

ESG as a Business Model for SMEs

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ABOUT US AUTHORS SPECIAL ISSUES

ESG AS A BUSINESS MODEL FOR SMALL & MEDIUM-SIZED ENTERPRISES

Posted on June 27, 2022 by Mark Farnwick, Tzveti Joubert, Sandra Van Rijn and Erik M. Vermeulen

As the world returns to something more recognisably normal, it seems natural to ask what the economy will look like after the pandemic. Will things ever go back to how they were, or are we facing a new – and altogether different – reality?

Whether a crisis – political, economic, or social – impacts the business world, the same questions often arise: What is the purpose of a corporation? Is the purpose of a corporation to make money, or do they have a larger role to play in advancing a more diverse range of social values? In short, does a business have a social responsibility to improve the world?

Answers to this question vary. At one extreme are those who continue to insist that businesses have “only one” social responsibility – “to increase its profits.” On the other side of this debate are those suggesting that companies must consider environmental and social factors together with “good” (or at least better) governance in their operations.

The latter conception of the purpose of businesses is often referred to as stakeholder capitalism, as it aims to satisfy a constituency broader than the shareholders. This conception of a more diverse range of values into thinking about how a company organises its activities is now referred to as environmental, social, and corporate governance, or ESG. Although it warrants a significant influence on business and policymakers, ESG still receives a lot of pushback. And – for sure – many companies use ESG statements as empty marketing tools to respond to the growing social and political pressure to be more socially and environmentally responsible. It is not hard to be a little sceptical about such statements.

Despite the emergence and increasing influence of ESG, there has been much less discussion about how ESG strategies and ESG-reporting might affect small and medium-sized enterprises (SMEs). Our new paper offers a preliminary attempt to think about the impact and potential benefits of ESG on SMEs. Moreover, we consider the role of regulators in nudging firms towards more socially responsible strategies post-digital transformation and post-COVID.

We first revisit the bigger question of the value and relevance of ESG in today's world. A recognition of the broader responsibilities of businesses should not be dismissed as incoherent and empty jargon. ESG strategies seem to have had a new-world impact and are here to stay. Moreover, companies that ignore this extended alternatives to a difficult position with diverse stakeholders, ranging from investors to owners to employees and customers. We see business leaders looking out on the world and saying, “What do our customers think is making the world a better place?” They are increasingly held accountable for their responses and criticised for their failure to meet the standards set in their public pronouncements. Whether to respond to an opinion poll, this is viewed as a reaction to evidence of a lack of concern and implicit endorsement of the status quo. Smooth talk doesn't seem to work either and is equated with a lack of sincerity and commitment. These new pressures affect all firms, irrespective of size.

Skeptics of ESG often suggest that the claim that companies should look beyond shareholder value doesn't add anything new. Concerns of other stakeholders can be satisfied perfectly well under and modern, shareholder value maximisation includes – or at least has the potential to include – some version of stakeholder capitalism. In one sense, this is perfectly true. Concerns about stakeholders and ESG may be just another aspect of shareholder value. It is simply a question of how one chooses to frame the metrics of success. Nevertheless, the problem is that by framing the issue of business success exclusively in terms of shareholder value, we create a series of hierarchical and abstract relationships between the different groups of stakeholders within a business that potentially distort responses in damaging ways.

The problem is not so much that the traditional theory about the purpose of the corporation is wrong but rather that it overemphasises the importance of maximising shareholder value. Such an approach can create adverse behavioural outcomes that cause long-term damage to any firm. For example, a focus on maximising shareholder value incentivises a short-term mindset among executives and window dressing by managers and employees who seek to portray a positive image of company performance to appease investors. The result is, at best, wasted resources and, at worst, a crippling effect on the long-term prospects of a business as it is distracted from the core tasks of product or service development and market building. Again, there is no reason to think that these distorting effects don't similarly apply in the case of SMEs. The results may be worse as a smaller firm may not have the resources or know-how to insulate itself from the negative effects of a myopic focus on shareholder value.

In contrast, an ESG-oriented approach seems to offer at least two potential benefits for smaller and medium-sized enterprises. First, engagement with ESG may offer firms the opportunity to connect with a more diverse pool of investors worldwide to explain and discuss growth strategies and make input. These discussions can assist management in making better decisions and avoiding common traps. A focus on ESG can also draw firm executives to identify new opportunities and gain a better sense of their peers and competitors and facilitate better decision-making. Second, proactive ESG engagement might help management identify negative gaps in the board of directors and executive teams, or stakeholder context. Investors and other stakeholders may be best placed to have a meaningful impact on the ESG strategy of SMEs creating positive feedback effects.

There is already some recognition amongst policymakers of these benefits. Within Europe, for example, the EU proposed the Directive 2022/2556 will require corporations to report on non-financial matters and provides SMEs with the option to report on non-financial issues. It should also be noted that in Europe, banks, investors, and financial consultants are required under EU Regulation 2019/2088 to report on their approach to evaluating ESG efforts spent by investee companies.

