

Future-Fit

Business Benchmark

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Equipping business
leaders and investors
with the means to
quantify how their
actions are
contributing to a
flourishing future



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The Future-Fit Business Benchmark is a collaborative, open-source initiative led by the Future-Fit Foundation. →



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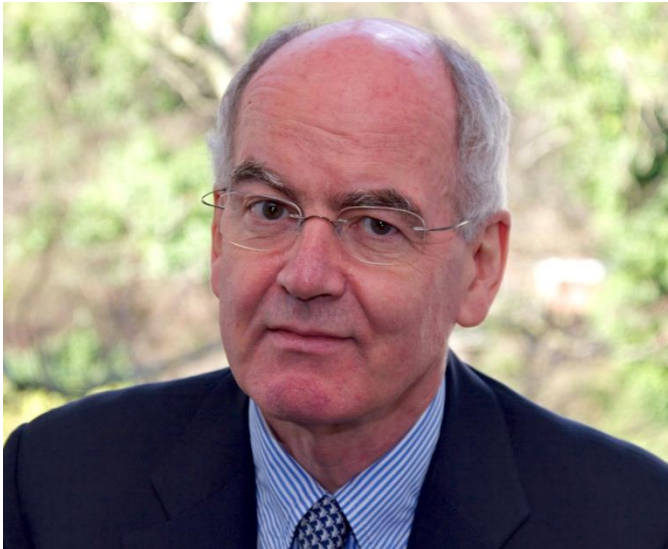
*Find out more about
us and our work*

Embedded links throughout this document (including the navigation bar at the top of each page) are designed to make it easy to jump around and access referenced resources.

Foreword

by John Elkington
of Volans Ventures

John's latest book is
***The Breakthrough Challenge:
10 Ways to Connect Today's Profits
with Tomorrow's Bottom Line.*** →



The Future-Fit Business Benchmark is an idea whose time has come – and what follows is an invitation to leaders in business, financial markets, government and civil society to join in the vital task of co-evolving the tools to define and measure true sustainability – or “future-fitness”.

Some of the thinking unveiled here will come as a bit of a shock for business leaders who think they have already nailed the environmental, social and governance agenda.

Several years back, for example, a survey of over 700 CEOs around the world had no less than 81% reporting that they had already embedded sustainability in their businesses.

This just isn't so.

But even if they bend the truth, most CEOs are not liars. So we must assume

that these business leaders had simply failed to understand the nature and scale of the sustainability challenge. After all, until now, there has been no common agreement about what constitutes a fully sustainable business model.

Perhaps they imagined that a bit of stakeholder engagement here, a bit of reporting and supply chain challenging there would do the trick?

No such luck.

Once seen as a source of problems, business is now viewed as a critically important source of today's innovation and tomorrow's solutions. To succeed in what we call the Breakthrough Challenge, business leaders need a much deeper understanding of what it will mean to be future-fit.

The Benchmark is designed to help business measure – and manage – the gap between what they are doing today and what science tells us they will need to do tomorrow.

Introduction

*Building a new kind of
business benchmark*

*Setting the scene:
how much
sustainability
is enough?*

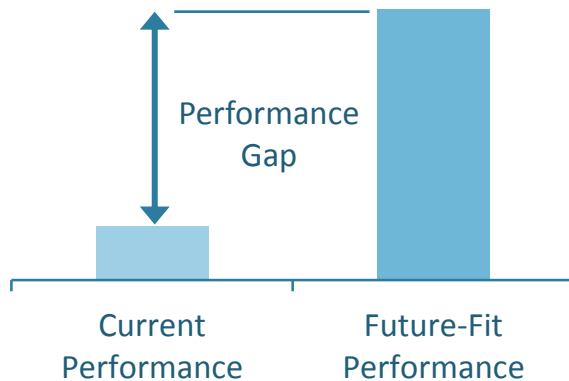
*Introducing the
Future-Fit Business
Benchmark*

*What this
document is for*

*Who this
document is for*

Setting the scene: how much sustainability is enough?

*There's no good answer,
and that's a big problem.*



Our global economic system is broken in 2 key respects.

First, it is failing to meet the needs of hundreds of millions of people around the world, thus jeopardizing companies' social license to operate. Second, it is degrading the planetary services upon which we as a species depend: clean air, fresh water, nutritious food, rich biodiversity, stable climate, access to materials, security of energy sources, and so on. In this context, business as usual is not an option.

Many people in the business world acknowledge this.

Awareness of both the risks and the opportunities this presents is at an all-time high.

People are starting to realize that business can only thrive if society and nature do too. And a growing number of CEOs know they must rethink the way they do things in the face of looming social and environmental mega-trends. Investors, too, are beginning to realize that their return on capital could be

hugely impacted by these same trends.

For those willing to take on society's biggest challenges there is the potential for huge upside. And anyone who ignores them will be left behind.

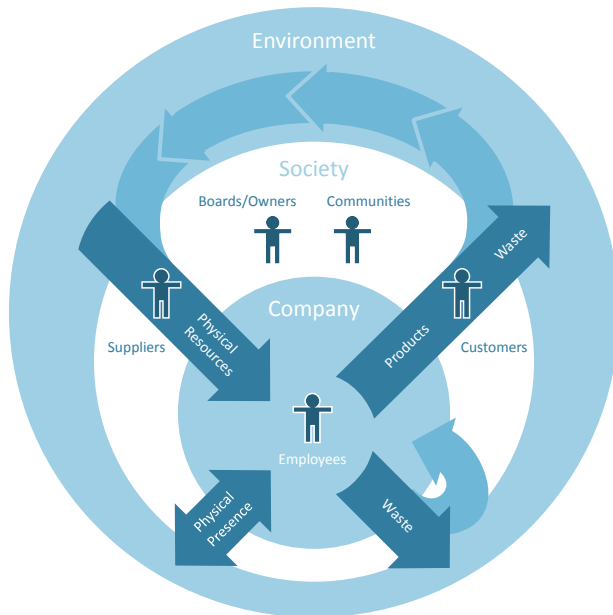
But there is a gap between awareness and action.

Unfortunately many in the business world underestimate what needs to be done. In most companies the belief still seems to be that gradually reducing the negative impacts of current business models is sufficient. And few investors are challenging this notion. We have shifted from *business as usual* to *change as usual*. But given the urgency and scale of the challenges we face, being less bad is simply not good enough.

The Future-Fit Business Benchmark seeks to remedy this, by equipping corporate leaders and investors with the means to see how – and how much – they must change the way they do business.

Introducing the Future-Fit Business Benchmark

We're creating a new way to assess non-financial business performance. Doing this requires three steps.



1



Identify a set of future-fit business principles → that describe how companies must operate for society to flourish on our finite planet.

To do this we built on 25+ years of academic research → and best-available natural and social science. If every company aligns its business model with the principles described herein, we will set ourselves on the path to a flourishing future.

2



Create a set of future-fit goals → that every company must reach by mapping the system principles on to business activities.

One thing companies are good at is pursuing goals – provided that they're clear and concrete. What business leaders have been lacking is a unified set of environmental and social goals that all companies must ultimately strive to reach, irrespective of the products and services they offer.

3



Develop future-fit key performance indicators (KPIs) → to assess how far away a company is from reaching each goal.

A wealth of work has been done by academics and sustainability practitioners to measure particular kinds of impact. Now it needs to be synthesized into a set of concise, credible and comparable metrics tailored for a business audience.

What this document is for

This second public draft of the Future-Fit Business Benchmark has two specific aims.



Aim 1: Help business leaders and investors rethink what it means to ‘be sustainable’.

Reactions to the first public draft of the Future-Fit Business Benchmark have been very encouraging. Since its publication in October 2014, dozens of experts have contributed ideas and constructive criticism. And in the past six months we’ve partnered with a number of companies who asked us to help them think through what becoming future-fit would mean for their business. All of this feedback has helped us fine-tune our narrative – what needs to happen and why – and refine our original 28 future-fit goals down to 21.

This second public draft and supporting materials* offer a simple, robust tool to understand the interplay between business and today’s biggest social and environmental risks, and to explore what every company must do in response.

Aim 2: Work with experts to co-create KPIs for each future-fit goal.

Feedback on the future-fit goals is still welcome, but our primary focus now is to develop a set of key performance indicators (KPIs) so that companies can measure – and thus manage – progress toward each goal.

We can’t do this alone, but we don’t have to: academics, industry bodies and NGOs have spent years wrestling with the issues we’re attempting to address. We’re drawing on their work, to produce a set of KPIs that integrate the best of what’s out there. And the more help we can get, the better – which is why we’re launching a wiki to coincide with this public draft. This will enable our core team, partners and other interested parties to contribute and exchange ideas, monitor progress, and keep us on track for a full release in late 2015.

Every future-fit goal page contains links to our wiki, to give feedback on that goal and see progress on its KPI. Please don’t hesitate to use them! →

* See *Additional Resources* on our wiki for a range of supporting materials. →

Who this document is for

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How might you use it in your work?



Many companies today, irrespective of size or sector, have not grasped the full extent to which their business models are linked to society's most critical issues, and what can be done about it.

The Future-Fit Business Benchmark should serve as a great way for all stakeholders to begin this conversation.

If you work for a company...

Examine each future-fit goal and explore the gaps between where your company is now and where the goals suggest it needs to be. Some goals might be easy to reach, and – depending on the nature of your products and services – you may have already met a few. Others might require a complete rethink of your current business model. That may sound daunting, but for most future-fit goals we've found examples of companies already committed to a similar ambition.

If you are an investor...

Future-fit goals offer you a means to understand what companies should be

focusing on, who are the leaders and the laggards, who is most likely to thrive in the long-term, and who is prepared for the risks and opportunities that will come their way in the next few years.

If you work for a rater...

The future-fit goals offer you a starting point to explore how your scoring methodology might be extended to accommodate *required* performance.

If you are a consultant...

The thinking embodied here could be integrated into your methodologies and tools to help you encourage the organizations you work with to take more ambitious action.

If you are at business school...

The benchmark can serve as a focal point for students and faculty to discuss and debate how business activities can help – or hinder – attempts to address today's biggest societal issues.

If you are a policy maker...

The future-fit goals may help you to prioritize changes to business regulation and incentives with a view to delivering more positive outcomes.

The Need

*Defining and closing
the sustainability gap*

*Business, society and
the environment*

*Why should business
do more? Part 1*

*Why should business
do more? Part 2*

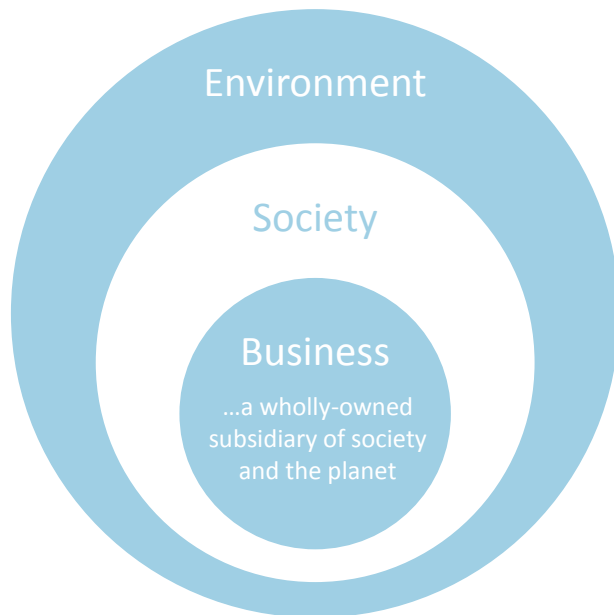
*So why isn't business
doing more?*

*We need a new
kind of business
benchmark*

*Creating the
Future-Fit
Business Benchmark*

Business, society and the environment

Nested dependencies set the context for why we must rapidly and radically change how we do business.



250 years ago, fewer than a billion people walked the Earth.

Back then, the planet's resources and her resilience to our actions must have seemed limitless.

So it should come as no surprise that classical economics – which dates from that period – assumes that infinite growth is both possible and desirable.

That belief set the tone for the way we have done business for generations: producing, consuming and disposing of ever more stuff.

Now there are 7 billion people on the planet, with 2 billion more set to join us by 2050.

Industrialisation and rapid growth have taken their toll.

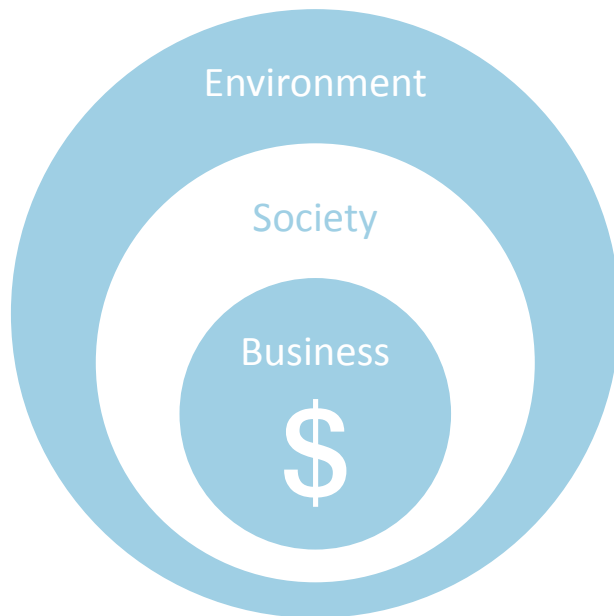
Fresh water has already become scarce in some areas. Crop yields around the world are suffering from the effects of climate change. Natural resources which were once plentiful are now much harder – and more costly – to obtain.

