



Getting there

As I see it **David Labistour**

CEO, Mountain Equipment Co-op

“There is no such thing as true sustainability at this point in time. We’re just not there yet. So I don’t think we’re a sustainable business. What we are is a responsible business,” says David Labistour, CEO, Mountain Equipment Co-op, whose company was one of the first major retailers in Canada to commit to the journey towards sustainability and is considered an industry leader in the field. In fact, Mountain Equipment Co-op partnered with other organizations as a founding member of The Sustainable Apparel Coalition, an industry-wide group of leading apparel and footwear brands, retailers, manufacturers, non-governmental organizations, academic experts and the US Environmental Protection Agency, to work on improving the industry’s environmental and social impacts around the world.

As I see it David Labistour

CEO, Mountain Equipment Co-op

Tahir Ayub

Canadian Private Company
Services Leader, PwC

604 806 7502

tahir.ayub@ca.pwc.com

www.pwc.com/ca/private

A cornerstone for being responsible is awareness of the impact one's choices can have on others. When it comes to the environment and social responsibility, there's only one way a company can have this awareness and that is through an assessment of one's practices and footprint, especially in these days of global supply chains. "Durable quality is the first step to sustainability. If you want consistent quality, if you want products that function, you have to manage your supply chain. To then mitigate your impact, make sure people are treated fairly, make sure there are no heavy toxins in the products you sell," says Labistour. "You need visibility into your supply chain and this is a tough task. I come from a business background. I don't come from a sustainability background, so I look at this from a very pragmatic point of view. This isn't ideology. It's about good business."

Companies that look at sustainability as something that's nice to have, but not essential, or see it primarily as a tool for marketing and engagement, are likely to miss out on the benefits that come with a responsible business approach. "They often do things that are not even material to their business," says Labistour. "You have to start by understanding there are a number of things that are material to your business that you have to address if you want to trade and remain viable in the long-term. You have to look at your impact, financially, socially and environmentally, and consider those in your planning and your actions. What

is material to your business, to your community, to your supply base and the people who make your products? And every organization has to start there. If you do, if you understand the materiality of your business and products, then you cannot do anything other than look at sustainability as part of your planning."

That means that each company's sustainability plan will look very different. There's no cookie-cutter formula. "For our business, our footprint is in the store and operations, but more so in the materials of the product we manufacture, whereas someone like Coke, their materiality is in the water they draw and how they impact diets in society," says Labistour.

Sooner or later, he says, the journey towards sustainability will have to be embraced by every business. "Industry is premised on cheap energy and an endless supply of resources, and it's pretty evident we're running out of that luxury. So how are you going to run a competitive business in the years to come bearing those things in mind?"

Consider the arguments in the tug of war that's taking place in discussions about climate change. "Carbon legislation will at some point have to happen," says Labistour. "And what are you doing now to mitigate that? You can put all your energy into fighting carbon legislation or you can start putting your energy into changing your footprint. Ultimately, the more energy you put into fighting it now, the more money and energy you're wasting in the long-term; the more money and effort you put into addressing your footprint, the more money you're saving in the long-term. There are investments and changes you have to make that are not going to reap benefits for your quarterly results. But certainly in the long-term, if you understand your supply chain and your materiality, you're going to understand where you're going to start mitigating and changing in order to avoid the impacts that are going to happen in three years, five years or 20 years."