



BUSINESS FIGHTS POVERTY ONLINE 2020: REBUILD BETTER

TRANSCRIPTION: HOW CAN WE EMBED PURPOSE INTO BUSINESS, AS WE REBUILD BETTER?

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FORMAT: **WEBINAR**

SPEAKERS

■ **Tom Adlam**, Team Leader, *DFID Impact Programme*

■ **Robert Eccles**, Visiting Professor of Management Practice, Said Business School, *University of Oxford*

■ **Martha Herrera Gonzalez**, Global Director of Responsible Business and Shared Value, *CEMEX*

■ **Beth Hurvitz**, Senior Vice President, Social Impact, *Visa Inc*

■ **Dr Myriam Sidibe**, Founder, Brands on a Mission, Fellow at the Mossavar-Rahmani Center for Business and Government, *Harvard Kennedy School*

■ **Dhananjayan Sriskandarajah**, CEO, *Oxfam GB*

Moderator: *Katie Hyson*, Director of Thought Leadership at *Business Fights Poverty*

IN THIS SESSION OUR PANELLISTS DISCUSSED THE THEME OF THE DAY, PURPOSE, IN RELATION TO REBUILDING BETTER AS WE GET OUT OF THE PANDEMIC. OUR SPEAKERS TOUCHED ON TOPICS RELATED TO RESILIENCE AND SUSTAINABILITY; THE IMPORTANCE OF PARTNERSHIPS IN THE ECONOMY AND OF TRANSFORMING PURPOSE INTO A MISSION; AND HOW TO TRANSFORM BUSINESS MODELS FOR THE BETTER.

Katie Hyson (00:31):

So once again, welcome to Business Fights Poverty Online 2020. Our first panel today we are going to explore what purpose really means, how can we embed purpose into business as we try to rebuild better from this really tricky 2020. COVID-19 has meant that this year has been a really difficult one and I am delighted to say I'm joined by a fantastic stellar panel today in order to explore what business can be doing and how purpose, authentic purpose within business can really make an honest and true difference.

Katie Hyson (01:09):

My first panelist today I want to welcome Professor Bob Eccles. He's the visiting Professor of Management Practice at Said Business School the University of Oxford. But from the accent we can tell

that he is not based in Oxford today.

Katie Hyson (01:22):

Bob, welcome. Perhaps first would you mind explaining to us how can business harness their purpose in order to rebuild better?

Bob Eccles (01:30):

So first of all Katie, thanks for the opportunity, and I really support the great work that Business Fights Poverty is doing. And you're right, 2020 has been, it's been quite a year, and we're only halfway through. So we'll see what happens.

Bob Eccles (01:43):

But I think it's an interesting time for purpose. And if you sort of look at the sequence, in the past two or three years purpose has become the narrative. Larry



Fink is writing about it in his letters to CEOs, and my colleague Colin Mayer wrote a great book which I think is the intellectual foundation for a lot of what's happening. The business roundtable in August of last year, 181 CEOs came out and a lot of fanfare signed their statement of the purpose of a corporation and made a big deal about how it wasn't shareholder-centric anymore. As best as I can tell very few of them check with their boards before they sign the statement which maybe suggests that the tail is wagging the dog at the United States. But purpose became the happy talk.

Bob Eccles (02:24):

And then COVID-19 comes around and I see that as ways for the natural experiment, an unfortunate natural experiment, and we'll see how these companies are actually responding to when they have tough trade-off decisions to make. And I have to say, in a lot of cases, they're making them in the wrong direction, at least for me. They are furloughing employees in the United States, laying them off on the state while they maintain dividends. CEOs story's have had some modicum of cuts that are being restored and a lot of it looks like it's not all that authentic to me.

Bob Eccles (02:58):

So the question is what do you need to do to make it authentic? And here I have a very simple somewhat doctrinary answer which is that I think rebuilding back better and making purpose truly authentic in the core of what the company does needs to come from the board of directors. When you think about all the discussion, the board of directors has been missing. We've heard from CEOs, we've heard from investors. The board has been missing and the reason the board is important is that they are the body that has the highest level of accountability for the corporation. And their fiduciary duty is to the corporation.

Bob Eccles (03:34):

We have that is company law all over the world, even in the United States. Their duty is to the corporation and in Delaware shareholders there is nothing that precludes the board of directors from taking account of the interest of other stakeholders and in some countries there's actually requirement

that they do so. The behaviour however in most cases is to put shareholders first and I think until the board forms a point of view on the purpose of the corporation, and how do they do that? Very simple. They publish a one page, two page simple statement of the purpose of the corporation. Why do they think that corporation exists? What is its role in society? Who are the stakeholders that are important? What are the timeframes? How do they evaluate the impact of the company's decisions on those stakeholders? How do they make tough trade-off decisions?

Bob Eccles (04:22):

Once that's been done, that's the bulwark for the CEO. It's a clear message to investors. It's a clear message to other stakeholders. And I think we need to see that. I've got a statement campaign I'm doing with some colleagues that by 2025 the board of directors of every listed company publishes the statement of purpose. There aren't many examples. One example is Philip Morris International, tobacco company, controversial I know, full disclosure, client of mine, U.S. company. They published a statement of purpose in their 2020 proxy statement which is about a serious of official filing document as you can find.

