

'The wisdom contained in this brilliant book will become seminal, and its impact, transformational'

—Henri-Claude de Bettignies

Emeritus Professor at INSEAD Business School



THE ADVENTURE OF **SUSTAINABLE PERFORMANCE**

BEYOND ESG COMPLIANCE
TO LEADERSHIP IN THE NEW ERA

**STUART McLACHLAN
DEAN SANDERS**

WILEY

Gina Mastantuono, Chief Financial Officer, ServiceNow

“Finally! *The Adventure of Sustainable Performance* is the ESG guide and an invaluable resource for CEOs, CFOs and any enterprise striving to meet stakeholder expectations. Stuart and Dean remind us that we must go beyond environmental responsibility and fulfill our corporate social and governance obligations. Embarking on an ESG journey is no longer a nice-to-have; it is a business imperative.”

Jack Leslie, Former Chairman, Weber Shandwick

“I was suspicious when I read the authors’ claim that ‘this is not just another business and sustainability book.’ The fact is that, for many CEOs, the constant drumbeat of stakeholders demanding sustainable business practices and ‘shared value’ has begun to give them headaches.”

Dean Sanders and Stuart McLachlan have not only been on the frontlines of the sustainability movement, they’ve been in the board-rooms of companies working with business leaders who must pivot to new ways of doing business. This book will open your eyes to the enormous change that lies ahead – change that goes well beyond just commitments to reduce carbon emissions. Change that will truly transform industries and economies.”

Cristina Gallach, Spanish sustainability expert, former UN Under-Secretary-General, and deputy Foreign Affairs Minister

“Uncertainty, disruption, complexity and accelerating change define this moment in time. Business leaders must deliver transformational change alongside positive impact and returns for investors. But in addition, they have to face up to their responsibilities to steer a different course for our endangered planet. Stuart and Dean’s invaluable book takes ESG to the next level. They stretch ESG practices into new time horizons and to a destination they refer to as ‘sustainable performance’. Precisely the adventure that all committed and responsible leaders have been waiting for! This book will act as a reliable and conscientious lighthouse in a uniquely challenging environment.”

*Dame Polly Courtice, Founder and Former CEO,
Cambridge Institute for Sustainability Leadership*

“This book leaves the reader in no doubt about the fierce ‘reality of now’ and the turbulent times that lie ahead. More importantly, it is a wonderful call to arms for leaders who want to embrace the transformation that is required and seize the opportunities that lie within sustainable performance and value creation. It is filled with great examples of the dynamic, adaptive, courageous leadership that will be required, and offers invaluable guidance in understanding the language and developing the tools that will be needed in the next stage of their journey.”

*Santiago Gowland,
Chief Executive Officer, Rainforest Alliance*

“In *The Adventure of Sustainable Performance*, Stuart McLachlan and Dean Sanders remind us of the power of leadership in steering our enterprises and economies towards a decarbonised and regenerative future. At Rainforest Alliance we share the conviction that partnerships between the private sector, NGOs and governments are key to accelerate the shift to what the authors call ‘total value systems’ at the scale required this decade. This is essential reading for any leader who wants to be part of shaping that future.”

*Paul A. Davies,
Global ESG Co-Head at Latham & Watkins*

“A book that is both highly engaging and vitally important for business leaders globally. As Stuart and Dean rightly note, the business world has a tremendous opportunity to make choices that create sustainable, long-lasting value for society as a whole – *The Adventure of Sustainable Performance* is an excellent source for those wishing to do so.”

'The wisdom contained in this brilliant book will become seminal, and its impact, transformational'

—Henri-Claude de Bettignies

Emeritus Professor at INSEAD Business School

THE ADVENTURE OF **SUSTAINABLE PERFORMANCE**

**BEYOND ESG COMPLIANCE
TO LEADERSHIP IN THE NEW ERA**

**STUART McLACHLAN
DEAN SANDERS**

WILEY

This edition first published 2023

© 2023 Stuart McLachlan and Dean Sanders

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by law. Advice on how to obtain permission to reuse material from this title is available at <http://www.wiley.com/go/permissions>.

