

# Future-Fit Foundation

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# Future-Fit Foundation

We translate systems science into <u>free tools</u> to help companies and investors respond effectively to today's biggest challenges



What is future-fitness?

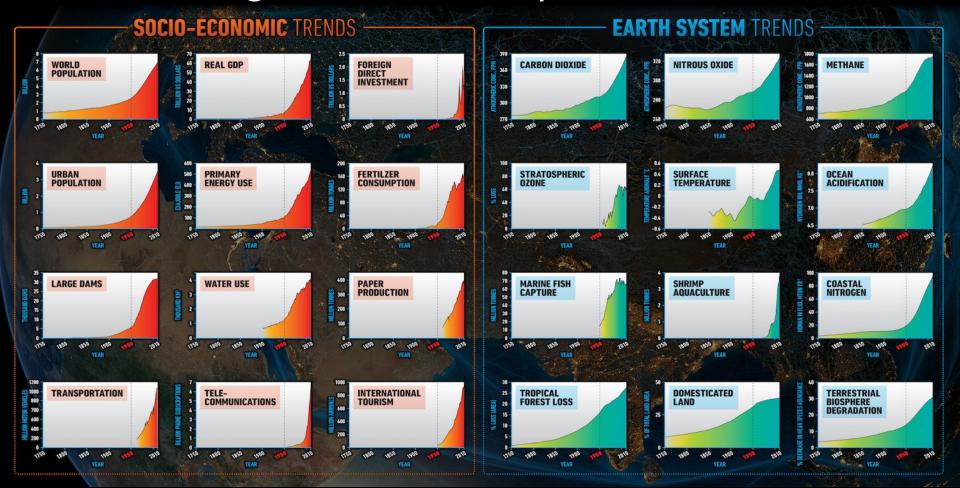
A Future-Fit® Society will protect the possibility that humans and other life can flourish on Earth forever.

**Environmentally restorative** 

Socially just

**Economically inclusive** 

### Our global economic system is broken

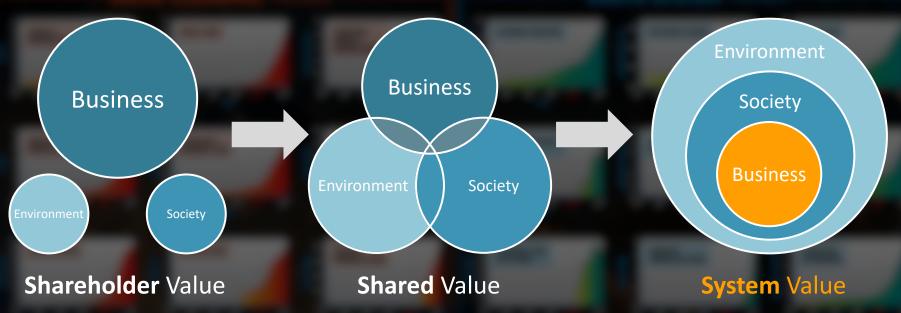


# The SDGs are a global response to today's challenges...



... and they are a purchase order from the future

#### But to hit the SDGs we must rethink "value creation"



Financial returns are all that matters: companies privatize gains and externalise losses

Business comes first: negative impacts are often not sufficiently internalised – or are justified – by 'doing good' elsewhere

Business addresses societal challenges in a holistic way, while not hindering progress toward a future-fit society

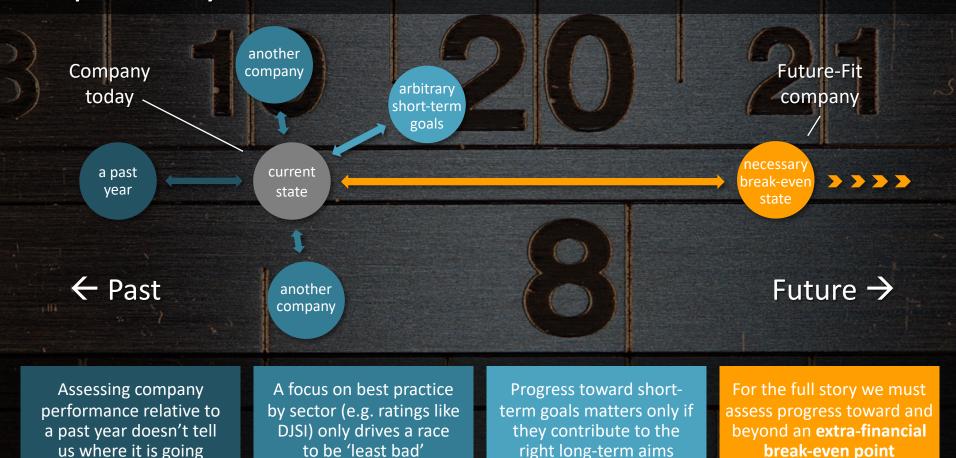
Most business leaders today think like this....