Bob Eccles (04:57):

Another interesting example is the Swedish private equity firm EQT listed in Stockholm. They published a statement of purpose in their annual report. So, we're starting to see some movement, but I think until we've got the board of directors understanding that their responsibility, their fiduciary duty is to the corporation and they make a company specific statement of purpose, not signing onto some general guidelines. Tell us what you think the purpose of this corporation is, we're not going to get to where we need to be.

Katie Hyson (05:25):

Professor Eccles thank you very much. And our next panelist today is Martha Herrera Gonzalez. She's the global director of responsible business and shared value at CEMEX. Martha, CEMEX big global business. You are embedding purpose into your core. How is it coming to life in order to rebuild

better during this time of COVID-19?

Martha Herrera (05:48):

Hello everyone and thank you Zahid, Katie for having me and for being a great partner to CEMEX. I am really honoured to share this panel with all of you and I am very eager to learn from you and collaborate with you. At CEMEX we are leading through purpose which is our purpose is to build a better future and we are doing that by improving and collaborating with people to improve the quality of life and the wellbeing of them and the livelihoods in which we participate and operate. Our sustainability strategy which is our social, environment, economic and governance agenda, our clear objectives on targets that has enabled us to bring to life to all employees and collaborators the purpose and to measure our progress in our trajectory.

Martha Herrera (06:54):

The purpose has been part of our strategy since many years ago where approach to purpose has evolved across all our operations. For us it is very important to really invest time and effort, to foster this culture and we have a need to focus our efforts on shifting mindsets on behaviours. That has allowed us to really embed this ability and process within the company. Throughout this way, we have a strength in our culture and our values which has enabled us to be more flexible, more rapid, more agile to really adapt and innovate to offer our product services and solutions to address our stakeholder's challenges including these new challenges that rise due to the current pandemic and that has helped our community, some businesses to be more resilient.

Martha Herrera (08:05):

For us, to really scale impact and create value has been fundamental throughout the [inaudible 00:08:13] we have created for the long run. To really achieve a system change and scale up, we have developed long term partnerships with very different organisations and stakeholders in different parts of the world. Lastly, I can say that building resilience has also been a key capability that we have developed that has allowed us to be a company that really

concentrate on managing our risk and develop plans to really respond in a more effective way. We have developed other capabilities and skills that are needed to respond in a very agile and flexible way. So we can adapt and transform ourselves and our business model in very different context.

Martha Herrera (09:08):

So I will be very, very happy to share more about our focus and our practices on this conversation. So thank you Katie, over to you.

Katie Hyson (09:18):

And now I want to bring in Beth Hurvitz. She's the senior vice president of social impact at VISA and VISA is a global business supporting many others through financial services. Often smaller and potentially more vulnerable organisations. Beth, what are you seeing in terms of the impacts from COVID-19 and the possibilities to rebuild better?

Beth Hurvitz (09:42):

Thank you Katie. I am so honored to be here on such an amazing panel and I'm really thankful for the longstanding partnership that Business Fights Poverty has had with VISA and I'm really hopeful that it will continue for years and years to come. At VISA purpose is embedded in our mission which is to connect the world enabling individuals, businesses and economies to thrive. Purpose matters even more today as the global economy seeks to recover and rebuild from the pandemic. Inclusion really needs to be at the centre of that recovery. We believe that an inclusion economy really uplifts everyone, everywhere. Now more than ever the world needs a safe, secure trusted engine of commerce and VISA can play that role.

Beth Hurvitz (10:33):

So the pandemic has really accelerated about three years of change into just a few months and its impacted our lives in so many ways. One way is really a change in our buying behaviour. It's really moved it to digital first. We really moved from buying things face to face to online or mobile and VISA has seen a tremendous increase in these digital purchases in

markets all over the world. When we do go into a store we limit our interactions through contactless or touchless and VISA's contactless usage in the U.S. for example we were 150% year over year in March.

Beth Hurvitz (11:14):

With these changes to survive, businesses really need to have the tools and access and capabilities and education to serve their consumers. Most affected by the crisis are the millions and millions of small and micro businesses that are the backbone of the world's economy. They account for more than 90% of our global businesses and more than 50% of our global employment. Those owned by women, minorities and other underserved communities are most affected. VISA is doubling down on our commitment to support these small and micro businesses. We recently announced a goal to digitally enable 50 million small and micro businesses over the next three years. The VISA foundation has committed 200 million dollars to support these small and micro businesses in recovery over the next five years with a real focus on women's economic advancement.

Beth Hurvitz (12:14):

That's over and above the 10 million dollars that the foundation quickly got out there to frontline organisations to support the pandemic emergency relief programs. But these are just steps in a long journey to recovery, resilience and growth and we're just one small part of the solution. Partnerships are a key way that VISA implements our purpose and really drives impact and will continue to be critical as we rebuild. We partner with NGOs and with governments and with businesses to address the complex challenges that are really facing us in the world today and no one group can really successfully tackle by themselves.

Beth Hurvitz (13:01):

So purpose is core to our mission and our business and we look forward to continuing to partner with all of you to recover and rebuild the world's economy. Thank you so much.

Katie Hyson (13:14):

So we've heard from business. Now

we feel it's important to also hear from other perspectives. My next speaker is Tom Adlam, he's a team leader at [DIFID 00:13:25] on the impact program, but we also works deeply within impact investing. Tom, given the jewel hats that you have looking at government impact, but also impact investing. What is the role of purpose and business in rebuilding better and particularly through those lenses?

