



Transforming the world
to sustainability

Webinar

Corporate Sustainability

Making the choice for ethical resilience

22 09 2020

Inder Poonaji, joined by

Sanjeev Raghbir

Nick Blyth

Kirsty Peck & Spencer Clubb





Transforming the world
to sustainability

Corporate Sustainability

Making the choice for ethical resilience

Ethical resilience planning offers a framing for strategy and business survival in an increasingly volatile world. Inder Poonaji has described ethical resilience as a morally conscious and a technical decision-making process that applies a precautionary approach to ethics, sustainability, and resilience. Inder will review definitions and examples. Sanjeev Raghbir, will provide a reflection from his own experience



Today's webinar...



Kirsty Peck
Membership Officer
IEMA



Inder Poonaji
Six Butterflies



Sanjeev Raghbir
Group Sustainability Manager
Shoprite Holding Ltd.



Nick Blyth
Policy & Engagement Lead
IEMA



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Questions and Answers

We will have a short Q&A/discussion session at the end of the presentations.

Send in your questions as we go through today's webinar



Webinar slides and recording

This webinar is being recorded and will be made available on the IEMA website





IEMA Corporate Sustainability

Beyond the Perfect Storm – 2016

- Sustainable Development
- Narrative and definitions
- Perceptions
- Challenges
- Ingredients for change



Sustainable Development

- Rights and responsibilities of current and future generations
- Environmental limits in meeting current and future needs
- Social value and Social Protection Floor
- The resilience of society and the economy
- Human values, ethics and quality of life
- Dependencies and mega-trends
- The need for new economic and business models

Resolve not balance - Not 'trade-off'



Maturity stages towards 'responsible business'



TIME HORIZON: short-term → long-term

FOCUS: current shareholder value → current and future stakeholder value

OUTLOOK: inside-out → inside-out and outside-in

TRANSPARENCY: as little as possible → naked

RELATIONSHIPS: short-term, transactional → long-term, shared destiny

COLLABORATION: few/limited range partners → extensive/eclectic

BUSINESS MODEL: take, make, waste: linear → borrow, use, return: circular

Why organisations address sustainability?

- Client expectations
- Improve and maintain reputation
- Transform business over time
- Legal compliance
- Values-based response to minimise impact/time





