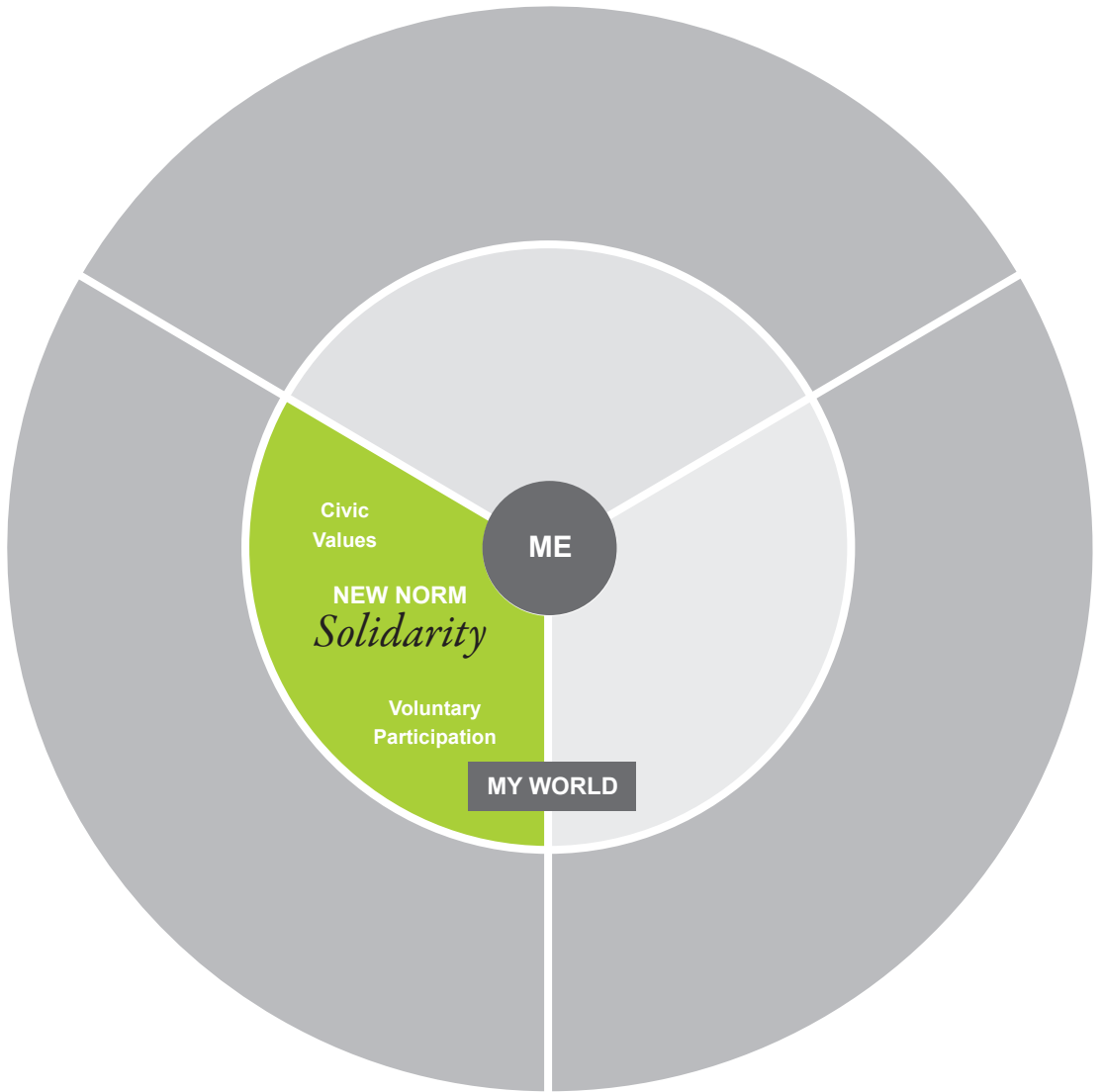


NEW NORM



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*“Sustainability is meeting human needs
or society. Sustainable development*

Forum for the



*needs without overwhelming nature
is the process by which we get there”*

Future 2011



Photo: Harald Brekke



EMOTIONAL DRIVER: SOLIDARITY

In a creative society people have to be resourceful. To become more self-fulfilled they will look for brands that can become partners or facilitate real change and make sustainability the New Norm.

DEFINITION: NEW NORM

Our society and individuals have been shaken up in the wake of the recession, with public funding cuts and a need for frugal reinvention of society. This leads people to rely on themselves, their neighbours and their immediate community. We adopt a **micro approach** to life and community. As core institutions no longer can be taken for granted we are on a mission to create a better world for ourselves. In the creative society **sustainability** has become the **New Norm**. However, sustainability is no longer just about environmental issues but also about applying a **sustainable mindset** to everything we do because it is the only way to create real systemic change. The incentives are high because we can tangibly measure the impact of participation in improving our own environment.

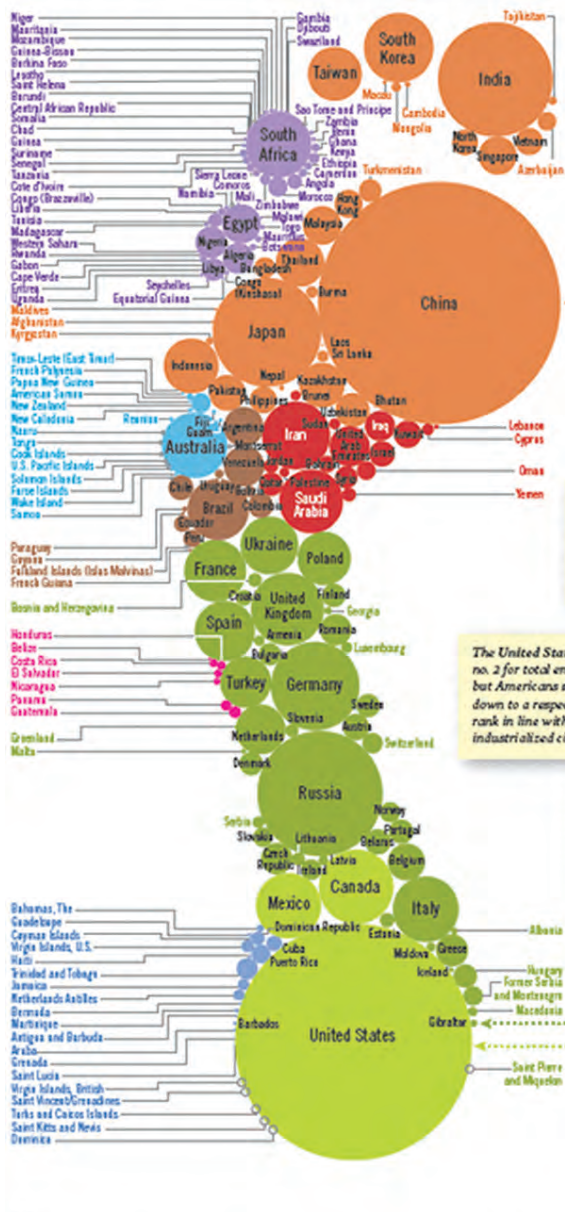
The **New Norm** is not based on ideologies but on tolerance, personal values and openness. We are looking for solidarity of interests and responsibilities and expect brands and institutions to reflect these values and needs. Having emerged from a 60-year period when the widespread culture was one of individualism and consumerism, we are evolving into a connected and socially responsible society. **Volunteerism**, **recycling** and **social entrepreneurship** has taken off worldwide and is no longer a middle-class pastime of the Western World. What people have in common is a **newfound belief** that they can make a tangible impact on the world and at the same time be more fulfilled.

For brands, it's about partnering with individuals to enable them to have the positive impact they want in their local communities and generate the **Civic Value** that is relevant to them. The **New Norm** is also solidarity of shared responsibility by both the manufacturer and the consumer, and a mutual desire to **create 'real change'**.

To create **Civic Values** and to improve our communities and immediate society people practise **Voluntary Participation**. In a creative society people have to be resourceful and will look for brands that can facilitate them in making sustainability and social responsibility the **New Norm**.

“Sustainability is no longer just about environmental issues but also about applying a sustainable mindset to everything we do... to create real systemic change.”

Total Carbon Emissions by Nation



Per Capita Carbon Emissions by Nation



China's total emissions lead the world, but when diluted by its huge population, its ranking drops down the per capita list.

The United States is no. 2 for total emissions but Americans shrink down to a respectable rank in line with other industrialized citizens.

Tiny Gibraltar tops the per capita list due to its need to import most manufactured goods—a reality also seen in many small island nations.

