

## **Sustainability First: Fair for the Future Project Fresh Insights on Purpose #3 – September 2019**

*This is the third of our Fair for the Future project research round-ups, to help in the development of a 'Sustainable Licence to Operate' and a framework for mapping political and regulatory risk in terms of fairness and the environment in energy and water. Our 'Fresh Insights on Purpose' signposts key recently released, relevant research and thinking in these areas.*

### **IPPR – [Facing the crisis: Rethinking economics for the age of environmental breakdown](#)**

As part of its Responding to Environmental Breakdown research project, itself part of the Environmental Justice Commission chaired by Ed Miliband MP, Caroline Lucas MP, and Laura Sandys, IPPR's Laurie Laybourn-Langton and Tom Hill argue that the UK Government ought to adopt a Sustainable Economy Act with statutory targets across a range of environmental measures, including biodiversity, soil fertility, and air quality – and more broadly a shift away from the 'current political-economic paradigm' that 'drives environmental breakdown'. In particular, the authors propose broadening our socioeconomic measures from the 'inadequate' GDP to also include metrics for wellbeing.

### **Fabian Society – [Options for Labour's Future Generations Wellbeing Act](#) and [Summer 2019: Fabian Review](#)**

The IPPR discussion paper feeds into a wider debate around wellbeing and its role as a potential measure for governments. The Labour Party's Jonathan Ashworth recently announced that the Party would in Government adopt a Future Generations Wellbeing Act which will connect health outcomes to the UN Sustainable Development Goals (SDGs), helping the NHS to tackle climate change. The Fabian Society, at whose conference the move was announced, has in turn launched a project to develop options for such an Act. The Fabians have also included in their Summer 2019 review a series of articles on Labour and the climate emergency, including [this](#) from IPPR Environmental Justice Commission Co-Chair Ed Miliband.

### **Social Metrics Commission – [2019 Report](#)**

Building on the importance of broader societal measures of wellbeing, the SMC's annual 2019 report was published in July 2019, aiming to build on the Commission's work to deepen understandings of poverty and disadvantage in the UK. The report outlines how by its measure 4.5 million people in the UK are more than 50% below the poverty line and 7 million people are living in persistent poverty – figures that UK energy and water companies ought to keenly bear in mind for their vulnerability programmes.

### **Sustainable Development Solutions Network – [Sustainable Development Report 2019](#)**

The SMC notes in its 2019 report press release how its findings 'highlight the scale of the challenge facing new Prime Minister Boris Johnson'. The UN SDSN similarly notes how the UK is facing 'major challenges' in meeting three of the UN's SDGs – key measures which help frame discussions of fairness in UK utilities – around 1) responsible consumption and production, 2) climate action, and 3) partnership for the goals, while the trend for the goal of reduced inequalities is 'stagnating'. Again, as well as stimulating action from government and policymakers, this ought to provide vital context to both UK energy and water companies and regulators for the framing and assessment of customer vulnerability strategies.

### **Aldersgate Group – [Building a competitive, net zero emissions and climate-ready economy](#)**

The Aldersgate Group, coalition for a sustainable economy that counts some of the UK's largest businesses among its members, has this month published a manifesto setting out what they wish to see from the new UK Government when it comes to delivering on net zero. The Group proposes four policy recommendations. The first is the introduction of a 'Clean Growth Strategy Plus', in accordance with the 2050 net zero target, which should include 'concrete policies that accelerate private sector investment to decarbonise priority sectors'. The Group's second recommendation is for an 'ambitious' Environment Bill that protects current EU environmental protections and sets legally binding targets for environmental improvements. Third, the manifesto calls on the new Prime Minister to implement Defra's December 2018 [Resources and Waste strategy](#); you can read our Director's blog on the strategy [here](#). Finally, the document sets out how Government might further build on the [Green Finance Strategy](#) in order to 'rapidly grow private capital flows into the green infrastructure required to deliver the UK's net zero target'.

### **Green Alliance – [Power to the people: Shaping UK climate policy through deliberative democracy](#)**

Shortly after the [announcement](#) from six House of Commons Select Committees that they would establish a citizens' assembly on the climate emergency and plans for net zero, Green Alliance published findings from two citizens' juries held with Britain Thinks on the subject of UK climate policy and public perceptions of climate action. The pilot juries found that all participants were keen to see carbon reductions across a range of sectors – but that policies and decisions must be wedded to clear strategy and leadership from government and businesses. The report puts forward a series of recommendations based on the pilot for the upcoming climate citizen's assembly – for example setting specific questions, providing expert input, and ensuring enough time is given to better encourage deliberation – which are equally applicable to energy and water companies in their stakeholder engagement processes.

### **Business Roundtable – [Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans'](#) & Hermes EOS, Said Business School at Oxford University, Berkeley Law School – [Statement of Purpose Campaign](#)**

Business Roundtable, an organisation comprising the Chief Executives of some of the largest companies in the US, has released a statement redefining the purpose of the corporation. The body proposes a shift away from shareholder primacy and profit, signalling that corporations instead ought to work towards 'an economy that serves all', including through supporting the communities in which businesses work and generating 'long-term value'.

Following on from the Roundtable's change of stance, Hermes EOS, the Said Business School at Oxford University, and Berkeley Law School have called on businesses to go further and stepped up their efforts to ensure that by 2025, the CEOs of every listed company – and other private companies – declare a 'Statement of Purpose' which 'articulates the company's purpose to profitably achieve a solution for society'. Robert Eccles, visiting professor of management practice at Saïd Business School, told the [Financial Times](#): 'Simply having such a corporate group [Business Roundtable] back off on the classic Milton Friedman shareholders-come-first [philosophy] I think is symbolically good but if it stops there, so what? Now tell us what the purpose of your particular corporation is'.

**Sustainability First, Fair for the Future Project Case Studies – [Manchester Airports Group](#), [Thriving Communities Partnership](#), and [Peabody Group](#)**

Finally, we have now published three summaries of the excellent case studies delivered at our Fair for the Future workshops over the past eight months.

At our December 2018 workshop on Pillar 1 of the project, ‘Public purpose, philosophy, and public service values’, Manchester Airports Group presented to UK energy and water stakeholders and policymakers its operationally carbon neutral model, as well as its new Corporate Responsibility Strategy. The case study is available [here](#) and contains a helpful list of learning points on the Group’s journey to embed public purpose into the business.

In our March 2019 workshop on Pillar 2, ‘Making best use of capital: collaboration and competition’, we heard from the [Thriving Communities Partnership](#) (TCP). TCP is an Australia-based cross-sector collaboration hosted by water company Yarra Valley Water designed to ensure everyone has access to essential services – not only water, but also energy, telecoms, financial services and transport. It brings together more than 170 organisations as well as government and regulators to tackle common problems, taking a ‘one stop’ approach so that vulnerable consumers do not have to explain the issues they are facing to multiple organisations. A video from TCP’s Director and CEO Ciara Sterling is available to view [here](#).

We are also delighted to bring you a case study note from Peabody Group on Pillar 3, ‘Roles, responsibilities, and changing expectations around fairness’. During our most recent workshop on 25 June, social housing providers Peabody set out its [Mission and Values](#), as well as its [Group Strategy 2019-2022](#), both of which are underpinned by the priority to put the most vulnerable first and to provide the support they need. The Group explained how it had frozen or cut social rents on thousands of its homes and reintroduced lifetime tenancies to enable greater security for tenants – and shared learnings for the energy and water sectors, particularly its work around leading indicators and metrics through the [Peabody Index](#).