

Leading with a sustainable purpose

Leaders' insights for the development, alignment and integration of a sustainable corporate purpose



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This report reflects the insights and lessons from five leaders from the following four companies, in alphabetical order:



Interface®



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Executive summary

As companies emerge from the pandemic, they are faced with other systemic challenges, from the climate emergency to growing inequality. This presents an opportunity for companies to align their corporate purpose and strategy with the transition to a sustainable economy. A company's purpose answers the question 'why does the organisation exist?' This provides a 'North Star' aspiration that guides the future direction of the business.

A good purpose does not try to be all things to all people, but rather focuses on the distinctive contribution the company makes to society and the world.

This report distils shared insights into how four leading companies developed, aligned and integrated a purpose and strategy to transition to a sustainable economy. This is intended to inspire and inform any leader, in any organisation that is seeking to align and integrate their purpose and strategy with a sustainable economy.

Based on the experiences of five leaders, it captures ten principles that each have practices that describe how the principles can be achieved. There are also pointers that provide on-the-ground insights and practical tips to help and enable leaders to successfully deliver these practices.

This report begins by providing guidance on how to construct a sustainable purpose. Part one then goes on to set out three principles and their practices to align a sustainable purpose with the corporate strategy, including the inputs required.

The second part sets out four principles and their practices required to integrate the purpose and strategy across the core business. This includes the crucial working practices and organisational 'habits' that need to be adapted and adopted to deliver the differentiation and benefits of the purpose.

Part three sets out three principles and their practices required to successfully communicate and engage externally. These practices include how to involve and partner with external stakeholders across the value chain to create the external conditions required to successfully implement the purpose and drive positive external change.

Wherever the organisation is starting from, those involved in leading this transition will need to use their judgement to select, combine, adapt and sequence the practices to suit the organisational context and aspirations. It is hoped this report will enable businesses to respond to systemic challenges and make their distinctive positive contribution to a sustainable economy.

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Introduction

As we emerge from the coronavirus pandemic many businesses are revisiting what success looks like for them and how they can *Build Back Better*. This is against the backdrop of global megatrends – such as the climate emergency, rising inequality, the loss of nature and the fourth industrial revolution – that are reshaping society and the operating context for business in profound ways.

“The decade that we earmarked for getting our climate on track for net zero by 2050 and making progress on the UN Sustainable Development Goals will now play out in a new paradigm, where transformational change takes on wholly new possibilities.”

(Dame Polly Courtice, March 2020)

In any context, adapting a company’s strategy to its external environment can identify potential new markets and needs. When the landscape is changing so rapidly and fundamentally, aligning a company’s purpose and strategy with the underlying trends and expectations that underpin it becomes a prerequisite for continued success and even survival, providing clarity and meaning to navigate complexity, manage risk and capitalise on opportunity. It can help the company understand the social and environmental dependencies it relies upon, such as the viability of its supplier communities or its consumers’ access to water, and use that knowledge to improve resilience, protect assets and create new sources of value. By expressing its positive contribution to society, the company can also attract and motivate stakeholders, empower employees and drive innovation.

Given that now is a good time for businesses to review their role in society, it raises the question: ‘*how* can organisations develop alignment and integration of organisational purpose and strategy to transition to a sustainable economy?’

This report highlights ten principles and selected practices required to align and integrate a sustainable purpose into the business. It consists of the collective insights and experiences of five leaders from four large multinational companies that are far along this journey. The aim is to distil their experiences and lessons of *how*

these organisations have achieved that alignment and integration. This report is designed to inspire and inform any leader, within any organisation, who wants to align and integrate its strategy, business model and culture with a *sustainable* purpose.

Drawing on its 30 years’ experience of equipping and enabling organisations to lead on sustainability, CISL convened and facilitated the following group of leaders who generously shared their experiences and insights, in alphabetical order:

- **DSM**, Jeff Turner, Vice President Sustainability and Inge Massen-Biemans, Global Director Purpose, Brand & Employee Communications
- **Ingka Group (IKEA)**, Pia Heidenmark Cook, Chief Sustainability Officer
- **Interface**, Erin Meezan, Vice President and Chief Sustainability Officer
- **Unilever**, Rebecca Marmot, Chief Sustainability Officer.

The practices range from ‘hard’ such as changing metrics or business processes, through to ‘soft’ such as the role of leaders or mobilising colleagues. These reflect the range of practices needed to create organisational change. They can be used as both a checklist and a basis for developing a pathway from scratch or enhancing an existing one. There are also ‘pointers’ that provide on-the-ground insights and practical tips to help and enable leaders to successfully deliver these practices.

The rich and varied range of practices and pointers in this report may seem overwhelming. To support the prioritisation and selection of practices that are right for the organisation’s context, the fundamental practices have been **bolded**. The remaining practices are additional tried and tested ways of achieving the principles.

Wherever the organisation is starting from, those involved in leading this transition will need to use their judgement to select, combine, adapt and sequence the practices to suit the organisational context and aspirations.

It is important to recognise that businesses that pursue a sustainable purpose are advancing away from 'business as usual'. This transition can create challenges and may require significant changes to conventional business practices. Many of these changes are practically described in the practices and stories that illustrate them in this report. The challenge of this transformation will feel especially acute for businesses that are severely impacted by the pandemic or are especially reliant on unsustainable business models. Some companies may also lack the internal support to transform.

Leaders need to see this as an iterative journey that will take time. It is unlikely to provide the 'right answer' straight away, but rather emerge over time, as a result of evolving insights, experiences and conversations. There is likely to be an interdependency between the evolving purpose, corporate strategy and approach to sustainability.

Some of the main differences between conventional business and sustainable purpose terms are outlined below:

Value creation

Conventional business reporting focuses on financial value creation within the legal boundary of the business. Sustainable purpose-driven companies recognise that financial value creation and capture is dependent upon other forms of value, such as healthy communities to employ and sell to or consumers having access to clean water and energy so that they can make use of products. These companies understand, measure and innovate ways to protect and restore these dependencies to ensure long-term value creation.

Value chain

Conventional businesses focus on what happens inside the legal boundary of the business. However, sustainable purpose-driven businesses recognise that their value proposition is reliant on the health and resilience of the whole value chain. This requires an understanding of the stakeholders across a company's value chain, as well as the company's impact and reliance on them and nature both now and into the future.

Culture

Conventional businesses have tended to develop hierarchical structures designed to maximise efficiency and profit. Sustainable purpose-driven organisations enable devolved leadership around the purpose, allowing more agile decision-making that optimises value creation by balancing the interests of stakeholders.

