

#UprootTheSystem #Cop27 #ManagersForFuture

# unleashing new leadership: building a sustainable and regenerative economy

Call to action



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## CONTENT

#### FOREWORD ...2

INTRO Why we're responsible ...3

INTRO Why we need a switch ...4

WHY Why we've got here ...5

**VISION** Building an EconomyForFuture ...6

**CALL TO ACTION ...7** 

#### **TOWARDS A NEW ECONOMY ...8**

- 1. Phasing out extractive economy ...9
- 2. Phasing in Sustainable Law ...10
- 3. Phasing in Sustainable Finance ...12
- 4. Phasing in Sustainable Leadership ...13

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"Managing the switch to a sustainable and regenerative economy" position paper by ManagersForFuture 2021



### **FOREWORD**

"No more blah blah blah!" Millions of young people ask governments to take bold action for our planet. Rightly so.

For leaders, managers and students at ManagersForFuture, there is clearly a leadership responsibility - also in the business world.



Jean-Philippe Steeger

Coordinator

However, at the occasion of G20, COP15 and COP26, we had to note that we're far from being on track to tackle humanity's greatest - and existential - challenges.

We face a huge gap between what is being said and done. For us, bringing vision and reality together is a leadership challenge.

As governements and many businesses fail to deliver, we are convinced that we need to reinvent our leadership, management and business models. We have to stop damage, while building an economy that puts people, planet and purpose first.

This call to action is a starting point to embark on building an economy that is designed to work for all. The four pillars of actions of this document aim at supporting the transition journey we have to take - personally, as organisations and systemically.

We hope it can inspire courage to act boldly on mainstreaming a new leadership culture that is able to build a sustainable, circular and regenerative economy.

## INTRO WHY WE'RE RESPONSIBLE

People and planet are calling us leaders and managers for a drastic change to ensure we can thrive, not just survive. We have the chance to build an economy that creates long-term value for all by redesigning the way we work, produce and consume.

The externalised costs on our climate, biodiversity, communities, welfare states, health systems and economic systems now fire back.

We have a climate emergency, a biodiversity emergency, a health emergency, a social emergency and an economic emergency.

Leaders and managers have benefitted from the current extractive economy. We are the top 1% global income earners responsible for 15% of global GHG emissions<sup>1</sup>.

We are responsible for leading this historic transition by example or shall make place for leaders of the future.

We call on reinventing our economy by uprooting innovative management practices that create win-win situations for people, planet and shared prosperity.



### INTRO WHY WE NEED A SWITCH

To switch, we have to shift the way we lead, work and cooperate in this transition process. We call on leaders, managers, policy-makers and designers of the future to actively support the process, while acknowledging:

- 1. That we have made mistakes by following a limitless growth path
- 2. That we have to get rid of our dependency on **fossil fuels and intensive industrial farming** practices and other contributors to the climate and biodiversity crisis
- 3. That many management and business development models in practice today are inadequate to serve our needs on a finite planet
- 4. That we need a **holistic approach** that goes beyond reductionist approaches that focus on market, state or clean technology only
- 5. That we have to switch to **new ways of leading, working and producing value** by seizing synergies and activating potentials in new areas

Examples: circular and regenerative approaches for business models, leadership, manufacturing, transport, consumption etc.

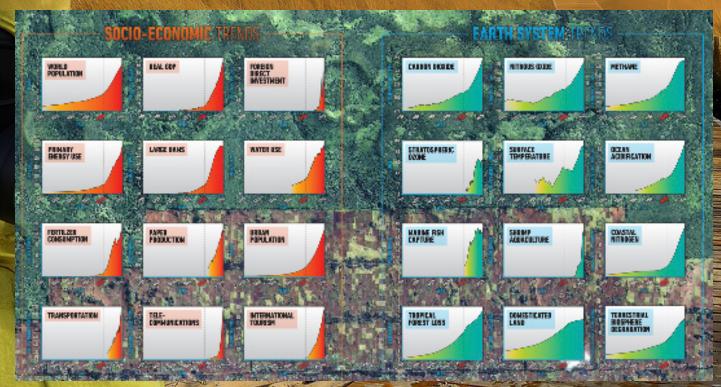
6. That **company law and economic incentives** in place today ask us to prioritize profit over securing the conditions for future lives and livelihoods

## WHY?

Our current industrial and extractive economy has shaped the earth and it's climate profoundly. We have built a technosphere that now outweights the biosphere: there are more buildings than trees now.

Great GDP growth has been accompanied by a growing polarization of our societies and the current climate emergency.

We have to flatten the curves at a time of the great acceleration, at the time of the anthropocene.



graphic source: anthropogene.info

3

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## VISION

We want a global movement of managers and leaders concretely shaping and impacting a sustainable & regenerative economy by putting purpose, people and planet first.

We want leadership to enact its responsibility for solving the challenges of the 21st century - systemically, holistically and sustainably.