Presentation

INDER POONAJI



Six Butterflies

Ethical Resilience



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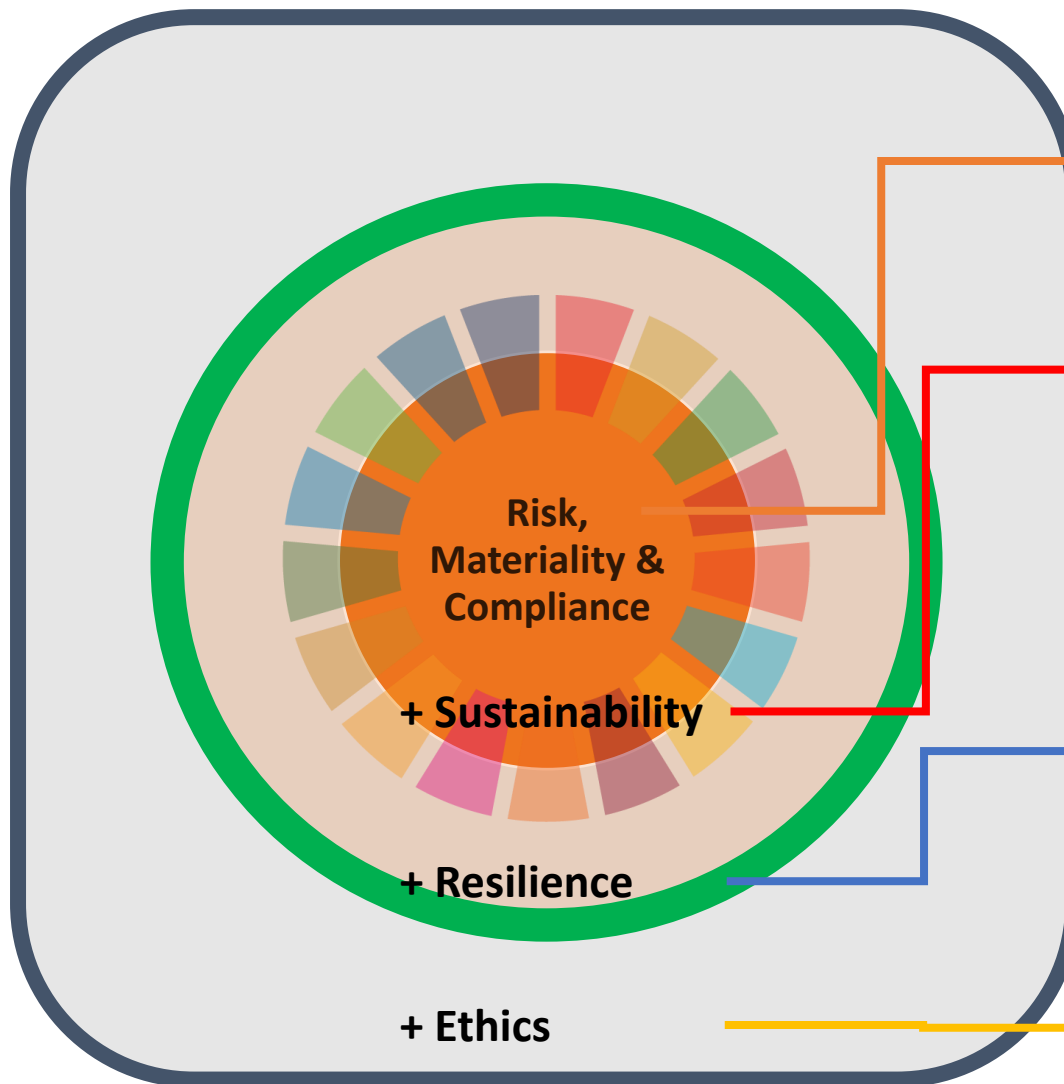
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change agents for a changing world

Ethical Resilience is the morally conscious and technical decision-making process that applies a precautionary approach to ethics, sustainability, and resilience that is interconnected and merged with the economic, equity, and ecological aspects of a system.

To specifically build spare capacity and systemic redundancy to endure change, shocks & stresses from social-political, economic, physical, and natural events.

Building ethical resilience mitigates for failure or loss when either a fiscal, natural, or people disruption event occurs – a mindset of fail-safe.



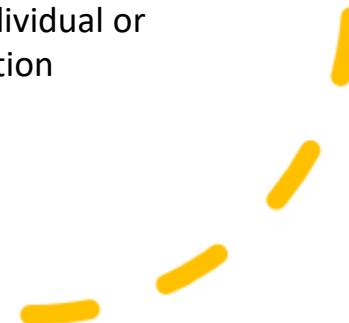
Activities that are required by laws, code of practices, certifications etc.,

"Improving the quality of human life while living within the carrying capacity of the supporting eco-systems."

Building spare capacity and systemic redundancy to endure change, shocks & stresses from social-political, economic, physical, and natural events.

Doing what is morally right by an individual or organisation

$$R+M+C+S+(Rs+ E) = \textit{Ethical Resilience}$$



Ethical Resilience and SDGs



“build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters”.



“build resilient infrastructure”.

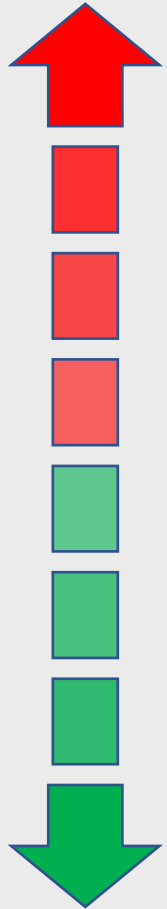


“significantly reduce” the number of people killed or harmed by disasters, including protecting those most vulnerable to natural hazards....
“substantially decrease the direct economic losses” that such disasters cause.



“urgent action to combat climate change and its impact”....
“strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries”.