Trust in institutions is falling; inequality is rising. We've all seen the headlines, and it can be so overwhelming that it's hard to imagine what can be done.

As the engines of our economy – the ones with the power to deliver solutions at scale – companies have a vital role to play in getting us back on track. And it is in their interests to do so.

Why should business do more?

*...because companies can grow revenue, save costs, and reduce risks by proactively responding to global challenges.**



Grow revenue

Increase sales to people who value more responsible companies and products

Grow brand equity through leadership on high-profile issues

Identify new areas for innovation

Improve employee productivity and foster a culture of learning

Prepare the company to thrive in a low-carbon, circular, water-constrained economy

Save costs

Avoid reputational and financial costs due to law suits and regulatory breaches

Increase access to capital that values well-governed, future-focused companies

Improve decision-making through more diverse perspectives

Reduce exposure to volatility in fossil fuel markets

Reduce risks

Prepare for more stringent future regulations on emissions

Reduce the cost and secure the supply of critical resources

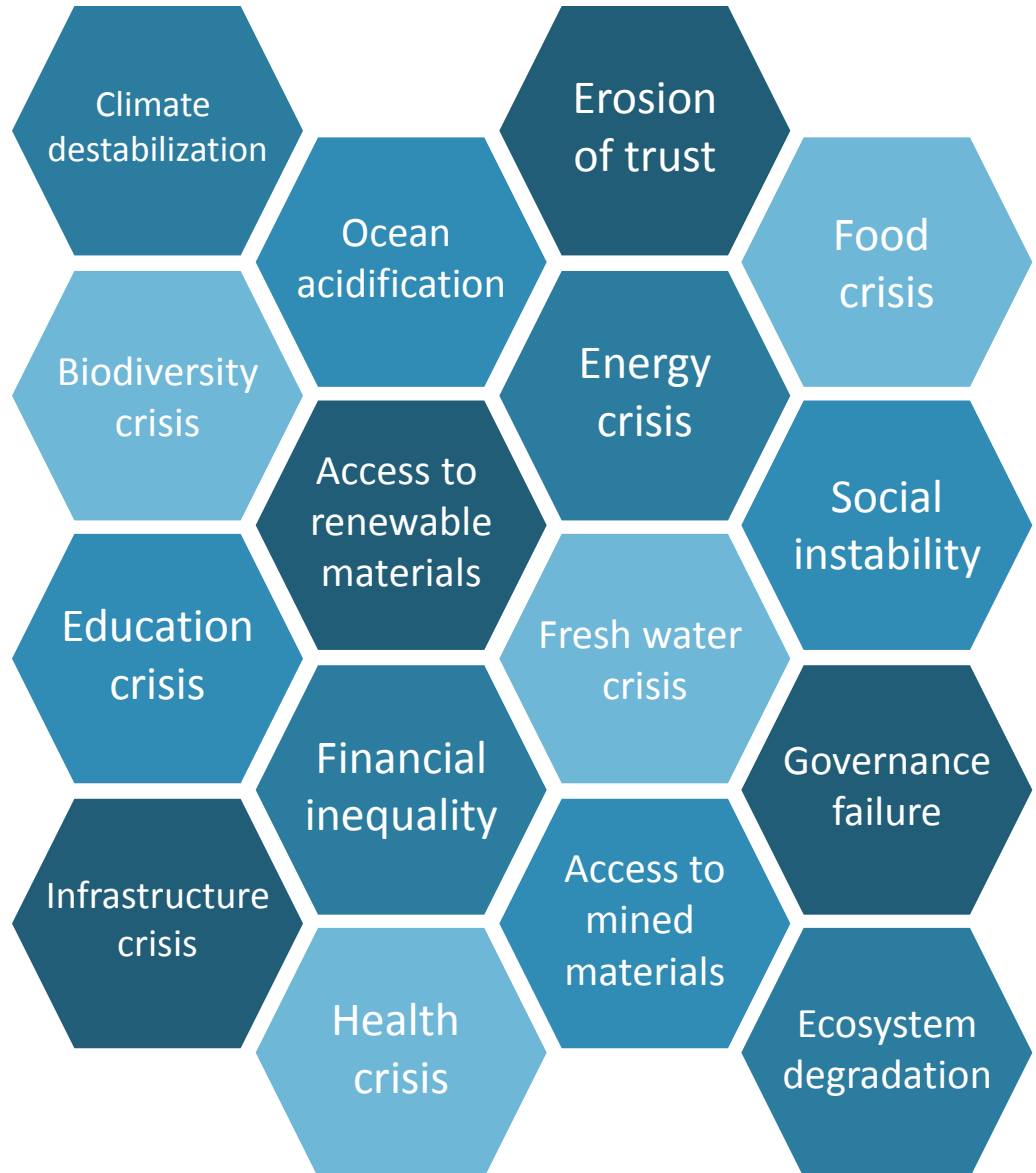
Attract and retain top talent

Protect critical infrastructure and services upon which the company depends

Secure license to operate and foster goodwill wherever the company operates

Why should business do more?

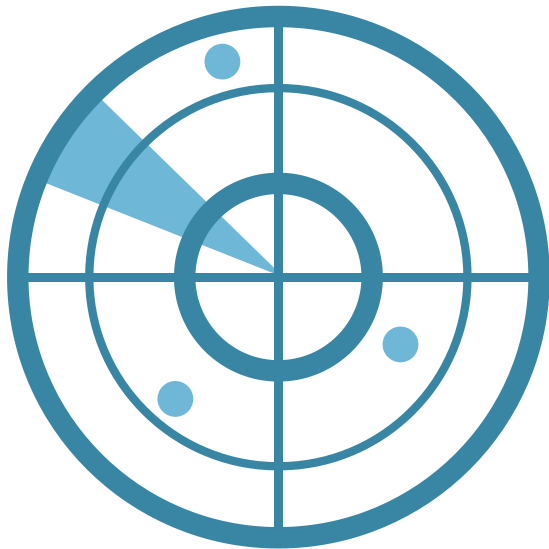
*...because global risks – if left unchecked – put in jeopardy Earth's natural systems, our social fabric, and economic activity as a whole.**



* See our wiki for more information on these 16 global risks and their sources. →

So why *isn't* business doing more?

Neither corporate leaders nor investors are getting the right signals about what the future requires of them, and thus how (and how quickly) they must act.



What's keeping us from going beyond change as usual? How can we break through to new ways of doing business?

There's no single answer.

CEOs often feel compelled to focus on short-term gains, not long-term value. Many investors only seem to care about the next quarter's return. Governments are failing to regulate key areas such as CO₂ emissions. And there are so many issues competing for a company's attention that it can be difficult to zero in on what really matters.

All of these factors are contributing to the problem. But we're never likely to make much headway in tackling any one of them until we can answer one simple question: what should companies be aiming for? Where should they be focusing their creative energy?

Today's corporate sustainability ratings are not helping.

Today, social and environmental performance is typically measured in

one of three ways: relative to a baseline year; relative to current best practice; or relative to a company's own short-term targets. All three approaches focus on incremental improvement and current best practice. And that's a real problem.

In 2013 a major sustainability rater declared that an oil company was 85% sustainable. This is counterproductive in the extreme: can we expect that company's CEO and its investors to question the carbon-intensive nature of their business if that's the kind of signal we're sending them?

The business world isn't receiving the feedback it needs.

Current metrics lull decision makers into believing that doing better than last year – or better than 'the next guy' – is enough. Imagine if we applied that kind of thinking to long-term financial performance: even companies making a huge loss would be celebrated, just as long as they lose less than anyone else.

So how can we give business the direction and guidance required to understand what real progress means?

We need a new kind of business benchmark

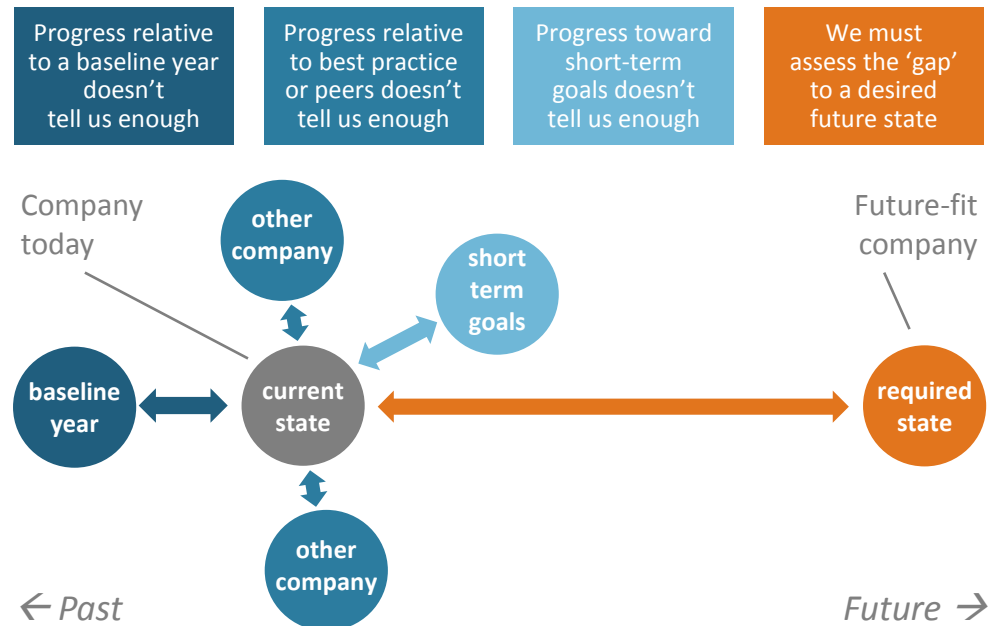
To see whether a company is helping – rather than hindering – society's transition to a flourishing future, we must assess the gap between where it is now and where it needs to be. Measuring progress relative to peers, to the past, or to short-term goals is not enough.

We must help business leaders and investors focus on where companies ultimately need to be, not where they are now.

This demands a clear destination to aim for, which we define thus:→

*A **future-fit business** creates value while doing nothing to undermine the possibility that humans and other life will flourish on Earth forever.*

Such a definition is only useful if it can be made actionable, and that's why we need a new kind of benchmark. This fourth benchmark answers two questions: how would we know a future-fit business if we saw one, and how can we tell how far away a business is today from becoming truly future-fit?



Creating the Future-Fit Business Benchmark

A future-fit business is one that creates value while doing nothing to undermine the possibility that humans and other life will flourish on Earth forever.

*The Future-Fit Business Benchmark seeks to make this definition actionable for business leaders and investors.**

How would we know a future-fit business if we saw one?

Best-available science provides the basis for answering this question.

First, we identify a set of system conditions that describe what a truly sustainable society would look like, and then we translate these into a set of business principles that any company must adhere to. See **The Principles**➔.

Second, by mapping these business principles against critical stakeholders we can develop a set of future-fit goals, which collectively define the social and environmental performance thresholds that any company must reach if it is to earn its place in a flourishing future. See **The Goals**➔.

Future-fit goals are ambitious but attainable, because they have been formulated to take account of the following “three R’s”:

- The right **requirement**: what science tells us companies must aim for.
- The right scope of **responsibility**: the impacts that each company can be held accountable for.

- The business **reality**: what companies can control and influence, and who their most critical stakeholders are – including the environment.

How can we tell how far away a business is today from becoming truly future-fit?

Future-fit goals draw a line in the sand that marks the transition point beyond which a business starts helping – rather than hindering – society's transition to a sustainable future. This gives companies something to aim for, but it doesn't tell them how far they still have to go.

Metrics to measure progress enable business leaders to prioritize effectively, and can help investors to make meaningful performance comparisons across companies.

That's why our third step involves creating a key performance indicator (KPI) for every future-fit goal. See **The KPIs**➔.

Development of future-fit KPIs is ongoing. You can give feedback and help us to complete them at wiki.futurefitbusiness.org.➔

* See our Future-Fit Business Map to explore how all these areas interconnect.➔

The Principles

*How would a future-fit
business operate?*

*Business and a
healthy environment*

*Business and a
healthy society*

*System conditions for
a flourishing future*

*From system
conditions to
business principles*

Business and a healthy environment

Earth fulfills critical ecosystem functions that people – and business – rely on. →

Caution: Natural Capital

Planetary resources we benefit from are sometimes described as *Natural Capital*. This terminology leads some to conclude that we can replace nature's services with other types of capital (financial or technical). But many natural resources – clean air, fertile soil – are essential to life and have no substitutes.

That said, the term is useful if *capital* is taken to mean *an asset that produces a flow of income over time*. We can't replace natural capital, so we must not deplete it – but we *can* live off its interest.



First, Earth maintains critical life-support systems.

All life relies on natural processes that evolved over millions of years.

Among other things they regulate air and water quality and the climate, enable crops to grow, provide storm protection and maintain biodiversity.

Second, Earth provides our raw materials and energy.

Apart from our “solar income” (i.e. energy from sunlight) all our resources come from the Earth.

Many physical resources (e.g. fish, trees) are renewed over time, thanks to the aforementioned life-support systems. But if we use too much (e.g. by over-fishing, deforestation), we undermine nature's capacity to regenerate them.

Minerals extracted from the Earth's crust are finite resources. Once used, some are gone for good (e.g. fossil fuels). Others (e.g. metals) *could* remain in use forever if we were to recover – rather than discard – them.