...but success in the 21st Century demands more

From Porter's 5 Forces to Future-Fit's 8 Forces **Environment Society** Nev tes **Economy** Expectations > **Exponentially Disruptive** Tech **New Entrants** Substitutes Industry Rivalry **Suppliers Buyers Company** 

### To pursue system value we need a new kind of benchmark





Future-Focused

Actionable



人

Science-Based

Free to Use



Introducing the Future-Fit Business Benchmark

## In a Future-Fit Society...

People have the capacity and opportunity to lead fulfilling lives

Our **physical presence** protects the health of ecosystems and communities

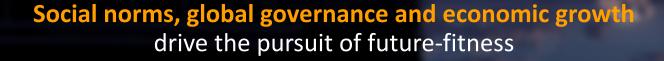
Natural resources are managed to safeguard communities, animals and ecosystems

The environment is free from *pollution* 

**Energy** is renewable and available to all

Water is responsibly sourced and available to all

Waste does not exist





Energy

#### **Break-Even Goals**

What every company must strive to do to avoid slowing down society's progress toward future-fitness

water	water use is environmentally responsible and socially equitable
Natural Resources	Natural resources are managed to respect the welfare of ecosystems, people and animals
	Operational emissions do not harm people or the environment
Pollution	Operations emit no greenhouse gases
	Products emit no greenhouse gases
	Products do not harm people or the environment
Presence	Operations do not encroach on ecosystems or communities
Waste People	Operational waste is eliminated
	Products can be repurposed
	Community health is safeguarded
	Employee health is safeguarded
	Employees are paid at least a <b>living wage</b>
	Employees are subject to <b>fair employment terms</b>
	Employees are not subject to <b>discrimination</b>
	Employee concerns are actively solicited, impartially judged and transparently addressed
	Product communications are honest, ethical, and promote responsible use
	<b>Product concerns</b> are actively solicited, impartially judged and transparently addressed
Drivers	Procurement safeguards the pursuit of future-fitness
	Financial assets safeguard the pursuit of future-fitness
	<b>Lobbying</b> and corporate influence safeguard the pursuit of future-fitness
	The right tax is paid in the right place at the right time
	Business is conducted <b>ethically</b>
	Pollution  Presence  Waste  People

Water use is environmentally responsible and socially equitable

**Energy** is from renewable sources



#### **Positive Pursuits**

What any company may choose to do to help speed up society's progress toward future-fitness

	More people have access to energy
Water	Others contribute less to water stress
	More people have access to clean water
atural Resources	Others depend less on inadequately-managed natural resources
Pollution Presence	Others generate lower greenhouse gas emissions
	Greenhouse gases are removed from the atmosphere
	Others generate fewer harmful emissions
	Harmful emissions are removed from the environment
	Others cause less ecosystem degradation
	Ecosystems are regenerated
	Others cause less damage to areas of high social or cultural value
	Areas of high social or cultural value are restored
Waste	Others generate less waste
	Waste is reclaimed and repurposed
People	More people are healthy and safe from harm
	People's capabilities are strengthened
	More people have access to economic opportunity
	Individual freedoms are upheld for more people
	Social cohesion is strengthened
	Governance is strengthened in pursuit of future-fitness
	Infrastructure is strengthened in pursuit of future-fitness
	Market mechanisms are strengthened in pursuit of future-fitness
	Social norms increasingly support the pursuit of future-fitness

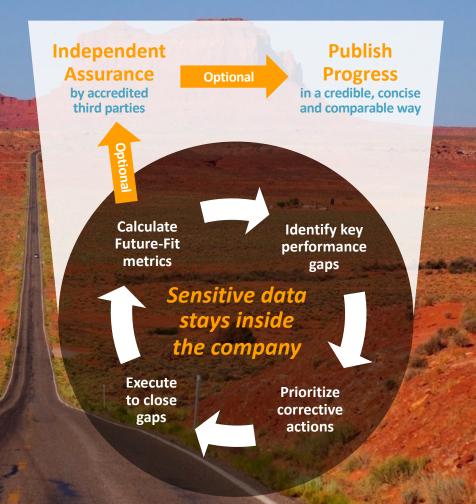
Others depend less on non-renewable energy More people have access to energy water stress to clean water dequately-managed natural resources Future-Fit brings extra-financial performance into the core business