Continuum of Ethical Approach



Unethical

An approach without morals, where anything is acceptable, and do whatever it takes to win including breaking or curtailing the law e.g. corruption, cheating, etc.

Compliant

An approach that works within the parameters of the law and the code of practice of the organisation.

Progressive

An approach that works beyond compliance that puts into place propositions such as sustainability, CSR, technical solutions and an ethical approach.

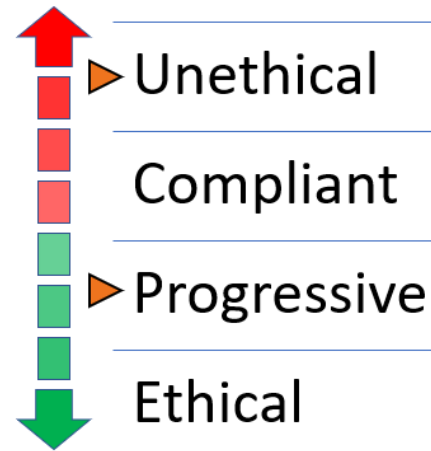
Ethical

An approach where ethics and technical solutions are at the core of every aspect of the organisation from purpose, culture, consciousness, stakeholders, and operations – to do right and cause no harm or wrong.

Volkswagen Group 'dieselgate scandal'

September 2015

"Our aim is to become a role model when it comes to integrity and compliance."



Volkswagen bosses charged over 'dieselgate'

Robert Lea, Industrial Editor

Thursday September 10 2020, 12.01am, The Times



A Greenpeace activist at a protest outside Volkswagen's factory in Wolfsburg in 2015
FABIAN BIMMER/REUTERS

The alleged architects of "dieselgate", including Martin Winterkorn, the former Volkswagen chief executive, have been charged over the cheating of regulators' vehicle emission tests. Mr Winterkorn, 73, and four other former executives are to stand trial for fraud.

POLL QUESTION 1 - to audience

This is an anonymous question so a safe place to answer... It is not about where you are on the continuum it is about variation across organisations

Do you recognise variability in ethical approach between and across your own organisation?

- 1) Yes highly variable and clear examples
- 2) Yes there is noticeable variability
- 3) Yes but may not be noticeable externally
- 4) Hardly any variability at all

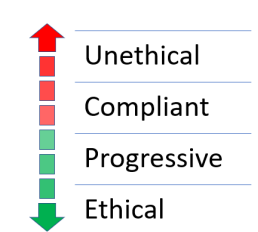
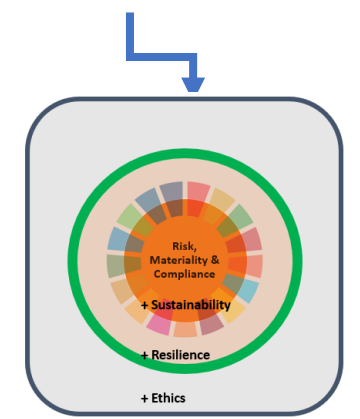
Ethical Resilient Decision Making Paradigm

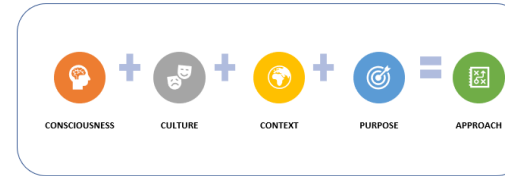
Governance is the internal system of practices, controls, and procedures adopted to govern itself, make effective decisions, comply with the law, and meet the needs of external stakeholders.



Decision-makers draw upon their **moral compass** to determine the approach they wish to take.

Culture influences people, decisions, and all organisational functions. It **impacts on the strategic direction of an organisation.**











Ethical Codes

Most organisations will have either a written or unwritten ethical code of conduct and a compliance code of practice that should be pillars of business decision-making processes, planning, and operational actions.

