

BUSINESS

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BIG INTERVIEWS/GLOBAL

Into the future

As more companies pivot towards sustainable practices, we visit seven savvy firms shaking up their respective industries, while proving that doing business better needn't compromise the bottom line.

Edited by *Ed Stocker*

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Thomas Ingenlath
CEO, Polestar
Gothenburg

The Volvo-owned, all-electric marque knows what its growing stable of drivers want: sustainability, dynamic driving and zero compromise.

Fledgling carmaker Polestar was established in Gothenburg in 2017 as a spin-off from owner Volvo (Thomas Ingenlath is a former senior vice-president of design there). The brand, which builds its cars in China, is focusing on the Polestar 2 in 2021, with an expansion of its variants. With more than 40 showrooms in 10 countries, Polestar has plans to further expand into Austria, Denmark and Finland. — LHO

Why do we need Polestar when we have Tesla?

The electric car market is reaching maturity. That means there is not just one car that satisfies people's needs; it comes down to your lifestyle and how the car fits into that. Tesla is the market leader and we do not intend



to compete with it – we want to sell to the kind of people who would normally drive a BMW or Mercedes.

What are the challenges facing the market?

Although 2020 was a difficult year for the automotive industry, electric car sales accelerated. However, we recognise that they remain a very small minority. To expand the market, we need to work on educating customers. For instance, many worry

about having to charge their car every day. But the average distance someone drives in a day is about 40km; the Polestar 2 can travel 470km before it needs to be charged. One big obstacle is infrastructure; we need policy-makers to encourage the creation of more charging points for electric vehicles. And we need more of our grid energy to be generated from sustainable sources in order for electric vehicles to move towards carbon neutrality.

What is your growth model?

Our two cars range in price from €40,000 to €155,000 and we aim to sell about 100,000 of the Polestar 2 this year. Northern Europe is currently our main market. But eventually, we intend to have around a third of our market in the US and a third in China, which is why production is stationed there. It has also helped us recently too. Many plants in Europe have been forced to close for longer periods through the pandemic, while our China-based facilities remained open. Transport was affected but the benefits outweighed the costs.

polestar.com

(1) Turning the corner in a Polestar 1
(2) Thomas Ingenlath

Polestar 2 in numbers

4.7 SEC
0 to 100mph

204KM/H
Top speed

470
KMS per battery
charge

€60,000
Starting cost

2

Ryan Gellert
CEO, Patagonia,
Ventura, California

The ethical clothing brand’s new global head tells us why Patagonia’s remit will always be as much environmental as it is commercial.

Founded in 1973 by former climber Yvon Chouinard, Patagonia has long been speaking up about issues that go beyond the usual remit of an outdoor-clothing brand. Headquartered north-west of Los Angeles, the firm regularly features high up in fashion transparency and sustainability indices but is arguably better known for its activist stance. This has involved everything from picketing governments about oil and gas exploitation to defending public land rights – all part of its declaration of being “in business to save our home planet”. After 12 years at the helm, former CEO Rose Marcario left last year to be replaced by Ryan Gellert, who had spent six years heading the brand’s European operations from Amsterdam. Overseeing a company with revenues thought to be about €1bn (Patagonia doesn’t publish these figures), he spoke to MONOCLE from Ventura, California. — EJS

Are you looking to make your mark as Patagonia’s new CEO?
I don’t see it that way. I’m invested in doing what is best for us by living up to our mission statement on the effect that we want to have. So I’m shameless in stealing the best ideas from wherever they may be. Do we want to be thinking about new ways of doing things? Product line extensions, categories, whatever. Before I became CEO, we started a food business [Patagonia Provisions] a few years ago. I want to see that scale.

A lot of businesses have suffered from the pandemic. Do tough decisions need to be made now?
The laws of economic gravity apply to



Patagonia in numbers			
72	107	3,100	450
Product-repair facilities globally	Retail stores globally	Employees globally	Employees deciding which organisations Patagonia supports

Patagonia like they apply to everybody else. And this has been the [fiscal] year we all know it to be. We’ll finish it smaller than a year ago. Some of that is intentional and some of that is a result of the pandemic. We feel comfortable with that. We’re not a revenue-driven business; we are very much a financial-health-driven business.

