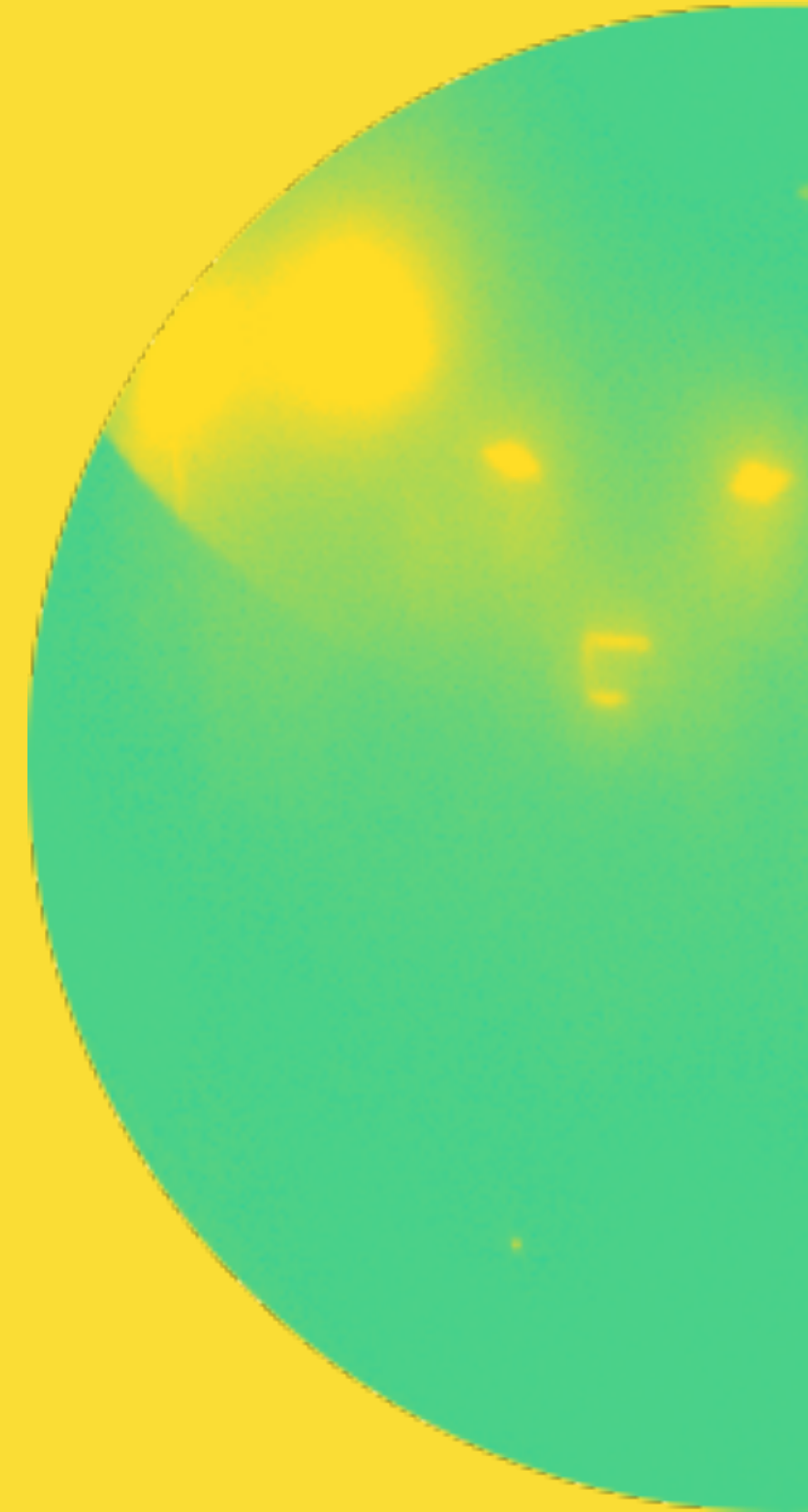
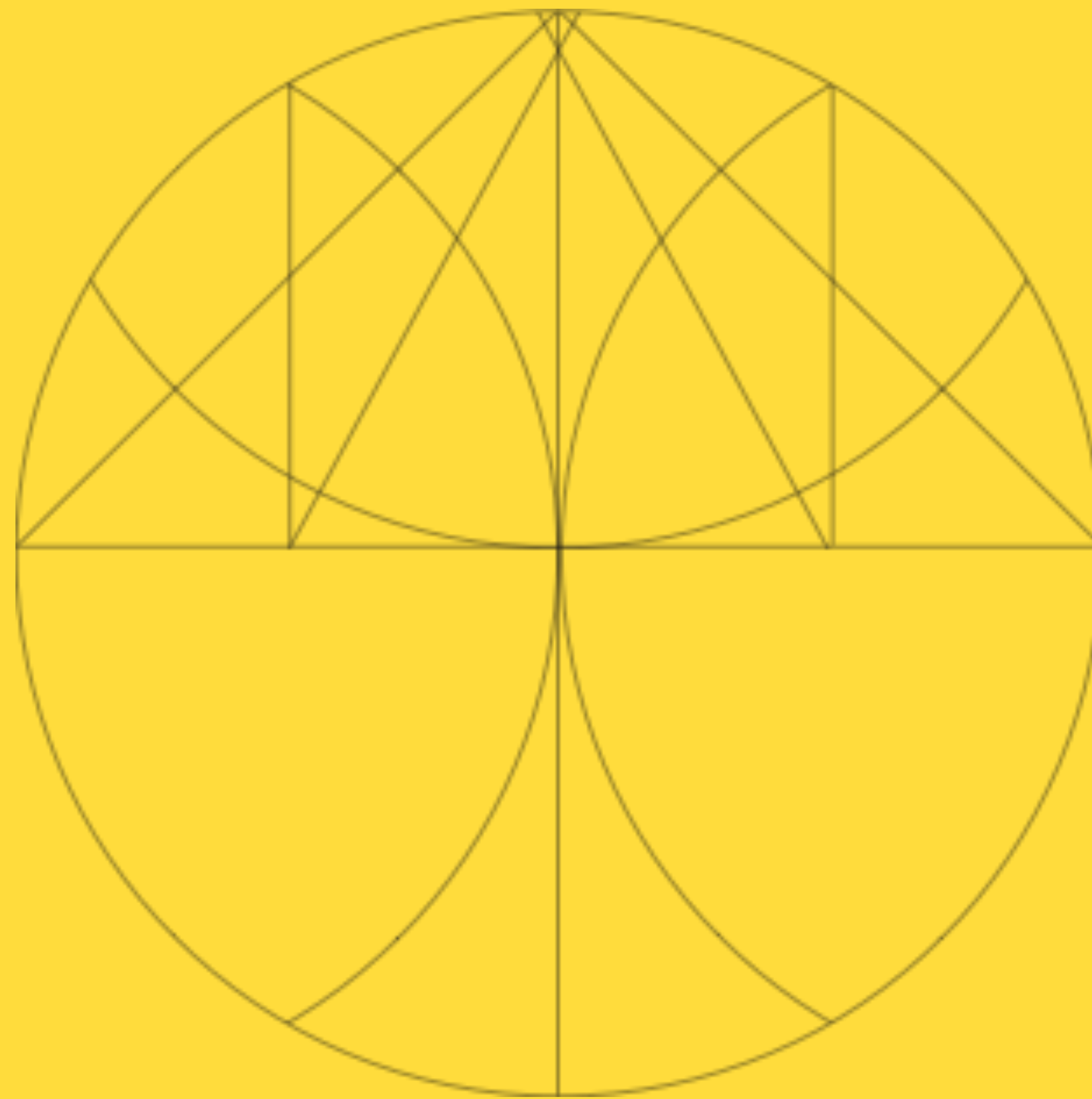