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-  **Demonstrate and advocate high standards of professional practice.**
-  **Apply my skills & experience to protect & enhance the environment, improve quality of life, & contribute to sustainability.**
-  **Advocate & apply high ethical standards, acting with honesty, integrity & objectivity.**
-  **Strive to ensure equality of opportunity and respect diversity in my professional activity.**
-  **Act in accordance with my level of competence.**
-  **Uphold the reputation of the profession.**

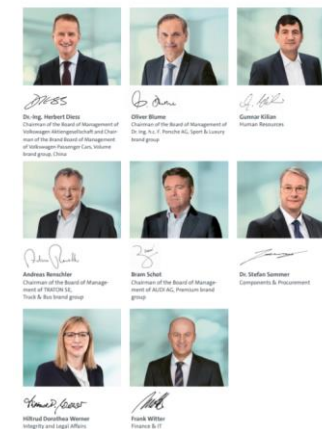
VOLKSWAGEN
KATZENBUCKELKRAFT



Volkswagen Group Code of Conduct

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Dr. Ing. Herbert Diess
Chairman of the Board of Management of Volkswagen Aktiengesellschaft and Chairman of the Board of Management of Volkswagen Passenger Cars, Volkswagen Group China

Olivier Blume
Chairman of the Board of Management of Volkswagen Financial Services AG, Volkswagen Group Financial Services

Gunter Klein
Human Resources

Andreas Rehmke
Chairman of the Board of Management of Volkswagen LEASING AG, Volkswagen Group Leasing

Brian Schell
Chairman of the Board of Management of Volkswagen Commercial Vehicles, Volkswagen Group Commercial Vehicles

Dr. Stefan Sommer
Compensation & Measurement

Michael Dornthay-Wiesner
Strategy and Legal Affairs

Frank Wilton
Finance & IT

<https://www.iema.net/membership/iema-code-of-professional-conduct/the-code>

https://www.volkswagen.co.uk/idhub/content/dam/onehub_pkw/importers/gb/downloads/terms-and-conditions/Code_of_Conduct_2019_VW_Group_english.pdf

POLL QUESTION 2 - to audience

AGAIN - an anonymous question so a safe place to answer...

Have you ever had to specifically refer to / use your own code of conduct

- Never
- Nearly (got very close)
- Only once and in a very specific example
- Yes more than once

Emerging COVID-19 success story: Germany's strong enabling environment

This is a guest post from Lothar Wieler (Robert Koch Institute), Ute Rexroth (Robert Koch Institute), and René Gottschalk (Health Protection Authority, City of Frankfurt, Frankfurt am Main) as part of the Exemplars in Global Health platform.

June 30, 2020

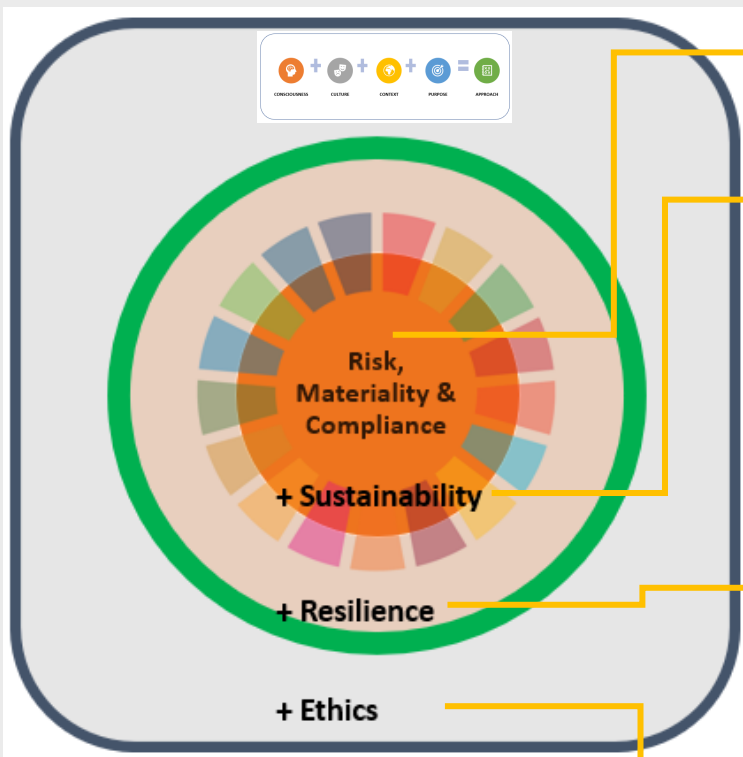


Value-based strategies incorporating ethics and technical expertise.

