

EXECUTIVE EDUCATION
REINVENTING VALUE CREATION

A PLAYBOOK FOR THE NEW ECONOMY

Proudly hosted by:



**SHARED
VALUE
PROJECT**

AGENDA - DAY 1

DAY 1: WEDNESDAY 9TH AUGUST		
TIME	SESSION	DELIVERED BY
8.30am - 8.40am	Welcome	Sarah Downie
8.40am - 9.00am	Acknowledgment of Country	Emma Watton
9.00am - 10.30am	PART ONE: The Future of Capitalism - The Business Case For Change PART TWO: Core Language + Concepts	Lead: Mark Kramer Contributors: Rosemary Addis and Fabienne Michaux
10.30am - 10.45am	MORNING TEA	
10.45am - 11.45am	Case Study - PayPal	Lead: Mark Kramer
11.45am -1.00pm	STAKEHOLDER CONTEXT PART ONE: Systems, Purpose, and Customers	Lead: Ben Neville Contributor: Ben Peacock



1.00pm - 2.15pm	LUNCH AND SMALL COHORT DISCUSSION	
2.15pm - 3.15pm	STAKEHOLDER CONTEXT In Conversation with Janette O'Neill (15mins) PART TWO: Investors, Shareholders, Government	Lead: Rosemary Addis Contributors: Janette O'Neill, Mark Kramer
3.15pm - 3.40pm	AFTERNOON TEA & GROUP DISCUSSIONS	
3.40pm - 4.25pm	Getting closer to the Problem	Lead: Adam Jay
4.25pm - 5.55pm	Reimagining Capitalism: The Interface Story	Lead: Virginia Wilson Contributors: Rob Coombs
5.55pm - 6.00pm	Day 1 Wrap	Lead: Sarah Downie
6.00pm - 8.30pm	DINNER Guest Speaker: Dr Katherine Trebeck	

AGENDA - DAY 2

DAY 2: THURSDAY 10TH AUGUST		
TIME	SESSION	DELIVERED BY
8.30am - 9.00am	Acknowledgment of Country	Lead: Emma Watton
9.00am - 10.30am	'How' change happens: Theatre of Change	Lead: Leith Sharp
10.30am - 10.45am	MORNING TEA	
10.45am - 11.45am	In Conversation With Sandra Martinez, CEO Nestle Oceania: New Leadership Mandate	Lead: Mark Kramer in conversation with Sandra Martinez (and Margaret Stuart)
11.45am - 1.00pm	Linking ESG and Financial Performance: Progress so far, opportunities and challenges	Lead: Brad Potter
1.00pm - 2.00pm	<u>LUNCH AND SMALL COHORT DISCUSSION</u>	
2.00pm - 3.30pm	Standards and Tools	Lead: Fabienne Michaux



		Contributors: Rosemary Addis, Janette O'Neill
3.30pm - 3.45pm	AFTERNOON TEA	
3.45pm - 4.30pm	21st Century Governance	Lead: Rosemary Addis
4.30pm - 5.15pm	Next steps and take-aways class discussion	Lead: Mark Kramer
5.15pm - 5.30pm	Course Wrap	Lead: Sarah Downie Contributors: Rosemary Addis and Brad Potter



ACKNOWLEDGING DEEPLY

EMMA WATTON


REFLECTION NOTES



PART ONE:
THE FUTURE OF CAPITALISM

PART TWO:
CORE LANGUAGE/CONCEPTS

MARK KRAMER



HARVARD | BUSINESS | SCHOOL



Purpose & Profit: Creating Shared Value

Core Concepts

Mark Kramer

There Are Many Different Approaches to Business and Society

Accountability

- CSR
- Sustainability
- Triple Bottom Line
- ESG

Morality

- Inclusive Capitalism
- Conscious Capitalism
- Capitalism 2.0
- Net Positive
- B-Corporations

Opportunity

- Social Entrepreneurship
- Impact Investing
- Base of the Pyramid
- Creating Shared Value

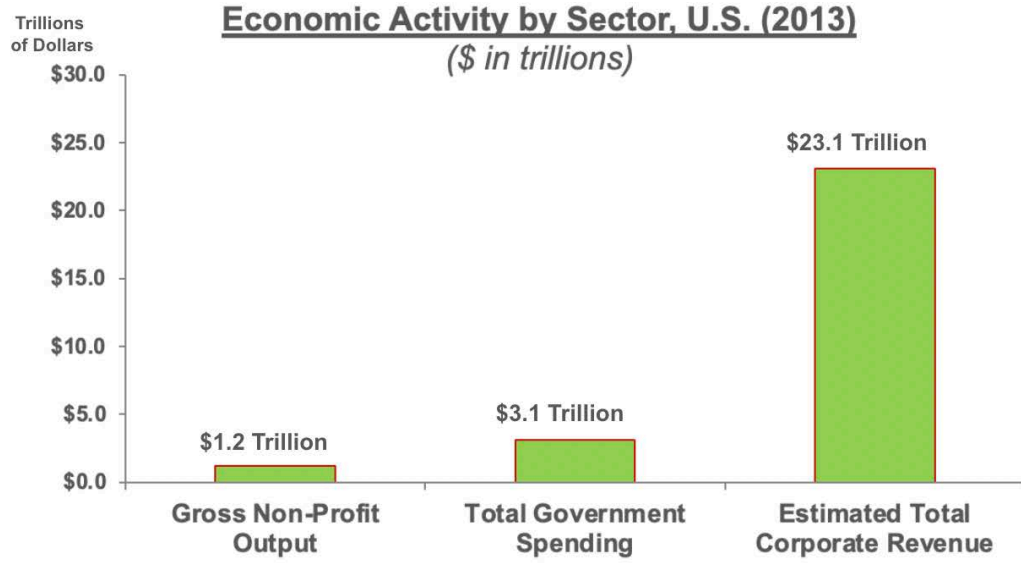
Shared Value is a competitive strategy based on the synergy between social and economic opportunity

Focusing on the Tension between Business and Society We Overlook the Inextricable Interdependence

- **The long-term competitiveness of companies depends on social conditions**
 - An educated and skilled **workforce**
 - **Safe** working conditions
 - Sustainable use of **natural resources**
 - A flourishing **local economy**
- **Business has an essential role to play in solving social problems**
 - Only companies can create **prosperity** that funds government and civil society
 - **Companies can create solutions** to many social problems in ways that governments and NGOs cannot
 - Companies have the **incentive to take risk**
 - Competitions fuels **innovation, efficiency, and adoption**
 - For-profit models are **scalable and sustainable**

*Only business can **create sustained impact** by meeting needs at a profit*

The Resources of Capitalism Vastly Exceed Other Sources of Social Innovation



Note: Corporate revenue was estimated based on the 9.1% average annual net profit margin for U.S. private companies.
Source: Bureau of Economic Analysis, 2013, Sageworks Private Company Indicator

Business Influences Society in Three Ways - All Are Important

Philanthropy

- Donations to worthy social causes
- Volunteering

Corporate Social Responsibility (CSR)

- Compliance with ethical and community standards
- Good corporate citizenship
- “Sustainability” initiatives



- **Mitigating risk and harm**
- **Improving reputation and trust**

Creating Shared Value (CSV)

- Addressing societal needs and challenges through the business itself
 - Finding **new opportunities**
 - Achieving **competitive differentiation**
 - Making a **profit**

What is Creating Shared Value?

- **Shared Value** Is a competitive strategy that simultaneously creates value for the business and for society

- **Societal deficits** and **environmental impacts** create **economic costs** for companies
- **Community weaknesses** affect company productivity
- Social needs represent the **largest unserved market opportunities**

Very few companies have considered social and environmental issues as a core part of their strategic positioning

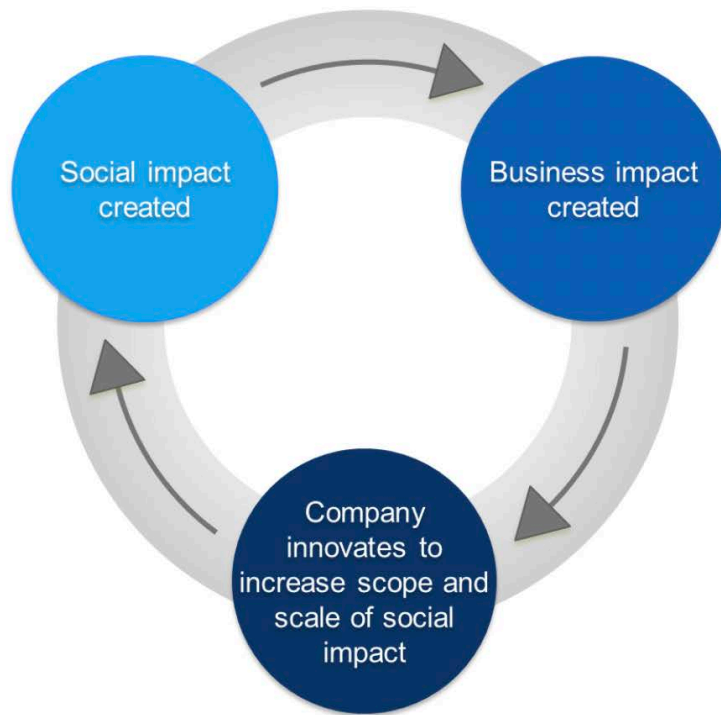
Discovery Ltd.

Health Insurance that Makes People Healthier

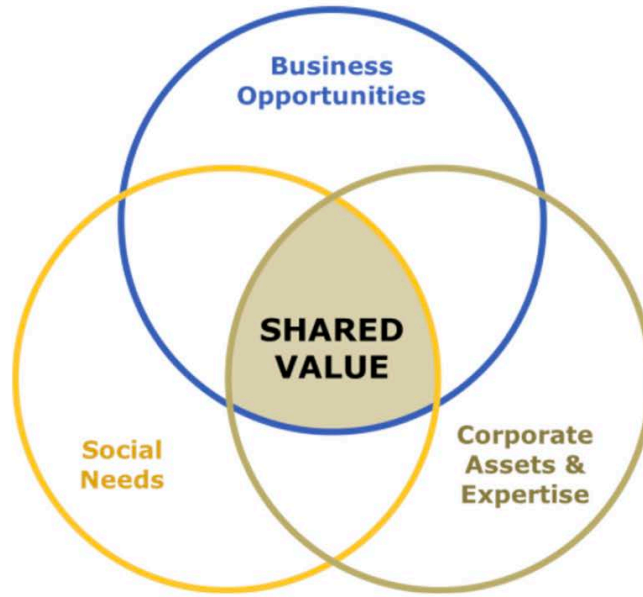
- Discovery pioneered the concept of a **health and life insurance plan** paired with a wellness incentive program, called **Vitality**
- Combining health coverage with Vitality membership allowed Discovery to achieve **better health results** and offer health coverage at **lower premiums**
 - **15% lower medical costs**
 - **8-10 year longer life expectancy**
- Discovery is one of the world's **fastest growing** and **most profitable** health & life insurance companies in the world
 - Dominant market share in South Africa and leader in UK
 - 20 million lives insured
 - Global franchise in 25 countries with AIA, Ping An, Generali, John Hancock, Sumitomo . . .
 - Global partnerships with Apple & Starbucks
 - >50 million life years of proprietary data on incentives, behavior and health outcomes
- **Diversification** into property & auto insurance, credit cards, superannuation accounts, and banking
 - Specialized products for lower income populations

Discovery has used modern knowledge of behavioral economics and social determinants of health to re-invent the insurance industry

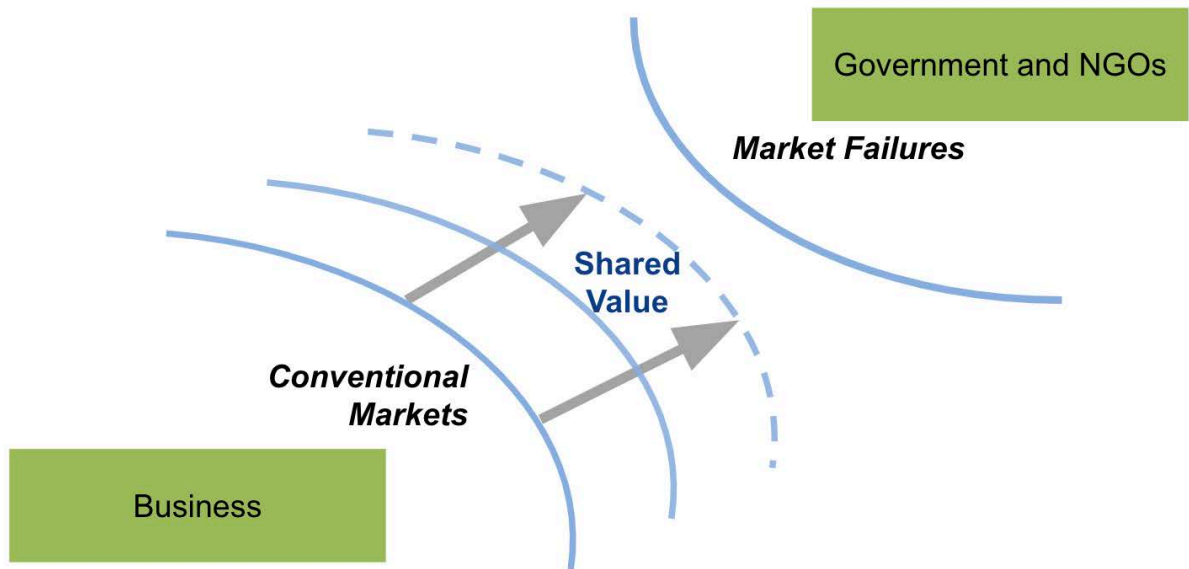
Shared Value Creates a Virtuous Cycle



Shared Value Is Found at the Nexus of Business Opportunities, Corporate Assets and Social Needs

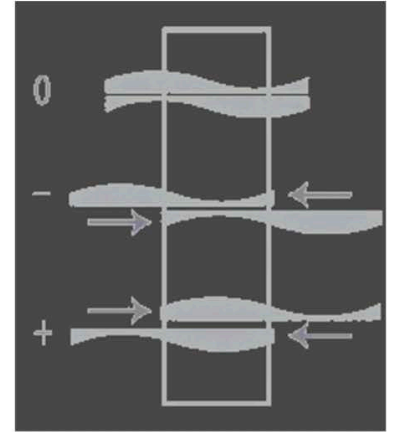
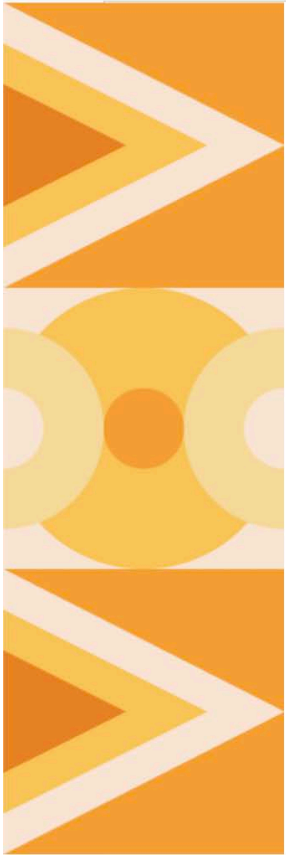


Shared Value Can Shift the Frontier Between Markets and Market Failures



Most companies operate on business models limited to affluent customers in developed markets – a very small portion of the world population

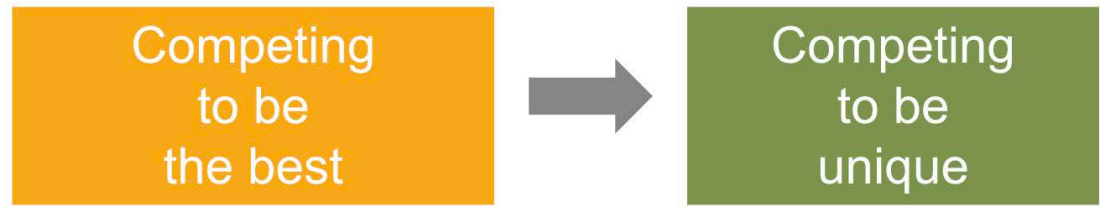
Eyeglasses without Opticians





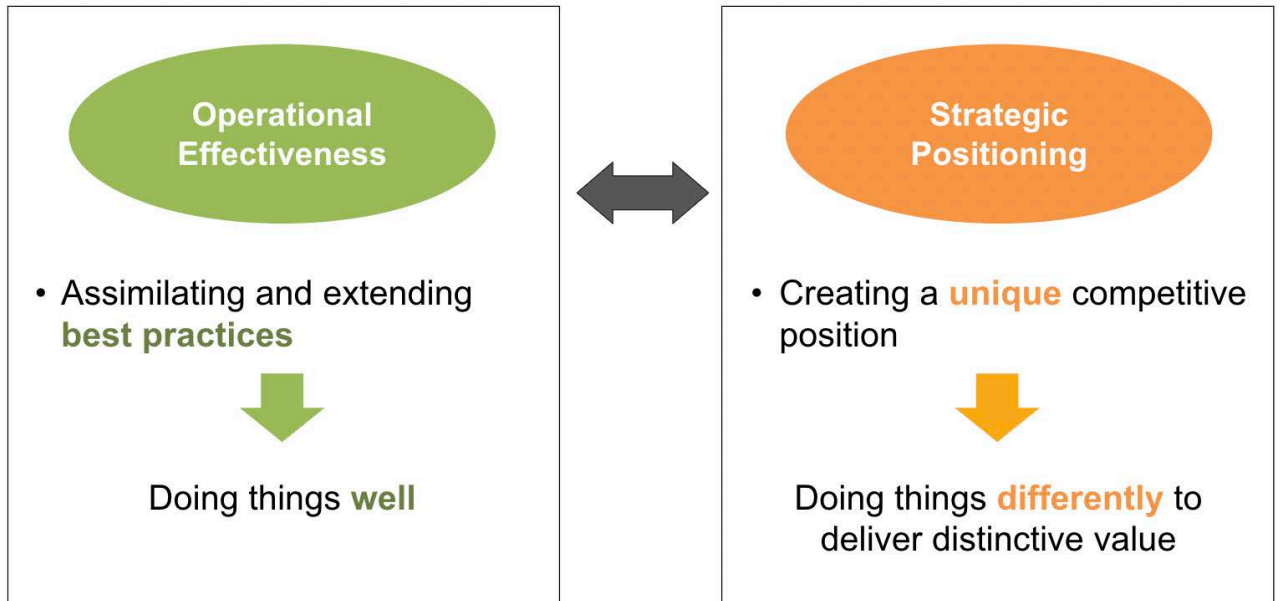
Why is Creating Shared Value a Competitive Strategy?

Strategy Is about Serving a Particular Set of Customers Uniquely Well

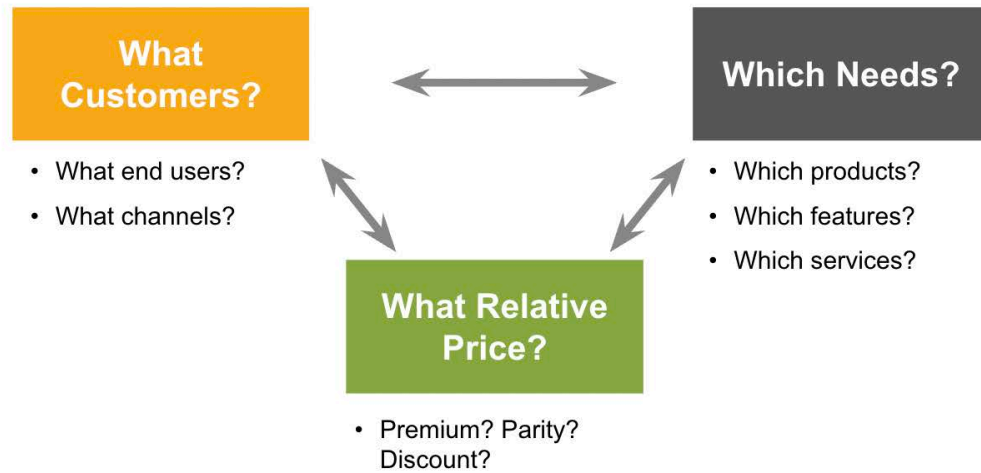


- There is no one best way to compete
- The worst error in strategy is to compete with rivals on the same dimensions

Operational Effectiveness Is Not Strategic Positioning



Defining the Value Proposition



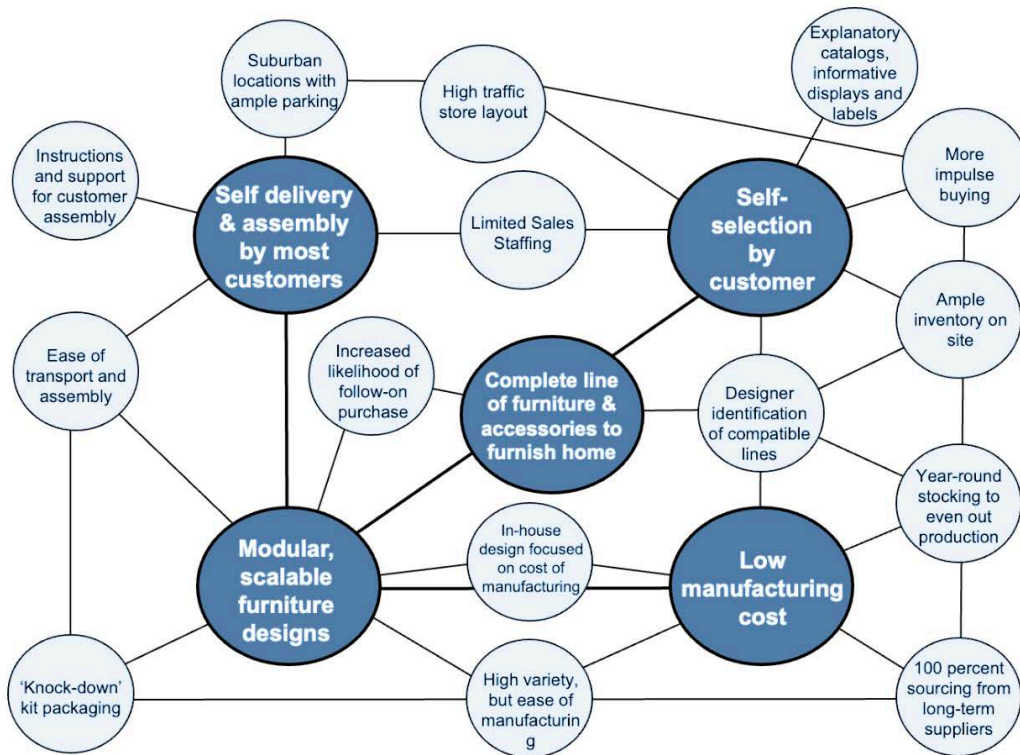
- Finding a unique value proposition often involves identifying **new needs**, new ways of **segmenting**, or **innovation** in the product/service approach
- A novel value proposition often **expands the market without diminishing profit margins**

Competitive Advantage Lies in the Value Chain – and the **Mutually Reinforcing Fit** among Tailored Activities



Purpose aligns all value chain activities and enhances the fit

IKEA Activity System



Porter's Five Tests of a Successful Strategy

1. A **unique value proposition** versus competitors
2. A **distinctive value chain**, involving clear choices about how the company will **operate differently** to deliver on its value proposition
3. Making clear **tradeoffs**, and choosing what **not** to do
4. Integrating choices across the parts of the value chain so that the functions **fit together** and **reinforce each other**
5. **Continuity** of strategic direction, with continuous improvement in realizing the unique value proposition

The Purpose Playbook



Three Levels of Shared Value

1

Reconceiving Needs, Products, and Customers

- Products and services that meet **societal needs**
- Providing products to **unserved** or **underserved** customers and communities

2

Redefining Productivity in the Value Chain

- Accessing and utilizing resources, energy, suppliers, logistics, and employees **differently and more productively**

3

Improving the Local Business Environment

- E.g., improving **skills**, local **suppliers**, **supporting institutions** and **cluster sophistication** in the areas where the company operates



Unlocking Shared Value in Products and Customers

- Rethink the business around **unsolved customer/societal problems or needs**, not traditional product definition/segmentation
- Identify customer groups that have been **poorly served** or **overlooked** by the industry
- Think in terms of **improving lives**, not just meeting conventional needs
- Start with **no preconceived constraints** about product attributes, channel configuration, or the economic model of the business

CSV Level 1 - Solutions for the World's Problems

Loans for Failed Entrepreneurs

- BCI launched in 2007 the “**Nace**” fund to provide credit to scale entrepreneurs who did not qualify for conventional financing
- **Unique lending criteria** targeted entrepreneurs with a high level of commitment and perseverance, as well as high quality business plans



- Since its inception, the program has extended **\$160 million** in credit to **7,500 entrepreneurs** with a comparable default rate to BCI's conventional SME clients
- An estimated **15,000 new jobs** have been created
- Nace profits have grown by a **factor of 25** and the program is considered to be an important opportunity for continued growth at the bank

CSV Level 2 – Breaking the Industry Mold

Productivity in the Value Chain



- Procurement that **enhances supplier capabilities and efficiency**
- Improving the **environment** through **resource efficiency** across the value chain
- Redesigning or recycling to minimize or eliminate **waste**
- Minimizing **logistical intensity**
- Improving **employee health and safety**
- Better wages, benefits, training and career paths for **lower income** employees **raises productivity** and **retention**
- Recruiting that reflects the **diversity of customers**, and the company's **communities**, enhances effectiveness



CSV Level 2

Better Pay & Benefits Means Greater Profitability

- Research by Professor Zeynep Ton at MIT's Good Jobs Institute demonstrates that:
 - Well-paid employees with benefits
 - Predictable work schedules
 - Slack and cross-training
 - Promoting from within
- Leads to:
 - Dramatically lower turnover
 - More knowledgeable and skilled employees
 - Better customer engagement
 - Higher productivity
 - Better Net Promoter Scores
 - Stronger competitive position
 - Higher profit margins

We increasingly find that single-mindedly minimizing financial costs creates offsetting social and environmental consequences that undermine long-term competitiveness and profitability

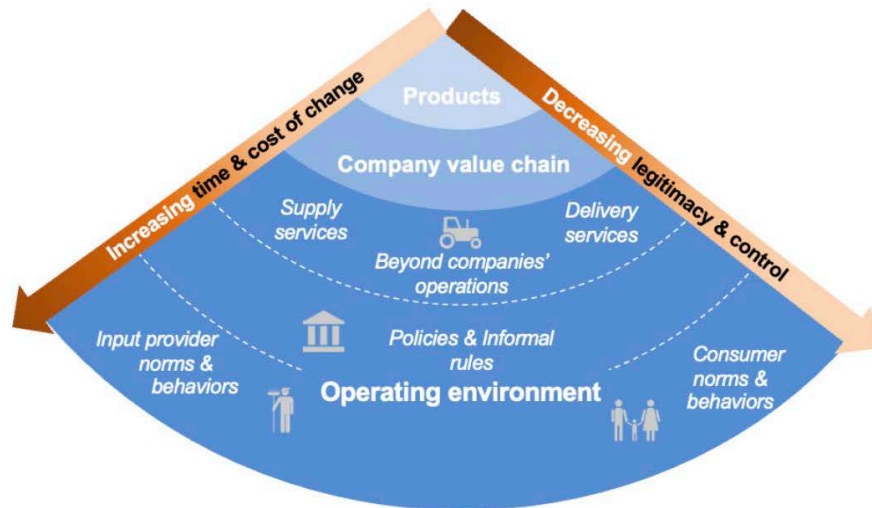
CSV Level 2 Burning Trash

- CEMEX, a global cement manufacturer, faces high fuel costs for the energy intensive process of making cement
- The company has begun to use alternative fuels – biomass, and non-recyclable industrial and household waste



- Cost savings from a single plant: \$123M annually
- Reduction of 2.5M tons of CO² emissions
- Reduced waste to landfill
- Improved safety and sanitation

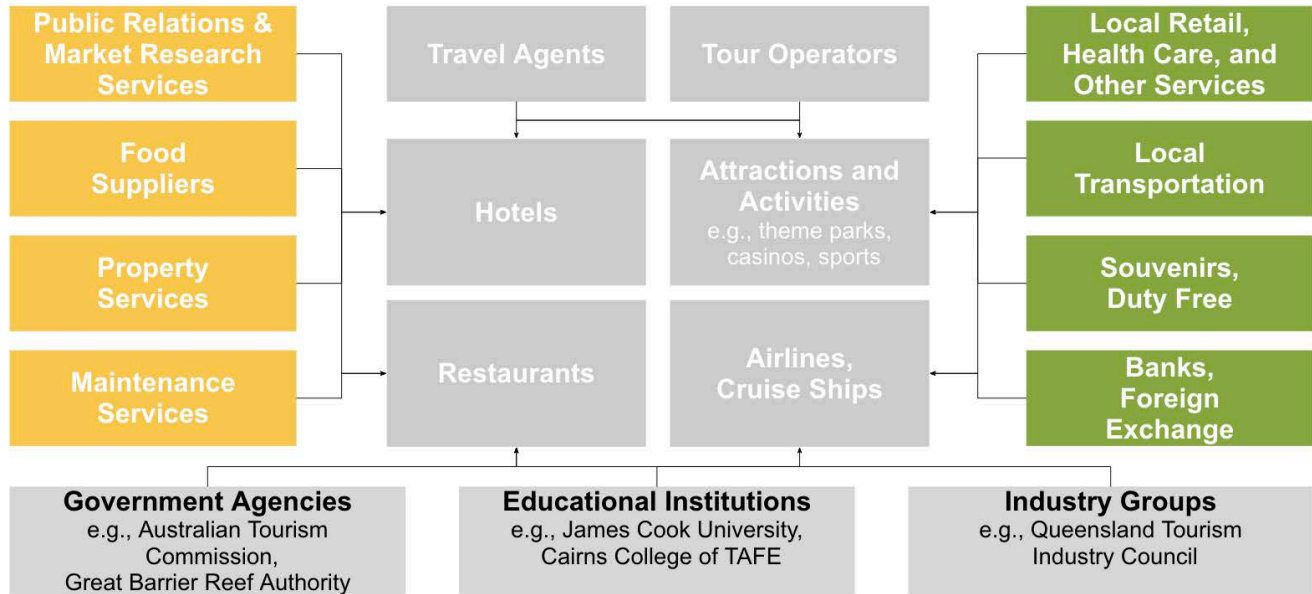
Level 3 CSV: Companies' success and competitiveness are bound by the health of their operating environment



Companies face a consistent and systemic set of societal barriers in their operating environments: lack of supply & delivery services, poor policies & informal rules, entrenched cultural norms & behaviors

Clusters Also Confer Competitive Advantage

Tourism Cluster in Cairns, Australia



Sources: HBS student team research (2003) - Peter Tynan, Chai McConnell, Alexandra West, Jean Hayden

CSV Level 3

Developing a world-class local supplier base

- BHP Billiton invested USD \$50 million over 4 years in a **supplier development program** that engages local suppliers to develop **innovative solutions to critical aspects of mining**
- Goal of creating **250 world-class mining suppliers** with export potential
- Launched in collaboration with Government of Chile, NGOs, and non-mining companies



- Engaged 36 suppliers in the initiative, with over \$400 million in combined sales and **5,000 employees**
Operated **43 innovation** projects so far, which have **resulted in capacity improvements and innovations**
- BHP Billiton achieved **\$121M in NPV of cost savings**

CSV Level 3

Improving small retailer sales

- SABMiller is the **world's second-largest brewer and a major bottler of Coca-Cola**
- In 2013, the company started a program with the goal of training and supporting **Tiendas (mom and pop shops) that sell much of their beverages**
- The program aims to **build community leadership, develop business skills** and **modernize 40,000 Tiendas** in 6 countries of Latin America (El Salvador, Honduras, Panamá, Perú, Colombia and Ecuador)



- The program will generate **income growth of roughly 30% for shop owners** and their families and 10% sales increase for SABMiller
- Leadership training and increased stability will help advance small-scale shop owners as **community leaders**, creating **community services** reaching in total ~ 2 million homes (or about 10 million people)



Level 3 Shared Value Can Be the Most Challenging and the Most Rewarding

- Companies in both developed and emerging markets increasingly recognize that their **growth and profitability are constrained** by local conditions, such as
 - Poor educational systems
 - Inadequate transportation infrastructure
 - Lack of economic opportunity
 - Soil and water depletion
 - Unaffordable housing
 - Limited access to healthcare

Yet, most companies consider such community deficits as outside of their control, responsibility, and legitimacy to address

Growing list of examples



Transforming the Chinese dairy sector to serve the **nutrition needs** of a multi-billion USD market in China

Humana.

Mobilizing communities and the healthcare system to **reduce healthcare costs by 20% in the USA**



Transitioning energy production to renewables and transforming 23 power **plants into platforms for local development**



Increase access to reliable treatments for **millions of BOP patients suffering from chronic diseases**



Improving access and the quality of diabetes care for 11.8 million people in Indonesia

Companies Are Not Typically Structured to Find and Manage Level 3 Opportunities

- **No-one is charged with examining the external environment** to find opportunities to improve the competitive context
 - CSR focuses on **value chain** and **supply chain**
 - Philanthropy is **peripheral** to strategy and operations
 - Both CSR and philanthropy have very **limited budgets**
 - No well-accepted **framework for determining the ROI** for improving the external context
 - **No experience managing partnerships** with other companies, governments and NGOs that operate **outside company control**
 - Often requires pre-competitive **work with competitors** creating both cultural and legal challenges

Identifying Opportunities for Level 3 Intervention

- **Strategic significance and long-term commitment**

- For Novartis, sales growth in emerging markets is key to their competitive success
 - Where do socio-economic conditions suggest future increases in diabetes?
 - Where is Insulin penetration low and healthcare infrastructure adequate?
 - Indonesia: 7.6M people with diabetes, 60% untreated, <1% fully managed

- **Cost/Benefit analysis**

- Which constraints in the Diamond offer the greatest opportunity?
 - Patient awareness, training of medical personnel, and access to care
- What investments is required and what reward is achievable?
 - Projected investment \$14M and projected increase in sales of \$112M annually by 2020

- **Feasibility**

- Is the total potential shared value created sufficient to motivate partners?
 - \$5.8B in saved government costs, 4.6M life years of health, \$1.2T increase in GDP
- Are government policies and social conditions favorable?
- Is there a sense of urgency that makes intervention timely?

