



Sustainability Plan

Emily Field | January 2022

Good Club is a young, dynamic, and fast-evolving online grocery retailer with a goal to “directly eliminate 1 billion pieces of single-use packaging from the world” (Good Club, 2021b).

Sustainability issues are of increasing importance for companies all over the world (Schaltegger and Horisch, 2017). As such several businesses are rethinking and reinventing the way they operate (Taylor, 2018). Good Club is no different, we understand the critical need to adapt our consumptions and production habits for the sustainability of our natural resources. It’s time to “re-evaluate our single-use society” and redesign “our methods of production to weave reuse into the everyday” (Good Club, 2021b). This sustainability plan has been created to identify and outline initiatives and strategies that tackle the issues that matter the most to everyone connected to our business.

Identifying projects that can provide the greatest benefits to both companies and society can be a challenge (Epstein and Roy, 2003) which is why we’ve explored the impact of our food systems, our global supply chains, talked to our colleagues and customers about the future they want, and set clear goals, targets, and performance indicators to help us on our journey.

Food retailers can be vital change agents towards sustainable food systems (Chkanikova and Mont, 2015). Good Club hopes the sustainability agenda set out in this plan, will not only support our mission to redesign single-use plastic out of our food systems but also help in achieving the UN’s Sustainable Development Goals (Lindstrom, 2019).

Three focus areas have been identified, where we believe we can have the biggest impact. These are detailed below and outlined in full throughout the rest of the plan.

Focus Areas:

- 1) Smart Product
- 2) Smart Operations
- 3) Smart Business

Timescale

Sustainability management must address both short-term and long-term problems, in the same way it must offer companies both short-term and long-term opportunities (Horisch *et al.* 2014). For this reason, our goals consider both immediate solutions and longer-term strategic changes, as depicted in the timelines for each focus area.

Focus Area 1: Smart Product

Why it is important

Sustainability in business is often cited with emphasis on the societal and ecological environment, and the interdependencies between organisations, society, and the natural world (Horisch *et al.* 2014). Good Club recognises that their trading success is vulnerable to the environmental impacts on raw materials, and the social changes in consumption patterns. Developing a sustainability strategy that manages our high-risk supply, ensures a stable supply in the future (Chkanikova and Mont 2015; Kolk and Pinkse, 2004).

Good Club is looking into ways to be smarter with the products it sources and sells, whilst mitigating its impact and adapting to a changing climate.

What we're doing

1.1 Smart Sourcing

Good Club “sources the most eco-friendly, sustainable groceries from producers who share our values” (Good Club, 2021c). In 2021 Good Club introduced its sourcing policy, and ethical and environmental standards which must be adhered to by all new suppliers. It is

important for the integrity of our business, that this remains a focus point of our strategy on new product development and range expansion.

It is vital that the selection of suppliers and producers Good Club works with are aligned to our values and ethos, allowing us to develop loyal and trusting relationships. It is these relationships that we rely upon to collaborate and seek solutions and innovations in our mission to introduce a closed loop retail service online.

1.2 Smart Product

Good Club recognise that we are developing a new business model of product-as-a-service (Lucy *et al.* 2021), as such investment and innovation remains a crucial element of our business. Redesigning our closed loop service with innovative designs and materials remains a central part of our sustainability strategy (Porter and Kramer, 2011), and is a fundamental requirement to improve our service for customers.

Innovation allows Good Club to reposition its activities as it evolves, acquiring new skills and introducing new technologies (Hart and Milstein, 2020). Investing in research and development, and sourcing

and designing innovative materials (that do not deplete our natural resources), ensures we can offer the most convenient and accessible solutions to deliver zero waste groceries (Fabio and Peiro, 2018).

Where we cannot offer a zero-waste solution for products, Good Club will ensure any packaged goods do not include any single-use plastic within its packaging and will follow the rule of being 1) reusable, 2) made from recycled materials, or 3) recyclable at kerbside (Good Club, 2021b).

