# Six Sustainability Insights Shaping Business: Expert Perspectives

We recently convened five of our <u>Experts in Residence</u> for a facilitated discussion on the increasingly complex pressures facing decision makers in the context of global climate change. Through their expert insights, we gleaned **6 major insights** that can help organizations understand and plan for the future while taking actions today to adapt to changing investor, regulatory, consumer, and environmental pressures.

# 1: Climate Security is National Security

The physical impacts of natural disasters on supply chains, critical infrastructure, and even employees' ability to do their work have national security implications. The second-

and third-order effects of climate change, including migration from areas impacted by natural disaster, increasing competition for resources and jobs, and accommodating people's needs while maintaining operations, all play into both business and security decision making. Simultaneously, increasing geopolitical tension increases the complexity of pressures acting on an organization, while drawing governments' attention away from addressing the root causes of these issues.



# 2: Commitment to Climate Action Requires New Business Models

Making impactful changes requires a shift in thinking about traditional operating models. Organizations must innovate and find ways to contribute based on how they



are best suited to do so. Sensitivity to public and internal pressures on climate action will also impact mergers and acquisitions as climate-forward companies limit or turn down partnerships with organizations that refuse to adapt. At the same time, as more and more organizations disclose information about their sustainability initiatives, transparency will allow companies to find the sustainable partners with whom they can collaborate on climate goals--while moving away from those who won't.



### 3: Crises Call Global Supply Chain Resilience Into Question

The pandemic showed us the limitations of globalization and this need to have...self-sufficiency back in our economy.

John Slot, Expert in transportation transformation & business strategy While globalization has been a reliable and powerful growth engine, Covid-19 exposed cracks in the system that hobble a globalized economy in times of crisis. As climate emergencies become increasingly frequent and intense, organizations must preemptively identify the weaknesses that could be their pitfalls in times of emergency. They should work to build reliable national and regional <u>supply chains that are resilient</u> to global market forces, while maintaining outward-looking, global supply networks that leverage international trade during normal, non-emergency operations.



### 4: Business and Government Must Partner to Develop the New Economy

Efforts are focused on global security as much as...[guiding] people toward stable employment through the world.

Dr. Fred Oswald, Expert in IO psychology and Al Businesses need to set their own ambitious climate goals internally, but at the same time, governments and international institutions (e.g., the World Bank) should provide green financing to bolster businesses through growing pains they will endure during those changes. Neither business nor government can address climate change alone- but through public-private partnerships, they can do much more overall good. A new economic model for business success and climate sustainability comes with the need for upskilling workers and rethinking education platforms of the future.



# 5: Consumer and Employee Preferences Urge Climate Accountability

The pressure on companies to take action on climate change is driven by external and internal demands: stakeholders like investors, other businesses, consumers, and even employees demand more investment and accountability in Environmental, Social, and Governance (ESG) initiatives. Understanding these pressures requires a <u>two-way</u> <u>conversation</u> between decision makers and these influential groups. However, taking "greenwashing" actions for the sake of saving face can backfire,



Bill Moore, Expert in supply chains, chemicals, and biotech

especially as younger generations become <u>more scrutinous and informed</u>. For sustainability initiatives to succeed, they must align with organizational mission to ensure employee buy-in, satisfy customer evaluation, and deliver lasting effect. At the same time, leaders must strike a delicate balance between change and stability to continue delivering financial returns for shareholders.



# 6: Complexity is Increasing in Pace and Magnitude

The physical impacts of climate change, as well as the internal, consumer, and regulatory pressures to address it, are only a few of the pressures acting on decision makers. Volatile fuel costs, labor laws, social upheaval, increasingly complex technology, and the retention and upskilling of employees create a web of competing forces that can become overwhelming if not managed and prioritized. Tools such as <u>scenario planning</u> that uncover climate risks and opportunities and strategic foresight allow organizations to understand, adapt to, and even influence the future while they navigate and mitigate uncertainty.



# **Our Expert Panel**



### Bill Moore, Expert in supply chains, chemicals, and biotech

Bill served as EVP of Global Supply Chain for a B2B Euro specialty chemical business unit of Solvay, a Belgian chemical enterprise. Prior to Solvay, he served in SVP roles responsible for manufacturing, supply chain and operations at Cerus Corporation and Quest Diagnostics. As SVP, Operations, Biomedical Services at the American Red Cross, Bill was responsible for all testing laboratories and manufacturing operations. Prior to Red Cross, Bill spent 20+ years in the specialty chemical industry.



### Dr. Fred Oswald, Ph.D., Expert in IO psychology and AI

Fred Oswald, PhD is a professor and the Herbert S. Autrey Chair in Social Sciences at Rice University. As an IO psychologist, his research, grants and 150+ publications focus on developing, implementing, and evaluating the tests that everyone encounters in their life within employment and educational settings (e.g., personality, knowledge, performance tests). Recent work addresses the scientific, ethical, and legal implications of AI-based employment tests.



#### John Slot, Expert in transportation transformation & business strategy

John serves as the Chief Innovation Officer for the Central Florida Regional Transportation Authority d/b/a LYNX where he and his team's focus on Innovation, Sustainability, Planning & Development and Information Technology. He has also served the agency as the Interim Chief Operating Officer through COVID-19. In his 30+ year career as an international business, consulting and IT executive he has blended strategic vision and ideation with operational execution to help organizations transform.



### Col. Jake Sotiriadis, Ph.D., Expert in intelligence and geopolitical risk

Dr. Jake Sotiriadis is the Director of the Center for Futures Intelligence at National Intelligence University (NIU), where his research assists senior Intelligence leaders develop anticipatory thinking and intelligence tradecraft. He previously served as the US Air Force's (USAF's) senior futurist at the Pentagon, where he founded the Service's Strategic Foresight and Futures Team. He has served nearly two decades as an USAF intelligence officer and holds a Ph.D. in political science and geopolitical futures from the University of Hawaii at Manoa.



### Kenneth Svendsen, Expert in hospitality and entertainment

Kenneth is the CEO of Oasis Marinas, a premier marina management services company. He additionally serves on the Board of Directors at Sparo Corporation and Star Harbor, the world's first publicly accessible space flight training facility. Previous positions include CEO of Entertainment Cruises, President of Hornblower Cruises and Events, President of Walt Disney Travel Company, SVP of Global Sales and Customer Relationship Management at Disney Destinations, and Global Head of Sales, Reservations, and Quality Assurance at Hilton Worldwide.