Companies Must Overcome Three Obstacles to Level 3 Shared Value

- **Lack of legitimacy**

- A collective impact approach confers **legitimacy through cross-sector accountability**
 - **BASF has worked to co-develop an agenda that suits other stakeholders** in advancing Vitamin A intake, rather than developing a branded effort to take credit

- **Free-Riders**

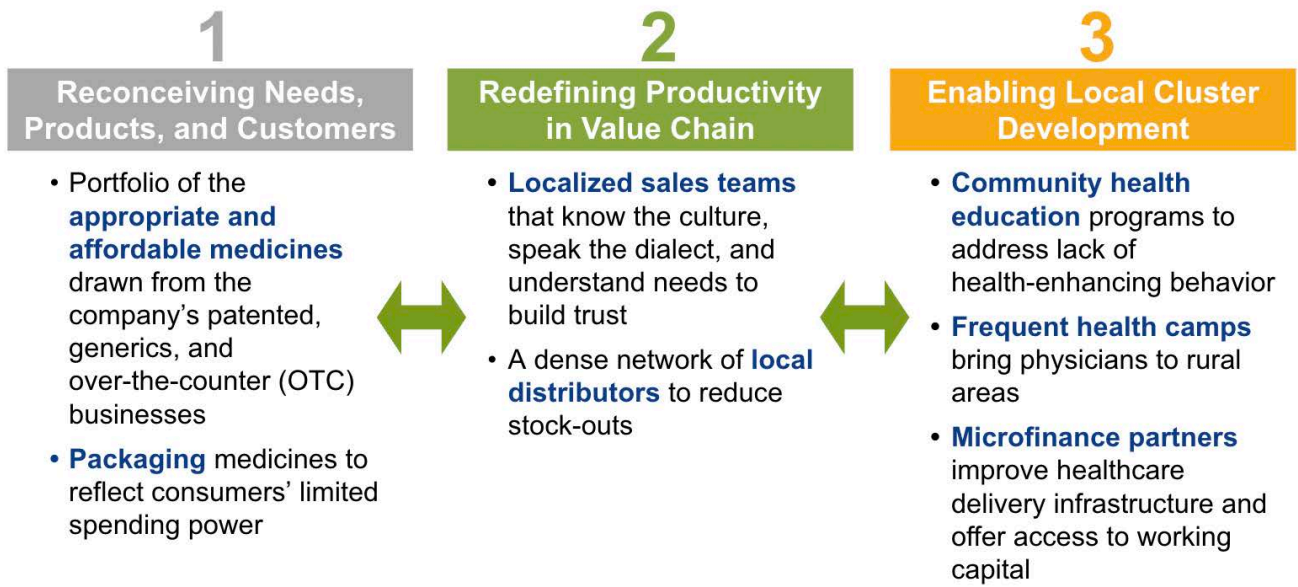
- Companies build a **sustained advantage from developing strong relationships** when they lead change
 - **Novo Nordisk achieved a 59% insulin market share** in China vs. market shares of 15% and 5% for its 2 main competitors and **developed a competitive advantage by being the leader in driving change**

- **Investment justification**




- **A strong business case and commitment of long-term resources** is essential
 - Danone created a **\$100 million Ecosystem Fund** to release the pressure on business unit's P&L of improving competitive context,

Integrating Across the Three Levels

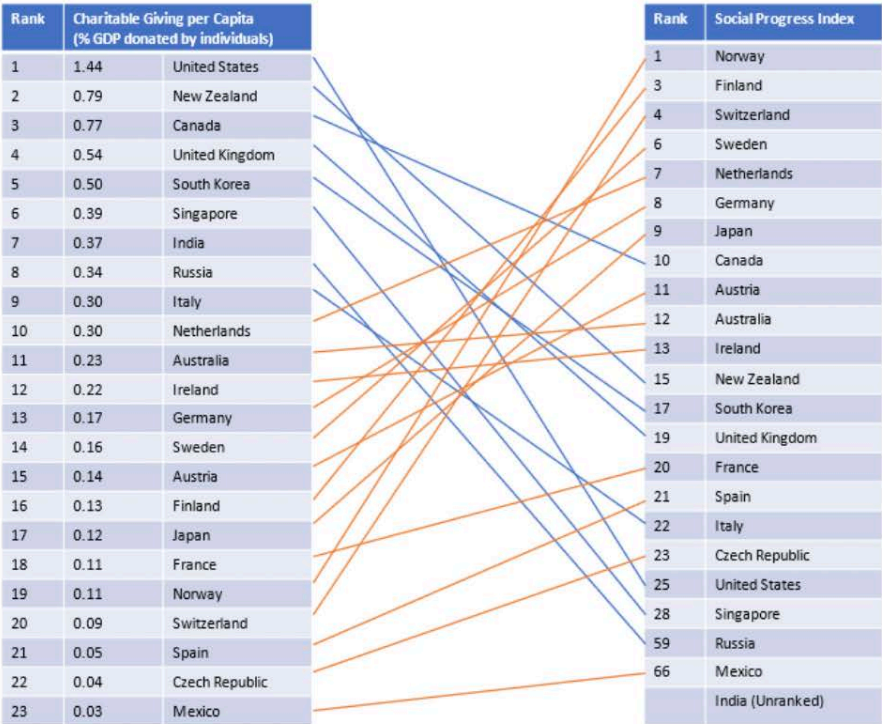
Novartis Arogya Parivar in Rural India



Shared Value Opportunities Often Focus on Common Themes within Industries

	Reconceiving Products and Markets	Redefining Productivity in Value Chains	Enabling Local Cluster Development
 Pharma & Med Tech	<ul style="list-style-type: none"> R&D for drugs, vaccines, or devices for unmet needs 	<ul style="list-style-type: none"> Locally adapted distribution to penetrate new markets and better meet patient needs 	<ul style="list-style-type: none"> Health system strengthening to enable delivery of needed products and services
 Extractives	<ul style="list-style-type: none"> Build local markets for intermediate products created by extractive activity 	<ul style="list-style-type: none"> Strengthen local workforce or supplier capabilities Improve utilization of resources in operations 	<ul style="list-style-type: none"> Invest in shared infrastructure and logistics networks
 Food & Agric.	<ul style="list-style-type: none"> Existing products that reduce negative health impacts/ new products that improve health & wellness 	<ul style="list-style-type: none"> Local supply chains and manufacturing to reduce production costs 	<ul style="list-style-type: none"> Investments in farmer productivity and farming communities
 Banking	<ul style="list-style-type: none"> Improve financial health or access for individuals 	<ul style="list-style-type: none"> Structure, place, and invest in financial solutions for critical social and environmental needs 	<ul style="list-style-type: none"> Revitalize depressed economies by financing community development

Charitable Giving vs. Social Progress





Transitioning to Creating Shared Value

Three Categories of CSV Companies

- **Born CSV**
 - **Positive social impact is the core competitive advantage from the start**
 - Discovery
 - VisionSpring
 - Tesla
- **Transitional CSV**
 - **Inherently positive/neutral impact, beginning to differentiate through CSV**
 - PayPal
 - Novartis
 - Walmart
- **Transformational CSV**
 - **Historical business has negative impact, must re-invent the company**
 - Nestle
 - Enel

Each category faces different challenges

Each Category Confronts Different Challenges

- If **Born CSV:**
 - Does your sense of purpose engage every employee and transcend every aspect of your value chain and product or service?
 - Are you measuring your social impact, and intentionally optimizing it?
 - Do you compensate employees on social impact as well as financial performance?
- If **Transitioning to CSV:**
 - Have you committed to a meaningful social purpose?
 - What needs to change to enter new markets that competitors overlook?
 - Do you consider social impact in the development of new products or services?
 - How can you increase the wellbeing of your customers and employees?
 - Do your investors understand the link between social impact and competitive advantage?
- If **Transforming to Shared Value:**
 - Can you identify new business opportunities based on the state of knowledge today and incubate them in a protected space?
 - How can you attract the new talent and expertise you need?
 - Have you demonstrated the scale and profitability of your new direction before you scale back your traditional approach?
 - Do your investors share your vision for the future?
 - Do you have the courage and stamina for transformative change?

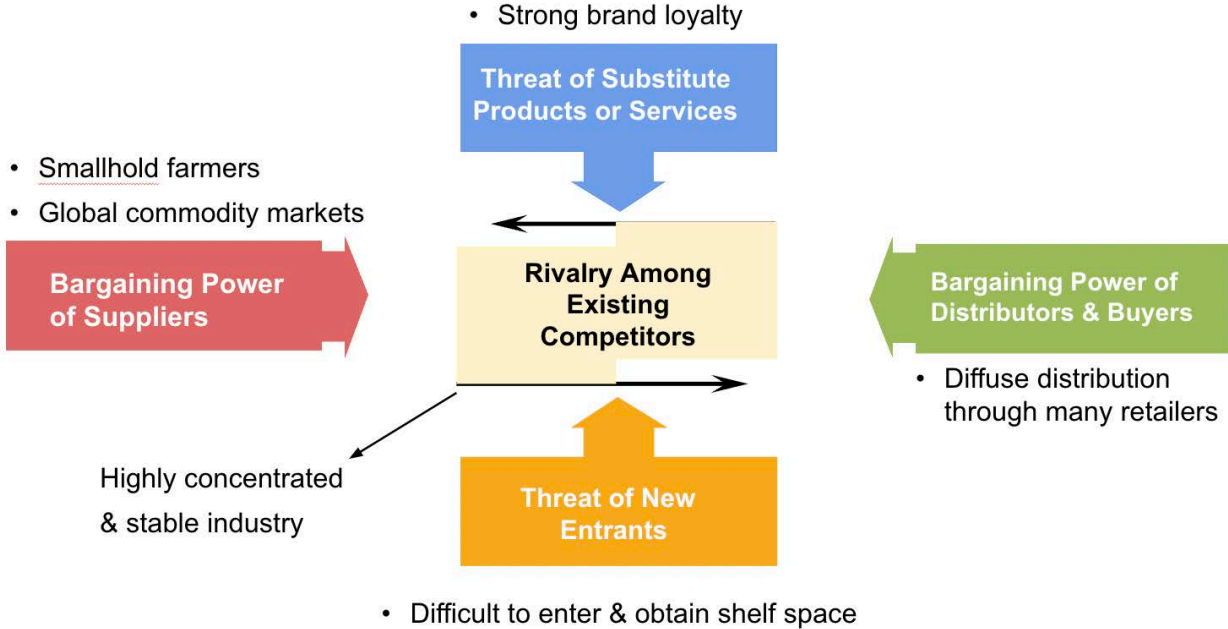


Knowledge of Social and Environmental Factors Has Accelerated – But Business Models Have Not Kept Up

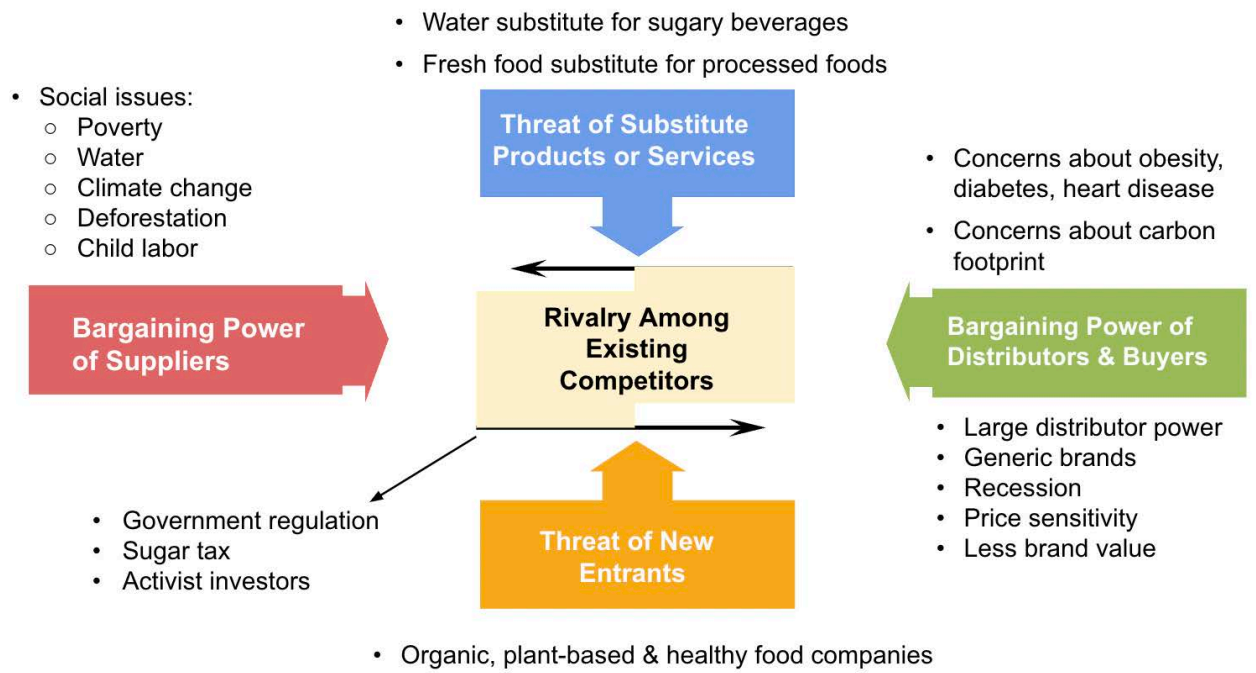
- **Life & health insurance** developed before any understanding of the influence of lifestyle choices on health and the power of behavioral economics
 - **Discovery Insurance**
- **Manufacturing, power generation & transportation** ignored the impact of carbon & methane emissions on the climate
 - **Tesla; Enel**
- **Financial services** were developed to serve the affluent based on assumptions about long term stable employment and home ownership
 - **PayPal**
- **Consumer goods** were developed based on affluent developed markets and ignored environmental impact
 - **VisionSpring; Patagonia**

Shared Value companies find new business models based on the state of knowledge today – others try to defend outdated models

Porter's Five Forces: Food & Beverage Industry - 1980s



Porter's Five Forces: Food & Beverage Industry > 2010



Food & Beverage Industry Response

- Coke, Pepsi, Mondelez
 - Slowly shifting portfolio to healthier products
 - Cutting costs and restructuring
 - Blaming the consumer & lobbying against sugar taxes
- Danone
 - Selling off all unhealthy foods
 - Focusing on dairy and infant nutrition
- Nestle
 - Nestle Health Science - \$1.8B R&D annual spend
 - Nutritional supplements with proven health outcomes
 - Paid for by health insurers

Defending
Outdated Model

Re-Focusing

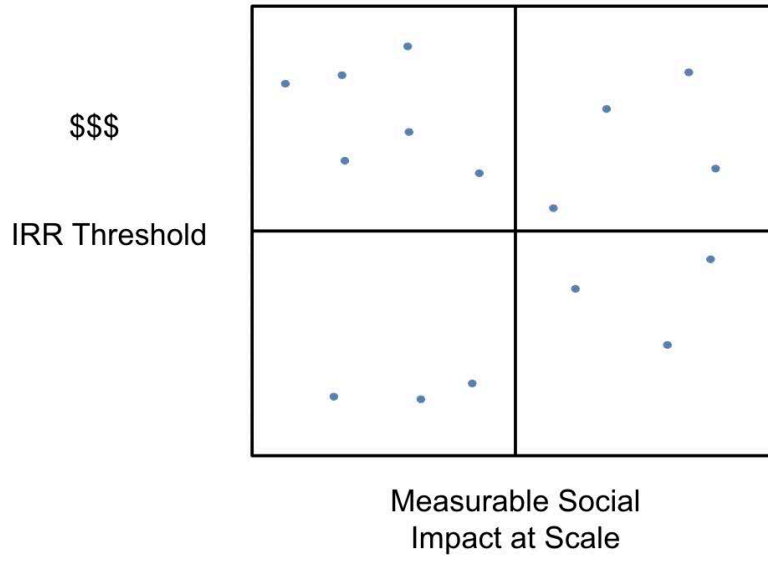
Innovating to
create shared value

What Social and Environmental Factors Have Changed in Your Industry?

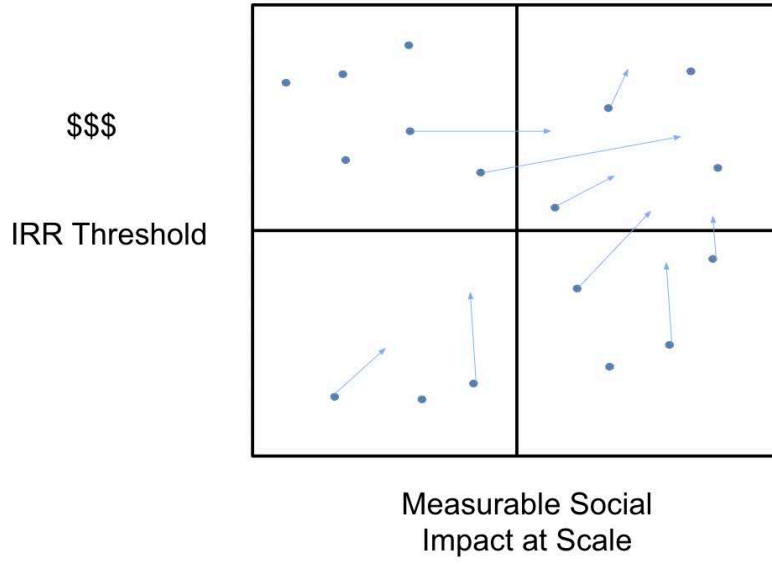
- Consider the 3 levels of shared value:
 1. How has **customer demand** changed?
 - New needs and preferences?
 - Underserved markets and lower income customers?
 - Social or environmental problems your company can help solve?
 2. How have **production processes** been affected?
 - Carbon emissions or other environmental impacts?
 - Workforce turnover, hiring, training, advancement, living wages, gender and racial equity?
 - Raw material sourcing? Supply chain impacts?
 3. How do **social, economic and environmental conditions** in the regions where you operate affect your competitive strategy and profitability?

How can you do things differently than others in your industry to create social impact and increase revenues or profit margins?

Companies Can Work from Where They Already Are to Increase Shared Value



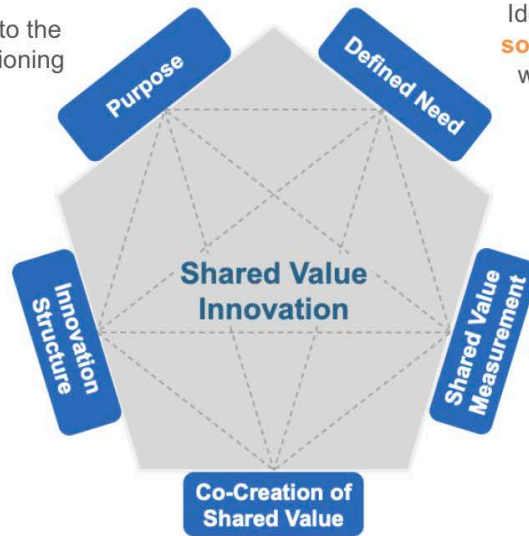
Companies Can Work from Where They Already Are to Increase Shared Value



A True Shared Value Strategy Requires Five Mutually Reinforcing Elements

Embed a **social purpose** into the company's competitive positioning

Identify and understand **specific social needs** that the company is well placed to address at scale



Create optimal **innovation structures** based on the maturity of other elements

Anticipate, validate, and continuously **measure the link between social and business** outcomes

Integrate **external partners with unique expertise** in the social problem throughout the innovation cycle

Shared Value Companies Operate Differently

- Companies today still mostly focus on compliance, reporting, and reputation
 - Treating sustainability as a cost rather than as an opportunity
 - Respond in the same ways as their industry peers – and do not gain any competitive advantage
 - Leave their business model, value chain and organizational structure unchanged and only make improvements at the margin
 - Aim for gradual reductions in harmful impacts rather than aiming for positive impact “beyond zero”
- As long as ESG performance is measured separately from financial returns, companies will never make the necessary changes in strategy, business model and operations
 - Sustainability needs to be part of every decision when made, not a remedial effort after-the-fact

Six Key Steps to Implementing Shared Value

1. Identify the ESG issues most material to your business and competitive position
2. Focus on strategy not reporting
3. Optimize the “impact-intensity of profits” such as the profit per ton of CO₂ for a utility or nutritional value per dollar of profit for food & beverage company. Impact-intensity affects
 - a. Product design
 - b. Product access
 - c. Operational footprint
4. Collaborate with external partners side-step trade-offs and share the cost of improving the broader competitive context
5. Redesign organizational roles to integrate sustainability throughout all functions
6. Bring your investors along by showing the financial benefits of improved sustainability

Four Challenges of Creating Shared Value

- **Shifting the mindset**
 - Applying business discipline to social problems
 - Leading change throughout the organization
- **Seeing beyond conventional boundaries**
 - Identifying opportunities and understanding new customers
 - Finding strategic opportunities in the larger ecosystem
- **Measurement & reporting**
 - Restructuring incentive compensation
 - Communicating with investors
- **Cross-sector and competitive partnerships**
 - Exerting influence without control

All profit is not equal

- Profit involving shared value enables **society to advance** and **companies to grow faster**
- Profit at the expenses of society is **self-defeating**
- Incorporating societal issues into strategy and operations is **the next major transformation** in management thinking

*Shared value thinking represents
the **next competitive frontier** of capitalism*



REFLECTION QUESTIONS & NOTES

- What are the strategic and material 'issues' that intersect with your business?
- In what ways is your organisation uniquely positioned to address the material issue(s)?
- Do you think your strategies are currently more focussed on reducing harm or being part of the solution?

THE FUTURE OF CAPITALISM - THE BUSINESS CASE FOR CHANGE & CORE LANGUAGE + CONCEPTS

MANDATORY PRE-READING RESOURCES

ARTICLE	FORMAT / AUTHOR / SOURCE
Required: Creating Shared Value*	Format: Online article Source: HBR Author: Michael E. Porter, Mark R. Kramer
Required: Milton Friedman's Hazardous Feedback Loop Note: you may need to set up a login to access this article	Format: Online article Source: Responsible Investor Author: Duncan Austin

OPTIONAL READING:

ARTICLE	FORMAT / AUTHOR / SOURCE
What is Strategy	Format: Online article Source: HBR Author: Michael E. Porter
Innovating for Shared Value*	Format: Online article Source: HBR Author: Marc W. Pfitzer, Valerie Bockstette, Mike Stamp
Ecosystem of Shared Value*	Format: Online article Source: HBR Author: Mark R. Kramer, Marc W. Pfitzer
Purpose, Vision, Integrity: The Legacy of Sir Fazle Abed, L Spengler, 2020	Format: Online article Source: Mondiale Impact Author: L. Spengler
Deep Purpose: The Heart & Soul of High-Performance Companies, R Gulati, The Next Big Idea Club, May 2022	Format: Online article Source: Next Big Idea Club Author: Ranjay Gulati



CASE STUDY: PAYPAL

MARK KRAMER

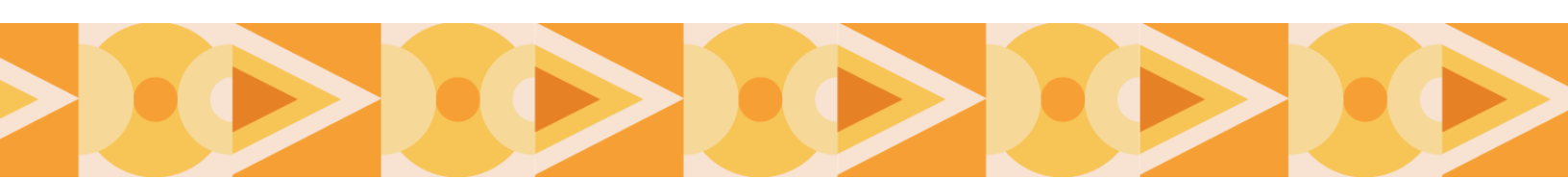




DISCUSSION GUIDE

- . Does PayPal have an authentic social purpose? If so, how has the company communicated that purpose?
- . Does the pursuit of "stakeholder capitalism" and social purpose contribute to, or detract from, PayPal's success? In what ways?
- . Does the company's claimed purpose adequately define the company's competitive position and strategy?

REFLECTION NOTES



CASE STUDY - PAYPAL

PRE-READING RESOURCES

ARTICLE	FORMAT / AUTHOR / SOURCE
Required: PayPal: The Next Chapter *	Format: Case Study Source: HBR Author: Michael E. Porter, Mark R. Kramer, Annelena Lobb

OPTIONAL READING:

ARTICLE	FORMAT / AUTHOR / SOURCE
Banking on Shared Value	Format: Paper Source: FSG Author: Valerie Bockstette, Marc Pfitzer, Dane Smith, Neeraja Bhavaraju, Cara Priestley, Anjali Bhatt
Financial Services and the Competitive Advantage of Racial Equity	Format: Report Source: FSG Author: Lakshmi Iyer, Dashell Laryea



STAKEHOLDER CONTEXT: PART ONE
PURPOSE, EMPLOYEES + CUSTOMERS

BEN NEVILLE + BEN PEACOCK



OVERVIEW

1. **Unpacking stakeholder value creation and profit**
2. Consumers' values
3. Implementation challenges

US Business Roundtable 2019

STATEMENT ON THE PURPOSE OF A CORPORATION

Americans deserve an economy that allows each person to succeed through hard work and creativity and to lead a life of meaning and dignity. We believe the free market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment and economic opportunity for all.

Businesses play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services. Businesses make and sell consumer products; manufacture equipment and vehicles; support the national defense; grow and produce food; provide healthcare; generate and deliver energy; and offer financial, communications and other services that underpin economic growth.

WHILE EACH OF OUR INDIVIDUAL COMPANIES SERVES ITS OWN CORPORATE PURPOSE, WE SHARE A FUNDAMENTAL COMMITMENT TO ALL OF OUR STAKEHOLDERS. WE COMMIT TO:

- ▶ **DELIVERING VALUE TO OUR CUSTOMERS.** We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.
- ▶ **INVESTING IN OUR EMPLOYEES.** This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.
- ▶ **DEALING FAIRLY AND ETHICALLY WITH OUR SUPPLIERS.** We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.
- ▶ **SUPPORTING THE COMMUNITIES IN WHICH WE WORK.** We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.
- ▶ **GENERATING LONG-TERM VALUE FOR SHAREHOLDERS, WHO PROVIDE THE CAPITAL THAT ALLOWS COMPANIES TO INVEST, GROW AND INNOVATE.** We are committed to transparency and effective engagement with shareholders.

Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country.

What is Stakeholder Value?

Chia, Kern and Neville, 2020. 'CSR for Happiness: Corporate determinants of societal happiness as social responsibility'. Business Ethics: A European Review, 29(3), 422-437.

- Objective conditions
- Subjective experiences (net pleasure and life satisfaction)

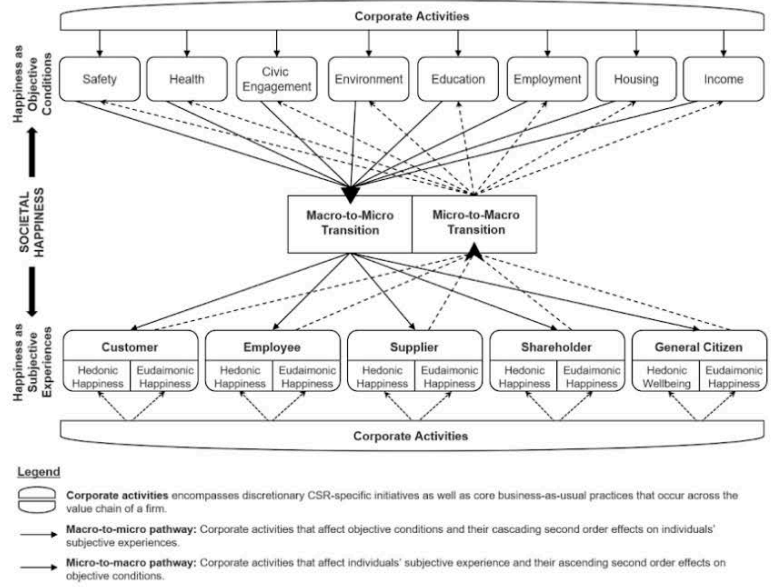


Figure 4: CSR for Happiness conceptual framework

Stakeholders are human beings



Coca-Cola Australia

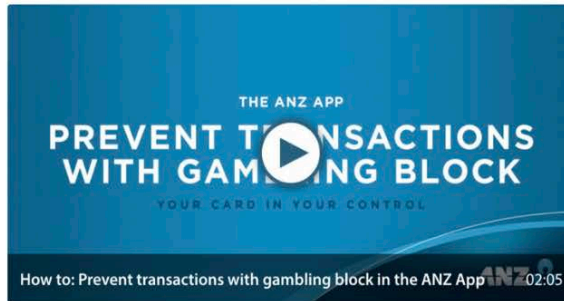


[Our Company](#) [Brands](#) [Responsible Business](#) [News](#)



Eating and drinking less sugar is increasingly important for many people. That's one of the reasons we're changing many of our recipes around the world to reduce sugar where possible while keeping the great taste people love.

5 ways Coca-Cola South Pacific is helping consumers enjoy less sugar



Prevent transactions with gambling block

If you'd like more control over the types of transactions your eligible card can make, you can use the ANZ App to apply a gambling block on your eligible card. Once turned on, you won't be able to make Gambling Transactions¹ using your digital wallet or physical card – whether the transaction is online, over the phone or in person.

[Get the ANZ App](#)

Gambling limits for your credit card

To help minimise potential harm from gambling when you're using a personal credit card, we've changed the way we treat transactions which we identify as being for gambling or gaming purposes. The changes prevent you from using your credit card for these sorts of transactions when you're getting close to your credit limit.

Transactions that we identify as being for a gambling or gaming purpose will be declined if you've used 85% or more of your credit limit, or if the transaction would take your balance to 85% or more of your credit limit if it was processed.

[Find out more](#)

Business Council of Australia (BCA)

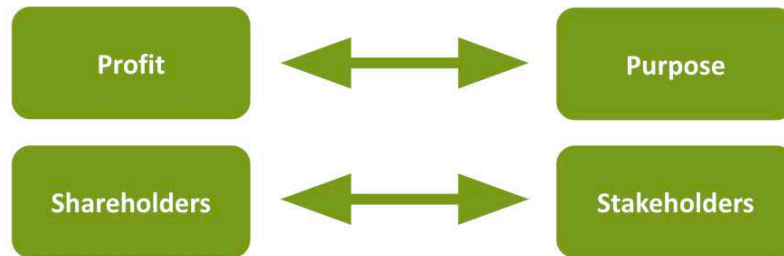
About

The Business Council of Australia represents Australia's largest employers, advocating for good policy on behalf of the business community and the Australians they employ.

Mission

We believe the role of business is to generate returns for shareholders over the medium to long term, and that doing this requires businesses to be good corporate citizens, and for big and small business to work together across our cities and regions.

This means to act in good faith, have products and services that are fit for market, represent those products fairly and balance the needs of all stakeholders and interests including employees, shareholders, customers, suppliers, the community and the environment.



Shared Value: Profit *Through* Purpose

Unilever CEO, Alan Jope (2020):

*"We've been operating a **multistakeholder model** for about 10 years. We believe that if we look after our employees and our customers, if we worry about society and the planet, if we take care of our supplier partners, **then** our shareholders will be well rewarded.*

*Ultimately you have to look after all these stakeholders. But it for sure **begins with your employees**. You know, without showing authentic care for your employees, I don't do anything as the chief executive of this company. It's our front-line people who are making the goods, who are serving our customers. So that, for me, is where it starts."*

**Do your stakeholders come first and then profits will follow?
Are some stakeholders more important than others?**



Stakeholder Relationships

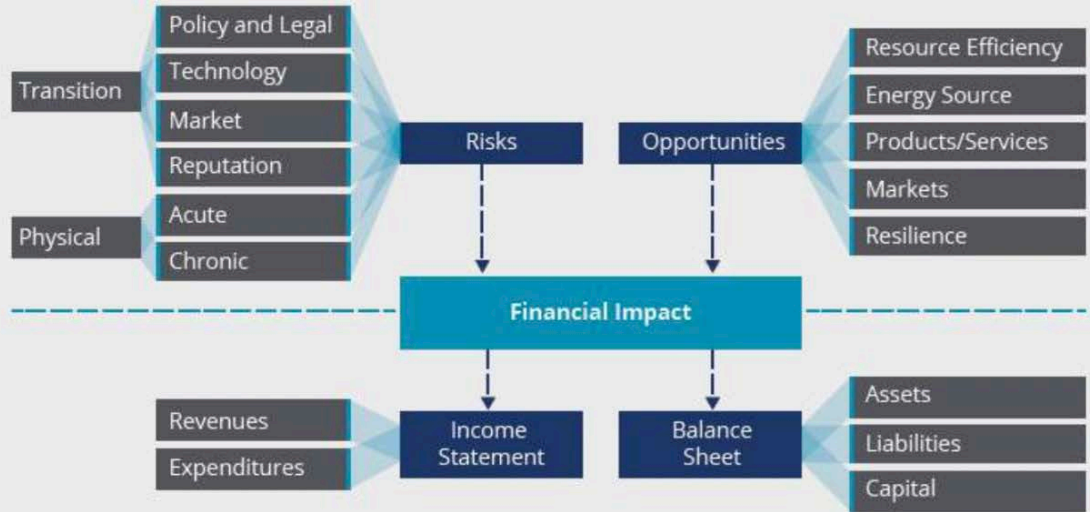
- Firms are dependent upon **all stakeholders** for critical resources
- Stakeholders' **rewarding and penalising** behaviours are triggered by issues and based on both ethical and self-interested evaluations
- The **quality of relationships** (e.g., trust, loyalty) will affect stakeholder resource decisions



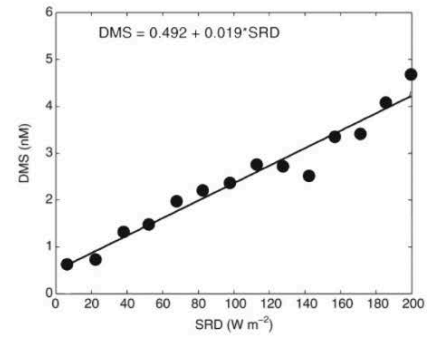
APRA business case for climate action

Figure 1

Climate-Related Risks, Opportunities, and Financial Impact



Academic Evidence



Positive relationship **supported** by empirical research:

- Margolis and Walsh (2003) reviewed 93 studies – 53% positive; 5% neg
 - Orlitzky et al. (2003) meta-analysis of 57 studies (% explained = 23.89%)
 - Margolis et al. (2009) meta-analysis of 251 studies – overall effect is positive (% variance explained = 13%)
 - Wang et al. (2016) meta-analysis of 42 studies – “positive and significant”
 - Busch and Friede (2018) second-order meta-analysis – “highly significant”
- ‘on average’, there is a business case for Sust/CSR/SV

But... what about the non-average times?



Original Article

Rethinking the Corporate Financial–Social Performance Relationship: Examining the Complex, Multistakeholder Notion of Corporate Social Performance

James Weber, Jeffrey Gladstone

First published: 02 September 2014 | <https://doi.org/10.1111/basr.12035> | Citations: 17

[Read the full text >](#)

[PDF](#) [TOOLS](#) [SHARE](#)

Abstract

The corporate financial performance (CFP)–corporate social performance (CSP) relationship has been investigated many times over the past few decades, yet the notion of CSP has generally been understood to be a single, monolithic aspect of corporate strategy. This article examines the common CFP–CSP understanding in three distinct ways: (1) by extending the evaluation of CSP as a complex, multistakeholder notion; (2) by analyzing CSP's relationship with the firm's financial performance at a given point in time as a lead (independent) variable in the relationship and as a lag (dependent) variable in the relationship; and (3) for both positive and negative stakeholder relationships. The results indicate that the employee emerges as the stakeholder group most strongly linked to CFP, followed by the consumer stakeholder. The natural environment and the community stakeholder group are minimally associated with CFP. General support is found for a CFP–CSP relationship at a given point in time, with some support found for CSP as a lead (independent) variable. When used as a measure of financial performance, return on assets is more often correlated with CSP than is return on equity. These results and their implications are discussed.

Different strategies and stakeholders

Journal of Management

S·M·A
SOCIETY FOR MANAGEMENT ADVANCEMENT

Impact Factor: **13.5** / 5-Year Impact Factor: **17.3** JOURI

Open access | Research article | First published online June 26, 2022

When Does It (Not) Pay to Be Good? Interplay Between Stakeholder and Competitive Strategies

[Ye He](#) and [Raveendra Chittoor](#) [View all authors and affiliations](#)

Volume 49, Issue 7 | <https://doi.org/10.1177/01492063221106433>

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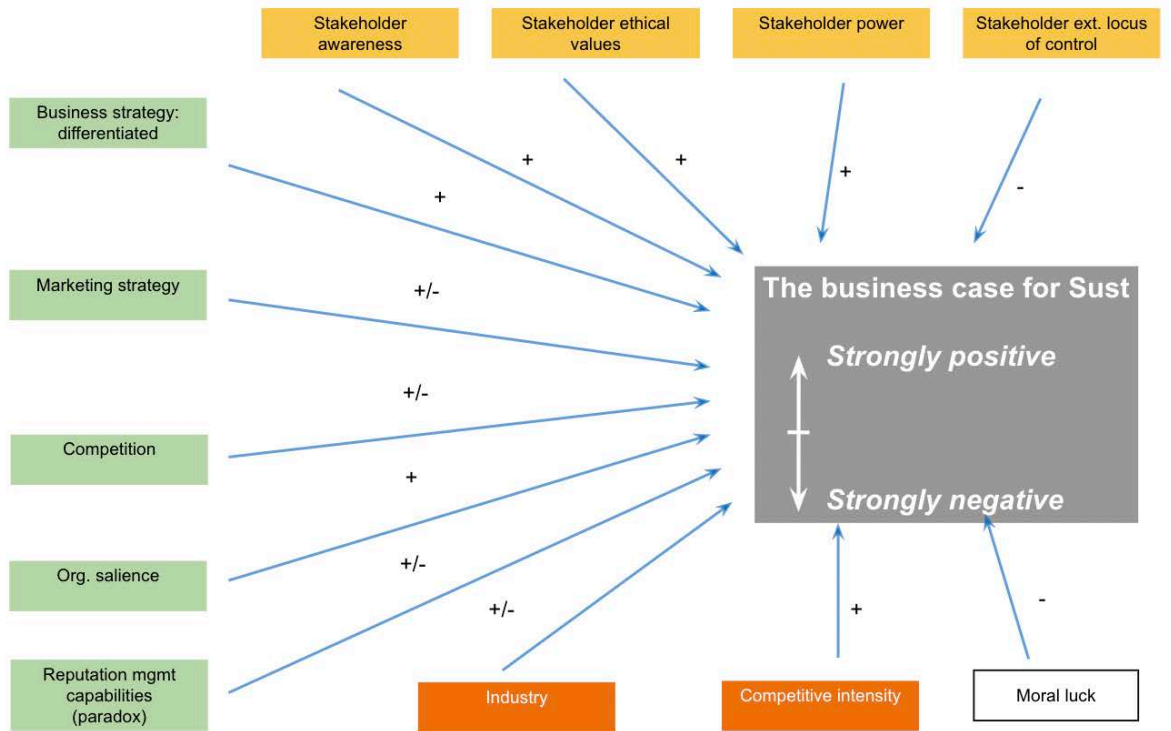


Abstract

Using the instrumental stakeholder theory lens, we examine how generic competitive strategies influence the link between stakeholder management (SM) and firm financial performance. We develop a framework that highlights the synergistic effects of a differentiation strategy on SM but also the trade-offs between a cost leadership strategy and SM in their consequences for financial performance. We test our theoretical mechanism further by distinguishing between primary and secondary stakeholders, who differ in their degree of firm specificity and instrumentality. We propose that for firms pursuing a low-cost competitive advantage, secondary SM intensifies the trade-offs between SM and financial performance when compared with primary SM, whereas both primary and secondary SM are likely to improve financial performance for differentiators. Empirical analyses using a panel data set of S&P 500 firms over a 15-year period (2005–2019) and a series of robustness tests support our predictions. Our findings highlight important boundary conditions for SM's impact on firms' financial performance and highlight not only "when SM pays" but also "when SM may not pay."



