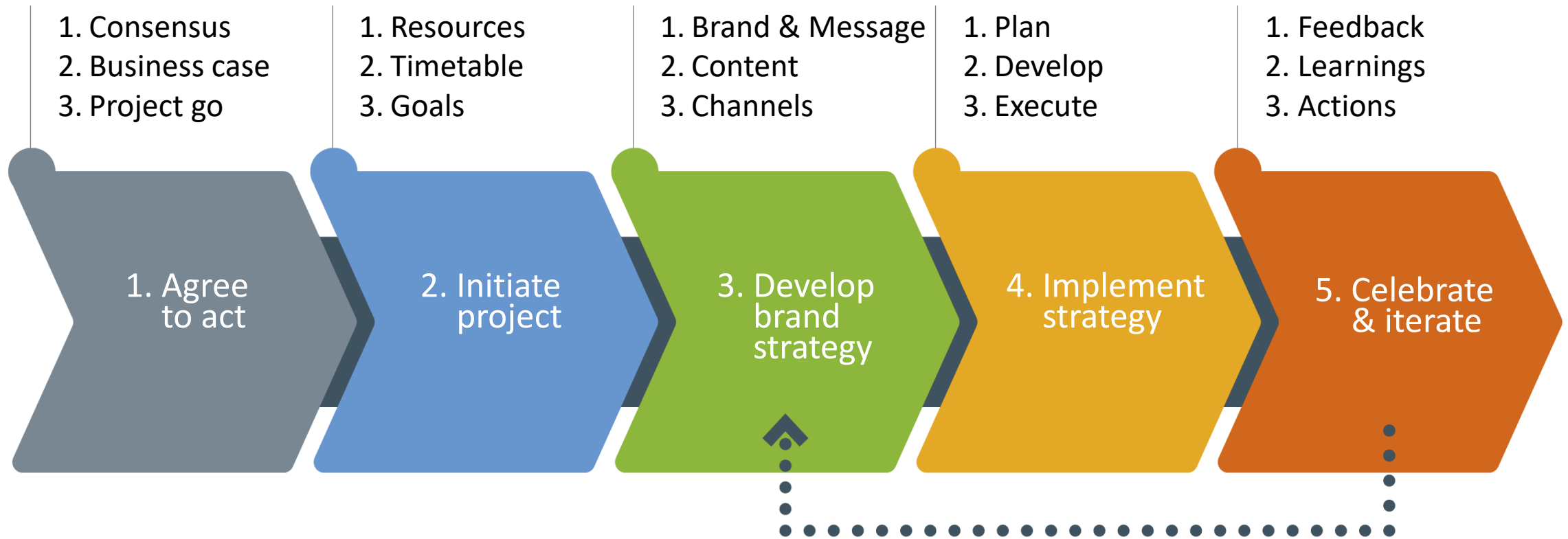
Have a positive impact in the world (5/6) 83%



How to market your sustainability to customers?



5 steps to marketing your sustainability



The 6 keys to
establishing a
sustainable brand



1. Clarity

- Clear positioning
- A short & simple message
- Check if you need to update your overall brand promise or company purpose
- Use selected SDGs to reinforce the message



2. Credibility

- Facts, stories & data to back up your claim
- A trustworthy message hits harder
- Avoids greenwashing
- Real sustainability investment and long-term commitment is expected
- Not simply talking about the issues or making charitable donations



3. Customer-centricity

- Not about how wonderful you are
- Existing target market? New target market?
- What are their values and priority sustainability issues?
- What emotions are associated with these issues?
- What are the steps in the buying process?