The right of Stuart McLachlan and Dean Sanders to be identified as the authors of this work has been asserted in accordance with law.

Registered Offices

John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, USA

John Wiley & Sons Ltd, The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ, UK

Editorial Office

The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ, UK

For details of our global editorial offices, customer services, and more information about Wiley products visit us at www.wiley.com.

Wiley also publishes its books in a variety of electronic formats and by print-on-demand. Some content that appears in standard print versions of this book may not be available in other formats.

Trademarks: Wiley and the Wiley logo are trademarks or registered trademarks of John Wiley & Sons, Inc. and/or its affiliates in the United States and other countries and may not be used without written permission. All other trademarks are the property of their respective owners. John Wiley & Sons, Inc. is not associated with any product or vendor mentioned in this book.

Limit of Liability/Disclaimer of Warranty

While the publisher and authors have used their best efforts in preparing this work, they make no representations or warranties with respect to the accuracy or completeness of the contents of this work and specifically disclaim all warranties, including without limitation any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives, written sales materials or promotional statements for this work. The fact that an organization, website, or product is referred to in this work as a citation and/or potential source of further information does not mean that the publisher and authors endorse the information or services the organization, website, or product may provide or recommendations it may make. This work is sold with the understanding that the publisher is not engaged in rendering professional services. The advice and strategies contained herein may not be suitable for your situation. You should consult with a specialist where appropriate. Further, readers should be aware that websites listed in this work may have changed or disappeared between when this work was written and when it is read. Neither the publisher nor authors shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

Library of Congress Cataloging-in-Publication Data

Names: McLachlan, Stuart, author. | Sanders, Dean, author.

Title: the adventure of sustainable performance : beyond ESG compliance to leadership in the new era / by Stuart McLachlan and Dean Sanders.

Description: Hoboken, NJ : Wiley, 2023. | Includes index.

Identifiers: LCCN 2022056915 (print) | LCCN 2022056916 (ebook) | ISBN

9781394177417 (cloth) | ISBN 9781394187263 (adobe pdf) | ISBN

9781394187256 (epub)

Subjects: LCSH: Leadership. | Sustainable development. | Social responsibility of business.

Classification: LCC HD57.7 .M39596 2023 (print) | LCC HD57.7 (ebook) | DDC 658.4/092—dc23/eng/20221205

LC record available at <https://lccn.loc.gov/2022056915>

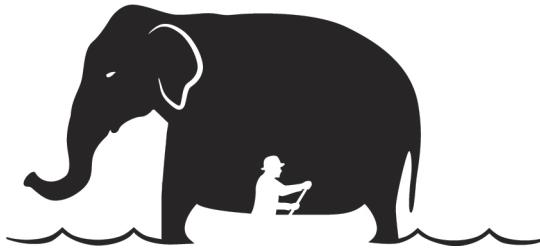
LC ebook record available at <https://lccn.loc.gov/2022056916>

Cover Design: Wiley

Cover Images: Elephant: © bartamarabara/Getty Images

Canoe: © surey/Getty Images

Paper Texture: © Silmairel/Getty Images



Canoeing Under Elephants

How an Encounter with Elephants Inspired
the Adventure of Sustainable Performance

In writing this book we wanted to express a topic often portrayed as dry, and at times even apocalyptic, into a subject that is more evocative and adventurous. The 'Canoeing under Elephants' metaphor frames the entire book but we have tried to illustrate the key messages with the use of images. Some of these are metaphorical, others pull on history, while others are real life stories from fellow guides and adventurers. All have helped us to stay true to the reality of the existential crisis that we face, and at the same time, inject excitement, pragmatism and hope into the opportunity that this moment in history presents.

The authors' proceeds for this book will be invested into African wildlife conservation.

Canoeingunderelephants.com

To Albert Freese. Without his entrepreneurship, conviction and belief, none of this would have been possible. Danke.

Dean Sanders

*To Chris Cole and Malcolm Paul.
For taking risk, for believing in me and for allowing me
to learn from my mistakes.*

Stuart McLachlan

*To our families for sharing and supporting in this
adventure.*

*To our fellow Anthesians (fellow Canoeists) for creating
value, your fun and your impact.*

To our clients for your spirit of enterprise.