Third, Earth assimilates our waste.

Waste is a human invention. In contrast, natural matter (dead plants and animals) is absorbed and digested by other organisms.

Two types of waste are causing big problems. The first type is synthetic substances. These don't exist naturally, so nature hasn't evolved ways to deal with them (e.g. plastics, CFCs). The second type comprises substances that do exist naturally, but which we emit in quantities or in ways that have the power to upset the natural equilibrium (e.g. CO₂ in the air, nitrogen in the oceans).

Both types of waste alter nature either chemically or physically, for example by introducing toxins into food-chains, or trapping heat in the atmosphere. In so doing, they disrupt the life-support systems we rely on.

The way we do business can profoundly help – or hinder – all three ecosystem functions.

Business and a healthy society

Human needs range from the basic (e.g. food) to the complex (e.g. a sense of purpose).



Society should afford every person the chance to live a healthy, fulfilling life.

Given that billions of people are living in some form of poverty, we're not living up to this ideal.

At the most basic level we all require food, water and shelter – which depend on the natural processes mentioned already. But our needs go beyond that.

We are a social species.

Some needs – such as affection and participation – can only be met in conjunction with others.

Society is characterized not just by its individual members, but by the ways we interact with each other, the ways we organize ourselves – into families, towns, companies, nations and so on. This is the *social fabric* upon which we all depend. And when it deteriorates, so too does our opportunity to thrive.

The quality and resilience of our social fabric is critical.

So how do we avoid degrading it?

Best-available science tells us that the health of society depends upon several factors. Diversity and learning are critical to resilience (the ability to adapt to new circumstances and to weather crises), as is a capacity for self-organization. Shared meaning and values are also key. All of these factors are critical, but another one appears to underpin them all: *trust*.

Trust serves as society's glue.

Trust is associated with low levels of corruption, democratic stability, and relative economic equality.

And greater equality correlates with a reduction in many social ills (e.g. suicide, drug abuse, obesity, violence).

Society is huge and complex. Trust is essential because everything works only by coordinating action and devolving responsibility. But to gain trust, one must first be perceived as trustworthy.

To be trustworthy, business must respect our social fabric and everyone's wellbeing.

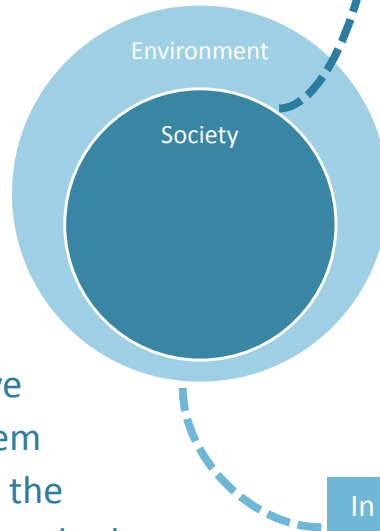
System conditions for a flourishing future

*We can distil our knowledge of how the world works into a set of system conditions.**

As a society we must live according to these system conditions to safeguard the possibility that humans and other life will flourish on Earth forever.

The system conditions presented here originate from 25+ years of peer-reviewed research – including recent enhancements on the social side – led by the founders of The Natural Step➔.

Note that this is not about describing utopia, but rather the *minimum necessary* to protect the social fabric and natural processes we depend on.



In a sustainable society, people are not subject to systemic barriers to...

health

Access to fresh water, healthcare, nutrition, shelter, safety, security...

influence

Voice, participatory processes, respect

impartiality

Non-discrimination, equity, justice

competence

Access to education, right to know, learning, growing

meaning

Purpose, values, supportive culture, meaningful employment

In a sustainable society, nature is not subject to systemically increasing...

degradation by physical means

Destroying habitats, overfishing, over-harvesting

concentrations of substances extracted from Earth's crust

Heavy metals, fossil fuels...

concentrations of substances produced by society

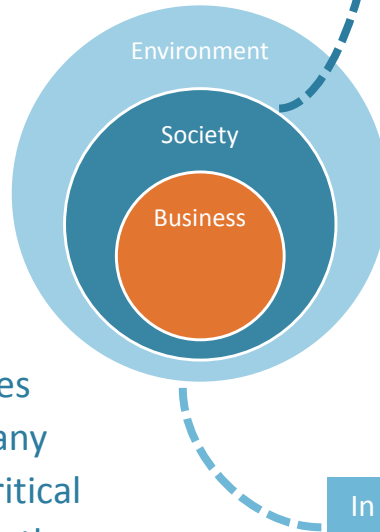
Plastics, dioxins, PCBs, DDT...

From system conditions to business principles

We can translate these system conditions into a set of principles for future-fit business.

These business principles identify how any company must interact with its critical stakeholders – including the environment – if it is to contribute its fair share to a flourishing future.

Any shortfall in doing so means that a company is in some way exacerbating global risks – and is thus still part of the problem. But by operating in alignment with these principles – and perhaps even offering products that help others to do so – means that a company is part of the solution.



In a sustainable society, people are not subject to systemic barriers to...

health

influence

impartiality

competence

meaning

In a sustainable society, nature is not subject to systemically increasing...

degradation by physical means

concentrations of substances extracted from Earth's crust

concentrations of substances produced by society

A future-fit business...

safeguards the health of everyone it depends upon

ensures that everyone it depends upon has a voice

treats everyone it depends upon impartially

ensures everyone it depends upon can learn and grow

respects the values of everyone it depends upon

protects the environment from physical degradation

ensures no potentially harmful substance escapes into the environment

The Goals

*What must companies
aim for to be future-fit?*

*From principles
to goals*

*How to use
this section*

*Introducing the
Future-Fit Goals*

Physical Resources

Operational Waste

Physical Presence

Product Use & Waste

Employees

Communities

Customers

Boards & Owners

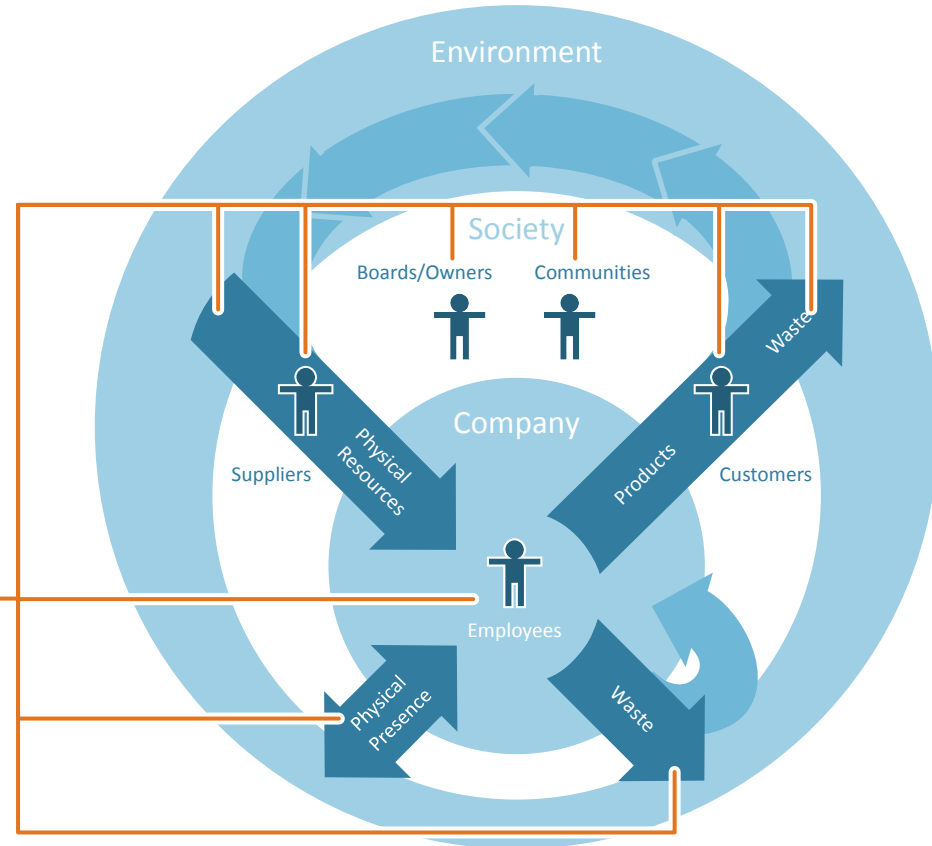
Suppliers

From principles to goals

*Goals are derived by looking at ways a company could breach the future-fit business principles while interacting with its critical stakeholders – including the environment.**

A future-fit business...

- safeguards the health of everyone it depends upon
- ensures that everyone it depends upon has a voice
- treats everyone it depends upon impartially
- ensures everyone it depends upon can learn and grow
- respects the values of everyone it depends upon
- protects the environment from physical degradation
- ensures no potentially harmful substance escapes into the environment



Whether a company is future-fit depends on its relationships with people and the environment, so we think of a company in terms of its critical stakeholders. Whatever its size or sector, every company has a **Physical Presence** (e.g. farms, offices) in or near local **Communities**. It sells **Products** (goods or services) to **Customers** who use and – for many goods – eventually dispose of them. Company operations – which may generate **Waste** – rely on **Employees** and **Physical Resources**, which are often sourced from **Suppliers**. **Boards & Owners** oversee how the business is run.

* See our Future-Fit Business Map to explore how each business principle relates to each goal.→

How to use this section

There are 21 future-fit goals grouped according to the stakeholder for which they are most relevant.

Each goal is presented on its own page using an identical template, as shown here.

A description of what this goal is, and the context within which it applies.

The future-fit business principles that underpin why this goal is necessary.

Physical Resources

Source all inputs in ways that have no negative social or environmental impact.



All energy is from renewable sources

All water is used in an environmentally responsible and socially equitable way

All materials are from responsibly-managed sources

What this goal is

This is about security of supply. Science is clear that we need to move toward a low carbon economy to avoid catastrophic climate destabilization. That means that company use of fossil fuels may be restricted, or a price on carbon may cause fossil fuels to become prohibitively expensive. To mitigate this risk, all energy (electricity and fuel) that the company uses to create, sell, support and distribute its products and services through its extended operations must be renewable.

Why this goal is required

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business protects the environment from physical degradation.

As our energy resources dwindle, ever-more risky extraction methods are becoming increasingly disruptive to the environment. Examples include shale gas

fracking and arctic drilling. By ensuring all energy comes from renewable sources, companies do not contribute to the demand which is driving such activities nor to the over-harvesting of resources such as oil whose value to society extends far beyond combustion.

The business ensures no potentially harmful substance escapes into the environment.

There is no longer any doubt that the emission of greenhouse gases are causing global warming, ocean acidification, and climate destabilization. Companies should respond by eliminating their dependency on energy sources that exacerbate such problems.

Examples

Apple, BMW, Commerzbank (Norway), Honda Motor, Nestlé, Unilever, and Wal-Mart Stores have set goals to use 100% renewable energy. None have set a date by which the goal will be achieved.

Find out more, give feedback, and help to co-create a KPI for this goal

Follow the link in the bar at the bottom of each page to leave feedback on this goal and its KPI.

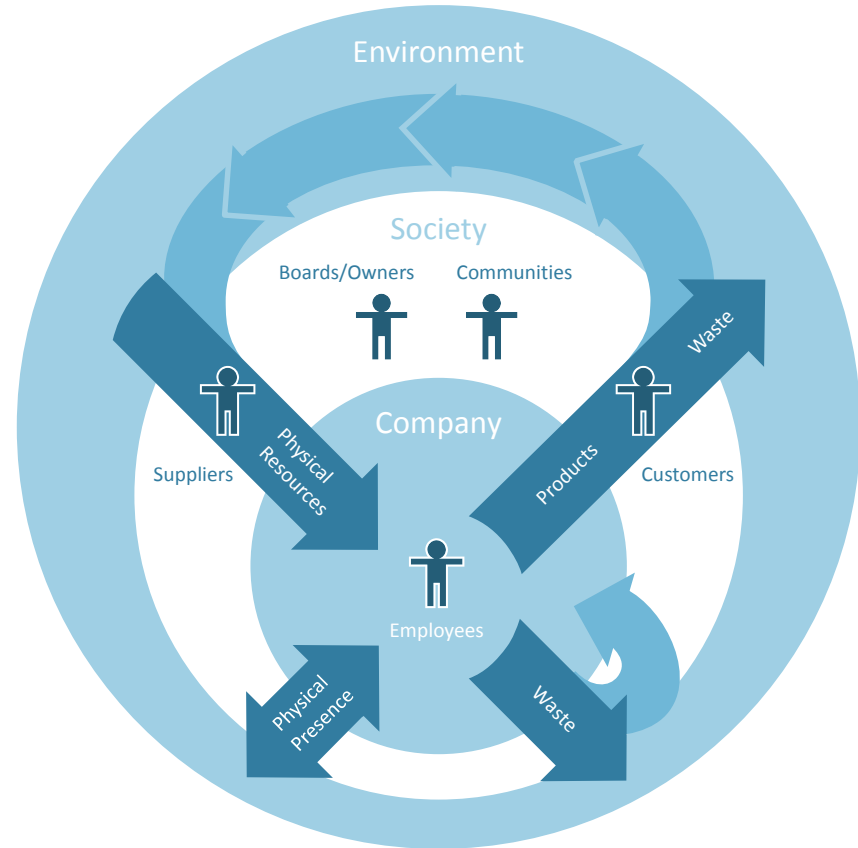
Here we show the best company targets – as of June 2015 – relevant to this goal, according to **PivotGoals.com**, an online database of corporate sustainability goals, searchable by issue, company, industry, sector, target date and more.