4. Competitiveness

- Are competitors undertaking the same or different sustainability activities?
- What is their message and positioning?
- How do customers see their sustainability?
- Find your relative strengths & weaknesses



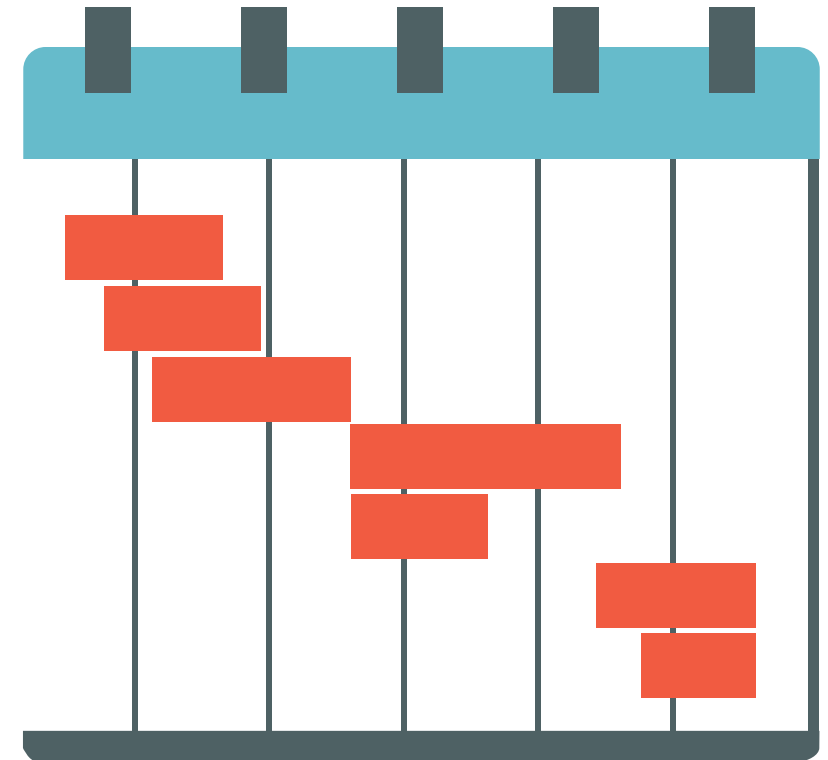
5. Cut-through

- Use creativity - stand out in a sea of communications
- Invoke the emotions, as well as rational arguments
- Show up in multiple channels - throughout the customer journey
- Take advantage of social proof
- Ensure reach is high enough