Tom Adlam (13:45):

Yeah, thanks very much Katie. So, let me introduce myself, the impact program first. The impact program is a different program to support the impact investing sector. Our goal is to increase the volume and improve the distribution of impact capital, particularly for Sub-Saharan Africa and South Asia. Impact investing the amounts of capital going into impact investing have been increasing and certainly results are encouraging, but they're still only at a small fraction of the total needs required in order to deliver the SDGs and of course that was before the effects of COVID-19. Before managing the impact program, I spent most of the last 30 years moving and working in Eastern Southern Africa, mostly in the private sector and mostly focused on the agriculture sector, though I did spend a couple of months, Danny might be interested with Oxfam working in Sudan.

Tom Adlam (14:59):

But really most of my career has been looking at ways in which we can channel capital into the private sector in order to deliver development, to deliver positive impact on the poor. I think when you talk about how we embed purpose into business, there's a broader question there and we need to draw distinction between different types of business. I've spent most of my career dealing with smaller businesses and those businesses are typically rooted in their community. They're founded by people who are actually connected to their stakeholders, to their employees, to their suppliers, to their customers, to the communities that they live and work in.

Tom Adlam (15:58):

But the reality is the larger a business gets, typically this is assuming its needed to go

to the capital markets and bring in new shareholders, the more driven it is by the needs of capital. The more likely it is to be run by professional managers who's interest, who success indeed needs to be properly aligned with that capital. So this is really a question of alignment and in those cases the larger business, its other stakeholders become increasingly less important to that shareholder management axis you might call it. That is the paramount issue and everything else is subsidiary to the interests of the shareholders and management.

Tom Adlam (16:55):

So, impact investors and this is why I think impact investing is so important because this is actually changing what capital exists to do. Capital, traditional mainstream capital, it's interested in and it's now becoming more interested in ESG and environment social and governance issues. But fundamentally it has one goal and that is to maximise the returns to that capital. Impact investing has an intent beyond that and the intent is to deliver successful and positive impact. That can be in a wide variety of different ways. It can be investing in businesses which have an explicit purpose or it can be investing in businesses which where the purpose is implicit within their business model.

Tom Adlam (17:58):

This therefore starts to change that pure focus on the maximisation on returns and starts to change the alignments and the capital is more aligned with not just the financial performance, but also with broader stakeholder performance and the kinds of activities and the ways in which businesses work with their communities to deliver positive results. What I'd like to see in the longer run of course, more businesses challenging the standard status quo, the standard corporation. More opportunities, improved antitrust laws, more policy reform focused on encouraging the growth of smaller family businesses and all turns to business models like cooperatives like mutual societies and so on.

Tom Adlam (18:58):

But the key thing is to support that purpose. If we really want to rebuild better, then we've got to start acknowledging the

weaknesses of the current model and moving towards a model which integrates broader stakeholder concerns into the capital versus business relationship.

Katie Hyson (19:21):

Now my next panelist I'm really excited about. She is Dr. Myriam Sidibe. She is founder of Brands on a Mission. She's a fellow at the Harvard Kennedy Business School and she is on the ground in Kenya spearheading a business coalition to support the fight against COVID-19. Myriam, with all of that background, with that real firsthand insight, what have you learned about purpose or business during this time?

Dr Myriam Sidibe (19:50):

Yes, hello. My name is Myriam Sidibe and it's a real delight to be here today opening up the Rebuild Better Conference and getting a chance to speak about purpose and how to embed purpose into business at the core of part of the conversation that we had. So a little bit about myself. My name is Myriam Sidibe. I'm a senior fellow at Harvard Kennedy School. I'm also the founder and author of Brands on a Mission, a movement to try to capitalise, to inspire, to capitalise and to share more examples on how we're going to be able to address health and wellbeing as a movement and get more companies to get involved.

Dr Myriam Sidibe (20:23):

So a little bit about why it matters to me. So I have spent over 20 years dreaming of ways to get people to wash their hands with soap. It is the most cost effective public health intervention and it really just took COVID-19 to get people to listen. So I believe very much that health and wellbeing is the foundation of social justice. I believe it's the most rewarding business investment in every sense of the term. Then a lot of the talks and the conversations that I've had is how to make purpose actually help you translate paying into good. I think that is what you want to do, is you want to understand what makes good pay. So the key questions of our purpose is how to progress from a very simple purpose led statement to a measurable ambition which is a mission that we then translate into an actionable guide for a company.

Dr Myriam Sidibe (21:15):

My book Brands on a Mission does exactly that. It helps ensure that it gives you a framework on how you're going to be able to transform purpose into action and translating the divide between brand see and brand do so you actually have real tangible actions on how you're going to be able to do that. So, my love and passion has been around health and wellbeing and when I talk about health and wellbeing it ranges from promoting hand washing with soap to general hygiene to better nutrition, to safer sex, to tackling self esteem due to body confidence. I've gone as far as saying that racism is also a public health issue. It's a mental health issue and it's a disease that has to be treated and tackled with the same level of consuming energy. In my book what I talk about is that I call the brands that stand up for inequality brands on a mission. Brands that do will come out of this world and others will fall fast and they'll fall far.