It is important to stress that none of these benefits are necessarily unique to smaller enterprises. However, more empirical research is needed on how ESG might play out in such a context. And, of course, the fear is that ESG engagement and reporting might come at a heavy price for smaller organisations if it diverts resources without delivering any benefits. But, as recently suggested by Richard Bennis, an ESG director at APPL, the lack of ESG-reporting might not be as difficult for SMEs as initially feared, while they do have been required to compare to large publicly-traded corporations, the size of SMEs does mean that better decision-making and stakeholder representation of ESG challenges is possible. Furthermore, as the popularity of ESG-reporting grows, this requirement should not present an insurmountable burden to smaller firms, and such reporting can become a routine feature of their operations. Bennis also recommends that ESG-reporting be “proportionate to the size and financial return of the company.” Crucially, on this view, ESG might become a “central driver of enterprise value.” As Bennis said, even among the “hordes of hard-headed investors,” ESG is becoming increasingly important when looking at the future viability of a scaling business.

Thus far, there has been little discussion about how ESG might impact SMEs and whether it might offer solutions to some of the challenges SMEs face in a post-digital transformation and post-COVID world. This seems unfortunate as the pressure to engage with such issues seems set to increase and impact all firms, irrespective of their size and the sector of the economy in which they operate.

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“... there has been little or no discussion (yet) about how ESG strategies and ESG reporting (and ESG dialogue) will offer solutions to the many problems that SMEs face in today’s world – particularly in attracting and retaining investors, employees, and customers. This paper ...”

“In the context of ESG, what is so special and different about SMEs that it warrants a separate investigation/research? Can’t we infer how SMEs operate under an ESG framework based on how bigger corporations behave?”



Source: IFC ESG Guidebook 2021



New rules on corporate sustainability reporting: provisional political agreement between the Council and the European Parliament

The Council and European Parliament today reached a provisional political agreement on the **corporate sustainability reporting directive (CSRD)**.

The proposal aims to **address shortcomings in the existing rules** on disclosure of non-financial information, which was of insufficient quality to allow it to be properly taken into account by investors. Such shortcomings hinder the transition to a sustainable economy.



This agreement is excellent news for all European consumers. They will now be better informed about the impact of business on human rights and the environment. This means more transparency for citizens, consumers and investors. It also means more readability and simplicity in the information provided by companies, which must play their full part in society. Greenwashing is over. With this text, Europe is at the forefront of the international race to standards, setting high standards in line with our environmental and social ambitions.

— Bruno Le Maire, Minister for economic affairs, finance and industrial and digital sovereignty

What are the new rules?

The corporate sustainability reporting directive amends the 2014 non-financial reporting directive. It introduces **more detailed** reporting requirements and ensures that large companies are required to **report on sustainability issues** such as environmental rights, social rights, human rights and governance factors.

The CSRD also introduces a certification requirement for sustainability reporting as well as **improved accessibility** of information, by requiring its publication in a dedicated section of company management reports.

The European Financial Reporting Advisory Group (EFRAG) will be responsible for establishing European standards, following technical advice from a number of European agencies.

Who will be covered by the directive?

EU rules on non-financial information apply to **all large companies** and **all companies listed** on regulated markets. These companies are also responsible for assessing the information at the level of **their subsidiaries**.

The rules also apply to listed **SMEs**, taking into account their specific characteristics. An opt-out will be possible for SMEs during a transitional period, meaning that they will be exempted from the application of the directive until 2028.

For **non-European companies**, the requirement to provide a sustainability report applies to all companies generating a net turnover of €150 million in the EU and which have at least one subsidiary or branch in the EU. These companies must provide a report on their ESG impacts, namely on environmental, social and governance impacts, as defined in this directive.

Who ensures the quality of reporting?

Reporting must be certified by an **accredited independent auditor or certifier**. To ensure that companies comply with the reporting rules, an independent auditor or certifier must ensure that the sustainability information complies with the certification standards that have been adopted by the EU. The reporting of non-European companies must also be certified, either by a European auditor or by one established in a third country.

From what date will the rules apply?

The application of the regulation will take place in three stages:

- 1 January 2024 for companies already subject to the non-financial reporting directive
- 1 January 2025 for large companies that are not presently subject to the non-financial reporting directive
- 1 January 2026 for listed SMEs, small and non-complex credit institutions and captive insurance undertakings

Next steps

The provisional agreement reached today is subject to approval by the Council and the European Parliament.

From the Council's side, the provisional political agreement is subject to approval by the Permanent Representatives Committee (Coreper), before going through the formal steps of the adoption procedure. The directive will enter into force 20 days after its publication in the Official Journal of the European Union.

➤ General approach – proposal for a directive on corporate sustainability reporting [📄](#)

➤ Commission proposal for a directive on corporate sustainability reporting (21 April 2021) [🔗](#)



ACTIVISION BLIZZARD — RELEASES ITS FIRST ESG REPORT

Our commitments to champion our people, advance more diverse and inclusive communities, and protect the planet
by **Brian Bulatao** - Chief Administrative Officer on Jun 11, 2021

CLOSE

CREATING MEANINGFUL CHANGE IS ONLY POSSIBLE THROUGH CONVERSATION AND COLLABORATION.

Tell us more about you and your priority environmental, social, and governance (ESG) topics.