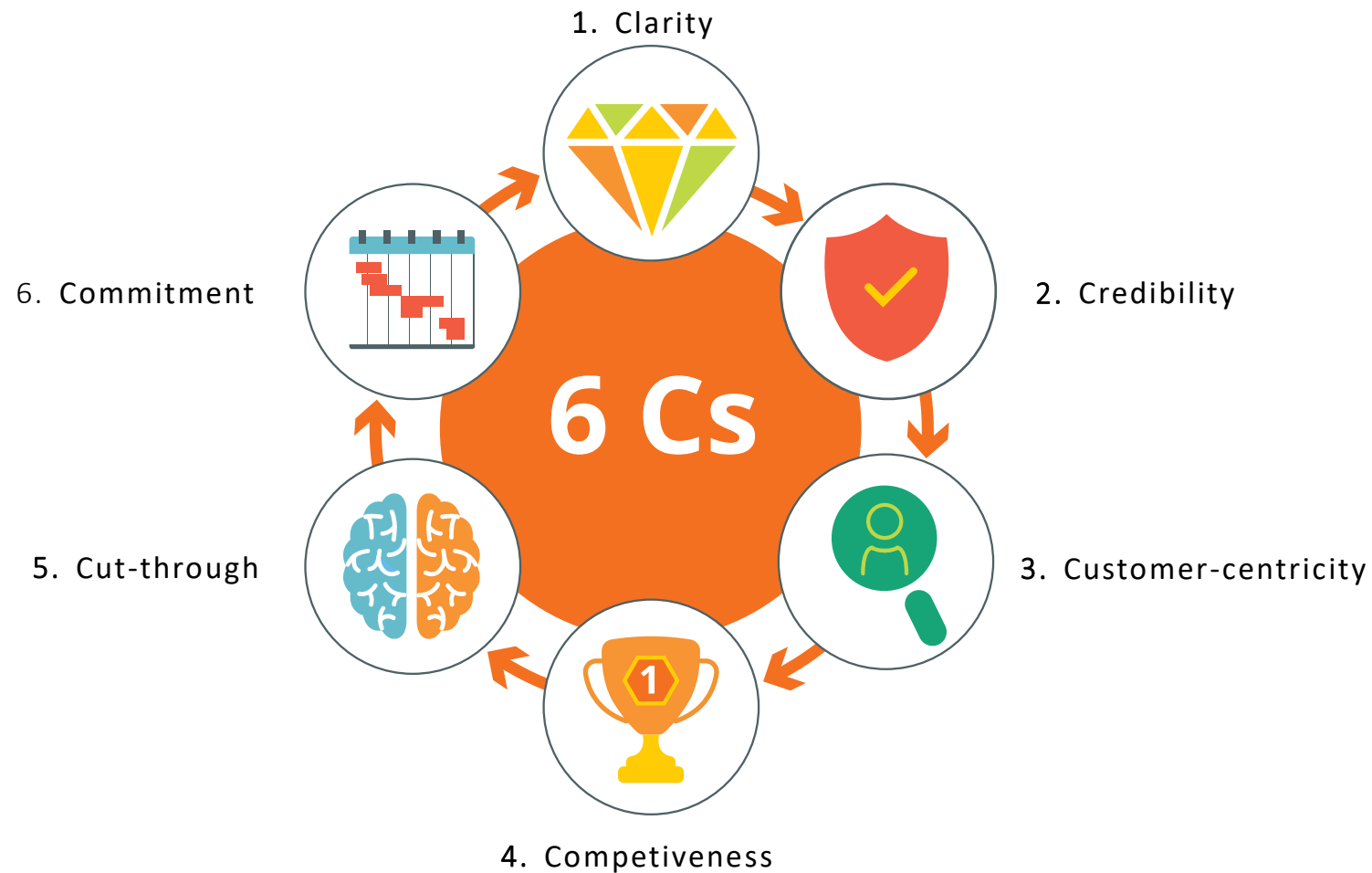


6. Commitment

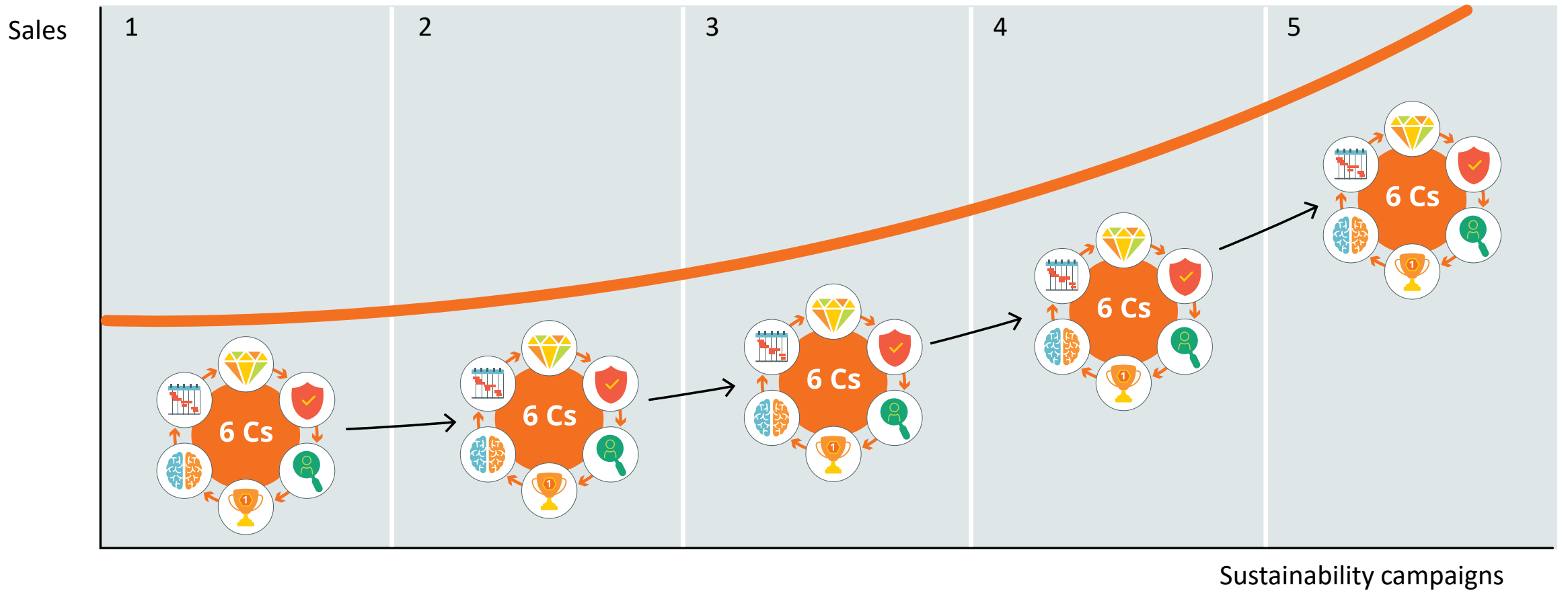
- Consistent, long-term communication will build your sustainability image
- Senior management team and employees are on board
- Framework for communication – topics, calendar
- Communication of sustainability news, progress, investments etc



