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## Your Brand Is Increasingly Defined By Your Sustainability

### A Note From Intangible Business

At Intangible Business, we spend our time answering one question: what makes a brand valuable, and what puts that value at risk? Increasingly, sustainability is becoming a key input.

This month's guest thought piece comes from **Francesca Lee, Sustainability Strategist and Trainer at Social Value Architect**, who argues that sustainability has moved from a communications exercise sitting beside the business to a driver of brand value itself, visible in how a company sources, designs, manufactures and stands behind what it sells.

The brand strength and brand risk factors we assess in a valuation increasingly include exactly what Francesca describes: whether a company's sustainability claims are backed by what actually happens in its supply chain.

Her examples — from Patagonia and IKEA's supplier standards to the value destroyed by Volkswagen and the reputational exposure created for Dyson by a supplier's conduct — are, in effect,

case studies in brand value creation and brand value destruction.

We're grateful to Francesca for letting us share her work, published here under her own name.

### Your Brand Is Increasingly Defined By Your Sustainability

For years, sustainability was treated by many businesses as something sitting alongside the real business: a corporate responsibility programme, an ESG report, environmental targets or a communications initiative.

#### That is changing.

The businesses creating the greatest value from sustainability are increasingly those that have **integrated it into their business strategy and operations** — influencing what they buy, how they design products, who they work with, how products are manufactured, how long they last and, ultimately, the value proposition offered to customers.

Because sustainability is not simply about reducing environmental impact.

It can be a source of competitive advantage, customer value, resilience and brand strength.

Sustainability has to start with a strategy.

A company cannot credibly market itself as sustainable if sustainability is disconnected from the decisions that determine how its products are made.

If sustainability is genuinely part of business strategy, it should influence procurement, product development, supplier selection, manufacturing, logistics, packaging, investment and risk management.

This is the difference between **having a sustainability strategy** and **having a sustainable business strategy**.

**The first can sit alongside the business. The second changes how the business operates.**

Patagonia is a powerful example. Its environmental positioning is closely connected to the products it sells and the supply chains behind them. Its approach encompasses materials, manufacturing, repair, reuse and product longevity. The customer is buying a product, but also buying into an idea: buy better, use it for longer and reduce unnecessary consumption. Sustainability therefore becomes part of the product's reason for existing, rather than simply a marketing claim.

## What does this look like in practice?

|                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                |
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| <p><b><u>PATAGONIA<sup>1</sup></u></b></p> <p>Its environmental positioning is closely connected to the products it sells and the supply chains behind them. Its approach encompasses materials, manufacturing, repair, reuse and product longevity.</p> | <p><b><u>IKEA<sup>2</sup></u></b></p> <p>Its IWAY framework establishes environmental and social requirements for suppliers and service providers, embedding sustainability into supply-chain relationships.</p>                                                                                               |
| <p><b><u>MARKS &amp; SPENCER<sup>3</sup></u></b></p> <p>has similarly embedded responsible sourcing into its product strategy, including its approach to cotton and other raw materials, chemicals and supply-chain human rights.</p>                    | <p><b><u>HEINEKEN<sup>4</sup></u></b></p> <p>has taken a value-chain approach, including agriculture, packaging and emissions. Its work with farmers on regenerative agriculture demonstrates how sustainability can also support the long-term resilience of the resources on which the business depends.</p> |

The common thread is important:



**Sustainability creates brand value when it changes the way the business operates – not simply the way the business communicates.**

Customers are buying more than a product.

Customers increasingly want to understand **what they are buying and what their purchase represents**.

For some, the motivation is practical. A sustainable product may be more durable, repairable, energy efficient or made from better or recycled materials. If it lasts longer or requires fewer replacements, sustainability can translate directly into economic value.

For others, the motivation is ethical. They want to know that the workers who made the product were treated properly. They want to avoid contributing to environmental degradation. They want confidence that materials have been responsibly sourced.

In other words, customers can derive value from a product because it performs well and because buying it makes them feel that they have made a better choice.

That creates an opportunity for brands to build something more powerful than a sustainability claim: **A genuine reason for the customer to prefer them.**

The risk when the promise and reality diverge

The reverse is equally important.

The **Volkswagen emissions scandal** remains a powerful example of what happens when corporate claims and operational reality diverge. In 2015, the US Environmental Protection Agency (USEPA) found that certain Volkswagen diesel vehicles contained software designed to cheat emissions tests. The resulting regulatory settlements ran into billions of dollars. USEPA fines and penalties were \$1.9 billion with over \$14 billion spent on changes.



**2015**  
EPA discovers emissions test manipulation

**\$1.9bn**  
Fines and penalties with over \$14 billion spent on charges.

The damage was not simply financial. It went to the **heart of trust**.

Volkswagen's environmental performance was part of the value proposition surrounding its diesel technology. When the reality contradicted the claim, the reputational consequences extended far beyond the immediate regulatory breach.

The more recent **Dyson** case illustrates a different sustainability risk. Migrant workers employed by Malaysian manufacturer ATA Industrial, which supplied components for Dyson products, brought proceedings alleging modern slavery that included forced labour, wage deductions and physical abuse. Dyson and its Malaysian subsidiary denied the allegations. Dyson had previously ended its relationship with ATA, and the UK litigation was settled in February 2026 without an admission of liability.