Fields marked with an * are required

First Name

Last Name

Email

Select Your Role (Check all that apply) *

- | | |
|--|---|
| <input type="checkbox"/> Community Member | <input type="checkbox"/> Policymaker |
| <input type="checkbox"/> Employee | <input type="checkbox"/> Prospective Employee |
| <input type="checkbox"/> Industry Peer | <input type="checkbox"/> Supplier |
| <input type="checkbox"/> Gamer and Fan | <input type="checkbox"/> Veteran |
| <input type="checkbox"/> Investor or Analyst | <input type="checkbox"/> Other |
| <input type="checkbox"/> Non-Profit Partner | |

In my opinion, the most important environmental, social and governance issues are: *

SUBMIT

PROTECTING THE PLANET



5.5

MILLION POUNDS OF
PLASTIC PACKAGING
SAVED OVER FIVE YEARS

COMMITTED TO

Reaching
**NET ZERO
EMISSIONS**
by 2050

50%

REDUCTION IN OUR PLASTIC
CONSUMPTION OVER 5 YEARS,
USING 2019 AS A BASELINE

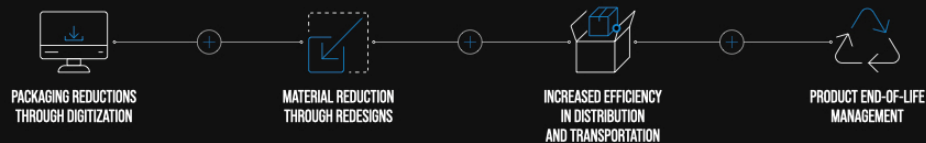
We understand that our business impacts our global and local environment and that we have an obligation to operate sustainably. We commit to the well-being of our planet by taking steps to reduce our own environmental footprint and to promote sustainable behaviors throughout our supply chain.

In 2020, we derived approximately 82% of our revenues via digital channels. Our ongoing conversion to a more digital business is enabling us to set and achieve important sustainability goals. This year, we are establishing baselines and setting quantitative targets to measure our future progress in areas such as reducing our packaging waste by 50% over the next five years and achieving net zero greenhouse gas emissions by 2050.

REDUCING OUR PRODUCT ENVIRONMENTAL FOOTPRINT

Over the last five years, we estimate we have saved over 5.5 million pounds of plastic packaging. And as noted above, we are committed to continuing to reduce our plastic consumption by 50% over the next five years, using 2019 as a baseline.

PRODUCT ENVIRONMENTAL FOOTPRINT EFFORTS



PARTICIPATION RATE IN
TRIENNIAL EMPLOYEE
ENGAGEMENT SURVEY

75%

72
EMPLOYEE
ENGAGEMENT SCORE

ENGAGING EMPLOYEES

Employees across the Company have the opportunity to join and contribute to one of our nine Employee Networks. These groups enrich our employees' experiences, our culture, and our business by driving inclusion, cultural awareness, professional development, networking, and community involvement. They also positively influence talent attraction and inclusive game design. Our networks play an integral role in building connection and community. They partner with our DE&I team to host events that amplify the voices of our employees, educate and inspire, and raise awareness of diverse topics and events important to our industry and employees, including International Women's Day, Black History Month, and Pride Month.

Employee engagement also plays a critical role in how we identify and improve the way we work. Our triennial employee engagement surveys allow us to hear directly from our employees. Our survey participation rates across the company—75% with respect to our most recent survey—demonstrate employees' commitment to help us keep Activision Blizzard a great place to work. And our most recent engagement score (72) indicates that our employees are engaged.¹ We recently added questions to measure manager effectiveness and employee sentiment around inclusion. Overall, our results show that employees feel that they are supported, well-communicated to by leadership, and treated fairly.

Surveys also help us understand our employees' perspectives in critical moments. In December 2020, we asked employees about return-to-office safety measures and about how they feel enabled to do their job in the work-from-home environment. Our most recent employee survey showed that many employees appreciate the Company's help in reimbursing expenses for home office setups.

EMPLOYEE NETWORKS

- Asian & Pacific Islander Employee Network
- Black Employee Network
- Latinx Employee Network
- LGBT+ Employee Network
- MENA (Middle Eastern & N. African) Employee Network
- Veterans Employee Network
- Women's Employee Network
- Differing Abilities Employee Network
- Multicultural Employee Network

¹ Triennial surveys consistently "pulse" the organization for our employees' perception on whether the Company is a "great place to work" and whether employees are "satisfied working at the Company." Employees are asked to answer each using a five-point Likert scale (e.g., ranging from "very unlikely" to "very likely"). We consider an employee who answers favorably (i.e., with a score of "4" or "5") to both questions to be engaged.

ESG STEERING COMMITTEE

CHIEF ADMINISTRATIVE OFFICER (CHAIR)

CHIEF PEOPLE, DIVERSITY & INCLUSION OFFICER

CORPORATE SECRETARY AND CHIEF COMPLIANCE OFFICER

CHIEF LEGAL OFFICER

CHIEF COMMUNICATIONS OFFICER

CHIEF FINANCIAL OFFICER

SVP OF INVESTOR RELATIONS

MANAGEMENT ESG STEERING COMMITTEE AND ESG WORKING GROUP

ESG STRATEGY, PRACTICES, AND POLICIES

In 2020, our management established a cross-functional, enterprise-wide ESG working group, which includes members of our executive management team and employees from all of our business units and corporate functions. The working group supports the steering committee by identifying the ESG matters that are most relevant to our business. As part of our long-term strategy, we continue to expand our internal ESG expertise, advance our reporting activities, and identify new partnership opportunities to highlight our key ESG issues.

