

SUMMARY REPORT

Future for Sustainability Summit

Enhancing the value of business

1 October 2014

Kings Place
London

Supported by

Cranfield
UNIVERSITY
School of Management

FT Remark
Research from the Financial Times Group



An event from FINANCIAL TIMES **LIVE**

SUMMARY REPORT



INTRODUCTION

Over the years, sustainability has progressed from being solely a compliance and corporate social responsibility issue to a core business concern that is fundamental to long-term objectives and value creation. Those corporations that seamlessly incorporate sustainability within their overall strategy not only benefit from improved cost margins and an enhanced corporate image, but also make valuable contributions to critical global concerns such as youth unemployment and resource scarcity. This insulates the organisation from future risks, and fosters robust relationships with customers, employees and communities. The challenge lies in prioritising the sustainability efforts which will create the highest value for business and society.

SUMMIT DESCRIPTION

On 1 October 2014, in London, the FT and Coca-Cola Enterprises brought together a panel of world class speakers and industry thought leaders to the **Future for Sustainability Summit: Enhancing the value of business**. The Summit, chaired by **Michael Skapinker, Assistant Editor, Financial Times**, explored the sustainability strategies, trends and collaborations that are shaping business models. The Summit also explored whether business is doing enough to ensure that the next-generation is workplace-ready, tackle resource wastage and climate change, and enable leaders to engage with society and prepare their organisations for future threats and opportunities.

FUTURE FOR SUSTAINABILITY SUMMIT

ENHANCING THE VALUE OF BUSINESS



THEMES, SESSIONS AND SPEAKERS

The Summit addressed these key themes through a combination of keynote interviews, case studies, panel discussions, plenary and breakout sessions.

The Summit was opened by **Michael Skapinker**, whose remarks highlighted that sustainability is now, more than ever, essential to the future of business. He was followed by a welcome address by **John F. Brock, Chairman and Chief Executive Officer, Coca-Cola Enterprises**, who explored the central role that sustainability plays today in Coca-Cola Enterprises' overall strategy, affirming that the company wants to be on the cutting edge of sustainability. This would be achieved by delivering long-term value for business and society, inspiring other businesses and leaving a positive legacy for the next generation of business leaders.

Marie-Claire Daveau, Chief Sustainability Officer and Head of International Institutional Affairs, Kering, addressed, in a keynote interview, the issue of **whether**

business is doing enough to tackle global sustainability challenges. **Ms Daveau** shared her views on the sustainability strategies critical to long term success and commented on how sustainability – being at the core of Kering's business strategy – permeates the company's decisions on raw materials, energy, CO2 emissions and water consumption, among others.

The **millennial generation's view on sustainability** was presented in the opinion section of the programme, introduced and moderated by **Professor David Grayson, Director of the Doughty Centre, Cranfield School of Management.** **Christian Busch, Associate Director, London School of Economics' (LSE) Innovation and Co-Creation Lab; Noa Gafni, Co-Managing Director, Global Tolerance;** and **Alan Mak, President and Trustee, Magic Breakfast** shared their views on business sustainability, commenting on the sustainability research commissioned by Coca-Cola Enterprises, in partnership with Cranfield University and FT Remark.

The speakers shared their thoughts on how

SUMMARY REPORT

Profit and purpose



In partnership with Cranfield University and the Financial Times' FT Remark, Coca-Cola Enterprises commissioned research into current and future business leaders' opinions about the combination of profit and purpose - now and in the future. Here are some of the highlights. Share your thoughts at #FTFutureSus

to adopt social purpose and discussed the concept of business success, emphasising that although profitability and shareholder value are important metrics, improving social and environmental impact and contributing to innovation and talent development are increasingly becoming part of this concept. They agreed that millennials have a new social and environmental conscience and that their expectations on the role of business are different to those of previous generations. They pondered on how to build organisations that are adapted to the demands of millennials, touching upon the need to democratise processes, improve transparency and align genuine values to purpose. They commented on different ways that progress in this regard could be accelerated, citing the important role that governments are set to play in creating enabling environments and the need for each individual business to define for itself its purpose, its *raison d'être*.