Dean Sanders and Stuart McLachlan

Our thanks. . .

To Mike Thompson. For pulling it all together with unfailing enthusiasm, and for your incredible eye for detail.

To Sarah Coope and Jamie Burdett. For wrestling with us through the early concept phase, for keeping us real, for bringing us back whenever we wandered off, and for your brilliant research, creative ideas, and imaginative thinking.

To our fellow Anthesians. For your pioneering instincts, your innovation, your solutions, and your scientific integrity. For reminding us why we matter as individuals, as teams and as a business.

To our interviewees: For your honesty, your bravery and your clear sightedness. For being willing to impart your wisdom and experience to help those yet to embark upon this exciting adventure.

To our families. For putting up with our absence and, when we have been present, for being gracious in your feedback as we have exposed you to those early drafts.

Contents

<i>Foreword</i>	<i>xiii</i>
<i>Prologue: Encounters with Elephants</i>	<i>xix</i>
<i>Introduction</i>	<i>xxv</i>
PART I ‘DAY 1’: THE CHARGE	1
1 Reality Today, Tomorrow, and the Peril of Business as Usual	3
2 Strongholds The Fantasy of the Status Quo	23
3 Disruptions Change as Never Before	51
PART II THE CAMPFIRE	75
4 Reflections The Insufficiency of Compliance	77
5 Pivot Mindsets, Models, and Honouring Planetary Boundaries	105
6 Leadership Leaders, Organisational Will, and Guides	131

PART III ‘DAY 2’: THE REAPPROACH	161
7 Natives How Some Enterprises Are Built for Total Value	163
8 Journeyers How Established Enterprises Reconfigure for Day 2	179
9 Value A Reapproach to Defining and Creating Total Value	201
Conclusion	223
Appendix 1: The Anthesis Activator Journey	231
Appendix 2: Building Organisational Will and Operational Capabilities	233
Appendix 3: Classic Value Chain Compared with the Total Value System	235
Index	243

Foreword

Henri-Claude de Bettignies
Aviva Chair Emeritus Professor of Leadership and
Responsibility and Emeritus Professor of Asian
Business and Comparative Management at INSEAD

It is unusual to come across a business book that starts with adventure and the intriguing metaphor of ‘Canoeing Under Elephants’. Then the meat – a solid diagnosis with realistic aims and, ultimately, a well-defined plan of action that turns into an urgent call to arms!

In a nutshell, this is a great book that supplies a vitamin boost to the hope we all need to escape the pessimism of a dystopian world or from the one returning us to the Amish candle or the nightmare of a quasi-inhabitable, dry planet that will be home to many of its 10 billion inhabitants by 2050 or any one of the many other gloomy scenarios for our future.

The elephants watching us by the side of the river are actually already in the room, the product of our irresponsible behaviour, our abuse of planet earth through hubris and the savage exploitation of its finite resources. They are the result of our broken partnership with nature.

Using their highly original metaphor throughout the book, two ‘unusual consultants’, Stuart McLachlan and Dean Sanders, take us on an alternative, potentially optimistic scenario, if we are willing not to look elsewhere when our house is really on fire. ‘The Adventure of

Sustainable Performance' describes the true state of our fragility and throughout beats the drum sounding today's very real dangers. But it also lays out the competences and actions necessary for us to navigate quickly a way out of the dark threat of climate change. The authors are not whistle blowers – it is too late for that. Rather they sound the tocsin to signal that the fire is here. Now we really must hear it.

We do have solutions and the authors show us the road, albeit a challenging one, that we must take. We must urgently engage in a long overdue paradigm shift. The dominant model that has guided our achievements so far has also led us into the present catastrophic situation. It is now obsolete. The media illustrate this daily, notably through their very gloomy reports of the seasonal COP meetings and the devastating human and ecological consequences of increasingly frequent extreme events, while scientists throughout the world provide plentiful reliable data to back up the evidence.