Because this report explores how to align and integrate a sustainable purpose, we start with a summary of how to construct a purpose that supports the transition to a sustainable economy.

Constructing a sustainable purpose

A purpose answers the question ‘why does the organisation exist?’, providing a North Star aspiration that guides the future direction of the business.

While there is no one way to construct a purpose, the following insights should prove useful.

Principles one and two of this report provide the essential inputs, including external trends, drivers and stakeholder inputs and employee perspectives, to constructing a sustainable purpose.

Principle three sets out how the Executive team, with representation from the Board, can be involved in the construction of the purpose. It is important to engage Executive team members before constructing the purpose, to share the shifting expectations of the role of business in society, the scope and benefits of having a sustainable purpose for the business.

The purpose is typically constructed through an ongoing process of engagement with the Executive team. A combination of inputs, such as videos and presentations, can be used to immerse the group in the findings from principles one and two.

The purpose statement itself captures the ‘sweet-spot’ for the business between:

- the current or future potential for profitable long-term value propositions
- the domains where the trends point to opportunities to contribute to a sustainable economy
- protecting and restoring the social and environmental dependencies the business relies upon across the value chain
- optimising the company’s distinctive capabilities, assets and offerings.

Avoid trying to draft the specific wording during a workshop. This can be carefully crafted afterwards and presented back to the Executive team. **The purpose should not try to be all things to all people, but rather focus on the distinctive contribution the company makes to society and the world.** A good purpose statement is often formatted into a short phrase that uses everyday language that inspires stakeholders, is distinctive to the business and specific enough to guide decision-making while being flexible enough for local adaptation. The purpose can be tested and refined with external stakeholders.

The purpose statements of the companies represented are:

- **DSM** – ‘to create brighter lives for all’
- **IKEA Group** – “to create a better everyday life for the many people”
- **Interface** – “Lead Industry to Love The World”
- **Unilever** – “making sustainable living commonplace”.

The purpose needs to be brought to life and delivered through the company’s core strategy, which sets out how the company will deliver the purpose through an integrated commercial and sustainability strategy.

Setting evidence-based goals for the organisation’s main dependencies on society and nature (such as protect and enrich suppliers’ livelihoods or substantially reduce carbon emissions) will clarify what needs to change (such as becoming carbon zero) and by when. The organisation also needs to disclose its progress towards its purpose and goals. Principles four and nine, in particular, provide guidance on how this can be achieved.



Rebecca Marmot, Unilever

In common with many colleagues, my decision to join Unilever was strongly influenced by the company's firm commitment to being a responsible corporate citizen.

Unilever's instinct has always been to do the right thing, stretching all the way back to our origins when – way ahead of prevailing standards at the time – we provided employees with homes, schools, medical-care and pensions.

Today, we're more committed than ever to leveraging our long-term, multi-stakeholder model to drive positive social and environmental change. Central to our work has been the decision we took to fully align our corporate purpose and business strategy, which has helped us to significantly magnify our impact and reach.

It began with Unilever's Sustainable Living Plan, which had the simple goal of making sustainable living commonplace. Shareholder returns were the result of our activities, not the objective – or to put it another way, we achieved profits through purpose. This enabled us to deliver transformational change across our business and beyond, whether that's helping to improve people's health and hygiene, enhancing livelihoods, or protecting and restoring nature.

We're now going even further and breaking new ground with the Unilever Compass, our blueprint for a more sustainable and inclusive future. As our CEO Alan Jope has said "there is no difference between our business strategy and our sustainability strategy, they are totally integrated." Specifically, the Compass embeds sustainable living into every part of our business, encourages consumer behaviour-change through our brands and emboldens others to join us in collective action.

I would highlight this last point, in particular, as being crucial to delivering truly catalytic change, as the power of partnerships is key to moving at speed and scale. A good example is the coalition building I've helped to lead around the WASH (water, sanitation and hygiene) agenda.

For years, Unilever has been helping people to improve their health and hygiene – notably with Lifebuoy, whose mission is to help every child reach five through handwashing with soap; and Domestos, which has built millions of toilets to tackle the issue of open defecation. Working with partners such as UNICEF, the global Vaccine Alliance and Save the Children we've helped millions of people – a feat we simply could not have achieved on our own.

Of course, hand hygiene has only become even more important since the outbreak of COVID-19, as a first line of defence against the virus. That's why Unilever has recently helped to launch the 'Hygiene and Behaviour Change Coalition' – targeting a billion people in global handwashing – with the Foreign, Commonwealth and Development Office and a range of NGO [non-governmental organisation] partners. This is another fantastic example of collaboration in action, designed to rapidly scale solutions for those most in need.

For any company that wants to improve its performance and help us to build back better at this crucial time, I cannot think of a more effective way than combining corporate purpose and business strategy into one single mission.

I can testify that it has demonstrably helped to unite and inspire Unilever's employees, who are continually pushing for more ambitious action to deliver the Sustainable Development Goals. It has also enabled Unilever to achieve its business targets. And for me, personally, it has reinforced a fervent belief that business can be an unstoppable force for good.

1

Align organisational purpose, strategy and sustainability

Strategy is the means by which purpose is achieved. As an organisation explores the impacts of megatrends – such as climate change and loss of nature – on its value chain, it reveals significant implications for its purpose and strategy. Aligning the purpose and strategy with these megatrends provides the best chance of long-term success, by navigating risks, capturing opportunities and protecting the business's social and natural dependencies.

Principle 1: Take an 'outside-in' view that engages external stakeholders

Adding an informed and comprehensive external perspective into strategic planning enables the company to consider the full scope of its value creation across its value chain and the breadth of issues that impact it now and in the future – in particular the social and environmental impacts and dependencies.

The following practices, organised into two sub-sets, help to map the wider, rapidly and profoundly changing, strategic landscape to enable the business to make more informed and systemic decisions about its purpose and strategy.

1.1 Identify relevant external trends and drivers for the business

Practices:

1. Commission or use existing research into future trends (ten or twenty years out) and their potential implications for key systems or sectors – such as transportation and agriculture – and geographies for the business to identify a prioritised list of (say ten) trends and drivers that can be tested and prioritised with stakeholders (principles 1.2 and 2).
2. Summarise examples of best practice for businesses that are leading on purpose and sustainability, including organisational purpose and goals as well as specific initiatives or product or service innovations.
3. **Filter strategic issues according to both their material impacts – both positive and negative – across the value chain and the business's capabilities and ability to impact and influence them.**

Pointers:

1. Research existing sustainability frameworks to evaluate their suitability for identifying issues and levels of ambition for the organisation. Not all sustainability frameworks cover all issues, so a number of frameworks might be needed.
2. The United Nations Sustainable Development Goals (SDGs) provide a powerful overarching framework and a common language for engaging with non-business stakeholders, but are likely to require supplementing

with additional trends and issues to draw out material drivers for the organisation and its value chain.