The topic of **ensuring that the next generation is work-place ready** was debated in an interactive panel discussion moderated by **Mr Skapinker**. The participants in this session, **Pascal Beucler, Senior Vice President and Chief Strategy Officer, MSLGROUP**; **Rajeeb Dey, Founder and CEO, Enternships.com**; **Adam Kingl, Executive Director of Learning Solutions, Executive Education, London Business School**; and **Nicolas Marang, Director of International Coordination of Sustainability and CSR, L'Oréal** discussed the best ways to enable inclusive youth participation at all levels, referring to the key skills development initiatives promoted by their organisations. They brought attention to the current mismatch of skills to jobs, especially in areas like ICT. They also highlighted the responsibilities of businesses in educating their workforce and in articulating the message to millennials of what is expected from them to and when they join the workforce.



Laura Storm

The critical issues of **natural resource scarcity and environmental challenges** where illustrated by two case studies.

Estelle Brachlianoff, Executive Vice President UK & Ireland, Veolia focused on how to tackle the challenges of climate change and resource scarcity in the boardroom, presenting the case of Veolia, which is in the process of transforming itself from a traditional business –a waste and resource company— into a manufacturer of green products and green energy. Ms Brachlianoff commented on how this move into a circular economy could be achieved by ensuring boardroom buy-in is based on financial realities.

Laura Storm, Executive Director, Sustainia, presented Sustainia's approach to the communication of climate change and environmental issues and its vision for the kind of world that could be created in 10 years' time based on ready and available solutions that give people a vision of a better future and that would generate new opportunities for business. According to **Ms Storm**, the solutions that Sustainia promotes are already in the market,

have a positive environmental impact, improve quality of life and have scalability potential. Many of them cover or address circular economy, water efficiency, responsible supply chains and sharing economies and include companies like Atlantic Leather, Bionic Yarn, Levis, Micropro Computers, and gNappies.

How to implement a forward-looking sustainability agenda was the subject matter of a panel discussion moderated by **Mr Skapinker** in which **Paul Crewe, Head of Sustainability, Engineering, Energy and Environment, Sainsbury's; Nina Ekelund, Program Director, Haga Initiative; Dan C. Esty, Hillhouse Professor of Environmental Law and Policy, Yale Law School; and Julian Marwitz, Founder, Arineos** debated on how to successfully integrate sustainability into tangible business initiatives. The panel highlighted that there is a new focus on an integrated approach to sustainability, treated at the highest level in the organisation and that underpins strategic decisions. The panellists commented on this emerging approach, pointing out that it brings about critical changes to business models,

SUMMARY REPORT



Dr Allan Pamba

opportunities for cost savings and possibilities of working to reduce climate impact in a profitable way. Looking at the future, the agenda appears to be shifting from reducing environmental footprints to a proactive sustainability handprint. The critical question organisations are asking themselves now is: “How are we shaping the world to make it more sustainable?”, the panel concluded.

Curt Welling, Board Director, Coca-Cola Enterprises and Member of Faculty at Tuck School of Business at Dartmouth College introduced the **Value of Business** section of the Summit, referring to the underlying tension of the compatibility of financial markets, business profitability and sustainability and underscoring the need to find business models that validate and differentiate the value of purpose and that are credible for the investment community.

Examples of two large companies that are making their purpose driven commitment credible – not only to customers but to the market place – were introduced by two keynote speakers: **Paulette Frank, Vice President of Sustainability, Johnson &**

Johnson Family of Consumer Companies and **Dr Allan Pamba, Vice President Pharmaceuticals, East Africa and**

“

How are we shaping the world to make it more sustainable?

