

State of Leadership

Presentation to Austrian Businesses

Caroline Holme, GlobeScan
7 October 2019

Agenda



1. The Context for Leadership
2. Recognized Leaders
3. Evolution of Leadership

Context for Leadership

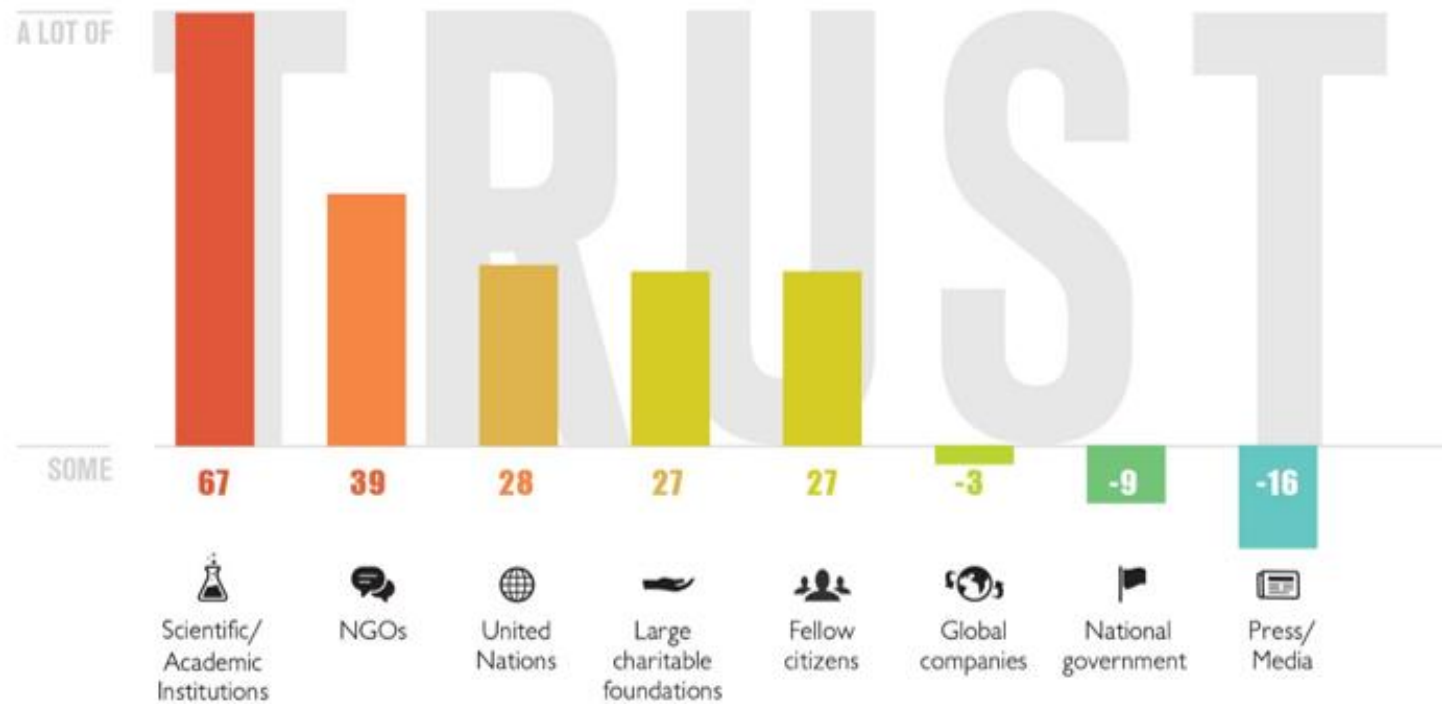
We live in a Volatile, Uncertain, Complex and Ambiguous (VUCA) World



People across the world trust in scientists/academics and NGOs, but not business, government and media