3. Identifying practical, concrete differences that the business can uniquely make to relevant sustainability trends, systems and issues helps to make potential priority areas more real.

1.2 Consult external stakeholders on strategic issues and expectations of the business

Practices:

1. Consult a range of stakeholders that are representative of those who are impacted, positively or negatively, by the business's direct and indirect activities across the value chain. Engagement methods include stakeholder workshops, online questionnaires and facilitated dialogues through to one-to-one meetings and focus groups.
2. **Use the research into trends and drivers (principle 1.1) to inform the consultation with stakeholders to understand their salience. Ask stakeholders to prioritise them from a list of approximately ten social and environmental issues, both in the stakeholder's overall view and also for where they think the organisation can have the biggest impact on the issues.**

Pointers:

1. Including reluctant but important stakeholders, not just engaged ones, helps to raise the Executive's awareness of megatrends and their implications for the business, and to understand important stakeholders' views and expectations of the business.
2. The importance of issues can change rapidly, so it is important to have regular stakeholder consultations (e.g. annually). NGO and expert stakeholders are typically best placed to challenge an organisation's level of ambition and working practices.
3. Use the outside-in analysis to identify how a company's core competencies could be used to open up new markets, new products or services and value-creation opportunities.

4. Engaging stakeholders and explaining the organisation's purpose and progress towards it can strengthen stakeholder relationships. A two-way engagement and awareness-raising approach, so the organisation educates the stakeholders on potential key issues and their implications for the business, and stakeholders give feedback on what they see as the key issues, implications and their expectations of the business is mutually beneficial.
5. Sharing failures as well as successes, being open to critique and being willing to talk about areas the organisation finds challenging shows the company is willing to learn and is serious about succeeding. This helps build stakeholder trust and makes it easier to engage and draw on stakeholder expertise.

Potential stakeholder groups

- Employees representing different functions, levels and regions
- Customers, including trade customers
- Investors and the wider financial services community
- Suppliers and producers
- Governments: regional, national and local
- Local communities
- Civil society, including consumers
- NGOs, opinion formers, subject matter experts and academics.

Principle 2: Take an 'inside-out' view that engages employees

The organisation's heritage and current values, core capabilities and pioneering sustainability initiatives are all valuable foundations that can contribute to the development of a sustainable purpose and associated strategy. Employees are vital sources of insight into current strengths and aspirations for the organisation and integrating their perspectives will help improve the outcome. Getting them involved early on helps to build their commitment to any new or modified purpose, strategy, culture and values.

Practices:

1. Develop a transparent process for consulting a cross-section of employees, which balances employee-initiated with company-initiated approaches and reflects diverse levels of seniority, business functions, generations, regions and levels of engagement in sustainability.
2. **Identify what is already working well by asking employees what they value about the company, such as pioneering sustainability initiatives, core capabilities and what their aspirations are for the company.**
3. Use different channels and approaches to reach employees in different work settings, such as:
 - one-to-one interviews with employees including social settings, not just the workplace
 - online surveys – using existing employee surveys where possible
 - focus groups.

Engaging employees at Interface

In 2016, Interface was working to update the company's purpose and create its next sustainability mission. Interface's process to update its purpose began by looking inside, to discover its purpose from its leaders and employees. The company designed dialogues with employees at all levels of leadership, diverse functional and regional areas, and interviewed them using a strengths-based *Appreciative Inquiry* approach. Interface used this feedback to inform the company direction and launched "lead industry to love the world" as its updated purpose. Interviewing employees with a positive approach both brought out the purpose from within but also engaged employees in a collaborative approach to set the company's purpose.

Pointers:

1. Using an *Appreciative Inquiry* approach can identify what is already working well, for example asking 'what does the organisation look like when it is at its best, such as contributing to society or tackling environmental issues?'
2. As with other stakeholders, sharing the initial list of strategic issues (from principle 1.1) with employees is a powerful way to both raise their awareness of potential strategic priorities and test the list for gaps, their relative importance and where the company can most benefit society.
3. Be flexible in how you reach and engage employees to allow for cultural and regional differences. Adapt the way you engage employees according to their differing workplace settings; for example, provide hard copies of questionnaires and postboxes at factories where there is less access to computers. Avoid treating it as just a marketing campaign, but rather find creative and authentic ways to genuinely engage employees.
4. Playing back to employees what they have told you throughout the process, not just at the end, and telling them how this has contributed to understanding and progress, checks accuracy and encourages ongoing interest and participation.
5. Questions about purpose, strategy and sustainability can be integrated into employee surveys.

Principle 3: Engage the Board to align purpose and strategy and broaden ownership

It is important to engage the Board in the alignment of the purpose and strategy to ensure a shared understanding, involvement and ownership of the purpose and strategy. This is in line with emerging corporate governance best practice.¹ Ensuring each Executive Director has a clear role, ownership and accountability over the strategic areas that align with their function, both in operational terms and in areas of thought leadership, will make integration and strategic impact more efficient and effective.

Practices:

1. **Engage the Board, through briefing sessions, workshops, regular meetings and other opportunities to:**
 - understand the different external (social, environmental and technology) trends, explore their implications for the business and identify strategic risks and opportunities (principle 1)
 - understand how the company currently impacts – and is impacted by – external trends, its core competencies, and its potential to influence these impacts across its value chain and sector
- develop a purpose statement that captures the domain(s) where the company's core capabilities can profitably benefit society (see 'Constructing a sustainable purpose') and identify the company's social and environmental dependencies across the value chain.
2. **Align the corporate strategy with the new purpose, including the strategic goals and responses, capabilities, resources and accountabilities required to move towards the purpose.** Ensure the purpose and strategy identify commercially viable domains that benefit society, thereby avoiding separate commercial and sustainability strategies.
3. Sub-committees of the Board can enable co-ordination and focus across departments and business units providing oversight, co-ordination and scrutiny of strategic plans. They can be made up of senior leaders from across the business who meet quarterly, and supplemented by full or multiple-day workshops and meetings with the full Board and advisory panel.

Sharing ownership across the Executive team

The Unilever Executive formed a Unilever Sustainable Living Plan (USLP) Steering Team, made up of most of the Executive leaders. Throughout 2018 the group met several times, including face-to-face workshops. They explored the complex implications of global trends for the business's purpose, also gaining external input from the USLP Advisory Council. This 'outside-in' approach was vital for pushing the thinking beyond the walls of Unilever. The Steering Team created a powerful space to ask fundamental questions and explore the impacts, opportunities and connections for the business. This broadened the commitment across the team and led to a shared view of the beliefs and ambition required for Unilever's long-term success. This underpins the new compass strategy that integrates sustainability and corporate strategy into one. One of the Steering Team members, Alan Jope, went on to succeed Paul Polman as CEO in 2019.