Why is a clothing brand like Patagonia involved in activism?
I’m not going to preach to other brands that they have to be activists; I can only tell you why we choose to be. There are two dimensions to Patagonia. One is being a responsible business. People often refer to us as leaders in sustainability. Let’s be clear, we’re not a truly sustainable business, despite our best

efforts for 47 years. The external work is being part of an activist community. We’re in business to save our home planet and so we will offer opinions, scathing ones at times.

Is there are risk that you are contributing to polarisation?
I don’t want to be unconstructively contributing to that. But if the response is, “Shut up, let’s just all be quiet and keep businesses as usual” – that’s completely unacceptable. We have fouled our planet and we have a responsibility to change that. We live in a racist country [the US] that has hundreds of years of not treating all Americans as equals and we have a responsibility to contribute to changing that. Absolutely. Unequivocally.

“We’re in business to save our planet and will offer opinions, scathing ones at times, if they are needed”



Patagonia tells people to buy less. Some CEOs might wonder why. Can you explain your approach?
What’s the scorecard we’re all planning for? Is it just unbridled growth? Is the goal that every year you’re bigger and more profitable than the year before and that’s what success looks like? And anything that doesn’t match that simple, narrow definition is failure? The finances are a means to an end, not the other way around.

How big a part of the core business would you like to see upcycling and recycling become?
There’s this broad set of services that we have that use an umbrella term called Worn Wear. When I think of Worn Wear, it’s about helping customers to really think about the effects of their decisions. It will include rental in the future, that’s a natural extension. Hopefully we can start to create greater scale around circularity and move to a much higher level of recyclability, which is deeply embedded in our business. I would like to scale it to the point where those services are cannibalising our sales of virgin product. That’s the goal – we should be creating that challenge for ourselves.

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Basil Engler
Founder, Dabbavelo, Zürich

One Swiss start-up is addressing the food-delivery sector’s throwaway problem, while proposing a more appetising pay cheque too.

Food-delivery businesses are thriving worldwide as takeaways are ordered via a swipe of a screen. But there’s a less palatable side to this transaction: wastage, such as containers and cutlery, is rife, while gig-economy delivery workers are often only paid per job. This is where Zürich start-up Dabbavelo steps in.
“We were angry at the rubbish,” says Basil Engler, who co-founded the company in 2019. The idea is based on the system perfected by Mumbai’s *dabbawalas*, a metal-lunchbox delivery and return service. In Dabbavelo’s case, peckish users choose a restaurant on its platform and pay a deposit for a plastic food container. Customers then return the container the next time that they order food or drop it off at Dabbavelo’s offices. “It’s important



to use something more than once,” says Engler. “Our containers are used maybe 150 or 200 times.”
Dabbavelo, run by seven people in their twenties, hasn’t stopped there. Its food is delivered only by bicycle and Engler, who has been a courier himself, knows that this “tough job” should be remunerated appropriately. Its 34 delivery workers receive CHF25 (€23) an hour and there are plans to expand the current network to 60 riders.
Challenges remain. Only a handful of restaurants from more than 20 on the Dabbavelo platform use the containers because the company takes a slightly larger cut than for conventional packaging. But with a low-price promotion in place and a successful crowdfunding campaign to pay for more containers, Engler and his team are improving the product. There’s talk of expanding to other Swiss towns and possibly even Germany. But for now? “Small steps,” he says. — EJS
dabbavelo.ch



(1) Ryan Gellert (2) Patagonia’s Recrafted Synchronia jumper, part of the Worn Wear collection (3) Reusable bowl (4) Basil Engler (on left) with Dabbavelo colleagues