However, in the corporate world, a few still feign ignorance and continue to ignore this noisy message. Some find comfort in ticking the boxes of compliance while others indulge in greenwashing. But today, a fast-growing number of business leaders are well aware of the scale of the crisis and have developed their long-term vision to grab new opportunities with imagination and agility. They realise that 'business as usual' is no longer an alternative, it is suicidal. Hence they are willing to challenge the 'strongholds' of their present position and take the road less travelled. They are shifting from the shareholder model to the stakeholder paradigm, a transition they *finally* see as a categorical imperative.

The great value of the authors' argument is that – based on years of experience with the complex reality of corporate transformation – they actually tell us how to steer our canoe in this uncertain, high risk, fast-changing environment.

They tell us how to escape the fallacy of endless growth, profitability at all costs, destructive competition and corporate myopia. They also warn us that an individualistic mindset cannot solve systemic challenges, and that passing the buck to the government, from government to business and business to the individual consumer is neither responsible nor effective.

In order to show the limits or ineffectiveness of compliance-only approaches, of corporate social responsibility and short-term ad hoc measures that do not consider the ‘total value system’ of the firm, they make crystal clear that the ecosystem of the whole supply chain must be based on a realistic, long-term view that includes all stakeholders. Many examples are given, from large multi-national corporations led by enlightened CEOs, to family firms that take the long view in managing transition and succession, and start-ups that are willing to risk bold innovations. They illustrate how realistic business leaders (for example B-Corporations) who are purpose-driven and take alternative roads toward transformative sustainability, have seized upon the opportunities brought by the energy transition imperative.

This is a book of distilled experience that not only makes explicit the many obstacles, defence mechanisms and resistance to change (the ‘strongholds’), but also exposes the many positive factors that can be leveraged to facilitate the long overdue paradigm shift. One of these is illustrated by the growing interest in, and pressure for, ESG among investors. This starts to have an impact on corporate governance, it induces boards to broaden their vision, to better assess complex interdependencies among stakeholders, to adopt a more holistic view of the organisation and its supply chains, and to monitor more responsibly

the compensation packages for top and C-suite executives. Such investor interest will also act as a stimulus for research in order to accelerate the needed improvement of ESG measurement methods and tools.

My enthusiasm for this book stems from the fact that it clearly illustrates – through so many examples and well-chosen quotes – the many messages I have been conveying over many years of teaching senior executives. Thirty years ago when discussing the issue of ‘responsibility’ with business leaders I used to insist on the necessity to clearly identify and manage all externalities, including the impact of our actions on the ‘birds’, which I used as a proxy for nature. Polite smiles were the usual reaction. What I wanted was to broaden executive awareness of the many interdependent parts of the corporation as a complex ecosystem, and the leader’s responsibility for their management. I did not fully elaborate on the supply chain that ESG now integrates so well and I am delighted to see how Stuart McLachlan and Dean Sanders brilliantly articulate that imperative for sustainable performance.

In the same way, while trying to broaden awareness, I was also keen to sharpen it, by pushing leaders to become more clearly aware of the filters (biases, prejudices, stereotypes) that blur their perception of the world and of the organisation and which too often locked them into the defensive position that the authors identify as a ‘stronghold’ blocking a possible paradigm shift.

To move to a paradigm that integrates all stakeholders – one that ESG requirements will eventually render compulsory – will be a painful process for many, particularly in sectors such as the fossil fuel or automotive industries where lobbying and protective defence mechanisms are so powerful.

It will require industries and services to integrate the whole value chain as an ecosystem, to rethink priorities and the time dimension while avoiding any temptation of greenwashing.

Government regulations, media pressures, investor requirements, younger generations' expectations, civil society noise and tomorrow's rebellions by the socially excluded will push for change. It will be adding to the pressure from extreme events and the ubiquitous impact of climate change on nature, on finite resources availability, on biodiversity damage, and so on. ESG will then become mainstream and illustrate that, finally, the paradigm shift that is already a categorical imperative is actually happening. Courage is and will be in high demand.