Pointers:

1. Allowing the business space and permission to learn by doing enables it to make progress in the prioritised strategic areas.
2. While it is powerful to bring in stakeholder insights and expectations, it is unrealistic to expect to get complete consensus on the purpose and strategy across all stakeholder groups.
3. Exploring the company's past and, if it had one, its founding purpose can be sources of inspiration by asking what it might look like in the modern context and to inform the purpose and subsequent story-telling.
4. Involving Executive Directors in external engagement, thought leadership and positive advocacy can build their capability, ownership, expertise and commitment.
5. Boards may lack the breadth and depth of relevant sustainability expertise to challenge the Executive team. Therefore, ongoing external 'critical friend' sustainability expertise is often required to educate, identify and challenge both the material issues for the business and corresponding levels of response and ambition. This could take the form of dedicated Executive and Board sessions, through to an advisory Board made up of relevant sustainability experts.
6. An advisory panel with the permission and remit to challenge the Executive, Chief Executive Officer (CEO) and Board can lead to more robust identification of key issues, levels of ambition and accountability by stress-testing proposals and ambitions.

The Ingka Group (IKEA) CEOs are also the CSOs

With the intention to strengthen the connection between business and sustainability, the country CEOs of Ingka Group are now also the Chief Sustainability Officers (CSOs), clearly connecting both topics in business development and decisions. They are supported by a country sustainability team and a global centre of expertise. The role is now perceived as even more meaningful and at the same time more demanding, with raised ambitions. With goals connecting sustainability to the commercial agenda, the awareness and involvement is increasing throughout the organisation. There is an internal movement that people want to be part of; leaders and co-workers want to be ambassadors for sustainability. It has also increased the number of sustainability activities to increase co-worker competence, for them to be knowledgeable and confident when meeting customers. At the same time, doors to new external networks are opening, contributing to collaborations as well as competence development. The CSO role is appreciated as it allows for seeing the bigger picture; to understand the opportunities of the sustainability agenda in combining purpose with business growth potential.



Erin Meezan, Interface

In 2016, my company embarked on an ambitious effort to update the company's purpose and to set its next sustainability mission. Interface embraced sustainability in 1994 when our founder Ray Anderson set a bold vision for the company to become restorative. Ray started an ambitious mission that year for Interface to have no negative environmental impacts on the planet by the year 2020. As we closed in on achieving that mission, we saw an opportunity to refresh our purpose and create our next sustainability mission.

I worked with our CEO and leadership team to update Interface's purpose and I led a parallel effort to create the next company mission. Over the course of a year and a half, we examined the company history, looked at the intent of our founder Ray Anderson, engaged our employees and reflected on lessons learned from 20 years of our sustainability mission to inform our next steps. We learned that we were a culture where moonshot goals were expected (and achieved!), where employees valued working for a purpose-led company and where our ambitious sustainability mission led to change at our company, but also had influenced our competitors and the broader business community to change. Relying on internal input for both direction and ambition, the company articulated an inspiring new purpose "to lead industry to love the world" and an ambitious new mission called Climate Take Back™ with the intention to reverse global warming.

What started from within as a new mission informed by employee feedback now required a strategy roadmap and an investment plan, and all of this needed the support and enthusiasm of our employees. Engaging the broader organisation in our Climate Take Back mission started with building awareness. We increased our internal communications efforts and created a mission book that was sent to all employees at their homes. These books celebrated our mission zero success and introduced our new mission. To provide a deeper connection, we created an experience to inspire and connect all our leaders and sales and marketing teams by bringing them to the company's hometown of Atlanta, Georgia for a week-long Summit. Through interactive learning sessions and speakers, the Summit built awareness, created optimism and gave employees the company roadmap for achieving our carbon mission. Our teams heard from inspirational leaders like Christiana Figueres and organisations like Project Drawdown on the pathway to reverse global carbon emissions. Our teams also learned about the roadmap for our business to become a carbon negative enterprise by 2040, including pilot projects to re-imagine our factories and product innovations to deliver carbon negative products by 2020.

We intended to make the connection between carbon in the built environment and what solutions we can deliver to our markets and customers. The call to action to our teams was to take this new knowledge and optimism and start building awareness with our customers. The Summit empowered the teams and inspired them to move forward as carbon ambassadors for change. The feedback we received from employees after they returned home from the Summit was incredibly positive. They understood the reasons for an ambitious carbon mission, they felt optimistic, they understood the company roadmap for becoming carbon negative, and were energised and enthusiastic about talking about our mission with customers. They even told us they were starting to make changes in their personal lives.

2

Internal integration

The organisational habits that combine to create a distinctive culture can turn internal engagement and commitment into action and impact to deliver the purpose. The following principles set out how to integrate a sustainable purpose and aligned corporate strategy. Effective internal integration of purpose and strategy also provides the foundations and alignment with external engagement, which is covered in part three. It is important to partner with senior leaders in order to gain their insights and buy-in to integrating the purpose and strategy into their part of the organisation. The remainder of this report assumes that the organisation has created a sustainable purpose and intends to integrate it across the core business and its external channels.

Principle 4: Integrate the purpose into strategies and objective-setting

This principle connects the organisational purpose and corporate strategy with the business unit and functional sub-strategies and plans. Doing so aligns individual, team, departmental and functional objectives with the organisational purpose and strategy. This principle also brings the purpose alive by linking it to the delivery of commercial solutions that also benefit other stakeholders, such as customers and investors. The following practices will enable the delivery of this principle.

Practices:

1. **The Executive inspires and requires its leaders across the business to integrate the purpose and corporate strategy into their business plans and objectives from departmental to team and individual levels.**
2. **Allocate ownership of the purpose and corporate strategy to the appropriate existing lines of business leaders, not a central purpose or sustainability team** (enabled by principle 3).
3. Provide support to leaders on how to integrate their functional sub-business strategies with the purpose and strategic goals, such as through workshops and coaching, to help them find the intersection between the purpose, strategy and business opportunities that relate to their function.
4. Develop tools, stories and frameworks that set out the types of business benefits for the organisation to enable leaders to translate the purpose and identify specific opportunities and benefits for their part of the business, such as reducing risk and identifying growth opportunities.
5. Integrate purpose into company events, such as bringing sustainability themes and speakers into internal town halls, conferences and functional planning workshops, and invite leaders to present on their area of expertise/responsibility at relevant forums.