Introducing the Future-Fit Goals

There are 21 future-fit goals grouped according to the stakeholder for which they are most relevant.

Critical Stakeholder	Number of Goals
Environment	
Physical Resources	3
Operational Waste	2
Physical Presence	1
Product Use & Waste	4
Employees	5
Communities	1
Customers	3
Boards & Owners	2
Suppliers	<i>Included in the above</i>



The challenges associated with reaching each goal will vary across sectors. Some goals – such as those relating to employee wellbeing – may be relatively easy to reach, since business has focused on them for a while. Others may require fundamental changes to a company's core business model.

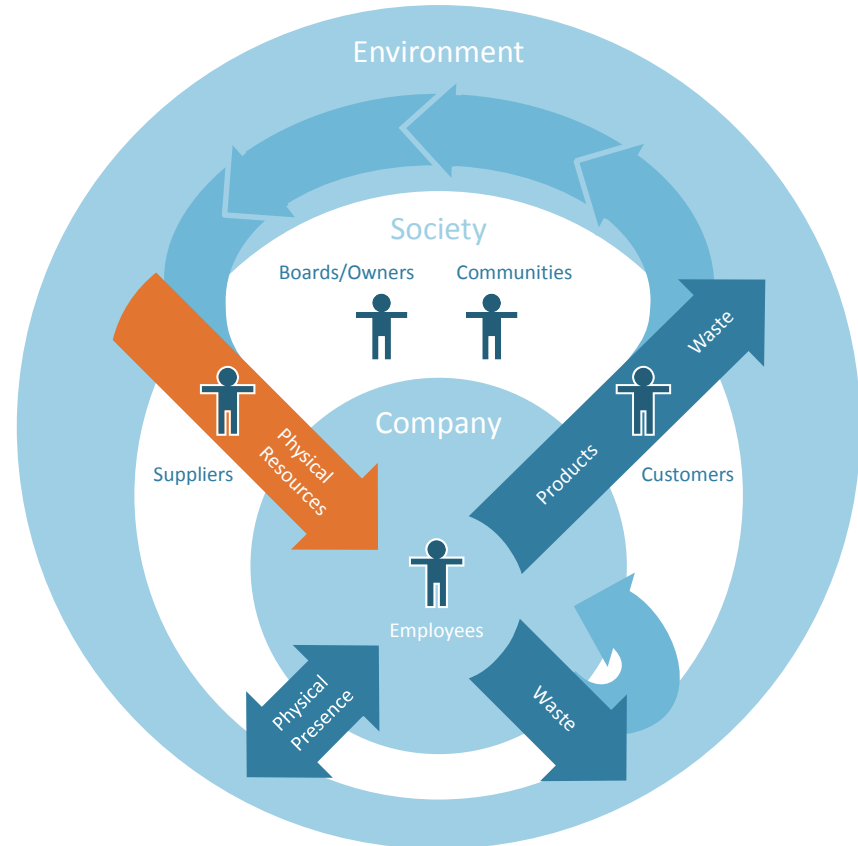
Physical Resources

Source all inputs in ways that have no negative social or environmental impact.

*All **energy** is from renewable sources*

*All **water** is used in an environmentally responsible and socially equitable way*

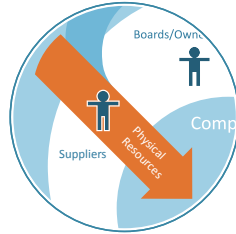
*All **materials** are from responsibly-managed sources*



All companies need energy and fresh water. Many require a range of renewable and non-renewable materials. Future-fit companies use all such resources efficiently, and obtain them without adversely affecting people or the natural systems they depend on.

Physical Resources

Source all inputs in ways that have no negative social or environmental impact.



*All **energy** is from renewable sources*

*All **water** is used in an environmentally responsible and socially equitable way*

*All **materials** are from responsibly-managed sources*

What this goal is.

This is about security of supply. Science is clear that we need to move toward a low carbon economy to avoid catastrophic climate destabilization. That means that company use of fossil fuels may become restricted, or a price on carbon may cause fossil fuels to become prohibitively expensive. To mitigate this risk, all energy (electricity and fuel) that the company uses to create, sell, support and distribute its products – throughout its *extended operations* → – must be renewable.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business protects the environment from physical degradation.

As our energy resources dwindle, ever-more risky extraction methods are becoming increasingly disruptive to the environment. Examples include shale gas

fracking and arctic drilling. By ensuring all energy comes from renewable sources, companies do not contribute to the demand which is driving such activity, nor to the over-harvesting of resources such as oil whose value to society extends far beyond combustion.

The business ensures no potentially harmful substance escapes into the environment.

There is no longer any doubt that the emission of greenhouse gases are causing global warming, ocean acidification, and climate destabilization. Companies should respond by eliminating their dependency on energy sources that exacerbate such problems.

Examples. →

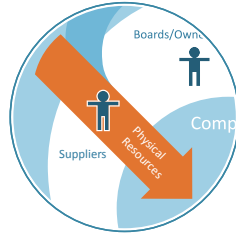
Apple, BMW, Commerzbank (Norway), Honda Motor, Nestlé, Unilever, and Wal-Mart Stores have set goals to use 100% renewable energy. None have set a date by which the goal will be achieved.

Give us feedback on this goal →

Help us co-create the KPI →

Physical Resources

Source all inputs in ways that have no negative social or environmental impact.



*All **energy** is from renewable sources*

*All **water** is used in an environmentally responsible and socially equitable way*

*All **materials** are from responsibly-managed sources*

What this goal is.

The company's use of water must not...

- deplete long-term fresh water reserves by drawing water from aquifers more quickly than it can be naturally replenished or by over-harvesting water from the local watershed; nor
- adversely affect the ability of others who are served by the same watershed to meet their water needs.

This goal applies across the company's extended operations →.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business protects the environment from physical degradation.

By over-harvesting water, or taking too much water from one source and returning it to another, a company may undermine the balance, quality, and availability of water that flora and fauna

rely upon, resulting in their destruction or displacement.

The business safeguards the health of everyone it depends upon.

Fresh water is critical to people's health, for drinking, cooking and sanitation. Companies must ensure that their water use in no way undermines the balance, quality and availability of water for people that depend on the same watershed.

Examples. →

Only Coca-Cola has committed to replenish 100% of water used, to be water neutral.

Some companies, such as BASF and Heineken Holdings, have goals to introduce sustainable water management at production sites in water stressed areas by 2020.

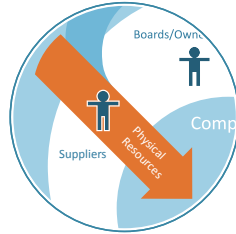
Lafarge has a goal that 100% of operations in water impacted areas will engage stakeholders in developing a watershed sustainability plan and reduce water impact by 2020.

Give us feedback on this goal →

Help us co-create the KPI →

Physical Resources

Source all inputs in ways that have no negative social or environmental impact.



*All **energy** is from renewable sources*

*All **water** is used in an environmentally responsible and socially equitable way*

*All **materials** are from responsibly-managed sources*

What this goal is.

The emphasis of this goal is on responsible stewardship of renewable and non-renewable natural resources. Companies must preserve the health and future availability of all natural resources they depend upon. This means that they:

- ensure their use of renewable materials does not reduce nature's capacity to regenerate them;
- ensure non-renewable materials are kept in closed loops;
- respect the welfare of any animals they depend upon.

This goal applies across the company's extended operations →.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business ensures no potentially harmful substance escapes into the environment.

Non-renewable materials should be

obtained from waste wherever possible, to help close resource loops and reduce demand for virgin materials.

The business protects the environment from physical degradation.

Farming methods in particular must not undermine land productivity (e.g. soil fertility, natural drainage).

The business respects the values of everyone it depends on.

Companies should safeguard the welfare of any animals their business relies on.

Examples. →

Unilever has stated that by 2015 it will only use sustainable fruit, and by 2020 only sustainable cocoa, dairy produce, sugar, soy, sunflower, and rapeseed oils.

Bank of America, Lowe's and others have goals to use only paper, wood products, and packaging materials made with virgin fiber sourced from certified forests.

Dell, Nokia and others will use only 100% certified renewable, recycled, or sustainable packaging materials by 2020.

Give us feedback on this goal →

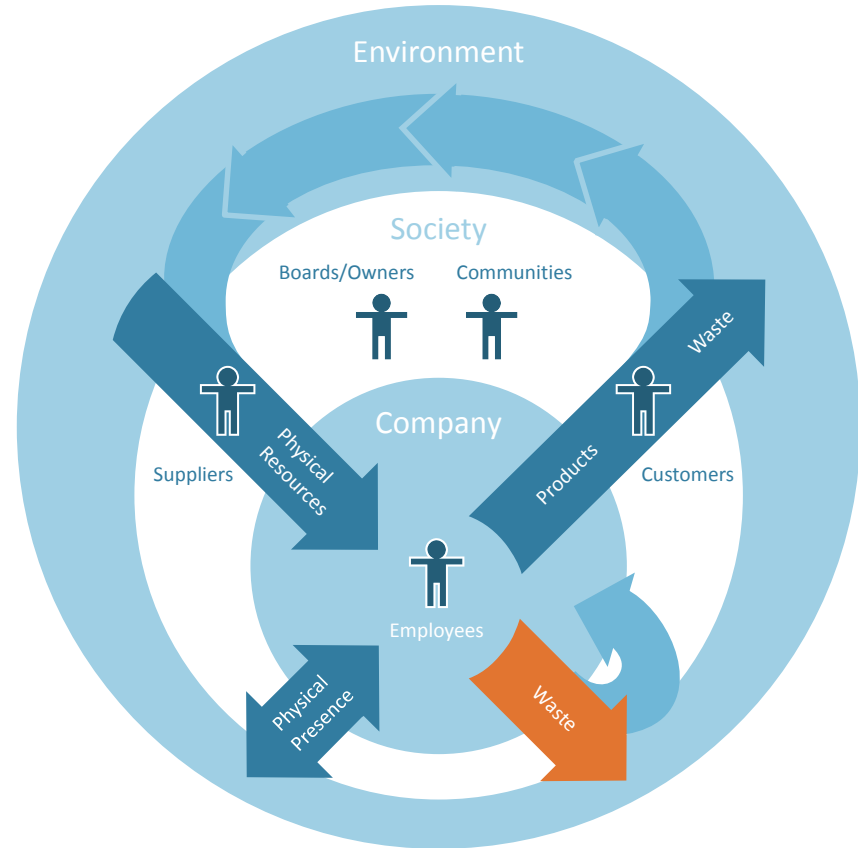
Help us co-create the KPI →

Operational Waste

Emit no substances which could harm the environment or society.

*Operations emit no **potentially harmful substances***

*Operations emit no **greenhouse gases***



Many companies are already seeking to reduce their operational greenhouse gas emissions. Future-fit companies deliver their products and services with zero emission of both GHGs and any other substance that could degrade Earth's natural processes.

Operational Waste

Emit no substances which could harm the environment or society.



Operations emit no potentially harmful substances

Operations emit no greenhouse gases

What this goal is.

Future-fit companies ensure that no potentially harmful substances are emitted across their *extended operations* →. The context of this goal may vary from local (e.g. soil, rivers) to global (e.g. air, oceans) depending on the substance and mode of emission.

The environment cannot break down synthetic substances (e.g. persistent organic pollutants, plastics). Substances already present in nature (e.g. copper, phosphates) can disrupt natural processes if their concentration becomes too great. Potentially harmful substances must be kept in tight closed loops, or not used in the first place.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principle:

The business ensures no potentially harmful substance escapes into the environment.

All potentially harmful substances must be kept in tight closed loops.

Examples. →

Nike has a 2020 goal to achieve zero discharge of hazardous chemicals for all products across all pathways in its *supply chain*. ABB has a goal of zero waste from its *own operations*, and to only use hazardous substances in closed loops, by 2020.

Sinopec Group has an ongoing goal of *zero harm and zero pollution*, and the Aluminum Corp. of China's goal is zero pollution.

Zero-waste-to-landfill goals are held by Alcoa, Aviva, Caterpillar, Honda Motor, General Motors, J. Sainsbury, Kobe Steel, Lukoil, Mazda Motors, NKSJ Holdings, PepsiCo, Royal Ahold, Unilever, and Walt Disney.

Give us feedback on this goal →

Help us co-create the KPI →

Operational Waste

Emit no substances which could harm the environment or society.



Operations emit no potentially harmful substances

Operations emit no greenhouse gases

What this goal is.

A company should ensure it does not contribute to climate destabilization by its emission of greenhouse gases (GHGs).

Nature can safely absorb some man-made GHGs every year, but the future-fit goal is set to zero for two reasons:

- first, we are dangerously close to breaching a threshold of atmospheric GHGs that will be catastrophic for society;
- second, it is hugely complex and contentious to try to decide what each company's 'fair share' should be.

Thus the future-fit imperative is for companies to eliminate GHG emissions completely, across their *extended operations*➔.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principle:

The business ensures no potentially harmful substance escapes into the environment.

There is no longer any doubt that the emission of greenhouse gases is causing global warming, ocean acidification and climate destabilization.

Companies should respond accordingly and work to ensure net zero or net negative emissions of greenhouse gases across its extended operations.