Net Trust* in Institutions

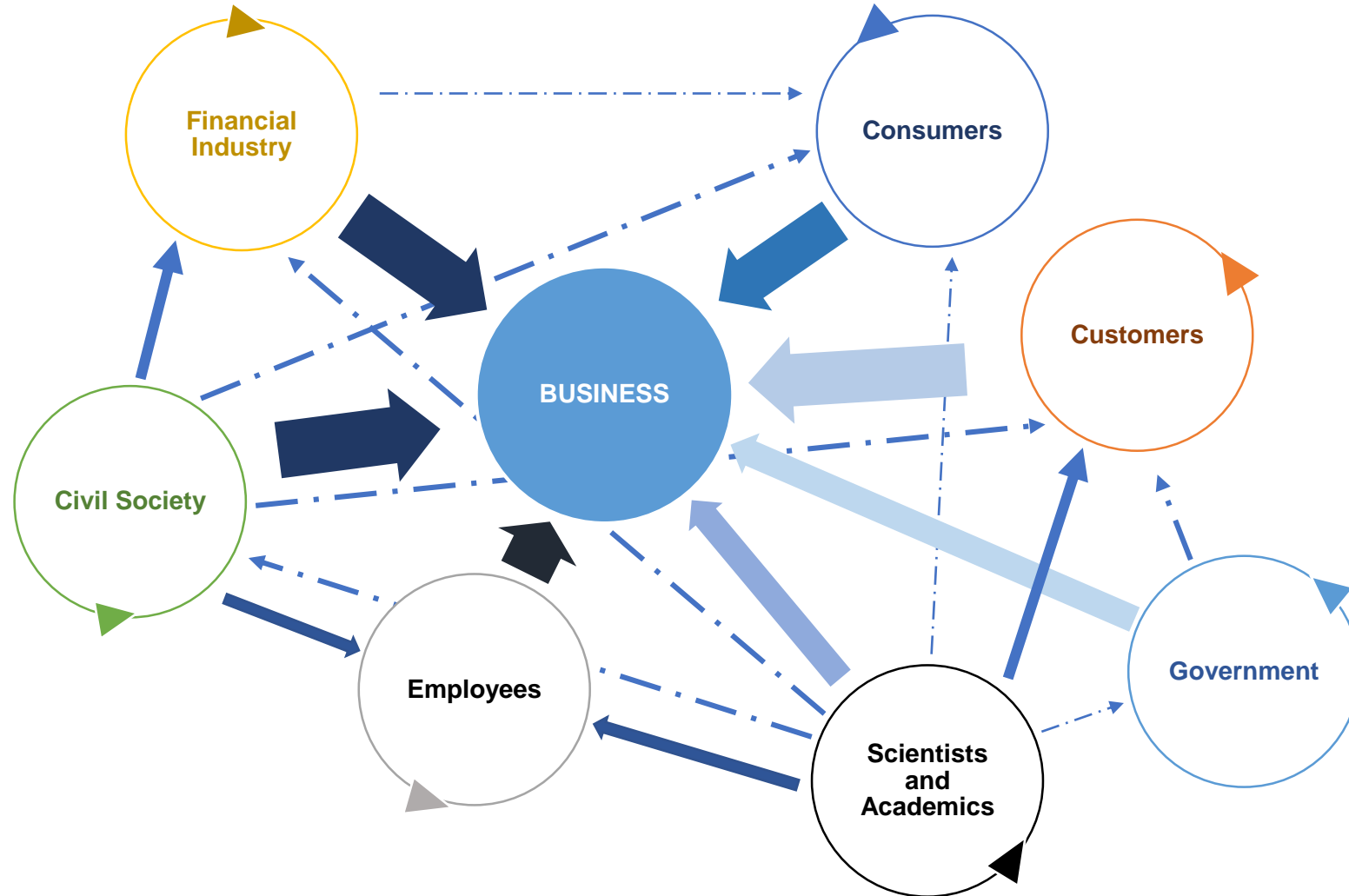
Average of 25 Countries,**2019



A lot of trust and *Some trust* minus *Not much trust* and *No trust at all*

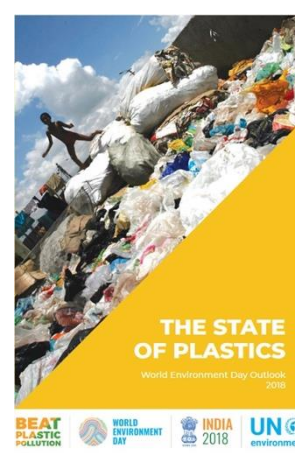
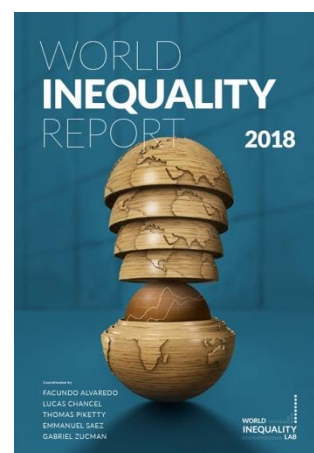
**Includes Argentina, Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Italy, Indonesia, Japan, Kenya, Mexico, Nigeria, Philippines, Russia, Saudi Arabia, South Africa, South Korea, Spain, Sweden, Turkey, UK, and USA

T2. Please indicate how much you trust each of following institutions to operate in the best interest of society. Would you say you have a lot of trust, some trust, not much trust, or no trust at all in...?



Scientists & Academics

The scientific and academic communities are constantly translating what the planet is trying to tell us, and the media is echoing the urgency.



Why we all need to go on the 'planetary health diet' to save the world



Climate change: How 1.5C degrees of global warming could change the world

