INSIGHTS SUMMARY

HOW CAN COMPANIES TURN SUSTAINABILITY INTO JOBS, LIVELIHOODS AND LASTING BUSINESS VALUE?

GLOBAL GOALS / LIVE FIRESIDE / 23 SEPT 2025

We would like to thank the following speakers:

Morten Enggaard Rasmussen, EVP People & Stakeholder Relations, **Novonesis**

Jane Nelson, Founding Director, Corporate Responsibility Initiative, **Harvard Kennedy School**

Moderator: Ilze Melngailis, Senior Adviser, **Business Fights Poverty**

With five years left to achieve the Sustainable Development Goals (SDGs), businesses face pressure to move from commitments to practice. This Fireside Chat explored how sustainability can be a driver of growth, resilience and long-term value creation. The discussion highlighted the importance of embedding sustainability into the core business model – not as a side agenda, but as part of corporate values and stakeholder engagement.

Specific experiences from Novonesis and wider insights from the Harvard Kennedy School showed the opportunities and challenges of reframing sustainability beyond risk management. Themes included the business case, resilience narratives, credible targets, coalitions across value chains, and inclusive governance that integrates youth and Global South perspectives.

> ***Every business has an impact, for good or for bad.***
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> **Jane Nelson, Founding Director, Corporate Responsibility Initiative, *Harvard Kennedy School***

INSIGHT 1: MAKE THE BUSINESS CASE LIVE THROUGH VALUES

Sustainability cannot remain a siloed exercise framed solely around risk and compliance. Companies must present it as an opportunity, value creation and a reflection of their organisational values. Novonesis illustrated this by integrating sustainability into every business function rather than keeping it as a separate strategy. Its 'people, planet, positive' ambition is anchored in core operations, delivering measurable results such as reducing Scope 1 and 2 emissions by 62% since 2018 while growing the business over 25%. Anchoring commitments in values builds trust with employees, investors and communities, helping companies prioritise material issues over peripheral noise. However, transparency creates reputational and political

risks if targets are missed, so clarity of focus is critical. Simplified KPIs tied to values provide credibility, while overly complex measurement dilutes impact. Companies that truly live their business case can simultaneously protect value, capture opportunity and demonstrate authenticity to stakeholders.

INSIGHT 2: **FRAME SUSTAINABILITY AS RESILIENCE AND PROSPERITY**

Framing sustainability only as ESG metrics or long-term environmental goals risks alienating stakeholders across political divides. Recasting it as a driver of growth, resilience and prosperity resonates more broadly, whether with employees, investors, policymakers or local communities. Novonesis found that shifting narratives from 'Scope 1, 2 and 3' to questions like 'how can farmers in the US Midwest increase the value of their corn?' makes the agenda relevant to 40% of constituents directly impacted by their products. Concrete examples of resilience – drought, floods, energy access – connect better than abstract terms like 'extreme weather events'. This framing allows sustainability to be seen not as partisan or ideological, but as fundamental to jobs, livelihoods and stable communities. The risk remains that polarised contexts can politicise even pragmatic narratives. Nonetheless, focussing on tangible prosperity outcomes enables sustainability to bridge divides and sustain momentum globally.

This is the moment when leadership needs to start leading.

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You cannot have 280 KPIs and think you're successful.

Morten Enggaard Rasmussen, EVP People & Stakeholder Relations, Novonesis

INSIGHT 3: **SET CLEAR PATHWAYS WITH FOCUSED KPIS**

Ambitious 2050 net-zero goals risk scepticism if unsupported by credible interim targets. Companies must instead define clear short-, medium- and long-term pathways, with focused indicators that track material issues. Novonesis stressed that boards and investors demand clarity on near-term delivery, not just distant commitments. Cutting emissions while growing revenue demonstrates the viability of this dual focus. However, the burden of hundreds of KPIs undermines credibility. Concentrating on a few material metrics linked to core business operations strengthens investor trust and supports consistent communication. Transparency in KPIs carries risks – over-promising can attract regulatory and reputational backlash – but silence damages credibility further. Companies must therefore balance ambition with clarity, ensuring progress can be measured year-on-year. This disciplined approach enables firms to demonstrate both short-term delivery and long-term direction, reinforcing trust with stakeholders and investors.