Other contingencies...



Shared Value: Purpose and Profit

- If the business cases for sustainability is only positive on average, then there will be contexts where shared value is not supported
 - Ed Freeman: *“Trade-offs are a failure of imagination”*
- Nevertheless, trade-offs are sometimes unavoidable
 - What is the understanding in your organisation for how you manage the relationship between your purpose and your profit? Do stakeholders or shareholders come first? If stakeholders, is it one/some more than others?
 - Revisit your firm’s Purpose Statement: *If purpose is to really drive decision making, it needs to address the relationship with profit*



OVERVIEW

1. Unlocking stakeholder value creation and profit
2. **Consumers' values**
3. Implementation challenges

Stakeholders drivers of shared value



Original Article

Rethinking the Corporate Financial–Social Performance Relationship: Examining the Complex, Multistakeholder Notion of Corporate Social Performance

James Weber, Jeffrey Gladstone

First published: 02 September 2014 | <https://doi.org/10.1111/basr.12035> | Citations: 17

[Read the full text >](#)

[PDF](#) [TOOLS](#) [SHARE](#)

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#powerandthepassion

@republicofeveryone
@the_bravery_

Who do you believe?

A study into which brands Australians believe are leading the sustainability revolution, and why.



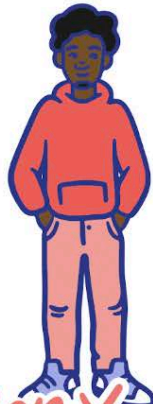
WE ASKED...



Gen Z

BORN 1995-2004
CURRENTLY 17-26 Y.O

AROUND **13%** OF THE POPULATION



Gen Y MILLENNIALS

BORN 1981 -1994
CURRENTLY 27-40 Y.O

AROUND **20%** OF THE POPULATION



Gen X

BORN 1965-1980
CURRENTLY 41-56 Y.O

AROUND **20%** OF THE POPULATION



Boomer

BORN 1945-1964
CURRENTLY 57-76 Y.O

AROUND **20%** OF THE POPULATION

WE ARE MOST CONCERNED ABOUT



*Our Oceans**

36% EXTREMELY CONCERNED

82% Overall concern



Climate Change

35% EXTREMELY CONCERNED

77% Overall concern

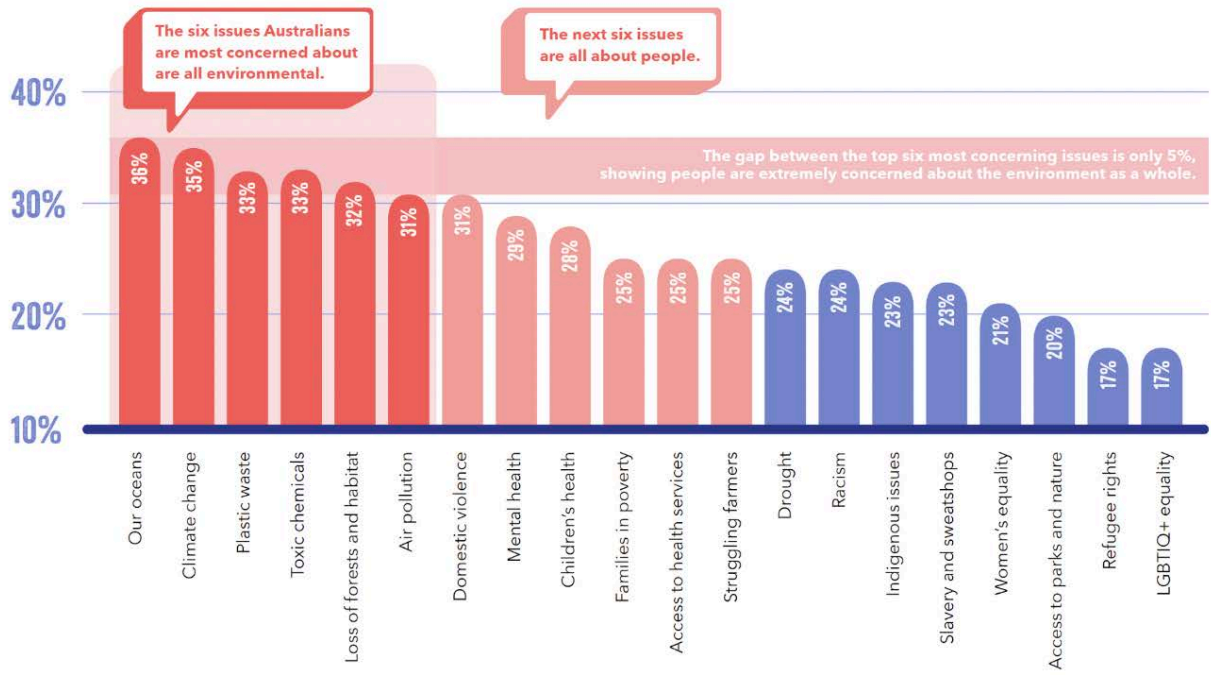


Plastic Waste

33% EXTREMELY CONCERNED

83% Overall concern

EXTREMELY CONCERNED



CONCERNS ARE CONSISTENT ACROSS GENERATIONS, WITH A COUPLE OF EXCEPTIONS



Gen Z

79%

Gen Z hold the highest overall concern for 16/20 issues.



Gen Y MILLENNIALS

77%

AVERAGE LEVEL OF OVERALL CONCERN ACROSS ALL ISSUES



Gen X

76%



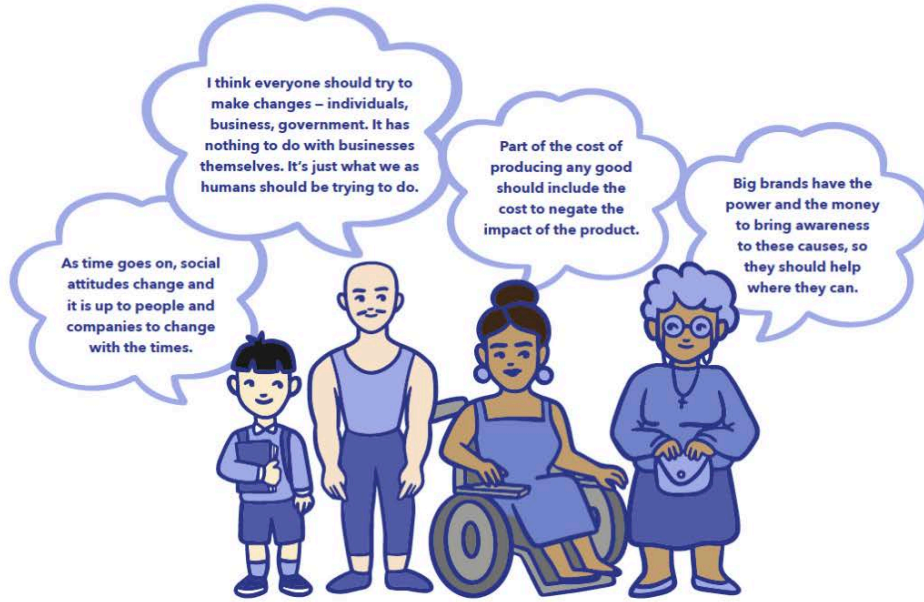
Boomer

71%

Boomers hold the lowest level of overall concern for 17/20 issues.

ALMOST 4/5 OF US

SAY BRANDS AND PRODUCTS SHOULD SUPPORT CAUSES OR MAKE CHANGES TO THEIR PRODUCTS THAT ADDRESS SOCIAL AND ENVIRONMENTAL ISSUES



(BUT THERE'S ALWAYS ONE)

**People reward
the brands they
believe are acting.**

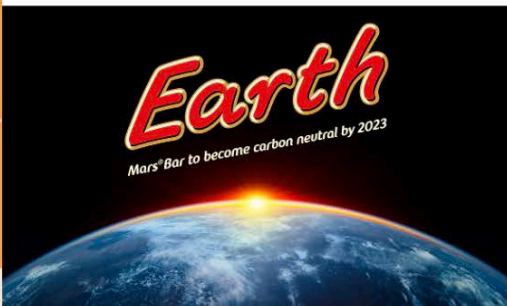
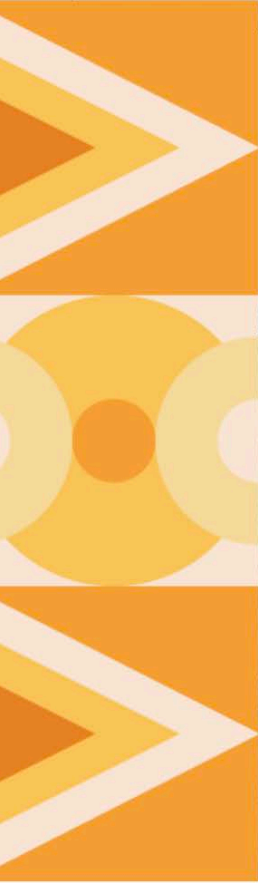
78%

consider a brand's social
and environmental actions
when making a purchase.

56%

consider a brand's social
and environmental
actions when choosing
their next place of work.

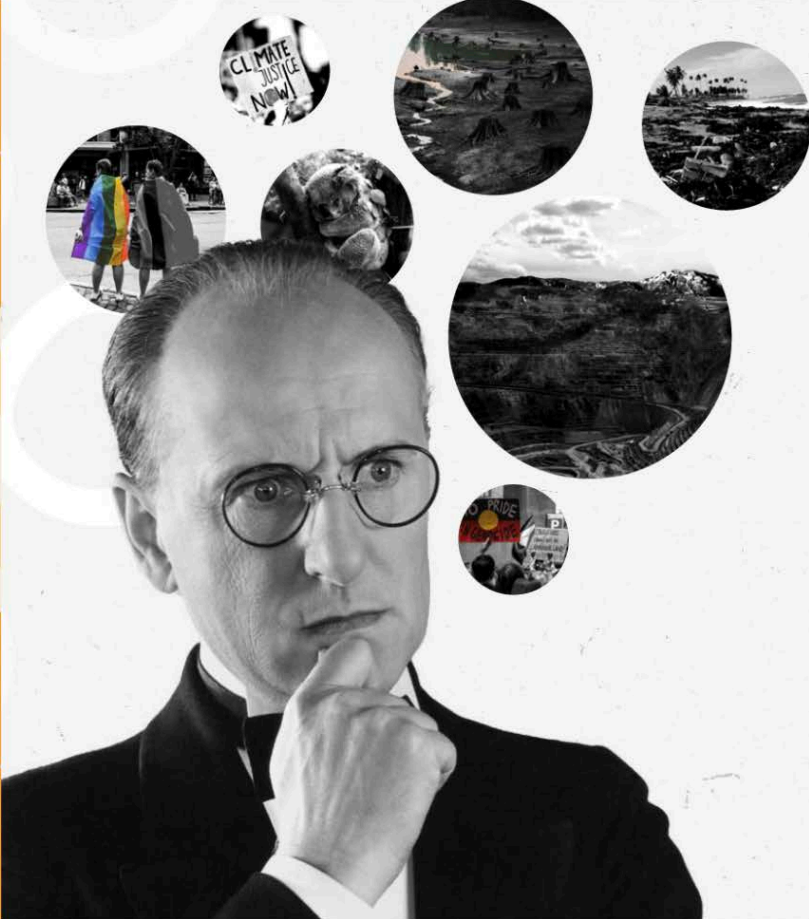






86%
of Australians
are sceptical
about the social or
environmental claims brands
and businesses make.





In fact, almost

3 in 4
can't name a single
brand or business

they believe is helping improve social
or environmental issues in Australia.

The **top ten** mentioned brands



If you want to be believed, rethinking your product and packaging is a great place to begin.



Communications are important, but strong actions and commitments need to come first.

WHICH OF THESE ACTIONS MAKES YOU BELIEVE A BRAND OR BUSINESS IS HELPING TO IMPROVE SOCIAL OR ENVIRONMENTAL ISSUES?

HAVING SOCIALLY OR ENVIRONMENTALLY-FRIENDLY PRODUCTS OR PACKAGING

57%

HAVING A SOCIAL OR ENVIRONMENTAL STRATEGY WITH MEASURABLE GOALS

45%

PUBLIC PLEDGES OF ACTION (e.g. use 100% renewable energy)

44%

DONATING TO OR PARTNERING WITH CAUSES, CHARITIES OR NCOS

43%

TAKING A PUBLIC STAND ON ISSUE(S) TO ENCOURAGE ACTION

43%

REGULAR AND TRANSPARENT REPORTING

38%

FINANCIAL COMMITMENTS AND BUDGETS IN PLACE TO DELIVER ON PLEDGES

35%

REGULAR COMMUNICATION ON ISSUE(S) (e.g. social media posts, website)

33%

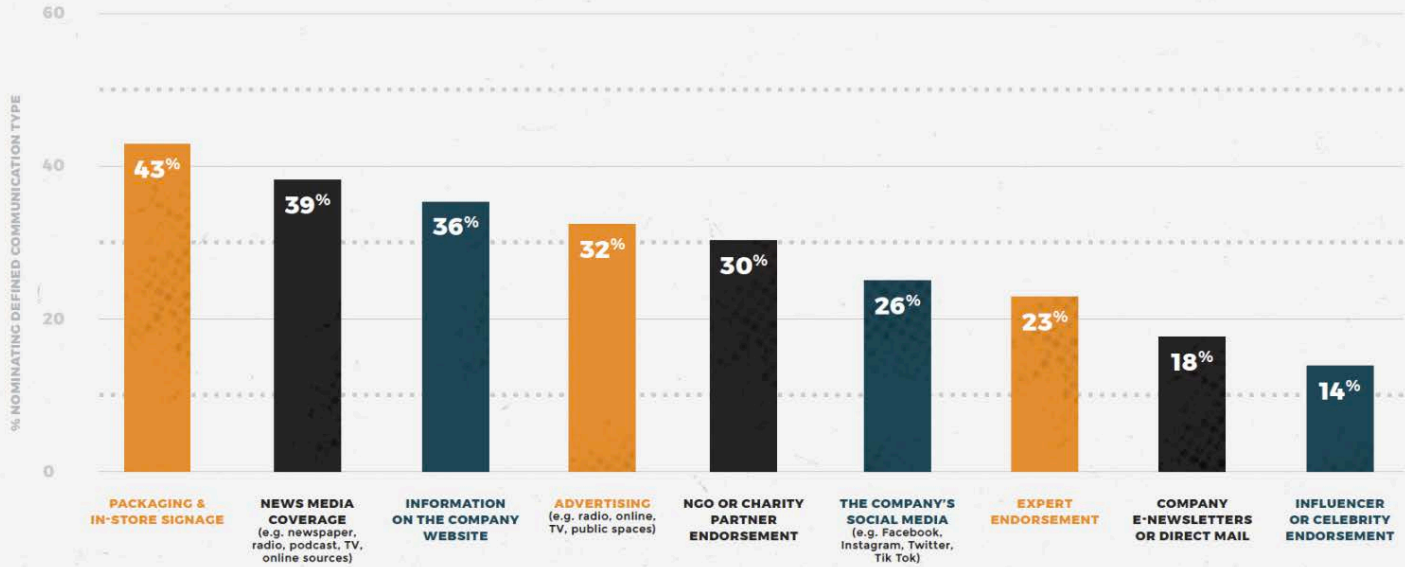
MEMBERSHIPS OR INDEPENDENT CERTIFICATION (e.g. B Corp, FairTrade, Planet Ark)

28%

When it comes to **communications**, people believe what they see on **product and in-store** above all else.

Doing something that earns you PR is a **strong #2**.

WHICH OF THESE COMMUNICATIONS MAKES YOU BELIEVE A BRAND OR BUSINESS IS HELPING TO IMPROVE SOCIAL OR ENVIRONMENTAL ISSUES?



So how can you become a leader?

GOLDEN RULE #1

**Act first,
ads later**

GOLDEN RULE #2

**Think
big**

GOLDEN RULE #3

**Repeat,
repeat**



Why consumers don't always follow through on their values

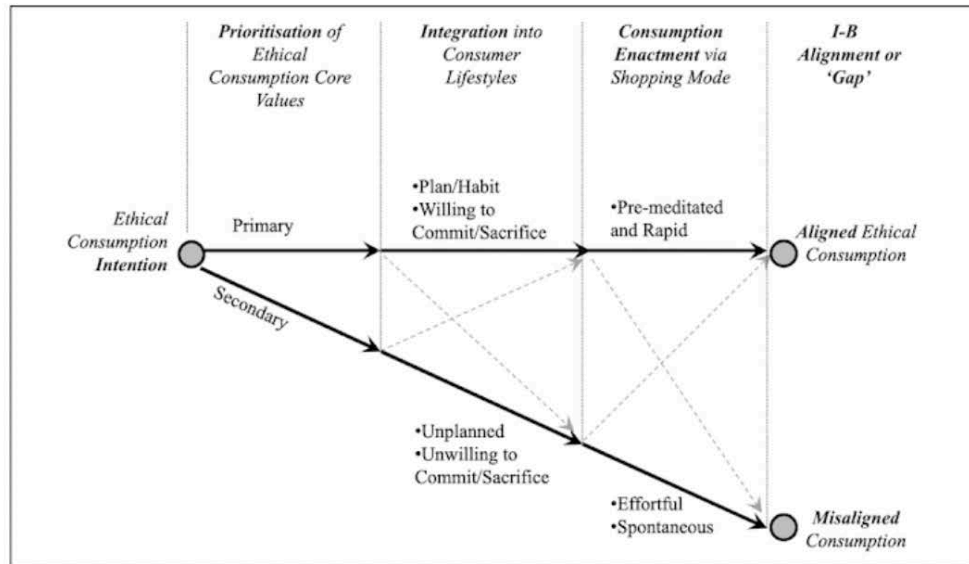


Figure 2
The Translation of Ethical Consumption Intentions into Actual Behavior

Carrington, Neville and Whitwell, 2014. 'Lost in Translation: Exploring the ethical consumer intention-behavior gap' Journal of Business Research. 67(1), 2759-2767.



OVERVIEW

1. Unlocking stakeholder value creation and profit
2. Consumers' values
3. **Implementation challenges**

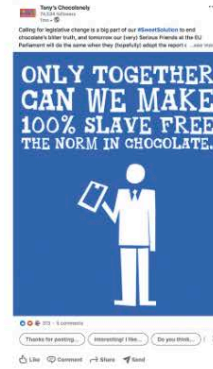
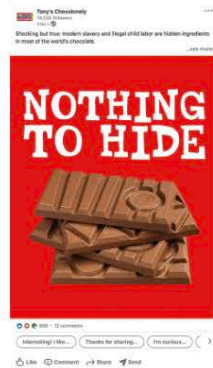


“When we started, at least 2.4 billion people without access to adequate sanitation was the most off-track of all of the [UN] development goals. Because toilets aren’t sexy,” said Griffiths.

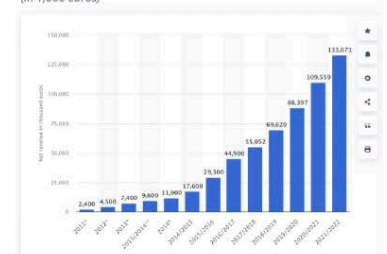
“We created a marketing territory that all of the big brands will never ever be able to compete on ... We were the world’s first online toilet paper company.”

Major toilet paper brands had built their branding upon “images of feathers and puppies and bears and things that were absolutely unrelated” to what toilet paper was used for.





Net revenue of Tony's Chocolonely from 2011 to 2022 (in 1,000 euros)



[Renters](#) [Homeowners](#) [Car](#) [Pet](#) [Life](#) [Giveback](#)
My Account

Lemonade

Forget Everything You Know About Insurance

Instant everything. Incredible prices. Big heart.

[CHECK OUR PRICES](#)

[Esse](#) [FOUR](#) [THE WALL STREET JOURNAL](#) [Forbes](#) ["2015"](#) [The Economist](#) [VentureBeat](#) [TechCrunch](#) [ABC NEWS](#)

[Help](#)

[Renters](#) [Homeowners](#) [Car](#) [Pet](#) [Life](#) [Giveback](#)
My Account [CHECK OUR PRICES](#)

Lemonade

How Lemonade Works

Lemonade reverses the traditional insurance model. We treat the premiums you pay as if it's your money, not ours. With Lemonade, everything becomes simple and transparent. We take a flat fee, pay claims super fast, and give back what's left to causes you care about.

A flat fee to run everything

We pay claims super fast

If there's money leftover, we give it back to causes

↓

[Help](#)

Company

NIKE

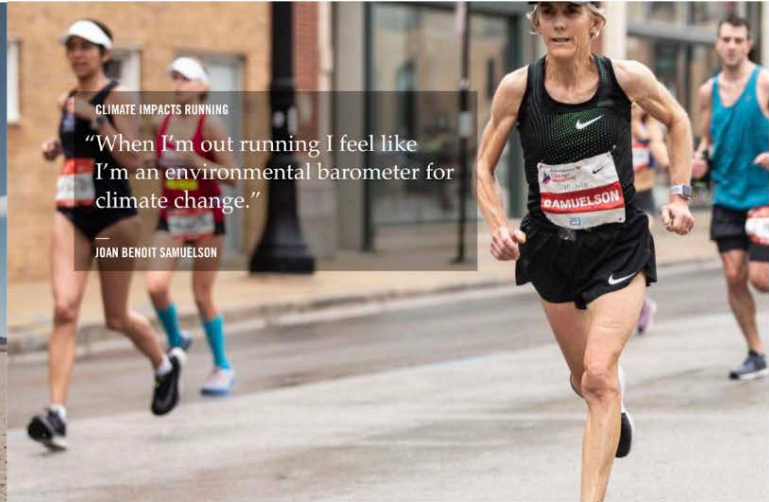
Brand



Product



If there is no planet, there is no sport.



Measure & set

Where we are as of FY22

64%

reduction of GHG emissions in our owned or operated facilities

182K+

metric tons of emissions reduced by using 39% environmentally preferred materials in our products

97%

waste diverted from landfill

Where we're going

70%

reduction of GHG emissions in our owned or operated facilities

0.5M

metric tons emissions reduction by using 50% environmentally preferred materials in our products

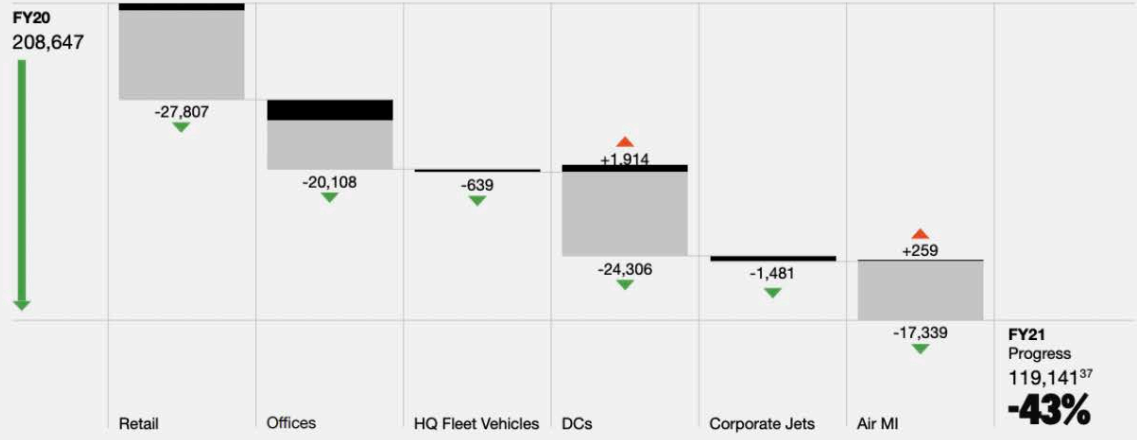
100%

waste diverted from landfill

Do things

70% Emissions Reduction Target (Metric Tons CO₂e)

▼ Contributed to our goal ▲ Detracted from our goal ■ Scope 1 □ Scope 2





Believe in something. Even if it
means sacrificing everything.

 Just do it.



THIS IS TRASH.

At least 50% of this sneaker weighs in at pure trash. Introducing Space Hippie, one big step with a small footprint.







Company

Where we are as of FY22

64%

reduction of GHG emissions in our owned or operated facilities

Where we're going

70%

reduction of GHG emissions in our owned or operated facilities

Brand



Product





REFLECTION QUESTIONS & NOTES

- Does your purpose statement really guide decision making?
- How could our purpose help us navigate shareholder vs stakeholder trade-offs to truly transform business strategy for shared value?
- What do our customers really want, beyond functional value from our products and services?



PRE-READING RESOURCES

OPTIONAL READING:

ARTICLE	AUTHOR / SOURCE
Embedding corporate purpose in stakeholder value	Format: Online article Source: Fast Company Author: Jay Coen Gilbert, Andrew Kassoy And Bart Houlahan
Marketing Meets Mission	Format: Online article Source: HBR Author: Myriam Sidibe
The Water of Systems Change	Format: Webinar Source: FSG Author: John Kania, Mark Kramer, Peter Senge



STAKEHOLDER CONTEXT: PART TWO
INVESTORS, SHAREHOLDERS +
GOVERNMENT

ROSEMARY ADDIS
JANETTE O'NEILL

Stakeholder Context Part 2

In conversation with Janette O'Neill

9 August 2023



**SHARED
VALUE
PROJECT**

Stakeholder Context Part 2

Investors & Government

Professor Rosemary Addis AM,
Enterprise Professor Impact Sustainability & Innovation
Managing Partner Mondiale Impact
9 August 2023



**SHARED
VALUE
PROJECT**



Orientation & Dynamics

Power, Money & Politicisation

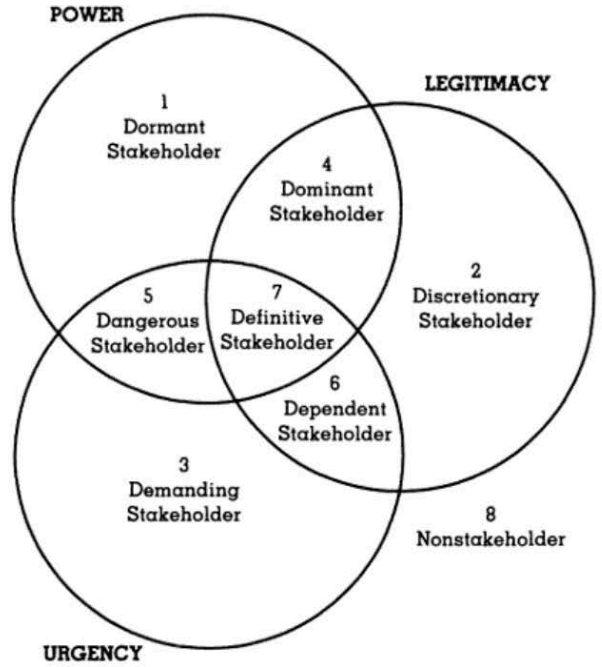
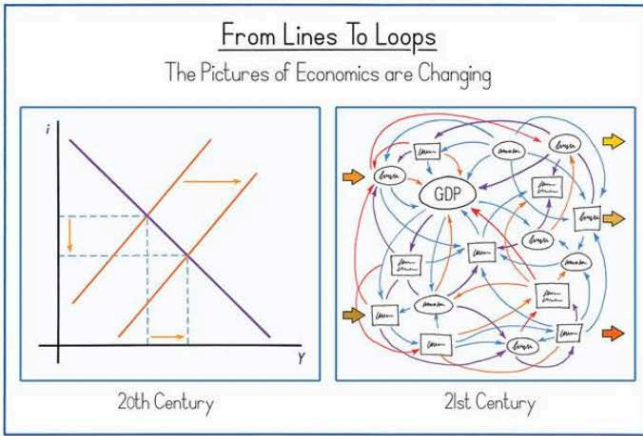
Frames & navigational tools



"Most students of corporation finance dream of a time when corporate administration will be held to a high degree of required responsibility – a responsibility conceived not merely in terms of stockholders' rights, but in terms of economic government satisfying the respective needs of investors, workers, customers, and the aggregated community. Indications, indeed, are not wanting that without such readjustment the corporate system will involve itself in successive cataclysms perhaps leading to its ultimate downfall."

.....

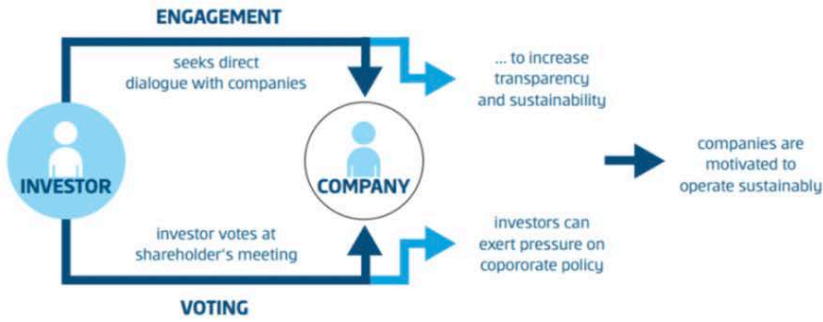
Dynamics & Feedback Loops



[Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts](#), R.K. Mitchell, B.R. Agle, D.J. Wood, *The Academy of Management Review*, Vol. 22,

No. 4 Oct., 1997; <https://www.responsible-investor.com/duncan-austin-milton-friedman-s-destabilising-feedback-loop/>

All shareholders are equal, except...



Voting and Engagement at Erste AM; Source: Erste Asset Management; Financial Times July 2023; Financial Times Image 2021; Engine No. 1 video still

Signals & noise - policy & politics

'Polarization, which happens when divisions become entrenched, is the greatest threat to business's trusted position. The global business community can take steps to respond to today's volatile world, such as pursuing rational policy and promoting civil discourse.'

Edelman Trust Index 2023

GOVERNANCE

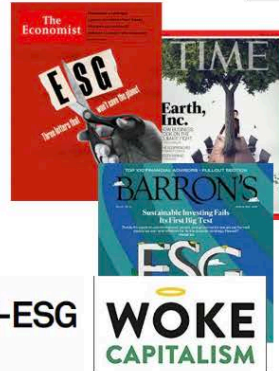
The politicisation of investments at US public funds

in



Some states backtrack on anti-ESG efforts, citing 'unintended consequences'

S&P Global
Market Intelligence



29 June 2023

ISSB issues inaugural global sustainability disclosure standards

25 July 2023

IFRS Sustainability Disclosure Standards endorsed by international securities regulators

Governance

APRA strengthens super fund ESG responsibilities

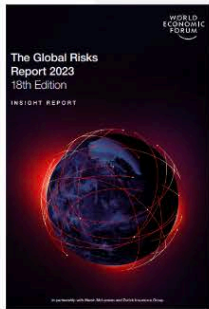
BY RACHEL ALEMBAKIS | THURSDAY 20 JUL 2023 11:30PM



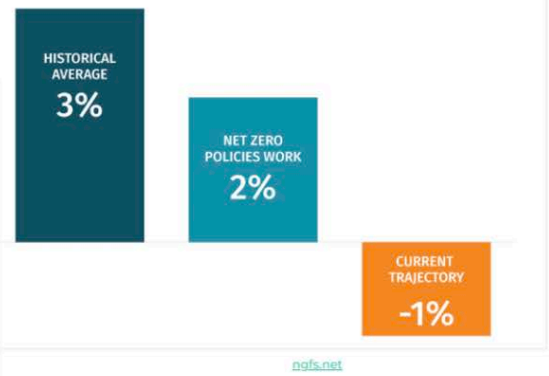
[Top 1000 Funds June 2023: S&P Market Intelligence](#); [Forrester's Last piece in the EU Sustainable Finance Regulation Puzzle](#); [IFRS Foundation announcements](#);

The real bottom line

FIGURE A Global risks ranked by severity over the short and long term
 Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period



Comparison of Average Annual GDP Growth



'It is a hallmark of the evolution of sustainable investment that dynamism responsive to interests and issues has enabled different groups to test and find meaning and interrogate the relationship between finance markets and society and the pathway to sustainable future.'

David Wood Harvard Kennedy School

Man in the middle



BlackRock @BlackRock

"I do believe more and more companies understand that they have a bigger responsibility to society" – our CEO, Larry Fink, today at @Davos discussing corporate purpose. #WEF19

English Economics

Larry Fink's Capitalist Shell Game

Feb 11, 2022 | MARIANA MAZZUCATO

The chairman and CEO of the world's largest asset manager has once again made waves by exhorting his fellow corporate leaders to embrace "stakeholder capitalism." Unfortunately, their understanding of that concept is far too limited and stops well short of the radical reforms needed to transform capitalism in the interests of people and the planet.

[BlackRock on Twitter Davos 2019](#); [Larry Fink's Capitalist Shell Game, M Mazzucato, Project Syndicate, February 2022](#); [David Rowe in Australian Financial Review December 2022](#); [Reuters, December 2022](#); [Financial Times July 2023](#); [Bloomberg July 2023](#)

BlackRock is caught in the ESG crossfire and struggling to get out



Finance

Florida pulls \$2 bln from BlackRock in largest anti-ESG divestment

Bloomberg

Opinion
Brian Frosh & Nancy Kopp

Anti-ESG Politicians Cost Their States and Cities Billions

Supposed free-market champions are limiting the freedom of investment managers, leading to lower returns and higher interest rates on bonds.

BlackRock offers a vote to retail investors in its biggest ETF

Index fund providers have come under fire from both left and right over their influence on US companies



Reflections from Mark Kramer

Discussion Questions

- ? **How do interests change up and down the investment value chain?**
- ? **Whose interests or what impacts do we need to be optimising for?**
- ? **Is BlackRock's position more leadership or pragmatism?**
- ? **Is the latest move to give voting rights to shareholders:**
 - ? a case study in politicisation and a gateway for bleeding polarisation from politics to markets?
 - ? an enlightened way to give some real power to ultimate investors?
 - ? a cynical, if smart pivot to counter political pressure?
 - ? abdication of a specialist expertise and a fiduciary role?
- ? **What could a shared value informed response look like for BlackRock?**



Inspiration from https://www.linkedin.com/posts/followalisont_blackrock-offers-a-vote-to-retail-investors-activity-7086991867849920514-Hv8-?utm_source=share&utm_medium=member_desktop

Tobacco – A morality tale

Altria Stock History: How the Tobacco Giant Became the Most Successful Stock Ever



News & Quotes
BARRON'S
Topics Stock Picks Lists & Rankings Magazine Data
ESG INVESTING
Tesla Got Added to an ESG Index. But Oil and Tobacco Firms Scored Higher.
By Al Root Updated June 1, 2023 5:34 pm ET / Original June 1, 2023 5:31 am ET

Opinion FT Alphaville

Lies, damned lies and ESG rating methodologies

Fox Business headline 2017; Motley Fool Charts 2016; S&P ESG Rankings league table 2023; Barrons & FT Headlines 2023; Government health warnings and no-smoking symbol.