KEY



INSIGHTS

A NEW MINDSET: A significant shift in mindset has occurred among CEOs since 2007, with the vast majority now believing that sustainability issues should be embedded in core business. *LS:N 2010*

YES-WE-CAN: “...it’s good that people are raising awareness through social networking. I think one person doesn’t make a difference, but a lot of people do.” Youths in Kashmir use YouTube to document life under the Indian government’s security regime and Facebook to organise protests and share news. *LS:N 2010*

KIDS IN POLITICS: Generation D are far more likely to care and to vote. They are accessing all areas and finding out about the world for themselves. *LS:N 2010*

SOCIAL CONSCIENCE: To appeal to Gen D’s social conscience, brands will have to play a part in bettering society, rather than simply selling to it. Smart brands are already doing this. Microsoft has partnered with the UK’s NSPCC to launch There4me.com, an interactive website for 12–16-year olds which offers information, advice and counselling to young people. *LS:N 2010*

THICK VALUE: “We are seeing the endgame of a global economy built to create ‘thin value’, or ‘profit that is economically meaningless’, because it leaves others worse off, or, at best, no one better off. The challenge for businesses now is to create ‘thick value’, or ‘profit that is sustainable and meaningful’ and that makes people better off.” *Umair Haque, Havas Media Lab, October 2010*

REFRESH & REFILL: The reusable and recyclable ‘bags for life’ now issued by retail grocers including Tesco and Whole Foods Market, for example, will eventually evolve into refillable containers. We are already seeing the spread of rent and return, from high-end handbags to children’s toys. And we envision a time in the not too distant future when consumers will be able to stop by ‘refresh and refill’ window chutes, stock up on basics and use mobile devices to pay for them. *From Retail to Me-tail: Tomorrow Starts Today Accenture 2010*

CHINA’S ENVIRONMENTAL BOOM: “Conventional cities support economic growth,” says Stanley Yip of design firm Arup, which helped to plan China’s eco-cities. “Eco-cities take a different approach: we look at a city as part of a larger ecological process.” Eco-cities slot into the planet’s natural cycles, using renewable energy, sustainable water resources and green transportation. *Monocle, Forecast 2011: Environment 2010*

KNOW THE SOURCE: At SourceMap they believe that people have the right to know where things come from and what they are made of. SourceMap is a platform for researching, optimizing and sharing supply chains. *sourcemap.org*

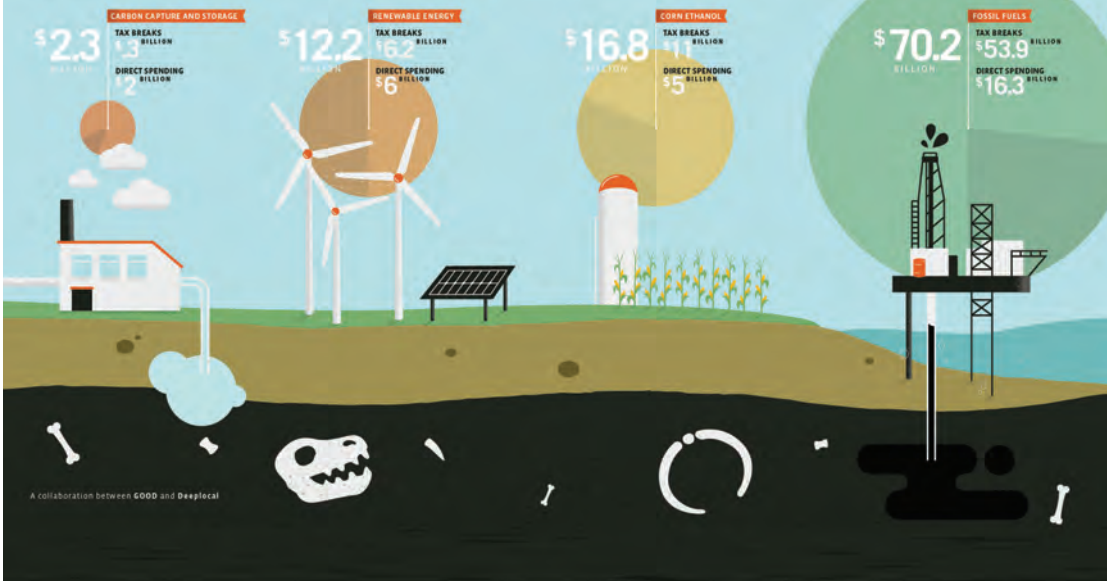


SUBSIDIZE THIS

THE PRICE THAT YOU PAY FOR ENERGY—WHETHER ELECTRICITY AT YOUR HOUSE OR GAS AT THE PUMP—ISN'T ACTUALLY THE PRICE THAT THE MARKET WOULD SET FOR THAT ENERGY.

The government spends billions of dollars to support the energy industry, which allows it to make energy cheaper than it should cost on the open market. These subsidies—either in the form of tax breaks or direct funding—favor some types of energy over others, giving our country a skewed sense of what each gallon of gas or wind-powered electron costs. This is a look at where the government directed its subsidy dollars from 2002 to 2008.

SOURCE: "Estimating U.S. Government Subsidies to Energy Sources" by the Environmental Law Institute



FACTS & FIGURES

- 86% of global consumers believe that business needs to place at least equal weight on society's interests as on business's interests. *Edelman, November 2010*
- 78% of Indian, 77% of Chinese and 80% of Brazilian consumers prefer brands that support good causes, compared to 62% of global consumers. *Edelman, November 2010.*
- 8 in 10 consumers in India, China, Mexico and Brazil expect brands to donate a portion of their profits to support a good cause. *Edelman, November 2010*
- 90% of consumers are concerned over energy-related issues; 83% are concerned over climate change and 80% over pollution. *Accenture, The New Energy World, 2010*
- Brazil recently lent \$14bn to the International Monetary Fund. *The New Brazil FT 2010*
- 2 in 3 people around the world believe they would be better off if they lived more simply, and 1 in 4 say they would be happier if they owned fewer things. *Euro RSCG Worldwide 2010*
- 34% of large British businesses say sustainability is a topic of high concern at the moment, after business survival. Sustainability is currently more important than regulatory compliance, globalisation, new product development and competition from emerging markets. *Future:Poll 2010*
- 1.4m Britons actively reduced their income for a better quality of life during 2008. *Prudential Report 2008*
- More than half of Millennials (53%) say government should do more to solve problems. *Pew Research report, 2010, Millennials Generation Next*
- Siemens generated revenues of \$28 billion in 2009 from its environmental portfolio of energy-efficient products and services, about an 11% increase from 2008 and nearly a third of Siemens's total annual revenues. Last year alone, Siemens helped customers cut approximately 210 million tons of CO2 emissions—the equivalent of the annual emissions of Berlin, London, Munich, New York and Tokyo combined.
- Construction in California has begun on a \$220m (€158m) 'mega solar power plant', which will have a 45-megawatt capacity - enough to power 36,000 homes. Upon completion in June, the energy generated will be sold for the next 20 years to the Pacific Gas and Electric Company. *Monocle, Forecast 2011: Environment, 2010*

1

Eco city in China - Photo: Oswaldo Macia

2

Subsidize This, The Price that you Pay for Energy - Graph: GOOD and Deeplocal

THE VOLUNTEERS

In these still-tough economic times, it can be hard to find ways to give back. But new data just released by the Bureau of Labor Statistics show that people across the country are still taking the time to volunteer in their

communities. This is a look at some of that data, showing who volunteered in 2009 and what kind of work they did. A tip of the hat to everyone who finds the time to do some good.

TYPE OF ORGANIZATION

16-24 YEAR OLDS

25-34 YEAR OLDS

35-44 YEAR OLDS

CIVIC, POLITICAL, PROFESSIONAL, OR INTERNATIONAL



EDUCATION OR YOUTH SERVICE



ENVIRONMENTAL OR ANIMAL CARE



HOSPITAL OR OTHER HEALTH



PUBLIC SAFETY



RELIGIOUS



SOCIAL OR COMMUNITY SERVICE



SPORT, HOBBY, CULTURAL, OR ARTS



OTHER



NOT DETERMINED



SUB-TREND: VOLUNTARY PARTICIPATION

As the world becomes more complex and connected, people are adopting new behaviours and motivations. They happily rally together to innovate or provide hands-on solutions, to create better products and services or to improve the community through real-world action.

Clay Shirky argues that by turning us from passive consumers into active producers and sharers of content, the Internet is creating a better, more democratic world. **Participation** in collaborative lifestyles is a radical break from the hyper-individualism that has characterised consumption in the last 60 years. We want to **nurture relationships** on a local and immediate level and find satisfaction in establishing connections between the goods and services we consume and the people who provide them. So, we volunteer our time and ideas as never before in return for personal satisfaction, rich experiences and the knowledge that we too have contributed.

In this consumer climate, brands can outsource recycling initiatives or ask the **collective consumer brain** for ideas on how to improve or where sustainability funds should be allocated. But to succeed and to be credible in this space, they must be able to demonstrate the positive impact they have on people's immediate environment. This level of collaboration is largely facilitated by the technical infrastructure of the Internet and cloud computing.

New products emerge from **commons-based peer participation**, where the collective effort of individuals contributes towards a common goal using a combination of volunteerism, goodwill and technology. Giving does not merely involve people parting with something of value, but working in cooperation with others to give or produce something of value to all.

Big global initiatives are not enough, people demand **tangible evidence of positive contribution** to the environment and community.

“...we volunteer our time and ideas as never before in return for personal satisfaction, rich experiences and the knowledge that we too have contributed.”



VOLUNTARY PARTICIPATION: INSIGHTS

THE 3RD DRIVER: We have a biological drive. Eat, drink, sleep, sex etc. We also have a second drive — we respond to rewards and punishments in our environment. But we also have a third drive. We do things because they're interesting, because they're engaging, because they're the right things to do, because they contribute to the world.