HIGHLIGHTS OF OUR CORPORATE GOVERNANCE PROGRAM

We are committed to adopting and following strong corporate governance practices that benefit all of our stockholders. We believe that a foundation of good corporate governance creates an environment of accountability and otherwise promotes the long-term interests of our stakeholders.

Highlights of our corporate governance program include:



Annual election of directors



20% of directors are women



Selection pool for new external CEO will include qualified women and racially or ethnically diverse candidates



80% of directors are independent, as are all members of our three standing Board committees



20% of directors are underrepresented minorities (URM)*



Engage with investors on executive compensation and governance practices



Separate Chairman and CEO; lead independent director



Selection pool for independent Director nominee will include qualified women and racially or ethnically diverse candidates



Director "overboarding" policy; no director on more than one other public company board

Please see page 18 of our [2021 Proxy Statement](#) and our [Corporate Governance Principles and Policies](#) for a more detailed explanation of our corporate governance practices.

*An underrepresented minority, or URM, is an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, and/or who self-identifies as gay, lesbian, bisexual, or transgender.

Activision Blizzard sued by California for sex discrimination

Dean Takahashi

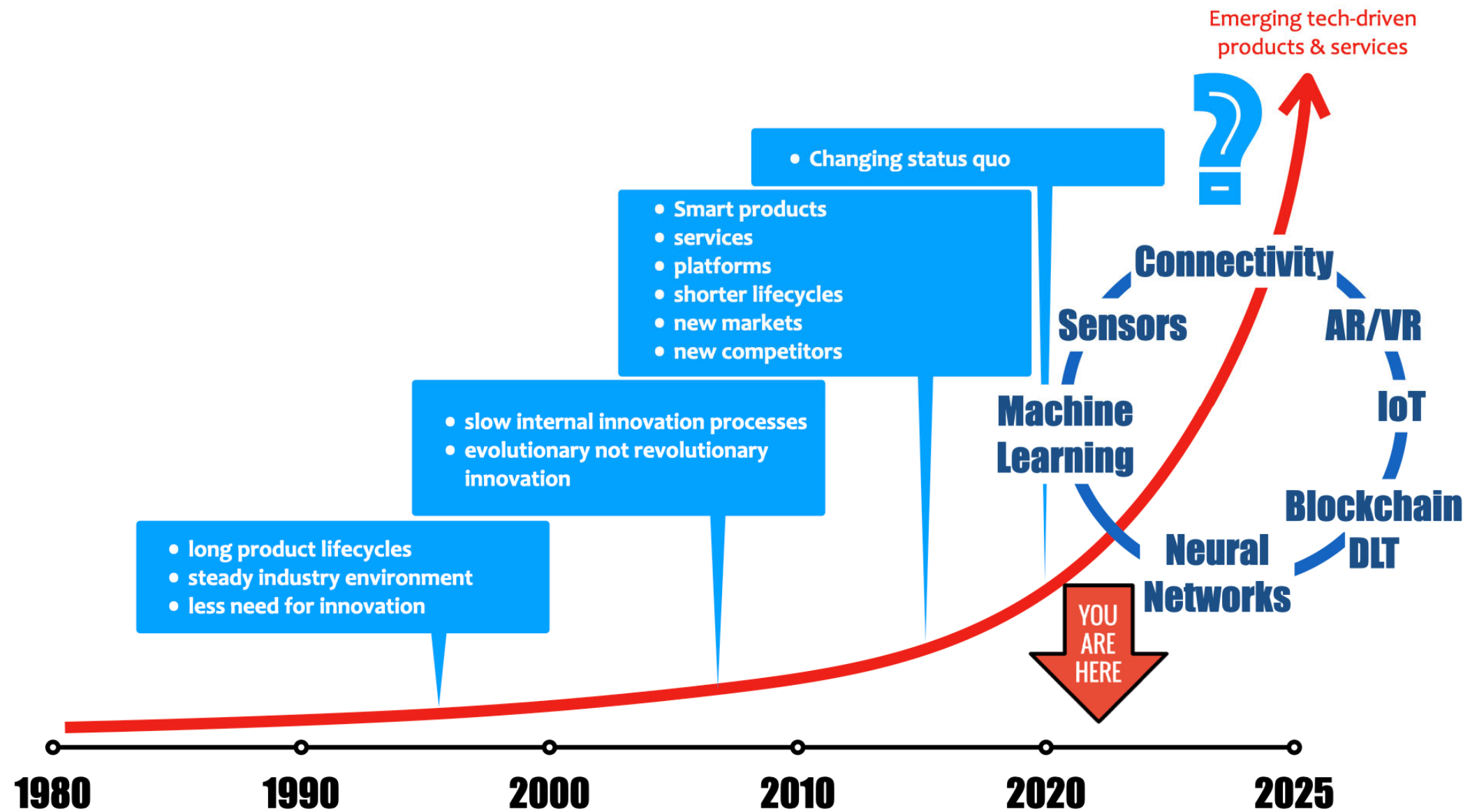
@deantak

July 21, 2021 6:21 PM

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Activision Blizzard's game characters.
Image Credit: Activision Blizzard



ESG as a Business Model for SMEs

SMEs can lead the way!