4

Henrik Henriksson
CEO, Scania, Sweden

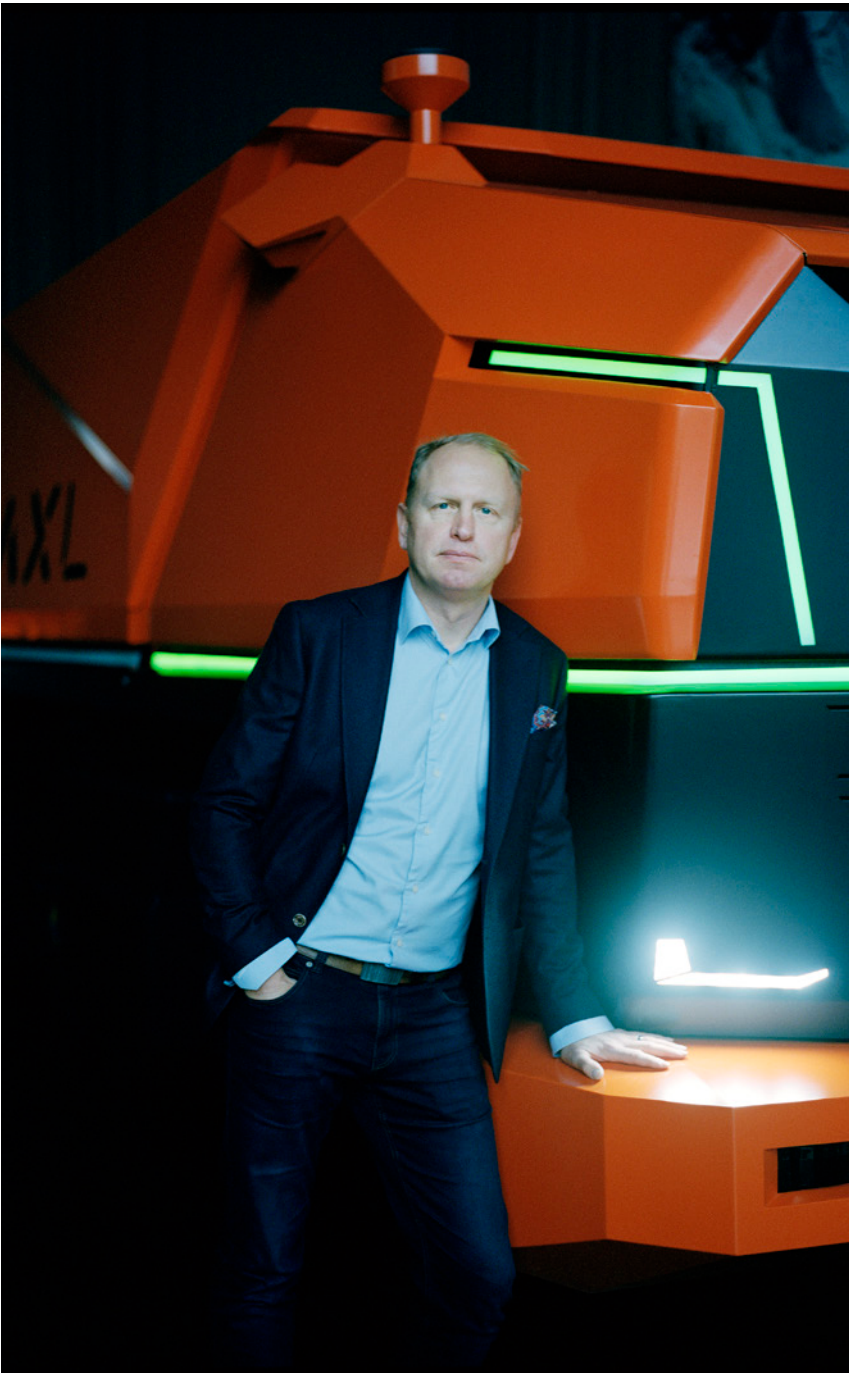
In a sector not known for its green credentials, the Swedish heavy-vehicle producer is one of several firms now determined to get its sustainable strategy on the road.

Typical Scania semi-trucks are designed to run for 1,500,000km before retirement. The Swedish company’s museum-like showroom in Södertälje, just south of Stockholm, belies the fact that they are built to be tough. Yet while durability is still key, what Scania’s leader really wants to talk about is sustainability.

Right now that’s not a word especially associated with commercial trucking and heavy vehicles. But Scania CEO Henrik Henriksson says that his firm is on its way to changing that. “Our sustainability journey is not a campaign, it’s not a project,” he says. “This is the only way. That’s why we don’t have a sustainability strategy at Scania; we have a *sustainable* strategy. It is built into everything that we do and it has given us a tremendous momentum.”

