

Chapter 08

Reference & Appendix

This chapter shares the sources and the behind the scenes developments.

Chapter 08

References

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Appendix

Research set-up and the results

8.1: Design brief

8.2: Research tree

8.3: Fact sheet

8.4: LSA Interview guide

8.5: SF Interview guide & coded interviews

8.6: Miro board during SF interviews

8.7: Analysis of opportunity areas

8.8: Design exploration

8.9: Validation workshop

8.1: DESIGN BRIEF



end date

21 - 02 - 2022

Personal Project Brief - IDE Master Graduation

How can we use Livework's approach to org change for CC for SF? project title Please state the title of your graduation project (above) and the start date and end date (below). Keep the title compact and simple. Do not use abbreviations. The remainder of this document allows you to define and clarify your graduation project.

NTRODUCTION *

start date 13 - 09 - 2021

Please describe, the context of your project, and address the main stakeholders (interests) within this context in a concise yet complete manner. Who are involved, what do they value and how do they currently operate within the given context? What are the main opportunities and limitations you are currently aware of (cultural- and social norms, resources (time, money...), technology.

Livework's (LW) mission is to make people's lives and work better. The hint is in the name. They are a leading service design consultancy that has over the years developed building blocks for organizational change to serve their customers better. Being future-focused Livework is already preparing for sustainable futures and wants to help their current and prospective clients in this complex journey. Given our current global environment of climate change, rising consumption patterns, and increasing demands on resources, threats to biodiversity, urgent action is needed to implement a system that fosters organizational change for sustainability (1,2,4). The entire cycle of organizational transformation towards sustainable futures extends before and beyond the customer-centric (CC) phase. Thus Livework wants to explore how can we take 'the service architecture' lifecycle from the building blocks for organizational change towards customer-centricity and re-imagine them for sustainable innovation. Presently, the lens in the model is 'customer centric' and I aim to explore 'how to bring in the 'human and eco-centric lens''.

Organizational transformation is necessary for a long-term change, which in turn is good for the ecosystem. By organization change, it refers to the core elements of the organization at hand: its people with their norms, values, beliefs, and behavioral patterns; its structures, which includes procedures, hierarchies, and tasks; its resources and an organization's vision, which gives purpose and guidance for how resources might or might not be used. We argue that services cannot be isolated from these elements (2). Livework wants to position itself into more sustainable work by design. Organizations have had the intent to transition towards sustainable innovation (SI) they have faced challenges in the implementation of ideas towards sustainable futures (SF) (4). Some of these challenges include internal organization culture, building the right capabilities, lack of strategies, approaches, and tools available to managers, the need for new forms of multi-firm collaboration, value proposition, and poor consumer acceptance (3). Livework does transformational projects with large players as they have the financial capability to hire consultants like them. Hence the focus of the project is on large companies. From this graduation, Livework aims to identify the key component in the service architecture lifecycle building block from the model to help transform organizations towards customer-centricity towards sustainable futures.

Design has a human-centric, iterative ,and dynamic process which is beneficial for systemic organizational innovation. SI focused on organizational change, from inside out to outside-in perspective. Last but not least, design fosters stakeholder-driven approaches for strategic decision-making, oriented towards value creation, beyond the financial. Using similarities between design, and SI my role is to collaborate with Livework how can we take the service architecture building blocks for organizational change towards CC and re-imagine them for sustainable futures?

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Initials & Name P.S. Singh	Student number _5196108	
Title of Project How can we use Livework's appro	ach to org change for CC for SF?	

TUDelft

Personal Project Brief - IDE Master Graduation

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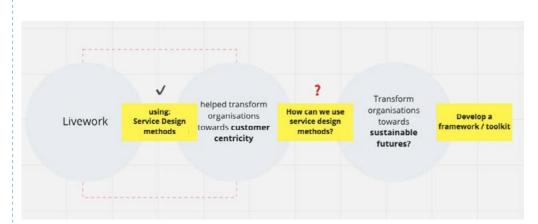


image / figure 1: Understand how has service design helped transform organizations towards customer-centricity?