Pointers:

1. Balance setting organisational priorities with space for local adaptation. This is enabled by the corporate centre setting out the *why* (purpose) and the *what* (organisational strategic areas and ambitions) and allowing business units and regions to adapt what that looks like for their part of the business and *how* to deliver it.
2. Articulating the tangible benefits (such as reduced costs or increased sales) and intangible benefits (such as increased employee motivation and reduced risk) of the purpose and strategy can help leaders and employees to see the wider benefits and application of the purpose.
3. Senior leaders of regions and functions can host groups of volunteer employees to identify how the purpose and strategy can be integrated into the workplace, identify the biggest opportunities and impact areas and then make recommendations on how to address them.
4. When supporting leaders, recognise it is a two-way partnership; on the one hand learning from them about their part of the business, while on the other hand challenging the current business model and highlighting sustainability impacts and opportunities.
5. Help leaders to acknowledge that the process requires patience, humility and a recognition of ambiguity.

Sustainability Innovation at Ingka Group (IKEA)

The IKEA vision is to create a better everyday life for the many people. Sustainability Innovation sits at the core of the sustainability department at Ingka Group (IKEA) and has the task to explore the future of a better life at home. The benefit of the placement is that innovation has sustainability as the starting point. Innovation projects are given a long-term perspective and enable leapfrogging within key areas of the IKEA People & Planet Positive sustainability strategy. The innovation teams focus on new business and new approaches that create big impact and are not involved in improvements in running the business. One example is the transformation of the IKEA store As-Is area into Circular hubs, increasing the second-hand market of IKEA products as well as consumer engagement for circularity through hosting workshops with local communities. After feasibility studies in different markets, the innovation team worked with the refurbishment function for the stores as well as with functions for retail operations, business navigation and communication. One of the first stores was Reims, France.

Principle 5: Align rewards and incentives

Having integrated the purpose and strategy into individual, team and functional objectives, these then need to cascade into individual rewards and incentives. In doing so the purpose acts as both a 'glue' and guide for employees, providing greater meaning to their work through a 'clear line of sight' between their work and the organisational purpose that contributes to a sustainable economy. Aligning personal purpose with that of the organisation has the potential to boost employee creativity, motivation and performance. The following practices will enable the delivery of this principle.

Practices:

1. Develop clear roles and responsibilities for delivering the strategy and update job descriptions accordingly; this will be enabled by principles 4 and 7.3.

2. **Align and 'cascade' personal objectives with the responsibilities and deliverables required to implement the purpose and strategy, starting with the senior leadership team.**
3. Align individual reward and recognition with the purpose, strategy, goals and metrics.

Pointers:

1. Identify and prioritise human resources (HR) practices such as recruitment and induction, and adjust and integrate them with the new purpose and strategy.
2. Use company metrics (see principle 9) to track and measure business unit, departmental and individual performance.

Principle 6: Integrate the purpose into core business practices

Existing business practices are likely to have built-in assumptions and tools that do not reflect the purpose and strategy and perpetuate business-as-usual mind-sets, creating inertia. Therefore, key core business practices will need to be adapted and modified to reflect and enable the purpose and corporate strategy. These business practices will need to be prioritised as they will not all be able to be changed all at once. These changes will need to be supported by leaders and employees will need to be equipped in how to use them (see principle 7). While many business practices will need to be reviewed and prioritised in the light of the purpose and strategy, the following practices are often illustrated using the example of product and service innovation. This reflects the central importance of innovation in transforming to a sustainable purpose. The following practices will enable the delivery of this principle.

Practices:

1. **Identify and embed corporate or functional strategic goals into key business processes**, such as directives and standards on raw material choices during the product design stage or adding selection criteria that

reflect the purpose and strategic goals at stage gates in the product development process.

2. Support changes to business processes by using targets and metrics to steer towards desired outcomes, such as by a certain date a minimum percentage of the portfolio will be made up of more sustainable products and services.
3. Use purpose-led innovation programmes that use the understanding of trends (principle 1) to explore and identify future customer needs and markets that feed into the innovation pipeline.
4. Ensure the Executive team reviews progress of both changes to business processes and projects progressed through them, for example by creating a standing item on Executive team meetings to review critical innovations to deliver the sustainable purpose and strategy.
5. Use Executive sponsorship and influence to use new business practices and thinking, such as new innovation models and methods that avoid falling back on conventional approaches.

Purpose-driven portfolio

DSM is using its purpose to drive a portfolio of commercial products and solutions that also benefit people and the environment. Their *Brighter Living Solutions* deliver high performance while providing additional benefits through the entire life cycle through everything from raw materials to manufacturing to transport, end-use and disposal. Today, these solutions make up 63 per cent of the entire portfolio at DSM (with the goal of >65 per cent by 2021). DSM uses a range of societal drivers such as resources, land use, health conditions and building communities to guide them in developing Brighter Living Solutions. And they do not do it alone: “our purpose can only be realized by working with our stakeholders”. For example, it partners with the World Food Programme, helping to improve the nutrition of over 35 million people through innovations such as fortified rice.

Pointers:

1. Helping the Executive team to recognise that existing business-as-usual metrics and inertia are unlikely to create the necessary speed of innovation required to meet evidence-based goals prepares them to take corrective action.
2. Insights from the analysis of external drivers and issues (principle 1) can be brought into the innovation process to inform, challenge and direct it to generate sustainable solutions.

Purpose-driven product innovation

As Interface embarked on implementing their Climate Take Back™ mission one of the first steps was to create an innovation pathway for products. To jump-start progress and focus the innovation team on a near-term innovation goal, the CEO set a design challenge in 2016 to develop a carbon negative carpet tile. Within a year the innovation team launched a prototype carbon negative tile and a year after that they commercialised the first carbon negative carpet tile backing in Europe. That same year, they announced that all products the company made or sold would now be carbon neutral as a standard attribute. These announcements simultaneously moved carbon negative products a step closer to commercialisation while scaling carbon neutral across the company’s entire product portfolio. Interface began marketing its Carbon Neutral Floors™ programme as a key differentiator and proof point of its commitment to the Climate Take Back mission. Driven by its purpose, the company subsequently made significant investments to install new manufacturing technology across its global operations to enable the shift of all company backings to carbon negative. In October 2020, the company began a global roll-out of these new backings with the ability to sell carbon negative products using these innovative new backings. A key part of the marketing efforts in the product launch of CQuest™ products will be to link the mission to be a carbon negative company with the creation of carbon negative products.

