

# GCSE Business

Growing the  
[Sustainable] business



# Sustainability & Business

Sustainability in business refers to a company's strategy and actions to reduce negative environmental and social impacts resulting from business operations in a particular market.

## SUSTAINABLE FASHION



Care for the Earth



Respect Workers



Trade Fair



Mend and Repair



Reuse, Swap,  
Donate

# Growing the [Sustainable] business

In this lesson, you are going to learn about growing a business, in the context of sustainability.

We will cover climate change and its impact on businesses in different parts of the world, the potential challenges around importing and exporting products in a sustainable way, and the ethical considerations businesses are having to make where there are competing priorities between the environment, sustainability and profit.

<p>2.1.3 Business and globalisation</p>	<p>The impact of globalisation on businesses:</p> <ul style="list-style-type: none"><li>• imports: competition from overseas, buying from overseas</li><li>• exports: selling to overseas markets</li><li>• changing business locations</li><li>• multinationals.</li></ul> <p>Barriers to international trade:</p> <ul style="list-style-type: none"><li>• tariffs</li><li>• trade blocs.</li></ul> <p>How businesses compete internationally:</p> <ul style="list-style-type: none"><li>• the use of the internet and e-commerce</li><li>• changing the marketing mix to compete internationally.</li></ul>
<p>2.1.4 Ethics, the environment and business</p>	<p>The impact of ethical and environmental considerations on businesses:</p> <ul style="list-style-type: none"><li>• how ethical considerations influence business activity: possible trade-offs between ethics and profit</li><li>• how environmental considerations influence business activity: possible trade-offs between the environment, sustainability and profit</li><li>• the potential impact of pressure group activity on the marketing mix.</li></ul>



# Globalisation





# What is globalisation?

The term **globalisation** refers to when a business conducts its operations not only in the UK, but in many countries and territories across the globe. These businesses can have significant **influence** and **power**.

## Quick discussion

With a partner, come up with 3 businesses which you feel operate across the globe, and have a lot of influence on the sector they sell into.

## For example:

Google is a global business, which has a huge influence on data privacy, technology and people's access to information. They also have a lot of power because of how much data they have on people across the world.

Share your businesses back to the class and explain in what way they have power and/or influence in their sector.

# The UK and Imports

The UK imports a lot of products into the country. When imports come into the country, money is leaving the country.

In January 2023, UK imports were valued at £54.6 billion (this is within **ONE** month) They included significant amounts of the following:

- Mineral fuels
- Electronic equipment
- Motor vehicles
- Mechanical appliances
- Precious metals

The UK imports a lot of fresh fruit and vegetables.



## Pairs Challenge

Working in pairs, discuss and agree reasons for why the UK has to import the products that it does?

For each reason, state a product that is a good example.

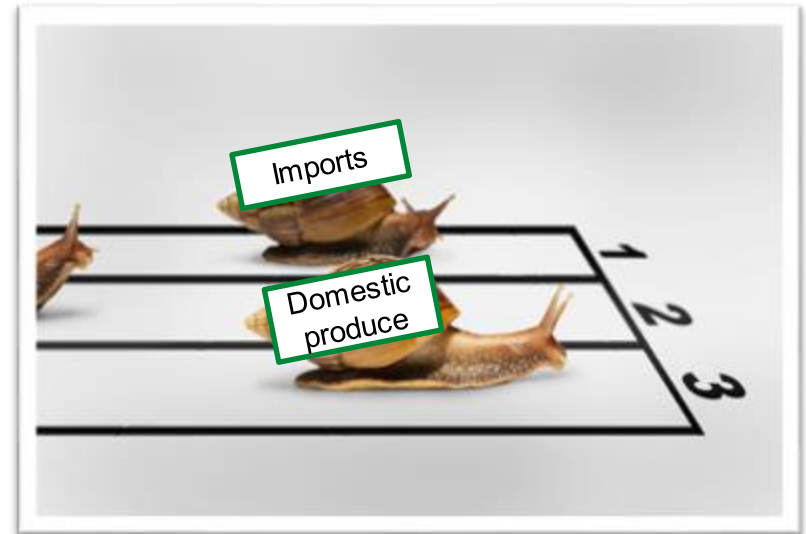
# What effect can imports have in a country?