Redesigning Business for Global Governance

Maurizio Zollo

15 May 2020

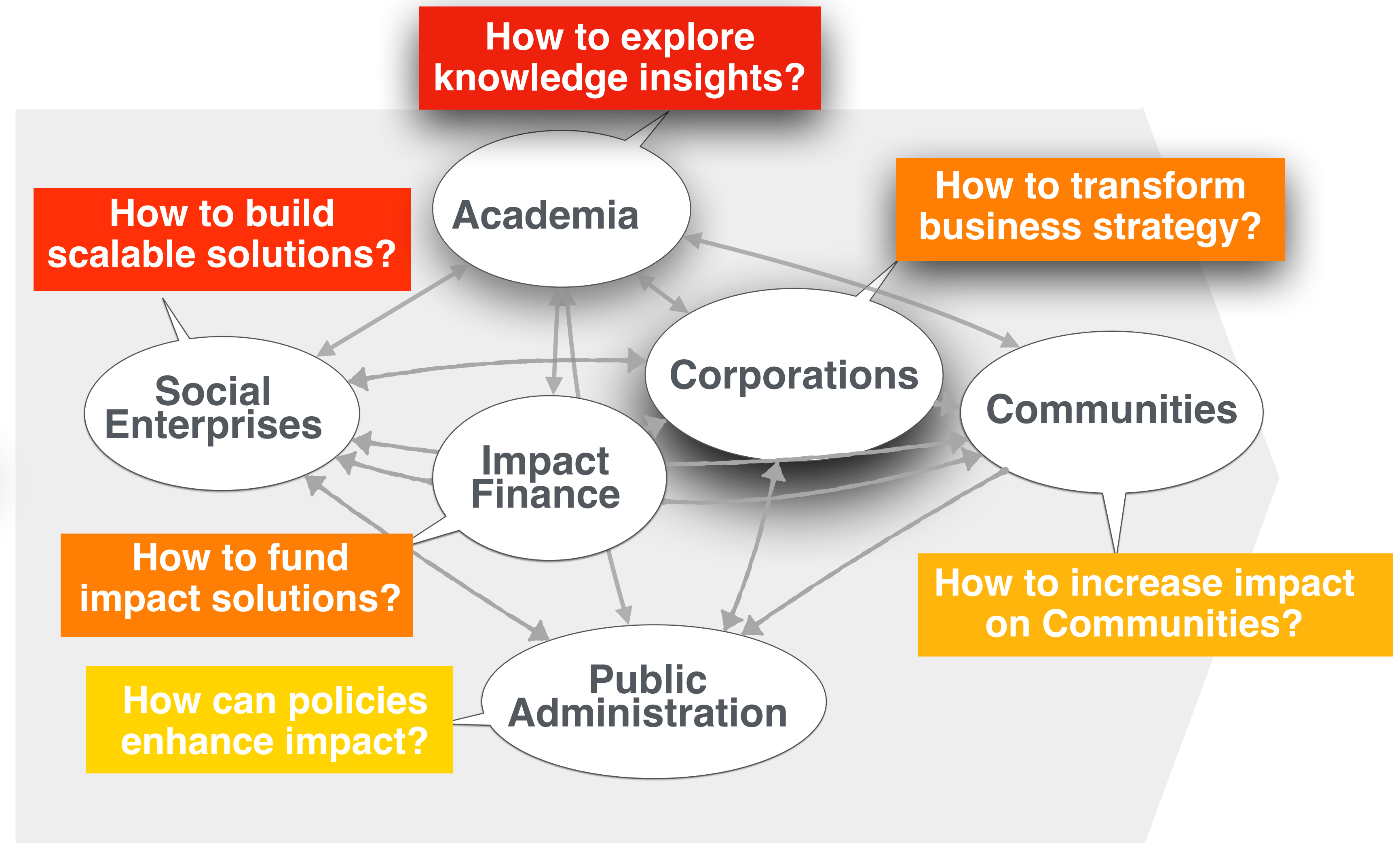
Imperial means
Intelligent Business



WHAT DOES IT TAKE TO TACKLE THESE MALADIES?



IT TAKES A RADICAL SHIFT BY ALL SOCIETAL ACTORS...



SOURCE OR REMEDY OF SOCIAL MALADIES?

54 of the largest 100 economies are companies, not states

Top 1000 companies and their value chains generate 70% of global GDP.

< 0,1% companies publish sustainability reports, without clear impact on society

41 T are allocated in ESG funds with exponential trend

40% of Adult US are **Obese**

Natural disasters cause \$165 Bn damages in 2018

40% of US Employees suffer extreme stress

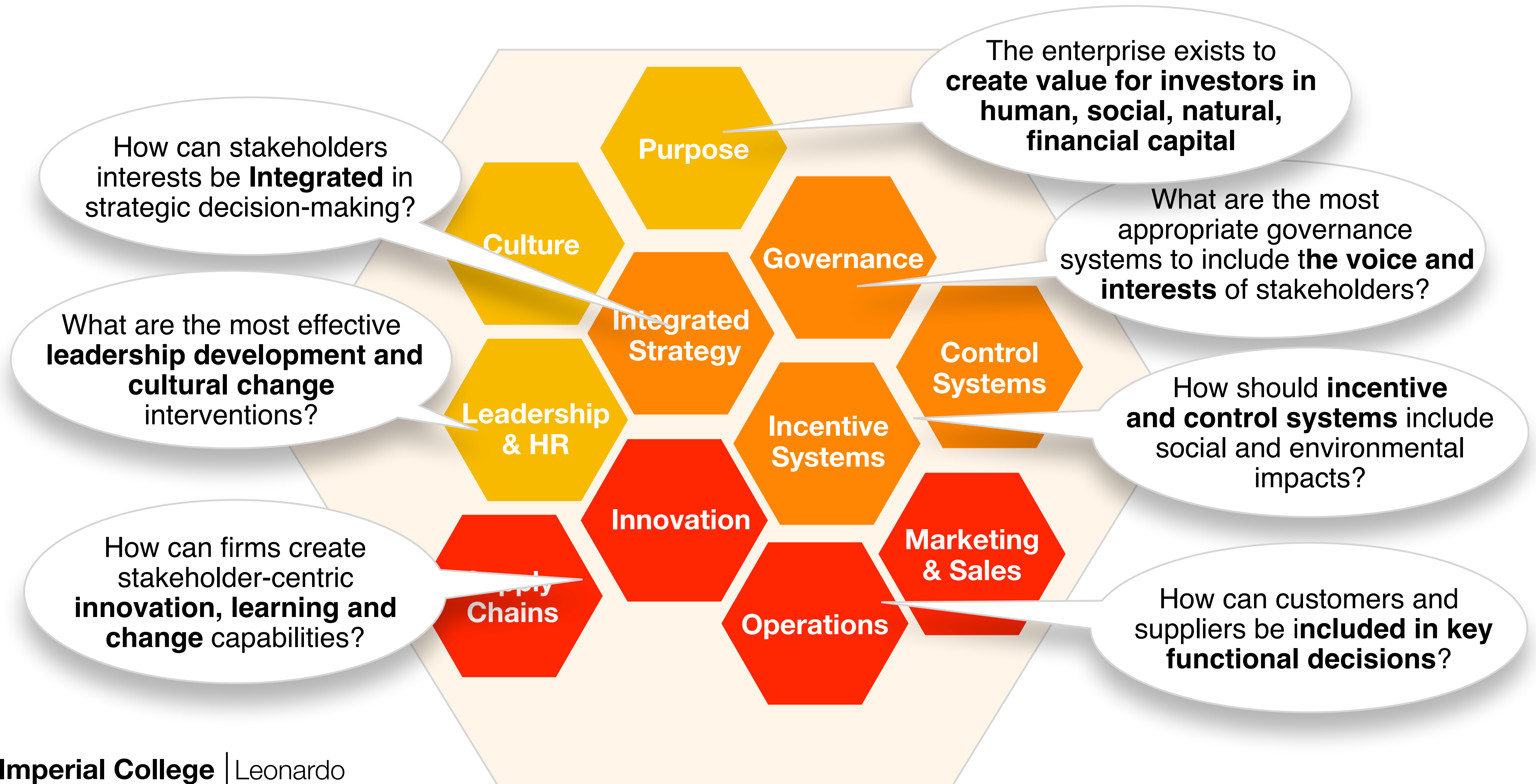
Board members seeking neuro-psych help increased 5 times in the last 7 years



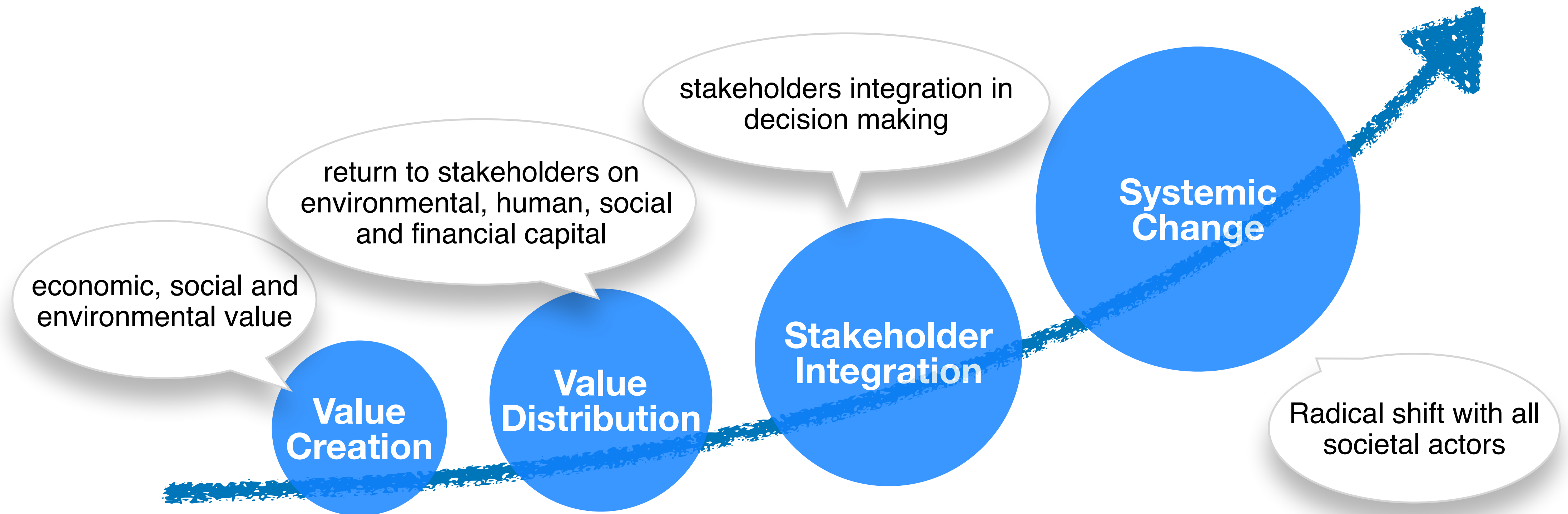
LINKING BUSINESS TO SDGs



WHAT IS A STAKEHOLDER-CENTRED ENTERPRISE



THE SOLUTION LIES AT THE HEART OF THE FIRM...