Good Club will continue to review and innovate on the labels, tags, seals, and pots used within its circular groceries to ensure single-use plastic is avoided only using materials that are renewable, or the extraction of the materials do not cause harm to the natural environment.

To support us in our mission to achieve the goals in our first focus area, it is advised that Good Club appoints a New Product Developer in Q2 2022. This appointment will provide expertise in solutions where product innovation, packaging compatibility and technical food standards become barriers to growth. Good Club seeks to begin an investment round in Q2 of 2022 which will fund research and

development and invest in new innovations to support the aforementioned initiative.

Objectives and actions for this focus area are mapped out over a four-year timeline as outlined in Figure 1.1.

Focus Area 1: Smart Product



Figure 1.1 Focus Area 1 Timeline

Focus Area 2: Smart Operations

Why it is important

Good Club is passionate about reducing single use plastic and designing solutions to reduce plastic waste in household groceries (Good Club, 2021b). Good Club can play an influential role in shaping our economic system from a linear to a circular one. Taking responsibility for how we run our business, and the operations within that is a fundamental part of proving that current production, consumption, and food supply chains can be redesigned to eliminate waste and accommodate a circular model of reuse (Chkanikova and Mont 2015). Managing our operations and its impacts, is the best way to achieve this.

What we're doing

2.1 Smart Operations

Caring for the environment will be central to the decisions and future changes in how Good Club operates. This starts by improving internal operations, reviewing the energy use in the warehouse, using a renewable energy source and improving energy efficiencies such as installing sensor lighting (Taylor, 2018; Chkanikova and Mont 2015).

Good Club will also ensure the cleaning process is improved to avoid depleting natural resources (Fabio and Peiro 2018), reducing the temperatures of the cleaning process, reducing the time machinery is in use, using cleaning detergents and chemicals that do not cause harm to the environment, either through extraction or through waste streams. Water sources will be reviewed to ensure Good Club is not using more than is sustainably possible, seeking solutions for a sustainable water supply, such as rainwater capture (Sustainability Illustrated, 2013). Additionally, operations will advance to introduce a water treatment and reuse facility which will dramatically reduce our water use, and thus our reliance on a consistent supply of water.

Finally, Good Club will manage its waste streams (Chkanikova and Mont 2015); continuing the donation of surplus food to food banks and reusing delivery packaging within customer deliveries. These factors provide immediate cost savings, whilst mitigating impact on the environment (REF).

Good Club has recently appointed a Sustainability Lead who will oversee the above operational changes, as well as relying upon the experienced and specialised staff that run the cleaning process of its operations.

2.2 Smart Logistics

Good Club uses a carbon-neutral courier for all its deliveries, ensuring that carbon emissions are offset. Good Club will seek to implement the same principles across its collections initially, but with ambitions to move to electric vehicles for all its deliveries and collections by 2025. Owning our own fleet of electric vehicles provides greater control of our impact, and emissions and allows us efficiencies through route optimisation as well as ensuring we are in control of the service provided to customers.

The timeline (Figure 2.1) is set out over a four-year period with concentrated actions to achieve the identified initiatives.

Focus Area 2: Smart Operations

2022	2024	2026
Improve energy efficiencies through actions like sensor lighting	Recycle all water used, installing water treatment chambers for circular reuse	Roll out technological innovation to improve operational efficiencies and support systems-wide solutions.
Introduce a renewable energy source	Roll our operational innovations to improve the efficiencies of the cleaning, drying, filling line	Introduce a fleet of electric vehicles, rerouting to ensure routes are as efficient as possible geographically
Review the cleaning detergents used, replace with non-toxic materials	Monitor and mitigate carbon emissions	Partner with other online deliveries to share operational and logistical resources
Review water usage, and waste-water	Use a carbon-neutral haulier for customer collections	
Look at sharing schemes for machinery		
Utilise in-house cleaning expert to review efficiencies within the cleaning process		

Figure 2 1 Focus Area 2 Timeline

Focus Area 3: Smart Business

Why it is important

The final focus area consists of intangible motivations, concentrating on value creation (Chkanikova and Mont 2015). Good Club recognises to be a smarter, more sustainable business our considerations must extend beyond our own operation. Caring for people and the planet remain central to our strategic decisions.