Daniel Pink, Drive: The Surprising Truth About What Motivates Us 2009

MEANINGFUL CONNECTIONS: “The younger generation is looking at things differently. They want to connect with people and causes much more than older generations.”

Kit Hodge, co-founder of the not-for-profit community organisation Neighbours Project

CITIZEN SOLUTIONS: The explicit aim of Big Society is to roll back the state and enable citizens to participate in developing their own solutions to community needs. It is likely that Big Society will see local agencies, groups and organisations being expected to fill the gaps that spending cuts will create. *Building the big society: opportunity or threat? Bassac July 2010*

VOLUNTEERING IMPROVES HEALTH: Volunteering is good for your health at any age, but it's especially beneficial in older adults. Studies have found that those who volunteer have a lower mortality rate than those who do not. Volunteering has also been shown to lessen symptoms of chronic pain or heart disease. *National and Community Service US 2007*

VOLUNTARY PARTICIPATION: FACTS & FIGURES

- Nearly one in two (47%) New Millennials in western Europe agreed that ‘being good and ethical’ is important for quality of life. *Future:Poll 2010*
- In 2010, more than 17,000 Deutsche Bank employees committed themselves to over 3,000 corporate volunteering projects. *Deutsche Bank corporate website, 2011*
- 36 % of the German populations over the age of 14 - approximately 23 million people - already do volunteer work. *BMAS 2010*
- Generation Ds are green natives too. For them, climate change is an immutable truth. Recent research found that 74% of European Generation Ds recycle and 69% save water. *Future:Poll 2010*
- City Year received 3 times as many applications last year as it did the year before. Teach for America, the non-profit organisation that places new graduates in low-income neighbourhoods, received 25,000 applications last autumn, the largest number since the programme was launched 20 years ago. *Future:Poll 2010*

1

The Free State Christiania in Copenhagen - Photo: Kjaer Global

2

Local Voluntary initiative in East London - Photo: Pravin Dewdhory



SUB-TREND: CIVIC VALUES

In a fragmented, largely secular and uncertain world - where trust has been lost in government and institutions - people value sustainable relationships, and aspire to have a long-lasting impact on society. To sustain community and its values, they take the lead in the running of core society pillars that traditionally were managed by the government. People want to get together to create action with people like themselves, as they often feel that the people elected to represent them do not understand their true needs.

Schools and nurseries are some of the institutions that are becoming a matter of **local civic initiative**. If we need a school we will have to make one. Initiatives such as street parties and local festivals are proliferating as another means of glueing together diverse communities and neighbourhoods.

Governments are acting on this can-do mood by putting programmes forward to invest greater powers among community and local groups – enabling stakeholders to make decisions, allocate funds and run public services for themselves.

Civic Value does not just come from big issues, what we really look for is impact on the micro level. It could be the playground makeover, the safe streets initiative or the campaign to keep the local shop open that means we get to know the Joneses, not try to keep up with them.

Brands need to become partners in creating systemic change and be accountable for their contribution to the community. They can play the role of facilitator, enabler, sponsor, but also add value as a mentor providing expertise where people need it.

“Civic Value does not just come from big issues, what we really look for is impact on the micro level.”



CIVIC VALUES: INSIGHTS

HEROIC ACTION: Everyone has the potential to transform the private virtue of compassion into the civic virtue of heroic action, and we are dedicated to helping individuals internalize and express their ‘heroic imagination’ in service to humanity. *Heroic Imagination '11*

OVER TO YOU: “What we are doing is supporting a new culture where everyone gets involved and society stops relying on the state to provide all the answers.” *Francis Maude 2010*

THE BIG SOCIETY: “Design yourself as a good useful citizen, parent and do the best you can every day with all the people you interact with.” *Comment on the BBC blog discussing the Big Society*

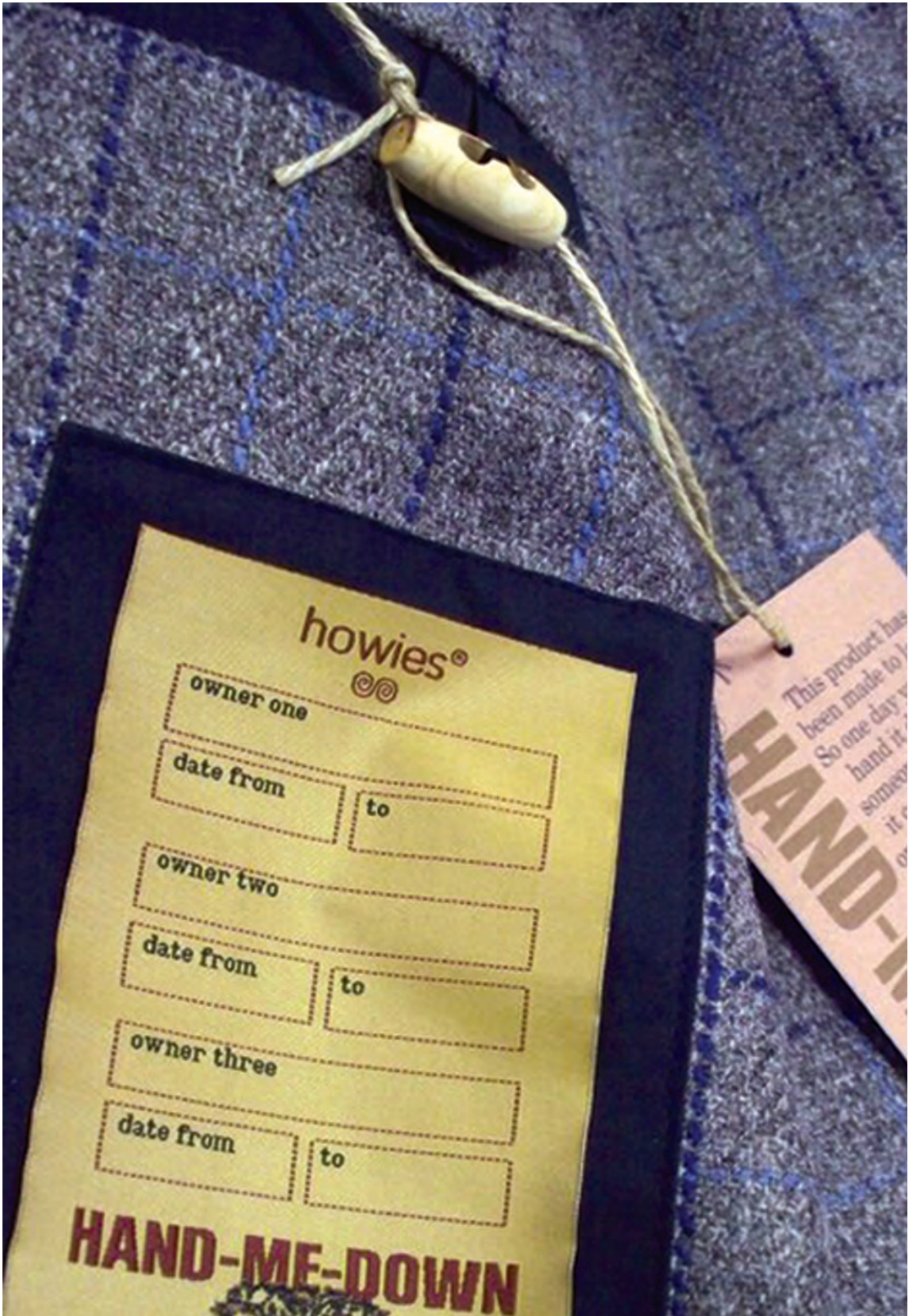
CHANGE FROM WITHIN: “Safety won’t come from government legislation, the police can’t always be there. We have to build up the community. It’s strong communities that are more likely to be self-regulating.” *Comment on Citizens UK, BBC News 2010*

POSITIVE CHANGE: “The Eden Project is all about making positive changes, and realising that if we all work together we’ll be better placed to tackle the challenges we’re all facing.” “From climate change to crime, tackling these issue starts with social change and if we build stronger communities, we’ll simply be better off.” *Peter Stewart, Cornwall’s Eden Project, The Scotsman July 2010*

FOSTERING CIVIC ENGAGEMENT: WebCitizen is an innovative Brazilian company that aims to foster civic engagement and bring citizens closer to each other, and to their governments. Its success only proves that transparency, openness, clarity and democracy are ways to engage the public in a healthy and meaningful civic dialogue. *Gov2.0 Summit, 2010*

CIVIC VALUES: FACTS & FIGURES

- More than 1/3 of Britons say they will be concerned about community values in the future. *Future:Poll 2010*
- When asked what ‘quality of life’ means to them, more than half of US New Millennials say that ‘being good and ethical’ (56%) and ‘being friendly’ (63%) are more important than ‘being individual’ and ‘being free’. *Future:Poll 2010*
- Nearly 80% of Americans say they can’t trust Washington and they have little faith that the massive federal bureaucracy can solve the nation’s ills. Public confidence in the federal government is at one of the lowest points in a half-century. *Pew Research 2010*
- In collaboration with top universities The Renault Foundation has created specific courses for MBA engineering programs, on mobility, electric vehicles and sustainable transport. The foundation contributes \$3.4 million to its mission every year and has welcomed more than 370 students from nine countries. *Accenture Outlook 2010*



CASE STUDY: HOWIES

HAND ME DOWN CONTRACT: We live in times of limited resources but unlimited desire to consume them. The answer though is really simple: to consume less as a consumer; to make a better designed product as a manufacturer. Going forward we will have to take more responsibility for our consumption. The manufacturer and the consumer will both have to share that responsibility.