Imports from another country create competition for the domestic equivalent product. For example, by importing cheese from France, the produce becomes a competitor to UK made cheese, as it is a further choice for the customer in the shops.

Competition from imports can lead to lower demand for domestic products.

For businesses which **sell** produce, importing from abroad can expand the range and choice they provide to customers.

If the business **uses** produce within their production, it allows them to keep producing products throughout the year, or make a wider choice of products to sell to customers.



# The UK and Exports

The UK exports a lot of products to other countries. When exports leave a country, money comes into the country.

In January 2023, UK exports were valued at £30.1 billion. They included significant amounts of the following:

- Mineral fuels
- Mechanical appliances
- Motor vehicles
- Precious metals
- Pharmaceutical products

The UK exports a lot of cheese, beer, jams, tea, biscuits and shellfish.



## Pairs Challenge

Working in pairs, discuss and agree reasons for why the UK exports the produce that it does?

For each, try to identify a UK business by name that might be responsible for the export.



# What effect can exports have in a country?

When the UK exports lamb to Europe, it brings money into the UK. UK shellfish are extremely popular in Spain, a key buyer of UK crab. Exporting UK produce to other countries will grow the market for UK businesses.

Exports (and imports) are not only products. They include services too...

The following are services that the UK exports to the world:

**Financial services** – banking, insurance, asset management

**Professional services** – legal, accounting, consultation and engineering

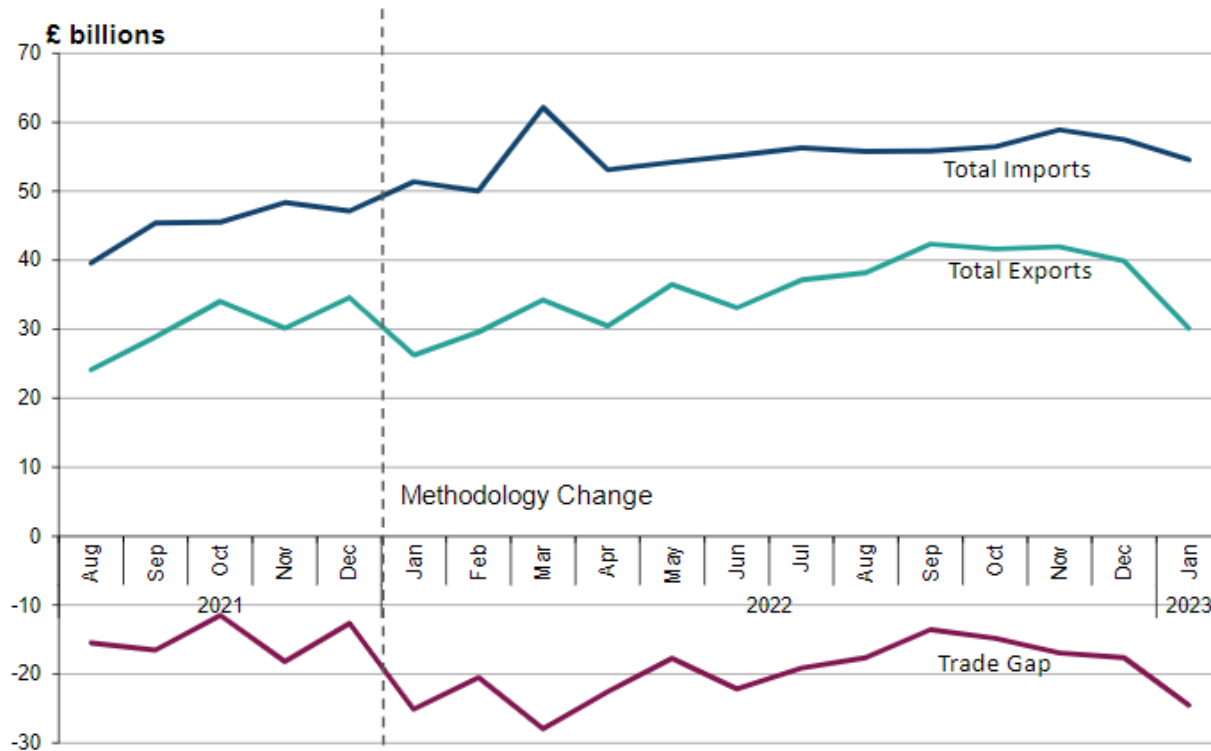
**Education** – University and college education for international students

**Creative industries** – film, television, music, publishing, advertising and design.

# The difference between exports and imports

What is the impact on the UK of its \*net exports vs imports? Below is a graph showing UK trade since August 2021 to January 2023.