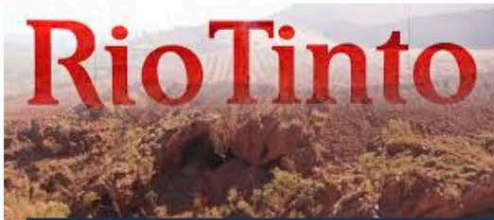
Reflections from Mark Kramer

Discussion Questions

- ? What does the tobacco story tell us about the relationship between ESG and markets?
- ? What insights can we gain about the importance of selecting measures?
- ? Does this underscore the EU is right to have a 'do no harm' principle?
- ? Is there a shared value proposition for these companies?



Mining – industry at the crossroads



Indigenous concerns on closures of mines

Indigenous concerns over the closure of mines in Western Australia have been highlighted by a report from the Northern Land Council.



Northern Land Council general manager Jonathan McLeod.



CAC 1986 board member Vanessa Hill.

“As an industry, we have too often ignored challenging voices and gone it alone rather than co-creating solutions.”

Mark Cutifani, former Chief Executive Anglo American



REPORT Free, Prior & Informed Consent in Australia: Lessons from Juukan

Investor collaboration following heritage destruction at Juukan Gorge achieves agreement with Rio Tinto on improved disclosure and governance arrangements

Mistrust in mining should worry us all

WA Budget on track for another billion-dollar iron ore boost

Sean Smith | The West Australian Wed, 6 March 2023 7:28PM



<https://www.euractiv.com/section/energy-environment/opinion/mistrust-in-mining-should-worry-us-all/>; Free, Prior & Informed Consent in Australia: Lessons from Juukan; The West Australian 8 March 2023;

Reflections from Mark Kramer

Discussion Questions

- ? What does the Rio Tinto case tell us about the changing imperatives, shifting norms
- ? Were there real accountability?
- ? How do we reconcile the need for more mining with the negative impact and experiences of current practices
- ? What kind of rubrik could inform a 'new deal' with local communities, governments and investors





REFLECTION QUESTIONS & NOTES

- What strategies and tools can be employed to navigate complexity and expectations?
- What is the difference between compliance and impact?
- Public v private dynamics – is the engagement different in public/listed entities from private entities?
- Does the complexity of the shareholder and stakeholder mix change the approach? What factors drive the engagement?
- How does stakeholder input feed into strategic choices and decision-making? How might practice need to adjust?
- Investor interest in congruence between public positions and private influence or lobbying is growing. How might things need to change to ensure congruence and integrity?
- Whose voices are heard? By whom are they heard? For example, who interfaces with and has responsibility for shareholders? Other investors? government agencies? political engagement? Do they connect?
- What type or rubric could inform shared purpose and opportunities?
- What feedback loops may need to be challenged or altered?
- What combination of people and capabilities, knowledge and tools could promote healthy stakeholder relationships and longer term sustainability?
- Is prospective tension between profit and impacts still a relevant question? What happens where some companies must reduce returns in order to preserve systems?

PRE-READING RESOURCES

ARTICLE	FORMAT / AUTHOR / SOURCE
Required: Solving the Rubik's Cube of Sustainable Investment	Format: Podcast Source: The PODfolio Podcast guest: Monique Mathys-Graaff, Head of Sustainability Solutions, WTW

OPTIONAL READING:

ARTICLE	AUTHOR / SOURCE
ESG Activists Met the Moment at ExxonMobil, But Did They Succeed?	Format: Online article Source: Harvard Business School Author: Lane Lambert
Where ESG Fails	Format: Online article Source: Institutional Investor Author: Michael E Porter, Mark Kramer, George Serafeim
Takers & Makers: Who are the Real Value Creators?	Format: Online article Source: Economics Author: Mariana Mazzucato
A Top CEO Was Ousted After Making His Company More Environmentally Conscious. Now He's Speaking Out	Format: Online article Source: Time Author: Vivienne Walt
Texas Fought Against EGS: Here's What it Cost	Format: Podcast / Online article Source: Wharton School Author: Angie Basiouny
Larry Fink's Capitalist Shell Game Note: you may need to set up a login to access this article	Format: Online article Source: Project Syndicate Author: Mariana Mazzucato
Wave of EU Green Funds Re-Badged amid Regulatory Drive	Format: Online article Source: Reuters Author: Virginia Furness and Tommy Wilkes



<p>Death Of the Last Triceratops: The ESG Culture Wars in Wyoming Note: you may need to set up a login to access this article</p>	<p>Format: Online article Source: Forbes Author: Robert G. Eccles</p>
<p>New UN Resolution on the Social and Solidarity Economy</p>	<p>Format: Online article and paper Source: United Nations Author: United Nations</p>
<p>System Level Investing</p>	<p>Format: Online article Source: Medium Author: William Burckart and Steve Lydenberg</p>



GETTING CLOSER TO THE PROBLEM

ADAM JAY



Getting closer to the problem

August 2023



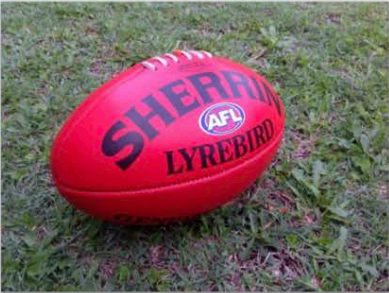


*What are the kinds of
challenges you're looking to
address?*

Complexity in systems



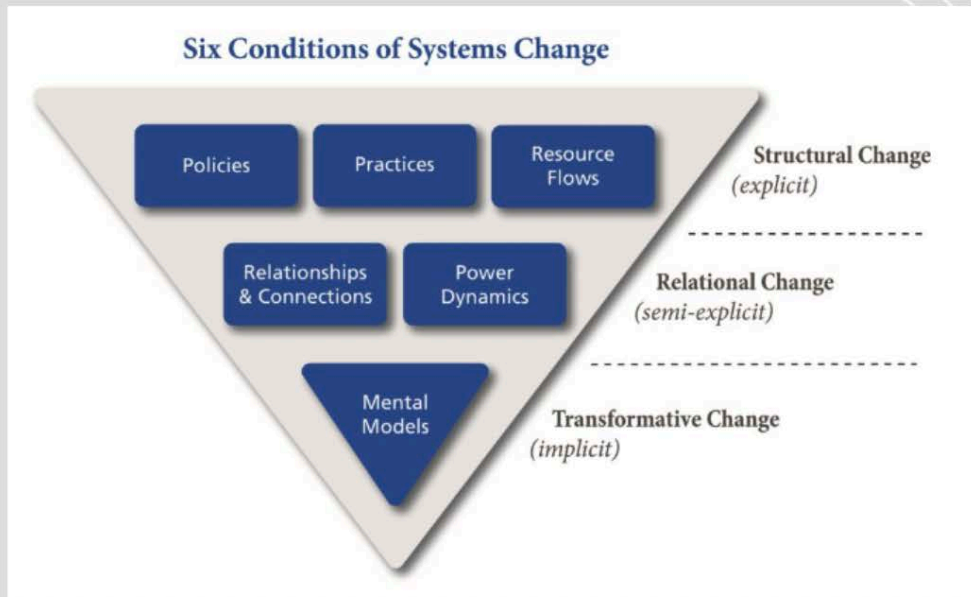
VS.



VS.



Complexity in systems



From *The Waters of Change*; John Kania; Mark Kramer; Peter Senge



Working with systemic challenges

Some problems in systems can be solved with incremental changes but some are more challenging... Systemic challenges tend to be:

Hard to solve - problems may stick around for weeks, months or years, despite multiple attempts to address them

Recurrent - sometimes a solution may seem to work in the short run, but the problem comes back again sooner or later

Slippery - they may seem to grow or evolve over time as the environment changes

What errors do we often make in responding to systemic challenges?



Homeless shelters often perpetuate homelessness



Harsher prison sentences can lead to increased levels of crime



Food aid programs can lead to increased starvation

Themes of these kinds of approaches:

- They address symptoms rather than underlying problems
- Solutions seem obvious and appear to succeed in the short run
- Can produce negative consequences that are often surprising and unintentional
- Lead us to assume we are not responsible for the problem's recurrence



...So how do we ensure we are taking on the right challenge?

What ways have you seen to get closer to the problem?

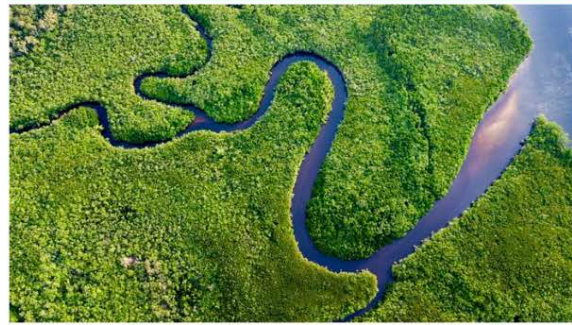
A couple of ways to get closer to the problem

Start with people or places



- Who or what are we solving for?
 - Customers?
 - Communities?
 - Staff?
 - Nation?
- Who gets to determine what Value for society looks like?
- Make it human

See the system



- Expand your view
- Seek patterns & relationships
- Look upstream
- Define a problem by the actual behaviour of the system (not the lack of your favourite solution)

Lessons from Lived Experience



THE CONSTELLATION PROJECT
TOWARDS ENDING HOMELESSNESS IN A GENERATION



The
**Obesity
Collective**

Transform society with us

Learning
Creates
AUSTRALIA

Why?

Better
solutions

Grounding the
conversation

Agency

Legitimacy

How?

Trust & care

Commitment &
curiosity

Personas

Frontline

Who else do we need around the table?

- Experts
- Thought leaders
- Engineers
- Academics

Rational

Emotional

Political

- Lived experience
- Communities
- Customers and users

- Decision makers
- Leaders and influencers
- Policy makers

... and how do we get them there?





For the problems relevant to you and your business...

- Who are the people that are connected to your ecosystem that might be important to engage with?
- What are your opportunities to see the broader system or look upstream?
- What are the big questions you still have?

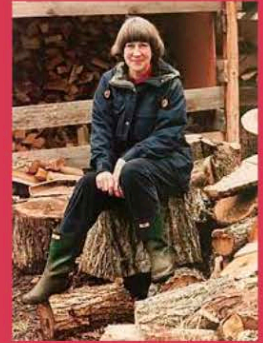
Dancing with Systems - Donella Meadows



People who are raised in the industrial world and who get enthused about systems thinking are likely to make a terrible mistake. They are likely to assume that here, in systems analysis, in interconnection and complication, in the power of the computer, here at last, is the key to prediction and control. This mistake is likely because the mindset of the industrial world assumes that there is a key to prediction and control.

I assumed that at first too. We all assumed it, as eager systems students at the great institution called MIT. More or less innocently, enchanted by what we could see through our new lens, we did what many discoverers do. We exaggerated our own ability to change the world. We did so not with any intent to deceive others, but in the expression of our own expectations and hopes. Systems thinking for us was more than subtle, complicated mindplay. It was going to Make Systems Work.

But self-organizing, nonlinear, feedback systems are inherently unpredictable. They are not controllable. They are understandable only in the most general way. The goal of foreseeing the future exactly and preparing for it perfectly is unrealizable. The idea of making a complex system do just what you want it to do can be achieved only temporarily, at best.



Dancing with Systems - Donella Meadows

1. Get the beat.
2. Listen to the wisdom of the system.
3. Expose your mental models to the open air.
4. Stay humble. Stay a learner.
5. Honor and protect information.
6. Locate responsibility in the system.
7. Make feedback policies for feedback systems.
8. Pay attention to what is important, not just what is quantifiable.
9. Go for the good of the whole.
10. Expand time horizons.
11. Expand thought horizons.
12. Expand the boundary of caring.
13. Celebrate complexity.
14. Hold fast to the goal of goodness.





REFLECTION QUESTIONS AND NOTES

- How can you deepen your understanding of the problems you are trying to solve?
- Who is missing from the table?
- Do you need to increase your investment in understanding the issues you're trying to solve more deeply?
- How does your organisation incorporate lived expertise?



REIMAGINING CAPITALISM
THE INTERFACE STORY

VIRGINIA WILSON
ROB COOMBS



REFLECTION QUESTIONS & NOTES

- What was the occasion for the awakening of Ray Anderson?
- How did he get his senior staff and the factory floor employees at Interface to buy into his awakening and vision?
- How did Ray leverage experts to innovate?
- What were some of the major challenges Ray faced in terms of his vision? How did he deal with those challenges?
- Are there any insights from the Beyond Hero film that are relevant to leading change at your company?



ACKNOWLEDGING DEEPLY

EMMA WATTON

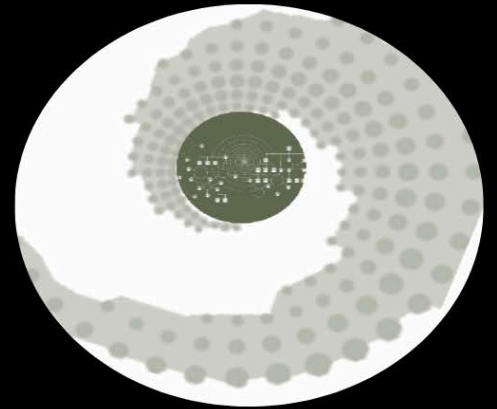
REFLECTION NOTES



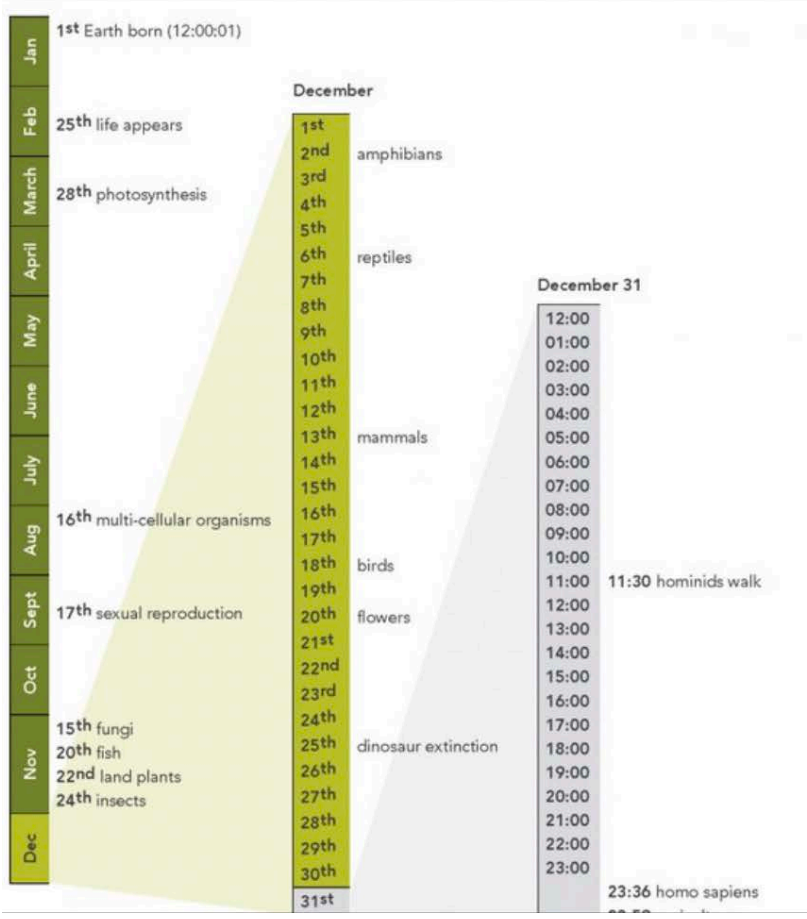
HOW CHANGE HAPPENS
THE THEATRE OF CHANGE

LEITH SHARP

Core Concepts in Flow Leadership & Biomimcry



Leith Sharp
Director & lead Faculty, Executive Education for Sustainability Leadership
Harvard Center for Climate, Health and the Global Environment
Lsharp@hsph.harvard.edu
Leith_sharp@harvard.edu



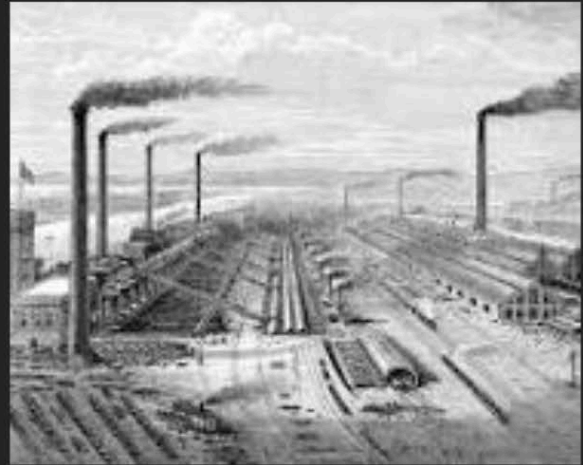
History of Earth in One Calendar Year

Source in 2018 - <https://biomimicry.net/earths-calendar-year/>

If the 4.5 Billion Years of Our Earth's Existence Was Condensed into One Calendar Year...



1.5 minutes before midnight, some human cultures evolved to cultures of empire.



2 Seconds before midnight the Industrial Revolution began.

We are a young superorganism facing its right of passage.

Source: Leith Sharp

A superorganism is a social unit of animals that:

- *have a highly specialized division of labor,*
- *engage in cooperative care for their young,*
- *have overlapping generations within a colony of adults,*
- *have division of labor into reproductive & non-reproductive groups,*
- *contain individuals that are not able to survive by themselves for extended periods.*

To succeed as a superorganism requires three kinds of fitness:

Offspring

Culture/colony

Context/environment

Empire Cultures: Separation from and control over nature, subjugation of feminine culture & domination of masculine culture. Religion, military, trade, colonization, industrialization etc. ALL centering hierarchy.

Last 5-10,000 years

Empire Cultures Spread & Grow Exponentially

Wrong Relation,
Wrong Story,
Wrong way...



Indigenous Human Cultures Evolve to be in Flow

Indigenous Cultural Knowledge Survives...

First 300,000 years

7000+ unique human cultures evolve in place

Last 500 years

Indigenous Cultural Genocide

Next 1,000 years

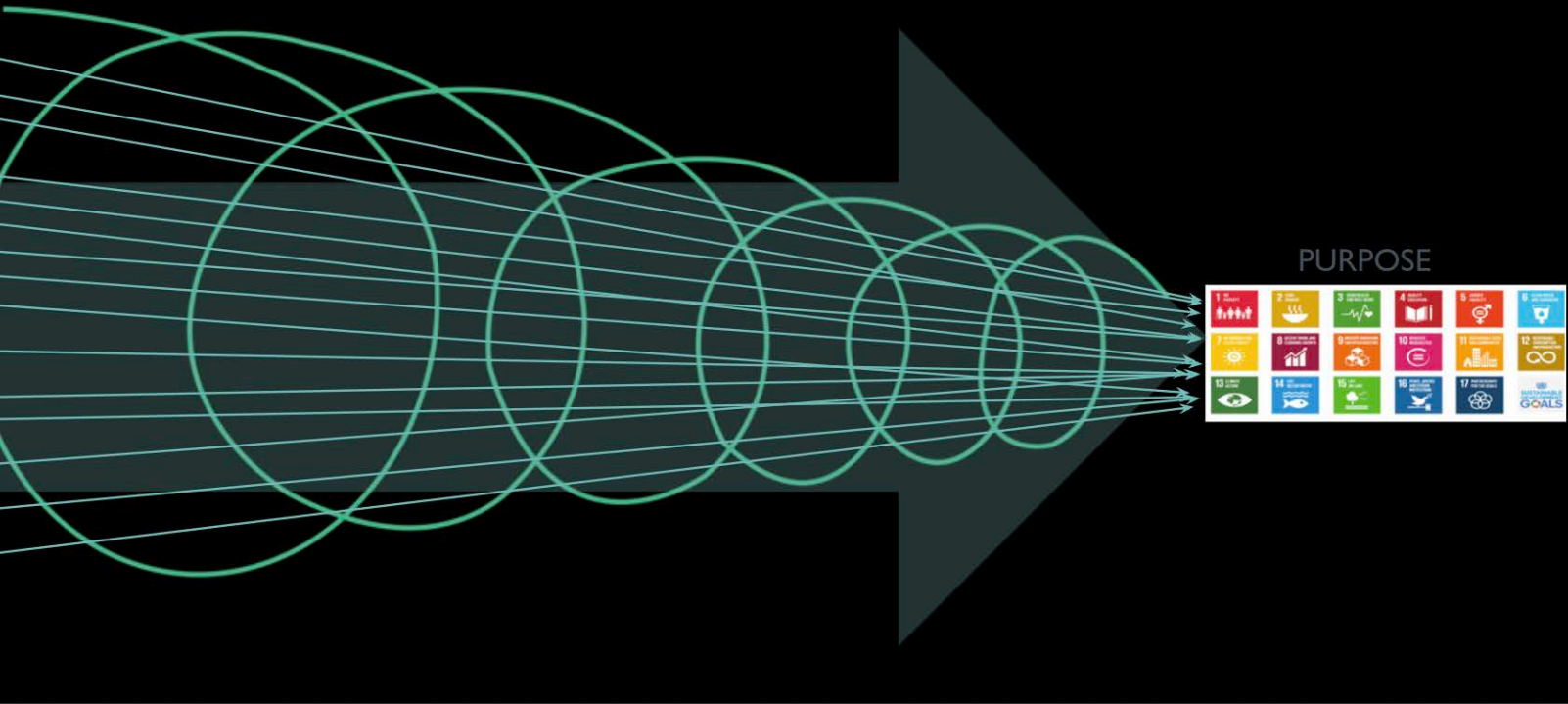
Humanity Evolves to live by a more Conscious Cultural Genius

Flow Cultures: Part of nature. Feminine and masculine cultural aspects. Mutualism versus extraction, collectivity versus individuality, process versus result, spirituality versus rationality.



We are in an evolutionary hothouse of our own making.

We need a radical increase in the flow purpose driven ideas that are conducive to life, at all scales, across all sectors.

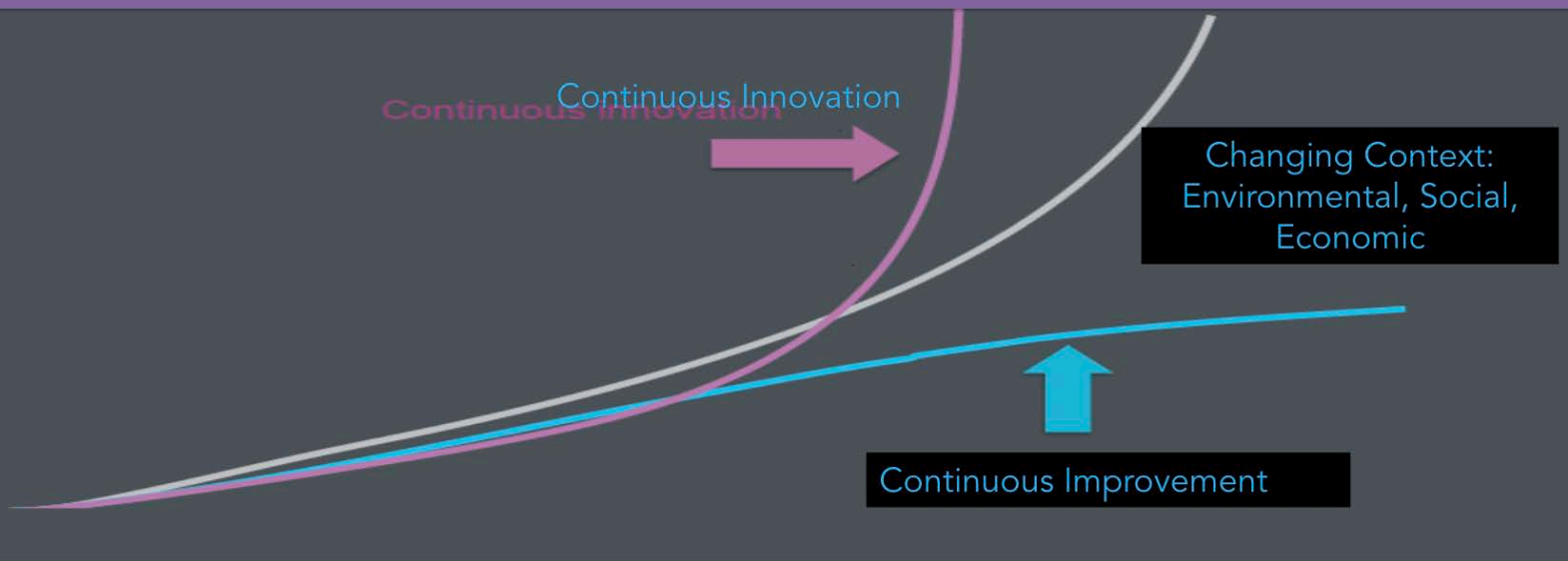


Organizations = Low Levels of Change Capability



"Rationale for A New Organizational Model" by Leith Sharp is licensed for sharing and adapting under Creative Commons CC BY SA 4.0

We are in the **wrong** organisational vehicle for our 21st century context



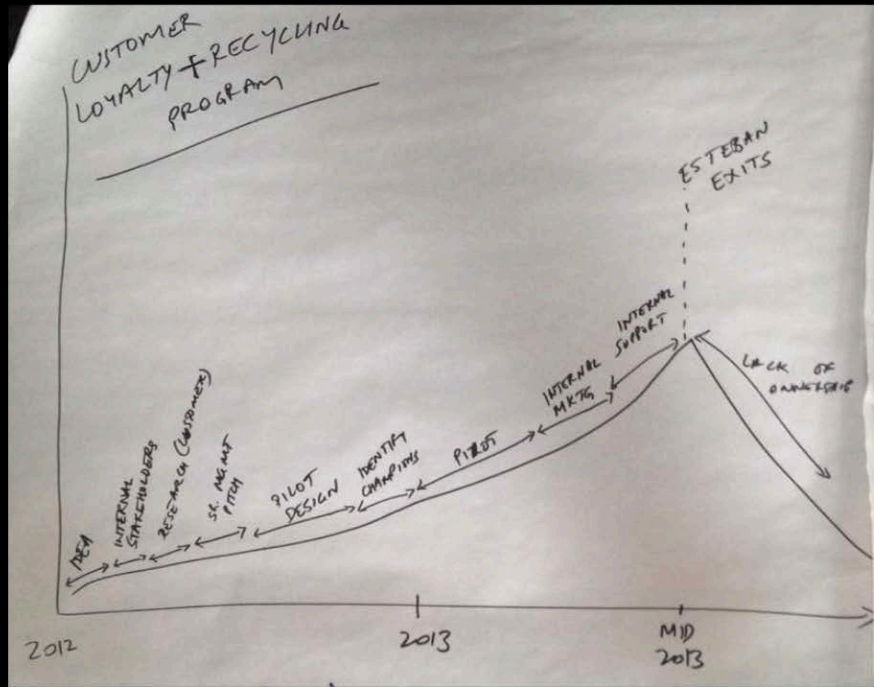
The 21st century demands continuous innovation & change,
not just continuous improvement.

'Forensic Idea Flow Mapping'

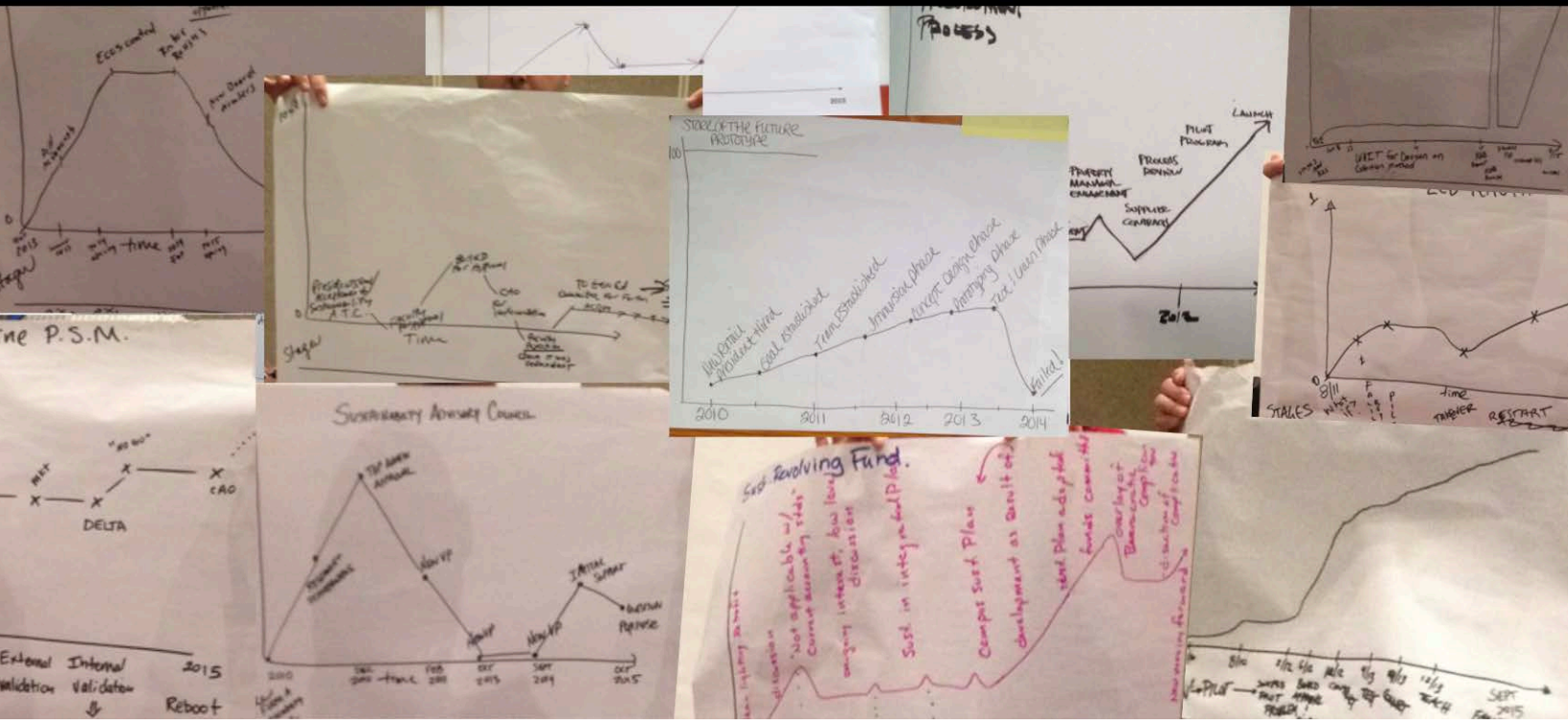


Mapping the life cycle of past Ideas from inception to full scale implementation (or death) reveals a great deal about our organizations.

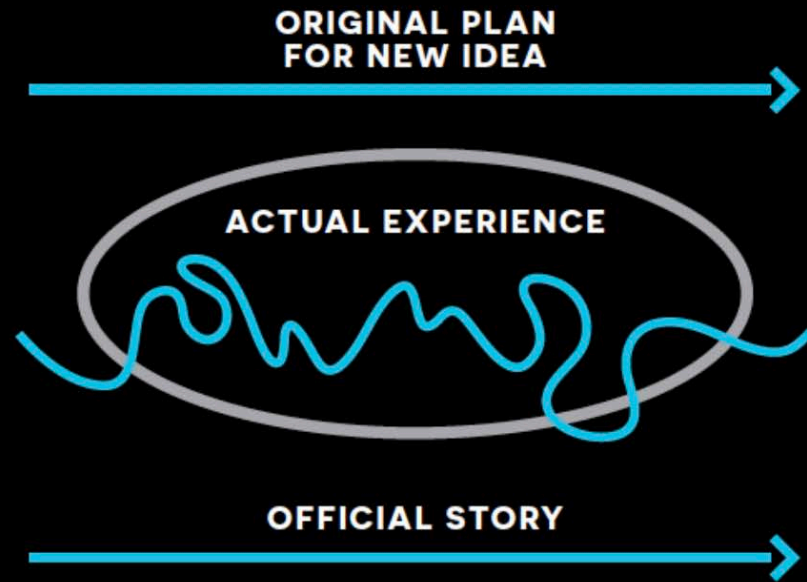
Getting into the Squiggle Using 'Forensic Idea Flow Mapping'



5000+ Purpose driven idea lifecycles mapped from inception to scale (or demise)



AND OFFICIAL STORY OF CHANGE



²² "Disconnect between the Official Story and the Actual Story of How New Things Get Done" by Leith Sharp and adapted for use by Leaders on Purpose is licensed for open sharing and adapting under Creative Commons CC BY-SA 4.0



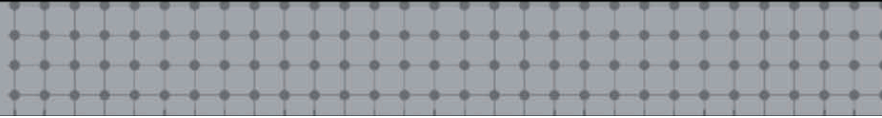
“Trying to get the **original plan** and the **official story** more aligned with **actual experience** is a potentially very liberating and empowering thing to do. Hard, though, but it's the right approach.”



EMMANUEL FABER >
CEO, DANONE



"I trust more in a vision that is followed by gradual execution, to start paving the road, rather than in a big plan... simply because of the volatility of other factors that can change things around very fast."

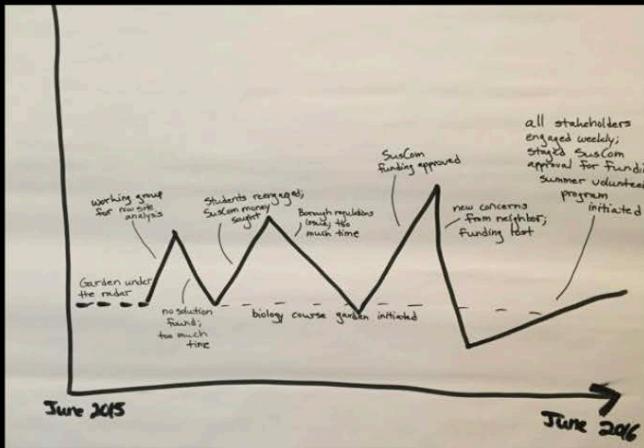


There is no try...

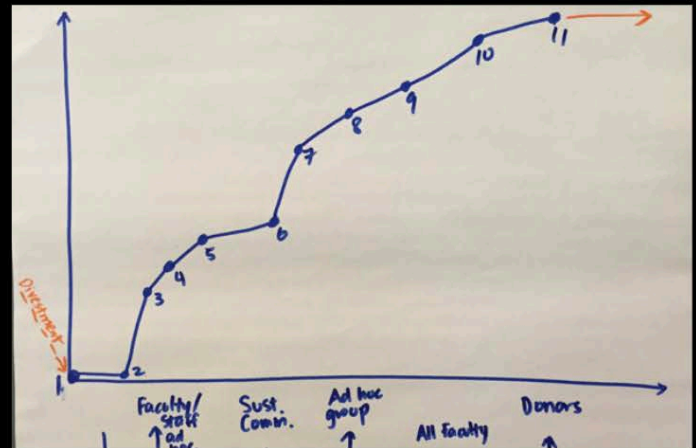


there is only squiggle.

How do we reduce friction and increase flow?