WE LIVE IN INTERESTING TIMES: From where we stand as a manufacturer, a product that keeps working for longer uses less-resources in the end. The key ingredients to this are quality and good design. To make something well, you know, the best you can do, means going that extra mile. Every stitch, every zip, every little feature considered. The weakest points made strong. Then, and only then, can we say that we have fully understood the responsibility of making something. howies.co.uk/content.php?xSecId=56&viewblog=2228

“Every stitch, every zip, every little feature considered. The weakest points made strong”

CASE STUDY: GIVE A MINUTE

‘Give A Minute’ is a new kind of public dialogue. It only takes a minute to think about improving the city you live in, but people’s ideas can make a world of difference. giveaminute.info/

‘Give a Minute’ is an opportunity for citizens to think out loud, address old problems with fresh thinking; and to enter into dialogue with change-making community leaders. Soon, a social aspect will be launched through the initiative, allowing people to link up with others who have similar ideas. Collaborate and work on making your city an even better place.

Video: <http://vimeo.com/16485755>

“Give a Minute’ is an opportunity for citizens to think out loud”

1

‘Give a Minute’ NYC - Photo: Screen shot

2

Give a Minute homepage features a user interface modeled on Post-it notes - Photo: Screen shot



CASE STUDY: MINDLAB

MindLab is a cross-ministerial innovation unit involving citizens and businesses in creating new solutions for society. It is also a physical space – a neutral zone for inspiring creativity, innovation and collaboration.

MindLab works with civil servants in the three ‘parent’ ministries: the Ministry of Economic and Business Affairs, the Ministry of Taxation and the Ministry of Employment. These 3 ministries cover broad policy areas that affect the daily lives of virtually all Danes. Entrepreneurship, climate change, digital self-service, citizens’ rights, employment services and workplace safety are some of the areas they address. mind-lab.dk/en/about_mindlab

“A cross-ministerial innovation unit involving citizens and businesses in creating new solutions for society”

1

Mindlab event during Design Week, Copenhagen - Photo: Mindlab

2

Citizen involvemnet - Photo: Mindlab

It's online volunteering...

FOR BUSY PEOPLE (like you).



CASE STUDY: MICRO VOLUNTEERING

This is a new way to find volunteers with professional skills to help out with short-term projects. Sparked, from the team at The Extraordinaries, is the world's first microvolunteering network, a form of 'online volunteering, for busy people.'

Nonprofits post small projects such as a logo redesign or a request for website feedback to Sparked. Projects are then routed to volunteers who have the relevant professional skill set or expertise and an interest in the cause. Tasks are then completed by a collaborative community of volunteers. movements.org/blog/entry/microvolunteering-a-new-way-to-engage-volunteers

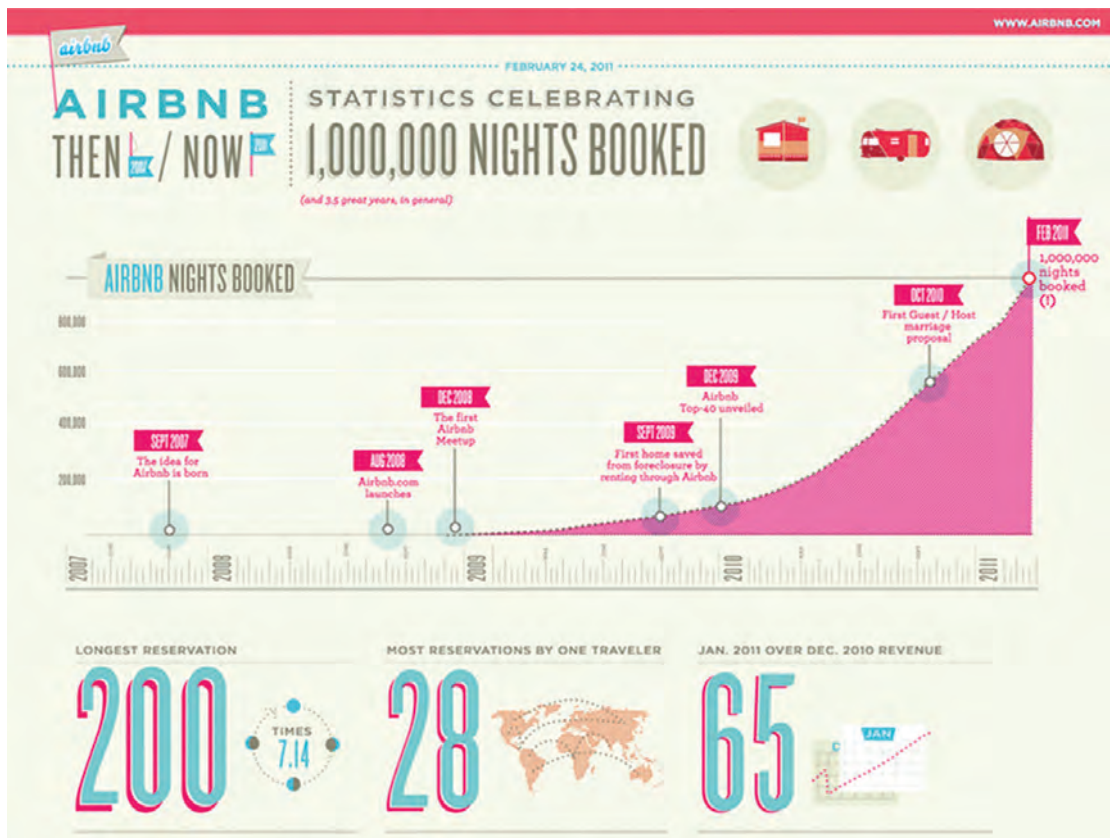
“...the world's first microvolunteering network, a form of online volunteering, for busy people.”

1

Sparked is the world's first Microvolunteering network - Illustration: sparked.com

2

Micro volunteering - "Got a few minutes" - Photo: sparked.com



CASE STUDY: AIRBNB

We connect people who have space to spare with those who are looking for a place to stay. Guests can build real connections with their hosts, gain access to distinctive spaces, and immerse themselves in the culture of their destinations.

Whether it's an urban apartment or countryside castle, Airbnb makes it effortless to showcase your space to an audience of millions, and to find the right space at any price point, anywhere. airbnb.com

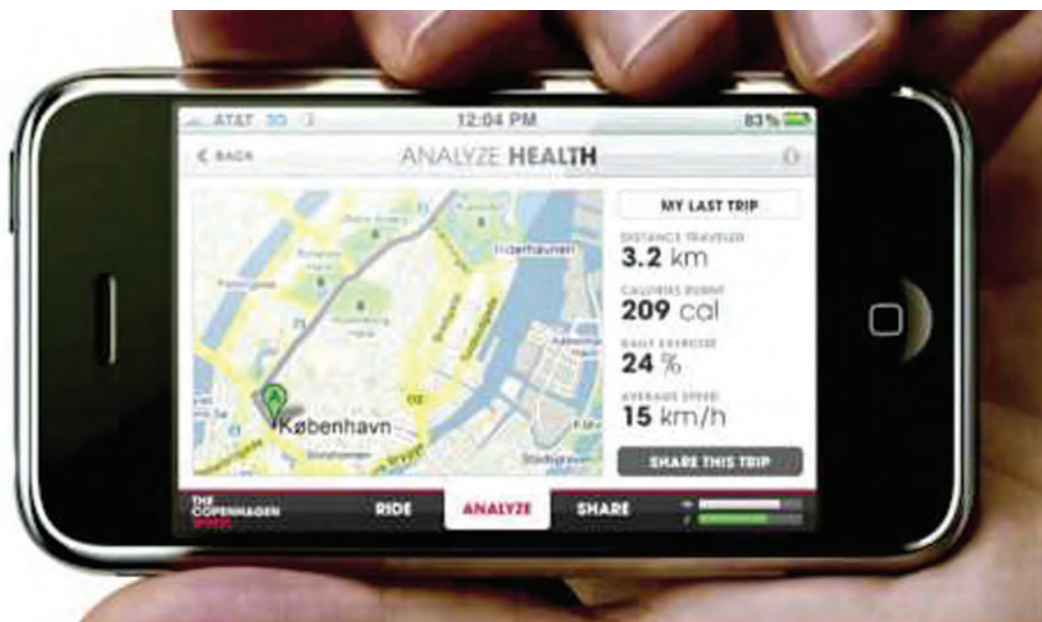
“Guests can build real connections with their hosts, gain access to distinctive spaces, and immerse themselves in the culture.”

1

Ski House At Squaw - Photo: Airbnb

2

Rent nightly from real people in 9445 cities in 174 countries - Infographic: Airbnb



CASE STUDY: NETCYCLE COPENHAGEN WHEEL

SMART, RESPONSIVE AND ELEGANT: This bicycle quickly transforms into a hybrid e-bike that also functions as a mobile sensing unit. The Copenhagen Wheel allows you to capture the energy dissipated while cycling and braking and save it for when you need a bit of a boost. It also maps pollution levels, traffic congestion, and road conditions in real-time.