Compared to the UK and USA they have appeared more resilient and socially conscious at learning from past events.



Germany and Covid19



Understood the broader risk. Implement lessons learnt from SARS

Leadership at a strategic and tactical level.
Clear focus on SDG 3

Socio-political, cultural and technical **mindset to prepare and plan for disruptive events.**

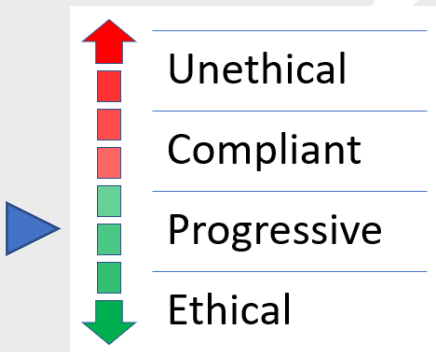
Built-in **technical redundancy and spare capacity.**

Reallocating resources for resilience.

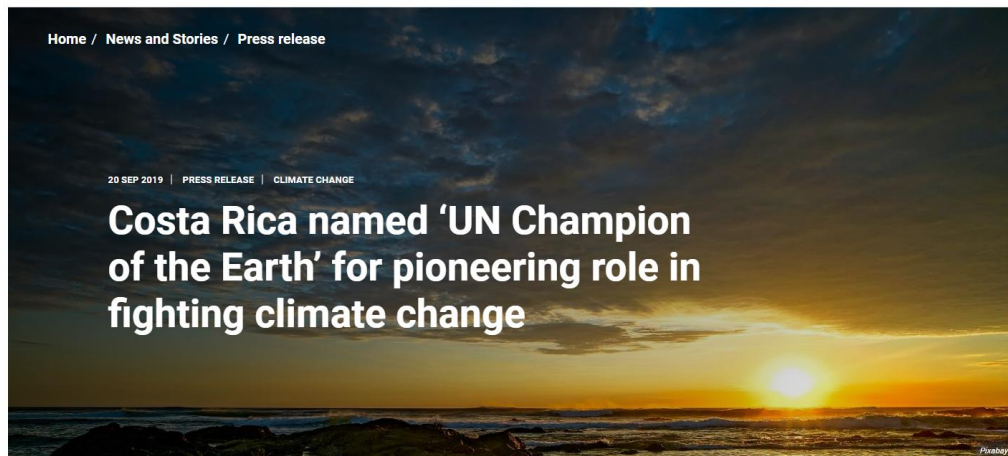
Enabled infrastructure to be able to provide an **immediate testing and tracing programme.**

Contingency fund for corporate bailouts together with provisions to fend off hostile takeovers of German companies.

Not leaving the most vulnerable people behind through policy and investment.



Costa Rica: Substitution of resources



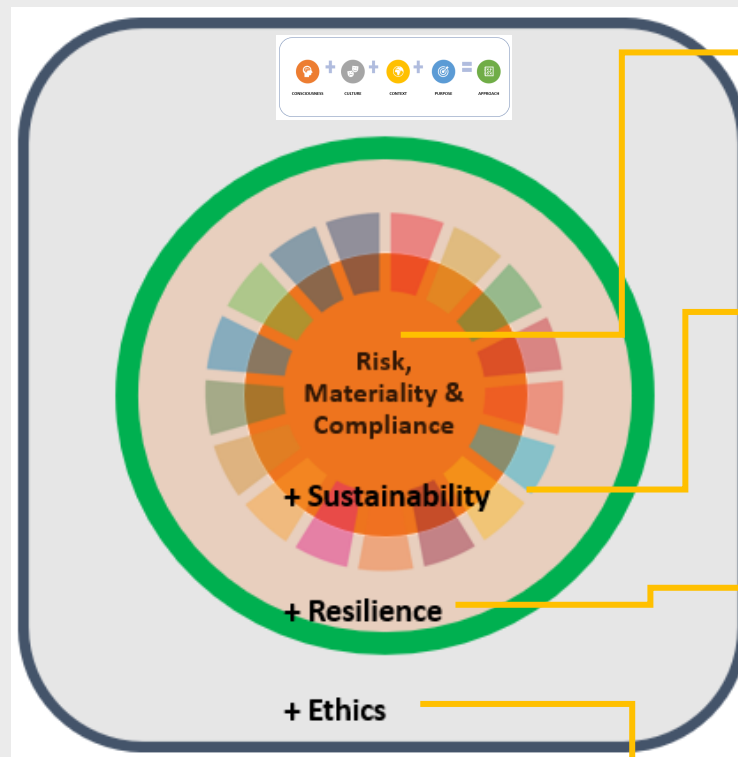
- Costa Rica wins United Nations' flagship environmental award in the policy leadership category
- Central American country recognized for leading the way to a zero-carbon future