The leader who does listen to the authors' experience and reasoning should not be obsessed or paralysed by uncertainty and fear of the unknown, but driven by confidence in their own values, clearly articulated using purpose as a compass to seize opportunities along a possibly long and treacherous river. Such leaders are, and will be, in great demand!

Will business schools contribute effectively to develop this leadership profile? To create leaders who care for all stakeholders and are willing to act as responsible change agents to transform our current corporate world's mindset for the benefit of their grandchildren? The jury is out!

If all managers could be required to read McLachlan and Sanders' book, the wisdom hidden in its analysis would become seminal and the authors' wise proposals would certainly inspire and drive action. Hence it is a modest, but extremely useful, contribution to try to avoid the worst and build a better world. Before it is too late!

Prologue: Encounters with Elephants

Several years ago, Anthesis co-founder and co-author of this book Stuart McLachlan had an experience with elephants that had a profound impact on him. When he shared his story with the rest of us at Anthesis, we realised that this was a story that captured the essence of the challenges that we, as humanity, currently face.

Day 1

A number of years ago, my wife Louisa and I travelled to a remote region of Africa on the Zambezi river. We were excited for the experiences and adventures that lay ahead as we set out on a walk through the bush with our guide...

As we walked, the guide pointed out plants and insects, as well as birds flitting between the trees. The environment was peaceful and unthreatening. Suddenly, with an almighty crash, a large bull elephant hurtled out of the bush in front of us. He looked startled as he registered us in front of him, and we were equally shocked. The pause lasted barely seconds before the elephant ran off.

'That was close!' I exclaimed to the guide as the elephant's thundering run took him further from us. The guide didn't look in my direction, his eyes were still keenly trained on the elephant. 'Stand behind me, stay still, say nothing,' the guide said in a serious and commanding tone,

but with an undercurrent of fear. We complied immediately, now also watching the elephant closely. As we stood behind our guide, the elephant turned and charged.

There was a sudden explosive shower of noise, movement and aggression as the bull elephant trumpeted, waved his head and ears and ran towards us at speed. The guide kept repeating his instruction, ‘Stand still, say nothing’. Feeling helpless to the power of the elephant and standing rock still, we watched as our guide raised his gun above his head and spoke firmly to the elephant.

‘Voetsak!’ he commanded (an impolite Afrikaans term for ‘go away’, in case you’re wondering). Dust and detritus swirled around us, we were frozen in fear and cognitively overloaded. The seconds seemed to stretch for minutes, but, as abruptly as the charge started, it stopped. The elephant had assessed the situation, calmed down and returned to the forest, leaving us with pounding hearts and a very different perspective on our environment.

Day 2

The following day, we set out with the same guide for a very different kind of elephant experience. This time the intention was to approach not one, but a group of those mighty beasts from the river, in a canoe. The canoe was small, open and felt very vulnerable. After the heart-racing intensity of the previous day, we naturally expressed some strong reservations (and yes, some fear) about reapproaching what was by then a proven source of life-threatening danger in our eyes.

Paddling gently towards the very creatures that had been so terrifying just a day earlier seemed both counterintuitive and irresponsible. Words with the guide were exchanged, our nerves were jagged, and we felt vulnerable at the thought of, once again, putting our lives in the hands of untamed nature. Our guide, however, was calm and

relaxed. He explained that as the elephants have never experienced danger from the river, they wouldn't see the canoe as a threat. Therefore, the canoe and its passengers, us, would be totally safe.

Reassured, we boarded the canoe with our guide and tentatively paddled towards the elephants who were standing along the bank of the river, just a few metres above the gently flowing water.

The canoe trip became the very best kind of adventure. All our previous fear was replaced with wonder and joy as we marvelled at the elephants standing just above us. It was the kind of experience that defines lifetimes. Amazingly, in the canoe, we were completely part of the elephants' environment. As our guide promised, we presented no threat and were able to pass safely underneath the elephants as they ate plants from the river. Water was dripping onto us from the mouths of the elephants and we could hear their snorts and rumbles as they ate and interacted within the herd.

Drifting slowly beneath the elephants, absorbed by our interactions, we felt a deep sense of peace and connection to these incredible, magnificent animals and the nature they inhabit.