Principle 7: Build the capacity and capability of employees

The new purpose and strategy will create a need for new capabilities within the organisation. The purpose can also be used to decentralise decision-making, enabling a more agile culture. The purpose is likely to require a new, more holistic mind-set from both leaders and employees. These practices set out ways to identify and develop those capabilities, focusing on key populations within the organisation.

7.1 Build the capacity of the Board

The following practices complement those in principle 3.

Practices:

1. **Hold ongoing capacity-building sessions with the Board to educate them, with external expert input, on evolving trends and the latest science, and explore the potential implications for the business and how stakeholders are responding.**
2. Use the risk register during Board discussions to raise awareness of systemic medium and long-term issues.
3. Equip Non-Executive Directors with good questions to be able to scrutinise the Executive team and the organisational purpose, strategy and values.

4. Ensure the culture (see principle 7.3) is endorsed and demonstrated by the Board and senior leaders.
5. Build in purpose and sustainability capability and expertise as criteria for recruiting new Board members. Induct new Board members by explaining megatrends and illustrate the company's purpose and strategy and stakeholder model.

Pointers:

1. Sharing the views of different stakeholder groups with the Board can raise their awareness of external drivers and the implications and external expectations of the organisation.
2. Showcasing successes to the Board and framing them in terms of both mitigating risk and innovating around the opportunity will help to develop their understanding and buy-in.
3. Focus on building one-to-one relationships with key Board members to raise their awareness, clarify their role and enable them to act as champions.
4. Creating a safe space, such as one-to-ones, for Board members to ask fundamental basic questions about sustainability and the business's purpose allows them to surface and challenge their world view.
5. Engaging the Executive team in the purpose and strategy formulation also optimises the chances of internal succession to the CEO role, leading to greater continuity of purpose, strategy and direction.
6. Senior managers, reporting to the Executive team, who understand this agenda and are responsible for implementing work streams that exemplify the purpose in action, can become 'reverse mentors' for Board and Executive team members.

7.2 Build the capacity of leaders

Practices:

1. Segment leadership populations that need to be mobilised and supported, especially middle managers, distinguishing between the technical knowledge and transferable leadership skills they will need.
2. **Inspire and equip leaders with the understanding, approaches and thinking on what pioneering strategic options look like for their business unit or function, for example, how biomimicry could inform new innovation approaches.**
3. Encourage and enable leaders to be open and recognise the tensions and dilemmas that can be created as the business transitions from its existing business models (that may not be sustainable) towards more sustainable value propositions.
4. Review leadership development programmes to ensure they equip leaders in how to resolve these tensions. This includes acknowledging ambiguity and the need for complex system change that can be explored through dialogue with relevant stakeholders.

Pointers:

1. Peers influence peers, so encouraging them to share their views with each other and explore new approaches using tools and stories can create an enabling climate that finds new solutions.
2. Creating the space and permission for leaders to identify and explore the tensions, created by the transition to the purpose, is more likely to lead to deeper insights and better decision-making.

Purpose and leadership

Leadership is critical to an organisation's ability to deliver on its purpose and effective leadership is required at all levels.

Leaders should be steered by the organisation's purpose to inform their approach to value creation, and effective leaders are those who deliver results in line with purpose and hold themselves accountable for enabling the necessary business transformation.

Leaders' alignment of personal purpose and goals with organisational purpose and strategy will unlock the energy, commitment and clarity of direction to create value, amidst the ambiguity and uncertainty of the context in which they operate. Delivering the necessary transformation will require leaders to engage employees and accelerate performance by influencing culture and mind-sets, creating a safe and productive space for innovation and development of new solutions.

This requires leadership that is visionary and able to combine a strategic, systemic view, with the ability to engage with diverse perspectives and inspire and influence people across the organisation and beyond.

7.3 Cultivate the culture and capabilities of the wider organisation

Practices:

1. Review and if necessary restate the corporate culture framework, values and mind-sets that will be required to deliver the new purpose and strategy.
2. **Develop a corporate competency framework that sets out the tasks and capabilities (knowledge, skills, behaviours and attitudes) required to deliver the purpose and strategy.**
3. Use the competency framework to assess key populations to identify gaps, priorities and learning needs.
4. Support functional teams to translate the corporate competency framework into functional and role-specific competency profiles by prioritising capabilities most relevant to them.
5. Integrate the culture and competency frameworks into the company's people strategy and processes, such as employee value propositions, recruitment and leadership framework.
6. **Develop a range of methods for delivering learning, from informal peer-to-peer learning on the job to more formal face-to-face workshops and digital learning approaches that can be adapted to the learning needs of different populations.** This could include developing tools, guides and metrics (see principle 9) to enable teams to understand and use the adapted working practices, such as guides on how to use raw material directives.
7. Help employees to identify their own sense of purpose and explore opportunities to align it with the company's, such as through purpose workshops.

Pointers:

1. Create opportunities and invite employees to volunteer to become champions to drive progress in their part of the business and co-ordinate integration of the purpose and strategy. This could include additional training and formal recognition as they complete training and deliver sustainability projects.
2. Find ways for employees to connect with the purpose and strategy through both their 'head' (making the rational business case) and their 'heart' (by emotionally engaging with the intangible benefits).



Pia Heidenmark Cook, Ingka Group (IKEA)

Togetherness is one of the most important IKEA values. We have realised the impact of bringing together entrepreneurs, corporations, NGOs, academia, policy makers and IKEA leaders to create systemic change for people and the planet. There is also a sense of urgency, being in the decade of action, and I am confident that we can move big topics further when we do it together. Togetherness and urgency led to the creation of a platform we call ONE HOME, ONE PLANET in 2019.

ONE HOME, ONE PLANET is a sustainability event that brings together purpose-driven, ideas-led doers, thinkers and influencers from across different fields, providing diverse perspectives. The format is a two-day meeting, containing inspirational talks and impactful cultural performances as well as solution-oriented workshops, to discuss challenges and ideas, moving insights and hypotheses to address challenges and exploring paths forward.

The first ONE HOME, ONE PLANET welcomed 200 sustainability leaders from around the world to our then most sustainable IKEA store, located in Germany. The purpose was to collaborate around solutions to make sustainable and healthy living affordable and accessible, becoming circular and climate-positive and moving to a fair and equal world. One concrete outcome is our “Skills for Employment” programme for refugees. This first event brought many great insights and widened our network, but its size was determined by the physical location.