Dr Allan Pamba
Vice President Pharmaceuticals, East
Africa and Government Affairs, Africa
GSK

”

Government Affairs, Africa, GSK.

Ms Frank talked about integrating purpose with business strategy, describing how at Johnson & Johnson, mission, values, business strategy and execution of this strategy have been aligned and integrated since the inception of the company in 1880. According to **Ms Frank**, this purpose, integrated with business strategy, has allowed Johnson &

FUTURE FOR SUSTAINABILITY SUMMIT

ENHANCING THE VALUE OF BUSINESS



Johnson to deliver financial results while doing things for people, communities, the planet and shareholders.

Dr Pamba tackled the question of how to align profit with a broader purpose and deliver sustainable business growth by sharing GSK's experience in sustainable commitments and investments in Africa. He explained the strategic drivers and associated transformation within business models that allowed GSK to respond to a moral dilemma of the highest magnitude –deliver medications and vaccines in scale to populations which are growing, are in great need and have very limited budgets and resources—and turn it into a profitable proposition.

The Summit presented five **breakout sessions** on:

1. how we create a new definition of business value which is supported by the financial community
2. how the definition of business value and social purpose differs between the current and the next generation of business leaders
3. how waste can be rethought and considered

- as a valuable resource and a transition to a circular economy business model
4. how sustainability can be designed into products and services in a way that delivers value
5. how 'The Internet of Things' will become a driver for long-term business sustainability.

These crucial issues were dealt with in sessions where smaller groups of attendees exchanged their views.

- Breakout session 1) was facilitated by **Mr Skapinker**, **CB Bhattacharya**, **Professor of Marketing**, **E.ON Chair in Corporate Responsibility**, and **Dean of International Relations**, **European School of Management & Technology (ESMT)**; **James Cameron**, **Non-Executive Chairman**, **Climate Change Capital (CCC)**; **Nik Jhangiani**, **Senior Vice President and Chief Financial Officer**, **Coca-Cola Enterprises** and **George Nagel**, **Regional Controller Europe, Middle East & Africa**, **Closure Systems International** shared their perspectives on the critical sustainability indicators and metrics most valued by investors and financiers and

SUMMARY REPORT



debated on how the financial community increasingly accounts for the risk of not engaging in sustainability initiatives. Investors do value sustainability, and often react to the data that is published on an organisation's CSR performance. Businesses often do not provide relevant or timely data to investors, and there is a need to create ventures that connect the decision power of investment systems with the deliverables of the sustainability industry. Sustainability must sit at the heart of an organisation's operating framework, and the information provided to investors must be relevant. Businesses must translate their sustainability value proposition into terms the market can understand. Risk is a critical consideration for investors, particularly when quantify non-financial indicators. Risks from sustainability are however systemic and very difficult to calculate, so consistency is critical when delivering a new definition of business value, across markets, the financial community and society.

- Breakout session 2) was facilitated by **Nadine Exter, Head of Business Development, Doughty Centre for Corporate Responsibility, Cranfield University**. **Maggie Brown, Chapter President, London, Net Impact** and **Maria Kokkinou, Chief Diversity Officer and Talent Acquisition Director Europe, Coca-Cola Enterprises** exchanged views on the key tools to integrate business value and social purpose within the organisation, emphasising that future leaders consider social and environmental impact, innovation and talent development as key components of business success. Asked about how to encourage businesses to adopt a social purpose, the group came up with a series of recommendations. These included building a culture of social purpose from the top down, having a clear understanding of what sustainability is, the mission and why it is important, adequately connecting with young people through employability and professional networks, benchmarking with competitors, linking social purpose with commercial objectives, and engaging with and instilling feedback from internal and external stakeholders.