Elements of establishing a sustainable brand



Implementing the 6 Cs



Avoid the risk of greenwashing

Bloomberg Green

Green

First Danish Climate Lawsuit Targets EU's Biggest Pork Producer

By Frances Schwartzkooff • Sign Up
4 June 2021, 11:52 BST



6 DANEPAK smoked thick-cut 220g

Watch Live TV > Listen to Live Radio >

CITY INDEX Enhance your trading performance with City Index. FIND YOUR CITY



French Advertising Watchdog Finds that Adidas' Ad for "Recycled" Stan Smith Sneakers is Misleading

December 6, 2021 • By TFL

Adidas has been slapped on the wrist in a matter centering on the advertising of its famed Stan Smith sneaker, a new version of which the German sportswear giant has been promoting as made from "50% recycled" materials. As part of its overarching "commitment to use only recycled polyester by 2024," adidas launched a "fresh redesign" of one of its most iconic silhouettes, touting the sneaker as made from "50%

The Grocer

BUYING & SUPPLYING | STORES | CHANNELS | FINANCE | PEOPLE | REPORTS | EVENTS | JOBS

PLANT-BASED

Alpro censured by ASA over environmental claims in almond milk advert

By Kevin White | 20 October 2021 | 3 min read



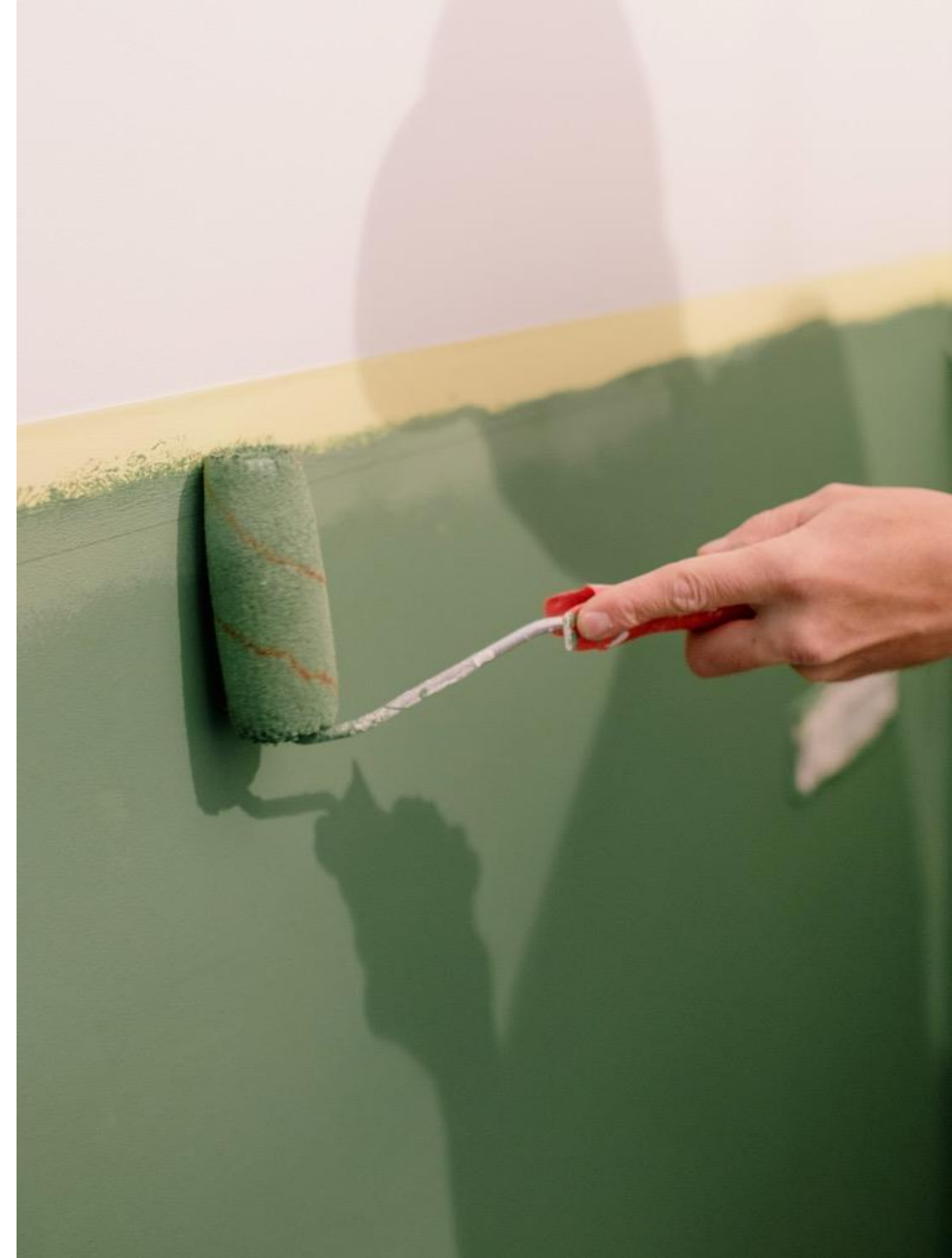
ace & tate

Look, we f*cked up.

OUR BAD MOVES

Tips to avoid greenwashing

1. Avoid general, imprecise or exaggerated statements
2. Ensure you can document the claims
3. Make the documentation easily accessible
4. Figures and facts must be up to date
5. When using a certificate, explain what it means
6. Don't create your own certification if there is already a similar one.
7. Your marketing needs to be in proportion to the effort you are making
8. Don't hide important information
9. If you are using claims made by your suppliers you are responsible for verifying their accuracy
10. Check the guidelines of the country you are marketing in