.. REWARDED BY FINANCIAL MARKETS...

BlackRock CEO to Companies: Pay Attention To 'Societal Impact'



[Ft - Ethical investment boom](#)

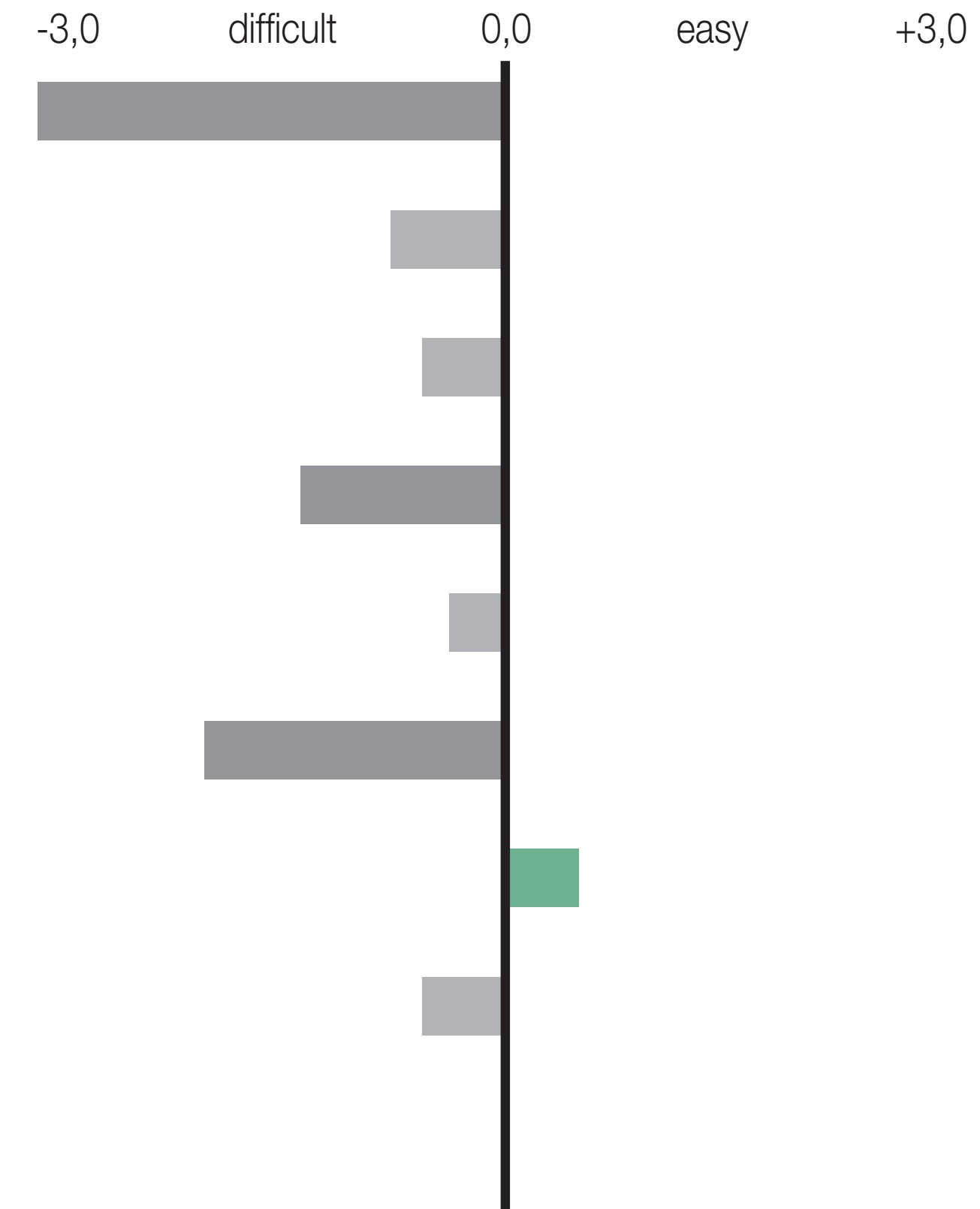
BUT CHANGING THE “HEART” IS REALLY DIFFICULT

Selection of key transformation capabilities



Participants selected max. 3 key capabilities

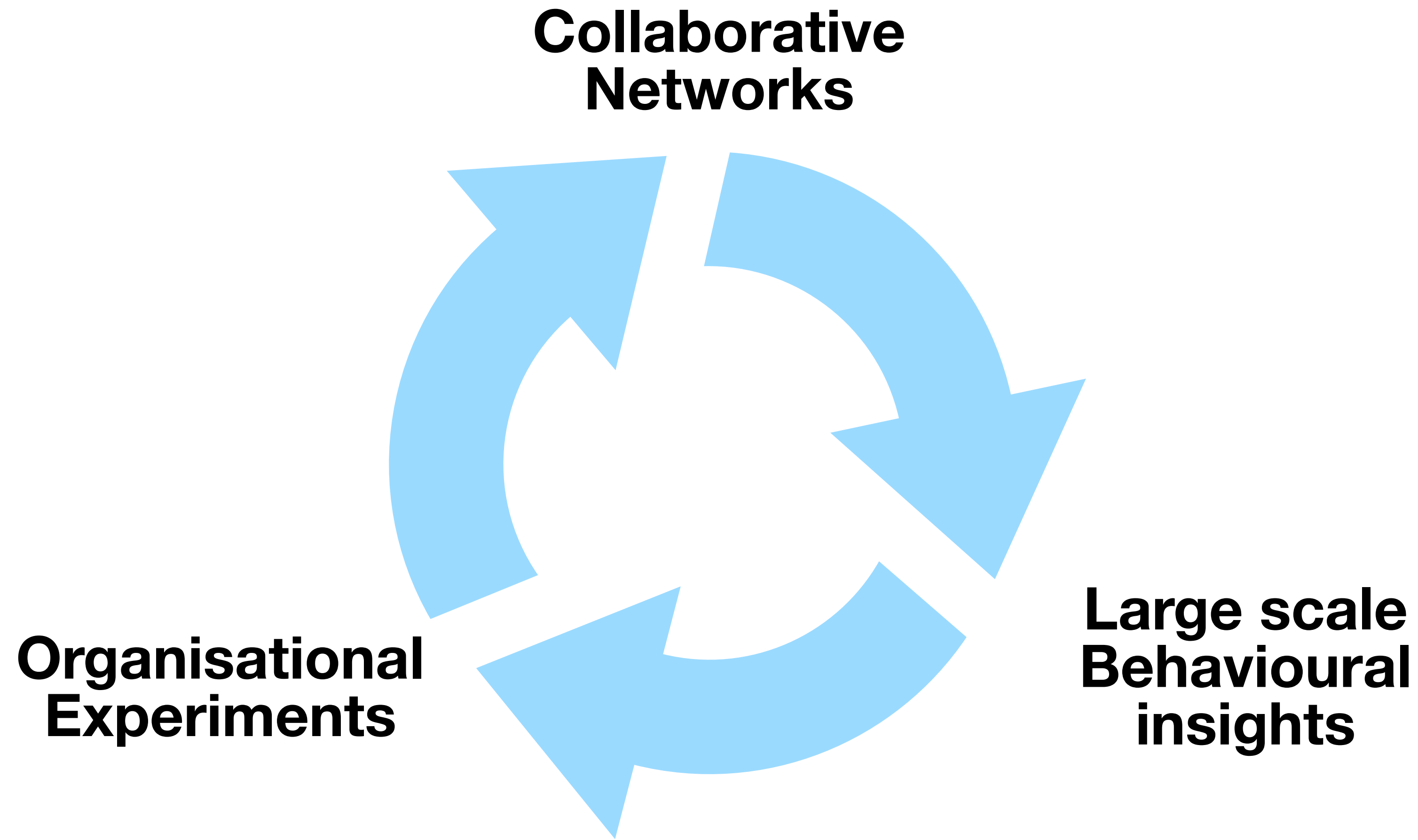
Ease of implementation



Average evaluation for key capabilities from -5 to +5

OUR APPROACH AT LEONARDO CENTRE

Contributing to business evolution for societal impact



OUR RESEARCH DATASET

Who

Num	Sector
553,246	Financial Services
526,060	Other
330,060	Energy
316,207	Food and Beverage
191,876	Chemicals
189,588	Energy Utilities
178,688	Telecommunications
167,413	Technology Hardware
160,051	Mining
149,194	Healthcare Products
144,873	Construction
137,405	Real Estate
135,799	Automotive

When

Num	Years
82,561	2008
96,307	2009
144,792	2010
149,773	2011
204,090	2012
266,268	2013
334,829	2014
440,629	2015
770,129	2016
1,204,777	2017

Where

Num	Country
558,231	China
377,161	United States
301,190	Taiwan
216,682	Spain
199,131	Japan
195,053	Brazil
177,192	United Kingdom
176,273	South Africa
160,010	India
154,694	Germany
142,579	Australia
141,160	France
126,303	Korea, Republic of