We are at a pivotal moment in time. Both today and the future are filled with change, ever-increasing complexity, and uncertainty beyond what we, the authors, have ever known. When Stuart shared this experience that he and Louisa had in Africa, we were captivated. We felt that this story captured the fear many business leaders face in today's uncertain world, as well as the trepidation with which they approach new opportunities. We also realised that, were it not for the guide, Stuart and Louisa would never have climbed into the canoe or had this once-in-a-lifetime encounter with the elephants.

This is not just another business and sustainability book. This is a book that seeks to get under the skin of the

reality of what leaders and businesses face today: a myriad of demands and expectations. In addition to the usual challenges of running a sound and profitable business, leaders are expected to take decisive action in response to both the threat of climate change, and the complex societal challenges that sit alongside it.

This can feel like an impossible balance. Rather than inspire determined action, it can cause us to freeze, uncertain of what to do, beyond following a maze of compliance. Compliance has its place, but in this moment, in which everything is shaking, compliance is not enough. This book is for those who know that things need to change but are puzzling how or where to begin. We want to inspire you through our own experiences, as well as through the stories of businesses and leaders who are reapproaching the elephant ‘charge’ in a different way. We aim to show you how this can open up the possibility of reimagining our future and enable you to make choices that will be more prosperous for all.

As we go through the book, we will make reference to Day 1 and Day 2 to contrast the two responses, and to frame the adventure.

Day 1 – The Charge

This is the reality of now; the challenges we face both as business leaders and humanity. The Charge represents the complex web of concerns, pressures and uncertainties that can cause us to freeze, to not take decisive action, and to blindly comply, rather than innovate. It is the uncertainty of an unknowable outcome that can lead us to hunker down and protect what we know rather than step into opportunity.

Day 2 – The Reapproach

The Canoe represents something different – opportunity, possibility and hope. It represents what can happen when we approach a fear or challenge from a new perspective. Despite the fear of the charging elephant and the vulnerability of the canoe, Stuart and his wife trusted their guide and embarked on an adventure that turned out to be a calm, safe, experience and a life-changing moment. Our hope is that this book will take you on a similar adventure.

The Adventure

The environmental and societal challenges we face today are like nothing we have ever seen. Many of us now know that business as usual is no longer an option, but the alternative paths of action seem unclear, likely expensive and, quite frankly, difficult. We want to reframe this idea, to show that while there is great uncertainty and even elements of danger in this moment and the future ahead, for the leaders willing to try, this is also a great adventure. We have the opportunity now to be part of something that is as exciting as it is hopeful, where we can create business ecosystems within nature's ecosystems that will enable us to experience a safe, harmonious and prospering future.

What qualifies us to do this? Well, in different ways as individuals and leaders we see ourselves as essentially Day 2 people. Both of us (Stuart and Dean), are entrepreneurs at heart who have left behind 'successful' careers in large multinational corporations to create new businesses focused on

impact and sustainability. We have both confronted the binary choice of business, life or career ‘as usual’ and the alternative creation of something new and purposeful. Stuart co-created the Anthesis Group in 2012; Dean founded GoodBrand in 1997 and the two companies came together in 2019. We have experienced the sensation of branching out and embracing risk and return. What’s more, we both feel privileged to have been able to follow our hearts as well as our minds and to pursue our passion for and commitment to the Sustainable Performance agenda. Each of us has consulted and advised the kinds of senior leaders who will lead the way to Day 2 and reapproach sustainability as an adventurous journey of impact and performance.

Introduction

Painting a dystopian picture of the future is the domain of many writers on climate transition and sustainability. We want to take you in an alternative direction, but to do so, we need to ground this book in the truth. To bring this to life, we decided to envision the world in 2050 according to emerging predictions, models, and assumptions. However, in doing so, what we discovered is that much of this ‘future thinking’ has already come to pass. We have therefore presented a picture that reflects what is happening during this ‘decisive decade’, so called because what happens in these 10 years is expected to decide what happens over the next thousand years. We are at a pivotal point in history, we need to face up to the actuality of it, and so we have called this section ‘The Reality of Now’.