Dr Myriam Sidibe (22:14):

So I think for me this has been a real journey. The analogy that I've been using is the baobab tree that you see actually behind me here. It's the longest living tree in Africa. It's basically the tree of life. It provides shelters, food, water and basically I believe that if you follow the roots that I have identified and the baobab tree, you will be able to drive real genuine impact into purpose. So the five roots that I talk about when I talk about purpose and the purpose tree is one, how do you drive behavioural change at the centre of your conversations in purpose because it's about translating every dollar that you would spend in marketing into driving positive norms and driving a real positive change into society. That's the root number one.

Dr Myriam Sidibe (23:05):

The second one is what partnerships will you be able to drive that gives you scale and additional impact? So letting go of some of the partnerships that are very focused on just PR, but actually is really trying to see how you compliment each other's skills to be able to give you scale. The third one is how do you drive systemic change and what is the contribution as a brand that you should do to be able to stand for a

cause that's bigger than yourself? Fourth, it's about measurements because we are going to need to keep companies a lot more accountable. You can't write on purpose and drive purpose program without contributing to genuinely driving an impact. I think measurement is absolutely key to that. It's about measuring your social impact, as well as measuring your business impact.

Dr Myriam Sidibe (23:51):

Then finally how to win support within corporations and how to win support in a way that's going to get the whole company galvanized in supporting you and towards your purpose journey and using the best of what the private sector has to bring to the table. So for me this is what matters and I think to drive this change as an entrepreneur, I consider myself an entrepreneur. I consider myself somebody who's been trying to drive change from the business and from within. I'm a dreamer who does, absolutely and I think all of you are. I think it's really important to be equipped with the right tools when we engage in this purpose journey so that we can stay accountable and we can try to contribute as much as we can to the SDGs by 2030 which is definitely my purpose.

Katie Hyson (24:40):

And finally I leave my final panelist to the last on purpose. I'm bringing in Danny. He is the CEO of Oxfam GB and the reason for bringing him in last is because I think it's really important to have the perspective of people. The people on the ground who are being affected by COVID. Danny what are you seeing around the locations that Oxfam is working globally?

Danny Sriskandarajah (25:06):

Of severe hunger which may actually result in more lives being lost than the direct health impact of the virus. So, this really is a really important moment in human history for those of us who care about poverty and wellbeing. In some ways it should speak for itself that the role of business therefore is double important, not just in the immediate response in using whatever we can to prevent this pandemic from having that incredibly harmful impact across the world, but rebuilding back better or towards a

more just recovery. From where I see it I think there are three priorities that I have business leaders really take seriously.

Danny Sriskandarajah (25:55):

One is protection, a second is participation and the third is progressive allyship. Protection I hope is fairly obvious. This is a moment if ever there was one, for us to really think seriously about the protection of everyone, of workers across the supply chain, of our customers. In a simple way that's about physical protection to make sure that everyone is safe. That employers, for example, are living up to their duty of care obligations. But I hope it's also wider, it's a reminder of the wider aspects of protection. We are in a world that's so deeply interconnected that supply chains, sophisticated global supply chains, may have seen very sophisticated ways of outsourcing all sorts of responsibilities and challenges.

Danny Sriskandarajah (26:48):

But today we're living in a world where decisions made in one part of the world are having huge impacts on the lives, livelihoods of people across the world. I hope this is a reminder that we all have to take seriously the question of what protection, social protection we put in place and to protect the most vulnerable people especially in our own wider business networks and supply chains.

Danny Sriskandarajah (27:12):

Second is around participation. I think one thing that's becoming very clear in this pandemic is that the voices of the poorest, the most vulnerable, the most marginalised people in our communities and our organisations are incredibly important. I don't think we can understand the true impacts of this pandemic unless we understand the impact it's having on women and girls for example across the world. I hope also for progressive employers, progressive businesses, this is a reminder of how critical participation is going to be, to create businesses that cannot just sustain themselves through this turbulent period, but rebuild stronger. That this is about employee voice, employee participation, about bringing stakeholders

into decision making so that we can improve the quality of what we do by hearing their voices, but more importantly perhaps building structures. I think Bob started us off on this note about building structures that really put all sorts of stakeholders at the heart of our business.

Danny Sriskandarajah (28:15):

Finally on progressive allyship. I mean there's a whole range of things that businesses can do and many are doing within their own enterprises. But this feels like a moment in human history and societal history where we need businesses to be more proactive, or at least progressive businesses to be more proactive in the role that they play. We at Oxfam have been seeing some fantastic examples. We have a partnership with Burberry that I can talk about that's really great. Again, Unilever doing some really important, amazing responsive things to show how responsible they are and I'm sure there's a long list in some ways. But it's also a tragically short list in the sense there aren't enough businesses out there that I think are playing that responsible role of taking their mission beyond their own and why the society influencing policy makers and decision makers to shape a more fair or more just economy as a result of this pandemic. Let me stop there, thank you.

Katie Hyson (29:16):

Thanks Danny. So I've got a short question for everybody, hopefully you'll be nice and succinct. But I want to also just make sure that for me, so I might be working for Business Fights Poverty now but I have been a practitioner within multinational businesses. I care about how do you do this? To Danny's point, there are some businesses out there who you hear the same names again and again and I have to say CEMEX we hear about you guys a lot too in terms of how you get out and do that. But if you are in a business who isn't necessarily sure where to even start, let's get practical. So Professor Eccles, if you were sitting in your elevator with your CEO and you're trying to encourage them to quite frankly do purpose properly, authentic purpose, whatever you want to call it. Why does purpose matter and particularly in the context of

now 2020, halfway through the year?