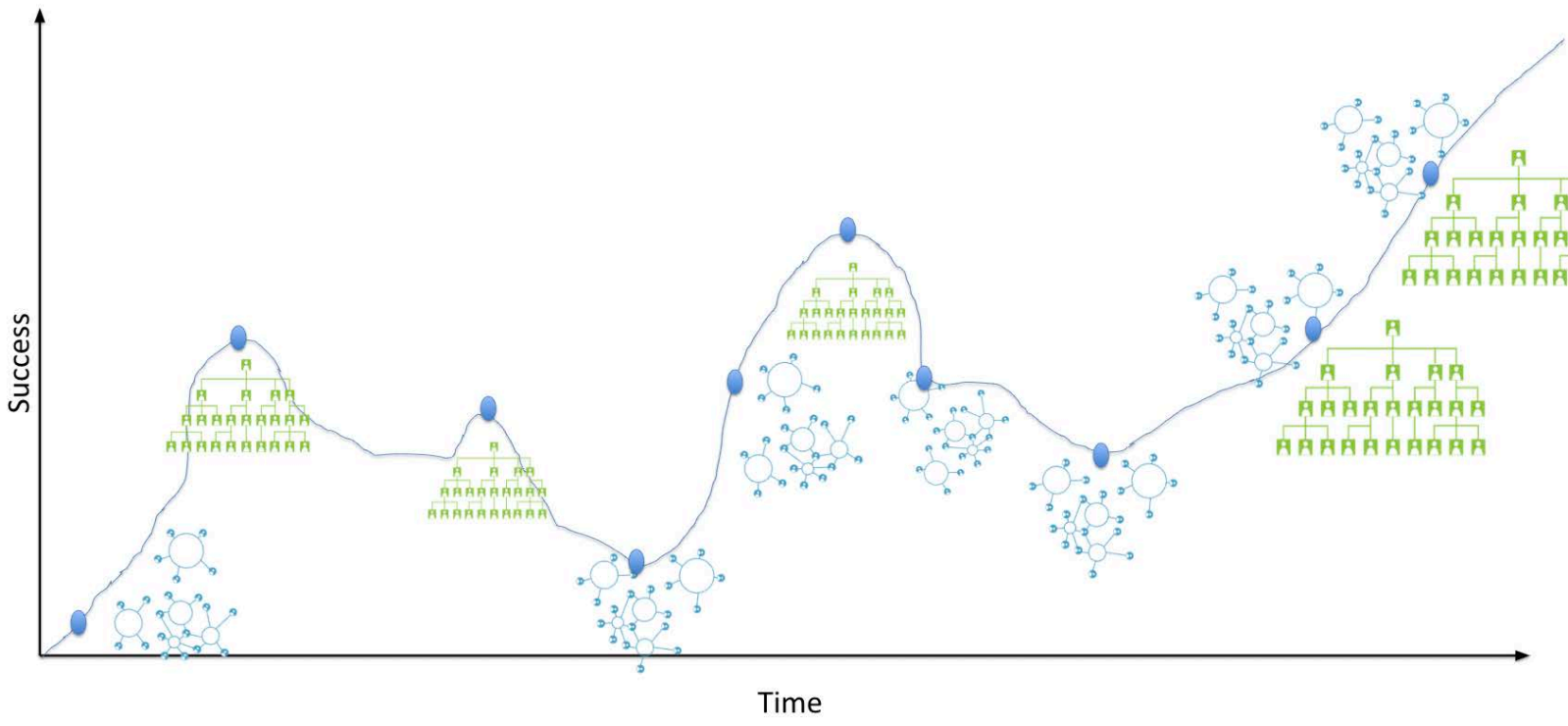


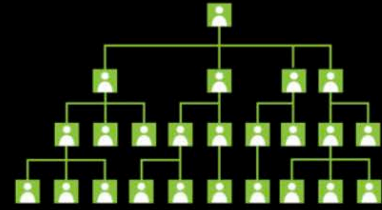
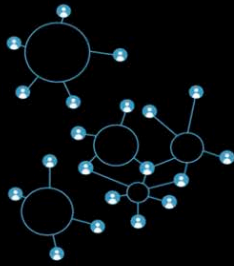
FRICION



FLOW

The Journey of Every New Idea Needs Adaptive & Hierarchical Networks





ADAPTIVE NETWORK

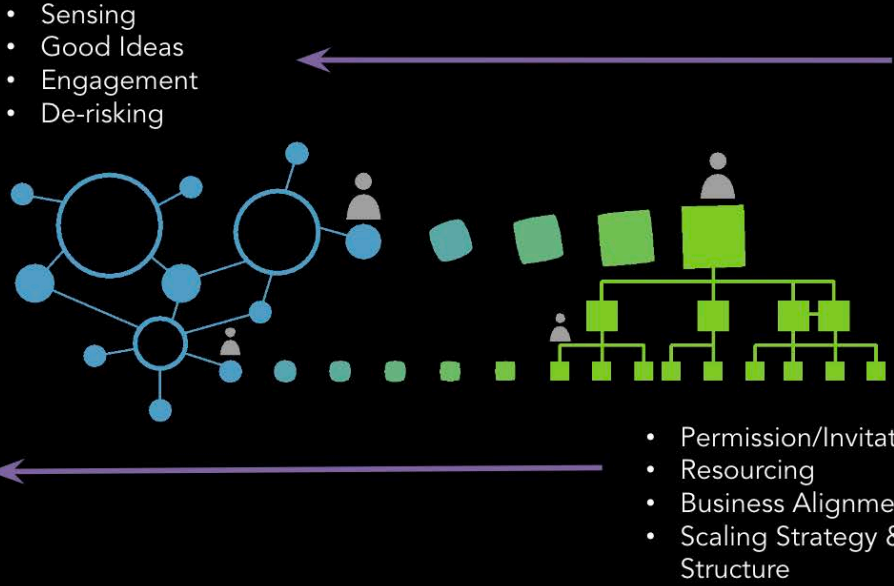
- Intrinsic motivation to align with internal values/purpose
- Clusters, Community structure, relationships
- Boundary crossing connectivity
- Co-created change, leadership as a system
- Applied learning focus
- Stories, social Influence, spaces/convening/curating
- Present to future focus
- Dynamic, emergence, transient, multiple

HIERARCHICAL NETWORK

- Extrinsic motivation to align with mission, vision & goals
- Authority structure, transactions
- Division and hierarchy
- Top-down change, leadership SA a linear
- Execution focus
- Strategy, metrics, reporting
- Past to future focus
- Structure, routine, permanent, uniform

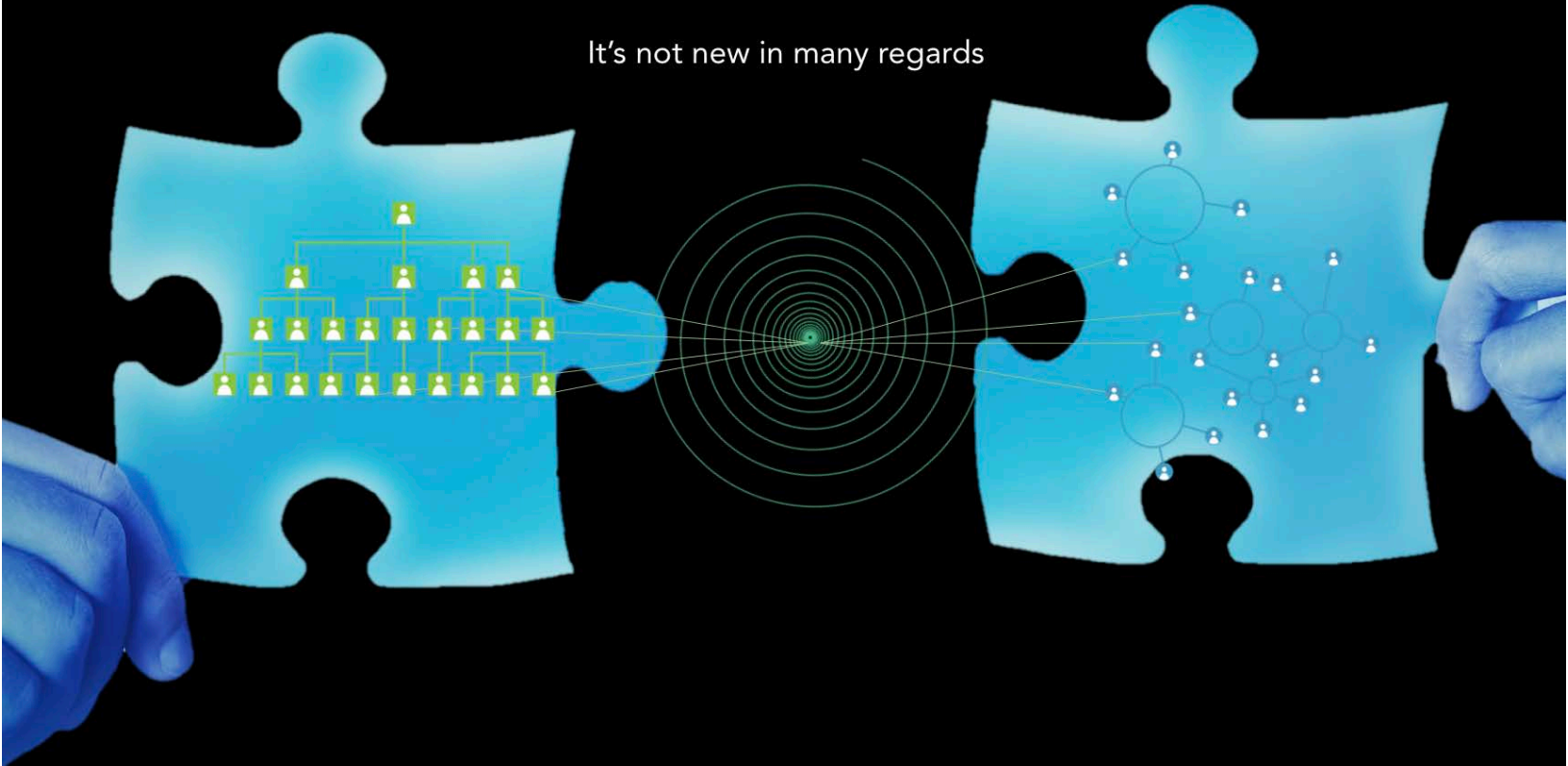


Enormous synergy can be activated between both network states to enable flow



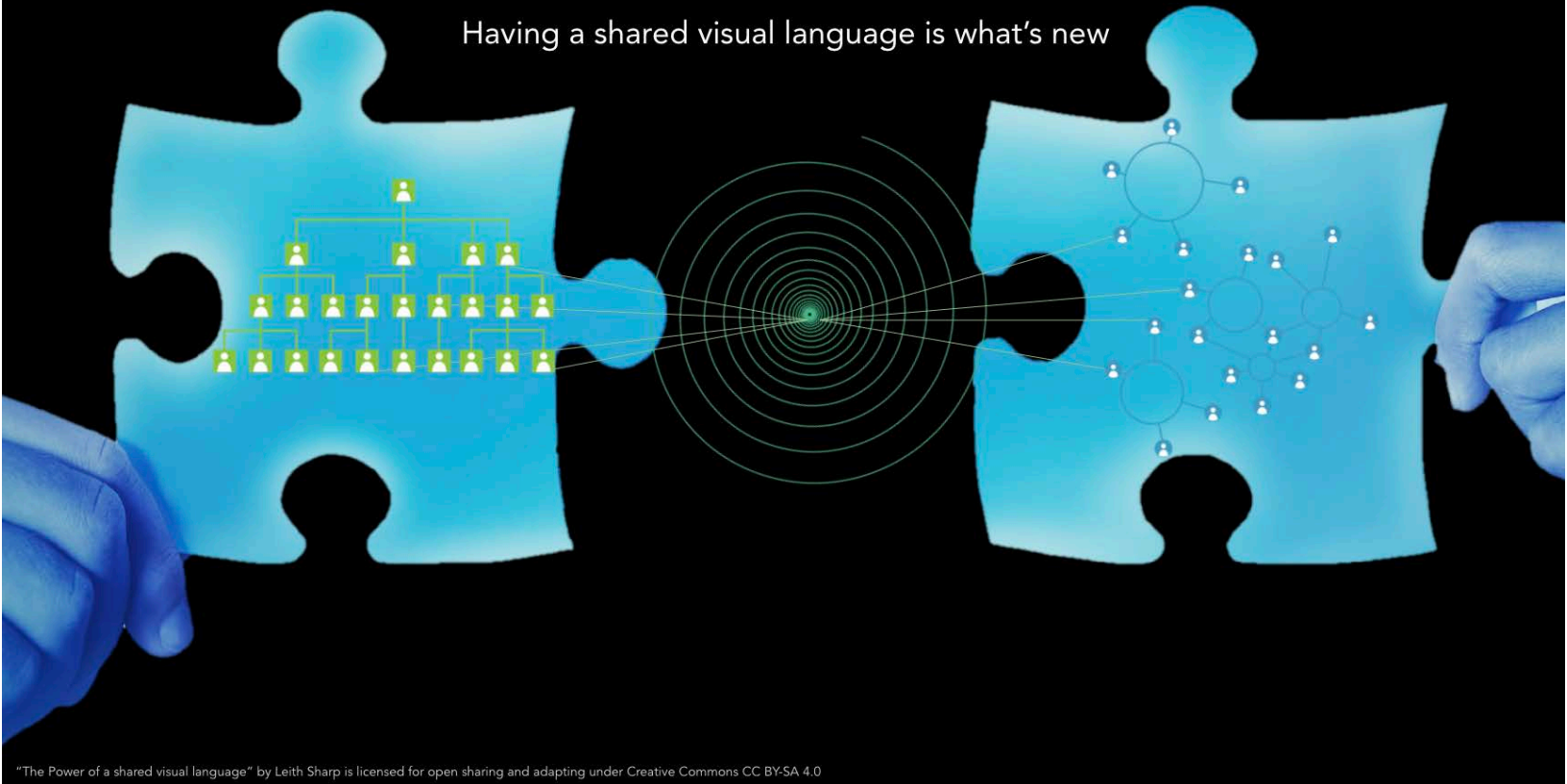
"Optimize Synergy Between Both Networks" by Leith sharp is licensed for sharing and adapting under Creative Commons CC BY SA 4.0

It's not new in many regards



"The Power of a shared visual language" by Leith Sharp is licensed for open sharing and adapting under Creative Commons CC BY-SA 4.0

Having a shared visual language is what's new



"The Power of a shared visual language" by Leith Sharp is licensed for open sharing and adapting under Creative Commons CC BY-SA 4.0



"If I were to talk about the evolution of our projects, on social responsibility, and environment. They have clearly followed this line where it starts in the adaptive [network].

Later on you build credibility, and then you internalize and incorporate it as I said by iterating and de-risking the ideas. Then, all of a sudden, it gets adopted, and, in the whole command and control operating system, it becomes institutionalized in the company as part of a contract."

Lars R. Sørensen, CEO Novo Nordisk



Example of how a company balances
adaptive and hierarchical networks:

“You need to have an [iteration] between two of these systems and need to have a little bit of both in an organization in order to be successful long term. Obviously at IKEA we are more adaptive, as I said, but there are areas where we obviously need to be more controlling to operate in a good way.”

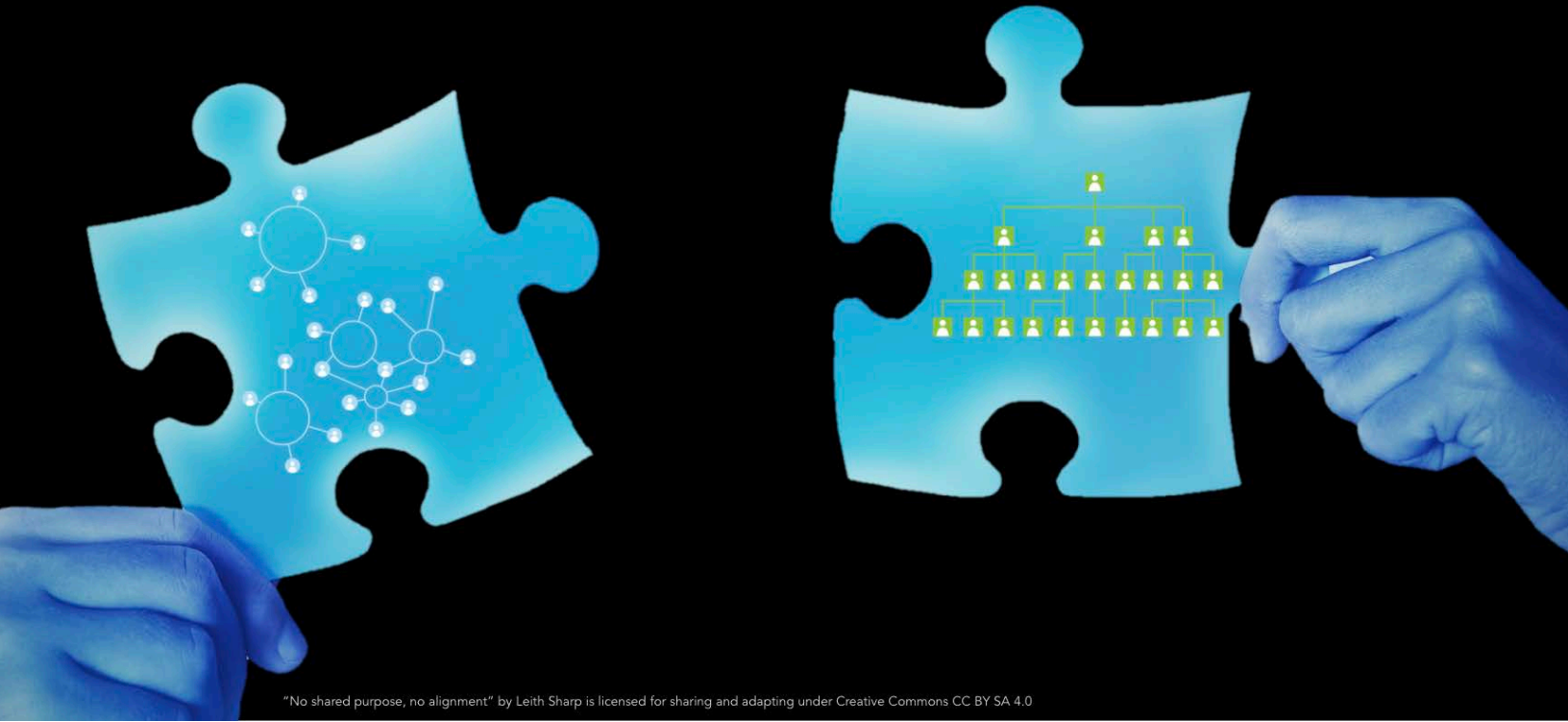
Peter Agnefjäll, CEO IKEA



"I do believe both exist (adaptive and hierarchical networks). I believe the interaction is important, but the ability of some people to move from one to the other is high. The ability broadly for most people to move one to the other is probably not nearly as much....(Sharp, 2019)

David Taylor, CEO, Procter & Gamble

They currently don't automatically play well together

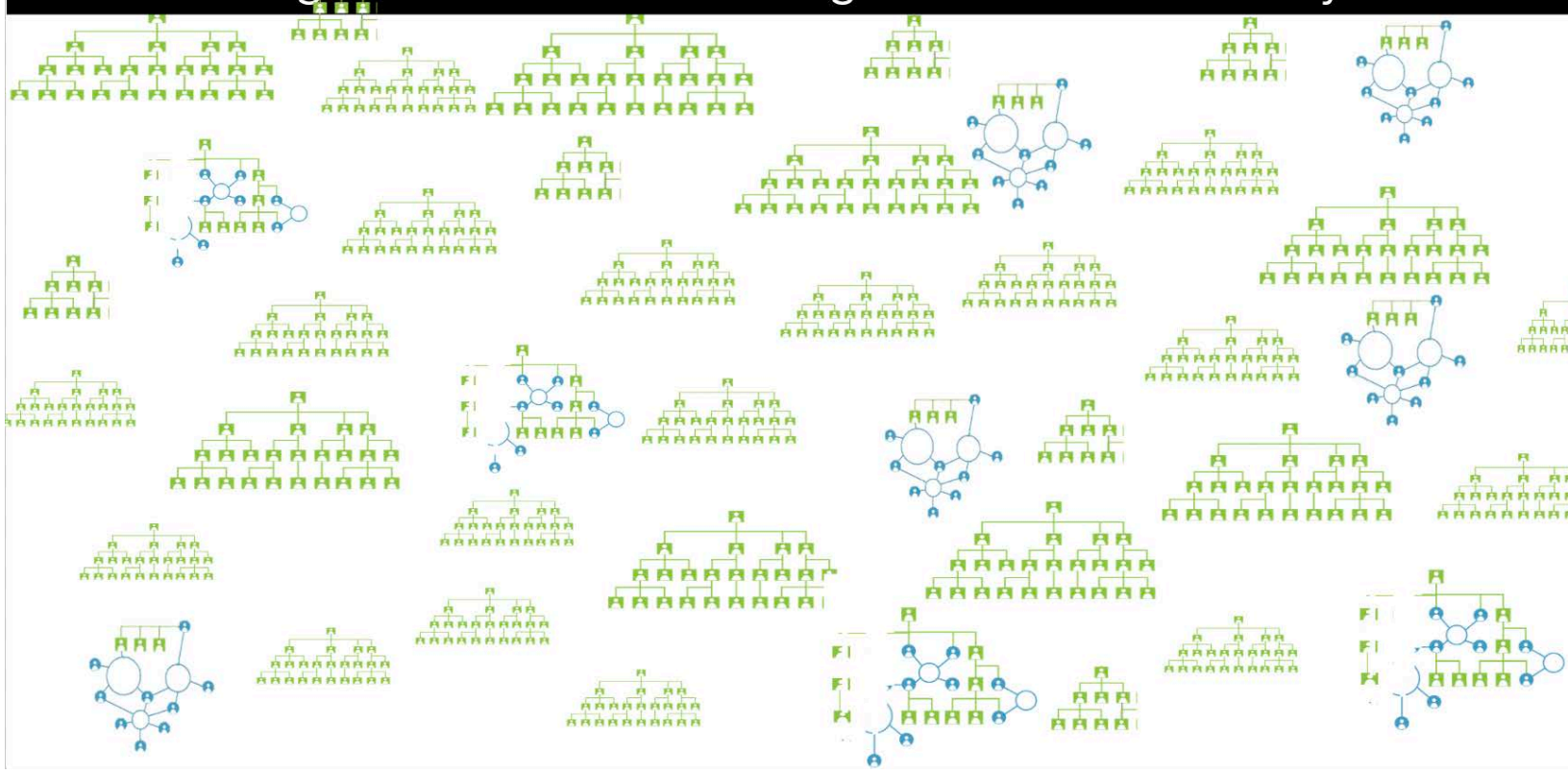


"No shared purpose, no alignment" by Leith Sharp is licensed for sharing and adapting under Creative Commons CC BY SA 4.0

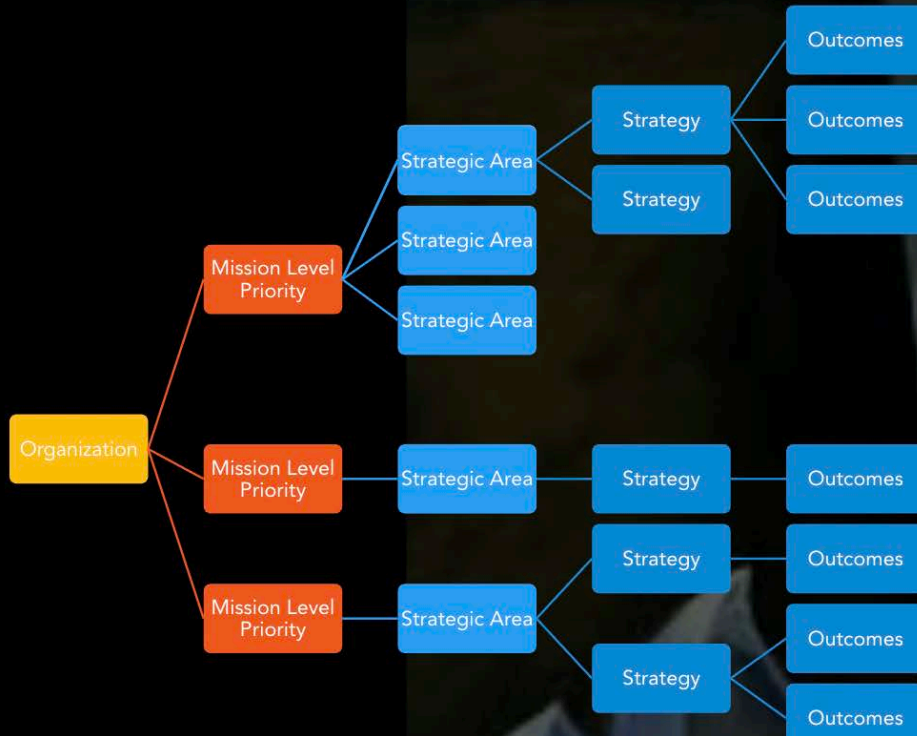


There is a recurring disconnect between the **OFFICIAL STORY** and the **ACTUAL STORY** of how new things get done.

Society = Millions of Organizations Using an Out Dated Organizational Model: Management Driven Hierarchy



The Strategy Cascade



And then what?



Back to the Secret Life of Ideas

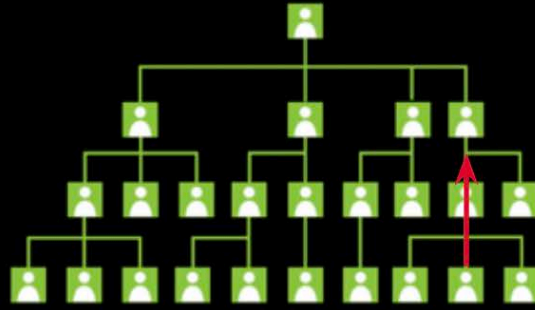
Minneapolis
St. Paul International Airport:
Snow Removal



Snow removal problem.
Climate change messing with snow
dumps patterns, delaying aircraft.

Initial Response

New problem



We will fix it – how do you want us to fix it ?

A Limitation of the Hierarchical Network: Individual Engagement

"...one thing you can never dictate, and it's to gain the hearts of your people. You cannot do that by dictating. And that you should realize that you miss a dimension, you miss their own flexibility, their own thoughts, their own ideas if you don't gain their hearts. They will still do what you say, if you're strong enough, but you will miss creativity, you will miss the extra mile, you will miss whatever they can do in not gaining their hearts."

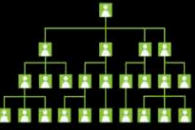
Feike Sijbesma, CEO, DSM



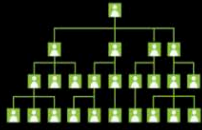
196

What Paul Did:

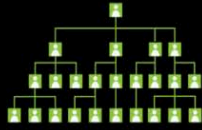
He listens and discovers the psychological safety is not high enough = no generosity



~~Mandate~~



Permission to learn



~~Permission Withdrawn~~

Engages Snow Plow Crew as
an Adaptive Network



Engagement Withdrawn



Psychological safety is key

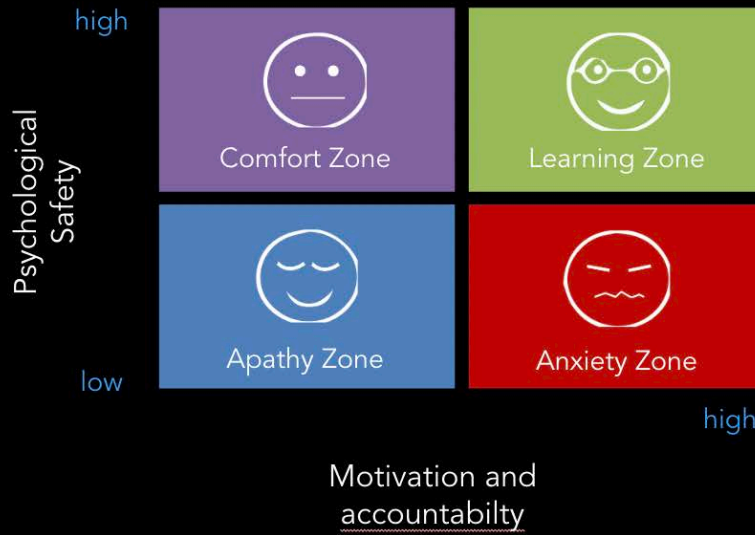
Making it Safe



Psychological safety is a belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes.

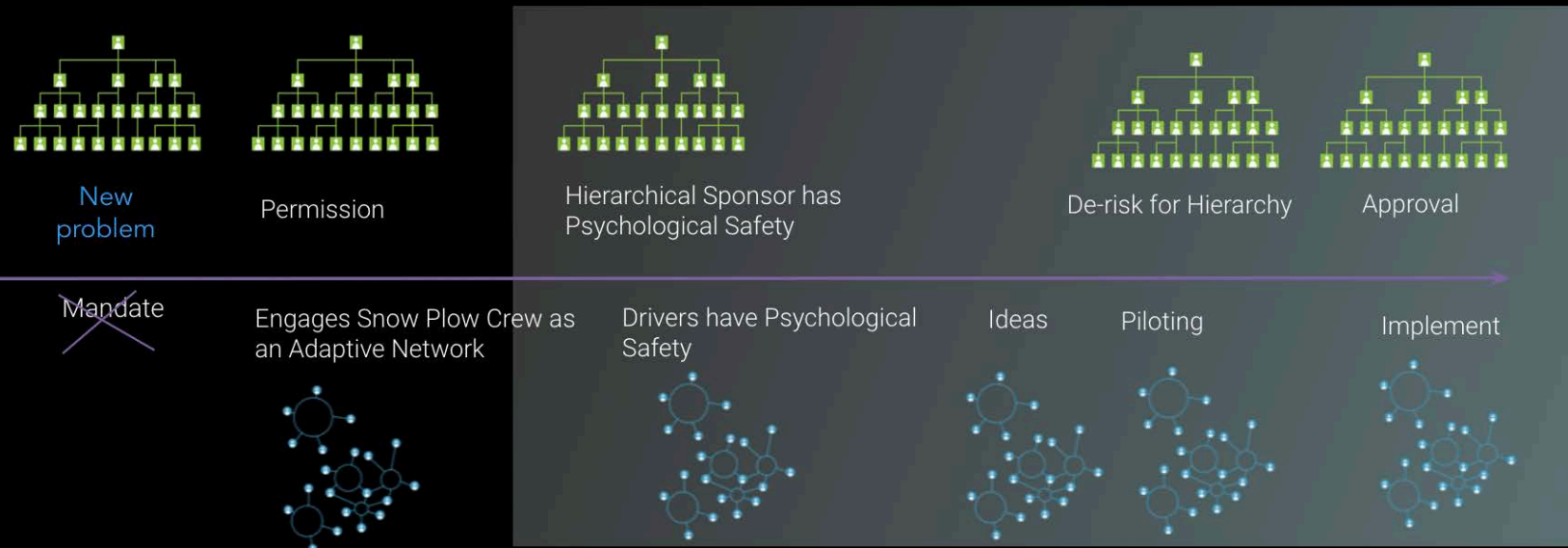
IT'S ESSENTIAL TO EMERGENCE.

THE POWER OF TEAMING



What Paul Did:

Energy & Information starts flowing generously within and between networks

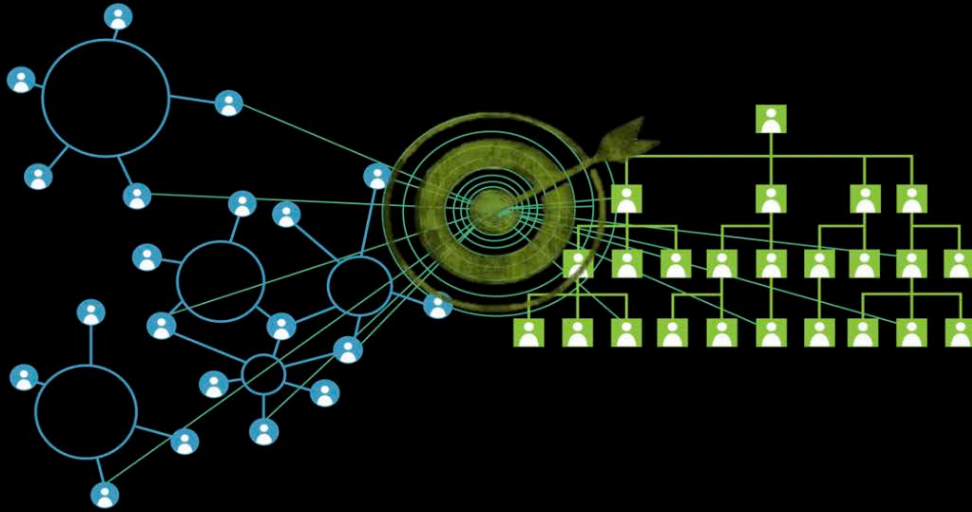


"Airport Case Story" by Leith Sharp is licensed for sharing and adapting under Creative Commons CC BY SA 4.0

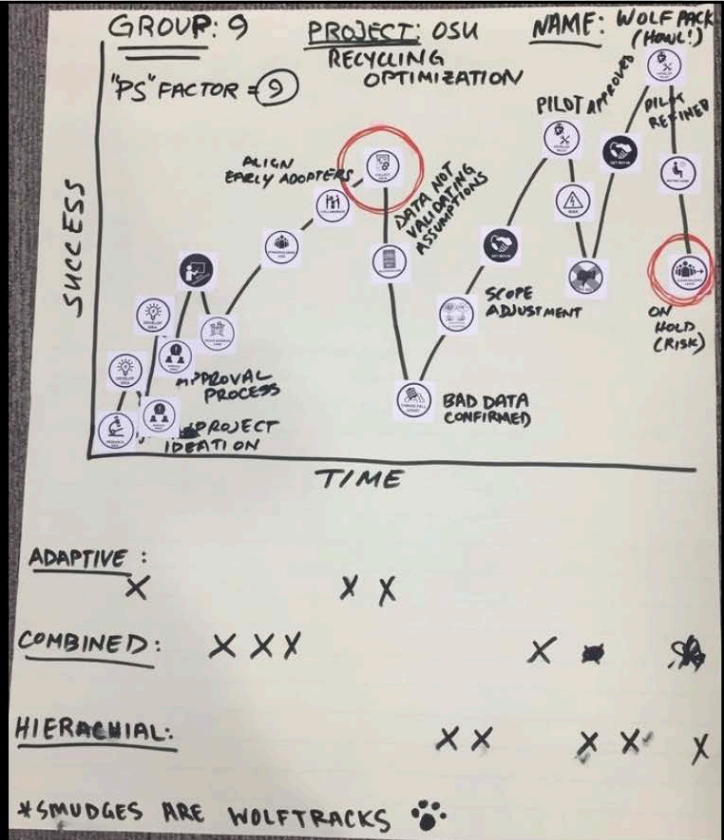


Effective change leadership is about creating stability as much as it is about creating change.

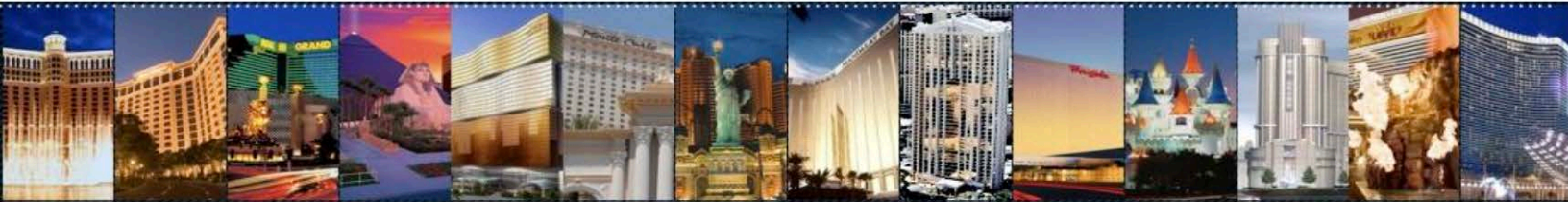
Care sustains connection, *shared purpose provides alignment*
& psychological safety enables generosity in the flow of energy and information



In the lifecycle of a new idea, often times, some moves require more emotional labor than the others.



Cindy Ortega
Senior Vice President & Chief Sustainability Officer
MGM Resorts International



17 Resorts – 48,000 Hotel Rooms



740 Acres on the Las Vegas Strip

350 Food & Beverage Outlets





61,000 Employees

3 Million Sq. Ft. of Convention Space

THE PROGRAM

Company Impact





Your combined effort has saved...