ManagersForFuture will have managed to cut emissions and other environmentally, economically and socially destructive behaviours significantly by 2030.

They will have invested in, prototyped and marketed innovative approaches in the areas of the commons, sharing, biobased, circular or regenerative economy.

6

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## Call to Action

To mainstream Sustainable Leadership and Sustainable Management, we have to phase out damaging behaviours, while uprooting new ways of doing business and making public policy.

This involves four pillars of action: phasing out the extractive economy and mainstreaming sustainable law, sustainable finance and sustainable leadership.

I want to lead for future!

## Building a sustainable and regenerative economy

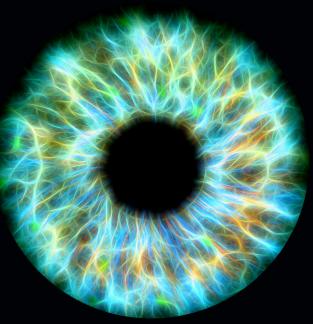
## 1. Phasing out the extractive economy

immediately starting phase out of fossil fuels and industrial agriculture

### 2. Phasing in Sustainable Law

create a level playing field that promotes sustainability and regeneration

- do no harm
- manage your impact
- invest in potential



- = lead by example
- innovate inspired by nature and purpose
  - create synergies

3. Phasing in Sustainable Finance

investing in building a sustainable, cirular and regenerative economy

4. Phasing in Sustainable Leadership

Practicing sustainable or regenerative leadership at inner, outer and systemic level





## 1. Phasing out the extractive economy

Today's extractive economy and business models have contributed to the crossing of planetary boundaries, while falling short of meeting social needs.

We're on track of a 3-6°C warming scenario and the sixth mass extinction. At the same time, more and more businesses struggle to survive in the face of unprecedented supply chain and market risks, market concentration and financial instability.

We need to shift from an extractive and growth-obsessed economy to a sustainable, circular and regenerative economy.

### We call for immediate action to phase out the current extractive economy killing our planet:

- immediate ban on fossil fuel advertisements
- immediate stop of new fossil fuel extraction, investments and subsidies
- cutting GHG emissions and biodiversity loss by at least 55% by 2030 while moving to nature positive practices
- phasing out fossil fuels and industrial agriculture as main contributors to the climate and biodiversity emergency
- close monitoring of sustainability performance of top 100 global polluters in line with global climate agreements and SDGs

#### 2. Sustainable Law

We need to create sustainable legal playing-fields that represent fertile framework conditions for sustainable management and business practices. These level playing fields have to be thought at different levels of policy making. While there must be a global level playing field in line with planetary boundaries, it also makes sense to incentivise local and regional transition processes through legal tools and frameworks.

#### Our call:

- establish the principles of true pricing, true costing, true benefiting, true compensation and true pricing in (economic) policy-making and business action
- the **purpose of the corporation** in company law shall include planetary boundaries and social needs
- company law shall include **due diligence principles** on sustainability in corporate governance
- align managerial salaries to performance on Triple Bottom Line
- mandatory integral reporting on Triple Bottom Line performance for listed companies
- shift from incrementalism to clear standards on context-based and multicapital measurement, accounting and reporting on economic, social, environmental and governance sustainability
- establish carbon budget systems at company level for listed companies with trajectory aligned to Paris Agreement, as well as sectoral carbon budget systems
- Develop coherent consumer labels for transparency over product's GHG emissions and impacts on the SDGs
- Create legal sandboxes for start-ups with sustainable business models
  able to create positive and sustainable impact on the Triple Bottom Line
  by design
- Incentivise legal sandboxes at local and regional scale for sustainable business ecosystems and multi-stakeholder governance on sustainability issues. Examples: local or regional currencies, cooperative energy systems, commons land-use management etc.

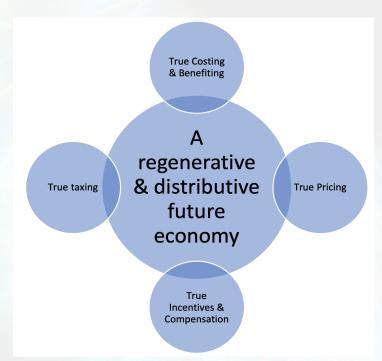
### **Best practice**

#### Regenerative and distributive economy blueprints

R3.0 promotes Redesign for Resilience and Regeneration. As a global common good not-for-profit platform, r3.0 crowdsources open recommendations for necessary transformations across diverse fields and sectors, in response to the ecological and social collapses humanity is experiencing, in order to achieve a thriving, regenerative and distributive economy and society.