INSIGHT 4: **BUILD PRACTICAL COALITIONS ACROSS VALUE CHAINS**

Individual company action is no longer enough to address systemic sustainability challenges, particularly in Scope 3 emissions. All low-hanging fruit has been exhausted, making partnerships essential to progress. Coalitions must move beyond broad pledges to become practical, value-chain-specific models. For example, addressing agricultural emissions requires collaboration with suppliers and farmers on procurement, technology adoption and livelihoods. Coalitions provide strength in numbers, enabling business voices to advocate for supportive policies while reducing the exposure of individual firms to political backlash. They also facilitate resource pooling and standard setting that no single company can achieve. However, risks exist: anti-trust concerns, misaligned interests, and tokenistic partnerships dilute effectiveness. Well-designed coalitions rooted in specific industries and places can deliver both systemic impact and protection for pioneering

companies. Collective action, when grounded in operational realities, is the only path to advancing beyond incremental progress.

INSIGHT 5: **EMBED YOUTH AND GLOBAL SOUTH VOICES IN GOVERNANCE**

Sustainability will falter if decision-making excludes the people most affected by inequality, disruption and transition. Companies must bring youth and Global South voices into governance structures with genuine influence, not tokenistic consultation. Novonesis described involving young representatives from the Global South in reviewing its marketing material, exposing biases such as depictions of only white lab-coated scientists. Such feedback forced the company to confront blind spots in how it presented its role and identity. Jane Nelson emphasised that inclusion should extend beyond advisory boards to place-based governance, ensuring local communities, small enterprises and underrepresented groups shape factory-level and market-level decisions. The risk is that inclusion becomes symbolic if not tied to structural influence and follow-through. Meaningful governance reforms build trust, increase relevance and enhance resilience. Engaging excluded voices is critical to building sustainable solutions that reflect real-world needs and strengthen legitimacy.

CONCLUSION

This session highlighted the shift from making the case for sustainability to living it. Five changes stand out: rooting commitments in company values, reframing sustainability as resilience and prosperity, setting credible pathways, building value-chain coalitions, and embedding youth and Global South voices in governance. Together, these shifts mark a transition from fragmented projects to integrated strategies. A key system barrier remains fragmented governance, both within companies and across sectors, slowing alignment and delivery. Coordinated leadership is needed to convene coalitions of business, investors and communities with shared metrics tied to material issues. The outcome aimed for is clear: sustainability as a driver of jobs, livelihoods and lasting value.

We've probably become too siloed and in all sorts of areas.

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What are the challenges of people either feeling they're being left behind, or being left behind and growing in inequality?

Jane Nelson, Founding Director, Corporate Responsibility Initiative, *Harvard Kennedy School*

RESOURCES

- Business Fights Poverty. (n.d.). *Business and climate justice: A framework.* Available at: https://businessfightspoverty.org/report/business-and-climate-justice/

  Provides a framework to help businesses integrate climate action with social justice principles and inclusive stakeholder engagement.

- Business Fights Poverty. (n.d.). *The case for living wages.* https://businessfightspoverty.org/report/the-case-for-living-wages

  Explores why paying living wages matters for business performance, poverty reduction and sustainable development.

- Novonesis. (n.d.). Corporate governance. Available at: https://www.novonesis.com/en/about-us/corporate-governance

  Explains Novonesis's governance structure, board composition, policies and approach to accountability and ethics.

- Novonesis. (2024). *Novonesis annual report 2024 (Integrated).* Available at: https://www.novonesis.com/sites/default/files/document/2025-02/Novonesis_Annual_Report_2024.pdf

  An integrated report combining Novonesis's financial performance with its sustainability strategy, targets and progress for 2024.

- Novonesis. (n.d.). *Our footprint: Environmental.* Available at: https://www.novonesis.com/en/sustainability/our-footprint/environmental

  Outlines Novonesis's environmental impacts and commitments, including emissions, energy, water and resource use.

- Novonesis. (n.d.). *Our footprint: Social.* Available at: https://www.novonesis.com/en/sustainability/our-footprint/social

  Provides information on Novonesis's social impacts, including health and safety, diversity, equity and community engagement.