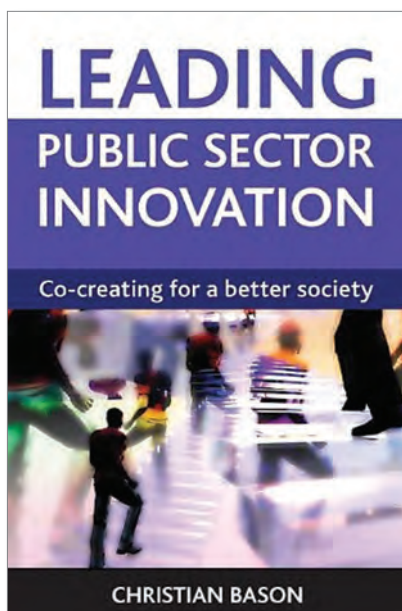
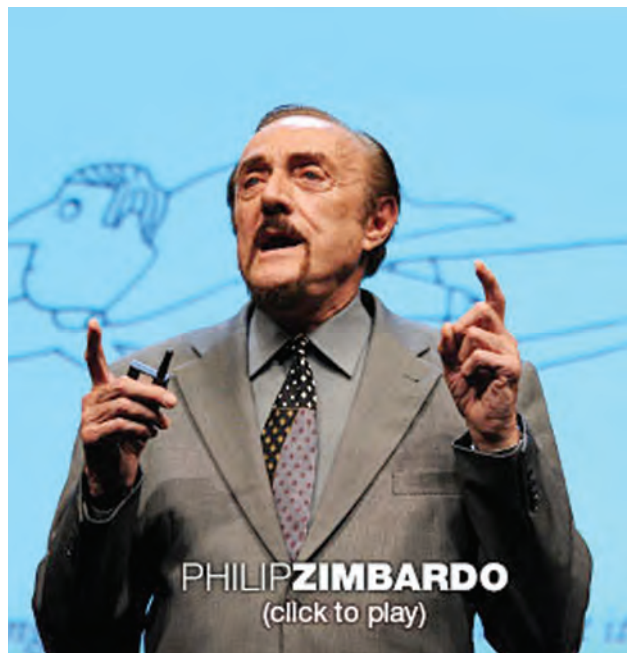
SENSE & SUSTAINABILITY: Controlled via your smart phone, it becomes a natural extension of your everyday life. Use your phone to unlock and lock your bike, change gears or for motor assistance. The sensing unit captures your effort level and information about your surroundings. Share your data via your phone to plan healthier bike routes, to achieve your exercise goals or to meet with friends on the go. *Video: senseable.mit.edu/copenhagenwheel*

“Share your data through your phone to plan healthier bike routes, to achieve your exercise goals or to meet up with friends on the go.”

1

The Copenhagen Wheel Project, Denmark - Photo: senseable.mit.edu/copenhagenwheel

2



INSPIRATIONAL SOURCES

LEADING PUBLIC SECTOR INNOVATION: Co-creating for a better society by Christian Bason. guardianpublic.co.uk/public-sector-innovation-co-creating-for-a-better-society

RANDOM ACTS OF KINDNESS: For consumers long used to distant and self-serving corporations, any acts of kindness by brands will be gratefully received. trendwatching.com

CITIZENS UK: Unlocking the power of community organising. They organise different groups for positive change. citizensuk.org

MINDLAB: This cross-ministerial innovation unit involve citizens and businesses in creating new solutions for society. Entrepreneurship, climate change, digital self-service, citizens’ rights, employment services and workplace safety are some of the areas they address. mind-lab.dk

CYBER VOLUNTEERS: Sao Gonçalo has 1.2 million inhabitants and is one of the poorest cities in Brazil. Santa Tereza is a neighbourhood located in the center of Rio which hosts 16 shanty towns. These are both places where Iko Poran, partner organisation of the CyberVolunteers Program, is working with volunteers to help the poorest. icvolunteers.org

GIVE A MINUTE is a new kind of public dialogue. It only takes a minute to think about improving your city, but your ideas can make a world of difference. ‘Give a Minute’ is an opportunity for you to think out loud; address old problems with fresh thinking and to enter into dialogue with change-making community leaders. giveaminute.info

THE BIG LUNCH FUN: *Video: youtube.com/biglunch#p/a/u/1/h1iiEd_ZpDc*

HEROIC IMAGINATION PROJECT: Phil Zimbardo is passionate about inspiring people to take heroic action. *Video: via.pulsene.ws/YYZ6*

GETTING CLEVER ABOUT SMART CITIES: New Opportunities require New Business Models. *Jennifer Bélissent, Ph.D. for Vendor Strategy Professionals - November 2010*

THE EVOLUTION OF ENTERPRISE: Carbon and Energy Management Software. *Daniel Krauss for Vendor Strategy Professionals -December 2010*

MARKET UPDATE: The State of Green IT Adoption, Q2 2010. *Daniel Krauss for Vendor Strategy Professionals - July 2010*

1	2	<i>Image: Phil Zimbardo at TED University 2010</i>
		<i>Image: Leading Public Sector Innovation</i>

3	<i>Mindlab at the Ministry of Economic & Business Affairs, Copenhagen - Photo: mind-lab.dk</i>
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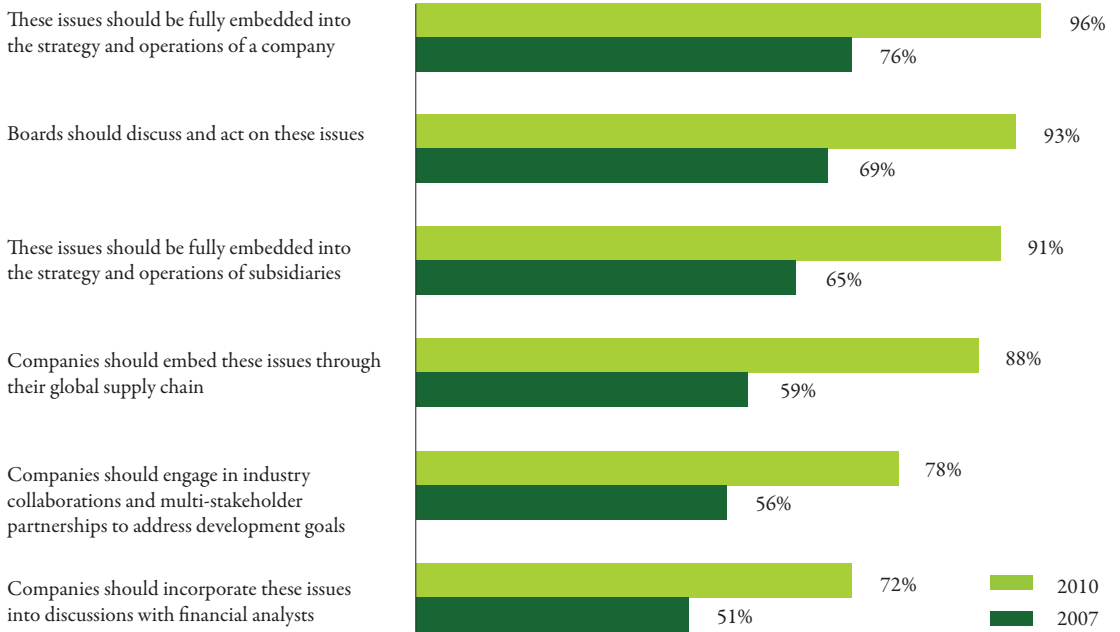


LATAM: (Brazil and Mexico)

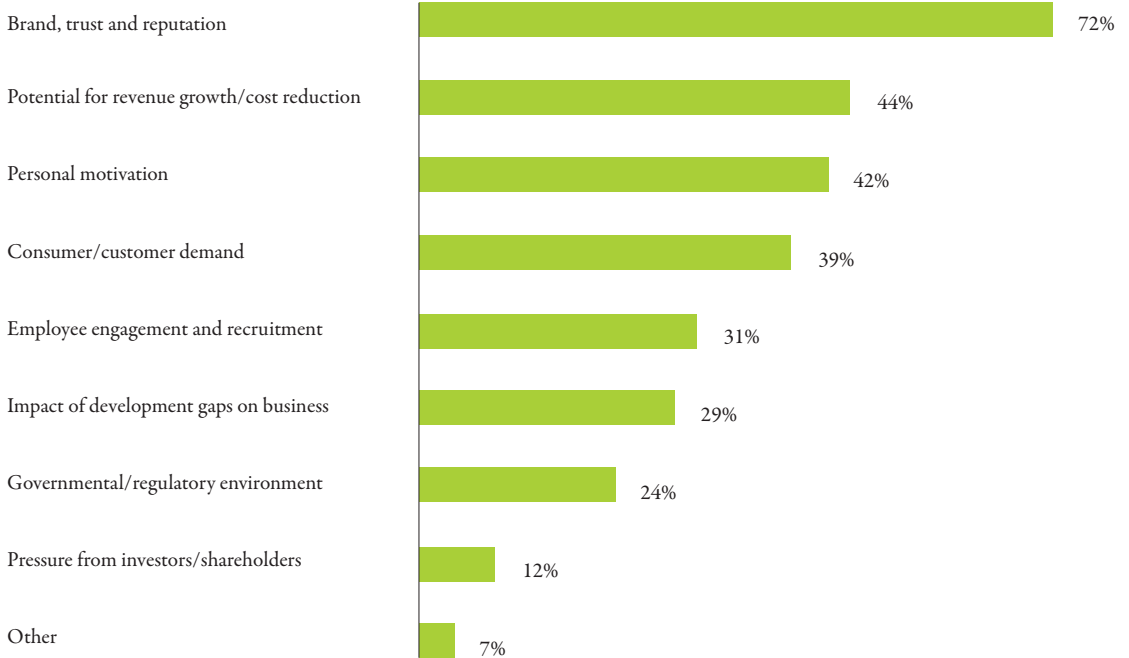
NEW NORM: KEY MARKETS



EUROPE: (UK, Spain and Germany)



% of respondents answering "agree" or "strongly agree"



% of respondents identifying each factor in their top three choices

IMPLICATIONS

“You are what you share” Charles Leadbeater

The global economic crisis has given rise to a greater movement towards **Solidarity**. Whether it's down to the Holy Ghost or the zeitgeist, across the world people are coming together to improve the world (The Guardian March 2011).