FINANCIAL TIMES

Extinctions increasing at unprecedented pace, UN study warns

The Guardian

Huge income inequalities in society need to be tackled

tearfund

If you are a journalist or work in the media, see below for our latest press releases.

PRESS RELEASE: SIR DAVID ATTENBOROUGH BACKS NEW REPORT REVEALING STARK HEALTH IMPACTS OF PLASTIC POLLUTION AND RUBBISH ON WORLD'S POOREST PEOPLE



Civil Society

An increasing number of social movements, especially led by young people, are pushing the activist community towards more confrontational dynamics compared to traditional NGOs.



RISING UP! Extinction Rebellion Occupy Greenpeace Offices



SUNRISE MOVEMENT



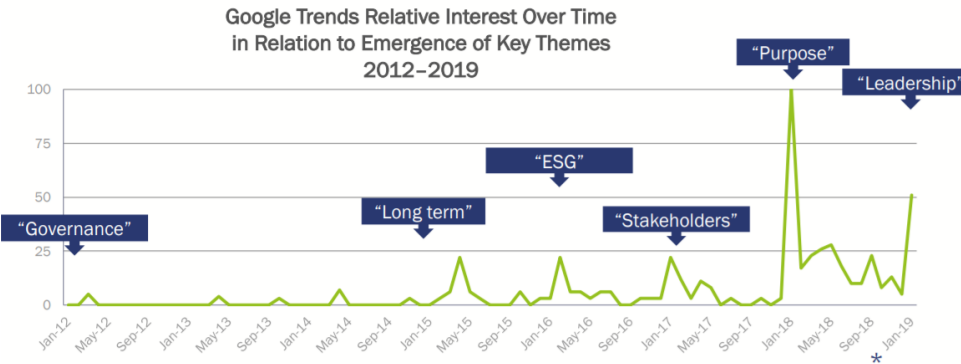
WORLD RESOURCES INSTITUTE



Financial Industry

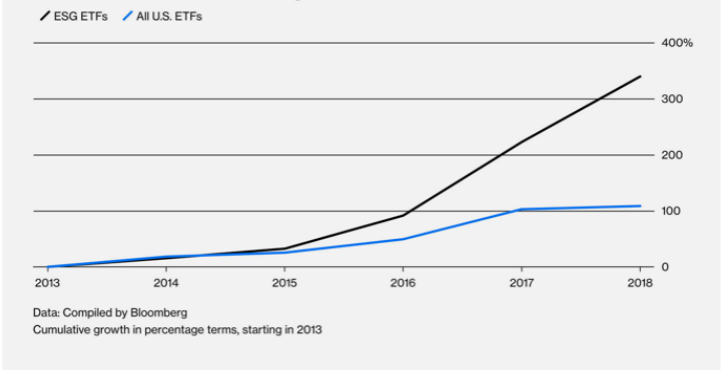
The financial sector is embracing ESG and long-termism like never before and the impacts are affecting valuations, investor conversations and expectations.