FUTURE FOR SUSTAINABILITY SUMMIT

ENHANCING THE VALUE OF BUSINESS



- Breakout session 3) was facilitated by **Anna Warrington, Principal Sustainability Advisor, Sustainable Business, Forum for the Future**. **Laurent Georgeault, Chargé de mission économie circulaire, Institut de l'Economie Circulaire**; **Julie Hill, Chair of the Circular Economy Task Force and Associate, Green Alliance**; **Mathias Lenas, Sustainable Packaging and Recycling Director, Coca-Cola Enterprises** and **Freek van Eijk, Dutch Circular Economy Expert and Managing Director, Acceleratio** debated on the critical issues and key barriers to delivering a circular economy, including a need to raise awareness on internalising resource risk within the business and more supportive government policies which create incentives for new recovery infrastructure. They cited education for societal change, broad engagement of the supply chain, innovation in regulation and top management engagement, and a move from an internal approach to a system approach as the main enablers of circular business models.
- Breakout session 4) was facilitated by **Sophie Thomas, Co-Director, Design at RSA and Head of the Great Recovery Project**. **Ulrike Sapiro, Director, Community and Environment, The Coca-Cola Company**; **Samantha Snabes, Co-Founder and Catalyst, re:3D** and **Mark Shayler, Owner of Ape and Facilitator, The Great Recovery Project** led the groups which worked on hypothetical case studies on developing food and beverage circular business models, creating circular packaging and delivering a circular retail future.
- Breakout session 5) was facilitated by **Bal Bansal, Associate Director, IT Innovation and Digital, Coca-Cola Enterprises**. **Hugh Knowles, Head of Innovation at Forum for the Future and Director, Internet of Things Academy, Forum for the Future** and **Dr Catherine Mulligan, Head of Digital Strategy and Economics, Future Cities Catapult and Research Fellow, Imperial College London** debated with the group on the advancement and opportunities that the “Internet of Things” present as a driver

SUMMARY REPORT



Mike Biddle

for long-term business sustainability. They discussed the potential and impact of data to question and inform sustainability decisions and the role of companies, business and civil society in using technology as an enabler of sustainable change.

The final address of the day was a **Call for Action - The new corporation: Delivering economic and social value in the 21st century** by **Dr Mike Biddle, Founder and Director, MBA Polymers**. **Dr Biddle** reflected on his journey of bucking conventional wisdom to build a company that makes a big business out of recycling plastics. He focused on the work of MBA Polymers and referred to other inspiring initiatives in this space. He underlined the fact that these type of solutions are scalable and that there is an investment opportunity waiting to be grabbed in giving materials, like plastics, a new life. The Summit drew to a close with the Chair's reflections on the main issues discussed during the day. **Mr Skapinker** underlined two key topics that stuck with him: the importance of conveying to the financial community the risk of not engaging in the

type of sustainability initiatives discussed at the Summit and the huge business opportunities that sustainability presents. "It is when sustainability is seen as a business opportunity that it becomes embedded and can take off", he concluded.

“
It is when
sustainability is
seen as a business
opportunity that it
becomes embedded
and can take off

Dr Mike Biddle
Founder and Director
MBA Polymers

”



Organisations need to fundamentally re-think how they integrate sustainability into their business models in more holistic ways. The **FT-Coca-Cola Enterprises Future for Sustainability Summit** achieved what only few other conferences are able to do: combining relevant content with interesting speakers, as well as an equally interesting audience. Highly recommended for those that aim to be part of (re-) thinking how we can develop 'enlightened self-interest' based organisations and societies.

Christian Busch

Associate Director, *London School of Economics' (LSE) Innovation and Co-Creation Lab*



I enjoyed this opportunity to hear best practice sustainability in business case studies and share insights with peers

Dr Allan Pamba

Vice President Pharmaceuticals, East Africa and Government Affairs, Africa, GSK



We need more events like the **FT-Coca-Cola Enterprises Future for Sustainability Summit**, it is time for emerging industries in sustainability

Julian Marwitz

Founder, *Arineos*



The **FT-Coca-Cola Enterprises Future for Sustainability Summit** highlighted many of the opportunities and challenges businesses face regarding sustainability. The discussions centred on the importance of sustainability as a driver of profit as well as purpose. The millennial generation demands more from businesses and it was clear from the speakers that large corporations are up for the challenge.