Henriksson cites the recent move to shut down all of Scania’s global operations for a few hours on a Friday for sustainability training. Managers gathered the company’s 50,000 employees into small groups to train them in sustainability initiatives and brainstorm new ways in which to make their teams greener, both in the short and long term. The CEO has also been a force in the wider industry, helping to pull together eight companies in the sector to pledge to meet the CO2-reduction targets of the Paris agreement.

Scania’s new electric semi-truck, which can travel up to 250km on a full charge, was unveiled last autumn and is one of the company’s flagship products for the future. That’s despite the fact that uptake of electric commercial vehicles remains slow, in



Electric potential
Driving the future

Electrified truck haulage is set to be a lucrative business and many firms are getting involved. Alongside Scania, Germany’s Daimler has announced that its 18-wheeler Ecascadia should be in production by 2022. Other players include the Phoenix-based Nikola Motor Company, which uses battery and hydrogen-fuel-cell technology. Volvo is also opening electric orders in Europe this year, while Tesla has a four-engine semi-truck in the pipeline.

(1) Henrik Henriksson
(2) Scania G500 XT

sector, such as Volvo and Daimler (which makes Freightliner vehicles), are doing the same, while Tesla, naturally, has its own electric semi-truck in the pipeline.

Scania will have some advantages going into the fight. Among them are its global presence, broad customer base and extensive track record. The company operates in 100 countries and has longstanding relationships with thousands of customers worldwide. It has been making commercial vehicles for 130 years.

Even though the new electric lorries get the headlines, the company is putting a lot of its focus into its diesel-powered vehicles that are already operating around the world. To ignore those trucks and their emissions would be foolish, says Henriksson. Scania is working with farming operations and other partners to get sustainably sourced biodiesel or biogas into tanks, reducing carbon emissions among conventional fleets by 90 to 95 per cent in the process.

For Henriksson, it’s all part of a complete shift in perspective. “A few years ago we realised that we needed to put on different goggles and see ourselves belonging to something bigger,” he says. “Which is an ecosystem of transport and logistics.” He points out that among the traditional stakeholders, such as customers and suppliers, the company now also considers wider societal good and the planet; doing what’s right and the bottom line are not mutually exclusive. “These days, as a company leader, if you’re not transforming your business to become truly sustainable you will soon not be relevant,” he says. “We are part of one of the biggest problems in the world [in terms of emissions]. We want to be part of the solution instead.” — GL

PHOTOGRAPHER: Felix Odell

Scania in numbers

€15 ^{BN} Net sales in 2019	52,000 Employees worldwide	100 Countries in which Scania has a market presence	100,000+ Vehicles and engines delivered globally in 2019	18.7% Market share in Europe, as of 2019	4% Increase in lorry sales, 2018-2019	50% Targeted reduction in CO2 emissions by 2025	6,631 Alternative fuel/clean-energy trucks delivered in 2019
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The new Detroit
Seats of (electric) power

The centre of automotive gravity has long shifted from Detroit as many manufacturers move into electric vehicles and other alternatives. Here are four potential new industry hubs.

Athens

Greece could become Europe’s manufacturing base for electric cars. Athens introduced tax breaks for buying electric last year, prompting Volkswagen to sign up to build an electric testing ground on the Greek island of Astypalea. Another German firm, Nextego, intends to build a factory capable of making up to 45,000 electric cars per year.

Tel Aviv

Known as Silicon Wadi (Hebrew and Arabic for “valley”), the Tel Aviv region has produced the Waze and Mobileye success stories in the past decade and is home to technology-savvy start-ups working on everything from battery life to wireless electric charging for buses.

New Delhi

India’s transport ministry wants the country to become a manufacturing hub in five years to satisfy its unquenchable thirst for cars. Chennai in the southeast has been dubbed the “Detroit of India” but cleaner alternatives might come from elsewhere: plans for an electric lane along a New Delhito Mumbai highway should focus minds and manufacturers elsewhere in the country.

Taiwan

Founded in 2011, Gogoro manufactures scooters and electric bikes. Its sleek new Eeyo 1, dubbed the “sports car of e-bikes” by one critic, launched in the US, Europe and Taiwan last summer and was quick to make an impact.