What we're doing

3.1 People

Good Club understands for the sustainable success of our business we require customer and investor engagement, and employee commitment (Hart and Milstein, 2020). Good Club wants to attract and retain the best team of people, building a collaborative, inclusive and creative culture (BITC, 2021).

In 2022, it is advised that Good Club appoint a People's Director to prove its commitment to employees, recognising that a specialist in human resources would be an asset early in the company's evolution, supporting and creating an environment for all employees to experience a successful and rewarding working life (BITC, 2021).

3.2 Community

Good Club recognise that the success of our business largely relies on the community perception of our business (Epstein and Roy, 2003), this is further impacted by our operations and reducing the impact of pollution to local communities (Horisch *et al.* 2014).

As we create a new business model, we rely on healthy communities, in which we can co-create new solutions and form strategic and long-term partnerships (BITC, 2021). Good Club aims to utilise its online presence and resources to support and empower customers (BITC, 2021) in making sustainable shopping choices.

Good Club should plan to introduce more information and educational content for consumers that wish to learn how to shop more sustainably, how to reduce their single-use plastic, or how to reduce their carbon emissions. This further establishes Good Club as an expert in its field which enhances the reputation amongst stakeholders, critical to a success of a venture-backed business (reference).

3.3 Climate Change

To be a sustainable business we must recognise and address the climate change risks to our business and develop strategies that measures impact and delivers positive outcomes (BITC, 2021).

In 2021 Good Club became a member of Tech Zero (Good Club, 2021d), a climate action group supporting technology companies that aim to accelerate progress to net zero (Tech Zero, 2021). By joining Tech Zero, Good Club have committed to measuring their scope 1-3 emissions. Good Club will develop a dedicated programme to monitor the progress on our emission goals, focusing on operations and logistics. Encouragingly, in Q1 2022 Good Club will release its first carbon report, this will follow the structure and reporting guidance provided by the Greenhouse Gas Protocol (Greenhouse Gas Protocol, 2022).

3.4 Purpose

Purpose-led businesses can be a genuine force for positive change (BITC, 2021), we recognise that a clear vision and mission of our purpose, and the impact we wish to have on the world (BITC, 2021) must remain at the core of all strategic decisions. We understand that continuing our credibility requires the articulation of a clear vision of

the growth path and trajectory for Good Club, transparently communicating this to all stakeholders (Hart and Milstein 2020).

3.5 Governance

Good Club recognise that real leadership on an issue should be evidenced through transparent and consistent advocacy within our organisation, as well as publicly with industry peers and stakeholders (BITC, 2021).

As such in Q4 of 2021 Good Club submitted its application for Organic accreditation, and in Q3 of 2022 Good Club will apply for their B Corp certification. These industry certificates and schemes help contribute to the formation of sustainability norms internally to our operation and wider within our community (Chkanikova and Mont 2015).

To drive change, KPIs will be set to all teams within the business linked to the sustainability initiatives set out within this plan, with a wider business metric based on the Responsible Business Map (BITC, 2021).