With a new spirit of co-operation, and despite a tough economic climate, people are working to positively impact their immediate environment by **Volunteering** and creating more **Civic Value** for themselves and their neighbours. They are happy to donate their time and know-how for the benefit of their local community, where they can tangibly measure the impact of their involvement. These days, it's not so much about the financial support you provide to community as the personal involvement you have. In this way, these new voluntary participatory systems are more democratic and enable everyone to contribute to the 'wealth' of the community.

For brands, to play a role within this movement of **Solidarity**, they need to adopt an approach of shared responsibility - a **Yes We Can** attitude. Within the Micro System, the role of brands is to empower, enable and educate people to make a positive impact. Micro initiatives need to be communicated on a local level to build more emotional engagement within communities. On a macro scale, companies have to take responsibility for making the big changes that are required to truly impact on a global level and effect systemic change. According to a recent survey by Edelman 8095, on average, over a quarter (28%) of people globally depend on brands to make a positive impact on our world.

This means that to create systemic change it is important for companies to work in parallel on short term (local) and long term (global) objectives. Examples of long-term objectives include investing in renewable energy and decreasing energy consumption and carbon footprint. Such initiatives are valuable at corporate and global level, but also need to be made visible to consumers to achieve credibility on a micro scale.

Examples of short-term objectives include a whole raft of environmental and educational projects tailored to local needs and wishes – for instance, neighbourhood improvements and volunteering in schools. Consumers will want to be engaged in our short-term local objectives, provided they trust our commitment and see value in the participation system they join.

As governments are taking a back-seat approach, there is a new role for brands to play to harness this wave of community spirit. We have the ambition to become a sustainability leader by 2012 and **Solidarity** is our path to achieving this vision.

1

Percentage of CEOs believing that Sustainability issues should be embedded in core business - Source: UN Global Compact CEO Survey 2010

2

Which factors have driven you, as a CEO, to take action on sustainability issues? - Source: UN Global Compact CEO Survey 2010



NEW NORM: UK

The recent economic crisis and new government approach to ‘the big society’ have created a **Yes We Can** culture in the UK, where people understand they have to act to make the world a better place. On a micro scale, we are seeing an increase in volunteerism across socio-economic groups, sometimes fuelled by conviction and sometimes by necessity (for instance, volunteering when unemployed). This movement enables people to feel closer to their communities and create real civic value. Indeed, more than 33% of Britons say they will be concerned about community values in the future (Future:Poll 2010).

The concept of the **Big Society** – a get together for neighbours and communities – has empowered and encouraged people to make a difference in their local area. According to *The Scotsman* nearly 1 million people participated, but organisers (the Eden Project) are working towards a day when the entire country will take part. 85% of those who took part in 2009 said the event made them feel happier and more in tune with their community.

In a similar vein, the Co-op ‘Join the revolution’ campaign aims to demonstrate the breadth of their ethical business plan as well as encouraging customers to join the movement – where customers are also co-owners and share in profits, as well as influencing the direction of the business. Initiatives range from introducing the world’s first ethically screened general insurance products to creating 200 co-operative schools by 2013.

Think BIG, our community initiative, taps into this new mindset. It enables us to support young people from lower-economic groups to develop projects for themselves. Think BIG creates a voluntary participatory system accessible to anyone committed to making a positive impact on their community. It enables us to have a tangible positive impact on a micro level, creating real civic value for all our consumers. It makes our commitment to sustainability real and credible. There would be value in linking Think BIG to the UK social entrepreneurs that we support, to create a more sustainable positive impact on the community (see implications in COMMUNITY).

Technology is an enabler to connect groups of like-minded people towards a common goal. As people are becoming more concerned about their environment, they also demand that companies create systemic change. Indeed, if people are happy to donate time, they believe companies should contribute by cutting down their energy consumption and embracing a more sustainable lifestyle, as these actions will have an impact on their immediate community but also the wider world.

Telefónica O2 UK has the goal to become a sustainability leader by 2012. Harnessing cognitive surplus, supporting causes that are meaningful to people and creating systemic change within our category and organisation by decreasing our energy consumption and carbon footprint is the way to ensure we become a credible example of an organisation that understands sustainability as the **New Norm**.



NEW NORM: SPAIN

Spain is already demonstrating leadership in sustainability across a diverse range of initiatives. In June 2009 the OECD Ministerial Council agreed to draw up a **Green Growth Strategy** for presentation in 2011. This initiative is fully in line with Spanish policy. Shifting workers out of the recession-hit construction and tourism sectors and into 'green' jobs is a priority.

One of the principal pillars of Spain's green growth strategy is renewable energy, which in 2008 accounted for 7.3% of primary energy supply. The goal is to increase this percentage to 20% by 2020. Additionally, GOOD magazine observes Spain's emergence as the world's new solar energy leader. They have built a new solar energy plant and already have plans for solar and wind energy development through 2013. This is great news, since developing sustainable energy practices is important to solving our current energy crisis (Good Magazine, 2010).

To become a sustainability leader, Telefónica has to be perceived as making systemic change. To achieve this, considering energy reduction and investing in renewable energy will be particularly important. We can ensure that all our retail estate and offices are energy efficient. Additionally, we should leverage our retail estate to communicate our sustainability goals and achievements so that we can demonstrate that we believe sustainability is the **New Norm**.

Indeed, from a corporate perspective, Spanish companies are actively trying to embrace sustainability and to create systemic change. The world's largest co-operative is Mondragón. It is now Spain's sixth largest company, with a €1bn turnover and 100,000 people employed globally in more than 250 companies (Guardian, Jan 2009). Mondragón started in the Basque region, where a 'Silicon Valley' of co-ops and social businesses has clustered. Business Innovation Brokers (BIB) is creating what they claim will be the world's first industrial park for social enterprises and co-operatives. It hopes to attract new start-up social businesses to the campus-style park, alongside non-governmental organisations, foundations and institutions from around the world that promote and support social enterprise. A school of social innovation will provide a research and development function for the park's occupants (Guardian, 2009).

Telefónica in Spain could take part in such initiatives. Telefónica O2 UK has decided to champion social enterprise, by supporting social entrepreneurs. This is something that Telefónica could do in Spain too - to help create systemic change within the corporate world.

Additionally, TiD could be a key source for developing green innovation and creating platforms for voluntary participatory systems. We should leverage our R&D to ensure we create cutting-edge innovations that can help our organisation become more sustainable and our consumers lead greener lifestyles to ensure sustainability becomes the **New Norm**. This would demonstrate that, for Telefónica, sustainability is the **New Norm**.



NEW NORM: GERMANY

‘Many people and enterprises in Germany are already very involved and do much for society. They are living proof that it is worth people’s while to invest more today in order to shape the future in ways that make it worth living in’ (BMAS, 2010). Germans have strong awareness around recycling and energy consumption, higher than the UK, and are already familiar with eco-labeling via the Blue Angels label. Now the German government is pushing for innovative technology to drive sustainability, according to research company Gartner.

Telefónica O2 Germany has the opportunity to leverage this movement towards **Solidarity** and, in doing so, create more engagement with consumers on a micro level. Indeed, 36% of the German population over the age of 14 - approximately 23 million people - already do volunteer work (BMAS, 2010). The Think BIG initiative is a great opportunity to engage with these existing volunteers, providing them with support to develop their own community initiatives. In a market characterised by value and functional benefits, this could provide a competitive emotional advantage for O2.

Additionally, the Telco competition is already embracing sustainable change on a micro and macro level. Vodafone has developed a powerful communication strategy around sustainability, publishing aggressive targets for energy efficiency and promoting their ‘green network’. And Deutsche Telecom created their own smart grid offering for utility services. For Telefónica O2 Germany, to be credible in this space, we need to create internal change whereby our employees are also involved in our sustainability goals. For instance, in 2010, more than 17,000 Deutsche Bank employees committed themselves to over 3,000 corporate volunteering projects. (Deutsche Bank corporate website, 2011). Initiatives could be developed by Telefónica O2 Germany, following the example of Think BIG in the UK, where community and employee engagement are encouraged around sustainability issues.