The case demonstrates a fundamental reality of modern supply chains: **a company does not have to directly employ workers for supply-chain practices to become a brand issue**.

Customers rarely distinguish between a company's own operations and the suppliers that make its products.

**If your name is on the product, your supply chain is part of your brand.**

**From compliance to competitive advantage.**

This is why sustainable supply-chain management should not sit solely with the sustainability or ESG team.

It is a **business strategy issue**.

**Boards and leadership teams should be asking:**



Can sustainability make our products **better**?



Can it make our supply chain **more resilient**?



Can it reduce **waste and costs**?



Can it create products customers **value more highly**?



Can it strengthen customer **loyalty** and **differentiate** our brand?

**And, critically:**

Can we demonstrate that our sustainability claims are supported by **what actually happens throughout our supply chain**?

The strongest brands of the future will not necessarily be those making the loudest sustainability claims. They will be those where sustainability is **embedded in the business itself** — visible in the product, its quality, durability, provenance, materials and the values behind its production.



That creates something **competitors cannot easily replicate** with a marketing campaign.

Because a genuinely sustainable business is not **simply telling a better story**. It is **creating a better product, a more resilient business and a more credible brand**.

The strategic question is therefore no longer:

**“What is our sustainability strategy?”**

**It is:**



**How can sustainability become part of the strategy that makes our business more valuable?**

Your brand will increasingly be dependent on how you integrate sustainability into your business strategy.

#### Sources

<sup>1</sup><https://www.patagonia.com/our-footprint/>

<sup>2</sup><https://www.ikea.com/global/en/our-business/how-we-work/year-in-review-fy25/>

<sup>3</sup><https://corporate.marksandspencer.com/esg/our-products/responsible-chemicals-management>

<sup>4</sup><https://www.theheinekencompany.com/sustainability-and-responsibility?>

<sup>5</sup><https://www.epa.gov/vw/learn-about-volkswagen-violations>

<sup>6</sup><https://www.reuters.com/sustainability/society-equity/dyson-settles-malaysian-workers-uk-lawsuit-2026-02-27/7>

Francesca Lee is the founder of SocialValueArchitect (SVA), where she helps boards and leadership teams reimagine what their businesses need to look like for a sustainable and resilient future.

With more than 25 years' experience spanning corporate governance, risk, sustainability and strategic transformation, Francesca brings a commercial and practical perspective to some of the most complex challenges facing organisations today. She has advised on governance and risk in major M&A transactions involving organisations including GE Inc., USS and Unibail-Rodamco-Westfield, and has extensive board and trustee experience.

Francesca is passionate about bridging the gap between ambition and action. She has designed and delivered programmes on governance, risk and sustainability for The Law Society of England & Wales and The Law Society of Scotland, and contributes regularly to industry thought leadership, including through Inside Housing. She is also a member of Chapter Zero.

Through SVA, Francesca challenges leaders to see sustainability not simply as a compliance, reporting or reputational issue, but as a strategic opportunity to rethink how their organisations operate, create value and prepare for change. Her strength lies in making complex issues accessible and actionable—helping leaders move from “we need to change” to “here’s how we do it.”



## Francesca Lee

Sustainability Strategist and Trainer

[SocialValueArchitect](#)

[francesca@socialvaluearchitect.com](mailto:francesca@socialvaluearchitect.com)

## Intangible Businesses team of experts

### Andrew Meerburg



Andrew is a qualified accountant who has more than 30 years of corporate finance and M&A experience gained both as an advisor and from inside corporates executing transactions. Andrew brings practical insight into strategy, deal execution and integration, helping clients avoid the strategic and implementation risks that often cause deals to fail.

**e:** [andrew.meerburgs@intangiblebusiness.com](mailto:andrew.meerburgs@intangiblebusiness.com)

**t:** + 27 (0) 82 829 5173

### Greg Elk



Greg has over 12 years of corporate finance and business valuation experience and is a co-founder of, and the head of corporate finance and valuations for Agilequity, a leading South African Corporate Finance Advisory Firm. Greg is a member of the Intangible Business Board and Global Valuation Advisory Board lending his experience from a valuations and M&A perspective.

**e:** [greg.elk@intangiblebusiness.com](mailto:greg.elk@intangiblebusiness.com)

**t:** + 27 (0) 83 453 9945

### Thayne Forbes



Thayne is a qualified accountant and marketer who has worked in consulting firms on valuation, dispute resolution and other special assignments since 1988. Thayne specialises in advising on dispute resolution projects on a range of issues across many different industries.

**e:** [thayne.forbes@intangiblebusiness.com](mailto:thayne.forbes@intangiblebusiness.com)

**t:** +44 (0) 79 7965 5653

### Stuart Whitwell



Stuart is a qualified accountant and marketer who has 20 years commercial experience with Reed International, Haliburton, Sea Land and Allied Domecq. Since 2000 Stuart has focussed on dispute resolution projects and has particular experience in the global beverage industry.

**e:** [stuart.whitwell@intangiblebusiness.com](mailto:stuart.whitwell@intangiblebusiness.com)

**t:** + 44 (0) 77 4703 7824