In September 2020, we opened the second ONE HOME, ONE PLANET in a fully digital and live-streamed setting, and space was no longer a limitation. To me, it was fantastic that we now could welcome 300 external and internal leaders from across our global organisation, together with 1,000 co-workers via our intranet as well as 5,000 participants via LinkedIn, to the townhall sessions. The internal and external leaders participated in 25 different interactive breakout sessions, collaborating on urgent challenges, such as scaling renewable energy in countries with low uptake of renewables, and increasing the appetite for plant-based food. Many participants stated afterwards how much they gained from this year’s sessions in insights and a widened network to stay connected with.

And I specifically want to mention the young leaders participating. With such strong, creative and determined young leaders, I feel confident that we will find ways to overcome the challenges we face today and bring them to prosperous solutions benefitting people and the planet not only today, but for the future.

From last year, we have learnt how to better cater for more concrete workshop outcomes. I think the results were even stronger and exciting this year, and I look forward to sharing more when the seeds planted this year have started to grow and are ready to be shared.

I am excited that we now are discussing ways to bring the platform of ONE HOME, ONE PLANET to reach and engage more people in the local countries, to discuss and address local challenges with local or regional stakeholders, and we now explore the possibility to host local market events.

3 External engagement

An organisation with a sustainable purpose is unlikely to be able to achieve its purpose alone. Such a company knows it needs to use its networks and influence to help bring about the regulatory and market conditions to succeed and find partnerships to deliver impact. Part three sets out how the organisation can communicate, engage and collaborate with stakeholders beyond the boundary of the business. It is important to remember that internal integration (part two) and external engagement need to be closely aligned to ensure the company ‘walks the talk’ and to avoid a credibility gap between what the organisation aspires to and what it delivers.

Principle 8: Select and build external partnerships and advocacy

Having clarified its purpose and strategy, an organisation is in a strong position to identify where it needs external expertise, influence and delivery capability. This will depend on what the purpose seeks to achieve and the organisation’s position and influence in the value chain. While the organisation will want to compete and differentiate itself through its products and services, it will also need external partners to collaborate with on pre-competitive issues or find the expertise and delivery capability to realise its strategy. Sharing a clear purpose and ambition externally can attract potential partners that can work together to solve shared challenges. This intent, to work with and shape the wider landscape and value chain, is often new for conventional businesses and requires new capabilities, such as understanding the company’s influence across the value chain and how to identify partners.

Practices:

- Use the purpose and strategy to identify and prioritise where the organisation needs external capabilities to create impact that the company cannot achieve on its own, by building on the outside-in assessment (principles 1 and 3). This includes distinguishing between partners that help to build internal capability, make an acquisition, or positively influence policy, as well as commercial or non-commercial expert delivery partners, or a consortium or collaboration to join or initiate that addresses pre-competitive challenges.
- Develop a partnerships and advocacy strategy that includes what outcomes the organisation wants to achieve, where the gaps are and what external capabilities and support are needed.**
- Select delivery partners and clarify the outcomes and goals to be achieved by mapping potential experts, stakeholders and collaborators for each prioritised area of impact according to their expertise, shared values and ability to influence and deliver on the area.**
- Clarify the purpose of the partnership, your shared values and deliverables of the partnership or project to confirm alignment and make success more concrete.
- Allocate ownership of the partnership to the most relevant business or functional team so that it is owned and actively managed by them.

Pointers:

- Previous stakeholder engagement, during principle 1.2 for example, will provide a lot of this background and identify potential partners.
- Illustrating for key stakeholders of the business what the future would look like if the purpose and strategy were successful, can make their role more concrete and the potential outcomes and benefits more tangible. This can also lead to the co-creation of new products and services with stakeholders.
- Identify partners with shared values. Shared values are as important as the capabilities and competence the partner brings, otherwise the partnership is unlikely to work long term.
- Seek the intersection between the company’s purpose and strategy, stakeholders’ interests and commercial opportunities by surfacing and defining shared interests, objectives and desired outcomes. Some stakeholders, such as customers, can help to co-create new product and service innovations by developing shared projects and initiatives that deliver new innovations that meet shared goals.
- Dedicate necessary time in the organisation to manage the partnership, as it takes time and can be resource heavy to ensure that the partnership delivers to its full potential.
- Distinguish between *formal* partnerships that are driven by a known business need and *informal* partnerships (such as experts in a similar field) that may generate further insights that result in a formal partnership further down the line.

Scaling social enterprise-based solutions to development challenges

Unilever recognised that there was great potential to develop and scale solutions to persistent global challenges by harnessing the creativity of social enterprises. In 2015 they teamed up with the UK's Department for International Development, now the UK's Foreign, Commonwealth and Development Office (FCDO), to launch TRANSFORM, with EY joining as a collaborator in 2019. The £40 million initiative harnesses the public and private sector organisations' capabilities to provide financial and business support to social enterprises and behaviour-change interventions. By supporting the scaling of these innovations and sustainable business models, Unilever and the TRANSFORM partners can harness the power of markets to not only deliver exceptional growth, but also help our economies transition to a low carbon, inclusive and healthier world. To date, the programme has reached almost four million people in sub-Saharan Africa and South Asia, providing access to products and services that have been shown to improve health, livelihoods, the environment or well-being. Unilever, FCDO and EY are exploring opportunities to build on the strengths of the partnership for the future.

Principle 9: Integrate the purpose into metrics and external disclosure

Internal and external stakeholders will want to know how the organisation is making progress towards its purpose and strategy. This informs internal decision-making and enables external stakeholders to evaluate progress that builds trust and attracts new stakeholders to the organisation. Therefore, it is important to disclose progress on the purpose and strategic goals, showing how financial value is dependent on social and environmental dependencies.

Practices:

1. **Disclose targets and goals for the strategic areas of the purpose and strategy and the metrics used to track progress.**
2. Where possible, use integrated reporting, as part of the financial reporting cycle and communications, to present sustainability and purpose performance metrics next to financial targets, which demonstrates how value is created across all areas.
3. **Ensure senior leaders and functions have clear ownership over the metrics that relate to their business unit or function.**

4. Use rigorous assurance to provide confidence and consistency to internal and external stakeholders.

Pointers:

1. Track the fast-moving work being done to converge non-financial, or Environmental, Social and Governance (ESG) reporting metrics that are designed to reflect the company's wider set of impacts to align organisational reporting with these developments.²
2. It is not always necessary to develop 'purpose' metrics, but rather track the key outcomes that reflect strategic impact areas and stakeholder interests, such as products with sustainability attributes.
3. Use existing metrics where possible, then adapt them or add new ones to cover gaps.
4. Recognise there may be a potential tension between legacy metrics (such as sales) and the desired outcomes of the purpose and strategy (such as providing consumers with low carbon solutions).



Inge Massen-Biemans, DSM

In June 2018, DSM announced its latest strategy update. At the heart of this update lay our purpose of *creating brighter lives for all* through our science-based solutions, anchoring our commercial strategy to the UN Sustainable Development Goals.