Providing the tools for German customers to become greener citizens and supporting them in making an impact in their community, as well as communicating the systemic changes we are creating within our category (i.e. Ecorating) and organisation (lower energy consumption and carbon emission), would enable us to position ourselves as a company that understands sustainability as the **New Norm**.

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NEW NORM: LATAM

Brazilians are highly focused on environmental issues, with 88% - the highest in the world - describing themselves as concerned about energy (Accenture – The New Energy World: The Consumer Perspective). Therefore, on both an individual basis and at corporate level, Brazil is attempting to make sustainability the **New Norm**.

This environmental activity has far reaching implications at every level of society. For instance, it is estimated that there are over 500,000 waste pickers who collect recyclables as a regular means of subsistence (Medeiros & Macêdo, 2006). Meanwhile, large corporate organisations have responded to shoppers' growing concerns. Pão de Açúcar, Brazil's biggest food retailer, has introduced 'green' stores that use 10 percent less water and 14 percent less energy (From Retail to Me-tail: Tomorrow Starts Today Accenture 2010).

On a micro level, Telefónica has the opportunity to appeal to the environmental mindset within the Brazilian market by actively assisting customers in their desire to impact positively on their communities. We could, for instance, provide tools and forums to enable like-minded individuals to connect to each other, and then offer the support they need to develop their own grass-roots initiatives.

Additionally, we need to keep communicating about Proniño, our social action programme. This is carried out by the Telefónica Group, managed by the Fundación alongside Telefónica Móviles operators in its 13 Latin American offices, and contributes significantly to reducing child labour in the region. The programme is aligned with the regional goals of the International Labour Organisation (ILO), which seeks to eradicate the worst forms of child labour before 2015, and all child labour before 2020.

Proniño is a very important programme because it enables Telefónica to demonstrate commitment to sustainability on a micro and macro scale and also to create a voluntary participation system aimed at eradicating child labour. It's a fantastic employee engagement programme that shows real credibility and commitment from Telefónica with regards to sustainability. The recent launch by Fundación Telefónica of the book '**La Hora del Recreo**' reflects child labour through the perception of eminent writers and photographers. It's a great way to call attention to the social reality of more than 14 million children in Latin America who, according to IWO data, are forced to work to sustain themselves and their families. Proceeds from the sale of the book will be donated entirely to the Proniño programme.

There is a clear need for Telefónica to communicate about the sustainability initiatives that are being implemented across the whole organisation and also to demonstrate the positive impact of our efforts to make sustainability the **New Norm**.



OPPORTUNITY: MOBILE

We've already made a start at creating systemic change within our industry with the launch of **Eco-Rating** - which enables consumers to pick the most sustainable handsets - and by encouraging sustainability cross-sharing between our suppliers.

The next steps for mobile are to ensure that we provide reduced packaging for all our products and measure and track the effectiveness of these initiatives so that consumers can see the impact of their positive behaviour.

Additionally, as the mobile industry is moving away from hardware towards software, we must - as a sustainability leader - provide smart tools for consumers to lead more environmentally friendly lifestyles. There are already a lot of apps in the market available for people to track their energy consumption, find out about green products and read their smart meters. We have the opportunity to create aggregated and fun experiences around those sustainability apps to encourage people to be greener (see Opportunity: Social Media).

We can train our gurus and customer service staff on sustainability so that they advise our customers about sustainable products and services. This would include everything from the phone they choose and the apps they could use to lead more sustainable lifestyle, to encouraging them to recycle, and even 'lease' phones. We need to make sustainability part of people's everyday mindset if we want to ensure it becomes the **New Norm**. Enabling sustainability through mobile buying and use habits will be key.

It is also our responsibility to ensure that the mobile device is used to its true potential to lead a sustainable lifestyle. Thanks to location-based services paired with our CRM, we are in a unique position to recommend green alternatives for customers - from finding an organic shop or restaurant, to locating a bicycle to hire or a parking space. In order to create rich experiences that embrace sustainability, we need to create mobile features that are reliable and easy for consumers to use. We must also work on the principle that everyone will want to participate provided they can truly derive value and meaning from using them.



OPPORTUNITY: SOCIAL MEDIA

We have already launched two successful community programmes: Think BIG and Proniño. We have the opportunity to bring a social element to these initiatives and have a responsive and engaged audience when it comes to promoting recycling, or energy monitoring. That's because these issues have a positive effect on the environment, are appealing messages and bring immediate money-saving benefits. Adding a social layer to our sustainability initiatives would help create more emotional engagement between our customers and ourselves.

In the UK, from an internal perspective, we have our Fanclub page which enables employees to 'give applause' to their colleagues when they have done something good and meaningful for the company. We could take this concept and apply it to our community initiatives to ensure we create more momentum for our sustainability initiatives by providing people with social credits for their participation in Think BIG and Proniño.

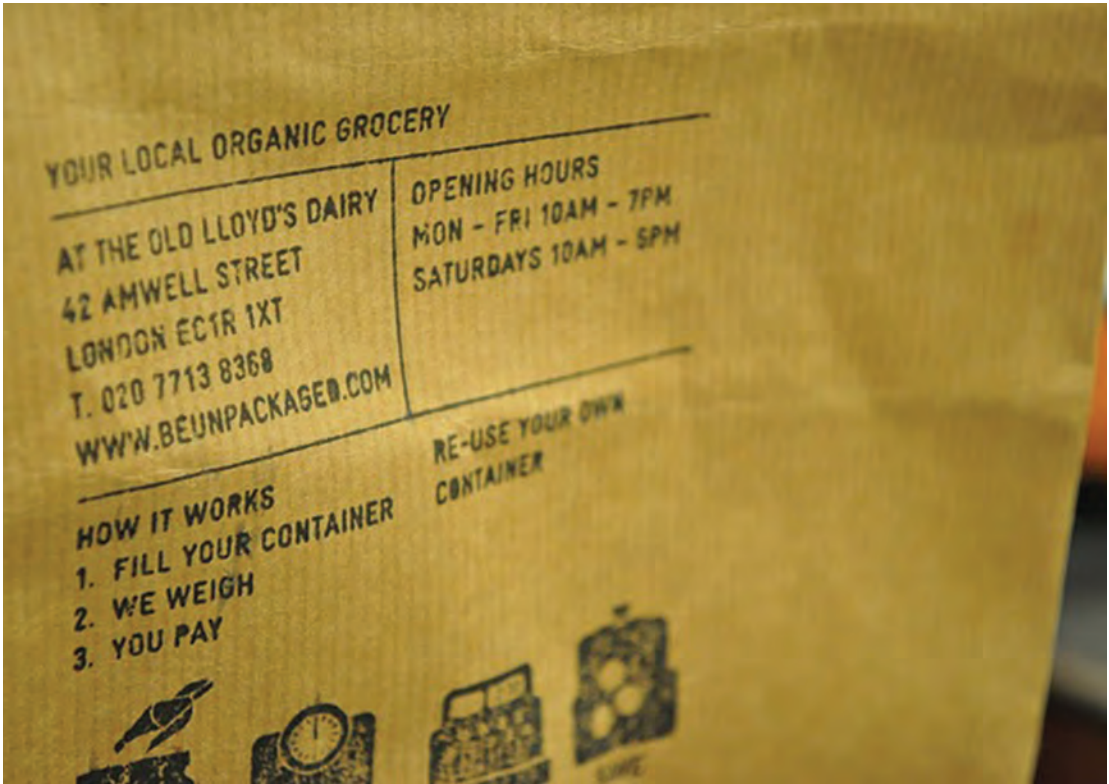
For instance, we could aggregate people's social media profiles to their energy monitoring, chosen community initiative or charity, so that they could congratulate each other for their performance and also compete with each other with social games. This would help create a voluntary participation system within which people derive status, and also civic value.

Indeed, social games encourage what psychologists call a reciprocity effect: gifts are given back and forth within games, and players are compelled to return favours. The potential is there to use games to foster a 'nicer' society in which collaboration is as important as competition. Jane McGonigal's street game Cruel 2 B Kind has turned being nice into a competition. Players win points for being kind to strangers who happen to stray into the defined, real-life playing arena. Some governments have already trialled such projects. For instance, **Copenhagen Walkable** city project creates a social movement around voluntary participation and civic value. The more you participate and demonstrate your green credentials, the more incentives you get and the more status and civic value you derive in return.

We also see the rise of open-source ecology, whereby positive deviants (see Pioneer of Change trend) join forces to create systemic change. **Open Farm Tech** (openfarmtech.org), a network of farmers, engineers, and supporters, has been imagining and creating the Global Village Construction Set, an open source, low-cost, high performance technological platform. These DIY-fabricated industrial machines can be used to build a sustainable civilisation with modern comforts. The GVCS lowers the barriers to entry into farming, building, and manufacturing. With our R&D resource, we have the opportunity to support a more sustainable society. To become a sustainability leader we need to create a social movement behind our initiatives - harnessing the power of social media will be key to our success.

1 *Copenhagen Walkable: The New Actors House - Photo: Harald Brekke*

2 *Copenhagen Walkable: Streets for walking - Photo: Dan Burden on Building Support for Change*



OPPORTUNITY: COMMUNITY

In a world, where governments are increasingly spending less on the community and encouraging people to take action for themselves, we have an opportunity to support the needs of our consumers to create the future they want.