Further Resources
Visit the Champions of the Earth website

Reallocating resources and implementing good governance.

Not leaving the most vulnerable people behind through policy and investment in people.

The Happy Planet Index ranked it No. 1 in the world.



Understanding the broader risk and opportunities.

Transitioning strategies of sustainable development, adaption and climate change.

Leadership at a strategic and tactical level.



Clear focus on

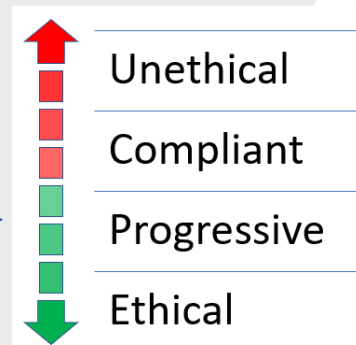
Socio-political, cultural and technical mindset to prepare and plan for the future:

Reallocating resources : Abolished its army in 1949.

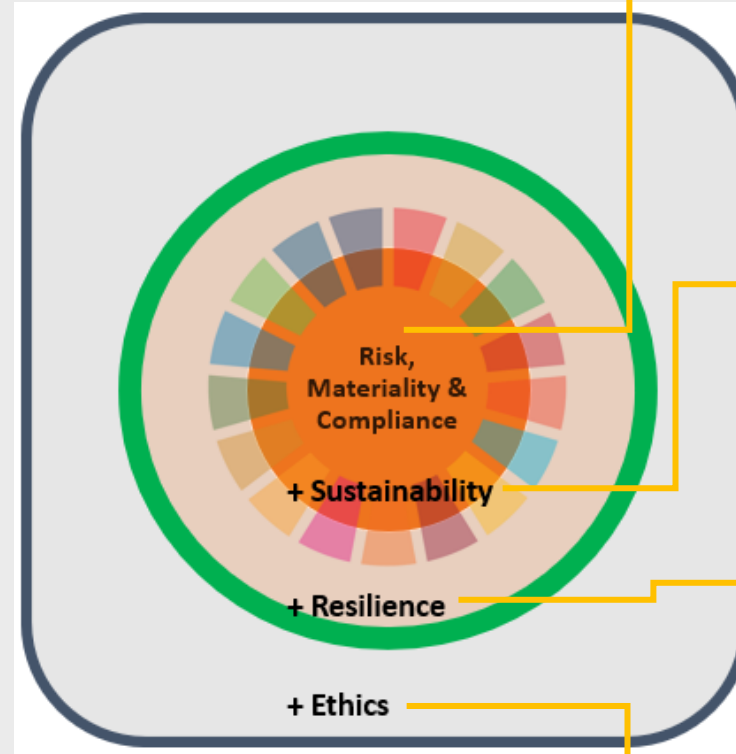
It has used the savings from defence spending to improve education, health care, and a social safety net.

Costa Rica spends a higher proportion of gross domestic product (GDP) than the Organization for Economic Cooperation and Development (OECD) average on its universal healthcare.

Not leaving the most vulnerable people behind through policy and investment.



Supply Chains



Understanding the **broader risk and opportunities**. implement lessons learnt fast rather than waiting.

Know your suppliers - beyond tier one or two.

Include all tier suppliers in the overall **long term sustainability strategy**.