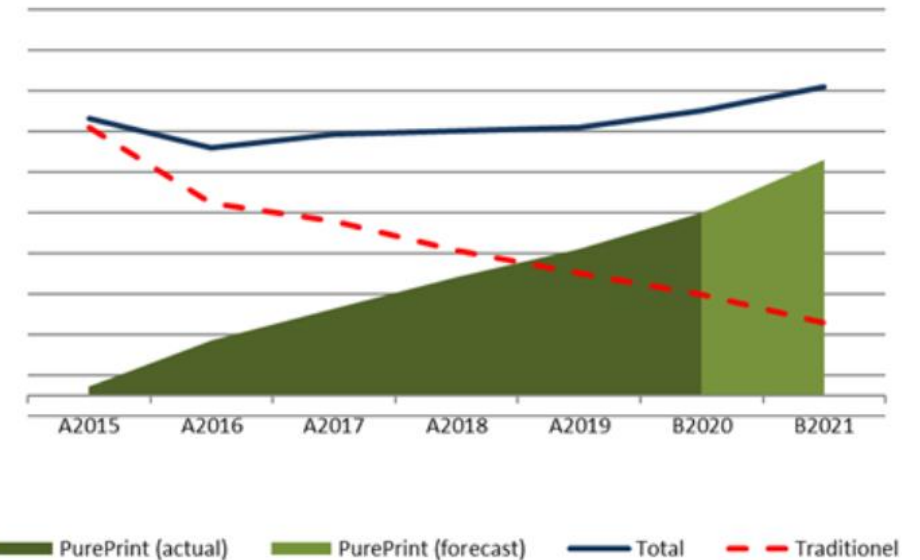


Case:
The turnaround of
KLS PurePrint



KLS PurePrint: Sustainability as a survival strategy

- A fourth-generation family-owned printing company operating in a market declining by **5 – 10%**
- In 2015 KLS launched a new strategy focusing on sustainability and with **the vision of being the worlds most sustainable printing company**
- The strategy has resulted in **150 new customers** including McDonalds, Coop and Pandora