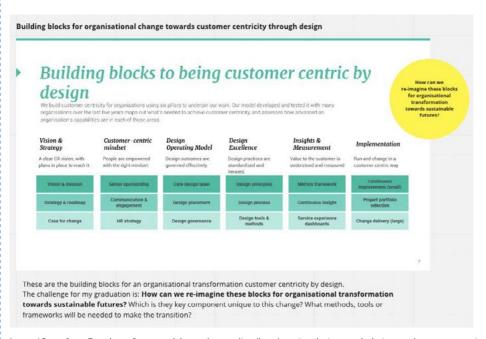


image / figure 2: ___ Develop a framework by understanding 'how' service design can help in org change to sustainability

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PROBLEM DEFINITION **

Limit and define the scope and solution space of your project to one that is manageable within one Master Graduation Project of 30 EC (= 20 full time weeks or 100 working days) and clearly indicate what issue(s) should be addressed in this project.

In an interconnected complex world of the alarming climate crisis, rising consumers, and consumption patterns, urgent action is needed to implement a system that fosters organizational innovation for sustainable futures. Organizations have had the intent to transition towards sustainable futures but they have faced challenges along the way. This transition will require a systemic view. Sustainable innovation (SI) is increasingly viewed as a lever for systems for organizational change for sustainability. Empirical research highlights that service design can support SI. Nevertheless, the value of service design to sustainable innovation is still often overlooked.

Livework is a leading service design consultancy that has helped transform organizations towards customer-centricity. Being future-oriented Livework is already preparing for sustainable futures and wants to help its current and prospective clients in this complex journey. Therefore, for my graduation, I will collaborate with Livework to understand and resolve: How can we adapt Livework's service architecture lifecycle approach for transforming organizations towards CC to organizations that are preparing for more sustainable futures?

Facing this exploration the following sub-questions arise:

- 1. How has the service architecture lifecycle tool helped transform organizations towards customer-centricity?
- 2. What sustainability frameworks bring together organisational change by design?
- 3. What can we learn and adapt from these frameworks to re-imagine Livework's sustainable model?
- 4. What is the unique lens for sustainability over customer-centricity?

ASSIGNMENT**

State in 2 or 3 sentences what you are going to research, design, create and / or generate, that will solve (part of) the issue(s) pointed out in "problem definition". Then illustrate this assignment by indicating what kind of solution you expect and / or aim to deliver, for instance: a product, a product-service combination, a strategy illustrated through product or product-service combination ideas, In case of a Specialisation and/or Annotation, make sure the assignment reflects this/these.

Develop a framework or toolkit for Livework for organizations transformation towards sustainable (human and eco-centric) futures, that builds on Livework's current 'service architecture' method for transforming organizations towards customer-centricity.

My research methodology will follow an iterative design methodology with four phases: discover, define, design, and validate.

Discovery phase: grounded in theory with literature review on what are existing organizational frameworks for sustainability by design? What is the unique lens for sustainable human and eco-centric development? How is it different from CC? Interview with key stakeholders from LW on how design is used for organizational change towards customer-centricity (CC)? What makes it work? Interview with key stakeholders who have made major strides in the transformation towards sustainable futures, to understand how did they manage this transformation? What worked, and what is next?

Define phase: Take these learnings and analyze and synthesize the findings and insights into a reduced number of opportunities. Reframe the problem statement and the solution space.

Design: From the insights deep dive into possible frameworks. Arrive at a framework best suited for LW. Prototype the framework into an artifact to be shared with key stakeholders who want to transition towards sustainable futures. Evaluate: Stress test the prototype with stakeholders in a workshop setting. Review through observations, note-taking, video/sound/photo capture. Capture feedback over short exit interviews.

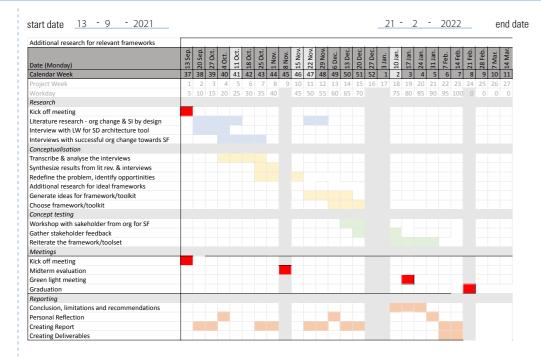
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PLANNING AND APPROACH **

Include a Gantt Chart (replace the example below - more examples can be found in Manual 2) that shows the different phases of you project, deliverables you have in mind, meetings, and how you plan to spend your time. Please note that all activities should fit within the given net time of 30 EC = 20 full time weeks or 100 working days, and your planning should include a kick-off meeting, mid-term meeting, green light meeting and graduation ceremony. Illustrate your Gantt Chart by, for instance, explaining your approach, and please indicate periods of part-time activities and/or periods of not spending time on your graduation project, if any, for instance



Abbreviations: CC: Customer centricity | SF: Sustainable Futures | Org.: Organizations | Lit.Rev.: Literature review.