Examples.➔

Only GlaxoSmithKline has a goal to achieve a carbon-neutral *value chain*, by 2050.

A range of companies have committed to reducing their GHG emissions in their *own operations* to zero (being carbon neutral), usually with the help of carbon offsets: Deutsche Bank, Enel, Goldman Sachs Group, Munich Re Group, Staples, Tesco, Tokio Marine Holdings, Volvo, Walt Disney, and Zurich Insurance.

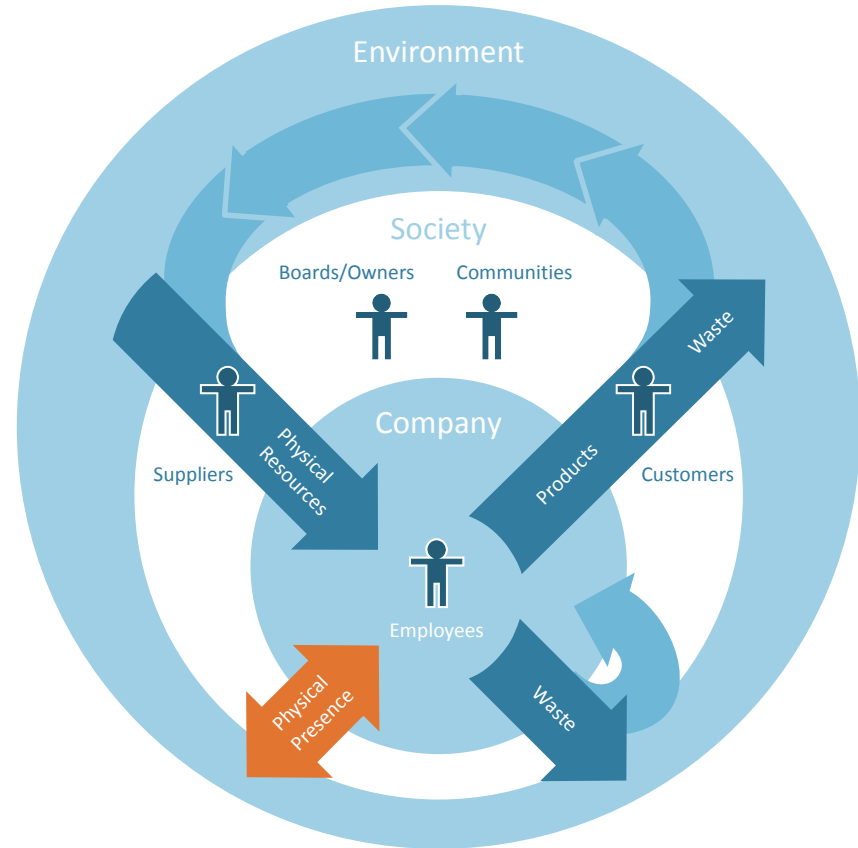
Give us feedback on this goal ➔

Help us co-create the KPI ➔

Physical Presence

Ensure the presence of the business does not cause disruption to ecosystems.

Physical presence has net zero impact on local ecosystems



The health of regional ecosystems – and the rich biodiversity that sustains them – underpin many natural processes that business and communities rely upon. Future-fit companies ensure that their activities do nothing to adversely affect such ecosystems.

Physical Presence

Ensure the presence of the business does not cause disruption to ecosystems.



Physical presence has net zero impact on local ecosystems

What this goal is.

When we encroach on natural areas we degrade the habitats – and therefore jeopardize the viability – of a wide variety of flora and fauna. This impacts local biodiversity. Our presence can also disrupt natural processes (e.g. drainage). All such impacts degrade the ecosystems upon which we depend.

Companies must ensure they protect and maintain local ecosystems where they are physically present, and refrain from expanding into areas where their ability to do so is questionable.

This goal applies across the company's extended operations →.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principle:

The business protects the environment from physical degradation.

Companies must maintain the health of their local ecosystems. If they do not mitigate the impacts of their physical presence, they may cause irreversible degradation to ecosystem services that they and others depend on.

Examples. →

Pfizer has committed to a goal of zero soil and water contamination, and Glencore Xstrata has committed to eliminate all significant environmental incidents on land.

Some companies are developing land use and biodiversity plans for their operations sites or monitoring impacts, but most have not committed to specific net zero impact goals, to our knowledge.

Give us feedback on this goal →

Help us co-create the KPI →

Product Use & Waste

Meet needs without any environmental impact, during product use and at end of life.

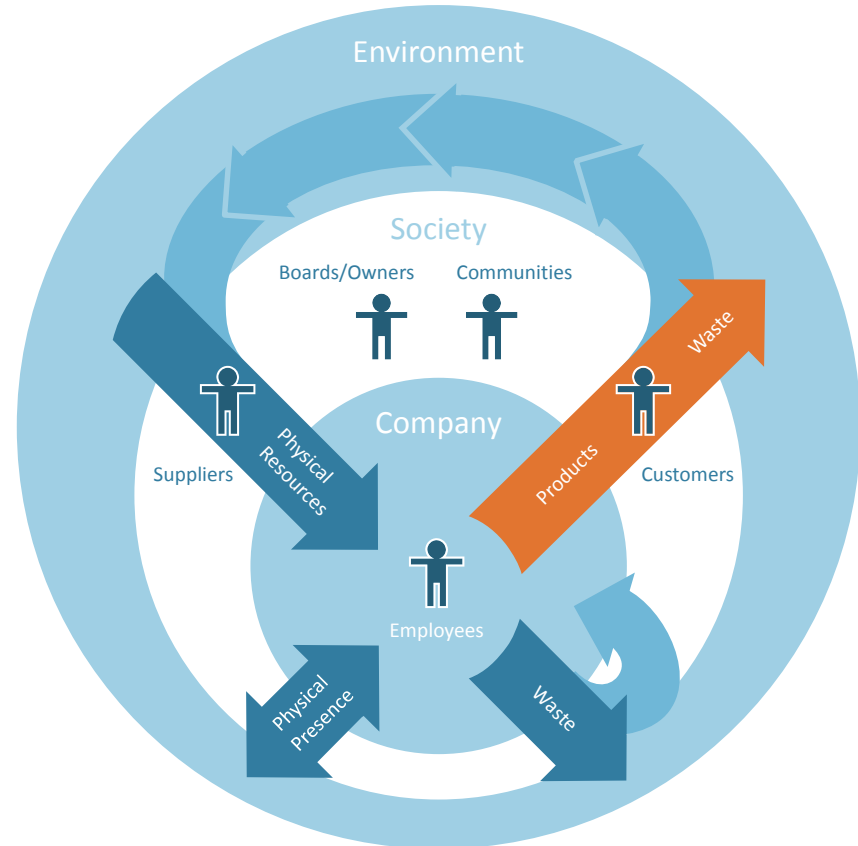
*Products emit no **potentially harmful substances** when used as intended*

*Products emit no **greenhouse gases** when used as intended*

*All **products** and packaging are **designed to be repurposed** at end of life*

*Customers have access to end-of-life **repurposing services** for all products and packaging*

*Note: For goals related to the social impact of products see **Customers***



Historically, many companies have paid little attention to adverse environmental or social effects stemming from what they sell. Future-fit companies act as lifetime stewards for their products. They may also create products that help others become future-fit.

Product Use & Waste

Meet needs without any environmental impact, during product use and at end of life.



Products emit no potentially harmful substances when used as intended

Products emit no greenhouse gases when used as intended

All products and packaging are designed to be repurposed at end of life

Customers have access to end-of-life repurposing services for all products and packaging

*Note: For goals related to the social impact of products see **Customers***

What this goal is.

Future-fit companies ensure that no potentially harmful substance emissions result from their products being used – or processed at their end of life – as intended. The context of this goal may vary from local (e.g. soil, rivers) to global (e.g. air, oceans) depending on the substance and mode of emission.

The environment cannot break down synthetic substances (e.g. persistent organic pollutants, plastics). Substances already present in nature (e.g. copper, phosphates) can disrupt natural processes if their concentration becomes too great. Potentially harmful substances must be kept in tight closed loops, or not used in the first place.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principle:

The business ensures no potentially harmful substance escapes into the environment.

Company products may cause the release of a range of damaging chemicals and particles harmful to the environment and society. Companies relying on products that emit these substances contribute to issues such as outdoor air pollution, indoor air pollution and ground water pollution.

Examples. →

A couple of companies have goals for specific harmful substances in their products. Royal Philips Electronics' goal is to eliminate mercury, lead, antimony, and arsenic from their products by 2015. Nokia's ongoing goal is have its devices contain no substances of concern.

[Give us feedback on this goal →](#)

[Help us co-create the KPI →](#)

Product Use & Waste

Meet needs without any environmental impact, during product use and at end of life.



Products emit no potentially harmful substances when used as intended

Products emit no greenhouse gases when used as intended

All products and packaging are designed to be repurposed at end of life

Customers have access to end-of-life repurposing services for all products and packaging

*Note: For goals related to the social impact of products see **Customers***

What this goal is.

This goal concerns any greenhouse gases (GHGs) emitted as a result of the company's products being used – or processed at their end of life – as intended.

Nature can safely absorb some man-made GHGs every year, but the future-fit goal is set to zero for two reasons:

- first, we are dangerously close to breaching a threshold of atmospheric GHGs that will be catastrophic for society;
- second, it is hugely complex and contentious to try to decide what each company's "fair share" should be.

Thus the future-fit imperative is for companies to eliminate all product-related GHG emissions.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principle:

The business ensures no potentially harmful substance escapes into the environment.

There is no longer any doubt that the emission of greenhouse gases is causing global warming, ocean acidification and climate destabilization. Companies should respond accordingly and ensure their products cause no GHG emissions when used as intended.

Examples.→

Only GlaxoSmithKline has a goal to achieve a carbon-neutral *value chain* by 2050 which includes the downstream emissions during product use.

To our knowledge, no other companies have goals to eliminate GHG emissions caused by the use of their products.

[Give us feedback on this goal →](#)

[Help us co-create the KPI →](#)

Product Use & Waste

Meet needs without any environmental impact, during product use and at end of life.



Products emit no potentially harmful substances when used as intended

Products emit no greenhouse gases when used as intended

All products and packaging are designed to be repurposed at end of life

Customers have access to end-of-life repurposing services for all products and packaging

*Note: For goals related to the social impact of products see **Customers***

What this goal is.

Organic waste may be composted and returned to the soil. Materials that can be reused forever (e.g. metals) should be reclaimed and kept in tight closed loops, thereby reducing the need for extraction of virgin materials.

Companies should research and enable recovery methods that maximize the value of their products' constituent components, and should design new products in such a way as to facilitate their disassembly.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principle:

The business ensures no potentially harmful substance escapes into the environment.

A company should ensure its products stay within tight closed loops to avoid waste pollution and mitigate resource pressures.

Examples.→

Electronics companies are the most committed to this goal.

For example, DIRECTV has a goal to reuse or recycle 100% of receivers recovered from customer homes. Sprint Nextel's goal is to reuse or recycle all Network and IT e-waste. Panasonic's goal is to recycle 100% of used products it collects at third-party certified recyclers, by 2015. Best Buy has a goal to eliminate 100% of toxic and unrecoverable packaging materials

[Give us feedback on this goal →](#)

[Help us co-create the KPI →](#)

Product Use & Waste

Meet needs without any environmental impact, during product use and at end of life.



Products emit no potentially harmful substances when used as intended

Products emit no greenhouse gases when used as intended

All products and packaging are designed to be repurposed at end of life

Customers have access to end-of-life repurposing services for all products and packaging

*Note: For goals related to the social impact of products see **Customers***

What this goal is.

Companies should ensure customers have the opportunity to return unwanted and end-of-life products – and their packaging – so that they can be repurposed in a way that ensures maximum reuse and no harmful emissions.

It is not required that the company itself gather and repurpose all its own products, but it must work to ensure that this happens (e.g. via part-exchange schemes, partnerships).

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business ensures no potentially harmful substance escapes into the environment.

Products and packaging that end up as landfill can leak harmful chemicals into the environment as they breakdown.

The business safeguards the health of everyone it depends upon.

Non-recyclable and non-degradable products and packaging waste cause damage to ecosystems and human health.

Examples. →

Electronics companies are the most focused on this goal. For example, DIRECT TV's 2015 goal is to provide 100% of customers with the option to return or recycle all DIRECTV in-home installed equipment. LG Electronics' goal is to send 100% of used electronics collected for reuse and recycling to third-party certified recyclers. Sharp's goal is to recycle products at the end of their life and aim for zero landfill disposal. Nippon Telegraph and Telephone has a zero emissions (waste) goal for all decommissioned equipment.

Ship producer S.P. Moller-Maersk's goal is to safely recycle all its vessels at the end of their service life.

Give us feedback on this goal →

Help us co-create the KPI →

Employees

Create a working environment within which all employees can flourish.