Noa Gafni

Managing Director, *Global Tolerance*

ORGANISERS

FINANCIAL TIMES | Global
LIVE Conferences
& Events



Financial Times Live, the global conferences and events arm of the Financial Times, gathers pre-eminent public and private sector decision-makers, visionaries and strategists from the world's most important economies and industries for a wide range of interactive, agenda-setting programmes that combine the power of on-site discussion and networking with the flexibility of live-streamed and on-demand broadcasting.

Chaired by senior journalists from the Financial Times and its group publications, the summits, conferences, awards and strategic forums organised by FT Live provide audiences with the opportunity to listen to and interact with speakers of the highest calibre in lively and stimulating debates that cover the key issues of our time.

The Financial Times provides essential news, comment, data and analysis for the global business community. It has a combined print and online average daily readership of 2.1 million people worldwide and a combined paid print and digital circulation of 652,000 (Deloitte assured, Q4 2013). FT education products now serve 37 of the world's top 50 business schools.

www.ft-live.com
www.ft.com

SOCIAL MEDIA



www.twitter.com/ftlive **#FTFutureSus**



For more updates, please see our Facebook page:
www.facebook.com/FinancialTimes



Financial Times Live group:
<http://on.ft.com/linkedin>



Coca-Cola Enterprises, Inc. (CCE) is the leading Western European marketer, producer, and distributor of non-alcoholic ready-to-drink beverages and one of the world's largest independent Coca-Cola bottlers. CCE is the sole licensed bottler for products of The Coca-Cola Company in Belgium, continental France, Great Britain, Luxembourg, Monaco, the Netherlands, Norway, and Sweden. We operate with a local focus and have 17 manufacturing sites across Europe, where we manufacture nearly 90 percent of our products in the markets in which they are consumed. Corporate responsibility and sustainability is core to our business, and we have been recognised by leading organisations in North America and Europe for our progress in water use reduction, carbon footprint reduction, and recycling initiatives.

www.cokecce.com
@cokecce

SUPPORTING PARTNERS



Cranfield School of Management is one of the oldest and most prestigious business schools in the UK. The School is part of Cranfield University, the UK's only wholly postgraduate university specialising in science, technology, engineering and management. Management has been part of Cranfield University since the fifties. The University was founded on an old RAF site as the first postgraduate college of aeronautics. The School of Management grew out of industrial need for management training and was formerly established in 1967 (although the Cranfield MBA dates back to 1964). The airfield the University grew up around is still in use. The School is known for its excellence in leadership development and its powerful industry links and real world focus. Key activities include collaborative research and consultancy, postgraduate degree programmes (MBA, MSc, DBA, PhD), executive development for middle and senior managers and customised company programmes.

www.cranfield.ac.uk



FT Remark produces bespoke research reports, surveying the thoughts and opinions of key audience segments and then using these to form the basis of multi-platform thought leadership campaigns. FT Remark research is carried out by Remark, part of the Mergermarket Group, and is distributed to the Financial Times audience via FT.com and FT Live events.



Net Impact is a leading nonprofit that empowers a new generation to use their careers to drive transformational change in the workplace and the world. At the heart of our community are over 50,000 student and professional leaders from over 300 volunteer-led chapters across the globe working for a sustainable future. We partner with forward-thinking businesses and nonprofits that want to engage in meaningful ways with next generation leaders on campus and in the workplace. Together, we make a net impact that transforms our lives, our organisations, and the world.

www.netimpact.org

Financial Times Live
One Southwark Bridge
London SE1 9HL
UK

T: +44 (0) 20 7775 6653
E: ftlive@ft.com

www.ft-live.com/futuresus
www.ft-live.com