Why

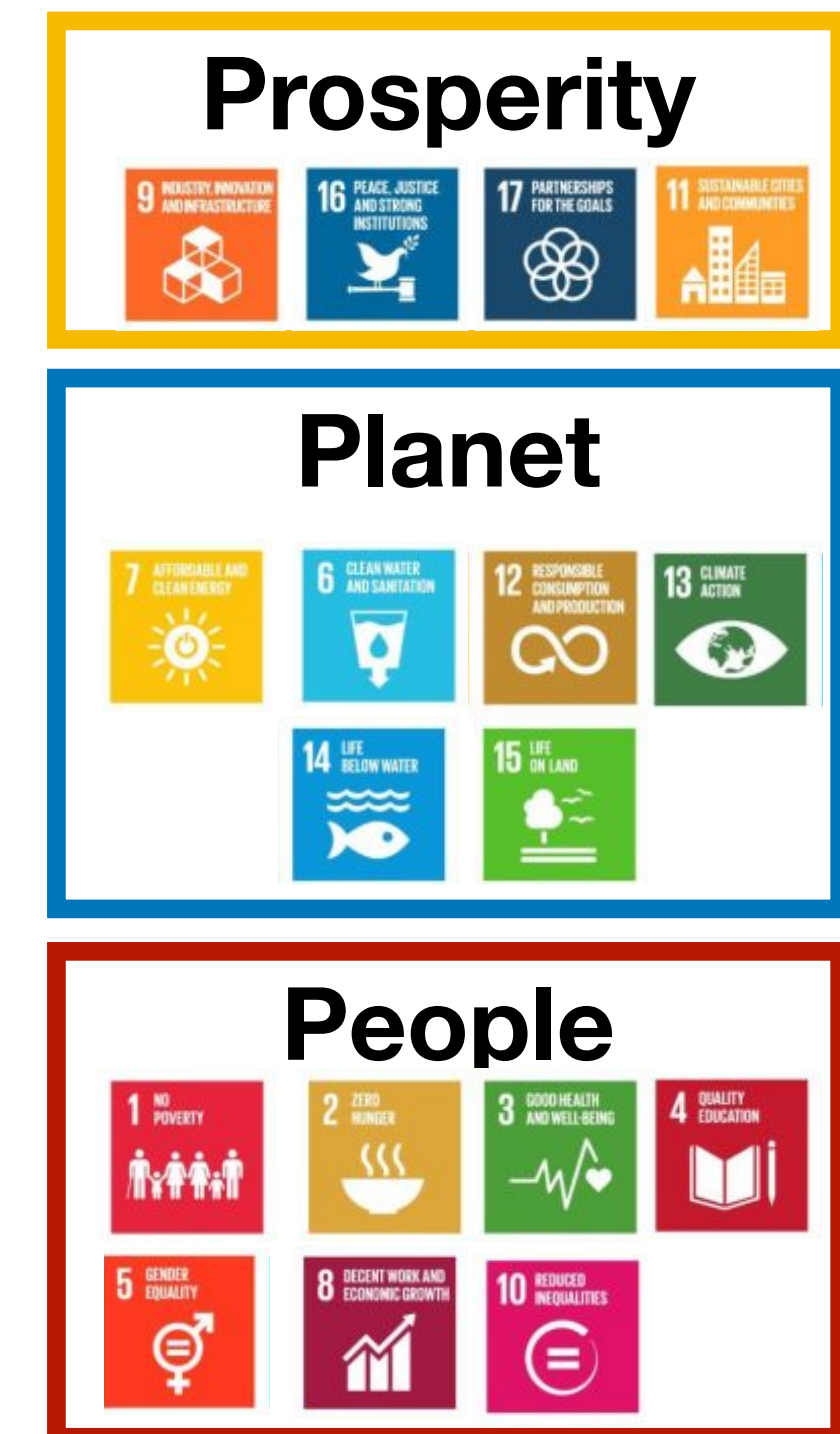
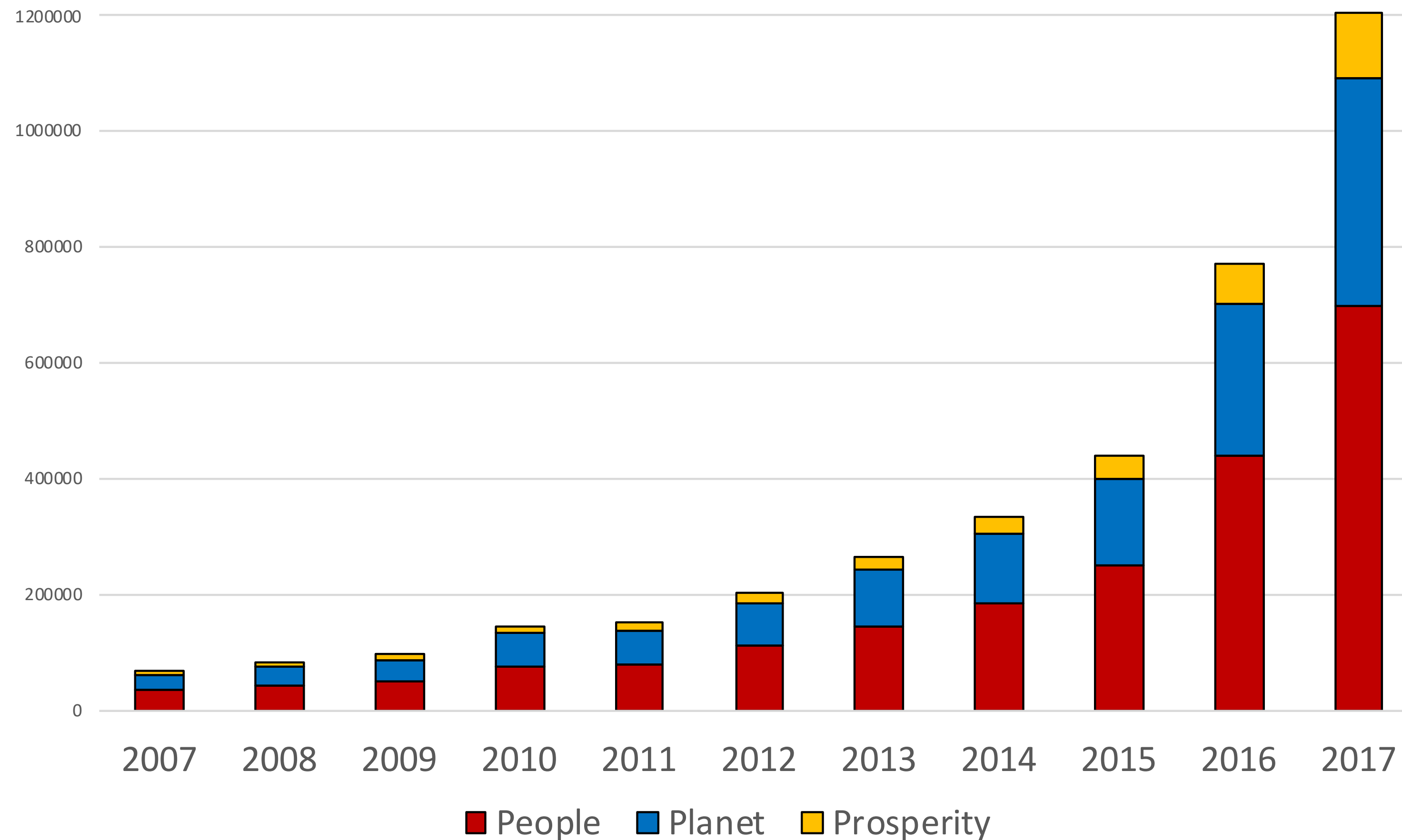
Num	sdg
953,028	12
869,972	4
736,258	8
370,233	9
360,899	3
335,950	7
313,967	16
127,161	4, 8
126,160	15
67,628	12, 7
64,744	11
48,499	2
40,366	1

What

Num	Type of activity
879,639	Assessment and measurement
696,275	Training
515,104	Communications
461,639	Donations & Funding
425,447	Modification of Procedures
353,942	Association
288,030	Assets Modification
146,638	R&D Investments
82,495	Comm.
82,108	New product
68,768	Volunteerism
67,098	Incentives and Disincentives
65,439	Adoption of Standards & Rules

Leveraging AI algorithms we developed the first global dataset of over **5 M** initiatives by **13.000** companies over 12 years