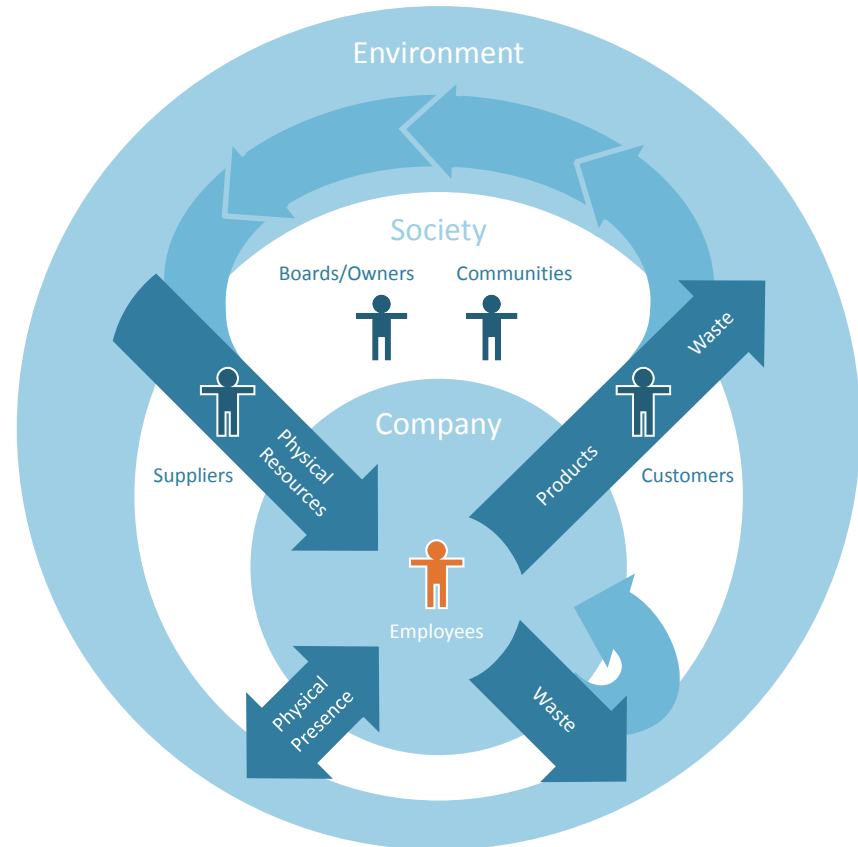
*Employee **health** is fostered*

*All employees are paid at least a **living wage***

*All employees receive **equal pay for equal work***

*All employees are subject to **fair employment terms***

***Employee concerns** are actively solicited, impartially judged and transparently addressed*



Ensuring tolerable working conditions is now required in many countries, but the emphasis is often only on physical safety. Future-fit companies embrace a broader definition of wellbeing that encompasses fair compensation and impartial treatment.

Employees

Create a working environment within which all employees can flourish.



*Employee **health** is fostered*

*All employees are paid at least a **living wage***

*All employees receive **equal pay for equal work***

*All employees are subject to **fair employment terms***

***Employee concerns** are actively solicited, impartially judged and transparently addressed*

What this goal is.

This goal is about protecting the health and safety of all employees and contractors, across the company's *extended operations* →. Note that health includes physical, mental, and emotional wellness, and thus involves not contributing to stress-related health issues. The company's work-related injuries, illnesses, and fatalities should reach and remain at zero.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business safeguards the health of everyone it depends upon.

Companies that do not adequately address workplace health issues may cause serious long-term negative health problems for their employees.

The business respects the values of everyone it depends upon.

Companies that do not actively ensure the health of their employees are undermining the very fabric of their existence.

Examples. →

Most companies – particularly those in heavy manufacturing or extractive industries – have goals for health and safety in the workplace, though they often focus on *physical* health only in their *own* facilities, rather than in their supply chain as well. For example, Royal Dutch Shell has a goal of zero fatalities and no incidents that harm employees or contractors.

Other companies with an ongoing goal of no-harm, accident-free workplaces are Abbott Laboratories, Alcoa, Coca-Cola, Eli Lilly, GlaxoSmithKline, Kroger, Peugeot, Raytheon, Tata Steel, Tyson Foods, and Unilever.

Give us feedback on this goal →

Help us co-create the KPI →

Employees

Create a working environment within which all employees can flourish.



*Employee **health** is fostered*

*All employees are paid at least a **living wage***

*All employees receive **equal pay for equal work***

*All employees are subject to **fair employment terms***

*Employee **concerns** are actively solicited, impartially judged and transparently addressed*

What this goal is.

A company should provide fair compensation by ensuring that every employee and contractor in their *extended operations* → is paid at least a living wage.

A living wage affords a decent standard of living for the worker and his or her family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events. Living wage values vary by region and guidance is offered by government agencies, academics and/or NGOs. It is typically higher than the minimum wage or poverty-line wage.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business safeguards the health of everyone it depends upon.

Companies should safeguard employee health by ensuring all employees have the means to attain health coverage, to eat a balanced diet and to be free of concerns about meeting basic needs.

The business ensures that everyone it depends upon has the opportunity to learn and grow.

All employees should be compensated such that they have the physical and mental means to pursue personal development.

Examples. →

Only Novartis has committed to paying all employees a living wage, adjusted annually.

Give us feedback on this goal →

Help us co-create the KPI →

Employees

Create a working environment within which all employees can flourish.



*Employee **health** is fostered*

*All employees are paid at least a **living wage***

*All employees receive **equal pay for equal work***

*All employees are subject to **fair employment terms***

*Employee **concerns** are actively solicited, impartially judged and transparently addressed*

What this goal is.

Any two employees with the same role and experience, performing to the same standard, and with the same perceived value to the company, should be compensated equally. This extends to everyone regardless of age, gender, sexual orientation, ethnicity or disability.

This goal applies across the company's *extended operations* →.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principle:

The business treats everyone it depends upon impartially.

Employee pay discrimination is an important issue. It affects employee engagement and productivity. Both the company and employees will benefit from eliminating pay discrimination.

Examples. →

Only Electricité de France has committed to equal pay for female employees.

Give us feedback on this goal →

Help us co-create the KPI →

Employees

Create a working environment within which all employees can flourish.



Employee health is fostered

*All employees are paid at least a **living wage***

*All employees receive **equal pay for equal work***

*All employees are subject to **fair employment terms***

Employee concerns are actively solicited, impartially judged and transparently addressed

What this goal is.

Fair employment terms are about respecting an employee's rights, needs, and wellbeing within and beyond work. Such terms include:

- right of association (e.g. the right to join a union);
- right to security of work (e.g. the guarantee of a minimum amount of work hours);
- right to leisure (e.g. holiday entitlements and overtime pay);
- right to maternity/paternity leave.

This goal applies across the company's extended operations →.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business safeguards the health of everyone it depends upon.

Employees who are consistently

overworked, who face uncertain work hours, or who are not provided decent maternity/paternity leave may experience debilitating physical, emotional, and mental distress.

The business ensures that everyone it depends upon has the opportunity to learn and grow.

When employees do not enjoy decent working hours and holiday entitlements, they have insufficient time to pursue personal development outside of work.

The business treats everyone it depends upon impartially.

Fair employment terms apply to all employees (e.g. men and women have the right to maternity/paternity leave).

Examples. →

The diversity aspect of the workplace receives the most attention. MS&AD Insurance has a more inclusive ongoing goal to develop human assets, promote diversity and employee satisfaction, and achieve work-life balance.

Give us feedback on this goal →

Help us co-create the KPI →

Employees

Create a working environment within which all employees can flourish.



Employee health is fostered

All employees are paid at least a living wage

All employees receive equal pay for equal work

All employees are subject to fair employment terms

Employee concerns are actively solicited, impartially judged and transparently addressed

What this goal is.

It is good business sense for any company to actively engage its employees. As with other future-fit goals, the intent here is to ensure that every company does at least the minimum necessary to engage its employees. That is, the company gives employees a voice by actively soliciting their views, investigating their concerns impartially, and acting to address legitimate grievances transparently.

This goal applies across the company's extended operations➔.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business safeguards the health of everyone it depends upon.

Companies that do not have the proper mechanisms to address employee concerns may leave serious issues

unaddressed, which could undermine employees' wellbeing.

The business ensures that everyone it depends upon has a voice.

All employees should have the opportunity and security to voice their concerns without fear of repercussions.

The business respects the values of everyone it depends upon.

Companies must respect the values of their employees, such as their cultural expectations and religious beliefs.

Examples.➔

Goals in this area tend to focus on employee engagement through satisfaction and feedback surveys. For example, Alcoa has a goal to have 100% of employees indicate that they work in an environment that promotes safety, by 2020. Campbells' goal is to achieve 100% engagement in CSR and sustainability.

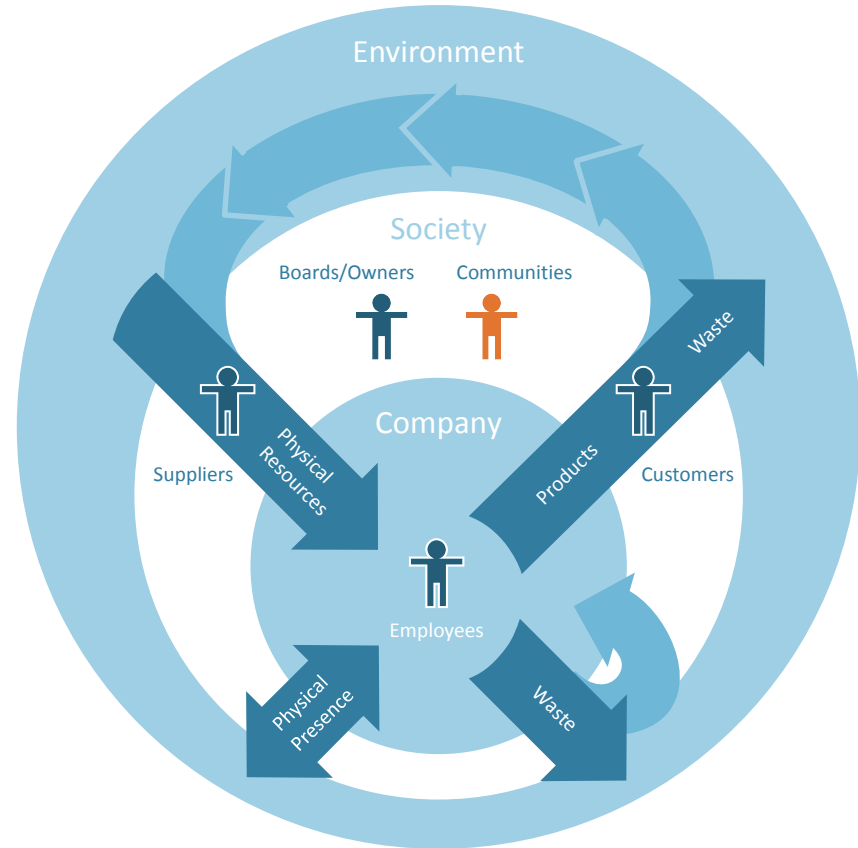
Give us feedback on this goal ➔

Help us co-create the KPI ➔

Communities

Help to create thriving communities wherever the business operates.

Community concerns are actively solicited, impartially judged and transparently addressed



Many companies understand the need to respect the physical wellbeing of those around them. Future-fit companies actively engage communities on any decisions with the potential to affect them, and address any concerns impartially and transparently.

Communities

Help to create thriving communities wherever the business operates.



Community concerns are actively solicited, impartially judged and transparently addressed

What this goal is.

It is good business sense for any company to actively engage the communities within which it operates. As with other future-fit goals, the intent here is to ensure that every company does at least the minimum necessary to engage the community. That is, the company gives communities a voice by actively soliciting their views, investigating their concerns impartially, and acting to address legitimate grievances transparently.

This goal applies across the company's extended operations➔.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business ensures that everyone it depends upon has a voice.

Companies' operations depend upon their bank of goodwill with local communities. All affected people,

regardless of status and influence should have the opportunity to voice concerns.

The business safeguards the health of everyone it depends upon.

Companies that do not engage with their local communities risk being the cause of or contributing to community issues and concerns, which in turn may jeopardize community members' physical and emotional health.

The business respects the values of everyone it depends upon.

Companies must respect the values of their communities, such as their cultural expectations and religious beliefs.

Examples.➔

Company efforts in this area are usually issue-focused. For example, Lafarge has a 2020 goal that 100% of operations in water impacted areas will engage local communities in developing a watershed sustainability plan and reduce water impact.

Give us feedback on this goal ➔

Help us co-create the KPI ➔

Customers

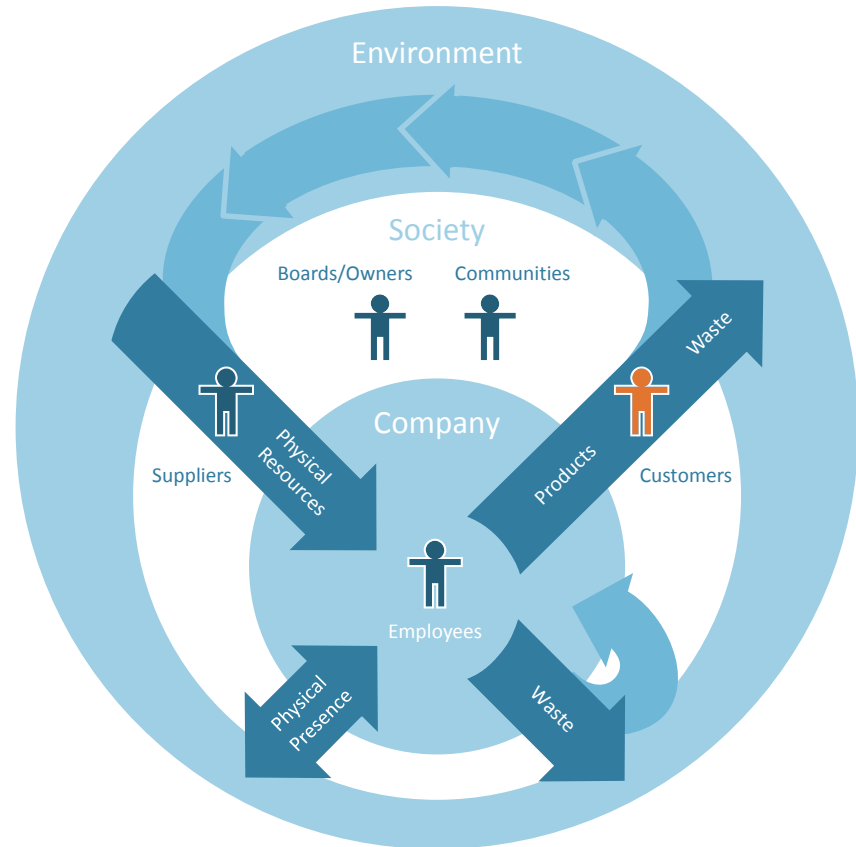
Engage and empower customers to act in the best interests of people and the environment.