1. Business Is A Community

The brand's main focus is on building community. In an [interview with GQ](#) when asked for his tips for success, Francis discusses the importance of building organic and real relationships amongst all aspects of the business. From hosting meet-ups and communicating directly with customers to working with and providing support for their promoters — Gymshark presents themselves as less of a product and more of a way of life.

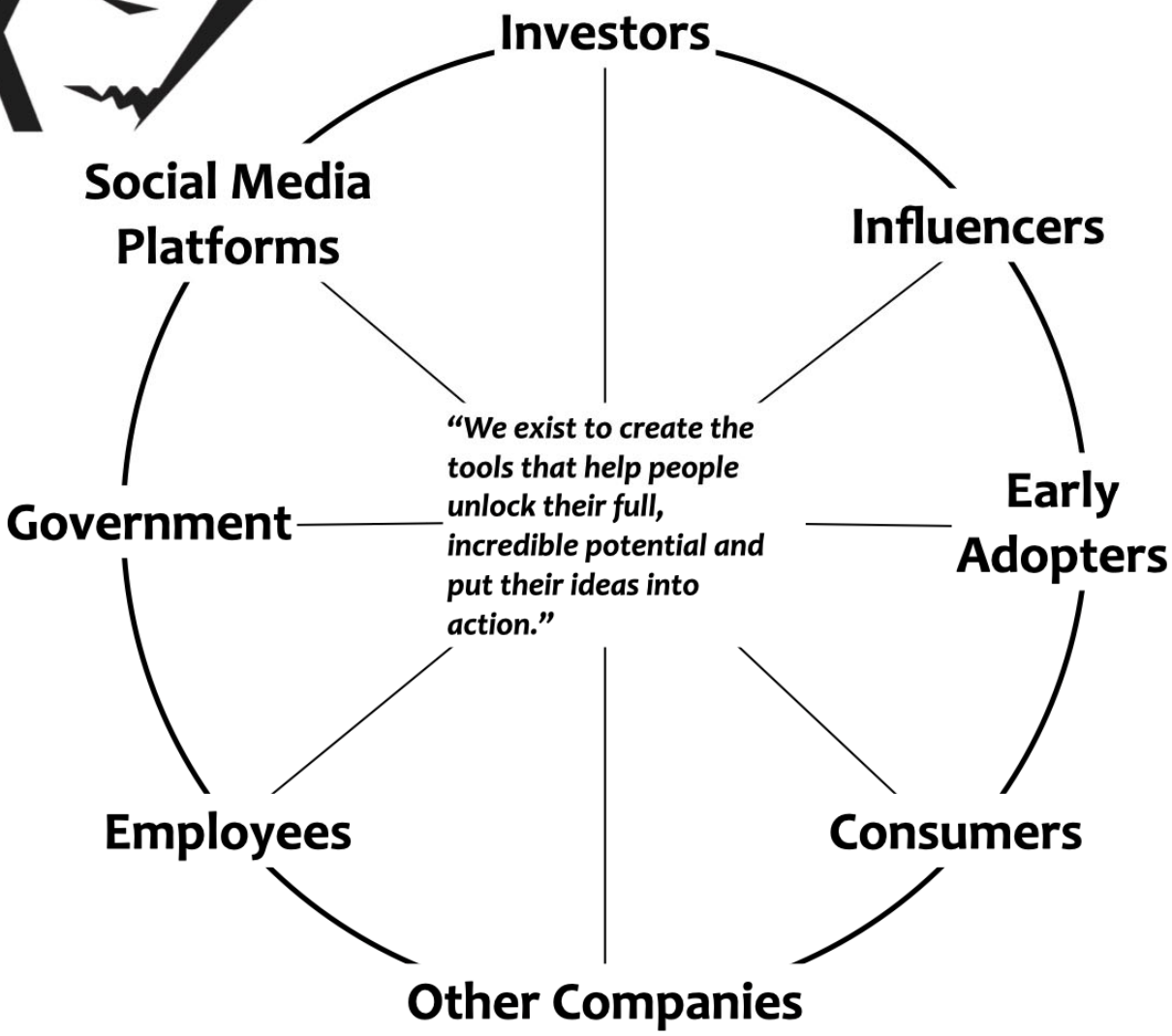
The world isn't interested in what you're physically selling. Even if your product is the first of its kind, it's just a matter of time until something similar comes out. What people want to buy is an experience, a feeling. Your business shouldn't be about selling products, it should be about building a unique community — offering people an opportunity to be part of something bigger.

From Product to Service to Experience



OUR CORE VALUES

- Our values are invaluable. We lose them, we lose everything.
- Be human.** Being accessible, inclusive and humble is at Gymshark's heart.
- Give a shit.** That means being conscious of the world we live in, caring for those around us and being proactive to create positive change.
- Do the right thing.** Count on us to be honest, trustworthy and genuine.
- Find the Gymshark way.** Refuse to forget the garage mentality that made us: ambitious, agile, disruptive.
- Put family first.** Unconditionally.