Protecting and enhancing the ecosystem.

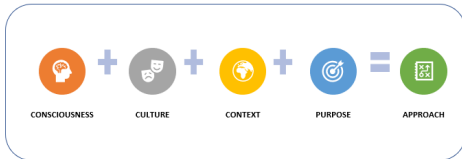
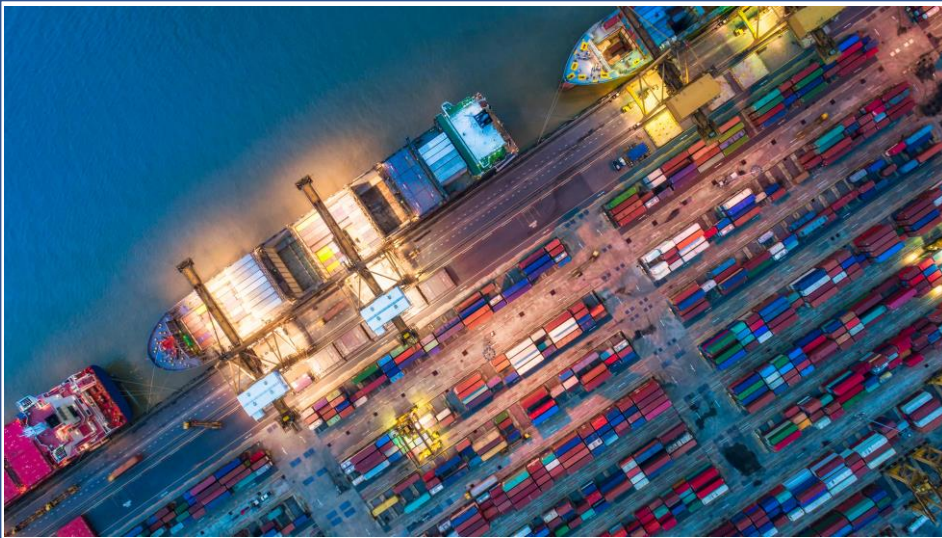
Building in **technical redundancy and spare capacity** e.g. onshore/near shore. Plan to postpone i.e. design products and processes to incorporate postponement and circularity as an option. Use of AI /blockchain technology.

Transitioning strategies of adaption and climate change.

Bring to life the code of conduct as part of everyday governance and decision-making process at all levels.

Cultural mindset to prepare and plan for disruptive events.

Continuous communication with employees, suppliers, and communities and stakeholders.

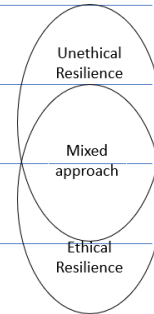


Unethical

Compliant

Progressive

Ethical



Organisation	Tier 1	Tier 2	Tier 3	Tier 4
← High				→ Low
			X	
	X	X		X
X				

As the supply chain gets deeper, control is lost over the governance and operational management.

Howard Business Review: We found problems in every country we studied - Apple, Dell, HP, Nike and Adidas have all suffered

Summary

Ethical Resilience for Organisations



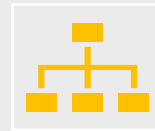
What?

A morally and technical conscious decision-making process.



Why?

To specifically build spare capacity and systemic redundancy to endure change, shocks & stresses from social-political, economic, physical, and natural events.



Who?

Via leadership and organisation culture and moral compass.



How?

By Planning the Strategic Intent of Ethical Resilience.
Cultural and technical mindset to prepare and plan for disruptive events.



Outcome

More resilient than systems with a narrow focus.
Ethics as part of the culture.
Financial recognition & savings.



Six Butterflies



Your sustainability story starts here...



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Reflections....