*Products do not undermine **people's health** when used as intended*

***Customers are informed** about any aspect of products that may harm people or the environment*

***Customer concerns** are actively solicited, impartially judged and transparently addressed*

*Note: For goals related to the environmental impact of products see **Product Use & Waste***



Few companies knowingly put their customers at immediate risk of harm. But future-fit companies realize they have an obligation to actively engage customers to ensure they use and dispose of products without causing any harm to people or the planet.

Customers

Engage and empower customers to act in the best interests of people and the environment.



*Products do not undermine **people's health** when used as intended*

***Customers are informed** about any aspect of products that may harm people or the environment*

***Customer concerns** are actively solicited, impartially judged and transparently addressed*

*Note: For goals related to the environmental impact of products see **Product Use & Waste***

What this goal is.

The company should ensure that its products and services have no adverse effects on the wellbeing of its customers and other people when used – or processed at end of life – as intended. This extends to products with addictive qualities, and those that emit potentially harmful substances during use (e.g. cigarette smoke which other people may breathe).

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principle:

The business safeguards the health of everyone it depends upon.

Some company products directly impact customer health while other products have an indirect impact on societal health issues. Companies should acknowledge both channels are within their realm of responsibility.

Examples. →

Companies in the food and automotive sectors are most likely to have goals in this area. For example, Nissan Motor has “Vision Zero” of zero traffic accidents involving Nissan vehicles that inflict serious or fatal injuries. Ford Motor has a goal to use only allergen-free and “air quality friendly” interior materials.

Food companies like Nestlé have set goals related to nutrition.

Give us feedback on this goal →

Help us co-create the KPI →

Customers

Engage and empower customers to act in the best interests of people and the environment.



*Products do not undermine **people's health** when used as intended*

***Customers are informed** about any aspect of products that may harm people or the environment*

***Customer concerns** are actively solicited, impartially judged and transparently addressed*

*Note: For goals related to the environmental impact of products see **Product Use & Waste***

What this goal is.

Some products may cause harm to people or the environment, either because of the way they are designed, or because there is a reasonable chance that customers could misuse them or dispose of them incorrectly.

The company must make potential customers aware of such risks, through effective advertising and on-product labeling, to empower them to make well-informed decisions regarding their purchase, use and disposal of the product.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business ensures that everyone it depends upon has a voice.

Companies must not withhold from customers information that may influence their purchase or use of products.

The business safeguards the health of everyone it depends upon.

Customers must be informed about possible side effects of using the company's products.

The business respects the values of everyone it depends upon.

Some products may not align with a customer's beliefs (e.g. animal testing, religious requirements).

Examples. →

Nestlé has a goal that 100% of its products worldwide, by sales value, have GDA nutritional labeling on the front of their packs, and to provide further product information and nutrition advice via QR codes on-pack, by 2016.

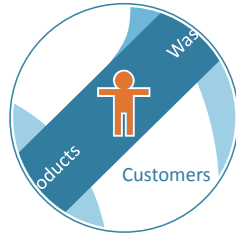
More generally, Aegon had a 2014 goal to, where possible, make its products clearer and easier for its customers to understand, and Wal-Mart Stores has a goal to launch a simple front-of-package icon backed by strong nutrition criteria.

Give us feedback on this goal →

Help us co-create the KPI →

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What this goal is.

It is good business sense for any company to actively engage its customers. As with other future-fit goals, the intent here is to ensure that every company does at least the minimum necessary to engage its customers. That is, the company gives its customers a voice by actively soliciting their views, investigating their concerns impartially, and acting to address legitimate grievances transparently.

Transparency is key here. For example, if a customer reports a product fault that could jeopardize the health of other customers, the company should act swiftly and openly to address it.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business safeguards the health of everyone it depends upon.

Addressing customer concerns swiftly and transparently is important both for customer health and for long-term business value.

The business ensures that everyone it depends upon has a voice.

Companies should ensure their customers have appropriate channels to contact the company and raise concerns. Language barriers or expensive communication charges should not inhibit customer engagement.

The business respects the values of everyone it depends upon.

Companies must respect the values of their customers, such as their cultural expectations and religious beliefs.

Examples. →

Although many companies have policies and processes to engage stakeholders (including customers) none have clear targets to address issues raised.

Give us feedback on this goal →

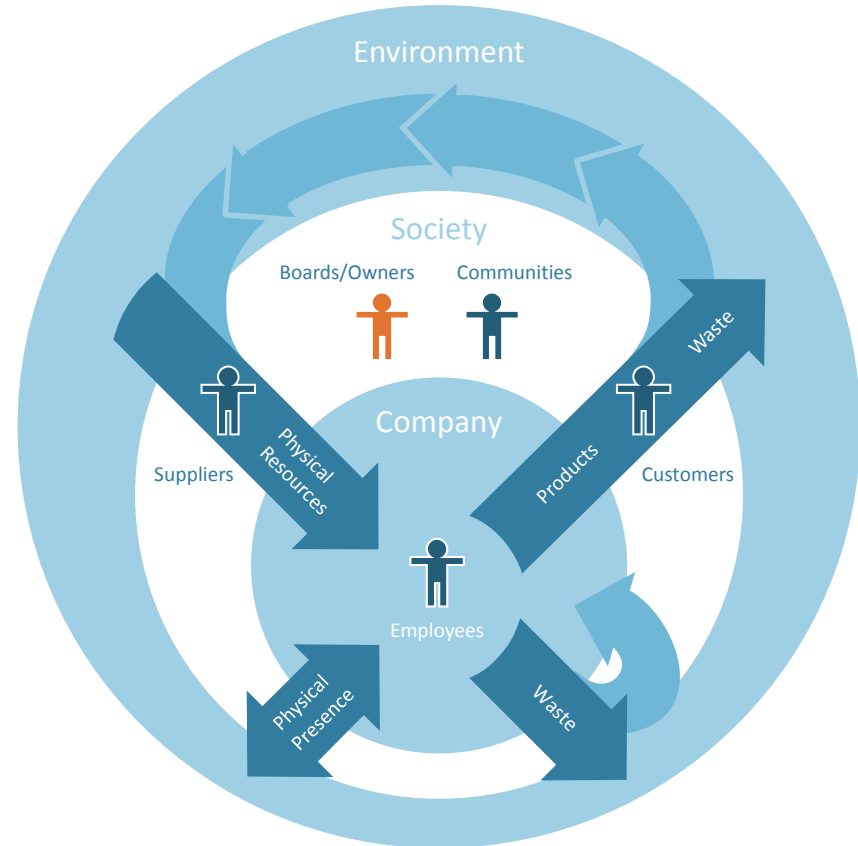
Help us co-create the KPI →

Boards & Owners

Ensure the business is governed to strive for future-fitness.

*The **right tax** is paid in the right place at the right time*

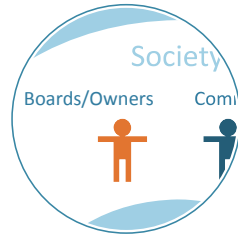
*All **lobbying** is for outcomes that align with future-fit principles*



Companies are often managed purely to maximize financial returns for their owners. A future-fit company realizes its owners' interests are best served by positively influencing the systems – and supporting the infrastructure – that its long-term success depends upon.

Boards & Owners

Ensure the business is governed to strive for future-fitness.



*The **right tax** is paid in the right place at the right time*

*All **lobbying** is for outcomes that align with future-fit principles*

What this goal is.

This goal recognizes the fact that business should pay its fair contribution to the infrastructure upon which its success – and even existence – depends (e.g. transport networks, legal system, healthcare, education, etc.). This includes not engaging in ‘creative accounting’ to take advantage of tax loopholes, which mean the company is obeying the letter but not the spirit of the law.

Why this goal is required.

This goal is necessary to ensure that companies operate in line with the following future-fit business principles:

The business safeguards the health of everyone it depends upon.

Companies rely on the physical and social infrastructure of society to operate, but if they do not contribute fairly to its preservation they risk undermining the physical and emotional health of their employees, communities, and customers.

The business respects the values of everyone it depends upon.

Companies that do not contribute fairly to society contribute to the erosion of public trust.

Examples. →

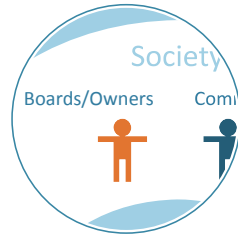
To our knowledge, no company has yet committed to a goal like this.

Give us feedback on this goal →

Help us co-create the KPI →

Boards & Owners

Ensure the business is governed to strive for future-fitness.



*The **right tax** is paid in the right place at the right time*

*All **lobbying** is for outcomes that align with future-fit principles*

What this goal is.

A company must not actively contribute to lobbying efforts that seek to hinder societal progress towards a future-fit state. Companies often seek to influence markets within which they operate, by lobbying those with the power to change them.

This goal recognizes that any such activity should align with future-fit business principles, so that companies in no way seek to bring about broader systemic changes that could impede society's transition to a sustainable future.

For example, a future-fit company would not fund any organization that lobbies against more stringent emissions laws.

Why this goal is required.

This goal is necessary because no future-fit business would seek to undermine any systemic (e.g. legal, regulatory) changes designed to accelerate the transition of society as a whole toward a flourishing future.

Examples. →

To our knowledge, no company has yet committed to a goal like this.

The closest commitment to this that we have found is from Lafarge, which has set itself a goal to implement a lobbying or advocacy plan for sustainable transportation infrastructure in 80% of the countries where it operates.

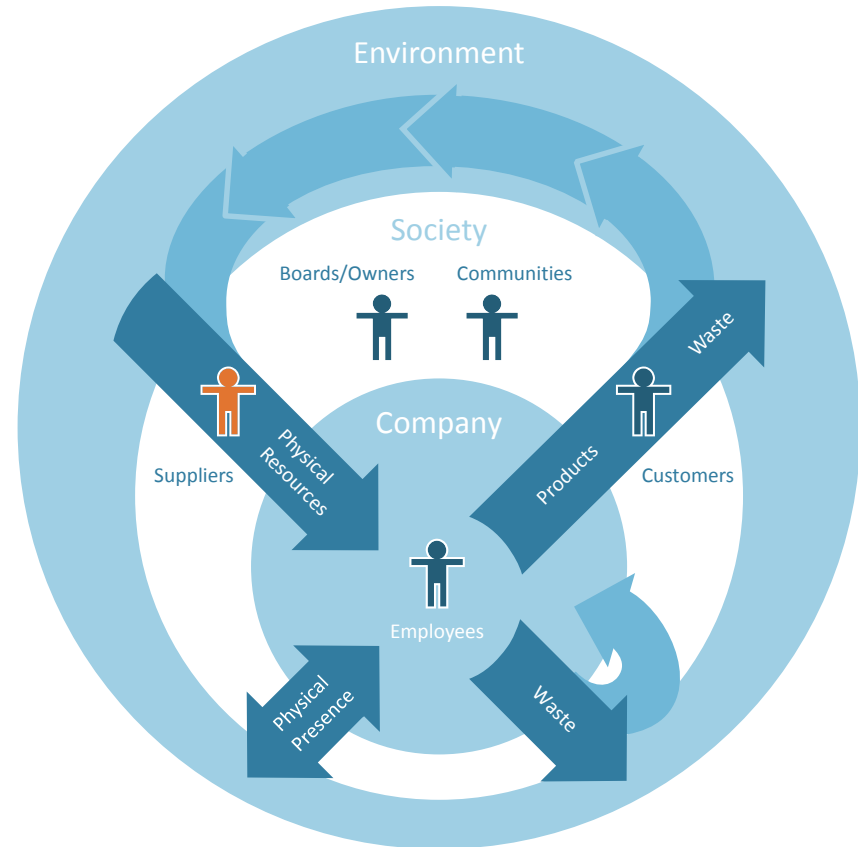
Give us feedback on this goal →

Help us co-create the KPI →

Suppliers

Foster future-fitness among the suppliers of all resources critical to the business.

*Note: **Suppliers** of resources that are critical to the ways the business delivers value are considered to be part of the company's **extended operations**, and so must meet future-fit goals too*



Even the least progressive companies know they are responsible for the impacts of their direct operations. A future-fit business knows that its accountability extends beyond this, to encompass the production of supplies that its own products depend upon.

Suppliers

Foster future-fitness among the suppliers of all resources critical to the business.



*Note: **Suppliers** of resources that are critical to the ways the business delivers value are considered to be part of the company's **extended operations**, and so must meet future-fit goals too*

Companies are accountable for at least some of the impacts of their suppliers.