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Peter Njonjo
CEO, Twiga Foods,
Nairobi

By creating a more efficient food-supply chain, one Kenyan company is bringing down prices. And it has the rest of Africa in its sights.

Hidden within a mid-rise block in a leafy Nairobi suburb are the offices of a company with a lofty goal: revolutionising retail business in Africa. Founded in 2014, Twiga Foods has a simple premise. Acting as a logistics connector, it pulls together small retailers and links them to farmers.

“In Africa the retail structure is informal and fragmented: 80 to 90 per cent are the retailers you see on the streets – the *dukas*, the kiosks – and that creates an inefficient supply chain,” says Peter Njonjo, Twiga’s 44-year-old co-founder and CEO.



Twiga can claim international backers including Goldman Sachs, the International Finance Corporation, French private equity firm Creadev and Dubai-based Wamda Capital. Having poured \$60m (€49m) into the company, they view Twiga as a sound opportunity amid the converging dynamics of population growth and urbanisation.

“The key problem we want to solve is the cost of food in African cities,” says Njonjo. While hyperlocal, small-scale shopping at street-side kiosks is the norm in urban Africa, Njonjo saw an opening rather than a problem. “Instead of trying to break [the informal retail market] with technology, it’s better to try to enhance it, to create more sustainable businesses,” he says. “We want to build a world-class supply chain in informal retail.”

By aggregating the demands of retailers who order their daily fresh produce on their phones through an app, Twiga creates access to the market, along with the scale and reliability to give farmers the confidence that they need to invest and expand. The company’s technology-driven logistics platform glues together the fragments at both ends of the informal retail-supply chain, creating efficiency and lowering costs.

Twiga operates only in Kenya for now but Njonjo has ambitious and well-funded expansion plans in East, Central and West Africa, with the Ivorian capital Abidjan first on the list. Its goal is nothing short of improving lives across the continent. Kenyans, for example, spend more than half of their disposable income on food – nine times that of Americans and five times that of Europeans. “Africans spend most of our resources on feeding themselves,” says Njonjo. “If you free up the money that is being spent on food, it could fuel other industries. There are a lot of big challenges that Africa faces; we have been able to pick one of those challenges and turn it into a profitable opportunity.” — TMC

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Angela Brooks
Managing principal, Brooks
+ Scarpa, Los Angeles

Away from the whims of private developers there will always be a demand for built projects tailored to societal and environmental needs.

Brooks + Scarpa is a multidisciplinary architecture, landscape and urban-design collective formed in 1991. Based in Los Angeles, it has a global project portfolio, winning recognition for innovative designs that meet complex social and environmental needs. These include Nest, a rapid-construction housing kit equipped with off-grid energy, water and sewer systems designed to address homelessness. The practice also works on intangible design projects, such as a construction manual to help the City of Fort Lauderdale’s planners and builders meet the challenge of rising sea levels. We spoke to Angela Brooks, the firm’s managing principal, to find out more. — HRS

How did your approach to architecture and design develop?

My first job out of architecture school was working for a non-profit developer called the Los Angeles Community Design Center, which built affordable housing. I was interested in the development side, and it was the only place in LA where architects and developers worked together. As an architect,



PHOTOGRAPHERS: Brian Guido, Brian Oriano

(1) Peter Njonjo (2) Stock at Twiga Foods’ ‘pack house’ (3) Brooks + Scarpa community outreach venue (4) Yin Yang House, a single-family home in Venice, California (5) Angela Brooks



I could use my expertise to help them to build a community. I would call myself a frustrated planner.

Does sustainability sell?

Sustainability includes things such as social equity and housing for everyone, not just energy-efficient buildings. I’m interested in affordable housing and housing for homeless people because it’s a big need. But we also design parks, museums, historical renovations. Thirty years ago, architects would tell me to just do one type of building because it’s easier and you’ll make more money. When the recession hit, everyone else went out of business and we’re still here. Private developers dropped off the planet but we had non-profit clients who had money and were invested in longer-term projects

What are the biggest economic challenges you face now?

Coronavirus has changed the way that we do business. We’re building



a lot of housing but the projects have slowed. Economically we’re fine; our employees are happier working at home because they don’t have to commute for an hour every day. We haven’t had to lay anyone off; we’re still moving forward.