BlackRock



Bloomberg

Assets in ESG Funds Have Surged Since 2015



Climate risk and disclosure. Source: [Bloomberg](#)

FINANCIAL TIMES

ESG accelerates into the investment mainstream

Forbes

Power The Purpose Of A Corporation

The CEOs of nearly 200 companies just said shareholder value is no longer their main objective

Employees

The rapid rise in employee activism poses important pressure inside companies, demanding their leadership to take public stand and action on political, social and environmental issues they care about.



INSIGHT

EMPLOYEE ACTIVISM IN THE AGE OF PURPOSE: EMPLOYEES (UP)RISING



05.29.2019

Amazon workers demand Bezos act on climate crisis

At a shareholder meeting Wednesday, the CEO refused to address workers urging the company to overhaul its climate policy



▲ The group Amazon Employees for Climate Justice is urging the company to take action on the climate crisis. Photograph: Courtesy of Amazon Employees for Climate Justice

Google Workers' Walkout Signals Crisis of Faith in Company Culture

Recent employee activism is in response to article that detailed company's protection of three executives accused of sexual misconduct

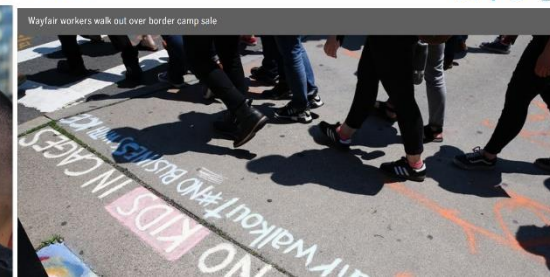


Activists marched outside of the Salesforce headquarters in San Francisco to protest the company's contract with U.S. Customs and Border Protection



Wayfair walkout is part of a new era of employee activism

By Janelle Nanes Globe Staff, June 29, 2019, 5:54 p.m.



Microsoft Employees Question C.E.O. Over Company's Contract With ICE



Customers

Businesses are being held accountable for their activity and operations throughout their value chains. Sustainability in supply chains is becoming a must and leading companies are taking innovative

FINANCIAL TIMES

Volkswagen gives suppliers ultimatum on emissions

German carmaker sets out green ambitions as it still reels from diesel emissions scandal

Sustainability in the Supply Chain: A New Competitive Advantage

January 30, 2018 / in News /

From Agreement to Action:

Mobilizing suppliers toward a climate resilient world



Project Gigaton is a Walmart initiative to avoid one billion metric tons (a gigaton) of greenhouse gases from the global value chain by 2030.

A Big Green Idea: How Procurement Can Balance Profitability and Sustainability

NICK HEINZMANN - October 1, 2018 8:00 AM |

Consumers

The seriousness of global problems is highly perceived by the general public, which continues to distrust global companies and believe these share the responsibility of helping people live sustainably.

Brand Purpose Gap



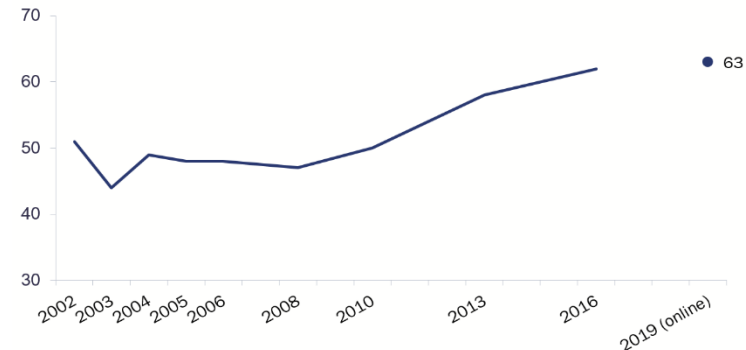
Source: GlobeScan + BBMG

Rewarding and Punishing Companies



Governments Should Require Large Companies to Work toward a Better Society

Agree ("Strongly Agree" and "Somewhat Agree"), Average of 18 Countries,* 2002–2019



*Countries include Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Mexico, Nigeria, Russia, South Korea, Spain, Turkey, UK, and USA. Not all countries were asked in all years.