I will be working full-time on my graduation. The process of the project is based on a general design cycle: research, analysis, synthesis, evaluation. Since there is little research on the topic, there is an emphasis on the research phase to reach out to the right stakeholders and spend adequate time to define the right problem statement. The grayed-out weeks are when I will taking a break to reflect and evaluate the progress.

Midterm is in grey to review and reflect after the mid-term check-in. There is also time set aside for winter break. According to my plan, I am taking 21 weeks to complete my graduation, the reason for this is to be able to avoid any spillover of work pressure and also accommodate national holidays. As per the planning, it looks like I'm only documenting at the end of my project. However, I plan to write each week something about my process to overcome a lot of documentation at the end.

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MOTIVATION AND PERSONAL AMBITIONS

Explain why you set up this project, what competences you want to prove and learn. For example: acquired competences from your MSc programme, the elective semester, extra-curricular activities (etc.) and point out the competences you have yet developed. Optionally, describe which personal learning ambitions you explicitly want to address in this project, on top of the learning objectives of the Graduation Project, such as: in depth knowledge a on specific subject, broadening your competences or experimenting with a specific tool and/or methodology, Stick to no more than five ambitions.

My courses throughout SPD have given me the confidence to take on a challenge to look into transitions of organizational design as a whole from a strategic point of view. Especially courses like DSP, SVD, and BPC. My electives on creative facilitation and sustainable business model innovation give me the direction and inspiration I need to pragmatically look into a topic of sustainability and stakeholder management.

This project aligns well with my future ambitions to work ambitions in strategic design in the field of service design and sustainable futures. I aim to gain hands-on learning experience in a real-time service design consultancy environment. Take the lead on practical tasks, research, and managing the project. I believe in collaboration and co-creation, so I will connect and ask for help when needed. I want to find the courage and confidence to understand the problem and find an ideal solution space that is implementable, viable, creates value for the stakeholders, and makes a positive impact on the ecosystem. I hope by the end of this graduation I am confident in my abilities as a SPDer to work in the field of organizational design for sustainable futures.

Why focus on sustainability?

Given our current global environment of climate change, rising consumption patterns, and increasing demands on resources, threats to biodiversity, urgent action is needed to implement a system that fosters innovation for sustainable futures. As a designer, I want to play an active role in making this systemic level change and also show the value creation of the triple bottom line (environment, society, and economy).