 17406 reams of copy paper or 1,044 trees	 Enough energy to power New York City for 3777 seconds or 6,586,952 kWh energy
 171 dumpsters worth of trash or 385,552 lbs waste	 Enough water to fill 16 Olympic swimming pools or 10,363,811 gal water


✓ **617,409**
TOTAL ACTIONS COMPLETED

+ **16,562,954**
TOTAL POINTS EARNED





☰ All Time ▾

1 st		ARIA Resort & Casino 3,275,862 points	➤
2		Bellagio 3,004,367 points	➤
3		MGM Grand Las Vegas 2,402,071 points	➤
4		The Mirage 1,148,439 points	➤

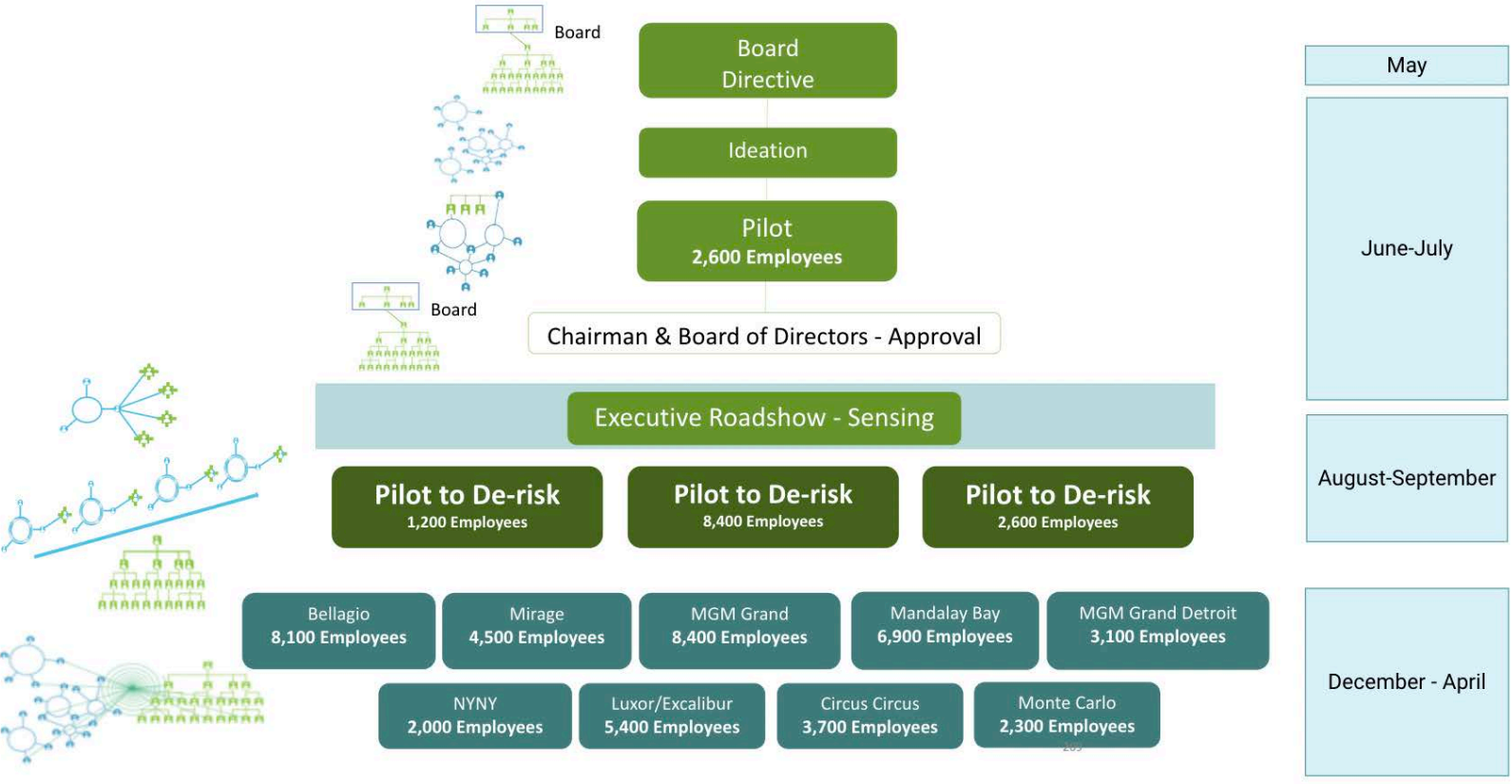
Your Teams

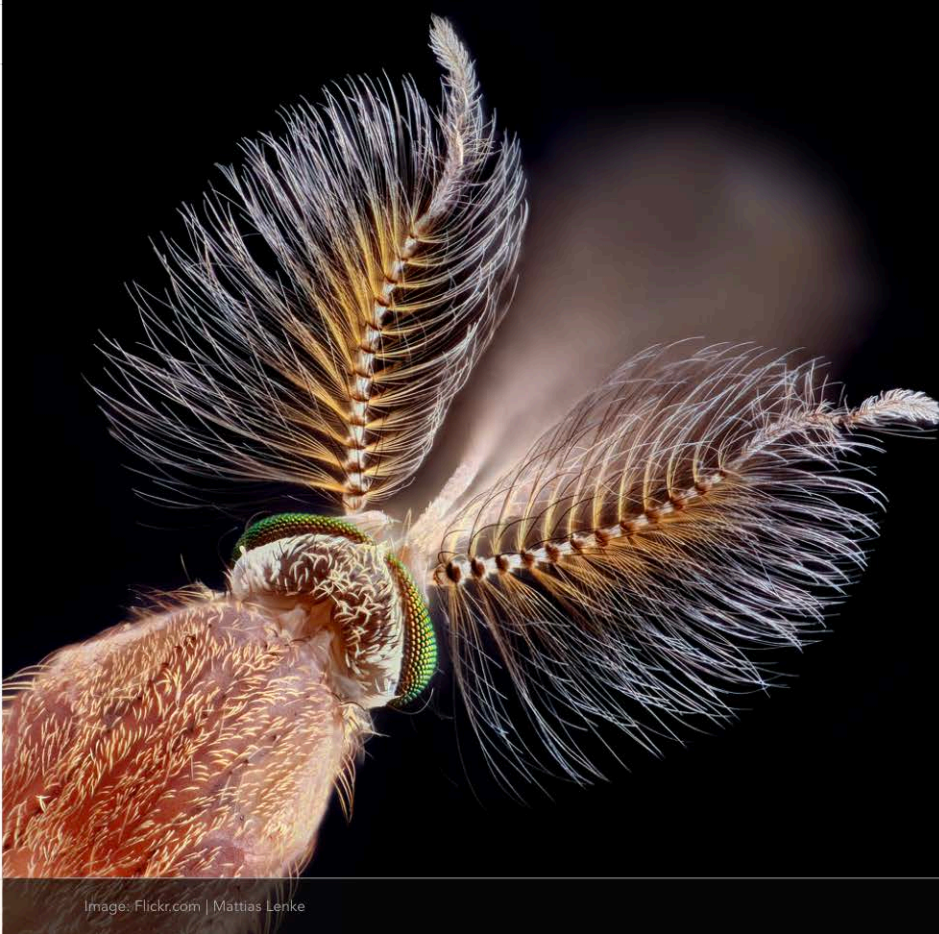
 MGM Resorts Corporate ➤

Company Leaderboard

1 st		Nicole	92,772 pts
2		charlette	88,406 pts
3		Laszlo	87,038 pts
			

60,000+ Employees – 11 Months!



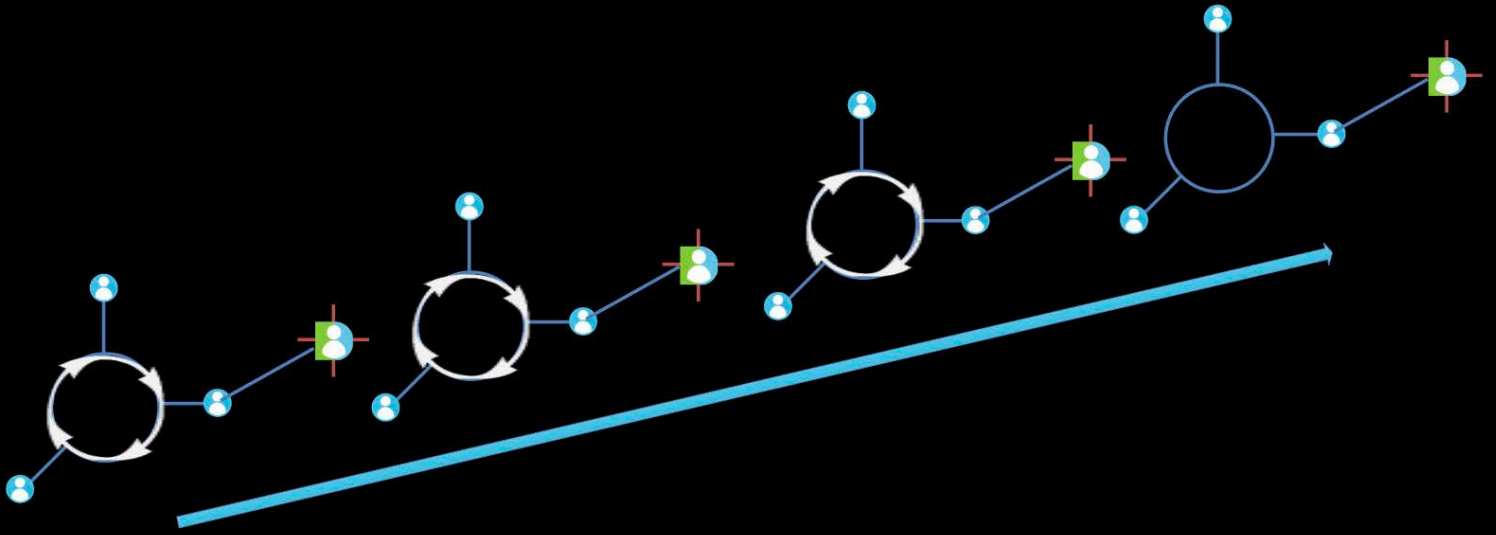


Matching
Signal to
Antennae often
starts with tuning
into the
Antennae

Image: Flickr.com | Mattias Lenke

Biomimicry 3.8 | Biomimicry.net

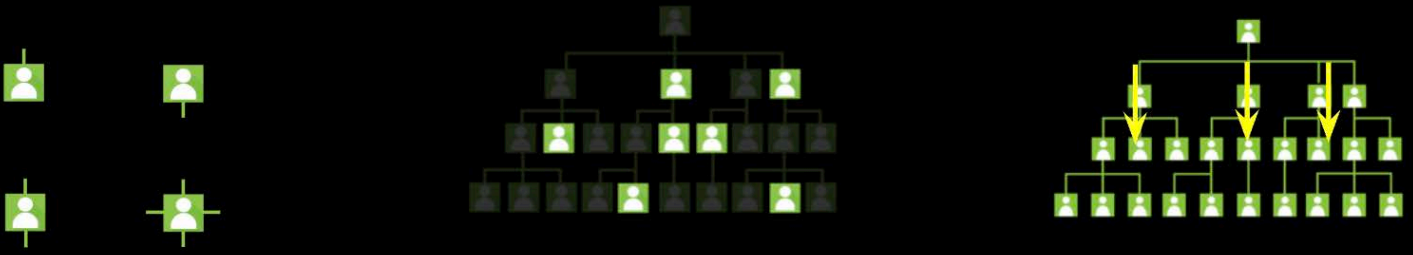
Iterating & De-Risking Toward Thresholds of Shared Purpose & Psychological Safety by Matching Signal to Antennae



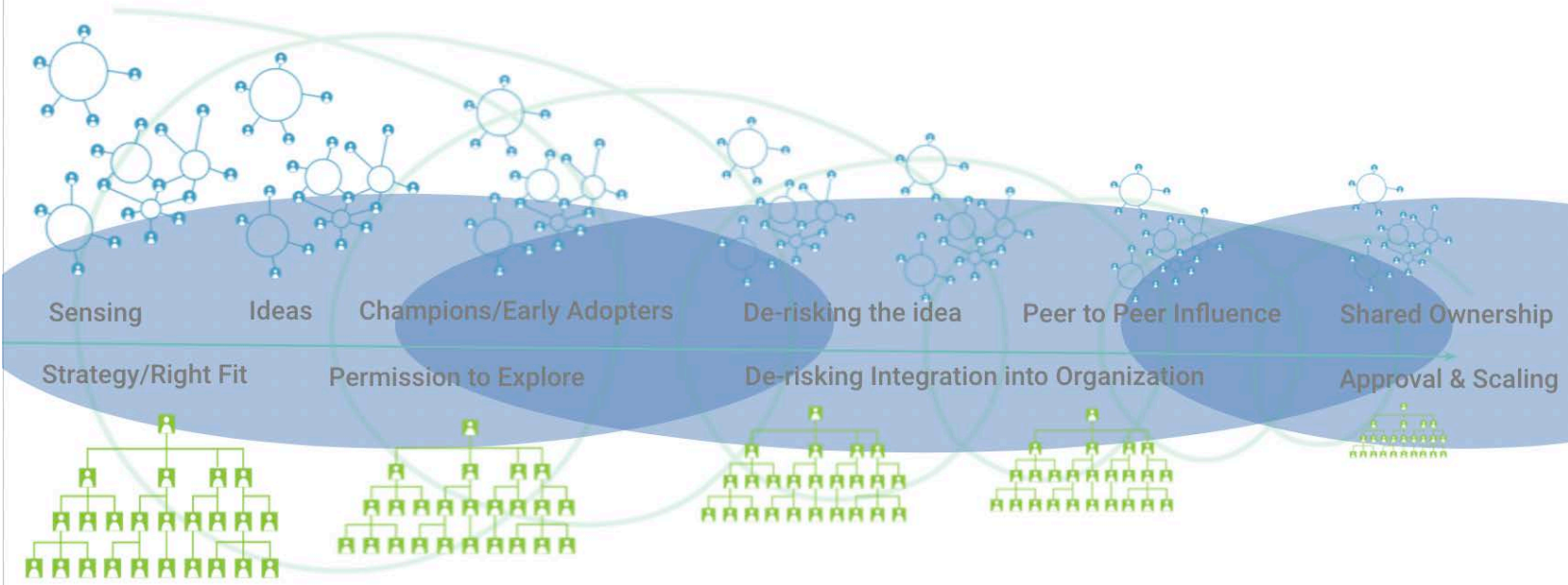
211

"Flow Increases by Iterating Toward a Threshold of Shared Purpose, De-risking and Certainty" by Leith sharp is licensed for sharing and adapting under Creative Commons CC BY SA

Piloting Cycles Allow Hierarchical Networks to Iterate through Risks (Social, Financial, Managerial etc.) Until a threshold of Readiness is Reached



Early Iterations = Sensing, Mid Iterations = De-risking, Later Iterations = Approval/Scaling



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"Purpose-driven Network Flow" by leith sharp is licensed for open sharing and adapting under Creative Commons CC BY-SA 4.0

Biomimicry
is the conscious
emulation of
nature's genius.

It's not borrowed materials, like wood. That's bio-utilization. It's not borrowed capabilities, like oil-producing algae. That's bio-assisted. Biomimicry is borrowed inspiration. It's a more efficient bullet train with the form of a Kingfisher. That's biomimicry.

Biomimicry 3.8 | Biomimicry.net



Nature as model,
measure, and mentor

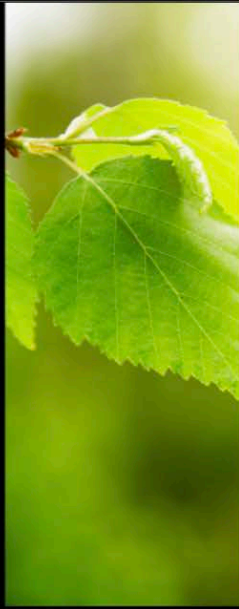
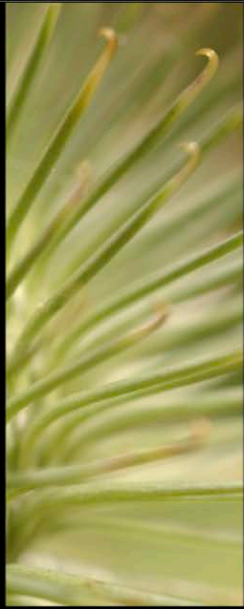
Biomimicry is a new way of viewing and valuing nature, based not on what we can extract from the natural world, but on what we can learn from it.

Biomimicry 3.8 | Biomimicry.net

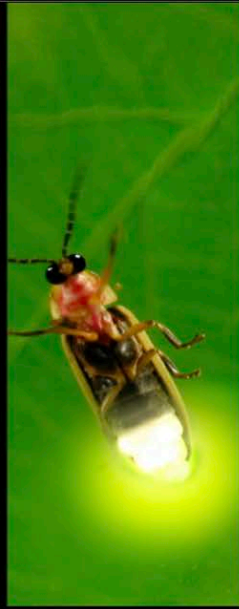




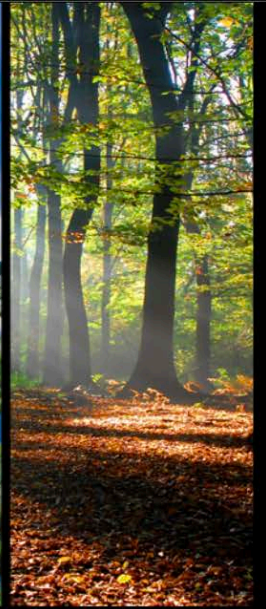
Form



Process



Ecosystem





How do we
tap into this
experience?



function as a bridge between biology and solutions

Flow leadership provides the functional bridge between what humans in control cultures need and what nature's genius can teach us. Functional bridges from Flow leadership include functions like Adaptive and Hierarchical network flow, sensing, de-risking, iterating toward thresholds etc. With these functional needs understood, we can then ask nature how it does sensing, de-risking, mutualism in adaptive and hierarchical network flow etc.

adaptive

THE ADAPTIVE NETWORKS

HEALTHY

Optimizes for efficacy
Tolerates risk
Honors system integrity

autonomic

THE HIERARCHICAL NETWORKS

UNHEALTHY

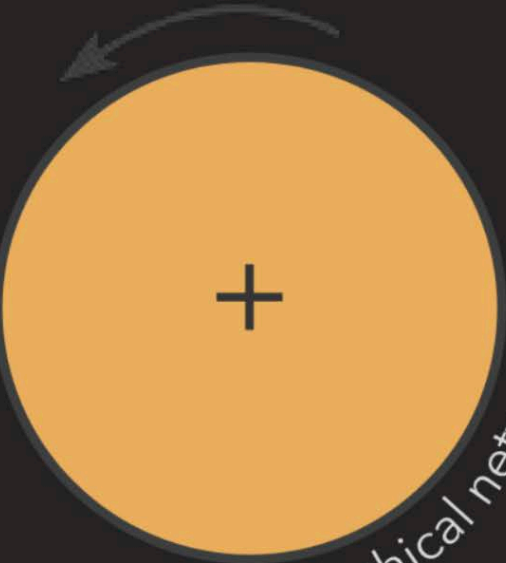
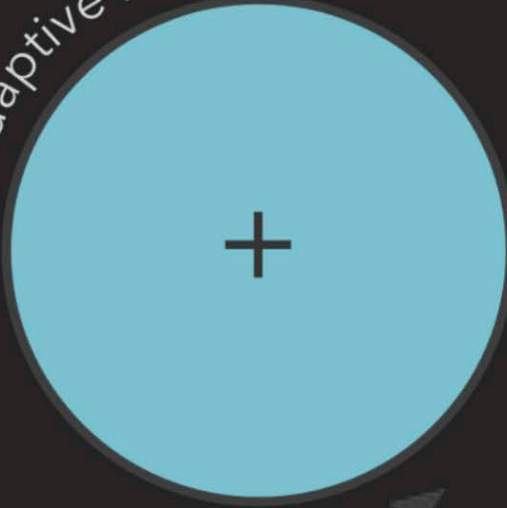
Optimizes for reactivity
Ignores risk
Disregards system integrity

Optimizes for efficiency
Manages for risk
Maintains system integrity

Maximizes for efficiency
Abhors risk
Maintains system rigidity

MUTUALISM

Adaptive networks

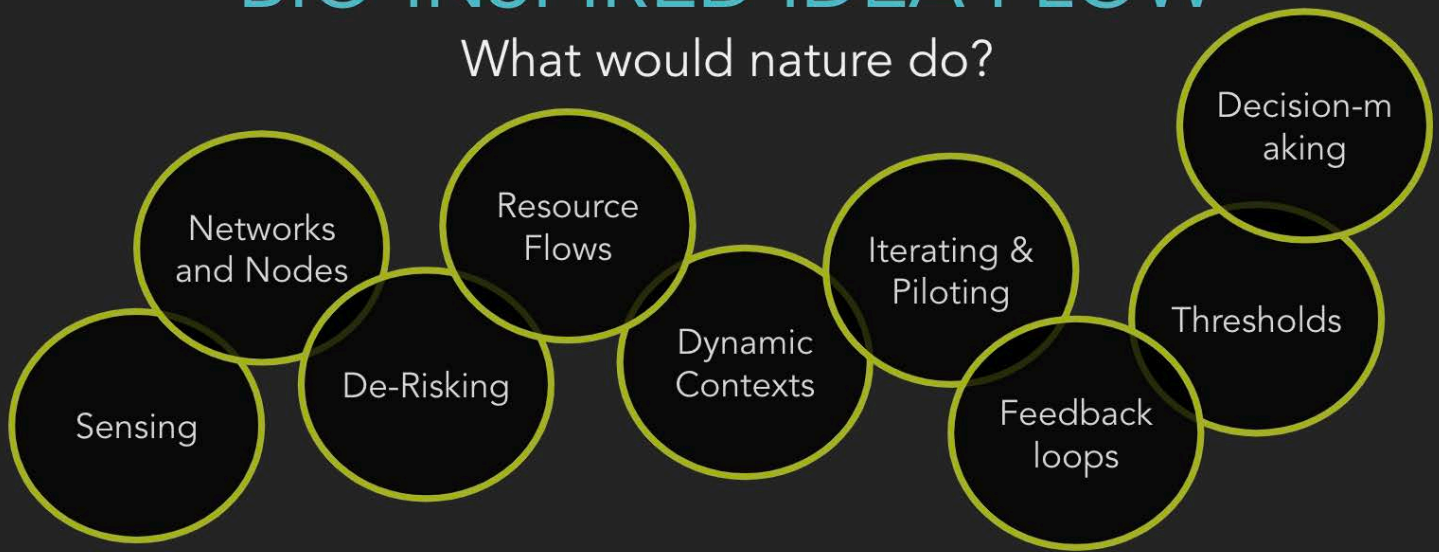


Hierarchical networks



BIO-INSPIRED IDEA FLOW

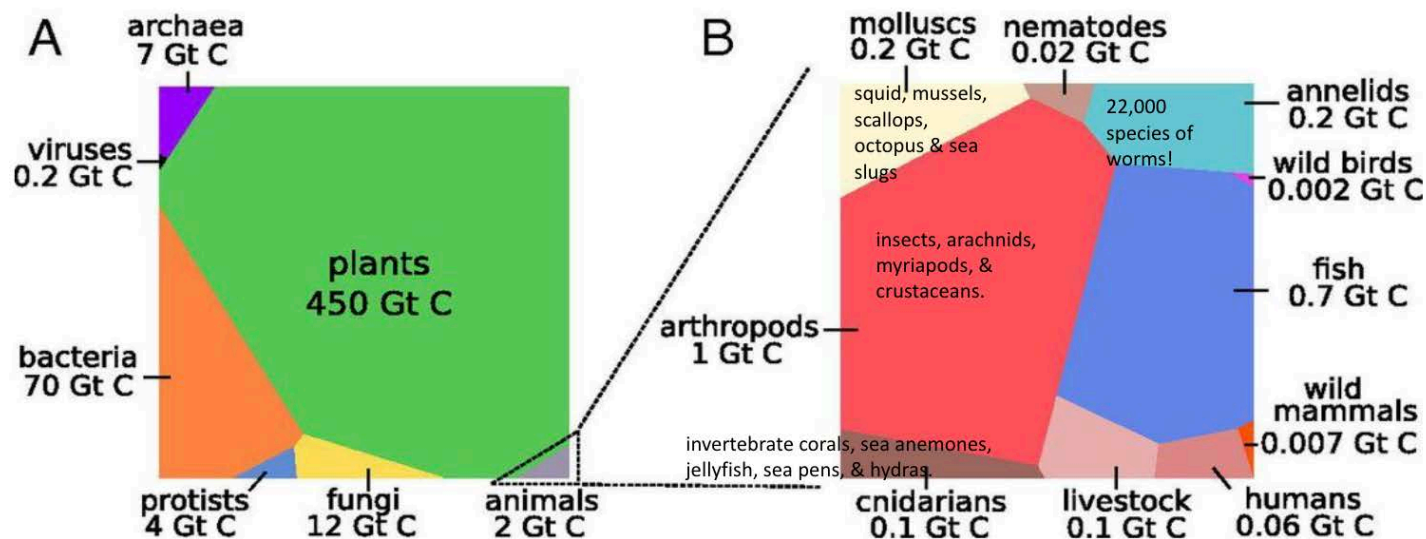
What would nature do?



Humans Make Up Just 1/10,000 of Earth's Biomass

Of the 550 gigatons of biomass carbon on Earth, animals make up about 2 gigatons, with insects comprising half of that and fish taking up another 0.7 gigatons. Everything else, including mammals, birds, nematodes and mollusks are roughly 0.3 gigatons, with humans weighing in at 0.06 gigatons.

"The fact that the biomass of fungi exceeds that of all animals' sort of puts us in our place," Harvard evolutionary biologist James Hanken.



Source: The research appears in [*The Proceedings of the National Academy of Sciences*](#).

We need to heal our cultures to hold us in right relation, to be context aware, to notice what we need to notice, to care for what we need to care for in order to contribute generously to the flow of life.

Learn More Biomimicry

<https://asknature.org/>

<https://biomimicry.org/>

<https://biomimicry.net/>

<https://synapse.bio/>

Curating Flow

Strategic Alignment

Permission/
Invitation

Resource Learning &
De-risking

Iterate to threshold
of receptivity

Decision-Making
Process

Scaling

1 Strategic Alignment
Champion/s

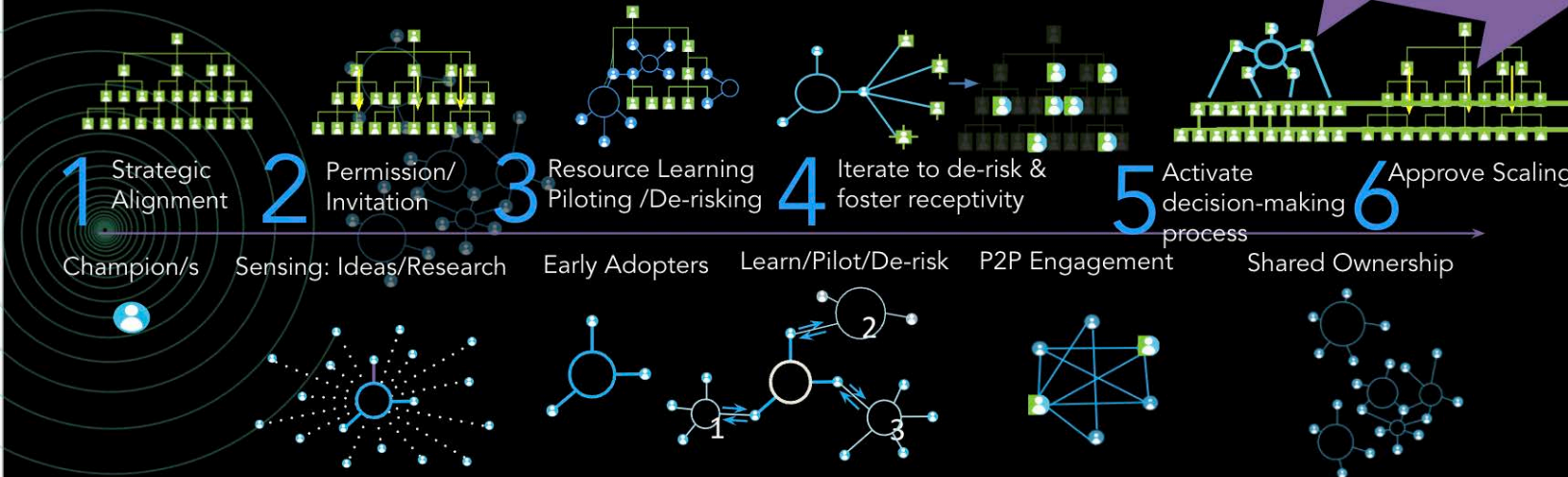
2 Permission/
Invitation
Sensing: Ideas/Research

3 Resource Learning
Piloting /De-risking
Early Adopters

4 Iterate to de-risk &
foster receptivity
Learn/Pilot/De-risk
P2P Engagement

5 Activate
decision-making
process
Shared Ownership

6 Approve Scaling



225

"Retraining the Hierarchical Networks to Iterate with the Adaptive Networks to unlock synergy and flow" by leith sharp is licensed for open sharing & adapting under Creative Commons CC BY-AS 4.0



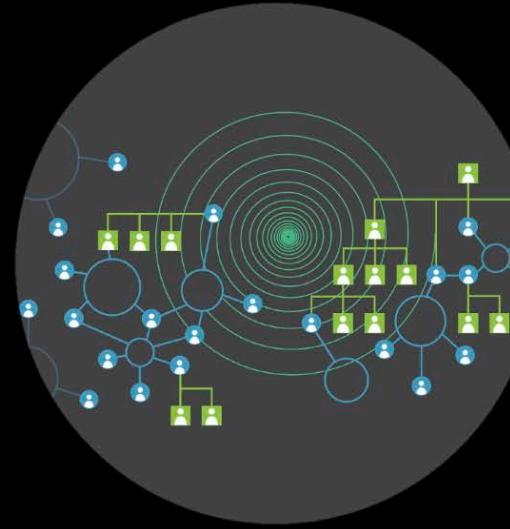
TOWARDS SELF BALANCING ORGANIZATIONS OF EMPOWERED EMPLOYEES WORKING IN A FLUID STATE OF ADAPTIVE AND HIERARCHICAL NETWORK FLOW

"I think we have all parts of ourselves working on both sides [adaptive and hierarchical].

So the more you train people to use their own inner ability to reveal their power, in effect to interact with people on both sides, the more powerful and the more stable it is for the organization.

...then you don't need to orchestrate, because this will be fully integrated within the people themselves and the self-balance would happen at that level."

Emmanuel Faber, CEO Danone



The single most unique leadership demand of sustainability is the sheer pace, volume, and depth of change it requires.

- How is your organisation supporting its leaders and teams to respond to this transformative sustainability challenge?
- How does your organisation nurture ideas?
- How might you explore the concept of biomimicry within your organisation?



IN CONVERSATION

SANDRA MARTINEZ

CEO NESTLE OCEANIA

WITH MARK KRAMER

REFLECTION QUESTIONS AND NOTES

Are you and or your organisation being brave enough?



LINKING ESG & FINANCIAL PERFORMANCE PROGRESS, OPPORTUNITIES AND CHALLENGES

BRAD POTTER

Linking ESG and Financial Performance

Progress (so far), opportunities and challenges

Brad Potter
Department of Accounting
University of Melbourne



**SHARED
VALUE
PROJECT**



A little background

- Where do I fit in?
- Framing the discussion
- In the remainder of this session
 - ESG is clearly important for investors and others
 - Regulators and standard-setters are getting on board
 - opportunities and challenges
 - next steps ...

ESG is clearly important ...

- Research over decades establishes the clear importance of ESG information
 - ESG is linked to financial performance, although the results can vary across key dimensions
 - Causality is a challenge
 - Not surprisingly, investors and others should and do care about ESG information
 - Capital markets (Plumlee et al., 2015; Serafeim and Yoon, 2022;
 - Lenders;
 - Analysts and the media (Cahan, 2015)
 - Customers, employees and others.
- This has brought some real action from firms
 - more ESG activity and investment; greater inclusion of ESG metrics

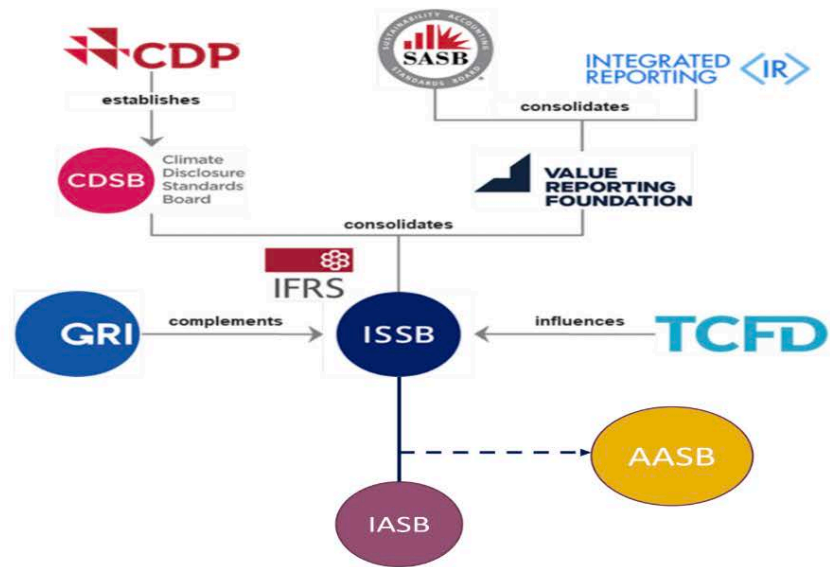


An implication is that disclosure matters

- We know a little about the drivers of ‘voluntary’ ESG disclosure
 - Firm characteristics are important
- The challenge: disclosure plays multiple roles
 - Compliance
 - A platform for driving change
- A means of communicating with existing reporting structures

Standard setters and regulators are getting on board

- The reporting landscape for ESG reporting is complex
- Only if you are brave



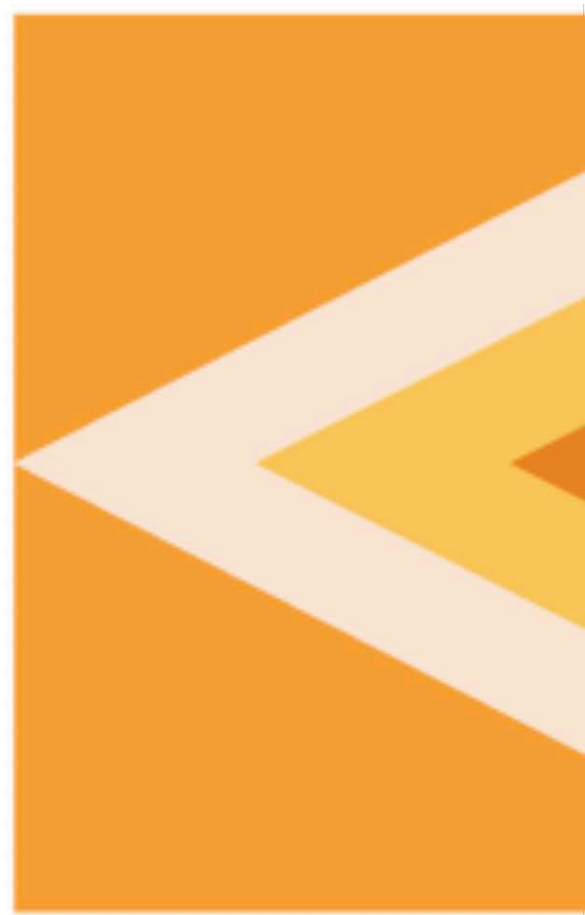
Standard setters and regulators are getting on board

- Two standards released, more to come:
 - IFRS S1: General Requirements ...
 - IFRS S2: Climate Related Disclosures ...
 - Climate risks and opportunities
 - Scenario analysis is key
- Treasury has endorsed sustainability disclosure
- Consultation paper
 - A phased approach
 - Includes scope 3 emissions
 - Accounting standard-setters will shape the detail

Summing up recent developments: opportunities and challenges

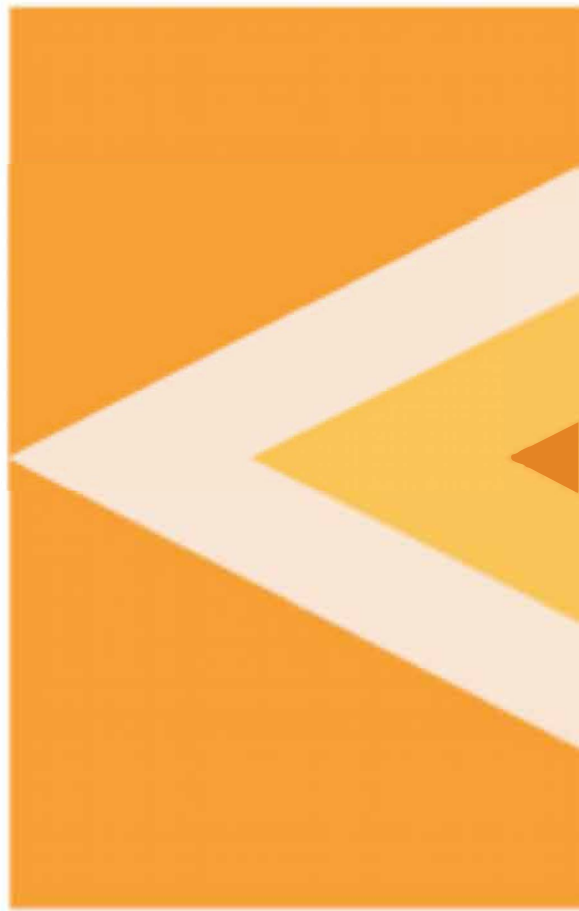
- There is clear appetite and progress
 - standard setters and regulators are supportive
 - reporting structures in place and mature
 - values-based graduates are flooding the market

- But some bumps in the road are certain
 - reporting structures in place and mature
 - financial accounting materiality
 - the need for connected reporting
 - auditing and assurance are complex
 - debunking the measurement myth



Next steps are challenging but exciting

- ISSB agenda consultation
 - sustainability-related risks and opportunities
 - biodiversity, ecosystems and ecosystem services;
 - human capital;
 - human rights.
 - integration in financial reporting
- For universities:
 - education;
 - accredited courses; exec ed as well
 - research;
 - providing an evidence base
 - convening and advocacy



To close

- Research supports the link between ESG and financial performance;
- Developments in disclosure standards and regulations are an important step forward;
- Aspects of the current institutional/reporting framework provide natural hurdles for progress in the short term.