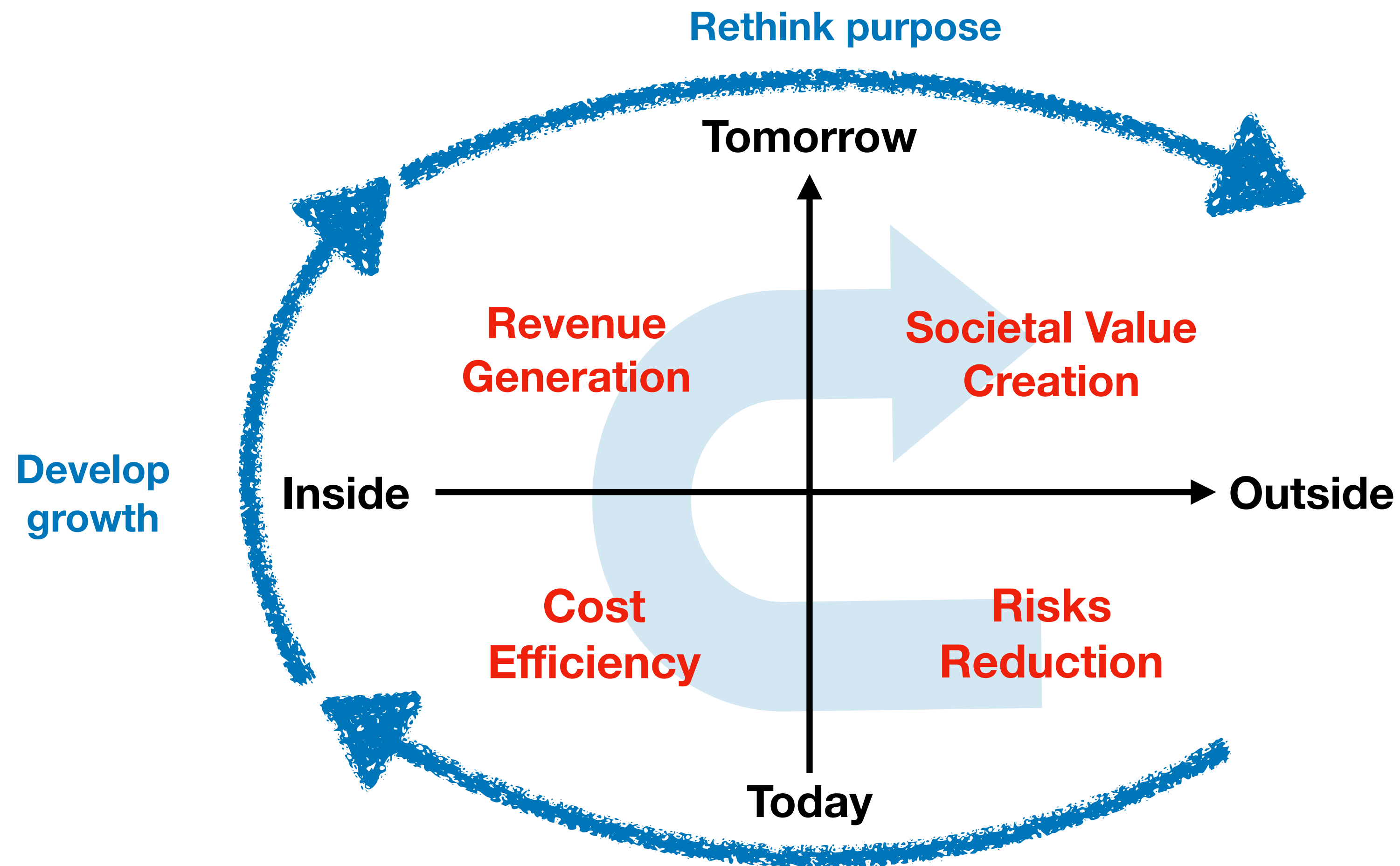
EVOLUTION OF SDG TARGETED INITIATIVES..



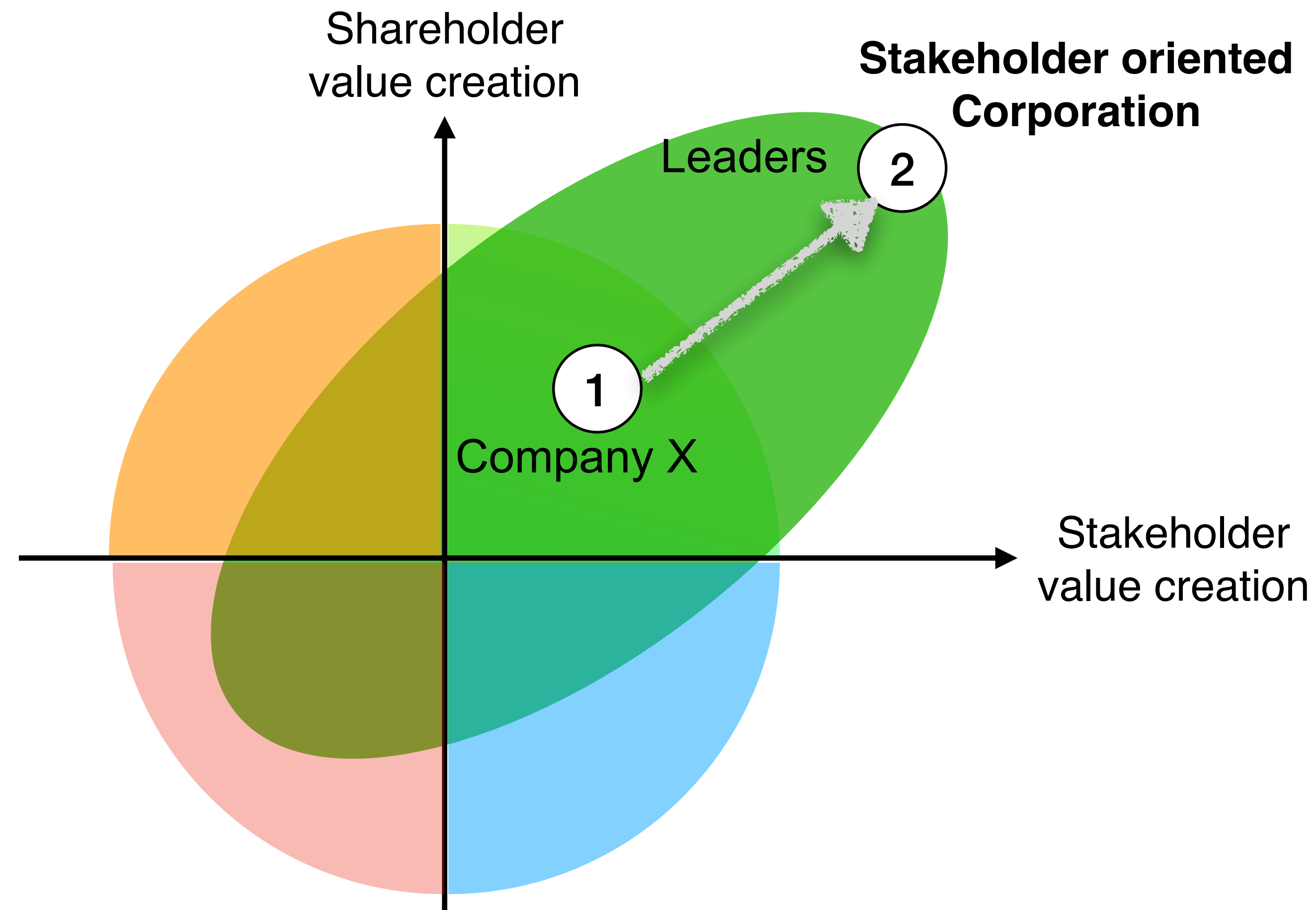
Source: Leonardo, Golden

THE EVOLUTION TO SUSTAINABLE ENTERPRISE

Develop dynamic capabilities to innovate, experiment, learn and change



COMPETING FOR INTEGRATED VALUE CREATION



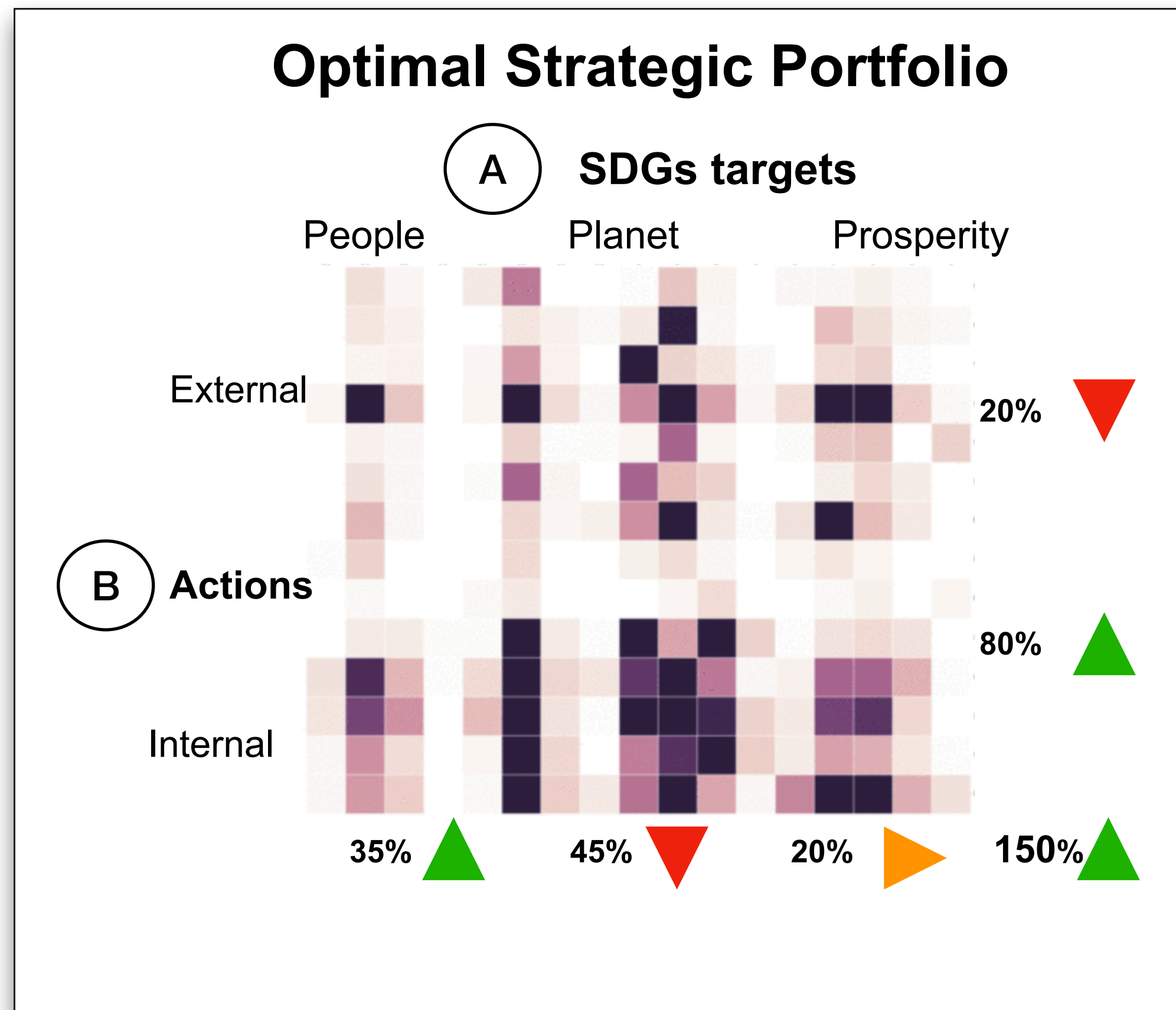
① How company X is tackling the challenge