Source: GlobeScan

The Millennial Consumer: A Driving Force For Corporate Sustainability

How Generation Z Will Make CSR A Business Norm

Government

Governments around the world are sporadically taking action to mitigate climate change, reduce inequality and increase business transparency.

Yale **Environment** 360

Piling Up: How China's Ban on Importing Waste Has Stalled Global Recycling

THE IRISH TIMES

The Irish Times view on the minimum wage: cutting pay inequality

The Economist

Costa Rica

Decarbonisation plan aims for zero net emissions by 2050

INDEPENDENT

India bans imports of waste plastic to tackle environmental crisis

EY
Building a better working world

Spain approves rules on tax information to be included in non-financial reporting

CNBC

California proposes phaseout of single-use plastics by 2030

CNN World • US | Africa | Americas | Asia | Australia | China | Europe | Middle East | India | UK

UK Parliament declares 'climate emergency'

GLOBAL CITIZEN.

Africa Is Leading the Way in the Fight Against Plastic

WORLD
ECONOMIC
FORUM

Mexico City is banning single-use plastics

THE LOCAL fr

France to set penalties on non-recycled plastic next year

GLOBESCAN

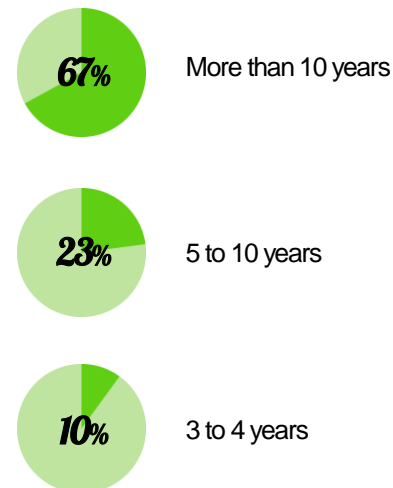
Recognized Leaders

Survey Methodology

807 qualified sustainability experts completed the online questionnaire from April 11th to May 20th, 2019.

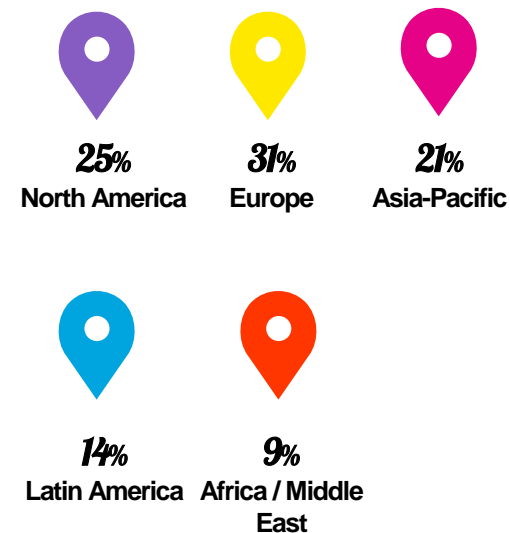
Experience

Respondents have the following experience working on sustainability issues:



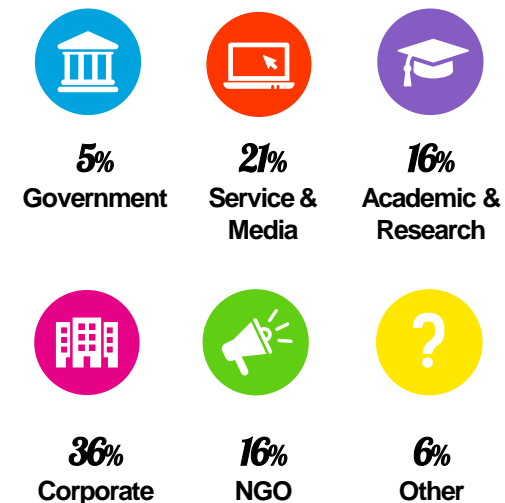
Geography

Experts surveyed span 78 countries in the following regions:



Sectors

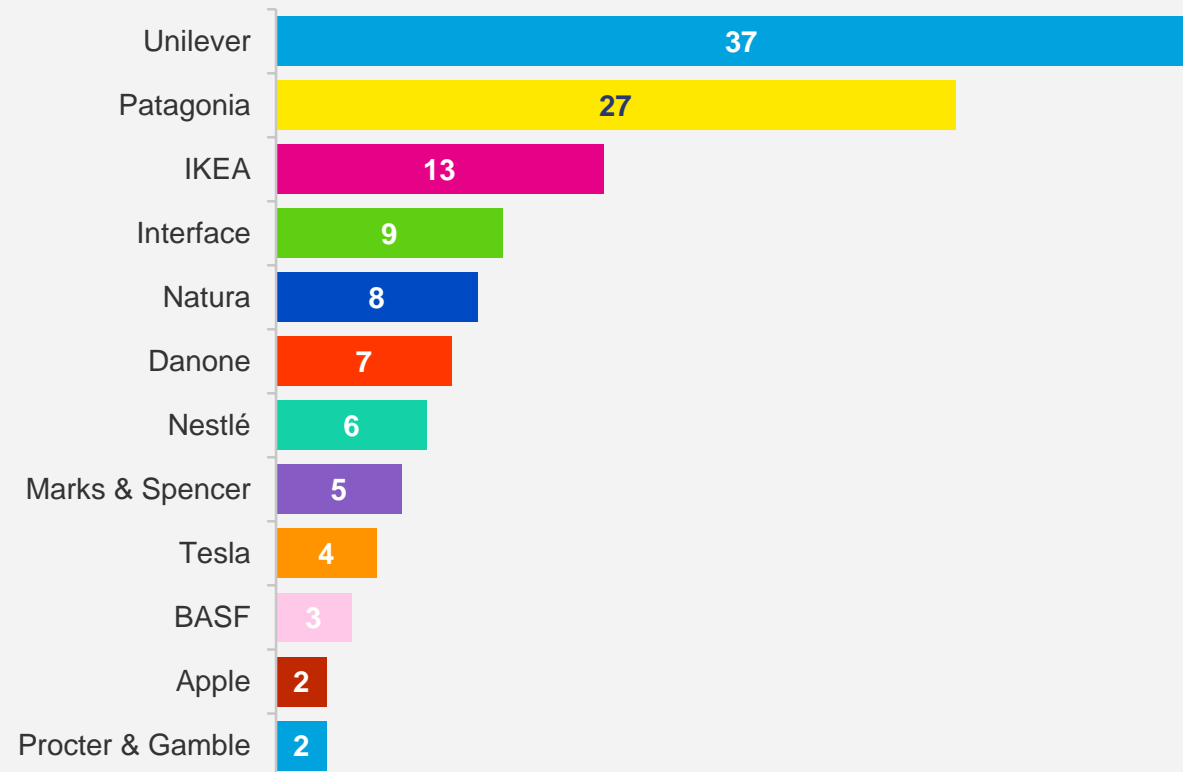
Respondents were drawn from the following sectors:



Global Corporate Sustainability Leaders 2019

Unilever, Patagonia, and IKEA Are Most Recognized Global Leaders

Question: What specific companies do you think are leaders in integrating sustainability into their business strategy? *Please enter a maximum of 3 companies in the spaces provided.*