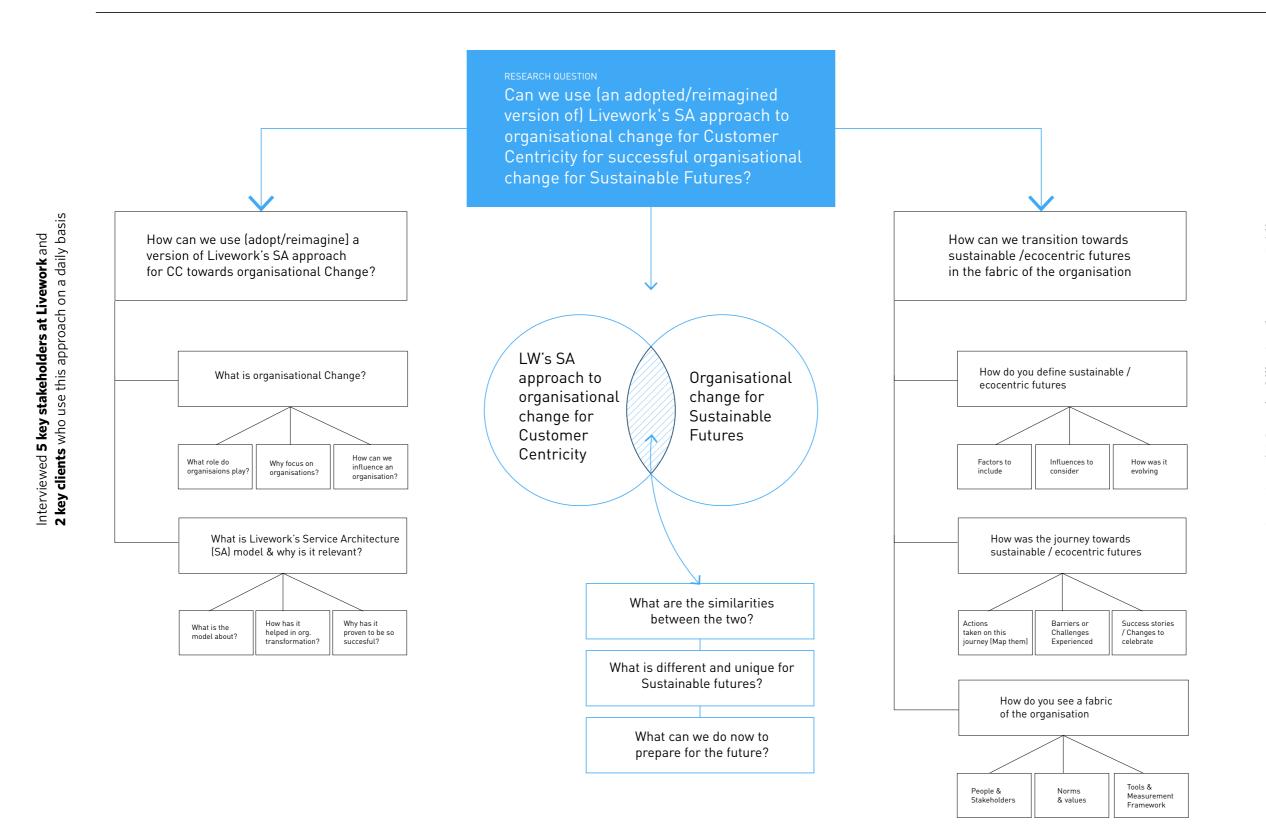
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8.2: RESEARCH TREE

This research map is a guide to keep the thesis on track. It shows how the components are connected and how they lead to the next phase.

Research Question Guide TU Delft & Livework



Interviewed **5 Sustainability Leaders** across 5 different industry verticals to get an industry agnostic overview of their organisational journey towards sustainable futures

8.3: FACT SHEET

This fact sheet was emailed to invite sustainability leaders.

How do we leverage design to transition the fabric of the organisation towards more sustainable futures?

SPD Graduation thesis topic with TU Delft & Livework

Key words: Organisational Change Sustainable Futures Service Design

→ Seeking partners organisations:



that want to introduce human and ecological factors in their organisational fabric.



share with us the crucial factors necessary for a successful transition of an organisation towards more sustainable futures?



enlighten us with your success stories of how your organisation has made the transition

Inquiring into the organizational system and its culture, people with their norms, values, beliefs, and behavioural patterns, given truths, has a strong influence on the ways services can be delivered and provided.

ORGANISATIONAL CHANGE

→ Your cooperation could help my graduation by understanding:

- → What are the challenges your organisation faces presently or foresee in the future when transitioning the fabric of the organisation towards more sustainable futures?
- → What are the crucial attributes necessary for the successful transition of an organisation towards more sustainable futures?
- → How did you create the ideal conditions necessary for a smooth successful transition in your organisation?
- → What has worked well and what can be improved in your organizational transformation towards more sustainable futures?

How to leverage design thinking, approaches, and methods to bring about these organisational changes?

Priyanka Singh | M.Sc. Strategic Product Design Graduation thesis with TU Delft & Livework



8.4: LIVEWORK SERVICE ARCHITECTURE (LSA) INTERVIEW GUIDE

LSA INTERVIEW GUIDE

Hi [Name], thank you for participating. I am reaching out to you as I've learned that you are a key stakeholder in the development of the CC model. As part of my graduation with TU and LW, I want to explore 'how can we use Livework's approach to organisational change for customer centricity for organisational change towards Sustainable futures?'