A phased approach

Timing	Reporting entities
Group 1 2024-25 onwards	Entities required to report under Chapter 2M of the Corporations Act and that fulfill two of the three thresholds: <ul style="list-style-type: none">– Has over 500 employees;– The value of consolidated gross assets at the end of the financial year of the company and any entities it controls is \$1 billion or more;– The consolidated revenue for the financial year of the company and any entities it controls is \$500 million or more. AND Entities required to report under Chapter 2M of the Corporations Act that are a 'controlling corporation' under the NGER Act and meet the NGER publication threshold.
Group 2 2026-27 onwards	Entities required to report under Chapter 2M of the Corporations Act and that fulfill two of the three thresholds: <ul style="list-style-type: none">– Has over 250 employees;– The value of consolidated gross assets at the end of the financial year of the company and any entities it controls is \$500 million or more;– The consolidated revenue for the financial year of the company and any entities it controls is \$200 million or more. AND Entities required to report under Chapter 2M of the Corporations Act that are a 'controlling corporation' under the NGER Act and meet the NGER publication threshold.

A phased approach

Group 3	Entities required to report under Chapter 2M of the Corporations Act and that fulfill two of the three thresholds:
2027-28 onwards	<ul style="list-style-type: none">– has over 100 employees;– The value of consolidated gross assets at the end of the financial year of the company and any entities it controls is \$25 million or more;– The consolidated revenue for the financial year of the company and any entities it controls is \$50 million or more.
	AND
	Entities required to report under Chapter 2M of the Corporations Act that are a 'controlling corporation' under the NGER Act.



REFLECTION QUESTIONS AND NOTES

Do you understand the linkages between your financial performance and your sustainability (social and/or environmental) impact?



PRE-READING RESOURCES

ARTICLE	FORMAT / AUTHOR / SOURCE
The Essential Link Between ESG Targets and Financial Performance*	Format: Online article Source: Harvard Business Review Author: Mark R. Kramer, Marc W Pfitzer



STANDARDS AND TOOLS

FABIENNE MICHAUX



REINVENTING VALUE CREATION

Standards and tools

Fabienne Michaux
UNDP Sustainable Finance Hub

10 August 2023



Sustainability standards and tools – do different things; target different objectives and users

Sustainability in relation to (financial returns) - (Sustainability outcomes)



Principles of practice

Management/decision-making standards & frameworks

Metrics & taxonomies

Reporting

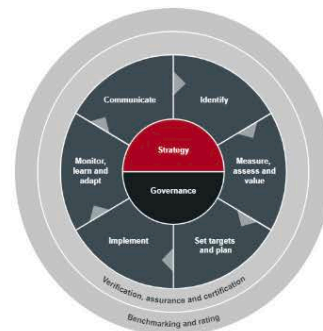
Benchmarking data, index & rating providers



Impact management frameworks and tools

www.impactmanagementplatform.org

Partners



Observers



Evolving Landscape



Global trends in sustainability related reporting

Lay of the land:

Increase in sustainability disclosure/reporting standards

- European Financial Reporting Advisory Group (EFRAG)
- United States Securities Exchange Commission
- International Sustainability Standards Board
- Taskforce on Climate-Related Financial Disclosures (TCFD)

Building of Sustainability Focused industrial taxonomies/classifications

- European Union
- SASB (Sustainability Accounting Standards Board)
- ASEAN
- China SDG Finance Taxonomy

Strengthening of government policy and legislation

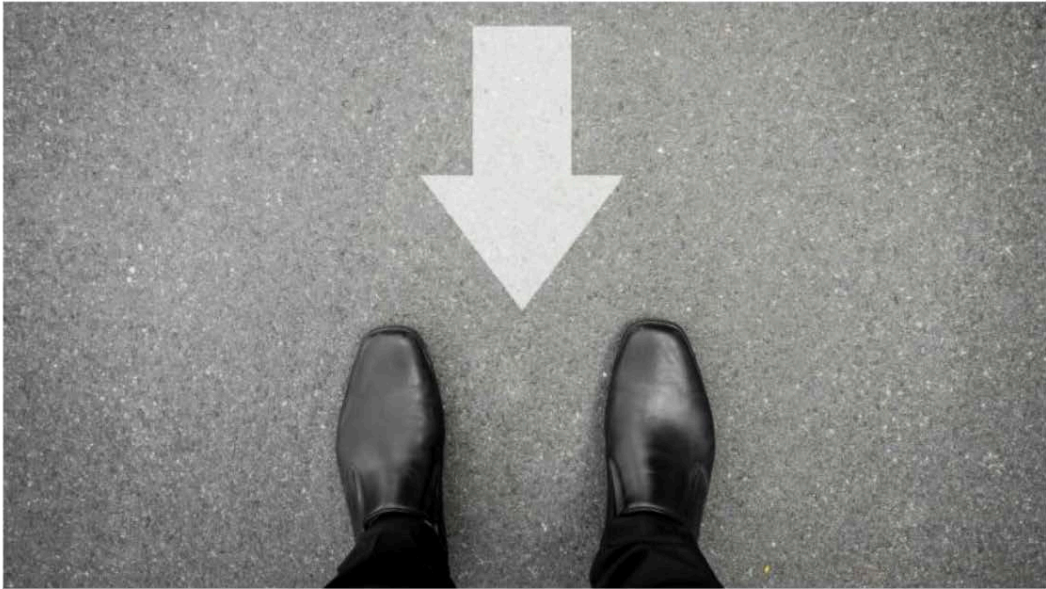
- Government policies: net-zero targets, subsidies, tax rebates
- Carbon markets and taxes
- Legislation and ESG litigation support

These shifts are likely to lead to:

- Increased accountability, transparency
- A red line under impact-washing related challenges.
- Scrutiny on board oversight and governance issues
- Increase in ESG related litigation

Despite increasing number of reporting frameworks based on retrospective performance, what is the **guidance to improve future performance and optimize impact?**

Let's take a step back...



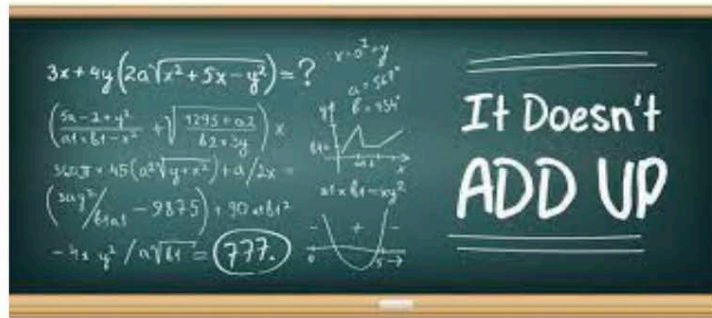
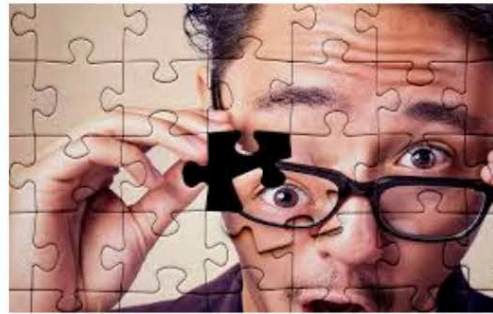
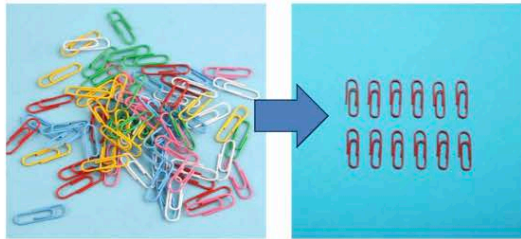
Why do we create models and standards?



What are the limitations and risks of creating models and standards?



What are the limitations and risks of creating models and standards?



What happens when the models and tools we created for ourselves no longer work?



"We cannot solve our problems with the same thinking we used when we created them"

Albert Einstein



At the crossroads....



Adapted from Scharmer, O. & Kaufer, K. Leading from the Emerging Future: From Ego-System to Eco-System Economies, (2013)



WHAT WE SEE

Symptoms and behaviours

WHAT WE DON'T SEE

Structures and systems

Paradigms of thought

Source

Accelerating pace of change & technology; increased complexity; negative externalities (poverty, inequality, climate change, pollution, social isolation & mental health, social unrest); population growth; lack of trust in institutions; shifting social license to operate; institutions not meeting community standards & expectations, changing relationship between business & society

Disconnect between: financial & real economy, growth imperative & finite ecological resources, institutional leadership & people, technology & societal needs, GDP & wellbeing; Reaching or exceeding natural planetary & societal boundaries

From State-centric (hierarchy & control) -> free market (laissez-faire markets & competition) -> social market (conflicting networks & negotiation) -> co-creative (seeing & acting from the whole)

Traditional ->
Ego-system ->
Stakeholder ->
Eco-system
awareness

Disconnect between growth in commitments, intentions, labelled products and progress towards sustainability and achievement of the SDGs



Growth in net zero/SDG commitments, sustainable finance, ESG and impact investing



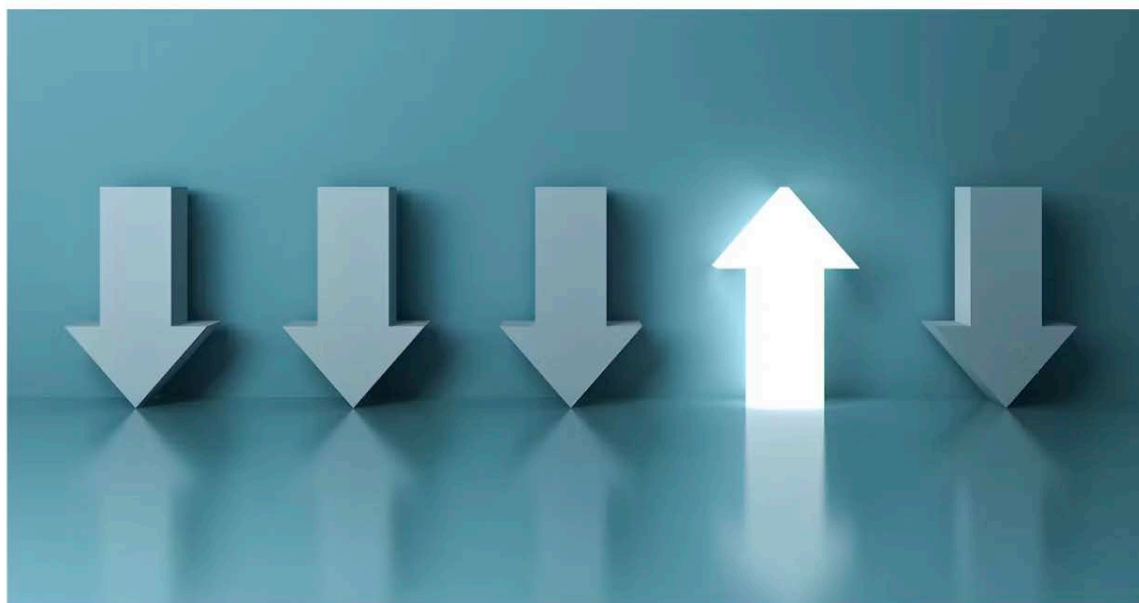
Progress towards sustainability and the SDGs



What are the shortcomings of our current approaches?



A focus on incremental vs transformational change





ESG risk integration + Intended impacts ≠ Optimal impact

Important impacts are being left out

Impact is often **thought** to be...



Impact is...

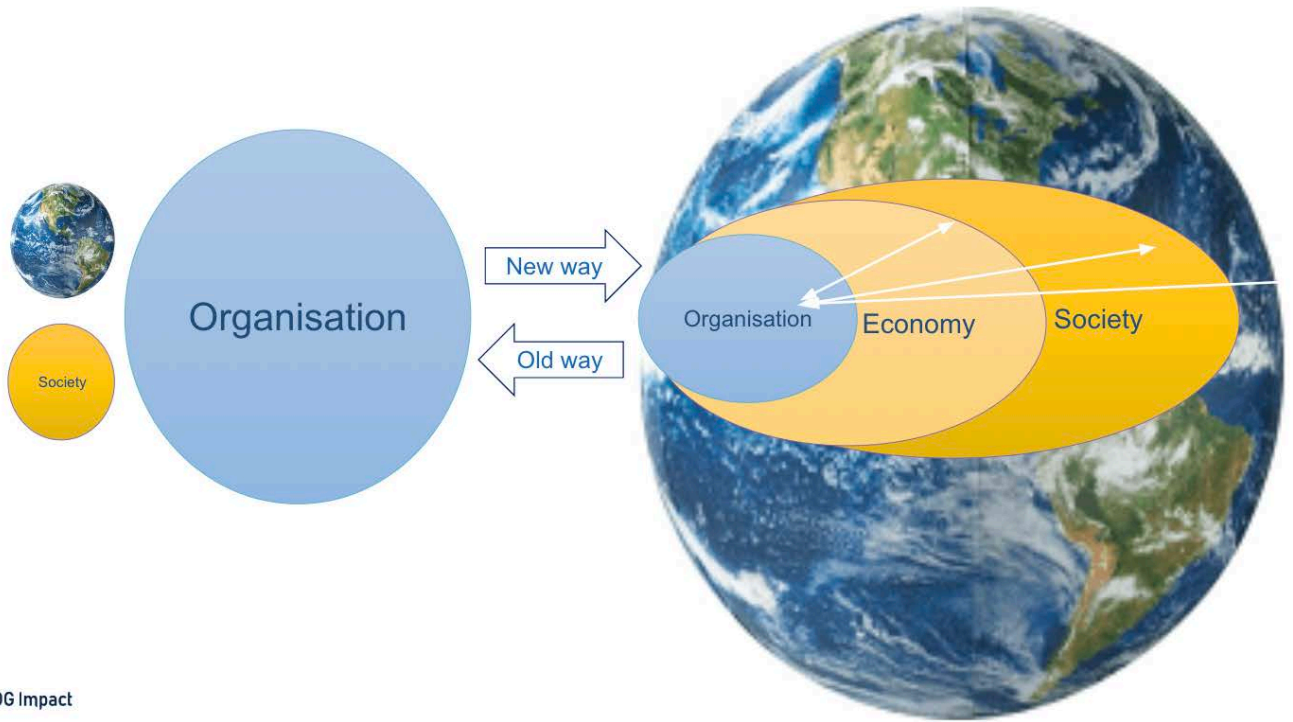
Activities
and
decisions



~~Intended~~
Impacts

- Positive or negative
- Direct or indirect
- Expected (intended)
- Unexpected (unintended)
- Known or unknown

A more egocentric vs eco-centric view of the world



Focus on pieces of the puzzle not the whole picture and on how things are connected



Focus on external reporting/compliance rather than on internal management and decision-making

INTERNAL MANAGEMENT AND DECISION-MAKING

- **Forward-looking** – collects data that is used for business and investment strategy i.e., measure, create insights and generate alternative courses of action
- Purpose is to inform internal decision-makers e.g., management
- Ownership and accountability focus
- Emphasis on both risk and opportunities




EXTERNAL REPORTING

- **Backward-looking** – collects data to measure and report on past actions
- Purpose is to inform external stakeholders e.g., investors
- Compliance focus
- Emphasis on risk

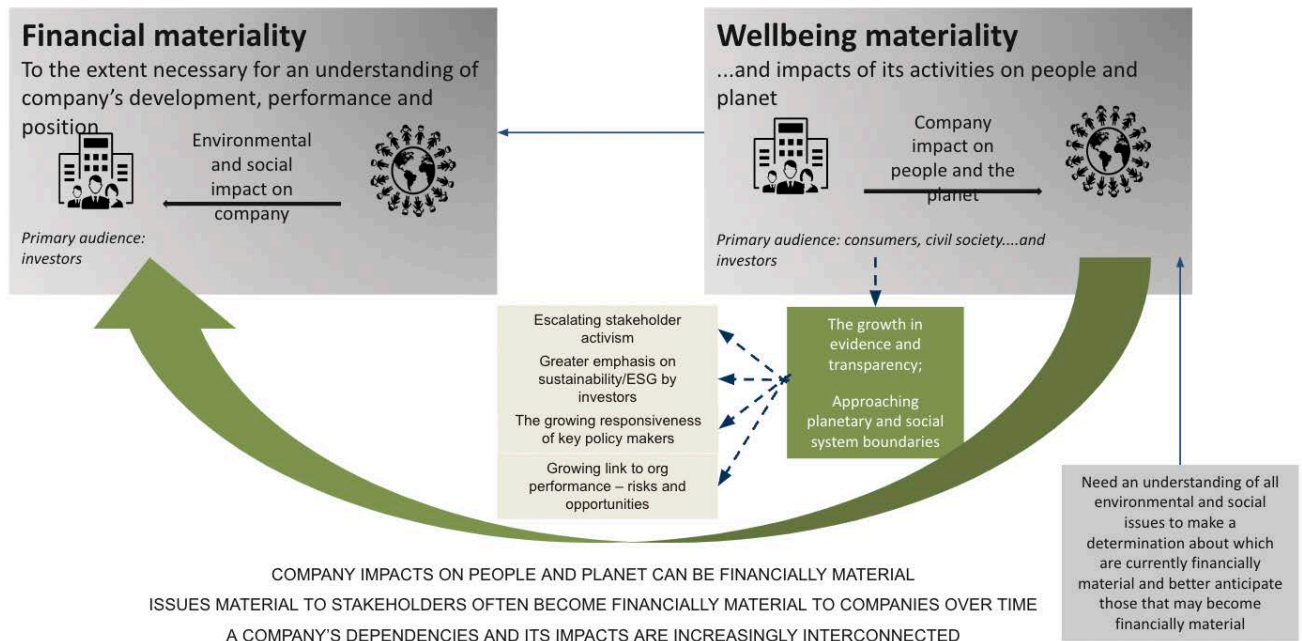
A focus on financial materiality rather than wellbeing materiality

- What is the objective?
 - What does this mean for what information is filtered in/out for decision-making / for reporting?
 - What does this mean for what we do with the information (response)?
- What metrics are used, how do we measure?
 - Efforts (activities and outputs) vs results (outcomes and impacts)



Most ESG frameworks today focus on (i) reporting not decision-making and (ii) financial materiality not wellbeing materiality (iii) efforts data not results

How materiality is defined matters

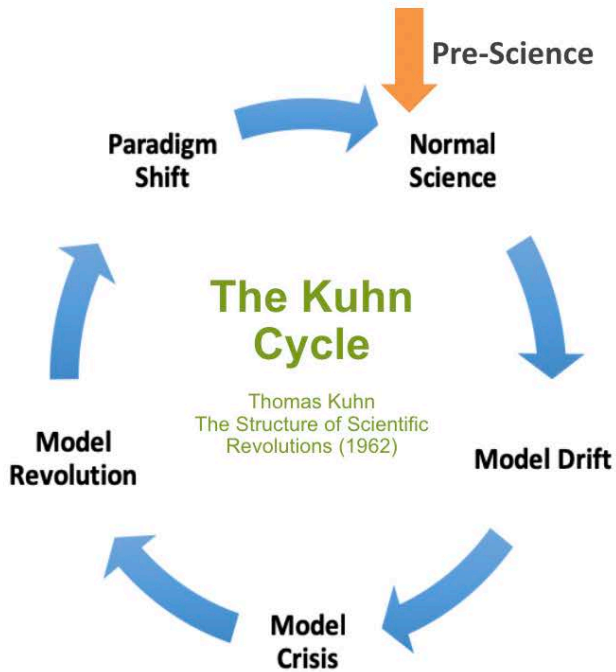


Source: adapted from SASB

Using the wrong tools for the job, or using the tools in sub-optimal ways



Is a more transformational shift in thinking needed?



Pre-Science: current paradigm of thinking and model incapable of solving the problem

Normal Science: Model explains and works for most of field as we know and see it. Problems can be solved, but as enquiry deepens, questions emerge that current thinking paradigm and model cannot answer.

Model Drift: Model grows weaker as anomalies appear – e.g. negative externalities, system disconnects, natural boundaries of the system are breached

Model Crisis: Current model is no longer capable of solving the field's current questions and challenges. Model is substituted with irrational decision making, guesswork and intuition, multiple alternative theories/possibilities emerge

Model Revolution: New model of understanding emerges, and competes with old model (**change resistance**)

Paradigm Shift: New ways of thought replace old paradigm and old model transitions to new



To achieve the SDGs and to put the world on a more sustainable and equitable path, we need a transformational shift in mindset and management decision-making.



A new normal - recognising

- Importance and centrality of sustainability and impact management to private sector
- Impacts as being changes in well-being of people or planet
- Trade-offs in decisions between positive and negative impacts, with implicit valuation in those decisions, and implications for strategy and governance
- Need for an approach to mitigating and compensating for negative impacts (do no harm principle)
- Risk in making decisions, especially at rate required
- Thresholds as basis for determining positive or negative impacts
- Comparisons as basis for creating insights that lead to options to increase net impact



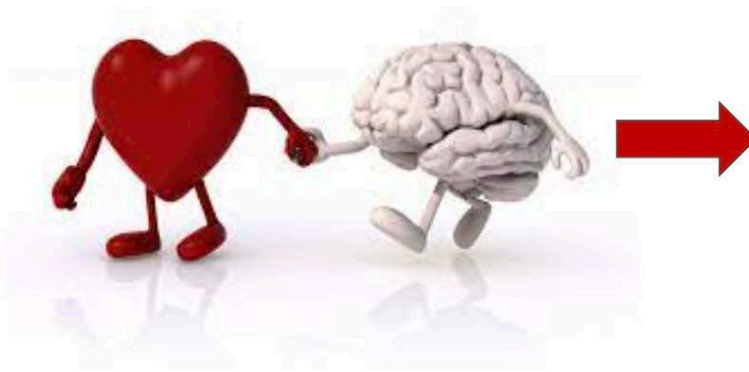
Managing for Impact

Shift in business and investment **purpose** to place sustainability at its core:

- Purpose centered on contributing positively towards a more sustainable and inclusive future for all, underpinning resilient and prosperous business/investment performance for the long-term.
- Explicit recognition that business/portfolio value increasingly relies upon the **ongoing viability of our ecological and social systems**.
- Using sustainability as the filter for **how all business gets done**, not as an add on to what business gets done.

Sustainability and the SDGs at the **core of organizational internal management systems and decision-making** – throughout **strategy, management approach, governance and disclosure practices**.

Inspiring change



SDG Impact Standards: Are we optimizing our impacts and long-term organizational performance?

4 sets of SDG Impact Standards that:

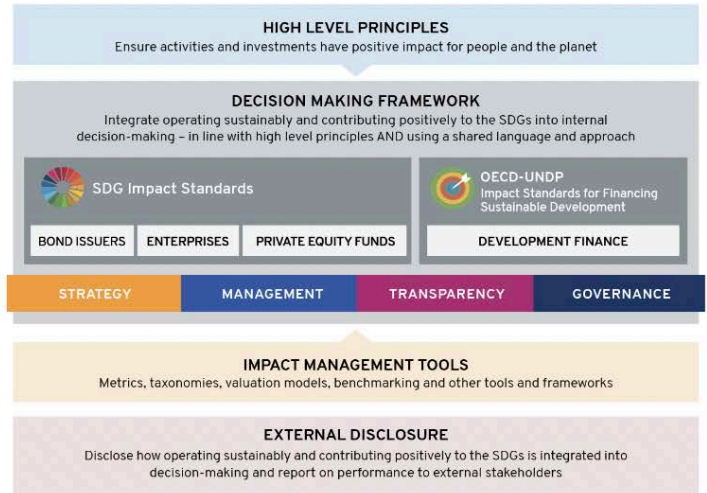
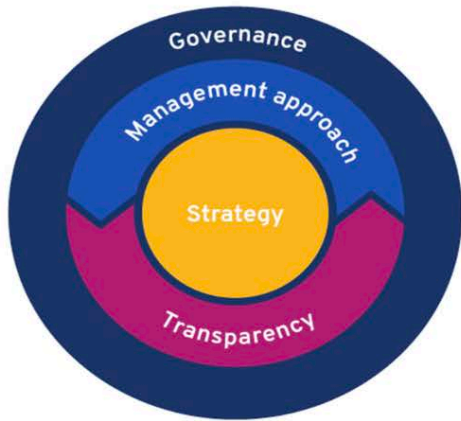
- create a shared language and approach to sustainability and managing for impact
- serve as an organizing framework to complement and strengthen existing initiatives
- Fill gaps that are undermining progress towards sustainability and achievement of the SDGs



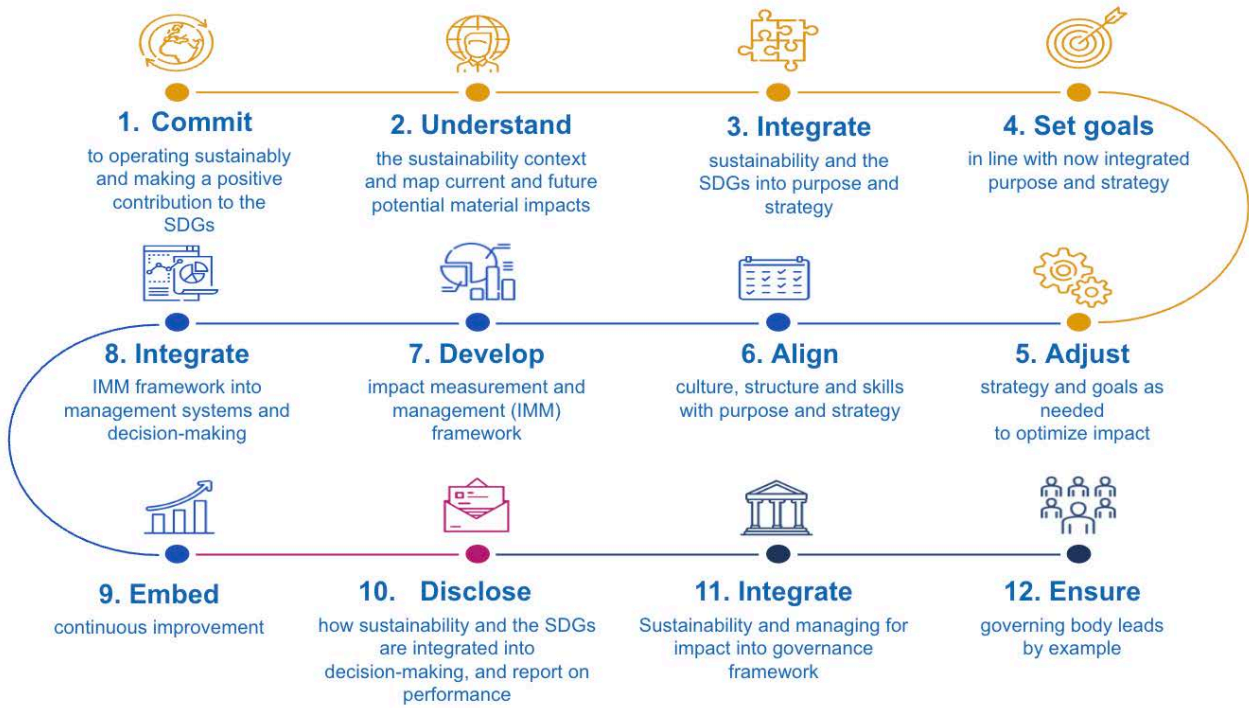
Developed as a public good, the SDG Impact Standards provides a unified management approach to the advancement of sustainability and the SDGs amongst businesses, investors and policy makers



An overarching internal decision-making framework to help organizations be sustainable, resilient and prosperous for the long-term



The 12 SDG Impact Enterprise Actions



STRATEGY

MANAGEMENT APPROACH

TRANSPARENCY

GOVERNANCE



SDG Impact Self-Assessment Tool for Enterprises

Area of Impact	SDG 1: No Poverty	SDG 2: Zero Hunger	SDG 3: Good Health and Well-being	SDG 4: Quality Education	SDG 5: Gender Equality	SDG 6: Clean Water and Sanitation	SDG 7: Affordable and Clean Energy	SDG 8: Decent Work and Economic Growth	SDG 9: Industry, Innovation and Infrastructure	SDG 10: Reduced Inequalities	SDG 11: Sustainable Cities and Communities	SDG 12: Responsible Consumption and Production	SDG 13: Climate Action	SDG 14: Life Below Water	SDG 15: Life on Land	SDG 16: Peace, Justice and Strong Institutions	SDG 17: Partnerships for Development
Area 1																	
Area 2																	
Area 3																	
Area 4																	
Area 5																	

How to use the SDG Impact Standards

- Perform a self assessment and gap analysis against the standards
- Prioritize actions and develop an action plan
- Fill gaps and strengthen management practice and decision-making over time
- Work towards independent assurance and the SDG Impact Seal

Resources:

- [SDG Impact Standards Glossary](#)
- [SDG Impact Standards 12 enterprise actions](#)
- [SDG Impact Standards Self Assessment Tool for enterprises](#)
- [SDG Impact Standards Guidance documents for enterprises](#)
- [UNDP/DUKE on-line coursera course on IMM for the SDGs](#)
- [Examples and case studies will progressively be added](#)





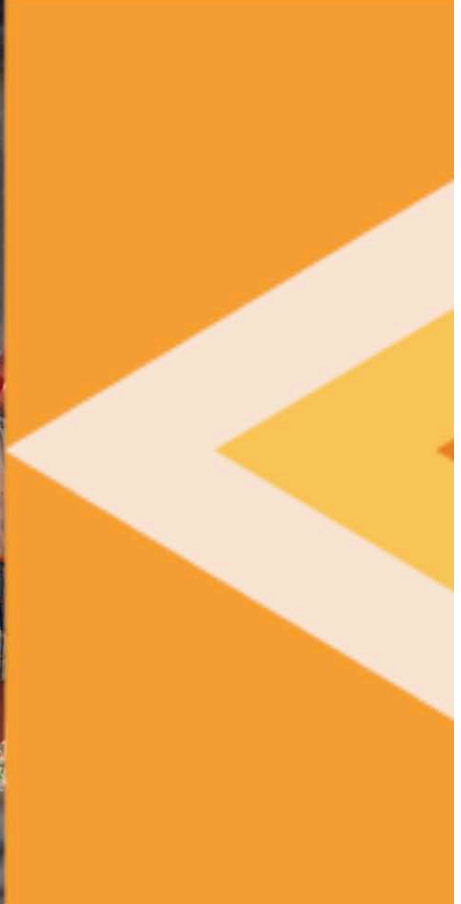
Thank-you!

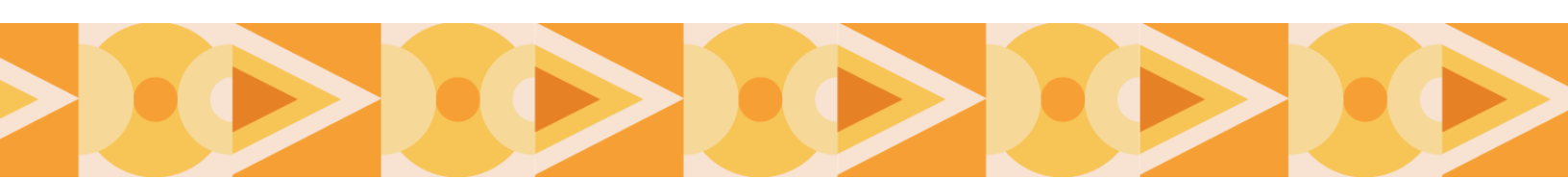
Contact:

fabienne.michaux@undp.org

Website: sdgimpact.undp.org

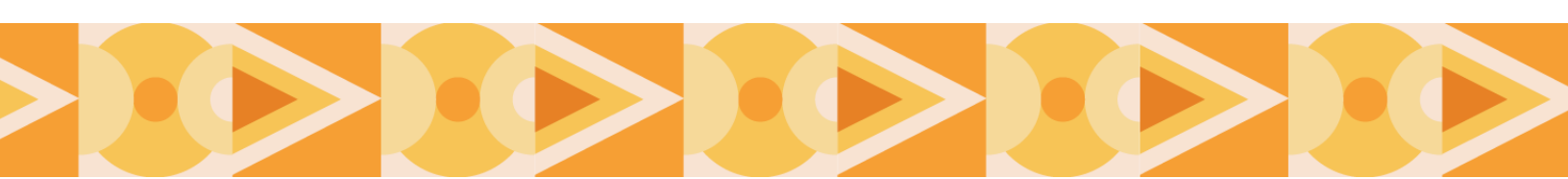
Twitter: [@sdgimpact](https://twitter.com/sdgimpact)





REFLECTION QUESTIONS & NOTES

To what extent are you using measurement tools and frameworks for external reporting requirements or to provide valuable insights to shape your strategy and increase your impact?



PRE-READING RESOURCES

OPTIONAL READING:

ARTICLE	AUTHOR / SOURCE
The world is seeing huge transitions — these will reshape our approach to development	Format: Online article Source: The Economic Times Author: Achim Steiner
Greenwish: The Wishful Thinking Undermining the Ambition of Sustainable Business	Format: Article Author: Duncan Austin
About the SDG Impact Standards	Format: Paper Source: UNDP Author: UNDP
The Next Frontier for Social Impact Measurement isn't Measurement at all	Format: Online article Source: Stanford Social Innovation Review Author: Kate Ruff & Sara Olsen



21ST CENTURY GOVERNANCE


ROSEMARY ADDIS

21st Century Governance

Professor Rosemary Addis AM,
Enterprise Professor Impact Sustainability & Innovation
Managing Partner Mondiale Impact
10 August 2023



**SHARED
VALUE
PROJECT**



Perspectives on Governance
21st Century Governance
Elephants in the Boardroom

The IPCC names 'collective inability of institution and governance systems to adapt and respond' as a global risk in the context where they also found risks are now 'cascading, compounding and aggregating'.

Cataloguing the global challenges for 2022, the UN Secretary General named the unifying theme as: 'at heart, failures of global governance'

Sir Nicholas Stern named climate inaction as "The greatest market failure the world has ever seen"

'...prioritization of companies over systems is the result of a conflict of interest that is deeply embedded in the financial system. System stewardship is a way of altering that structure.'

This applies across a range of institutional, political and organisational structures. Every organisation will need to interrogate and confront what this means for its governance and decision-making – openly, honestly and with courage. The status quo is not an option and there is no zero sum game.