② How company X is performing toward peers

➤ What can be done to leapfrog competitors

EXPERIMENTING WITH BUSINESS EVOLUTION

Data driven optimisation of sustainability initiatives portfolio



A

SDGs refocus

- Increase focus on SDGs
- Reduce focus on SDGs

B

Reshape actions for each SDGs

- Increase activities ...
- Decrease activities

C

Build organisational experiments

- Leadership
- Incentive system
- Control Systems
-

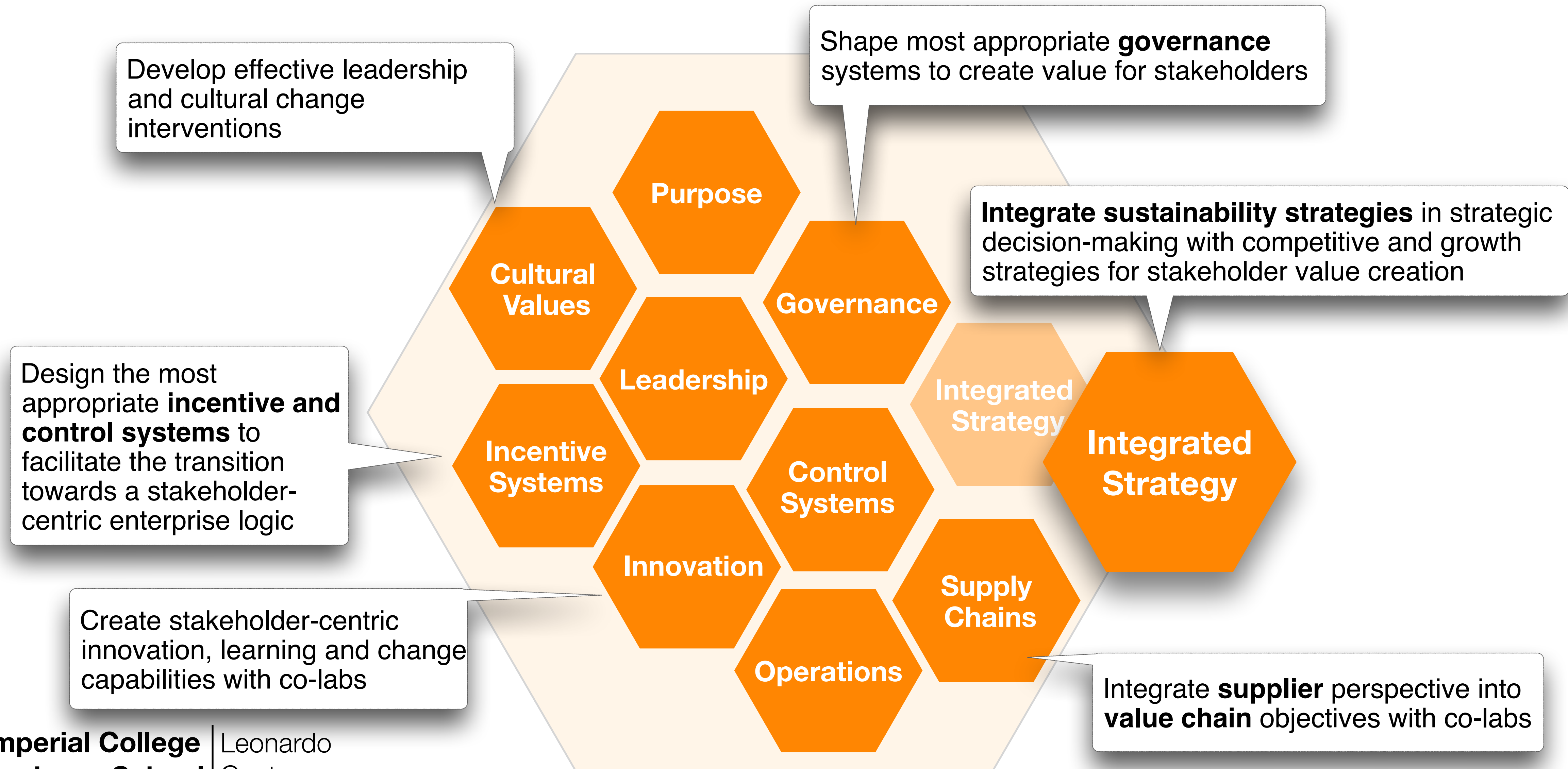
D

Lead systemic change

- Collaboration with peers
- Insights from leading experts
- Co-creation of solutions

C

ORGANISATIONAL EXPERIMENTS

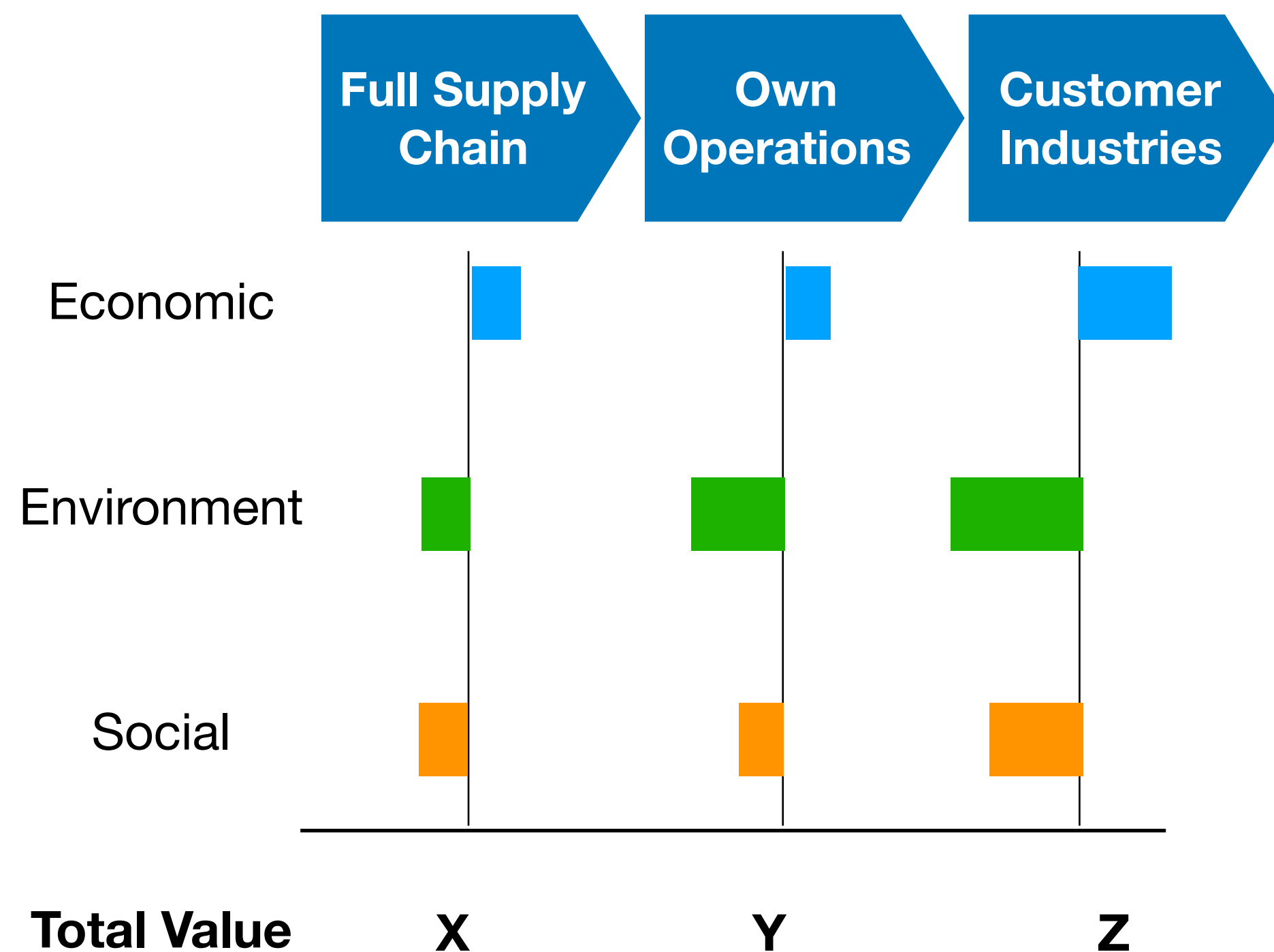


D

... WITH SYSTEMIC IMPACT

The responsibility of leaders is to move the frontier of sustainability and drive systemic change on key sectors with collaborative platforms to catalyse peers in technological and cultural transition of business a regenerative society.