Our focus for this interview is on 'What is Livework's approach to organizational change for customer centricity? And what makes it successful?'

You're one of the owners of the model and have been working on and with the model, I value your opinion and your insight on the model. All the information shared with me is entirely confidential and for the purpose of my graduation. If at any point you feel uncomfortable, please feel free to stop the interview or ask me to skip the question.

There are no right or wrong answers, I only want to know about your experience about developing the model. And lastly, are you comfortable if I record this interview? This recording is for my research purpose only.

The four main focus points are:

Focus 1: Understand Livework's service architecture approach to customer centricity, currently.

Focus 2: Reflecting on the past understanding Livework's approach towards change mindset in organisations.

Focus 3: A walkthrough of the Livework service architecture approach.

Focus 4: Looking to the future and what's next in the pipeline.

Focus 1: Understand Livework's service architecture (LSA) approach to customer centricity, currently.

- How does LW define CC?
- Why is it important for an organization to be CC?
- What is the LSA?
- How did you arrive at this model?
- How has this model changed over the years?
- What were the contributing factors for the evolvement over time?
- What components of the model is unique to livework way of working?
- What makes this approach successful?
- What is your role in owning/developing the model?
- How long have you been working with this model?
- How did you get involved in the development of the model?

Focus 2: Reflecting on the past understanding Livework's approach towards change mindset in organisations.

- How does LW see or define org. Change?
- Why does LW think org. Change is necessary for CC?
- What attributes should an organisation have to enable this change?
- What value does this model bring to the client's organization?
- What are the attributes necessary for this model to be a success in an organisation?
- What are the disadvantages of this model towards organizational change?
- Why do you think it is important for organizational change to be approached by design?
- What are the biggest challenges of this approach?

What kind of mindsets, teams, capabilities are needed to work on this model at LW?

Focus 3: A walkthrough of the Livework service architecture approach.

- Can you give me a short walkthrough of the approach and its developments?
- Can you share if and how you share this model with the organization? Are LW's clients aware of the model being applied?
- How much does it vary per client or stakeholder?
- How has the model helped in transitioning towards organizational change for CC?
- What are the tools in this model that organizations often find most helpful? Why? Is there a story you can share to illustrate your statement?
- How do you create a shared language? When marketing and technology have their own language and culture?
- How does the team @LW work with this model? Who is the lead? Why? What attributes do they have?
- Do you have KPIs to measure the success of this model?
- How did you arrive at these kpis and metrics?

Focus 4: Looking to the future and what's next in the pipeline.

- What is in the pipeline for being developed next? Why that one? What is the Motivation? What challenges are you facing with developing those blocks?
- Does someone at LW decide on which component is to be developed next? Or is this driven by the client?
- Have you tried the same model for Sustainability? (Human and ecological factors) How did it go?// Why not?
- Do you have thoughts on how we can use this model for sustainability? Can this model enable those changes?
- Is organisational change necessary for sustainable futures to be a reality?
- What are the components missing from this model in your opinion to make the change towards SF happen?

Closing:Thank you for your time and participation, [name]. If I have any further questions or follow-ups, may I please approach you again to discuss them in my graduation journey? Would you be willing to participate again?

8.5: SUSTAINABLE FUTURES (SF) INTERVIEW GUIDE

SF INTERVIEW GUIDE

Hi [Name], thank you for participating. I am reaching out to you as I've learned that you are a key stakeholder in the making successful strides towards sustainable futures. As part of my graduation with TU and LW, our focus for this interview is on your journey/experience in the organization as it was making this transition. Also, celebrate your victories and discuss your challenges, and look a bit into the future.

All the information shared with me is entirely confidential and for the purpose of my graduation. If at any point you feel uncomfortable, please feel free to stop the interview or ask me to skip the question.

There are no right or wrong answers, I only want to know about your experience in this transition. And lastly, are you comfortable if I record this interview? This recording is for my research purpose only.

.....

The interviews aim is to learn about four main focus points, which are:

Focus 1: Understand the current mindset of the organisation towards sustainable futures.

Focus2: Reflect on the journey of successfully embedding sustainable futures mindset into the organisations' fabric.

Focus 3: During this journey what were the challenges/ barriers faced by the organisation and how did they overcome them?

Focus 4: Looking to the future for their organisation, what is next in the pipeline?