Bob Eccles (30:09):

So what does a CEO do is that the question?

Katie Hyson (30:12):

How would you pitch to it? How would you encourage your CEO to do purpose properly? Why does purpose matter?

Bob Eccles (30:19):

So look I think it's pretty simple what they need to do. I don't know if they're going to do it or not. First of all I think most businesses are green washing. I think most investors are green washing. We just need to admit that because it's always a handful of companies. I mentioned statement of purpose, it's a place to start. I agree with Tom that's not enough. Integrated reporting is how you communicate if you're accomplishing purpose. I think ultimately I think we need to change the corporate form. In a U.S. context there's something called a Delaware Public Benefit Corporation that shifts from the directors may pay attention to stakeholders, the point Danny was making. They may if they want to. It becomes a positive duty. So if we're really serious about building back better, I think we need to get the fundamentals and say the corporate form that we've got today, which is heavily shareholder driven which Tom pointed out, it's been around for maybe 100 years. It doesn't have to be around forever. Companies are big.

Bob Eccles (31:09):

I think we need to get back to the basics and look at what the legal form is for the corporation. France has done this. [inaudible 00:31:16] became a mission enterprise. I know there's legislation like this in the UK and I think that's where we've got to go and it's a big step but I think if we don't do that the capitalism as we know it, it's not going to work.

Katie Hyson (31:28):

Thanks Bob. And Martha bringing in you here from CEMEX point of view. You are sitting within a business. You are trying to and arguably doing, embedding purpose properly into a core business. For other organisations how do you do it? What

are the top three steps to how does an organisation's purpose come to life?

Martha Herrera (31:48):

Thank you. Well I will say that three main things. You need to embed this on the strategy. You need to embed this on the operations and you need to embed this on the culture of the company, on the people. So there are different enablers as my colleagues were saying. First of all is leading with purpose from the board, the CEO and all the people inside the corporation. The second enabler I would say is innovation through the whole organisation. Cross functional collaboration, multi stakeholder [inaudible 00:32:29]. You need to focus really on three main things I will say your products and services and the innovation you do under your products and services. The work you do throughout the value chain and the term would be to go a step further and really work on strengthening up the ecosystem on the specific topics that are aligned to your business strategy and as been mentioned by Myriam, to really measure in a very cohesive way, the positive social and environmental impact that you are delivering through unlocking the new value opportunities there are so you can have a real impact.

Katie Hyson (33:17):

Thanks Martha. Tom bringing you in now, I mean Bob just suggested that there's impact investing washing as well as purpose washing going on. I mean what do you impact, or just investors in general really, how are they reacting to the idea of businesses having authentic purpose? What's the flip side of that? What should businesses be aware of and therefore how can we help our investor relations teams and others sitting around that investor ecosystem?

Tom Adlam (33:49):

Yes, I mean there is inevitably just as [inaudible 00:33:54] has done there's been companies accused of green washing. Likewise I'm sure there are and will be companies accused of impact washing. I think there are. The impact investing movement is addressing that in terms of the frameworks and so on that are being

set out for impact investors. But I mean more broadly how do investors feel about business's purpose. Impact investors love businesses with purpose. Those are the meets you drink for impact investors. All investors do, mainstream investors just need that purpose to contain a very strong profit and business growth motive.

Tom Adlam (34:44):

So that's not necessarily antithetical. You can have both a strong purpose and a strong profit and business growth motive. But, that is the norm for most of the capital in the world. What we have seen I think, we are seeing a movement in the mainstream toward ESG investing. We're seeing growth in impact investing. We're seeing a significant movement towards ESG type investing and that's an important step on the journey. But it is quite difficult to see how it will move forward at scale with larger, to really move the needle on this. I just come back to this problem of how the whole capital system is built on aligning interest towards the maximisation of financial returns.

Tom Adlam (35:45):

While we're having this discussion, there are also some various threatening noises coming out of the U.S. where there's pension law for example, seems to be suggesting that ESG screening or pension fund should not do ESG screening.

Bob Eccles (36:02):

I mean that is so nuts.

Tom Adlam (36:03):

Sorry?

Bob Eccles (36:03):

That is beyond nuts.

Tom Adlam (36:06):

Is that not true?

Bob Eccles (36:07):

It's true and it's insane. It's like going in the right direction and the U.S. just keeps working faster and harder going in the wrong direction.

Tom Adlam (36:15):

Yeah it's this narrow definition of if I do or reduce it saying it's all about maximising financial returns. But I mean, what I was going to say is I mean people, so the people who's money is often being invested, so the large pension funds people say they want change. They say they're prepared in a sense to pay for that change. We've got a range of initiatives. There's an initiative recently launched here in the UK called Make my Money Matter which is trying to encourage more and more pension funds to adopt impact criteria. To adopt an impact investing approach and to build on the fact that people actually do want their savings invested in ways which is not purely about the maximisation of financial return. That are also about looking at people and planet and participation as Danny said. So I think that's quite encouraging.

