

## Creating the systemic change business needs: The CEO-Investor discussion

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**By Lord Deben, Chairman**

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Last Tuesday I was delighted to host a discussion with David Blood, the co-founder and Senior Partner of Generation Investment Management, on the challenges that we as business and investors face in a world struggling with sustainability threats and how to fix them. Debating with a range of business leaders, we had an engaging discussion on our next steps – and the opportunities it creates.

We heard loud and clear the urgency for action – that we have changed rapidly in the past ten years, but we need to change even faster over the next five, moving from incrementalism to systemic change. We must do this both to achieve the Sustainable Development Goals we aspire to and to ensure the stable business environment we all need to succeed.

The investors who joined reflected that if they do not demonstrate that they are making real progress, they risk losing their license to operate. Here, the rapid spread of ESG reporting and analysis is encouraging – but we must watch out that this enthusiasm for reporting doesn't lead to a new wave of 'greenwashing' and messaging that hides the lack of real action. That would undermine trust in the system, and again prevent us meeting our collective aims.

Achieving change at the rapid pace we need means we must accept uncertainty and discomfort as we make decisions, taking a 21st century approach to management. So we discussed how we will not have the perfect data on 5-year track-record or granular and ironclad rates of return – since by the time we have collected every data point, we will have missed our opportunity to act, and fallen behind the pace of regulation. The fact is we know that inaction will cost us much more.

Collaboration is critical to achieving this – but we are facing a growing tide of protectionist and isolationist policies and mindsets. Part of the answer is ensuring we keep improving the social side – tackling inequality, providing good, safe jobs, building communities. Without tackling these high priority issues people experience every day, we will not win over people to support the dramatic changes we need on pressing environmental issues.

We ended with reflection that while change is needed, we do have influence – it is easy to talk constraints, but it is up to us to demonstrate real leadership and make the change now.

Sancroft will be running a series of events over the Autumn to engage business leaders with how to tackle specific pieces of this bigger puzzle – if you would like to be kept updated about the events, please email [events@sancroft.com](mailto:events@sancroft.com) and we will add you to the invitation list.