



The Ecological
Entrepreneur

Market Trends and The Reinforcing Loop



Market trends on *sustainability*

Concept of *sustainable entrepreneurship*

- Sustainable entrepreneurship **used to be ‘extra’** in regard to proper company management
- Sustainability actions are **now becoming mandatory** for companies
- The concept of ‘sustainable business’ moves further and is **developing quickly**.

Internal and external stakeholders

- Companies request suppliers and/or clients to **report on their sustainability metrics**
- The ‘**new workforce**’ holds a strong requirement regarding the sustainability focus of a company to choose an employer. On average, **70% of employees expect a sustainability policy** of the company they work for.

EU Climate Law

- Legal objective for the EU to reach climate neutrality by 2050 and an ambitious 2030 climate target of at least 55% reduction of net emissions of greenhouse gases as compared to 1990, with clarity on the contribution of emission reductions and removals.

Legislation

- European Union (in light of EU Green Deal) is producing a **series of new directives** regarding *sustainability* on different aspects of business
- **Main business areas impacted:** ‘reporting’, ‘finance’, ‘strategy’, ‘marketing’, ‘services’, ‘production’

The reinforcing loop

Legislation and market trends are reinforcing themselves.

Example: Corporate Sustainability Reporting Directive (CSRD) - ESG-reporting

CSRD impacts large companies (+250 employees, +50M€ turnover)

- An analysis on ESG requires a value chain mapping & analysis
- Question from large companies push smaller companies to comply
- Smaller companies pro-actively develop a sustainability strategy to ensure business survival
- Every legislation installs a principal of ‘continuous improvement’, raising the bar for sustainability in a constant way.
- Sustainability ‘reporting’, ‘strategy’ and ‘implementation’ will accelerate.

Market influences

Stakeholders

- **Suppliers:** Increase in amount of questions on the way the organisation operates.
- **Clients:** more customer demand for sustainable products and services.

Own workforce

- 90% expect a climate policy
- 70% say job satisfaction will grow with a clear climate strategy

Competitors

- Is competition is perception-wise better?

Legislation

- **Sustainability reporting requirements**
 - CSRD, CSDDD, ...
- Take into account which supplier and clients will be impacted by sustainability legislation

Carbon taxation

- Carbon tax is inevitable, and already active in some instances and regions
 - ETS, CBAM, ...

Financial institutions

- Financial institutions, creditors, investors have to report on ESG.
- Interest rate for loans & credits will rise/fall dependent on ESG score.