Tom Adlam (37:22):

In the context of big global markets there's something like 300 trillion of global assets. But about 30 trillion, so 10% of that 300, 30 trillion which is a phenomenal sum, about 30 trillion is actually being invested by pension funds. So those are pensions, owned by well not all of us obviously, but an awful lot more of us that owns the majority that owns the rest of the capital if you see what I mean. So, just moving the regulatory systems and moving pension fund trustees to be able to make that step towards investing in businesses with purpose, that is a step. That's also another step in the right direction. On a personal level, I still remain very much of the view that our policy frameworks have got to be more supportive of impact too. So this is where governments can play an important role. They can enforce, they can implement antitrust legislations, competitive checks on competition on monopoly power.

Tom Adlam (38:42):

They can think of ways that they can favour cooperatives and mutual societies and family businesses where the ownership of businesses is held by workers and suppliers and customers rather than just by big capital. So I think there's also room there. But more broadly speaking if we can start to shift capital, we can

really make a very big difference. So my view is that lots can be done at a company level. But until you change the capital and the loss for the investors, you will be playing around the edges.

Katie Hyson (39:26):

And ... Oh, go on Bob, go for it.

Tom Adlam (39:32):

Sorry, Bob?

Katie Hyson (39:34):

Bob, have you got a point?

Bob Eccles (39:36):

Just real quick. I mean that's what I like about this Delaware Public Benefit Corporation. It's the green washing on both sides. Companies have to say they want to do it, but you need to get a majority shareholder vote. So if the shareholders really believe other stakeholders, longtermism, all this stuff they simply can vote for a company that says they want to become a Delaware Public Benefit Corporation. That's the change in corporate form and it requires acts by both companies and investors.

Katie Hyson (40:02):

Cool and actually on that point I want to challenge everybody, we've got a whole load of people sat here as participants, as attendees to this panel today. What else can we do? Get listing in that chat function. We are going to pull this together and also I think for the rest of this week and I promise I didn't line these guys up to pitch in a whole load of different panels that we're going to do and deep dives and co-creation sessions. We are going to roll up our sleeves and get stuck into this, not just observe the problem. But we're going to flip a little bit into that how can we actually, what opportunities and what solutions have we got now. Beth just bringing you in, both Myriam and others talked today about partnerships and working together and collaborating. You guys obviously from a corporate perspective, what does partnering mean to you and why does purpose, embedding purpose and also rebuilding better, how do you do this? Why is it good? Again, the elevator pitch?

Beth Hurvitz (40:59):

Yeah I appreciate that. Thanks Katie. And VISA is a network of networks. We know that partnerships are absolutely critical for us to do anything that we want to do and bring our purpose to life. Our partnerships will be different depending on the goal of the partnership. We partner with NGOs to be able to support important projects and programs on the ground level. We also mobilise consortiums to drive system level change towards a more inclusive world. One example of this is our work supporting women's economic advancement. VISA is a longstanding supporter of women entrepreneurs and in support of International Women's Day this year VISA launched a grand program with IFundWomen where we gave \$10,000 grants to U.S. based female small business owners. In the wake of the murder of George Floyd we actually pivoted to focus solely on black female owned business owners.

Beth Hurvitz (41:58):

One example of our grantee for example just to bring it to life is Amanda Wilson who is the founder of Voxapod and she provides menstrual products to girls in the developing world to allow them to go to secondary school because 40 to 60% of girls in the developing world don't go to secondary school and this will help. Also on International Women's Day we announced that 2.4 million three year program with hand in hand international and this will focus on really providing business education and broaden financial access to 10,000 micro businesses in Kenya. At least 75% of them will be women.

Beth Hurvitz (42:39):

Then lastly on the women's side as part of that 200 million commitment to small and micro businesses that the VISA foundation made, we're both providing grants and investment capital, impact investing as Tom had talked about, to support minority and women owned businesses. The foundation will allocate capital in impact investing to funds that are controlled by women and people of colour to address the profound disparity in both gender and racial equity in the investment management world.

Beth Hurvitz (43:11):

Another very quick example of partnerships is our commitment to rebuilding sustainable economies. VISA is a member of the Travelist partnership which is a global initiative to accelerate the mainstreaming of sustainable travel founded by the Duke of Sussex and many others, including VISA as a founding member. Then we're also a founding member of Brands for Good which is a consortium of leading purpose brands who are committed to using that platform that we talked about to make sustainable living more attractive and more rewarding and more attainable. So these are just a few examples of how we partner to bring our purpose to life.

Katie Hyson (43:53):

Thanks Beth. Danny I want to bring you in here. Myriam I'm saving you until last because I've got a tricky question for you. Danny I want to bring you in here. We clearly what ... It's been a pretty rubbish year. I promised I wouldn't get my Tourette's out and swear, but I feel like I should do. It's been a pretty 2020 is challenging everybody to their limits. Are there opportunities here? Without being voyeuristic and behaving badly, are there opportunities for good business to rebuild better, make it better, what can we do?

Danny Sriskandarajah (44:28):

Yeah look I'm optimistic always and even in these situations. I think there's much room for hope. I often think when I started this job 18 months ago one of the first things I was involved in was a report about care in our economy. Oxfam colleagues have been pulling their hair out for years as have many others about thinking about how do we get businesses and politicians to think about the role of care, especially unpaid care in our economy. Unpaid care we think contributes about 11 trillion dollars a year to our global economy, but it's so neglected.