Focus Area 3: Smart Business

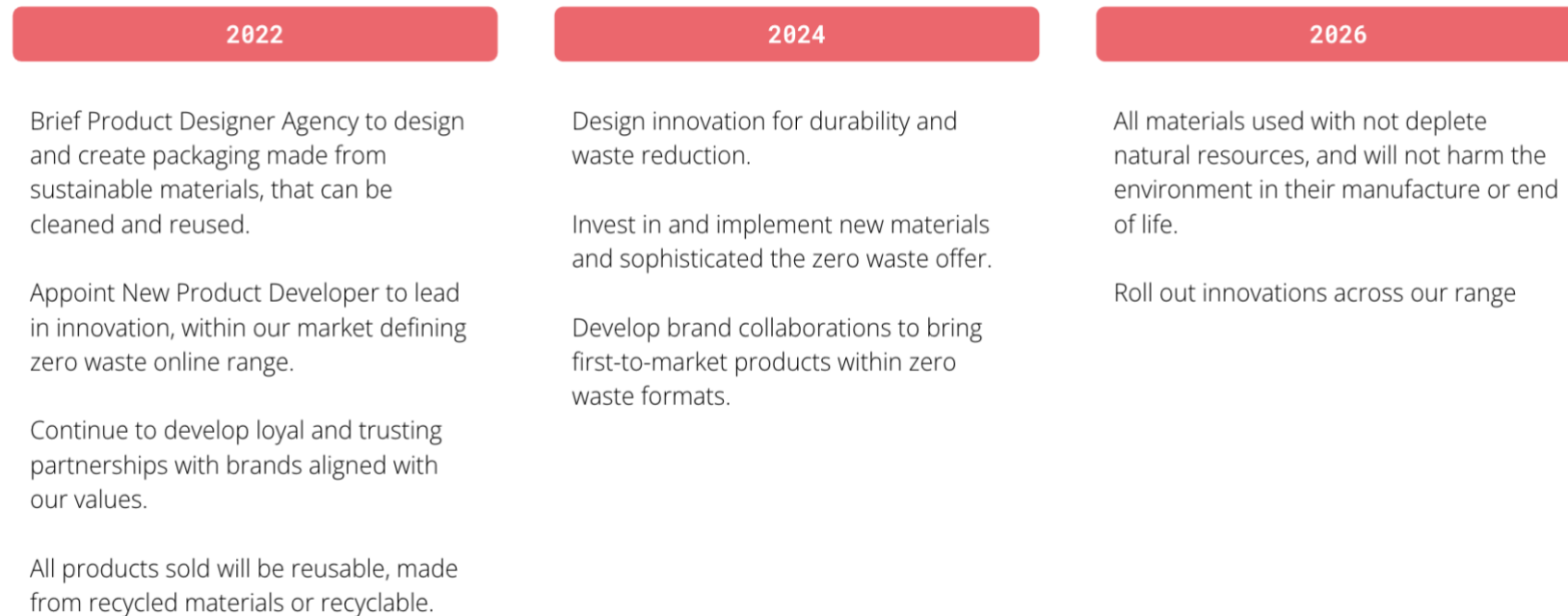


Figure 3.1 Focus Area 3 Timeline

What's next

Integrating sustainability into a company requires key measures to ensure the improvement of certain aspects of its performance (Schaltegger and Horisch, 2017). It is advised Good Club considers joining Business in the Community (BITC, 2021) to ensure it can deliver on its ambitions to be a responsible business.

Using the Responsible Business Map and Tracker as a measurement tool and a framework to map ourselves against, we can accelerate our pace and scale our solutions as we implement them, moving from a “do-less-harm approach” to one of genuine positive change (BITC, 2021). The Responsible Business Map was built around the UN's Sustainable Development Goals (BITC, 2021) and is therefore a valuable asset to ensure we also deliver on our ambitions in supporting the achievement of these global goals.

Good Club recognise that our plan requires investment and commitment, but we believe we will be rewarded not only in both cost savings and risk mitigation, but also in value creation through customer engagement and employee commitment, which will amount to a competitive and sustainable advantage as we support a shift into a circular economy (Chkanikova and Mont 2015).

To ensure we stay true to the sustainability plan outlined above, a number of steps are required in order to transition this plan into the phase of implementation.

Next steps

- Good Club will host a training session for the wider organisation to ensure everyone understands and buys into the ambitions, as well as learning how they will be involved.
- Collaborate with industry groups to share knowledge, expertise, experience and support each other with our joint plans for change.
- Engage with investors on our new commitments and how we plan to achieve them.
- Publish this plan publicly and include our quarterly metrics to show how we are progressing.

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