**True Costs** cover the actual impacts on nature and humanity, eliminating the perverse "externalization" of negative effects only and "internalization" of positive effects only;

True Benefits: balances "depreciation" with "appreciation" of positive effects;



**True Prices:** Price aligns with sustainable impact, with unsustainable products and services rising beyond affordability;

**True Taxes:** Levy adverse impacts (resource overuse, pollution) and liberate positive impacts (labor) from taxation;

**True Compensation:** Link incentives to sustainable outcomes, including sustainable levels of income and benefits.

source: R3.0 - Read more

#### 3. Sustainable Finance

We need to channel investments from value extraction to value creation. Besides phasing out the most damaging financial activities, we now have to invest into building a sustainable, circular and regenerative economy. This involves both changing what is being invested in and how these investments are managed. The trend needs to go towards decentralisation, re-regionalisation and democratic multi-stakeholder governance.

#### We call for:

- shifting away from abusive economic activities and greenwashing by financial institutions and actors
- a (global) taxonomy framework on sustainable investments shall cover economic, social, environmental and governance sustainability. Fossil fuels and other, scientifically evidenced, damaging activities shall be excluded. The taxonomy shall be aligned to sustainability accounting and reporting frameworks, as well as fiscal policy.
- a sustainable **fiscal policy** shall promote sustainable activities through taxation and subsidies
- Incentivising multi-stakeholder governance of sustainable investments, particularly at local and regional scale by promoting participative, deliberative and distributive democratic processes
- Conditioning recovery funds and sustainable investments to sustainable business model and/or product innovation, sustainability upskilling and sustainable impact on the Triple Bottom Line, audited by independent third parties based on science
- Channel investments into the areas of e.g. circular economy, commons economy, sharing economy, biobased economy, regenerative economy

### 4. Sustainable Leadership

The transition towards another economy and society will not be possible without sustainable values, cultures and leaders that walk the talk. Today, too many leadership, management and organisational development models work on flawed psychological assumptions and obsolete economic thinking. The resulting dysfunctionality both within and among businesses have produced negative externalities, including record levels of mental health issues, meaningless work or also a damaging impact on the environment.

That's why we need to mainstream a new leadership model that is sustainable and regenerative. A leadership that cares, that is creative and that is courageous.

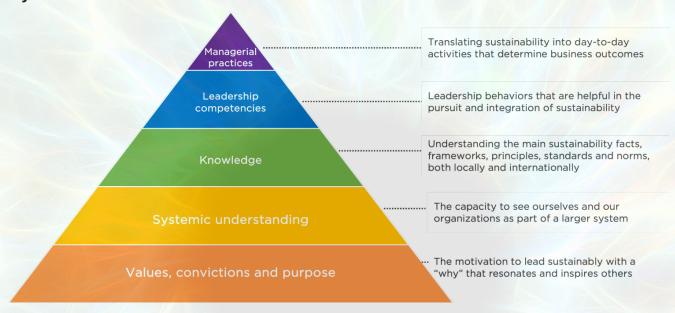
#### We call for:

- putting people, purpose and nature first, in private and professional life
- cultivating and practicing sustainable or regenerative leadership
- raising awareness on sustainability issues among managers and leaders, including on new leadership, management and organisational models promoting sustainable and/or regenerative leadership practice
- fostering communities of practice for sustainable leaders to exchange among each other, provide mutual support, learn together and advocate for sustainable leadership
- mainstreaming the integration of sustainable and regenerative leadership into executive and managerial training programmes, including the notion of planetary boundaries, social needs, materiality assessment, systems thinking and sustainable managerial practices
- create new professional certification schemes for individual managers and entrepreneurs, certifying the systemic integration of sustainability at a professional and organisational level
- encourage intergenerational, intercultural and multilingual learning and exchange among sustainable leaders, across organisations and countries to exchange sustainable best practices and to create sustainable and regenerative projects

#### **Best practice**

#### Sustainable Leadership Model

by Sustainable Leaders - sustainableleaders.eu



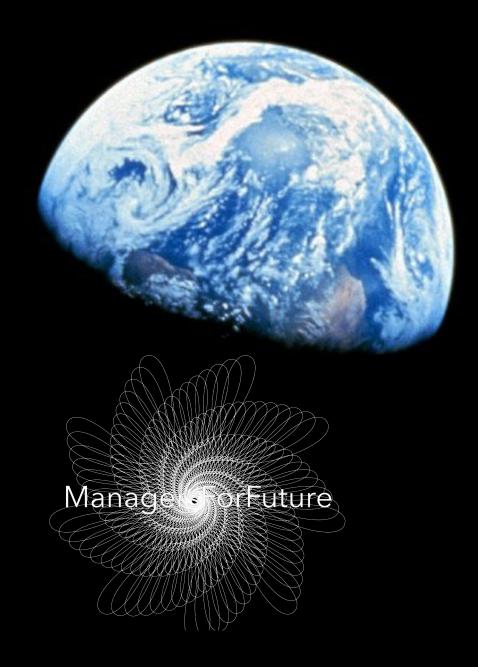
#### Regenerative Leadership DNA

by Laura Storm and Giles Hutchins - regenerativeleadership.co





## Ready to switch?



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