Danny Sriskandarajah (45:04):

I remember thinking at the time how on earth do we get people to wake up to the reality and the role of care in our society? And look, here we are in an unimaginable moment in human history where we are really thinking about something as

important as care, social care, unpaid care in our society. I hope we can really ... This is an example of an area where we can build back much better where the new normal I hope will be very different. Sustainable consumption is another one that I suspect many people on the call will be very aware of that many of us have been fighting an uphill battle to think through what exactly can a more, very different business model around consumption look like. I think we're seeing signs of how that can happen.

Danny Sriskandarajah (45:49):

Similarly I'm optimistic I think coming back to this question of formations, it does strike me as Tom and Bob and others have made the same point it's rather odd that we continue with this myth that there are only two forms of private organisations in the world. The pure profit make seeking businesses and organisations like ours that are there to do good. Actually there's so much interesting shape shifting that's going on, just as there are businesses that are inherently about good. At Oxfam we've been around for 78 years as a registered charity or nonprofit but we happen to run a 100 million pound social enterprise in the form of 600 shops that do charity retail across the UK. I think the key, and again one of the reasons to be optimistic, is to diffuse this period, to really focus on the question of how do we get greater compulsion in this shape shifting that's going on?

Danny Sriskandarajah (46:51):

We're only going to make so much progress when it comes to voluntary action by the few enlightened. I do think there's a moment here for us to be hopeful about driving that change, whether it's around changing the very formations of registrations that are permitted in a society or it's about making work about participation or stakeholder participation or compulsory whether it's about compelling investors and others to take these issues more seriously. There is going to be a new normal or a next normal as some people call it, or great reset. You can use whatever terminology you want. But I think the onus is on the likes of people on this call to make that meaningful and make that a reality. Thanks.

Katie Hyson (47:33):

Thanks Danny. So Myriam I promised to bring you in because I've got a tricky one for you. What are the actions, what are the key actions that everybody on this call or particular individuals on this call should take that will help us try to rebuild better rather than, my concern is that we're just going to go to the lowest common denominator as quickly as possible because everything is broken so let's fix it quick and potentially quite badly. Myriam what should we do? What actions should we take?

Dr Myriam Sidibe (47:58):

That's a very tricky question indeed Katie. I haven't been taking note the whole session. No, but I mean I've heard some really interesting initiatives and interesting thoughts throughout this session and one thing that's absolutely across all of us in our speech and our opportunities to impact is really wanting to make a difference, right? So I think at this moment all of us are sitting here most of us powerless, not really knowing exactly what we can do. I mean obviously if you're lucky enough that you can drive hand washing programs or you're in the frontline of health workers, it's a very different perspective.

Dr Myriam Sidibe (48:41):

But, I think for some of us and some of the marketing and some of the businesses that have been out there, they've been wondering, "Is this absolutely useless what I'm doing? Am I actually producing all these services and all this products that are actually not being actually at the forefront of what we need to do in terms of responding to the COVID-19?" So I think for me when I think about what's absolutely critical that we need to bring back to the conversation and that everybody should do moving forward is to obviously think about how you embed impact at the heart of the conversation by creating coalitions and partnerships that have never existed before where you work with your competitors, where you work with DIFID and Oxfam and Unilever together to be able to get to the one billion people that need hand washing that are the last mind distributors that we need to get to because those people really need the hand washing facilities and the soap distributed.

Dr Myriam Sidibe (49:37):

I think it's about being revolutionary and not living in silos anymore and if there is an opportunity that this current crisis is giving us is the fact that if you don't embed moral values into your business model you are not going to live very far as a business. I think for me and this is why the title of my book is called Brand on a Mission. I called the brands that stand up, take a real position and live up with that and are willing to be externally audited. That are willing to actually live up to the scrutiny of academic rigour in terms of impact evaluations. That are really putting out there what external goals are they going to try to reach and how are they going to try to reach that and what are the models? And knowing that it decades to really be able to get to rebuilding sustainably and thinking about what it's going to be. It's a journey, it's a mission that we're all getting into.

Dr Myriam Sidibe (50:31):

So I would say that we need to get into a mission and we need to stay together in this mission. Thinking that it is going to be the only way in which we're going to try to get inclusive and then rebuild this new enlightened, compassionate, empathy, considering capitalism, whichever way you want to call it. But I don't think it is a capitalism that we've known so far. That's for sure.

Katie Hyson (50:54):

Thanks Myriam. So I know that there have been some questions that have taken place on the chat. But I also want to flag that the week of this whole event we have got deep dive sessions into how businesses and SMEs can better work together and support one another. We've got one looking, or a whole day looking at skills. So join us on Wednesday if you're all really interested in leadership skills, your own skills, youth skills. Wednesday is our skills day if you haven't noticed. Lots of collaboration. The league of entrepreneurs are going to join us also on Wednesday afternoon and also often, and this is what Business Fights Poverty is about, it's about finding somebody to partner with, to connect with who potentially shares your problem or can potentially provide you with a solution to join those connection zones that you'll also see taking place.

Katie Hyson (51:44):

Enough for me. I would like, I challenge all of our panelists here to make a pledge today and those pledges can be really super simple. It can be really pledge to, I'm pledging to keep going. I'm just going to get through this week and we're going to have an amazing week of loads of action and we're going to make sure that we don't just talk about it. So I've asked each of them to pledge, but I'd also like you guys to as attendees consider what would you be pledging? What is it that you've heard today that you want to take forward? Who would you like to connect with? What would you like to do differently? I'm going to go work backwards this time. Myriam, what would you pledge off the back of today's conversation?

