

URL: <https://ecorner.stanford.edu/clips/carbon-is-the-north-star/>

Sustainability means so many things, it's confusing to consumers, says Tim Brown, co-founder and co-CEO of Allbirds. He explains how his company instead focuses on carbon as its "North Star metric" and how he thinks an increased understanding of carbon accounting and tradeoffs will shape a new generation of businesses.



Transcript

- So we just launched the School of Sustainability.. 00:00:06,660 Can you share with us how you define sustainability? And has your thinking about sustainability evolved or changed over time? - Sure.. Yeah.. 00:00:13,333 I've got a lot to say on this.. - The floor is yours.. 00:00:18,270 - Well, first of all, I think that word is a problem.. 00:00:21,240 No disrespect to the new school, on your beautiful campus.. It means too many things to too many different people, as to be largely meaningless.. Sustainability is about circularity.. It's about fair trade labor..

It's about end of life.. It's about water quality, air quality, animal welfare, recyclability.. And before long, there's so many competing factors that I'm just gonna stay in bed because it's too hard.. And so, I think the way that we think about it at Allbirds, and this has been an evolving process for us, is that carbon is the north star metric that we are intensely focused on as an organization.. We have a carbon footprint as a business, we have a carbon footprint with every product that we label.. I see a few folks wearing Allbirds.. If you pick up the insole, there'll be a carbon footprint of the individual product, everything that we make.. And that's the thing that allows Allbirds to be compared to Google, New Zealand to America, the fashion industry, to the energy industry, all wraps up to a larger number that we've gotta work to reduce.. We bonus our executives based on revenue, profitability, and also reduction of our average footprint.. So we have a very, very detailed, what we call our flight plan, sustainability plan..

And then we pay for offsets.. And that's a controversial topic, which I'm happy to talk about.. So all of a sudden, for the first time in six years, we don't have all the answers, but we have, I believe all the questions as a business around what sustainability should be.. And in the same way that calories are on food, carbon, I believe will become the universal metric for the transformation of our economy.. And that, in all the ways that calories don't represent the complete totality of a healthy diet, they are an important north star that connects the dots between every type of element of a complex food system, and the same thing I think is gonna exist here.. We just did a partnership with Adidas not that long ago and released a pair of shoes that were 2.94 kilograms of carbon.. On average we're a little bit less than 10.. What does that mean? A hamburger's about five or six.. So it's half a hamburger.. If I was to get on a plane from San Francisco to New York, it'll be about 2000 kilograms of carbon..

So all of a sudden, I think we're going to live our life increasingly with an understanding of the trade offs.. And I think people, they want a silver bullet.. They want ice cream in this moment.. They wanna sort of say, fast fashion is bad.. And it really is far more complicated.. We just need to be aware of the trade offs and we'll make choices based on it.. And at the moment, and what is so interesting is that we're in the very, very early stages of a complete transformation of that consumer ecosystem.. And I think if I asked everyone in this room, do you care about sustainability? I would imagine you're all gonna put your hands up and say, yep.. And then if I asked you, when has sustainability impacted a purchase the last time you were at a checkout, when has that been in your mind as you bought and you transacted? And I would say the answer is probably pretty close to zero.. And there is a lack of clarity on what is good and bad and the consumer is confused..

And I think it represents an enormous amount of opportunity for a new generation of businesses...