Our existing community projects, Think BIG and Proniño are key initiatives to create voluntary participation systems and to bring civic value to our customers. Capitalising on the success of these projects, we have the opportunity to go further. For instance, we could partner with local heroes - the positive deviants who are trying to make a difference within their communities.

The UK has a strategy in place to support social entrepreneurs. We could link social entrepreneurs to Think BIG volunteers to create cross-sharing and support. This could become a sustainability ecosystem, whereby the young Think BIG volunteers have the opportunity to think about the future of the projects and potentially become social entrepreneurs themselves. This fits very well with the O2 brand promise 'We're better, connected'. Research suggests that doing good becomes a 'feel good habit' – rather like exercise. For instance, in England people who volunteer regularly are volunteering more. Those who volunteered at least once a month were in 2008-09 giving on average 12.6 hours in the previous four weeks, a big increase on the 11 hours in 2007-08 (Civic Volunteering Study, 2010).

Additionally, we can provide support to people's causes and assist them to do more by providing them with technological tools to be more efficient and gain more momentum (see Opportunity: Social Media). For instance, the principles of GiffGaff could be applied to our community projects - whereby we reward people for their positive participation. The principle would be that the more you participate and get your friends to participate, the stronger your project becomes and the more powerfully your community ecosystem develops.

We could also leverage our relationships with NGOs and charities such as Oxfam/Oxfam to ensure that we support a variety of causes our consumers are passionate about. This has added value because volunteering is often a gateway to future paid employment for young consumers – especially in a difficult employment climate. Helping them achieve their goals would ensure we build emotional ties with them and convert them into fans in the future.

Community projects are there to benefit societies and the people who live in them. They are becoming important as they allow people to create new civic systems they relate to. We need to ensure we embrace this movement towards **Solidarity**, using innovation and the power of mobile to show that we are definitely better, connected.

1

Eco-friendly packaging - Unpackaged, 42 Amwell Street, London - Photo: singaporeaninlondon.com

2

'Unpackaged - your local organic refill grocery', London - Photo: singaporeaninlondon.com



OPPORTUNITY: RETAIL

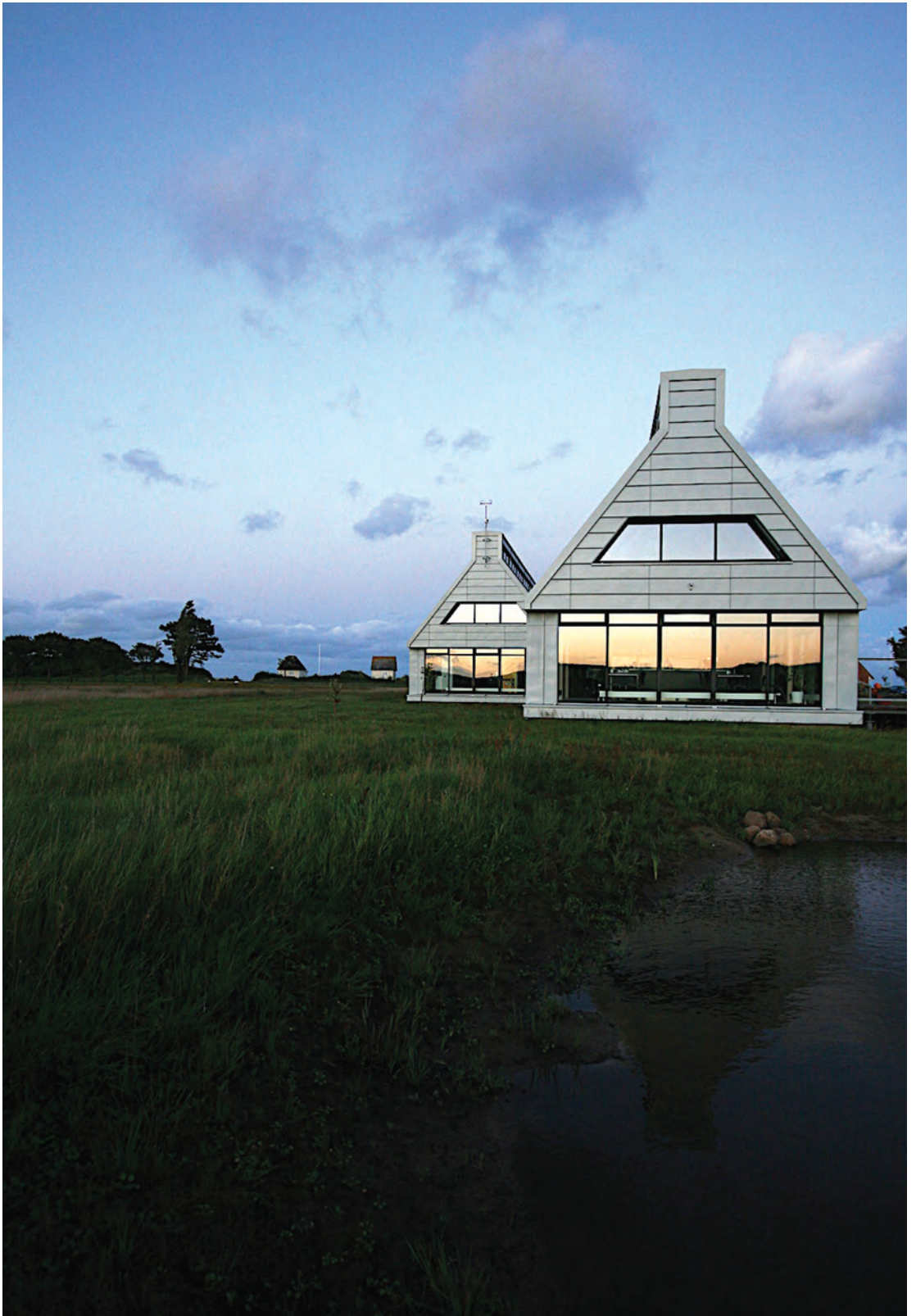
Our retail spaces are our windows onto the world. They should demonstrate our organisation's commitment to making sustainability the **New Norm**. We have the opportunity to make our initiatives visible to people in innovative ways within these spaces by providing information and resources to demonstrate our overall impact on the environment and community on a micro and macro scale. For instance, we could create social and playful approaches to sustainability tracking by comparing the positive impact that communities are having on their environment depending on their location (London versus Manchester, Barcelona versus Madrid, etc).

We could use our retail spaces around the world to showcase the group efforts that are being made within different markets, thereby demonstrating the common mindset of our people towards creating positive change. For instance, screens in our shops could track in real-time the various community/environmental initiatives that are being created around the world. This would enable people to engage with global sustainability goals regardless of their location. We could measure in real-time how many devices are being recycled, and the impact that this has on the environment.

These retail spaces should provide physical showcases for Think BIG and Proniño - demonstrating the impact that these community initiatives are having around the world. This would also help us recruit more volunteers and create a voluntary system led by our organisation. In addition to this, we should ensure all our retail spaces are energy efficient and also that they use as many recycled materials as possible and minimum packaging.

We could also consider participating in – and publicising - coalitions within our sector. For instance, global brands, such as Wal-Mart, Nike and Target have joined a **Sustainable Apparel Coalition**, to set and publicise industry-wide benchmarks for the ecological credentials of their products. Coalitions and collaborations bolster credibility and trust and are cost effective.

Being part of the wider community is also about helping people when they need it. Our retail spaces could become hubs where people connect, look for jobs, get support, learn, and find out about community news and initiatives. They should become places where people can live and breathe **Solidarity**.



OPPORTUNITY: ENERGY

According to Dr Jack Rowley Phd Director of research and sustainability at Global Mobile Systems Association (GMSA), 80% of the energy mobile operators use is associated with running their network. Driving a car for an hour produces the same carbon emissions as providing mobile phone services for a year for a single subscriber. It is clear that if we want to become a credible sustainability leader we need to implement **Systemic Change** on a macro level.

Investing in renewable/alternative sources of energy to run our network would be important. We could change our supply chain management system to ensure it is greener. In the UK - we have the opportunity to partner with green energy companies and supply home energy monitors connected to a mobile app so that consumers can measure their energy consumption and make savings. This could be linked to their social network profile, so that consumers derive status from it.

We need to create systemic change on a macro scale to become a sustainability leader by 2012. According to Forum for the Future, to become a credible sustainability leader, we need to create a sustainable energy system. We need to be flexible to embrace and incorporate innovations in energy supply, distribution and demand management technologies, which are scalable globally.

This entails providing (or enabling the production of) zero-carbon energy using technologies that generate electricity from ambient sources (sun, wind, wave, tidal), rather than those which utilise fuel and create waste. The O2 Air project, which looks into providing energy from wind sources is a good example of achieving, this.

Additionally, we have to become 'smart', in a manner that increases awareness about energy choices/options for both our businesses and internal people, as well as for our customers. We need to embrace smart meters, and smart grids – and promote smart buildings and smart behaviours.

The debate around sustainable energy is currently mainly about the lack of supply. Because we have a direct relationship with our customers, we have the opportunity to shift this and question the 'demand' by showing them that they don't need to consume as much energy as they think, also helping customers understand, reduce and manage their energy consumption (see Opportunities: Mobile and Social Media).

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