#### Self assessment

Assess where you are now, and identify where action is most urgent/beneficial

#### **Independent assurance**

Explain how your plans and actions are helping society to make *real* progress







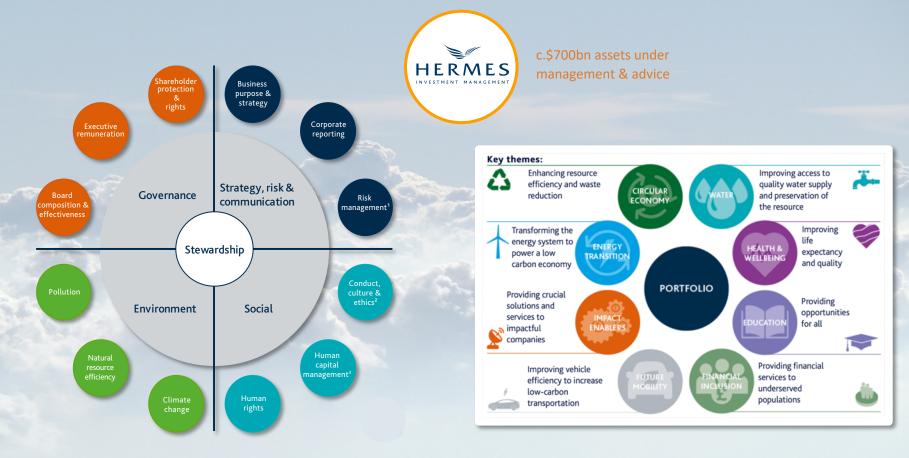


DNV-GL Our performance against Future Fit criteria 23. Financial assets safeguard the pursuit of future fitness | Not calculated 19. Products can be repurposed Not calculated Sb. Operational emissions do not harm people or the environment (solid) 3. Natural resources are managed to respect the welfare of ecosystems, people... 17a. Products do not harm people or the environment - Sold or leased goods &... 16. Product concerns are actively solicited, impartially judged and transparently... 15. Product communications are honest, ethical, and promote responsible use Employee concerns are actively solicited, impartially ludged and transparently... 13. Employees are not subject to discrimination Employees are paid at least a living wage
 Water use is environmentally responsible and so dally equitable - Water... 10. Employee health is safeguarded Sa. Operational emissions do not harm people or the environment (gaseous) 21. The right tax is paid in the right place at the right time 22. Lobbying and corporate influence safeguard the pursuit of future fitness 1. Energy is from renewable source 12. Employees are subject to fair employment terms 10. Employee Health is Sa 6. Operations emit no greenhouse gases Community health is safeguarded 20. Business is conducted ethically. Not calculated Procurement safeguards the pursuit of future fitness. 7. Operational waste is eliminated 18. Products emit no greenhouse gase Cannot yet be calculated due to lack of useful data 8. Operations do not en groach on experstems or communitie 2016 Euture Eitness Water use is environmentally responsible and socially equitable - Water c. Products do not harm people or the environment - Materials used to delive Products do not harm people or the environment - Supplementary materia health issues or accidents. It is recommended to Performance including include this into OHS (or other) policies (^ score Required effort to close performance gap Data collection recommendations: · More explicit information could be provided demonstrating that / tracking whether all employee and affiliates are covered by OHS Policy or Global Value in closing the performance gap

Future-Fit underpins The Body Shop's 2040 ambition to be a "truly sustainable business"

Novo Nordisk worked with DNV-GL and Grant Thornton to produce its first assured Future-Fit "Score Card"

Labour Guidelines and associated processes



Hermes Equity Ownership Services is using the Benchmark to enhance its engagement framework

The Impact Opportunities Equity Fund is seeking to gain additional insight into the fitness of its portfolio

Future-Fit is a new kind of business tool. which equips you to do three things

Set better business ambitions
SOCIETAL REQUIREMENTS

Improve day-to-day decisions

MANAGEMENT GUIDANCE

Say more with less effort EXTERNAL REPORTING





# Thank you!

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