.....

Focus 1: Understand the current mindset of the organisation towards sustainable futures.

- How does [your org] understand sustainability/ecocentrism?
- How did you arrive at this definition?
- What was the driving factor/force behind this definition?
- When was this definition introduced?
- How long has this been in motion/implementation?
- Who put this definition in place?
- Did this definition come from bottom-up or top-down?
- What inspired you to get involved in this transition?

Focus2: Reflect on the journey of successfully embedding sustainable futures mindset into the organisations' fabric.

- How did [your org] leverage SF thinking within the fabric of the organization?
- How hard or easy was it to adopt these into the fabric of the organization?

- What was your role in owning/implementing this change?
- How did [your org] create an ideal environment necessary for a smooth transition towards SF? / What actions did you take during this journey?
- Were there other stakeholders? What were their roles?
- How did you get their buy-in or involvement?
- How long has [your org] been working on this transition?
- What were the goals set in place and by whom?
- Did you have guidance from an external firm or consultancies or was this driven internally?
- Were there or What metrics/KPIs were put in place for this to measure the change?
- Can you name a few and walk us through the impact assessment criteria?

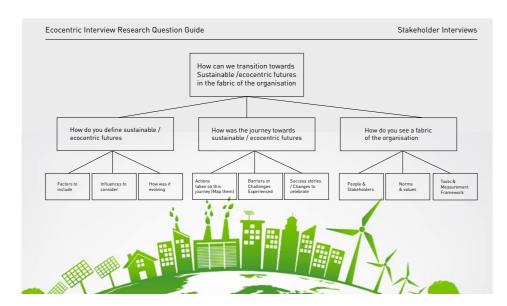
Focus 3: During this journey what were the challenges/ barriers faced by the organisation and how did they overcome them?

- What are the crucial factors or attributes for a successful transition towards SF?
- What are the challenges [your org] faced when transitioning towards SF?
- What actions did [your org] take to overcome these challenges?
- Can you share a story/anecdote of a success story and what impact did it create?
- What are the achievements [your org] are most proud of in this journey?

Focus 4: Looking to the future for their organisation, what is next in the pipeline? What is next [your org] in this journey?

- Looking back what are there things you wish [your org] to do differently and why?
- What advice do you have for other organizations just starting out on this journey?
- How can they overcome their challenges within their organization?
- How can we build a sustainable development culture?
- What are must-haves, nice to have, and can be discarded at the start?

Closing: Thank you for your time and participation, [name]. If I have any further questions or follow-ups, may I please approach you again to discuss them in my graduation journey? Would you be willing to participate again?



This research map is a guide to keep the thesis on track. It shows how the components are connected.

SF INTERVIEW: Lise | Bugaboo coded line by line

Interview with Lise, Bugaboo

Pri: So I got an invitation for a miro board. I'll share that link later. Because that's just, I thought it'd be fun to work together interactively. If we can do this in person, then try and do it over viral. That was my thought. They saw me something super simple. Why don't you tell me a bit about bugaboo and your role? And how you came to it?