PEOPLE PLANET

OUR PEOPLE

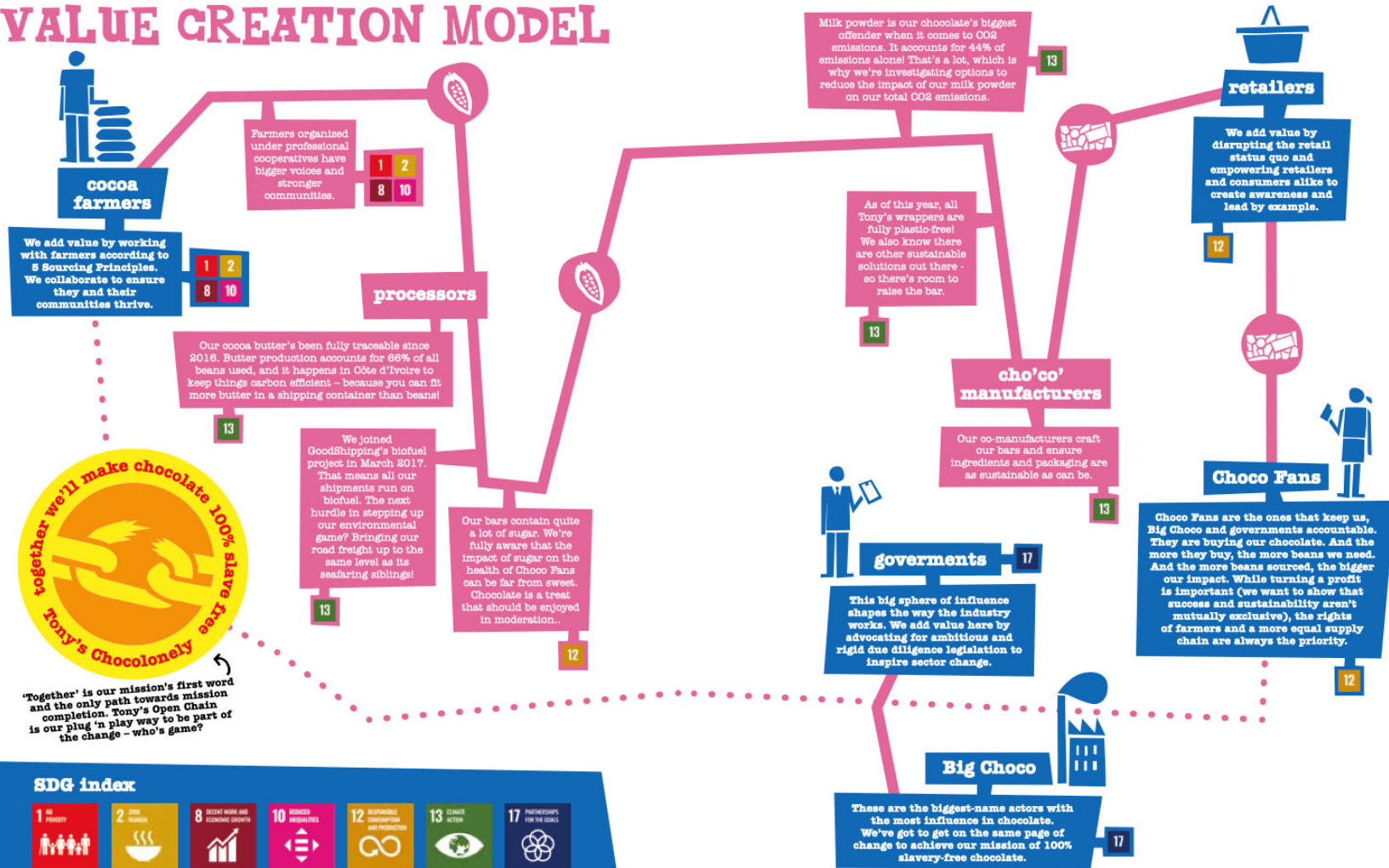
A CULTURE FOR **EVERYONE**

Without our people, we have no purpose. We are caring, we are inclusive and, above all else, we are family. Those values apply to everyone connected to Gymshark, from production line to gym floor.

[Download the full report](#)



VALUE CREATION MODEL



chapter eight:

THE

NUMBERS

THE

NUMBERS

The name of the numbers game

If there's 1 thing our roadmap makes clear, it's that accomplishing our mission means we've gotta be commercially successful, too. Financial success and the greater good for people and planet don't have to cancel each other out.

We aim to change the system from within by showing the industry that commercial success can go hand-in-hand with positive impact on the world around us. If we can do it, Big Choco can too!

But let's put on the brakes for a sec.. 'cuz we didn't make a profit this year! Huh? Is it possible to be commercially successful and also go a year without profit? Luckily, our number-crunching dream team's here to help break things down and take a closer look at what this means for mission and cocoa alike.

Last year we continued to lay the foundation for growth in key markets. We've stayed focused on building an international brand that helps create issue awareness, and growth will always increase our capacity for impact.

Most of our markets are still quite young and in the scale-up phase. This means upfront investments are necessary to boost revenues. For the past 2 years our net revenues grew less rapidly than our ambition, but our markets and teams have continued to secure top-line growth now and for the years to come.