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Q&A

Questions



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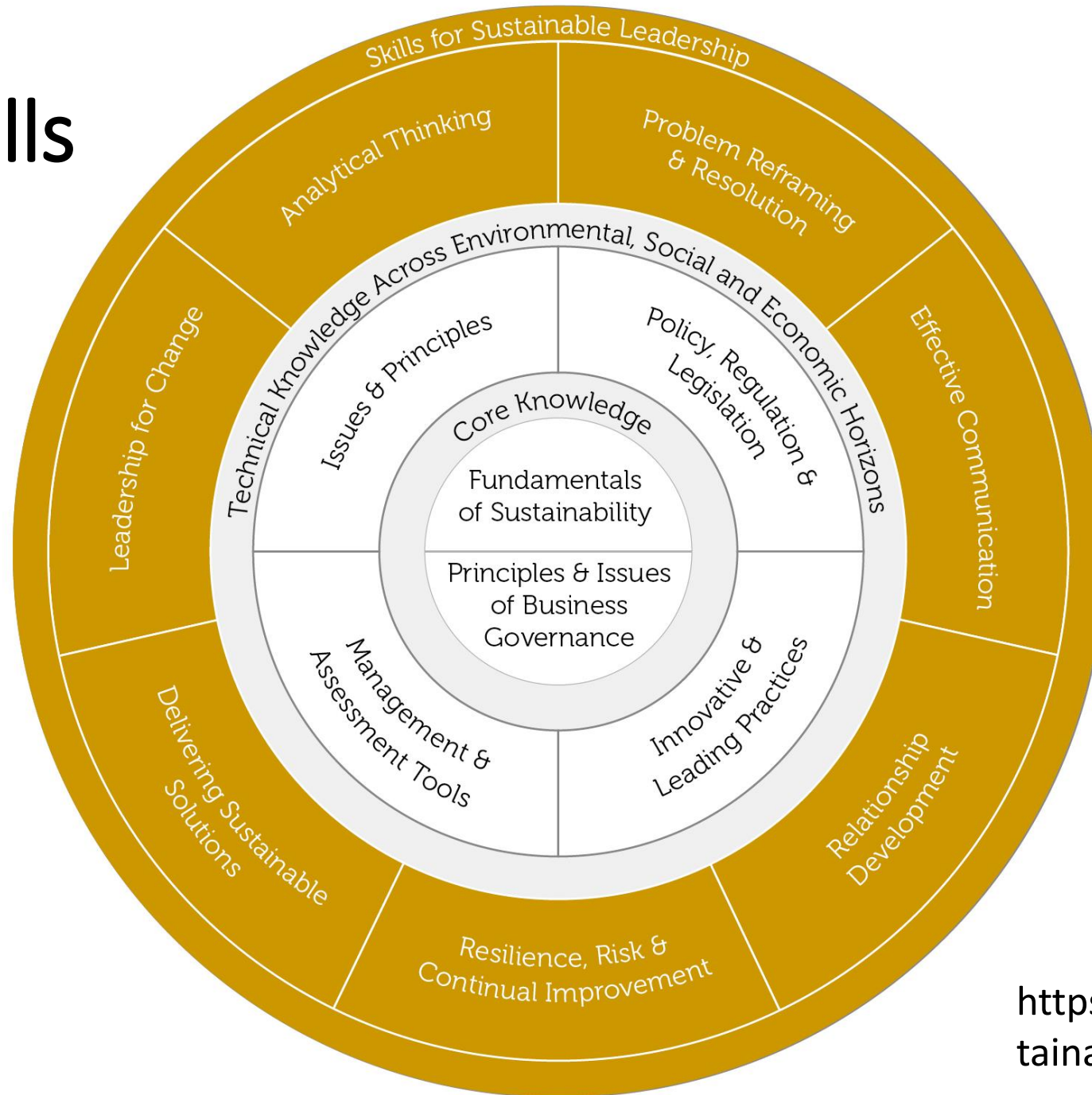


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Sustainability Leadership Skills



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- 1 Demonstrate and advocate **high standards** of professional practice.
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- 3 Advocate & apply high ethical standards, acting with **honesty, integrity & objectivity**.
- 4 Strive to ensure **equality of opportunity and respect diversity** in my professional activity.
- 5 Act in accordance with my **level of competence**.
- 6 Uphold the reputation of the profession.



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What next?

IEMA members can record your CPD on IEMA's **new CPD portal**:
plan, record and reflect on your learning.

iema.net



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Thanks for joining us

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www.iema.net/event-reports