**What do you think is the impact for businesses in the UK and for the UK as a whole?**



\* *net exports: Net exports are a measure of a nation's total trade*

# Shipping = climate impact

When businesses ship products and produce in and out of a country, this is known as distribution. This distribution consumes fuel and resources, which has an impact on the climate, through emissions of carbon. The further the products and produce travel, the greater the carbon emissions.



## Discussion

What products do you predict are shipped to the UK from the furthest distance?  
Name a country and the product.



# Calculating carbon emissions

The UK and China trade many products. To travel the long distance, they must use large shipping vessels, which consume fuel throughout the journey.

Here is how a business may be able to calculate the emissions they are responsible for when shipping between the two countries:

## **Step 1: What is the distance travelled?**

The UK to China route is approximately between 9 and 12 thousand kilometres

## **Step 2: What is the vessel and its fuel?**

Shipping vessels use diesel, travel very slow and are quite inefficient in energy use.

## **Step 3: How heavy is the cargo?**

The weight of the shipping container, its contents alongside all of the other shipping containers, passengers, and fuel will be the weight of the vessel. (the heavier, the more fuel consumed)

**If a shipping container emitted 50 grams of carbon per kilometre, over 10,000 kilometres, it would create half a ton of carbon emissions into the atmosphere. By comparison, an aircraft's emissions would be significantly greater...**

# Business Location



# Business location & Sustainability

Where a business chooses to locate can be influenced by many factors:

**A business may choose a location because they are closer to their target market/to customers**

**A business may choose a location because there is a growing opportunity in a new location**

**A business may choose a location because they can hire workers and make their products more cheaply**

By moving a business to a new location, this could have an impact on the climate for better or for worse. This becomes an ethical trade off, where the business must decide if a change in their business is worth the potential negative impact (particularly on the climate)

**Local production could reduce shipping/distribution emissions**

**Exploiting local produce and working in places with lower environmental standards, can impact the local area and lead to climate impact.**



# Combating negative (climate) impacts of imports and exports

Countries are able to influence the amount of imports and exports using **barriers to trade**. These barriers can protect a country's businesses from imports, or make it beneficial to export to another country. They can also be used to reduce climate impact.

A **tariff** is a tax imposed by a country on an import. This will have the effect of raising the cost of the import, and therefore reduce its demand (because it is more expensive)

Currently there are no tariffs which impact imports in relation to positive climate impact...

**Regulations** are another way of influencing trade:

For the climate, examples include:

1. **Environmental regulations** and standards which prevent products that are bad for the environment being imported.
2. **Emissions trading**, which requires a business to pay an amount to have permission to create emissions when producing a product for import.
3. **Carbon pricing**, where products which produce more carbon are priced higher for customers.

# Sustainability, exports and imports

## Scenario A or B

You are a small business owner that makes **sustainable** bath bombs, soaps and shampoo from locally sourced ingredients.

You currently operate in the UK, but you want to start selling in Europe after a successful social media campaign which has seen your brand trending.

Do you:

**A.** Continue to create your products locally in the UK, and export your products abroad?

Or

**B.** Open up a new location in Europe and; source your ingredients; make your product and; sell, from this new location?

In your pairs, decide A or B, and justify your decision.



# Extension

The UK government have introduced a tariff on products which negatively impact the environment. This will be applied to both UK imports and exports.

Your business has discovered that this tariff change will prevent your main competitor from importing their products to the UK, without incurring a huge cost. This cost would make their products expensive for UK customers.

**Explain** how the change in UK tariffs on imports will impact your business.

You are also exporting products you make in the UK to Europe.

**Explain** how the change in UK tariffs on exports will impact your business.







Presentation time

# [Sustainability] & Business