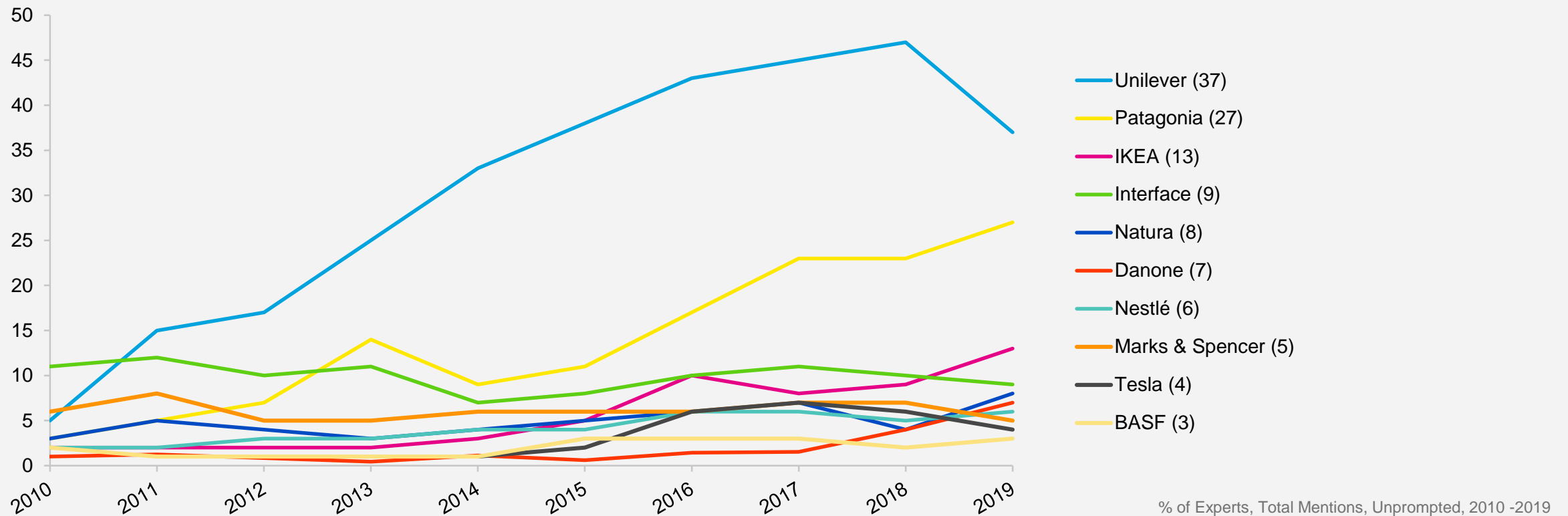


% of Experts, Total Mentions, Unprompted, 2019

Corporate Sustainability Leaders

Patagonia's Leadership Recognition Continues to Approach that of Unilever

Question: What specific companies do you think are leaders in integrating sustainability into their business strategy?
Please enter a maximum of 3 companies in the spaces provided.



Why Corporate Leaders Are Recognized

What is Driving Leadership?

Question: Why do you think [insert company #1] is a leader in sustainable development?
Please enter up to two responses.



Evolution of Leadership

Three Eras of Leadership



1997 - 2005

Three Eras of Leadership



1997 - 2005
Harm Reduction Era



Interface®



Three Eras of Leadership



1997 - 2005
Harm Reduction Era



Interface®



2006 - 2015
Strategic Integration Era



Interface®

M&S
EST. 1884



Walmart*

Three Eras of Leadership



1997 - 2005

Harm Reduction Era



Interface®



2006 - 2015

Strategic Integration Era



Interface®

M&S
EST. 1884



Walmart*

2016 - ongoing

Purpose-Driven Era



Interface®



Dawn of the Regenerative Era

A new form of business required to get us to 2030



How Experts Describe a Future Regenerative Economy

Experts Tend to Associate Regenerative with a Range of Themes, Especially Circular

Question: In order to transition to sustainable development and achieve the Sustainable Development Goals (SDGs), the economy needs to significantly change to become more regenerative. *What words or phrases would you use to best describe a future “regenerative” economy?*



Size of Word Proportional to % of Experts, Total Mentions, 2019

How Experts Describe a Future Regenerative Economy

Verbatims

Question: In order to transition to sustainable development and achieve the Sustainable Development Goals (SDGs), the economy needs to significantly change to become more regenerative. *What words or phrases would you use to best describe a future “regenerative” economy?*

“A circular economy that produces more environmental and social capital than it consumes.”
– France

“Developing and implementing ways to rebuild our ecosystems, bringing back the systemic equilibrium and richness that's needed to thrive. We passed the point of sustainability, we need to regenerate. The good news is that new technologies are coming and this might be possible. We need to push on all camps, the technological, the economic/financial approach, the political ... in order to make this shift.” – Brazil

“Equal access to opportunities, avoiding corruption and opening opportunities to the most disadvantaged. Encouraging innovation across the board and inclusive of all key influential and meaningful stakeholders that have a true and genuine sense of purpose.” – Indonesia

“While sustainability focuses on development today that protects the ability of future generations to develop, the priority of regenerative development is to apply holistic processes to create feedback loops between physical, natural, economic and social capital that are mutually supportive.” – Nigeria

THANK YOU