<https://www.un.org/sg/en/content/sg/speeches/2022-01-21/remarks-general-assembly-his-priorities-for-2022> ; Stern Report 2006; IPCC Reports of Working Groups 2022; 2023; UN Secretary General 2022; What's Wrong with Boards? F Hilmer, Brio Books, 2022:: "Portfolio over Companies; when to say no to alpha, Frederick Alexander The Shareholder Commons, RIAA Conference 2022

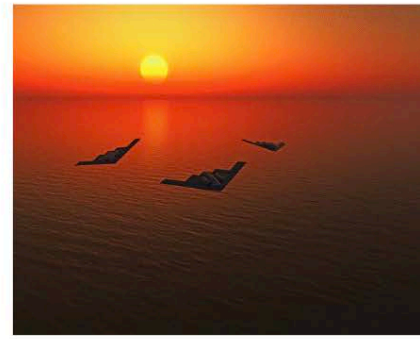


What is 21st Century Governance

Beyond some of the usual definitions, which can be circular and focus more on institutional qualities, Governance is fundamentally about the dynamics and practices for:

- ❑ How decisions are made
- ❑ Whose voices are heard
- ❑ What gets done as a result

Executed well, governance can be a powerful stealth weapon.



21st Century governance puts the essential questions of impact (positive and negative) at the centre of decision-making. For boards, this is an active, dynamic process of setting direction for strategy, and making impact an explicit dimension of performance expectations...

We forecast that within a decade leaders will be asked to account for why their entire approach has not been oriented to avoid harm and do more good... Those who act early can differentiate themselves positively in the market and progressively strengthen the evidence behind their commitments, strategies and offerings.

Mondiale Impact op ed 2022

Mondiale Impact: <https://mondialeimpact.com/resources/>

Elephants in the Boardroom

“There is a paradox inside boardrooms globally. While directors are growing aware of ESG challenges, lack of preparedness and questions on how to create meaningful impact remain....

Many boards are stuck in the status quo, continuing to do business in a way that is no longer relevant.”

-Sustainability Board Report, 2022

- ❑ Inertia... lack of urgency and immediacy... overwhelm
- ❑ Fear of...liability, greenwashing, risks, backlash.....
- ❑ Want of leadership – we have a CSO... committee... for that
- ❑ After we deal with... climate ... cyber security...
- ❑ False equivalents ... compliance is not shared value or impact
- ❑ Not playing the whole (board) game: risk lens without opportunity
- ❑ Not fielding the best team or deploying them effectively
- ❑ Oversimplification and overcomplication
- ❑ The quest for precision at the expense of clear direction
- ❑ Need for a new conversation and tools to navigate less familiar terrain
- ❑ Governance, including Boards not set up for the task



Milton Friedman's Hazardous Feedback Loop, D Austin, Responsible Investor, 2020; Mondiale Impact WIP on where Boards get stuck; [What's Wrong with Boards? F Hilmer, Brio Books, 2022](#); [The Sustainability Board Report, 2022](#);

Evolution or revolution in governance?

Consistent themes in governance and directors' duties over a century are :

- ❑ what is the purpose of the corporation;
- ❑ what kinds of interests and consequences should directors consider when making decisions; and
- ❑ how far ahead should they look?



'None of those questions is novel. But new and different answers may be emerging as increasing emphasis is given to how companies are governed and to the responses companies can or should have to ESG issues. And if new and different answers are emerging it is because the kinds of interests and consequences which directors should consider are seen as wider than once they were... '

The Hon Justice Michelle Gordon AC, Harold Ford Memorial Lecture 2023

'The current approach to improving governance, which we characterize as more of the same, needs a fundamental re-think, not fine tuning.'

Fred Hilmer AO, What's Wrong with Boards

[Harold Ford Memorial Lecture 2023, The Hon Justice Michelle Gordon AC; What's Wrong with Boards, F Hilmer, AICD Director Magazine, December 2022](#)

What are we optimising for?

“To fully embrace their stewardship roles, they [Boards] need to have the courage to challenge current practices and thinking, the flexibility to dive into uncharted waters knowing that plans and targets will likely change, and the vision to see both the short and long term.”

Sustainability Board Report, 2022



Managing risk
Compliance focus
Strengthening Performance
Acting to avoid harm

Purposeful engagement with environmental and social issues
Active management and engagement including of environmental and social risks
Value creation and generation opportunities
Differentiation and brand building

Integration of impact across strategy & performance
Measurable and additional goals and performance targets
Design products and services to generate net positive impact
Risk management includes impact risks and unintended consequences
Increasingly solutions focused

From mitigation to measurement to management
From reporting to decision making and incentivising
From an add on to what gets done to how things get done

[Adapted from SDG Impact Standards; Mondiale Impact materials 2022, 2023; Sustainability Board Report 2022](#)

Discussion Questions

- ? What can be helpful entry points to the conversation at Board level?
- ? What are the dimensions of the Board role? Where do you see things get stuck?
- ? What is the Executive's role and options?
- ? Compliance and reporting have a strong gravitational pull, what could assist in getting to escape velocity?
- ? ESG has led in some Boardrooms and is also where organisations are getting stuck. Is that the case for your organization? How could the orientation shift?
- ? Insead work found '*Despite relative Board homogeneity, Directors have different ideas about sustainability and how it fits with business principles and strategy*'. Is this a factor in your organisations?
- ? They also identified archetypes – Deniers, Hard Heads, Superficial, Complacent, and the True Believers – does this ring true for your experience?



'Those of us who've been doing this a long time know you won't solve the Rubik's cube one face at a time'

Monique Mathys-Graff, Willis Towers Watson

[Solving the Rubik's Cube of Sustainable Investment, M Mathys-Graff, WTW Podcast Series Episode 8, December 2022](#)



REFLECTION QUESTIONS & NOTES

- What's needed now? What are the hallmarks of good practice in a new context?
- Is prospective tension between profit and impacts still a relevant question? What happens where some companies must act in order to preserve systems?
- What dimensions of performance, strategy, management and accountability we need to be explicit for in governance structures, process and dynamics?
- How do we approach conveying a sense of urgency while maintaining structure and clarity of purpose?
- Do Boards have a duty to arm themselves with the people and capabilities, knowledge and tools to promote longer term sustainability
- What is the nature of that duty? Fiduciary? Moral? Societal? To whom is that duty owed?
- What can be helpful to break down points of entry Board level?
- What are we optimizing for? Is there clarity and congruence between the Board and other governance bodies and the executive?
- How could cross-cutting themes provide a useful lens climate, human rights, labour practices, diversity equity and inclusion
- Does sustainability and impact show up on the agenda? Where? How does it link into other aspects of Board dialogue and decision-making?
- A US based NYU study found most board members do not have any background in the issues demonstrable sustainability credentials only 7 qualified and just of boards have robust oversight of ESG issues How would your Board measure up?

PRE-READING RESOURCES

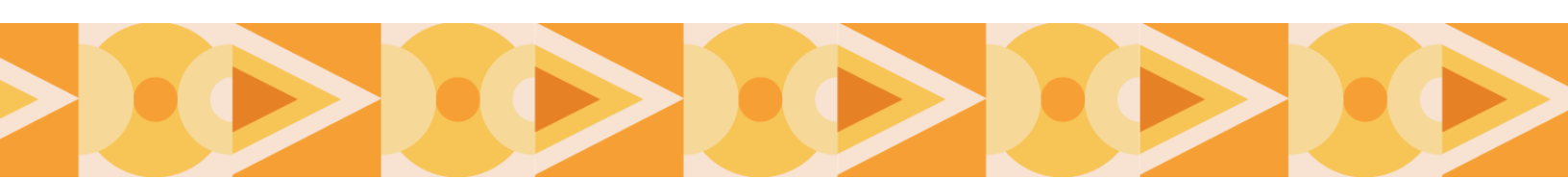
ARTICLE	FORMAT / AUTHOR / SOURCE
What's Stopping Boards from Turning Sustainability Aspiration into Action	Format: Paper Source: INSEAD Author: N. Craig Smith, INSEAD, Ron Soonieus, Camunico
What's Wrong with Boards	Format: Online article Source: AICD Author: Unknown

OPTIONAL READING:

ARTICLE	AUTHOR / SOURCE
Companies Need to Make Impact Count to Stay Ahead of the Game	Format: Online article Source: Mondiale Impact Author: Rosemary Addis
US Boards Suffer from Inadequate Expertise in Financially Material ESG Matters	Format: Paper Source: NYU Stern Center for Sustainable Business Author: Tensie Whelan
Corporate Governance – Big Ideas and Debates?	Format: Online Lecture Source: University of Melbourne, Melbourne Law School Author: The Hon. Justice Michelle Gordon AC
The Impact Principle: Roadmap for Corporations	Format: Paper Source: Impact Strategist Author: Working Group



NEXT STEPS AND WHAT TO TAKE AWAY
CLASS ROOM DISCUSSION AND REFLECTION



REFLECTION NOTES

What are you going to do differently as a result of taking this course?



FACULTY

Mark Kramer

Mark is a leading researcher, writer, speaker and consultant on business strategies for social impact. He has spoken at hundreds of conferences around the world and is best known as the co-author of seminal articles in Harvard Business Review and Stanford Social Innovation Review on Creating Shared Value, Collective Impact, and Catalytic Philanthropy.



Together with Professor Michael Porter, Mark co-founded FSG, a global social impact consulting firm. FSG supports Fortune Magazine in researching the annual Companies Changing the World list.

Mark also served as a Senior Lecturer at Harvard Business School and at Haas Business School at University of California, Berkeley. He was a member of the Aspen Philanthropy Group and the Kimberly-Clark Sustainability Advisory Board and is still a member of the Nestle Creating Shared Value Advisory Board. He also served on the jury of the annual Excellence in Corporate Philanthropy Award and the planning committee for the Clinton Global Initiative. Mark is a non-executive director of the Shared Value Project.

Since leaving HBS, Mark has co-founded a public benefit corporation, Maternal Newborn Health Innovations to commercialise a life-saving device for obstructed births, and a partner in Congruence Capital, an impact investing hedge fund launching October 1, 2023.

Rosemary Addis

Rosemary is an internationally recognised leader, director and strategist in impact, sustainability and innovation.



Rosemary is Managing Partner of Mondiale Impact, a unique global, practitioner-led partnership of trusted advisors activating Boards and decision-makers to govern for a more sustainable future and anticipate what is needed for the future of business and investment in a changing world. She is Enterprise Professor of Impact, Sustainability and Innovation in the Faculty of Business & Economics here at the University of Melbourne and Industry Professor at the Institute for Finance & Technology, University College London.

Her 30+ year track record spans a global legal career including as an equity partner of Allens-Linklaters advising major corporates, investment firms and governments, Social Innovation Strategist for the Australian Government, founding Executive Board member & Trustee of the Global Steering Group for Impact Investment and Founding Chair of Impact Investing Australia.

Rosemary has advised leading private sector organisations, governments and multi-laterals including the OECD, United Nations Development Programme, World Bank, Harvard Kennedy School and Oxford Said Business School and represented Australia on the G8 Social Investment Taskforce (2103-15).

She was recognised as an inaugural Sorenson Global Impact Leader, for lifetime contributions to impact, Member of the Order of Australia (2020), made a Global Ambassador of the Global Steering Group on Impact Investment.

Leith Sharp

Leith has taught leadership for sustainability at Harvard University for over 20 years, founding the Executive Education for Sustainability Leadership program at Harvard in 2014. This cross-sectoral leadership program brings sustainability leadership, human well-being, purpose, biomimicry, agility, integrated business models and organisational design together into a curriculum dedicated to cultural healing and flow.



In 2017, Leith co-founded Leaders on Purpose to engage global CEOs in defining and scaling a new leadership paradigm and business logic with the fitness to deliver on the UN Sustainable Development Goals. Through this initiative Leith directly engaged with global CEOs from Paypal, Siemens, Mastercard, Ikea, P&G, Sodexo, Danone, Mars, Best Buy, Phillips, SAP, BMW, L'Oreal and many more. In 2010, Leith co-founded the Illinois Green Economy Network, bringing 48 community colleges together to drive green workforce development across the state of Illinois, USA. Leith is also well known for founding Harvard's Office for Sustainability, where over a period of 9 years, beginning in 2000, she led Harvard to become a global leader in campus sustainability. Leith has consulted with over 200 organisations and has received numerous awards internationally, including Young Australian of the Year, NSW Environment Category and a Churchill Fellowship. Leith has an environmental engineering degree (UNSW), a master of education (Harvard) and is currently completing a Master of Science in Biomimicry (ASU).

Brad Potter

Brad is an Associate Professor in accounting and Head of the Department at University of Melbourne. Brad's research and consulting experience encompasses financial accounting and disclosure for both private sector and public sector entities.



He is keenly interested and involved in accounting standard-setting and financial reporting issues and passionate about high quality accounting standards that are underpinned by a rigorous evidence base and which enable robust financial reporting. His research also offers a sound evidence base for more informed decisions relating to the management and reporting of the broader environmental and social implications of company activities. Much of Brad's research involves a range of industry partners, including the Australian Accounting Standards Board, National Water Commission, CPA Australia, Chartered Accountants ANZ, Royal Botanic Gardens and the Institute of Public Accountants (IPA).

Brad regularly presents his work at international conferences and publishes his research widely to both academic and professional audiences.



Fabienne Michaux

Fab is the Director, SDG Impact – a United Nations Development Programme global flagship initiative in its Sustainable Finance Hub. SDG Impact was created to accelerate the mobilisation of private capital towards sustainability and the achievement of the Sustainable Development Goals through the development of market intelligence tools, management standards, training and market building activities.



Fab joined the SDG Impact team 2019 and is the lead developer of the SDG Impact Standards. She is also currently a non-executive director of Impact Investing Australia (Australia's NAB to the GSG) and Deputy Chair of Housing Choices Australia.

In 2019-2020 she co-chaired the Australian Sustainable Finance Initiative's working group on making better decisions (standards, data, frameworks and tools) and was a contributing author of the final roadmap report.

Fab previously enjoyed a 30-year executive career, including 22 years with S&P Global in the Global Ratings division where in her final role she was the Head of Developed Markets Asia-Pacific.

Ben Neville

Ben Neville is Associate Professor in the Department of Management & Marketing, Faculty of Business and Economics at the University of Melbourne in Australia. Ben researches and teaches in the area of sustainable business and society, including corporate social responsibility, business ethics, ethical consumption and social entrepreneurship.



Ben is co-Deputy Director of the new Melbourne Climate Futures initiative and the Gourlay Fellow of Ethics in Business. Ben is also the Coordinator of the Governance, Policy and Markets Stream in the Master of Environment, and Program Director of the Graduate Certificate in Sustainable Business.



Guest speakers, contributors and facilitators

Sandra Martinez: CEO, Nestle Oceania and Decade of Shared Value Award recipient.

Rob Coombs: (ex) President and CEO, Interface Asia Pacific, having worked closely with Interface Founder Ray Anderson.

Katherine Trebeck: political economist, writer-at-large at the University of Edinburgh, consultant to the Club of Rome, a Strategic Advisor for the Centre for Policy Development, and Economic Strategy Advisor to The Next Economy and co-found of the Wellbeing Economy Alliance.

Janette O'Neill: Chief Sustainability Officer and Partner at PwC Australia. Member of the Shared Value Leadership Council Prior to her current role with PwC she was the Global Head of Sustainability at QBE.

Adam Jay: Facilitator and Director of the Impact Assembly where he supports diverse groups to learn together and drive systemic change around the big challenges and big opportunities in our society.

Ben Peacock: Founder of Republic of Everyone, one of Australia's leading sustainability, purpose and impact agencies.

Lee McDougall: GM Sustainability, IAG and Chair of Shared Value Project Leadership Council.

Hugh Foley: shared value expert, member of the Shared Value Leadership Council. Hugh previously worked with co-creator of shared value, Mark Kramer at impact consultancy FSG.

Mike Stamp: Head of Strategy, Seek, Mike previously worked with co-creator of Shared Value, Mark Kramer at impact consultancy FSG.

*We sincerely thank everyone for their contribution to
Reinventing Value Creation 2023.*



COHORT

REINVENTING VALUE CREATION: 2023 COHORT

Company	Sector	Name	Title
IAG	Corporate	Peter Kottas	EM, Procurement Partnering & Commercial
IAG	Corporate	Alana Bailey	CFO Group Finance
IAG	Corporate	Andrew Jordan	EGM Corporate & Customer Strategy
AIA	Corporate	Alison Murray	GM Investments
AIA	Corporate	Sarah Phillips	GM, Communications and Corporate Affairs
AIA	Corporate	Alison McLean	GM, Shared Value Partnerships
Ampol	Corporate	Kellie Wade	Diversity & Inclusion Manager, Ampol
UNDP	Peak Body	Manita Ray	SDG Finance and Gender Equality Specialist
Alfred Health	NFP	Katrina Wilkins	Deputy Director
Shared Value Initiative - HK	Peak Body	Karen Choi	Partnership and Development Lead
Jobscan	NFP	Tony Layh	Director of Business Engagement
Melbourne Innovation Centre	NFP	David Williamson	CEO
Melbourne Innovation Centre	NFP	Chris Koulouris	Chair
Alta Brands Group Pty Ltd	SME	Lawrie Pigot	Director
Office of Commissioner of Environmental Sustainability / FrontierSI	Government	Gillian Sparkes	Commissioner / Chair
FrontierSI	Research Institute	Phil Delaney	Deputy CEO
FrontierSI	Research Institute	Trish Sturgess	COO
Office of Commissioner of Environmental Sustainability	Government	Michael Reid	Director
Mondiale Impact	Consulting	Lisa Main	Corporate communications
Infoxchange	NFP	Kate Hickman	Chief People Officer
BirdLife	NFP	Diana Gibson	Head of Communications, Engagement & Development

Company	Sector	Name	Title
Bank Australia	Corporate	Scott Wall	Chief Transformation Officer
Bank Australia	Corporate	Patrick Ashkettle	Chief Risk Officer
Bank Australia	Corporate	Rob Salisbury	Head of Financial Reporting and Control
RIAA	Peak Body	Michelle Lilley	Manager, Client Services
Nestle	Corporate	Margaret Stuart	Director – Corporate Affairs and Sustainability
NAB	Corporate	Danielle McInerney	Manager, Consumer Affairs
NAB	Corporate	Sophia Beckett	Associate Director, Sustainability Performance
NAB	Corporate	Catie Bell	Associate Director, NAB Ready Together
Regis Aged Care	Corporate	Rameez Hassan	Group Manager, Strategy, Quality and Improvement
RACQ	Corporate	Mary-Jane Bellotti	Chief Purpose Officer
RACQ	Corporate	Yvonne Macleod	GM Corporate Strategy & Transactions
Impact Assembly	Consulting	Adam Jay	Director
Circle Green	NFP	Celia Dufall	CEO
Australian Accounting Standards Board	Peak Body	Nikole Gyles	Technical Director
PwC	Corporate	Donna Watt	Partner
Coles	Corporate	Craig Taylor	General Manager Supplier Sustainability Relations
Mutual Trust	Wealth Management	Simone Rouse	Partner - Portfolio Solutions & Responsible Investing
Engineers Without Borders	NFP	Eleanor Loudon	CEO
Prime Value Asset Management	Wealth Management	Alice Wong	Non-Executive Director



GLOSSARY

Glossary of Terms

Term	Definition
Corporate Social Responsibility (CSR)	Corporate social responsibility (CSR) is the idea that a business has a responsibility to the society that exists around it, not only for the economic consequences of their activities, but also for the social and environmental implications. In practice, CSR approaches vary significantly from organisation to organisation - from philanthropic grant programs to more strategic activities that align with business operations and strategies.
Culture	The implied social order of an organisation that influences attitudes, behaviours, and what is valued. Source: Shared Value Purpose Playbook
Double Materiality	The concept that brings both Financial Materiality (see Financial Materiality) and Impact Materiality (see Material Impacts) together. Double Materiality considers the influence of social and environmental factors on the company's ability to create value for itself <u>and</u> the company's impact on the people, economy and environment.
ESG	Criteria used by investors to evaluate a company's exposure to and management of risks related to environmental, social or governance issues. Such issues may include a company's environmental footprint, labour conditions, and board oversight. Source: Shared Value Purpose Playbook
Externalities	Positive or negative, intentional or unintentional, direct or indirect, impacts on people, communities, society or the planet caused by an entity which is not reflected in market prices (i.e. an entity's enterprise value or an investment's valuation). Source: SDG Impact
Financial materiality	The consideration of sustainable development issues (risks and opportunities) that are deemed to be financially material to enterprise value (i.e. as opposed to those broader issues that are material to sustainable development and the achievement of the SDGs, or to the Stakeholders experiencing the impacts and go beyond strictly financial aspects, see Material Impacts and Double Materiality). Source: SDG Impact
GIIN (Global Impact Investing Network)	A global network dedicated to increasing the scale and effectiveness of impact investing around the world. The GIIN manages the IRIS+ system as a public good.
Global commons/tragedy of the commons	"A commons is a tract of land or water owned or used jointly by the members of a community. The global commons includes those parts of the Earth's surface beyond national jurisdictions – notably the open ocean and the living resources found there – or held in common – notably the atmosphere". Source: Chapter 18, The Global Commons, World



Term	Definition
	<p>Conservation Strategy, Internal Union for Conservation of Nature and Natural Resources. The tragedy of the commons is where common resources are overused, degraded or otherwise depleted in pursuit of short-term, personal self-interest to the detriment of the whole community in the longer term. Examples include over-fishing and human caused climate change. Source: SDG Impact</p>
<p>GRI (Global Reporting Initiative)</p>	<p>An international independent standards organisation that helps businesses, governments and other organisations understand and communicate their environmental, economic and social impacts. The GRI Standards are global and distributed as a free public good. Source: SDG Impact</p>
<p>Human Capital (see also Natural Capital and Social Capital)</p>	<p>The knowledge, skills, competencies and attributes embodied in individuals that contribute to improved performance and wellbeing. Source: Capitals Coalition.</p>
<p>IFRS Foundation (International Financial Reporting Standards)</p>	<p>The IFRS Foundation is a not-for-profit, public interest organisation established to develop globally accepted accounting and sustainability disclosure standards.</p> <p>Standards have been developed by their two standard-setting boards, the International Accounting Standards Board (IASB) and International Sustainability Standards Board (ISSB). Source: IFRS</p>
<p>Impact</p>	<p>Changes to aspects of wellbeing as experienced by people and/or planet caused by the organisation through its decisions and actions in its own operations and through its supply and value chains and its business relationships. Impacts can be positive or negative, intended or unintended, direct or indirect. Source: SDG Impact</p>
<p>Impact Assessment</p>	<p>The process of measuring and valuing relevant impacts (and dependencies), using appropriate methods. Source: Capitals Coalition.</p>
<p>Impact washing (also greenwashing, rainbow washing)</p>	<p>The superficial or insincere display of concern for impacts on people and the planet or the exaggeration of impact claims to attract investors or customers. Source: SDG Impact</p>
<p>Investor</p>	<p>Provides financial capital to other entities with an expectation of financial and/or impact return. Source: Social Value International.</p>
<p>IRIS+</p>	<p>A public good system managed by GIIN. The system helps investors measure, manage, and optimise their impact. It provides core metrics sets aligned to the SDGs and organised by the Five Dimensions of Impact, the IRIS catalogue of standard metrics, evidence maps connecting common strategic goals to outcomes, and how-to guidance and resources. Source: IRIS+.</p>



Term	Definition
<p>ISSB (International Sustainability Standards Board)</p>	<p>The Trustees of the IFRS Foundation (see IFRS Foundation) announced the formation of the International Sustainability Standards Board (ISSB) on 3 November 2021 at COP26 in Glasgow.</p> <p>The ISSB has set out four key objectives:</p> <ul style="list-style-type: none"> • to develop standards for a global baseline of sustainability disclosures; • to meet the information needs of investors; • to enable companies to provide comprehensive sustainability information to global capital markets; and • to facilitate interoperability with disclosures that are jurisdiction-specific and/or aimed at broader stakeholder groups. <p>The ISSB builds on the work of market-led investor-focused reporting initiatives, including the Climate Disclosure Standards Board (CDSB), the Task Force for Climate-related Financial Disclosures (TCFD), the Value Reporting Foundation’s Integrated Reporting Framework and industry-based SASB Standards, as well as the World Economic Forum’s Stakeholder Capitalism Metrics. Source: IFRS</p>
<p>Material Impacts (see also Financial Materiality)</p>	<p>Material impacts (see also definition of Impact)</p> <ul style="list-style-type: none"> • are those impacts that affect the wellbeing of Stakeholders (see also definition of Stakeholders) experiencing them • and that would influence decisions of the entity acting in the interest of those Stakeholders, to maximise wellbeing and achieve sustainability • taking into account the sustainability risks and opportunities that are most significant for the entity’s own value creation. <p>Having a formal assessment process to determine which impacts are material helps entities identify which impacts to prioritise and manage to optimise their contribution to sustainability and achievement of the SDGs and maximise well-being of people and planet.</p> <p>Sources: Social Value International and SDG Impact (adapted)</p>
<p>Natural Capital (see also Human Capital and Social Capital)</p>	<p>The stock of renewable and non-renewable natural resources that combine to yield a flow of benefits to people. Source: Capitals Coalition.</p>
<p>Net Positive Impact</p>	<p>Enterprises and investments have positive and negative impacts on sustainable development outcomes and the SDGs. For an enterprise or investment to be net positive, the positive impacts need to outweigh the negative impacts. Source: SDG Impact</p>
<p>Perverse Incentives</p>	<p>Incentives that have an unintended and undesirable effect on behaviour, such that it makes the original problem worse, or redirects actions from where they are needed most (e.g. cherry picking). Source: SDG Impact</p>



Term	Definition
Planetary Boundaries	Defines the environmental limits within which humanity can safely operate. Proposed in 2009 by Johan Rockstrom, Stockholm Resilience Centre and Will Steffen, Australian National University.
Purpose	The contribution your organisation makes to society (beyond making a profit).
PRI (Principles for Responsible Investment)	An international network of investors working to understand investment implications of environmental, social and governance factors (ESG) and incorporate these factors into investment and ownership decisions. Six Principles for Responsible Investment are voluntary and aspirational: incorporate ESG issues into investments, be active owners, seek appropriate disclosure, promote the Principles, enhance implementation effectiveness, and report activities and progress. Source: SDG Impact
SASB (Sustainable Accounting Standards Board)	<p>A non-profit organisation that creates industry sustainability standards for disclosing and recognizing financially material (to the Enterprise value) environmental, social and governance impacts of publicly traded US companies. Source: SDG Impact</p> <p>As of August 2022, the International Sustainability Standards Board (see ISSB) of the IFRS Foundation (see IFRS Foundation) assumed responsibility for the SASB Standards. The SASB Standards play an important role in the first two IFRS Sustainability Disclosure Standards, IFRS S1 General Requirements for Sustainability-related Disclosures and IFRS S2 Climate-related Disclosures. Source: SASB</p>
SDG Impact	UNDP initiative to create a suite of complementary resources to facilitate increased private sector investment towards advancing the SDGs. The SDG Impact products include the SDG Investor maps, and the SDG Impact Standards, assurance framework and online IMM training developed through the Case Centre at Duke University. Source: SDG Impact
SDGs	The Sustainable Development Goals are a blueprint to achieve a better and more sustainable future for all, and include 169 targets across the 17 global goals.
SFDR (the Sustainable Finance Disclosure Regulation)	Came into force in December 2019 with an implementation date of 10 March 2021. Part of the European Commission's package of reforms to implement its sustainable finance strategy. Requires all EU-based financial market participants to disclose ESG risks, with additional requirements for investments or products that make specific ESG or sustainable investment claims. Source: SDG Impact
Sensitivity and Scenario Planning	The process of identifying a range of plausible scenarios based on different assumptions (e.g. an expected case, a worst case, and a best case scenario), and assessing the variability of outcomes based on changes in the scenario. This is especially important in uncertainty, i.e. when the variables are not completely within, or are outside, the entity's control (e.g. climate change).



Term	Definition
<p>Shared Value</p>	<p>Policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress.</p> <p>The concept was introduced in 2011, by Harvard professors Michael Porter and Mark R. Kramer in the Harvard Business Review article 'Creating Shared Value,' and has since been adopted by the global business community. Shared value policies and thinking can be adopted by Government and not-for-profits too; both of which can serve as valuable partners in delivering meaningful and sustainable change at scale.</p> <p>There levels of shared value:</p> <ul style="list-style-type: none"> ● Reconceiving products and markets: Creating new products and services for existing or new markets which better serve societal needs ● Redefining productivity in the value chain: Accessing and using resources, energy, suppliers, logistics and employees differently, and more productively ● Enabling local cluster development: Improving the local operating environment by supporting skill-development and capacity-building <p>Societal value comes from vastly improving the conditions in which we live; advancing health outcomes, education, employment, financial or digital inclusion, service access and participation and/or helping to reduce our impact on the environment.</p> <p>Source: Creating Shared Value: HBR Michael Porter and Mark Kramer</p>
<p>Social Capital (see also Natural Capital and Human Capital)</p>	<p>The networks and shared norms, values and understanding that facilitate cooperation within and among groups. Source: Capitals Coalition.</p>
<p>Stakeholders</p>	<p>Those (people and planet) who are affected, intentionally or unintentionally, directly or indirectly, by an entity's activities and decisions (noting that inaction is also a decision), including:</p> <ol style="list-style-type: none"> 1. Human-rights holders including workers, local community members, human rights defenders, migrant workers, persons with disabilities, indigenous peoples, consumers and organisations such as trade unions, which are not human-rights holders but may represent them. 2. Customers who use the entity's products/services 3. Employees (and other workers) who work for the entity 4. Local communities who are directly or indirectly affected by an entity's activities (e.g. unhealthy factory emissions that negatively affect surrounding local communities; or affordable housing units for underserved communities) 5. Suppliers and distributors who are affected by the entity's volume of procurement, regulations and quality control (e.g. a zero-tolerance policy on child labour that affects suppliers)



Term	Definition
	<p>6. The planet, which an entity affects through extracting, using and creating environmental resources; and through pollution that is emitted by these processes.</p> <p>Source: SDG Impact (Adapted from Impact Management Project)</p>
Stakeholder Capitalism	<p>Stakeholder capitalism is a form of capitalism in which companies seek long-term value creation by taking into account the needs of all their stakeholders, and society at large.</p> <p>Source: World Economic Forum</p>
Strategy (Porter)	<p>Michael Porter defines strategy as a competitive position, “deliberately choosing a different set of activities to deliver a unique mix of value.”</p> <p>Strategy is about serving a particular set of customers uniquely well.</p> <ol style="list-style-type: none"> 1. A unique value proposition versus competitors 2. A distinctive value chain, involving clear choices about how the company will operate differently to deliver on its value proposition 3. Making clear tradeoffs, and choosing what not to do 4. Integrating choices across the parts of the value chain so that the functions fit together and reinforce each other 5. Continuity of strategic direction, with continuous improvement in realising the unique value proposition <p>Source: Michael Porter and Mark Kramer</p>
Sustainability	<p>Sustainability refers to the ability of a system or process to endure over time while preserving resources for future generations. It involves balancing environmental, social, and economic considerations to meet present needs without compromising the needs of the future.</p> <p>In business, sustainability refers to doing business without negatively impacting the environment, community, or society as a whole.</p>
Systems change	<p>Advancing equity by fundamentally shifting the conditions that hold a problem in place, including policies, practices, resource flows, relationships, power dynamics, and mental models.</p> <p>Source: The Water of Systems Change. John Kania. Mark Kramer. Peter Senge, 2018</p>
Systems Thinking	<p>A method of critical thinking to facilitate better decision-making and reduce unintended consequences considering connections and interdependencies of a system’s parts. First, define the bounds of a system. Second, define the parts. Third, analyse relationships between the parts to better understand connections and interdependencies which ultimately affect the system’s performance/ outcomes. Source: SDG Impact</p>
Trade-offs	<p>Quantitative (not necessarily monetary) comparison of impacts, all of which are not attainable at the same time. Source: Social Value International.</p>
Value Creation	<p>Entities create (or destroy) value through the value they create (or destroy) for their entity (and its shareholders/owners/providers of finance) and Stakeholders (people and planet). Through the process of creating (or destroying) value, entities have an impact (positive or negative, direct or indirect, intended or unintended) on sustainable development and achieving the SDGs. Source: SDG Impact</p>



Term	Definition
World Benchmarking Alliance (WBA)	<p>WBA seeks to generate a movement around increasing the private sector's impact towards a sustainable future for all by working to incentivize and accelerate companies' efforts towards achieving the SDGs. WBA has set out to develop benchmarks to compare companies' performance on the SDGs.</p> <p>Source: SDG Impact</p>

EXTENSION LEARNING



 <p>DECENTRALISING SUSTAINABILITY: stepping up to the challenge</p> <p>In-house workshop to take sustainability strategy, knowledge and skills across the organisation.</p> <p>Co-designed and facilitated to align sustainability and core business areas</p>	 <p>COMPANY REFLECTION: virtual planning</p> <p>One-on one for each organisation to reflect and explore how you will share learnings and action through your organisation.</p> <p>Facilitated by Shared Value Project, complimentary for attendees.</p>
 <p>IMPACT STUDIO: exec-ed cohort, extended learning</p> <p>Virtual classroom for 4 week term with mixed industry cohort.</p> <ul style="list-style-type: none">• ESG Maturity: creating competitive advantage• Organising for Commercial Sustainability• Partnering for Impact & Value Creation	 <p>MENTORING CIRCLES: Shared Value Member practitioners</p> <p>Virtual peer to peer learning circle with rolling start dates.</p> <p>Members must apply, included in membership.</p>

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SHARED VALUE PROJECT

[Enquire about these extension opportunities here](#)

SUBSCRIPTIONS

- [Harvard Business Review](#)
 - ◆ [Inclusive Growth: Profitable Strategies for Tackling Poverty and Inequality: A road map for creating shared value](#)
- [Fortune Newsletters](#) (various options)
- [OECD](#)

ARTICLES / PAPERS

- [The Imperative for Impact Management](#) (Report)
- [The Sustainability Board Report](#) (Report)
- [Activating Sustainability in the Boardroom](#) (online article set)
- [Purpose Playbook](#) by FSG / Shared Value Initiative
- [Understanding the need for systems leadership: Universal ownership](#) by Principles for Responsible Investment (PRI) & UNEP Finance Initiative

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- [Stakeholders as human beings: Interpreting value as wellbeing \(OECD\)](#) by OECD
 - [Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts](#) Journal article from The Academy of Management Review
 - [Approaching the Tipping Point: Recommendations for Building the Marketplace for System Level Investing. The Investment Integration Project, 2022](#)
 - [ACCC publishes draft guidance to improve businesses' environmental claims](#)
 - [The world's in a 'polycrisis' — and these countries want to quash it by looking beyond GDP](#)
 - Japan's Prime Minister Fumio Kishida used his [address at Davos](#) in 2022 as the platform to call for a “new form of capitalism” to help revive the Japanese economy.
 - [The Rise of the Networked Generalist | Russell Reynolds Associates](#)
 - [Why Business Leaders Need To Learn About Social And Political Movements | Digital Tonto](#)
 - [Fact sheet - Australasia | IPCC](#)
 - [Measuring What Matters Dashboard](#) - Australian Treasury Department

PODCASTS

- [ESG Insider \(S&P Global\)](#)
- [The Sustainability Agenda](#)
- [Outrage and Optimism](#)

BOOKS

- [Profit and Prejudice: The Luddites of the Fourth Industrial Revolution](#) by Paul Donovan
- [21st Century Investing: Redirecting Financial Strategies to Drive System Change](#)
- [The Business of Building a Better World: The Leadership Revolution That Is Changing Everything : Cooperrider, David: Amazon.com.au](#)
- [Converge: A futurist's insights into the potential of our world as technology and humanity collide eBook : Ball, Catherine: Amazon.com.au: Kindle Store](#)
- [Purpose and Profit: How Business Can Lift Up the World : Serafeim, George](#)

COMMUNITIES & ONLINE KNOWLEDGE BASES

- [AICD](#)
- [SDG Impact Resources](#)
- [Shared Value Project](#)
- [Changing the frame on social issues, Frameworks Institute](#) (online knowledge base)
- [Blueprint for Implementation of the CFO Principles, United Nations Global Compact](#) (online knowledge base)



EDUCATION

- [UNDP Impact Measurement and Management for the SDGs](#) (free, certificate available for small fee)
- [Sustainability Leadership, Executive Education \(Harvard Chan/Leith Sharp\)](#)
- [Shared Value Project Executive Education Program 2024](#) (Shared Value Project)