Dr Myriam Sidibe (52:20):

I have spent forever pledging to hand washing with soap and you can see my lifeboat bar in the background there. I am going to pledge that I am going to get more companies and more brands into the health and wellbeing wagon because I believe that's the foundation of social justice and we need to do that right if we want to [inaudible 00:52:40] to society.

Katie Hyson (52:42):

Hand in pledge. Danny your pledge sir?

Danny Sriskandarajah (52:46):

I think to try to lead by example. I think the NGO sector can also play this pivotal role, especially with those of us who have social enterprises or in our case we have this fabulous program called the EDP, the enterprise development program where we support small and medium size businesses, especially women owned enterprises. I think I pledge to invest more time and energy and maybe even resources into making those successful so that they can lead by example and hopefully inspire others as well.

Katie Hyson (53:20):

Thank you. Martha what does CEMEX?

Martha Herrera (53:20):

Thank you, thank you. We will be for surely on uncertain times for a long period.

So my pledge is to really work together with SMEs to bring SMEs to this journey of working together in partnerships and living in the purpose movement together.

Katie Hyson (53:45):

Thank you Martha. Tom what does this look like for you?

Tom Adlam (53:50):

Well, I've got a couple of small concrete things that I want to do. One of them is that I'm inspired to locate and find Myriam's book and I'd like to ... I will certainly try to find it to read it. It's something I'd like to do. Bob has given something I didn't know about which is the Delaware, well there's lots of things I didn't know about. But this one in particular was interesting and one of which is this Delaware Public Corporation which I need to understand better.

Tom Adlam (54:27):

Yeah I mean more broadly I suppose it's great to have a privilege to have been on the panel with the other panelists. It's always very motivating when you hear and when you know that there are people, so many people. I can see that we've got 200 participants in this discussion as well. There are so many people who are concerned enough about this to be putting their efforts into finding ways forward. So I should be redoubling my own efforts and the efforts of the impact program to try to make sure that we support the right types of initiatives which can effect this investing to scale.

Katie Hyson (55:13):

Thank you Tom. Beth I want to bring you in here. What does this mean for you?

Beth Hurvitz (55:17):

Oh, I'm going to agree with Tom to read Myriam's book. I'm going to agree with Danny to lead by example. Then I'm also committed to both deepen and increase our partnerships and also continue to share the impact learnings and stories so that we can all work together for the greater common good.

Katie Hyson (55:40):

And last but not least, Professor Eccles.

What does pledging mean to you today?

Bob Eccles (55:45):

Real quick Tom I wrote a little piece in HBO that I can send you about this Delaware Public Benefit Corporation. One of my co-authors, this is interesting is Leo Strine who is the former Chief Justice of the Delaware Supreme Court. So he's the man when it comes to this. So he would be a great resource. My pledge is very simple. I've got this campaign with some colleagues that every public company publishes a statement of purpose by 2025 and my very next step on that open invitation to Beth and Martha would love to have CEMEX and VISA be the next two. I'm dead serious about this. Please get my email address from Katie. Let's start the conversation. We're going to do it with your two companies this year. Thank you.

Beth Hurvitz (56:30):

Thank you Robert.

Katie Hyson (56:32):

What a space guys. So that leads us pretty much to the top of the hour. As you'll see in the chat functions down there somewhere you will ... We've got a conversation session happening straight off the back of this. So you can join in our lounge. The link is in the chat. Get to meet other people who are in that chat. Everybody is going to be broken out into little groups. You can go and have a little conversation with other people on the burning conversation that we just had, or you can quite frankly talk about whatever you want. We will then afterwards, after that say in about 15 minutes time we are going to leap to an online written discussion where we will hear in writing what Professor Bob Eccles thinks because he's been practicing his writing, he assures me, and I'm not going to show off my spelling.

Katie Hyson (57:15):

So that online written discussion we are joining with World Benchmarking Alliance and we are actually going to help them shape what social indicators should be. So we've talked quite a lot about measuring social impact, about what investors care about, et cetera. But quite frankly if we don't work on what those social indicators should be, how we measure them et cetera, it's a

complete farce. So join us in 15 minutes for that. And then in an hour and 15 minutes from now we are going to have a real deep dive session into what does purpose mean in terms of the board? We've got our stellar, we've got four of the most awesome women. We have got one bloke on the next panel, so feel sorry for him right now. Four of the most fantastic women who are now on boards themselves. They are all senior women leading businesses. So we're going to have a look at what boards mean.

Katie Hyson (58:06):

And then if we're all exhausted it doesn't matter because we can focus on our purpose, our own personal purpose with Marcus Druen that starts at 5:30 UK time. To be honest it's going to be the best session. It's going to be super on your own terms what it means for you and he's going to be running those sessions all week at 5:30 everyday. So please, please, please join us for the rest of them. I'm going to hand over at this point to the rest of my panel for one final wave so we can do a screen shot and pretend that we all had an amazing time. Woo, screenshot hold that shot keep waving. And yeah so we're at the top of the hour. Go connect everybody in the lounge. You'll see the links as I said later on. But to the amazing panelists here today you guys awesome. We will hold you to your pledges.

Bob Eccles (58:50):

You were a great moderator. You were a great moderator Katie.

[Crosstalk] (58:53):

Martha Herrera (59:11):

Nice to meet you guys.

Katie Hyson (59:11):

Take care all.