

A black and white portrait of Paul Polman, a middle-aged man with grey hair, smiling and sitting at a wooden table with his hands clasped. He is wearing a dark turtleneck sweater and a watch on his left wrist. The background is a plain, light-colored wall.

A New, Net Positive Role for Business

How businesses can
please investors
by addressing society's
biggest challenges.

**PAUL POLMAN &
ANDREW WINSTON**

THE LAST FEW YEARS HAVE BEEN NOTHING if not dramatic: a global pandemic, the rise of Black Lives Matter, devastating weather fueled by climate change, stopped up supply chains, vast income inequality that got even worse, the fight for LGBTQ and women's rights, a coup attempt in the US, and much more.

These were once issues that governments and civil society handled, with business generally preferring to seem "neutral." But companies cannot sit on the sidelines. They must take a stand on the big environmental and social issues of the day; their stakeholders, particularly employees, demand it.

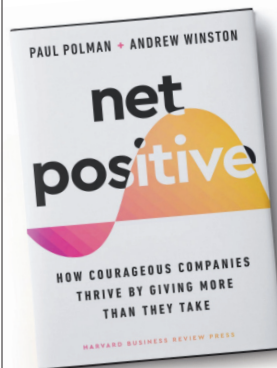
The expectations about business's role in society have shifted more in the last few years than in the last few decades. It's now a dated and dying notion that a company's only focus should be maximizing shareholder return. We now believe that businesses will only stay relevant if they pursue a model where profit comes from solving the world's problems—in particular the existential challenges of climate change and inequality—not from creating them. A business that improves the well-being of everyone it impacts is what we call "net positive." The core question is this: Is the world better off because your company is in it?

A vision of net positive. No company can claim to be positive in all dimensions yet, but the pathway is getting clearer. Imagine food and agriculture companies that utilize farming and livestock practices that enrich the soil, sequester carbon and pay living wages to everyone who grows or raises our food. Or tech companies that use their vast data and tools that change behavior to provide people with truth and science—they could actually improve democracy and the common good. Consider how it would reduce inequality if financial firms served lower income customers as well as the wealthy, and financed only clean technologies. All of these pathways are possible, and leaders are already on their way.

One of us (Paul) ran the consumer products giant Unilever for a decade, making sustainable business the core strategy in 2010. The company embraced a larger purpose—making sustainable living commonplace—throughout its operations in 190 countries. Many of its hundreds of brands have found their own missions as well. Lifebuoy soap helps save lives by teaching kids and new mothers about the benefits of handwashing. Domestos cleaning products take on lack of sanitation and the problem of open defecation. Unilever's purpose-driven brands have grown much faster than the rest of the business. For Paul's decade at the helm, the company also saw



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PAUL POLMAN is the former CEO of Unilever. **ANDREW WINSTON** (above) is a globally-recognized expert on building sustainable businesses. They are co-authors of the book *Net Positive*.

300% growth in total shareholder return. Unilever is one of the most in-demand employers in the world, with three-quarters of new employees coming there specifically because of its sustainability efforts.

Principles of Net Positive. A few core beliefs and commitments drive a net positive company. They pursue long-term value creation for the business and society; maximize well-being for all stakeholders; serve investors well, but only after serving customers, employees, suppliers, communities and many others; and embrace transformative partnerships to tackle issues that are too large for any single organization to handle. But most important, net positive companies take ownership and responsibility for all their impacts on the world, intended or not. They go beyond just tracking and managing the carbon emissions of their operations (and even in their supply chains) to work with peers on sector-wide emissions, push for government policies that help society achieve science-based carbon reduction targets, and tackle their role in creating an economy based on fossil fuels and on consumption.

Getting started. Most companies need some help getting going or accelerating the more sustainable things they're doing already. In our book, *Net Positive: How Courageous Companies Thrive by Giving More Than They Take*, we provide a roadmap for how to build a company that serves the world. The starting point is personal and requires looking inward. A new kind of company needs new forms of leadership, with executives that have a sense of purpose and duty to the common good. They need a sense of empathy and humility and, at core, they must have courage. It's not easy to buck a belief system as ingrained as the obsession with short-term profit maximization.

After this gut check, it's important to understand whether the company is prepared to move toward Net Positive. We offer a "Readiness Assessment" with 25 questions that explore what information and organizational commitments are needed. With those foundations in place, companies can set big goals tied to what the world needs, build trust with stakeholders by embracing transparency, and create transformative partnerships that bring all players to the table to solve our biggest challenges.

The journey to Net Positive is not an easy one, but the good news is that no company or leader is going solo. The problems we face require partnerships with business, government and civil society working together toward broad, shared solutions. With everyone at the table, we can begin the hard and rewarding work of building a thriving world where nobody is left behind, and people and planet are prospering. ♦