Integrated Value Chain



What	Model: global cross-disciplinary cooperative platform, with experts from academia, business and stakeholders.
Why	SDGs: focus on systemic value chain goals for selected segments.
With Whom	Stakeholders: key corporate partners (suppliers, customers) in selected sectors and relevant stakeholders
How	Co-creation: share, co-design and assess the impact of change initiatives through thematic workshops
Outcomes	Impact: innovation pilots (tech., org., cultural) with measurable impact

FUNCTIONAL SUSTAINABILITY ASSESSMENT

Level of Maturity	Business Areas							
	Purpose	Culture & Leadership	Governance	Integrated Strategy	Incentive & Control Systems	Innovation	Supply Chain & Opations	Marketing & Sales
Leader								
Proactive		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	2
Adaptive	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>					
Reactive					<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Inactive								

Strategic Priorities

People

Structure

Product

SAMPLE PROJECTS

Integrated
Strategy

A company in the **sports equipment sector** used the GOLDEN data from the Observatory, survey and interviews for evidence-based development of unit specific **sustainability integration** in business development **strategy**.

Cultural
Values

A large European **electronics manufacturer** introduced innovative management training sessions to enhance **sustainability mindsets** through business oriented **meditative practices**. Impact assessed through business simulation, psychological tests and **neuro-imaging** techniques (research project).

Leadership

An **international institution** revised the engagement approach to its **global network of local partners** based on the results of an analysis of the impact of UN SDGs on the nature of the value creation logic across national contexts

Supply
Chains

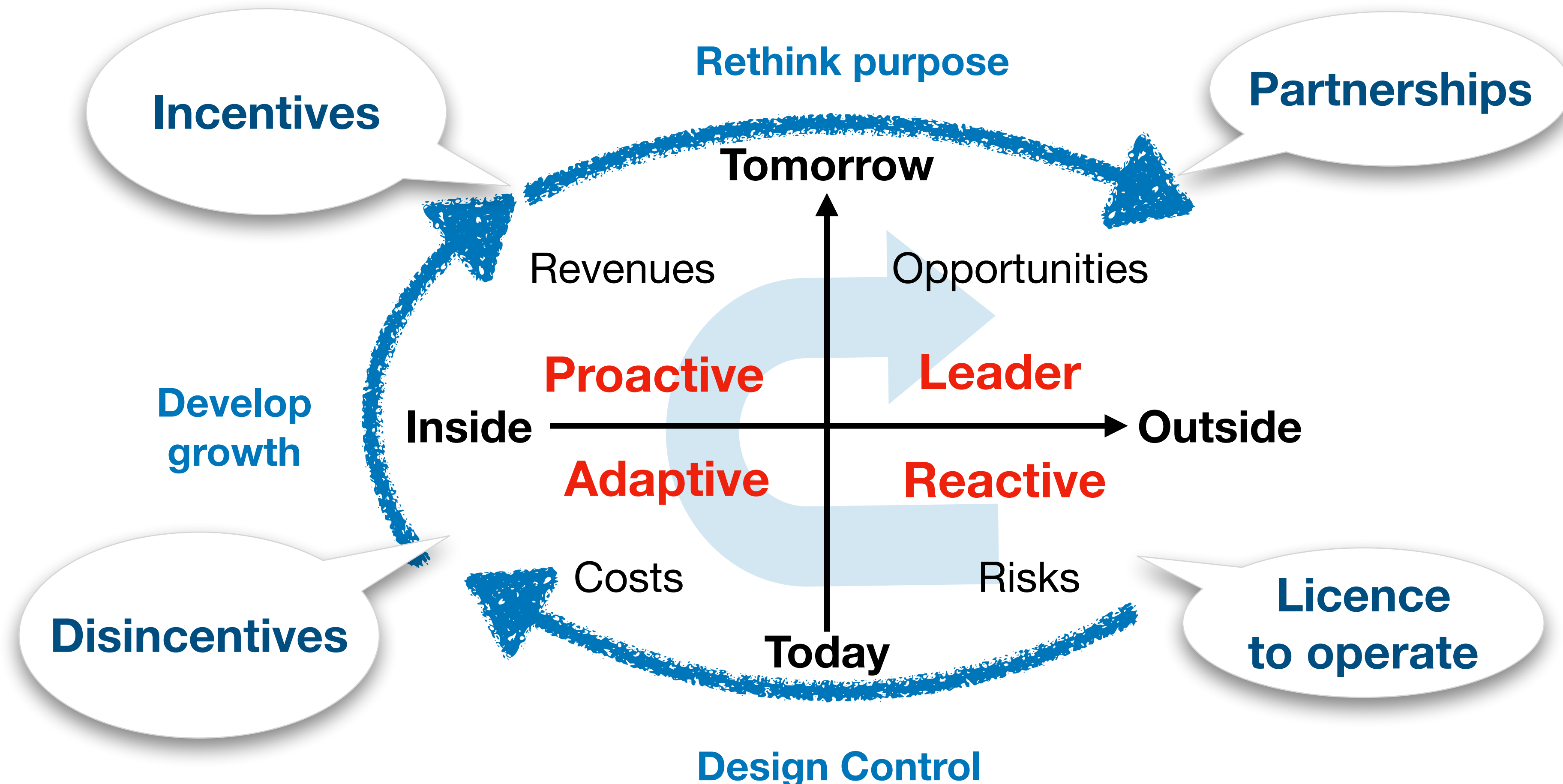
An **insurance company** experimented with alternative ways to introduce **environmental sustainability reporting for its suppliers** in a specific sector. The accompanying measurements helped to identify the strategy with highest desired impacts to be scaled up to the whole supply chain.

Control
Systems

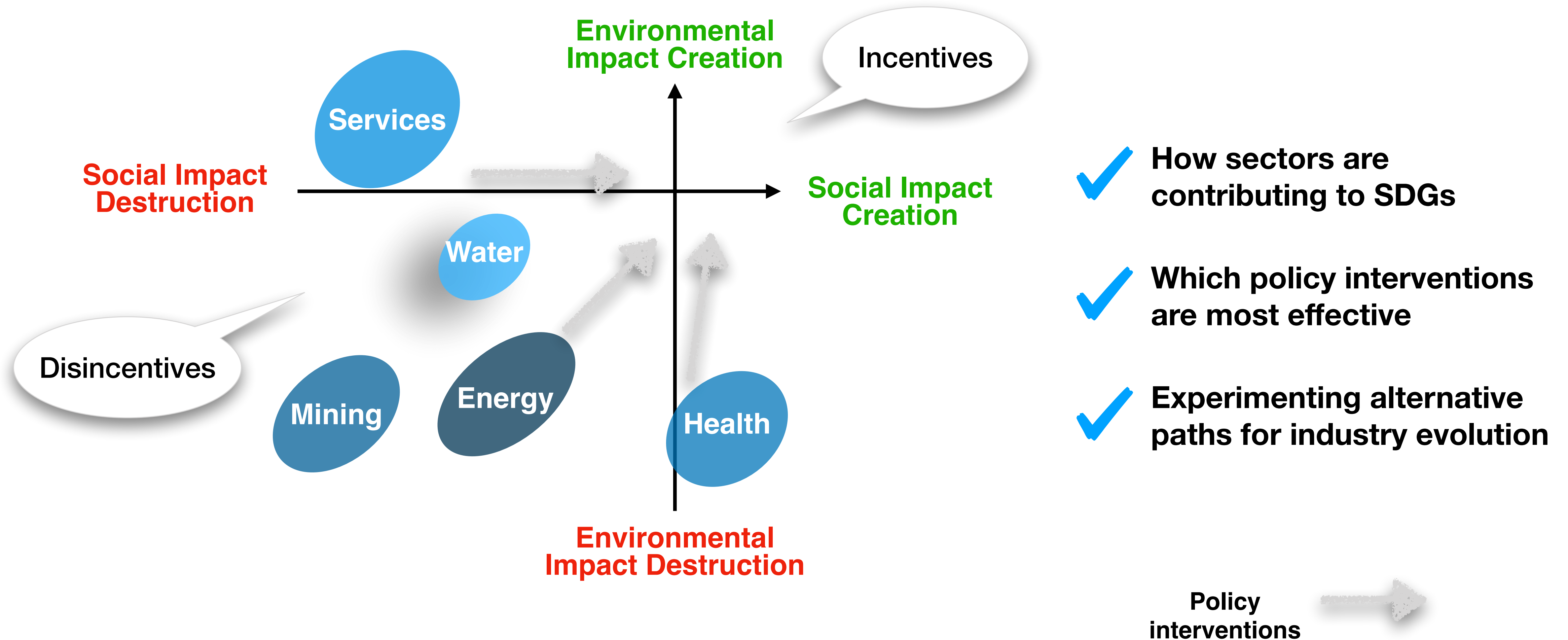
Detailed analysis and benchmarking in connection with integrated reporting enabled a large **European company** to develop and adapt its **integrated reporting systems** successfully and to achieve industry leadership in that area.