This year's numbers at a glance

The financial targets we strive for are: 50% revenue growth, 40% gross margin and 4% net margin. We recognize that these are ambitious – which is why we revise them on an annual basis. Last year we projected growth between 30-35% in net revenues. We anticipated we'd reach a gross margin of at least 44%, and a net profit (after tax) of 1.5%.

For the first time in Tony's history (drumroll please..) our net revenues surpassed a landmark €100 million, and grew by 24% – from €88.4 million to €109.6 million. We came close to our projection, and marked a huge milestone in the process. Our gross margin exceeded our target and increased from 42.4% to 46.2%! Meanwhile our net profit totaled -4.3%, falling short of our goal.

Itching to know how individual markets performed? Check out the spiffy visual we put together in Chapter 6 on page 107.

THIS IS TEAM TONY'S



TONY'S CHOCOLONELY EMPLOYMENT AGREEMENT

START

what's your name?

start date: 00-00-'00

indefinite period

till date 00-00-'00

your role:

(check out your impact profile for all the details)

work location:

probation period:

0 0 0 0

month(s)

We both can break up at any time, in writing and with the statutory notice period in mind. Our collaboration stops automatically on the day you reach the State Pension Age (AOW in Dutch...)

ON A SERIOUS NOTE, PART 1

- You agree that you will handle all confidential Tony's information eh, confidentially.
- All work results that you develop or create, solely or jointly with others, during your employment with us is owned by Tony's Chocolonely (called 'Intellectual Property rights'). When we split up, you will return all documents relating to our business and your work for us to us (like reports, manuals, drawings, correspondence and customer lists), obtained by you during your time with us, without keeping any copies.

OUCH!

...mind your step! you're off to those nerve-racking serious notes

gross salary:

€ 000.000.000,00
per month (on a fulltime basis)
+ 8% holiday allowance.

number of hours per week:

0 0 0 0

divided over

0 0 0 0

working days.

(but hey.. results are more important than the number of hours you make)

Unlimited holidays, with a minimum of 28 days (based on a fulltime working week). You have to take these days off as a minimum to stay healthy and sane and to make sure you spend enough time with family, friends and to things you like to do.

STOP
**YOU
ARE
GOING
TOO FAST!**
..go to the serious stuff
for a cool down!

ON A SERIOUS NOTE, PART 2

- You can't accept a provision or compensation from our relations or clients. Only if it's chocolate coins.
- Want to combine your job at Tony's with another fancy side job? Make sure you discuss it upfront.
- The Serious about People Guide, as it is or as it will be, is part of this agreement so read it well before you sign.
- This Agreement falls under Dutch law.

Other Tony's benefits:

- Expense allowance of € net per month for work related purchases.
- Profit-sharing bonus
- Pension
- Participation in Tony's Chocolonely's Stock Purchase Plan ("Golden Wrapper"), when you meet the rules and conditions of the plan.
- A monthly commuting allowance + Q-park subscription + NS business card for work related travels a bright, shiny company car.

BACK TO
START

P.S. We will take a lovely mugshot of you and put it on a eh.. mug, among other things, like our website or annual YAIReport. You might also be photographed on other moments, because we occasionally give a peek of working life at Tony's online or in other publications. Mhkey?

HOORAY

Tony's Chocolonely
Pazzanistraat 1
1014 DB Amsterdam

yes no

sign here →

Address
Zipcode, Residence

you sign here →

DEAR BIG CHOCO..



18 februari 2021

We wrote this open letter to the chocolate industry because we really, *really* need everyone to play their part in the Sweet Solution. Only together can we make 100% slave-free chocolate the norm.

Dear Big Choco,

Did you see our limited-edition chocolate bars?

They looked a lot like.. but they were made a lot different.
To end modern slavery and illegal child labor in the cocoa industry.
Our sweet solution to chocolate's bitter truth.

We sold them at more than 1,000 supermarkets that believe in our mission to make 100% slave-free chocolate the norm.

We sent them to 5,000 Choco Fans across Europe as part of our Sweet Activist kit to spark change.

We gave them to thousands of strangers from our mobile Chocotruck in New York, to raise awareness and make new Serious Friends.

We made a film about them that screened on Dutch TV and our global social accounts.

Newspapers wrote about them. Choco Fans posted about them. And we got more than 30,000 new signatures for legislation against illegal child labor.

It's fair to say these bars got the international attention they deserved.
But the attention we most need, is yours.

Because the real power to change the chocolate industry is in your hands.

We copied you. Now, we ask you to copy us.
Not our crazy flavors, not our striking wrappers, but our ways of working.