*We define the exact scope of responsibility in terms of a company's **extended operations** and its **critical resources**.*

We consider a company's **extended operations** to reach beyond its own four walls, to encompass the fraction of supplier activity that directly contributes to how the company generates value, either by:

- creating/supplying resources that end up embedded into the company's products; or
- creating/supplying resources that are consumed in the production of those products; or
- creating/supplying products that the company resells as-is.

We call supplied goods and services that meet these criteria **critical resources**.

Why is this the 'right' scope of accountability?

A company is accountable for all impacts stemming from the provision of its critical resources because if it could not buy them it would have to create them itself. This accountability extends back to the points at which all constituent natural resources are farmed, mined or harvested from the wild.

In reality, companies today often do not know the exact origin of many of their critical resources (e.g. materials purchased on commodity markets). In developing our KPIs, → we're seeking to accommodate this fact. But the impacts stemming from a company's extended operations cannot be ignored simply because supply chain traceability is a challenge.

A company seeking to be future-fit should be actively striving for full traceability throughout its supply chains.

Find out more and give us feedback →

The KPIs

How can we measure a company's progress?



*Further work on the
Future-Fit Business
Benchmark*

*KPI development
approach*

*Frequently asked
questions about
the KPIs*

Further work on the Future-Fit Business Benchmark

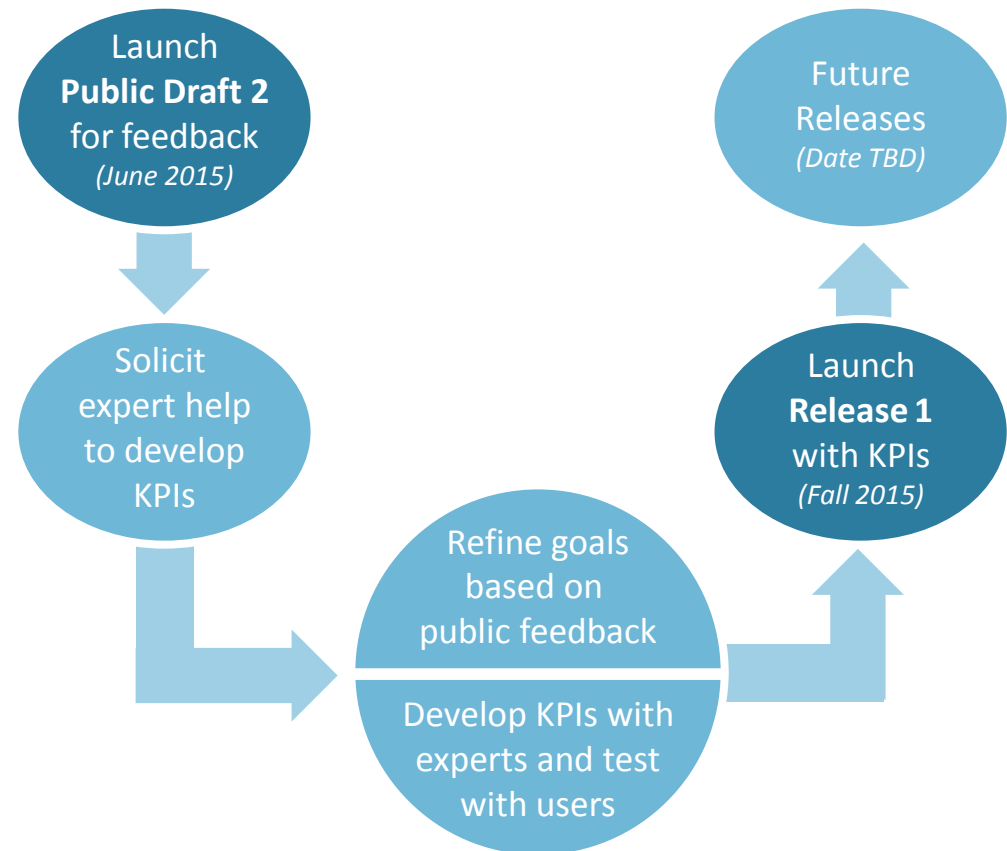
By December 2015 we aim to publish the first full release of the benchmark.

This second draft has benefited greatly from feedback on Public Draft 1 – published in October 2014 – especially with regard to the goals. Now our primary focus is to co-create a full complement of future-fit KPIs.

Follow our progress and help us co-create the future-fit KPIs at wiki.futurefitbusiness.org→

This is an ambitious timeline, and we welcome help.

If you or an organization you represent are working on issues related to a future-fit goal, could you help us develop the KPIs? And if you work for a company or investor, could we help you explore how the benchmark might apply to your work, to ensure that we make it as useful and usable as possible? Either way, please get in touch.



KPI development approach

*All KPIs are being developed according to a set of clear guidelines – the “five C’s” – to ensure that each one is: **Calculable, Comparable, Complete, Concise and Credible.****



Calculable...

- All data required to compute a KPI's value should be within the company's power to obtain.
- In situations where data cannot technically be obtained, insofar as is possible the KPI should provide guidance on how to derive credible estimated values.
- In cases where no credible estimate can be calculated (e.g. the provenance of a resource or the impact of a site is unknown) then performance in that area should be assumed to be zero.

Comparable...

- Each KPI will measure performance consistently across any company, no matter its size, sector or location. *Note that the relative importance of each goal will vary across sectors, so care must be taken when comparing one company's performance to another's.*

Complete...

- Each KPI must reflect a company's full scope of responsibility, encompassing all impacts (of its direct operations,

supply chain and products) for which it can be held accountable.

Concise...

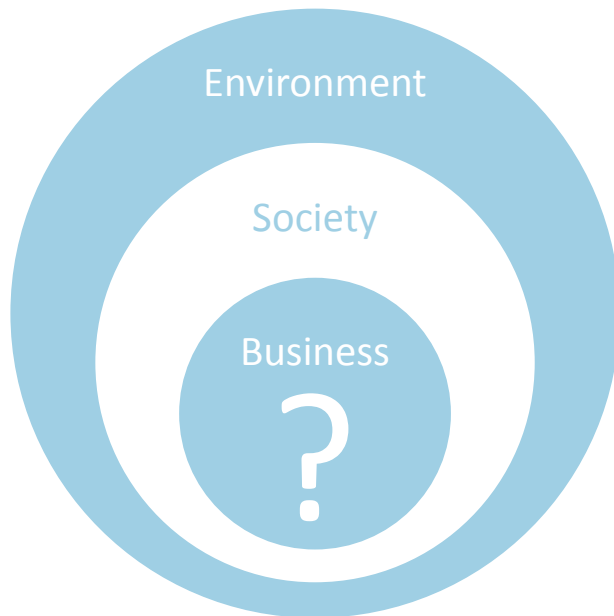
- Each KPI must assess performance at the level of whichever entity is most relevant to the goal (e.g. by product, site or employee), so that companies can prioritize action effectively.
- Each KPI must offer a way to aggregate such per-entity scores up into a high-level indicator of the company's overall performance, with each entity's fitness weighted according to its contribution to the value the company creates.
- At both micro (per-entity) and macro (company) levels, performance must be expressible as a percentage, with 100% equivalent to being future-fit.

Credible...

- Each KPI must embody required practice, building on best-available science and capturing the 'spirit' of the goal it seeks to measure.
- Each KPI should draw on third party resources (e.g. industry standards), insofar as they exist and are relevant.

Frequently asked questions about the KPIs

*Answers to common questions on using the future-fit KPIs.**



Who will assess a company's future-fit performance?

The Future-Fit Foundation will not rate or rank companies itself. Instead the intention is to equip companies with the means to assess their own performance.

Companies wishing to use future-fit KPIs will *not* be required to publish the underlying data needed to calculate their values. Any company may use the KPIs as an internal tool – for example to see where action is most needed.

If, however, a company wishes to report its future-fit performance publically, it must have its calculations validated by an independent assurer. This is analogous to obtaining third-party verification of financial accounts.

If a company reaches 100% on a KPI, what does it mean?

Reaching 100% on a KPI means that a company has met the corresponding goal. In other words, it has attained a level of performance necessary to ensure that on the issue in question it is in no way hindering society's progress

toward a flourishing future. This does *not* mean that the company is perfect, and in fact we would actively encourage companies to see “becoming future-fit” as an interim step on a longer journey to become truly restorative.

No company should claim to be ‘restorative’ or ‘net positive’ until it has met every future-fit goal and exceeded at least one of them.

How can future-fit performance be compared across companies?

A wealth management company may not struggle to pay people a living wage, but things may not be quite as clear-cut for an apparel company which sources its cotton from developing countries. A TV broadcaster doesn't force its customers to emit greenhouse gases, but a fossil fuel company almost certainly will do. These are just two examples of how the relative importance and difficulty of each future-fit goal can vary significantly across sectors. Cross-company comparisons are possible, but must be made with care.

* For more general FAQs regarding the Future-Fit Business Benchmark see our wiki. [→](#)

Further Info

*Find out more about
us and our work*

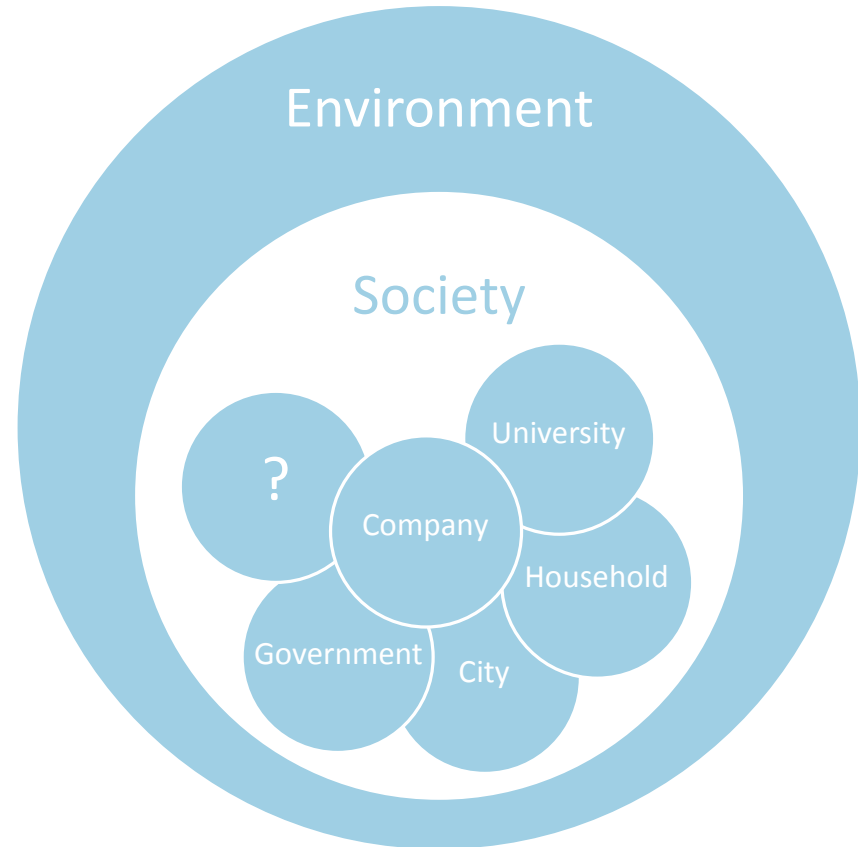
*Towards other
Future-Fit
Benchmarks*

Future-Fit Foundation

Towards other Future-Fit Benchmarks

Business is a huge lever for change, but other parts of society must also play a part in getting us on track to a flourishing future.

With sufficient resources and support, we aim to follow the same science-based approach as we've used here to develop benchmarks for other societal actors.



What would it mean for a household to be future-fit? Or a city? Or a university?

Get in touch if you'd like to support other future-fit benchmarks →

Future-Fit Foundation

Thank you to everyone who has provided us with critical support and feedback, and in particular the following organizations...



Who we are

The Future-Fit Foundation is a non-profit organization whose vision is a future in which everyone on Earth can flourish.

To attain this vision demands radical and rapid action. Given the urgency and scale of today's global challenges, striving to be less bad is simply not good enough. Instead we must transform the way our economic system works, by changing the behaviours of the actors within it, from companies and investors to individuals and governments.

Our mission is to encourage and enable such behaviour change. We do this by creating tools, grounded in best-available science, that enable people to measure what really matters: to break away from incremental thinking by shifting the focus from where we are today to where we need to be. And in so doing we help decision makers – from consumers to CEOs – to identify and reward those whose actions are helping to move us toward a flourishing future.

Can you help us?

Many people have contributed to the work presented here, but we can always

use more help. To offer feedback on the Future-Fit Business Benchmark, please contribute to our wiki, which you can access [here](#) or via the various links spread throughout this document.

If you represent an organisation that is interested in using, promoting or financially supporting our work, please get in touch. [→](#)

Meet the team...



Geoff Kendall
Co-Founder & CEO



Bob Willard
Lead Technical Advisor



Martin Rich
Co-Founder & Chairman



Astrid Høgsted
Analyst

The Future-Fit Business Benchmark
is a collaborative, open-source initiative
led by the Future-Fit Foundation.

If you would like to find out more:

- visit futurefitbusiness.org
- email info@futurefitbusiness.org
- tweet [@futurefitbiz](https://twitter.com/futurefitbiz)

Equipping business
leaders and investors
with the means to
quantify how their
actions are
contributing to a
flourishing future



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