MACRO LEVEL: POLICY FRAMEWORK

Leonardo supports policy makers in designing the policy framework evolution toward systemic social and environmental value creation through a rigorous sequence of steps:

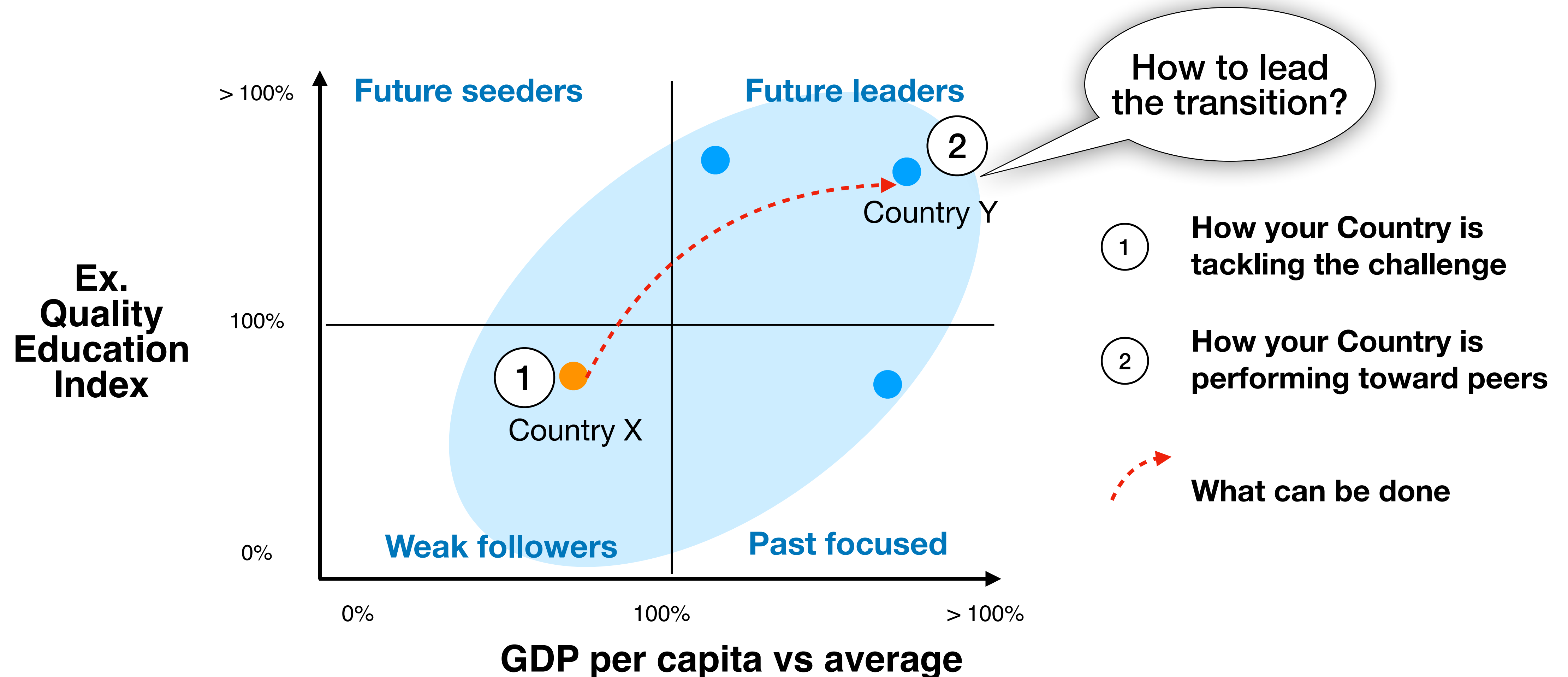


FROM COMPANY TO INDUSTRY INTERVENTIONS...



...TO A COUNTRY ROADMAP FOR EACH SDGS...

Develop public capacity to experiment with policy interventions



...BUILDING A GLOBAL CROSS DISCIPLINARY LAB

with research Centres at Imperial and worldwide to engage companies and institutions

CORPORATIONS

Microsoft, Nike, Unicredit,
IBM, Enel, Novonordisk,
SANTAM, STM, TIM,
SNAM, Terna, Coop,
Woolworth, Balbo, Stantec,
SEC,

INSTITUTIONS

UNEP, UNIDO,
UN Global Compact, World
Bank, GRII, OECD,

NGOs

Forum for Future
Great Place to Work
WWF, CDP, Resilience
Center,

CANADA

U. of Toronto
U. of Western Ontario
Concordia U.
Queen's U.

USA

Harvard U.
MIT
Boston College
U. Minnesota
U. Virginia
U. Illinois

EUROPE

Imperial College
Bocconi
Sant'Anna Pisa
Bologna U.
HEC Paris
ESCP Paris
ESSEC

LBS
Exeter U.
Cranfield U.
IESE
U. Granada
U. Bucharest

Erasmus U.
Stockholm U.
Copenhagen BS
ETH Zurich
HWZ Zurich
WU Wien
Wageningen U.

RUSSIA

St. Petersburg U.

CHINA

SASS, CEIBS, De
Tao Academy, Fudan

EAST ASIA

Korea U.
Waseda U.

ISRAEL

Hebrew U. of Jerusalem

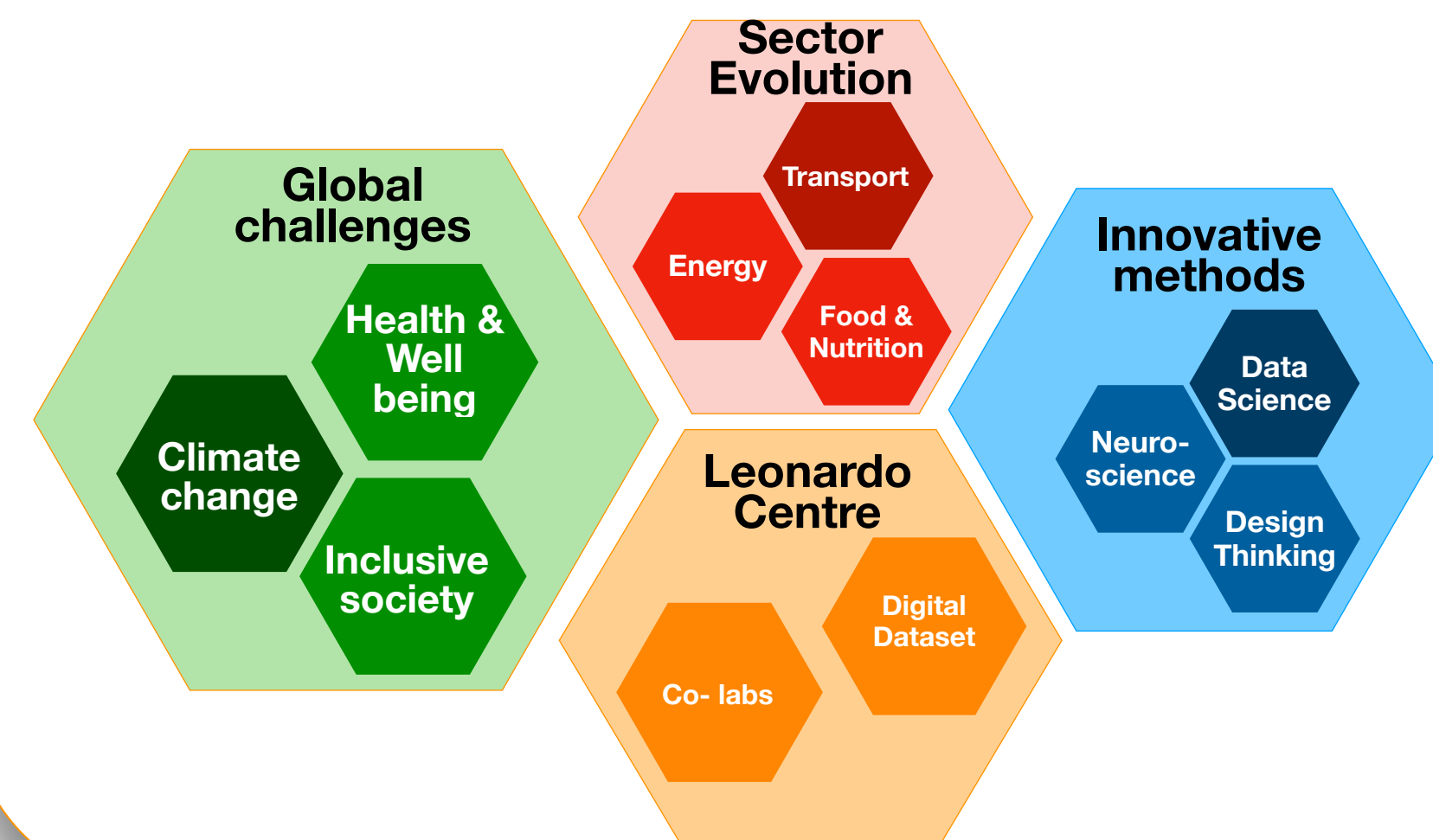
SOUTH EAST ASIA

Thailand
La Salle U. Philippines

ALIA

Sydney

Imperial College Research Centres



- Grantham, CHEPI, Gandhi, CEP
- CPSE, EFL, Brevan, Transp., CTNFR
- DSI, Dyson, IBRC, Edtech
- Leonardo - GOLDEN

RESEARCH FOR SUSTAINABLE SOCIETY