Innovative SMEs Digitize

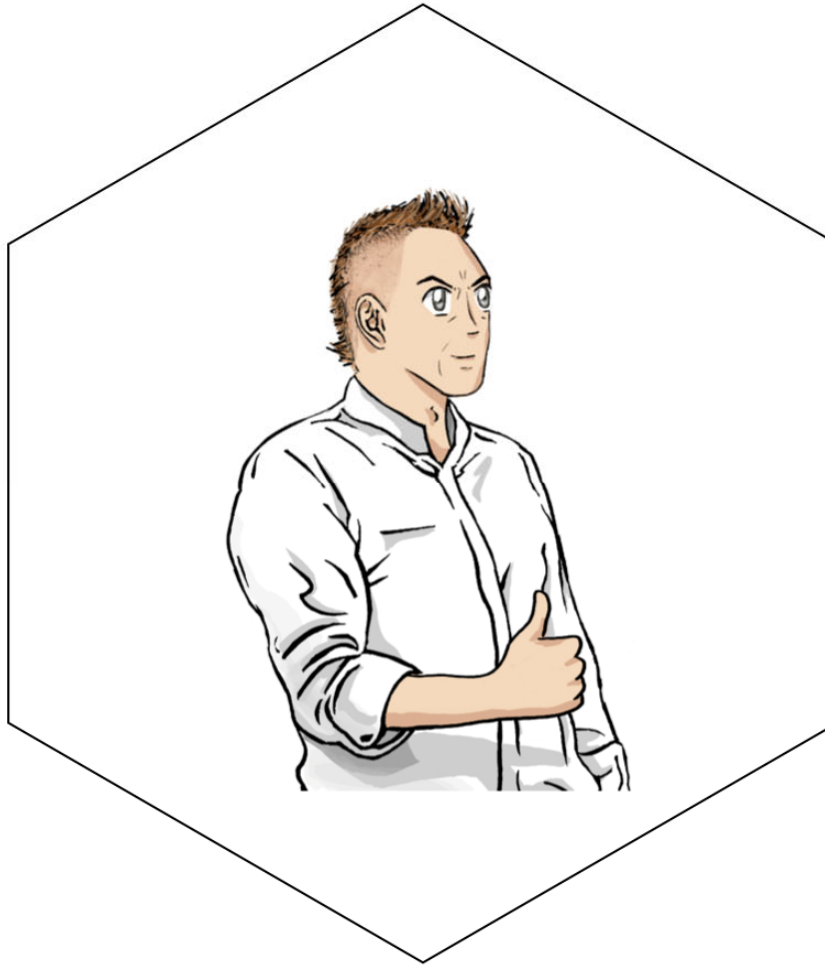
**... Are
Communicators**

... Are Flat

**... Are
Communities**

**... Are
Ecosystems**

... Care



A young Black woman with long braids and a grey beanie is sitting on a brown leather couch in a cozy, wood-paneled living room. She is looking down at a yellow spiral-bound notebook on her lap, holding a pen. The room has warm lighting, a lamp, and a patterned pillow. In the background, a doorway leads to another room where another person is visible. The Patagonia logo is in the top left, and navigation links and icons are in the top right.

patagonia

[Shop](#)

[Activism](#)

[Sports](#)

[Stories](#)



We're in business to save our home planet.

From supporting youth fighting against oil drilling to suing the president, we take action on the most pressing environmental issues facing our world.

DON'T BUY THIS JACKET



It's Black Friday, the day in the year retail turns from red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half planets on our one and only planet.

Because Patagonia wants to be in business for a good long time—and have a world to inhabit for our kids—we want to do the opposite of every other business today. We ask you to buy less and to reflect before you spend a dime on this jacket or anything else.

Environmental bankruptcy, as with corporate bankruptcy, can happen very slowly, then all of a sudden. This is what we face unless we slow down, then reverse the damage. We're running short on fresh water, topsoil, fisheries, wetlands—all our planet's natural systems and resources that support business, and life, including our own.

The environmental cost of everything we make is astonishing. Consider the R2 jacket shown, one of our best sellers. To make it required 135 liters of

COMMON THREADS INITIATIVE

REDUCE

WE make useful gear that lasts a long time

YOU don't buy what you don't need

REPAIR

WE help you repair your Patagonia gear

YOU pledge to fix what's broken

REUSE

WE help find a home for Patagonia gear you no longer need

YOU sell or pass it on

RECYCLE

WE will take back your Patagonia gear that is worn out

YOU pledge to keep your stuff out of the landfill and incinerator

REIMAGINE

TOGETHER we reimagine a world where we take only what nature can replace

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MAKE THE PLEDGE

*If you sell your used Patagonia product on eBay® and take the Common Threads Initiative pledge, we will sell your product on patagonia.com for no additional charge.



make it

#CNBC #CNBCMakIt How A Vest Turned Patagonia Into A Billion-Dollar Brand

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Business Unusual

Culture and Careers

Creating a culture of people who feel more at home in a base camp or on the ocean than they do in the office.

Careers

Un-corporate Culture



#gogreener

GoGreener

We leverage our platform to change behavior at scale and enable everyone to live environmentally responsible lifestyles

goforward

GoForward

We aim to empower everyone in our ecosystem by providing a wide range of opportunities to improve livelihoods.

gottogether

GoTogether

We embrace diversity; we strongly believe in providing equal opportunities in the workplace and ensuring everyone in our ecosystem is valued, engaged, and supported.

IMPACT

ESG AS A BUSINESS MODEL

(1) Companies are going to raise money more easily.

(2) Companies are going to recruit better.

(3) Companies are going to have a strong and cohesive culture.

(4) Companies are going to close amazing business developer partnerships.

(5) Companies will be the darlings in the press.

(6) Companies are more likely to deliver a positive investment return.

INSPIRATIONAL



Join the conversation!



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