Sales of sustainable solutions have ensured survival in a market where the number of printing companies have been reduced from 2,000 in 2007 to 80 in 2020!

Case:

Amphenol

From commodity to
differentiated product



Business situation

- Manufacturing antennas for mobile phone networks
- Big competitors undercutting on price
- Market share under pressure



Integra

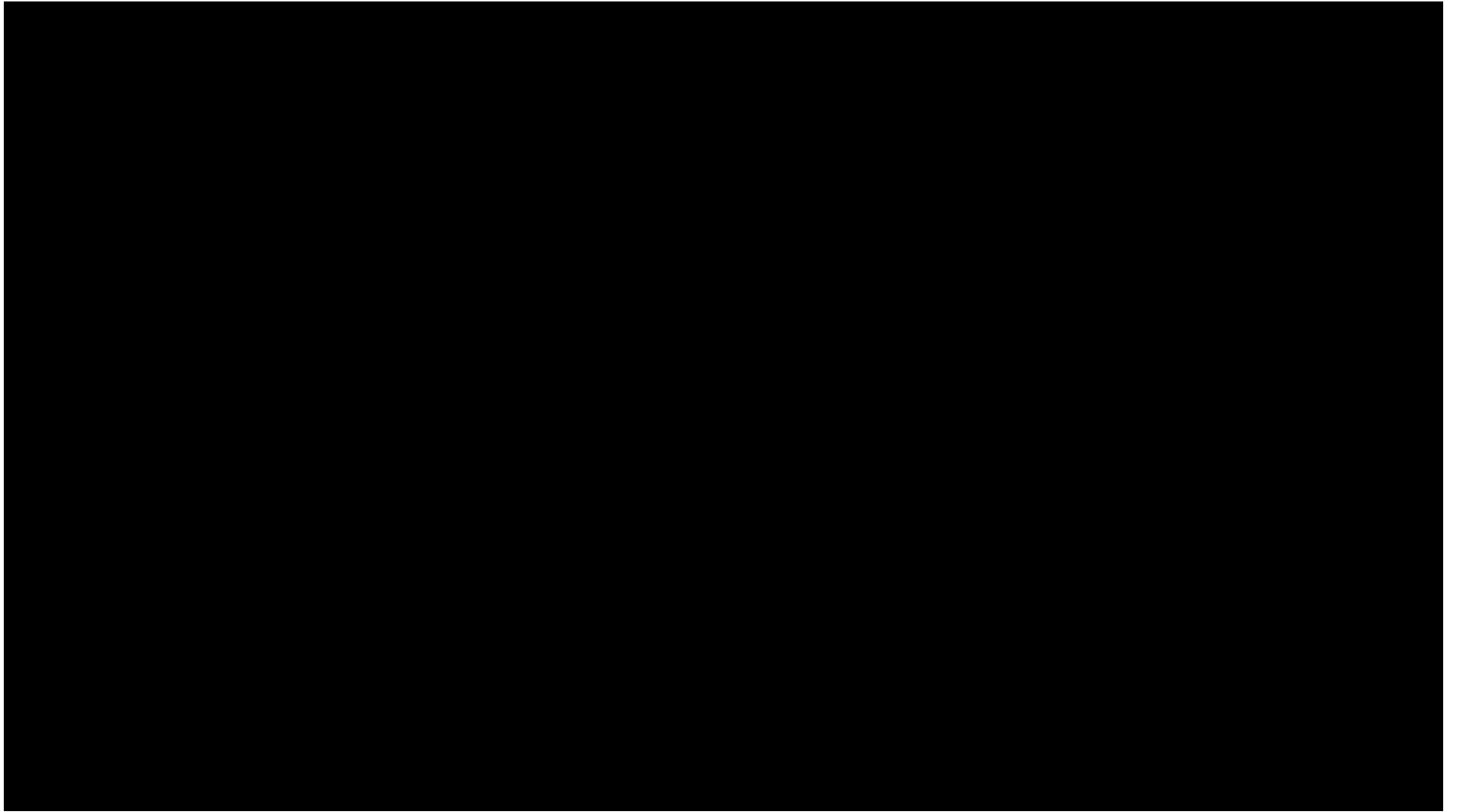
- A new, more sustainable antenna concept
- Modular design enables upgrading
- How to market it?