Getting to this definition of purpose had been quite a journey: over a decade of gradual strategic evolution had led to lengthy internal discussions around our collective ‘magnetic north’, *who we were* and *why we came to work*. Indeed, our purpose was never meant as an existential revolution; rather it was a further realisation and refinement of what already existed within our company and our people. This is why our employees have embraced our purpose wholeheartedly: it is built on long-established values and anchored in what we can truly achieve.

Above all, our purpose is designed to be actionable – it is something real, something that our people can live and breathe, every day, and not just think about in abstract terms. Wherever you are located in our global organisation, whatever your role or level, ‘creating brighter lives for all’ is what gives meaning to our work and effort.

To help deeply embed purpose in our organisation and people, we set up a wide range of initiatives. Examples include our ‘Purpose at workplace’ initiative, which focuses on creating a working environment that reflects our purpose-led approach, including a focus on healthy nutrition and the use of renewable energy, for example. We also developed sustainability trainings and workshops to raise awareness on what our purpose-led approach means in practice. And we worked on making the commitment of specific businesses and functions to DSM’s overarching purpose specific, helping people recognise how they contribute to the bigger picture.

In addition, we refreshed our communications approach – making it more inclusive, more actionable, more integrated. We are stepping away from the siloed way of the past – of one-way conversations and sending scattered information to a narrow target audience. Increasingly, we are moving to true interaction with a range of stakeholders on key themes and tailoring our content to their specific interests.

This important shift has involved our communicators learning to think bigger and outside of their conventional remit. In a truly purpose-led company, everyone plays a part in ensuring that their organisation is living up to its promises.

To this end, we communicate about our purpose-led approach through tangible examples based on facts and concrete action. Across the organisation, a multitude of specific commitments and targets are in place to hardwire our purpose-led approach and ensure strong accountability. These are instrumental in giving further substance to our communications.

At DSM ‘success’ is defined as creating economic, environmental, and societal value for all our stakeholders – customers, employees, shareholders, and society at large. On top of our financial results, and among other metrics, we closely monitor progress on our ambitious targets for a sustainable portfolio, use of renewable energy, greenhouse gas emissions, and employee engagement, to name a few.

In fact, we deliberately chose not to introduce any purpose-specific metrics. The whole point of our purpose is to embed it into all our activities, and not for it to be an end in itself.

That’s also the reason why our purpose is now at the heart of our newly launched culture programme: it inspires everything we do and will help us get to the future we aim for by strengthening the link between purpose (which everyone loves) and day-to-day activities.

And although the future is always uncertain, one thing is sure – our purpose is here to stay.

Principle 10: Integrate the purpose into corporate positioning and communications strategy

How a company positions itself in relation to its purpose and communicates its purpose to stakeholders and external commentators is crucial to how successfully the purpose will influence and impact performance and reputation. Authenticity emerges when what the organisation intends aligns with what the organisation says and does. The following practices enable an organisation to align what it says with its purpose and strategy.

Practices:

1. Develop a plan for announcing the purpose, linking it to other business communications, building stakeholder engagement and gaining third-party endorsement, and integrate it with company and product communications.
2. **Integrate purpose and sustainability into all company (internal and external) communications and narrative, rather than treating them as separate subjects.**
3. Maintain a consistent storyline and narrative that demonstrates how the sustainable purpose drives social, environmental and business value and demonstrates the purpose is owned and advocated at the highest levels of leadership.
4. Demonstrate progress on the purpose and strategy by showing tangible proof points to bring the purpose and strategy to life. Use a combination of qualitative updates each quarter with quantitative (see principle 9) updates each year that demonstrate impact by showing the quantified contribution to addressing global challenges by demonstrating ultimate outcomes, not just project outputs.

Integrated communications

DSM has integrated its purpose and strategy with delivering benefits to society in three strategic areas: Nutrition and Health, Climate and Energy, and Resources and Circularity. It calls this a “purpose-led, performance-driven” strategy. To communicate this, they created a *Brighter Living Agenda* as a roadmap for demonstrating how it delivers value to all its stakeholders. It is based across three key pillars: 1) improving DSM’s own operations; 2) enabling healthier and more sustainable solutions for customers and end users; and 3) advocating for the society DSM believes in with a wide range of third parties across the three strategic areas. This combines quantitative measures as well as stories with tangible proof points for specific target audiences that bring the purpose-led approach alive.

Pointers:

1. Using simple everyday language and a modest tone of voice, rather than corporate or marketing speak comes across as more humble and personal.
2. Holding annual ‘town halls’ for business units to update on progress on the purpose and strategy builds visibility and momentum.
3. Using a combination of business unit, regional and functional examples of success is more likely to connect with employees from different parts of the organisation.
4. Illustrating progress on the purpose, such as videos interviewing employees on what the purpose means to them and what impact it is having, and celebrating key milestones engages employees in the purpose. The videos can be shared with employees individually or collectively through ‘movie nights’.
5. Using a framework that shows the types of impact across the value chain for each strategic area can build rigour and consistency into messaging.
6. Where practical and appropriate, linking the narrative and impact to the UN SDGs sets it in a wider context that a wider range of stakeholders can relate to.

Conclusion

This report puts forward ten principles that any company setting out to align and integrate its corporate purpose and strategy to transition to a sustainable economy should consider. The principles reflect key organisational interventions and approaches aimed at helping companies with aligning their strategy to a sustainable purpose, integrating these effectively into the core of the business and leveraging these externally to achieve their goals.

Leaders can use this report to create or revise a pathway for their organisation, based on the organisational context and culture, their aspirations for the organisation, and the leader's spheres of control and influence.

Each of these principles can be operationalised through a menu of corporate practices that can be adopted and adapted. Drawing on the experiences of four leading companies, this report offers a rich range to choose from and prioritise.

Leaders will need to use their judgement to select, combine, adapt and sequence the practices that best suit their organisational context and ambition.

The report also offers a set of pointers providing on-the-ground tips and guidance to enable leaders to facilitate the adoption of these practices and in an effective manner.

The aim of this report is to inspire and enable any leader, in any organisation, as they embark on and navigate this journey.

There is more to learn about how businesses can accelerate this and contribute towards a sustainable economy.

Leaders can find out more about how CISL's [Centre for Business Transformation](#) is working with leading companies to develop strategies and practical solutions to support this transformation.

References

- 1 Financial Reporting Council. (2018, July). The UK Corporate Governance Code, *Principle B*.
- 2 Such as the EU's Directive on non-financial reporting and the Impact Management Project.

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