How would you like to see Los Angeles develop as a city?

Los Angeles has been called a bunch of suburbs in search of a city. It has developed piecemeal and it has sprawled. What we’ve been doing for the past couple of decades is building on top of that and densifying what’s actually here. It’s an interesting challenge to me: how do you build a walkable, liveable city on top of something that’s already built?

Brooks + Scarpa in numbers

2

Offices (in Los Angeles and Fort Lauderdale)

173

Major domestic projects since 2000

7

LEED-certified projects

66,433

Homeless people in LA County, as of June 2020

7

Sofia Pescarmona
CEO, Bodega Lagarde,
Mendoza, Argentina

Achieving sustainable business practices results in a virtuous circle that benefits the production process, employees, communities nearby and the planet.

Sofia Pescarmona is a third-generation co-owner of Argentina's Bodega Lagarde, founded in the country's most famous wine province, Mendoza, in 1897. She runs the winery with her sister Lucila (*pictured, on left, with Sofia*), who previously worked in New York and is in charge of the export side of the business. The firm's 70 members of staff look after five vineyards.

Lagarde is distributed in more than 40 countries and is the oldest winery in South America to adhere to B Corps standards (it received its certification in 2019), which combines social and environmental performance with the need to make a profit. At Lagarde, that means working on issues including water conservation, waste management and producing lighter bottles. Pescarmona tells MONOCLE how it makes wines better. — SMW

What's your vision with regards to doing things better?

Lagarde's 124-year history means that it has withstood time and anyone who's ever worked here has always moved the bar that little bit higher. Long-term responsibility means leaving something even better in place for the next generations.

How do you take less of a toll on the land?

Recyclable waste and water management are key. We sought to improve our carbon footprint in the centenary vineyard, so during the pandemic we invested \$50,000 [€41,300] to convert from traditional flood irrigation to a drip system, thereby saving up to



30 per cent in water usage. We've also started farming organically and the malbec and semillón grapes we've grown are in our Orgánica line.

People are key in B Corp's model. How do you work with the communities here?

First, look at your staff – do you treat them well, are they growing? Half our employees are women and we ensure that they receive the same pay as their male counterparts. Looking after employees' physical and mental health is also vital: an on-staff doctor holds clinics for vintners living in rural areas. Second, look at your closest communities. Mayor Drummond [in Mendoza's Luján de Cuyo wine region] is a poor district, so we set up an auxiliary school to help struggling children, as well as training teachers.

How else do you achieve a positive impact?

Lightweight eco-friendly bottles account for 70 per cent of production to ensure the lowest possible environmental impact. Every year we find ways to improve, for example, using natural yeast or doing away with unsustainable trellis supports for carob trees. Next, I'd like staff to swap jobs to understand their colleagues' roles.

Ebikego, India
Delivering cleaner cities

In 2017, Ifran Khan moved to the highly polluted city of Amritsar and set up e-mobility company Ebikego. His aim? To offer a cleaner alternative to "last-mile delivery" for e-commerce companies, delivering everything from technology products to groceries direct to households. Now Ebikego is in eight major Indian cities. With an ever-growing fleet of 1,500 electric vehicles, the company has tie-ups with most major e-commerce players in India, including Amazon.

Developing countries depend on scooters and motorcycles for mass mobility, because they're affordable. But most in India are two-stroke engines that consume the cheapest and dirtiest kinds of fuel. That's why Khan is proud to prove that cleaner alternatives work just as well, if not better. "We started with 700 delivery executives, travelling 80,000km a day in clean EVs," he says. "We were saving the country from 500,000kg of carbon emissions a month. That's increasing every day as we put more on the road."

To say Khan is ambitious would be an understatement. By 2025 he hopes not only to have exponentially scaled up his company to 250,000 vehicles but also to be entirely carbon-free. He's just developed solar energy-charged batteries, which run for about 100km after a two-hour charge, so Ebikego vehicles won't need to rely on grid electricity. "People, profit, planet – all three matter," he says. — LLP

Bodega Lagarde in numbers

2
Offices (in Los Angeles and Fort Lauderdale)

173
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