Insights

1. RAN managers are the priority target audience
2. Their goal is to keep antennas up to date to support network needs
3. Resulting in thousands of functioning antennas scrapped every year
4. They feel bad about this waste but see it as unavoidable
5. Most network operator have made CO2 reduction commitments

Video



**Keeping your antennas up
to date is not a choice.**

But antenna waste now is.

Scrap

Upgrade



Across the world. Around the corner.

**Network
evolution
creates huge
piles of
waste**



Contributing to climate change

IPCC report:
'Code red' for human
driven global heating,
warns UN chief



But MNOs are responding

- Fastest adopting industry of UN Race to Zero campaign
- Two thirds of mobile operators have committed to Science-Based Targets carbon reduction
- 13 GSMA members in Europe targeting 47% cut by 2030

GSMA Climate Action Taskforce members



**And now
the world's
first
upgradeable
antenna**



The latest technology for 50% of the carbon footprint

Upgrade instead of scrap

No additional charge



Two-year warranty

Fully tested & certified

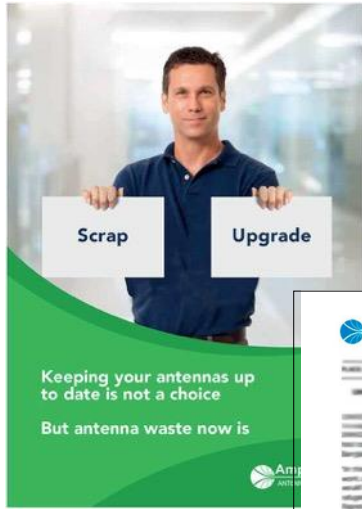


The choice is yours

Scrap

Upgrade

Campaign assets



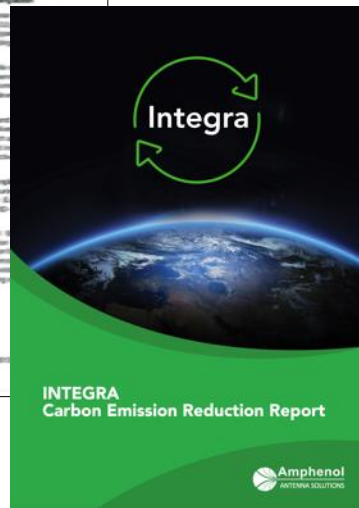
Brochure



Press release



Product logo

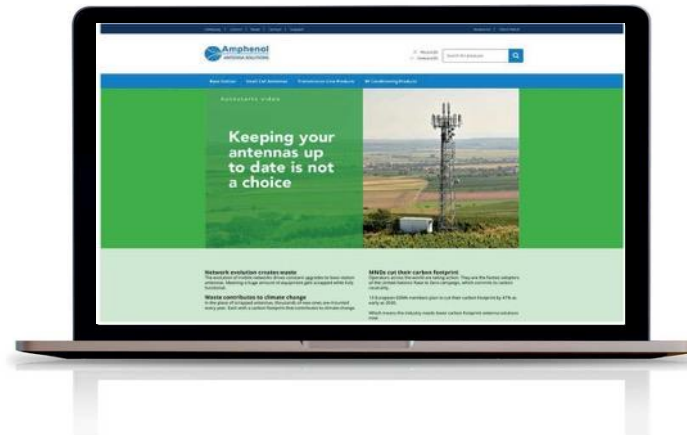


White paper

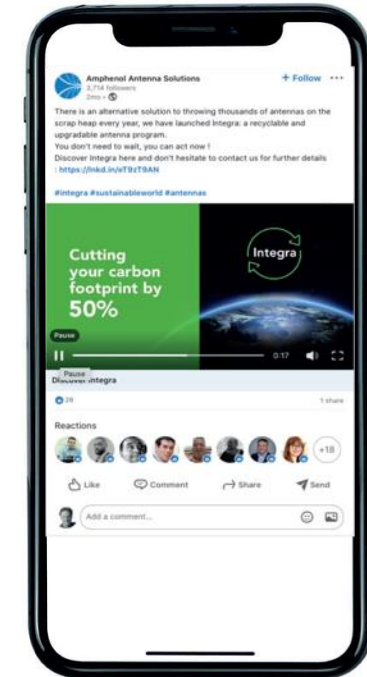
Sales presentation



Landing page & video



Social posts



Results within a few days

- Great adoption & feedback internally
- 25,000 impressions on LinkedIn
- 425 brochures landed on target contacts' desks
- Sales follow-up resulted in sales opportunities with several of Europe's largest mobile operators



Pitstop & Poll

What are your top challenges with marketing sustainability?

Select up to 3:

- Getting commitment from my organization
- Getting the brand message right
- Identifying relevant content
- Selecting the right marketing channels
- Developing an implementation plan
- Measuring impact



Results from poll 3:

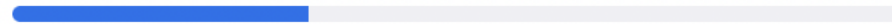
Poll 3: marketing strategy

Poll ended | 1 question | 6 of 6 (100%) participated

1. What are your top challenges with marketing sustainability? Select up to 3 (Multiple Choice) *

6/6 (100%) answered

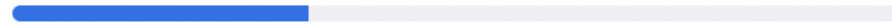
Getting commitment from my organization (2/6) 33%



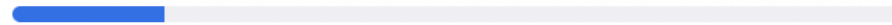
Getting the brand message right (3/6) 50%



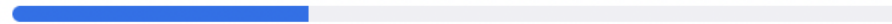
Identifying relevant content (2/6) 33%



Selecting the right marketing channels (1/6) 17%



Developing an implementation plan (2/6) 33%



Measuring impact (4/6) 67%



Offer



Discover your sustainable brand potential

Free Discovery Meeting (1 hour online) where your sustainability brand potential is assessed

Send one of us an email with the word “Discovery”

James

james@magnetize.dk

Morten

mk@bluebusiness.com



Q&A





Thank you

Contact details

James Bryce Smith, **Magnetize:** M +45 9154 0321

james@magnetize.dk

Morten Kornerup, **Blue Business:** M: +45 2085 3377

mk@bluebusiness.com.