The Reality of Now

It is business as usual (BAU). We’ve ignored the warnings. We are entrenched in the model that has generated unprecedented wealth for much of the world’s population for the last 80 years. The ways of the prevailing era remain dominant. But now we are facing a threat that appears unstoppable. Despite desperate pleas, leaders are yet to make the pivot needed to avert this existential crisis.

The global population has reached eight billion, and is heading for ten billion by 2050. There are many regions that are experiencing

extreme weather impacts on a regular and sustained basis. Flooding and aridity are impacting agricultural supply chains and the sourcing of raw materials for manufactured products. Urbanisation is increasing. People are moving to cities to get work and to raise their standards of living as global climate change impacts bite. As a result of this migration, approximately 700 million people now live in coastal cities that face increasing threat from flooding, and US\$1 trillion investment is estimated to be needed to protect cities from sea level rise. Real estate in parts of the world is becoming uninsurable.

Much of the population growth is in emerging economies – South East Asia, India, South America, and China. Tens of millions of climate migrants in coastal regions and the tropics are moving away from non-viable areas. Their crops have failed, or their homes are underwater. Conversely, other parts of the world have become uninhabitable because of water scarcity. This mass migration is accelerating.

The rise in urban living has fuelled a growth in consumerism sustained by increasing income and lifestyle changes. Demand for products and materials has increased due to population growth. Businesses attempt to succeed in the ‘take, make and throw away’ model that drove the consumerism bubble of the preceding 80 years. However, finding materials is challenging as resources become increasingly scarce in supply chains vulnerable to disruption from externalities. Decades of sourcing the raw materials to supply the demand for these products has resulted in significant reductions in natural habitat and biodiversity. The impact on some species is now irreversible. Many species have already become extinct. We are in the planet’s sixth mass extinction, but the first driven by human activity.

The world knows that peak carbon emissions must occur by 2025 and that emissions need to be cut by 50% by 2030, by 50% again by 2040 and that we need to achieve net zero by 2050. If these targets are missed, we may face a catastrophic 3–5 °C of warming. Some leading scientists are suggesting that this now looks inevitable.

The per-head ‘material footprint’ of developing countries has increased by more than double. We are still heavily dependent on plastic to meet the consumption and production needs of the world’s population. There are issues with material leakage – every minute there is an equivalent of four garbage trucks of plastic material discharged into

the oceans. By 2050, at the current rate of disposal, it is predicted that there will be more plastic than fish in the world's oceans by weight. Two planets would be required to support the ongoing current demand within existing systems and economic models, with much of the developed world needing an equivalent of over five planets.

It is clear that the notion that nature can be tamed, that ecosystem services will be provided for no cost, or that nature and planetary based externalities will remain stable, is flawed.

Already at the periphery of this agenda, we see enlightened leaders thinking outside the box or creating new boxes within which to operate. They consider sustainability to be an essential business attribute and a source of value creation. They regularly change their business model, investing in supply chain partnerships and understanding the purpose-driven values of their customers. Adaptability is being seen as the new 'superpower' within the leadership community. Increasing evidence exists that those businesses operating in a model that creates shared value for the environment and society deliver superior financial returns for investors.

These examples are rare, but there are glimpses of new, durable business models emerging that place purpose at the heart of their mission. These models focus on stakeholder collaboration and on delivering sustainable and resilient performance through value cycles. They oppose traditional supply chains that seek leverage through the imbalance of buyer power over supplier power. Capitalism remains the driving force in global economies embracing the power of free trade. However, a less myopic and more responsible form of capitalism is increasingly talked about by brands and customers who can see the brokenness in the current system.

Despite the evidence underpinning this model of value creation, it isn't yet achieving traction in mainstream global markets. The competing forces of human innovation, with the intransigence of global institutions and short termism in political and business leadership tenures, is resulting in paralysis or a box ticking form of compliance. The world recognises it cannot sustain its population by continuing to operate the way it always has, and yet for many there is a reluctance to break the status quo. It's now too late to avert catastrophic global impact for much of the world's population.