Lise: Yeah, um, well, I worked for bugaboo for seven years already. Um, and I started in the product development departments a little bit on well, back then we still had like an r&d department. And I was really focusing on production processes and materials. Really nice. But when you look at production processes, you also see the things that are wrong, or at least that can be improved, not only efficiency wise, but also environmental wise. And you see, the people that work there, you know, you just you got to know really the value chain of your products. And I was like, okay, we can change some stuff over here. So after a few years, the opportunity arise that within bugaboo, we were like. Hey, we always care for our people. And we want to know where our products are coming from. And we make them long lasting, and preferably modular, so we can easily replace certain parts. But we never voiced this to our consumer, we never put this together in one strategy, or, you know, what are we actually going towards with this, there was no bigger why behind it, which is when we started to focus and say, like, okay, maybe we should have something like a sustainability strategy or do something around it. And it was really new for the company back then. So that's like four years ago. And I was involved, really from product development. So I was the lead, for product development on sustainability. And really see how we can change things that, you know, the way we were doing business. At that moment, you also knew, and you noticed, it was new for the company. And even back then the topic was quite new, I mean, the topic of sustainability and climate change and climate crisis, and also the social parts of it, it really the awareness around it, and the recognition around it really increased in the last couple of years. So about four or five years ago, even within our company, it was like, Yeah, of course, we need to do something about it. But without any extra resources. And without any extra budget, you know, just go ahead and do something that was like the, the vibe. So it's, and I also noticed that a lot of people, it's a change, you know, it's actually just change management that you're doing. You need to implement a change of how people approach, you know, first of all, their mindsets, and a lot of people already had with embark have already had this mindset of, okay, we need to care about the world around us and the people and the environment, but then really implementing it in your work and your day to day work. That was huge. You know, it's like, oh, I need to do something different. And change is always a bit scary. So even though you're changing for the good, it's still scary. And people were like, hesitant sometimes to do this, or to put budget behind it, or purchase different materials like Oh, but will the quality be as good as we are having now and what we do towards our consumers? And what if we get a backlash, you know, like, we are chasing one thing, but we are not changing everything else. So how can we explain it? And and I really noticed that back then, most of my time. I was just working on creating awareness amongst employees, and really guiding this, this this change process, it was like change management. So that was doing and also towards the board. And I noticed and also when I look back at it now, if there is not a clear sponsor in the board, and if there is no budget behind it, you can do a lot of awareness changes, but you will never change the company. And never really change the I mean, we make products. So we never really change the products that we're making. If there is no mandate from the board, or if there is no budget from the board saying like, Hey, you can go to a biobased material, but it will cost double. Go ahead. You don't have that mandates. You simply cannot do it. So back then I focused a lot on the supply chain and on the factories and on getting certain certificates and it was the freedom I had. But only since this year actually since the beginning of this year, the CEO, the current CEO, that CEO that we're having is heavily involved and any of them asters as a company we were sold a few years ago, we had a reorganization and all those things also don't really help in getting your sustainability strategy up or running. So, actually, only this year, the time is right to really start thinking about changes and really implementing a strategy. So it takes a long time. And looking back at it, it's needed that time, you know, people need to adjust.

Pri: Yeah

Commented [MOU1]: Her role in product R&D gave eyes to what could be done better environmentally

Commented [MOU2]: Get an overview of Value chain partners

Commented [MOU3]: Care about its people

Commented [MOU4]: First spark of Making product sustainable

Commented [MOU5]: Not a strategy, not communicated to customers, not clear what to do: sustainability needs direction

Commented [MOU6]: She was sustainability lead when the topic was new

Commented [MOU7]: Hot topic now

Commented [MOU8]: Without funding and clear vision it was hard to go to the next step

Commented [MOU9]: Change mindset management

 $\begin{tabular}{ll} \textbf{Commented [MOU10]:} & \textbf{Implementing in day-to-day} \\ \textbf{working} & \end{tabular}$

Commented [MOU11]: Quote

Commented [MOU12]: Change is scary

Commented [MOU13]: Creating awareness for changed mindset

Commented [MOU14]: Quote: without board support you will never change the company

Commented [MOU15]: without board support you will never change the way products are made. Costs are doubled.

Commented [MOU16]: Back then, she focused on supply chain and their certification

Commented [MOU17]: Currently there is support from senior leadership so things are progressing well.

Lise: But it's also sometimes hard, because so you can do a lot of things bottom up, do you need buy in from the board, Otherwise, you just can't really make long lasting changes.

Pri: Okay. Yeah, that sounds very believable. I'm also curious, because you said that this was something new when you started out. And I was wondering like, now, when you look back at the past, and you're looking at the present, do you? Do you feel like from where Bugaboo was to where it has come to, you have a clear idea of what sustainability or ecocentric goals you're working towards.

Lise: umm now I have, but only now, because we had really dedicated projects about this at the beginning of the years together with the CEO, and together with our investors. I mean, like, hey, if we want to improve ourselves, we need to set goals, and we need to certain focus points. What do we want to focus on as a company? What is most important? And what do we want to achieve in three years from now, but also in the longer run? For example, with co2, I mean, that's one of our biggest focus points, we make products. So we do emit some co2 in scope three. So we need that part. And let's calculate first, you know, where are we actually? And then how much do we need to reduce if we want to contribute to a better climate. So those are starting points that were actually only implemented this year. And before that, it was really sometimes damage control, and really more focusing on the supply chain part, making sure that we had all the audits there, that we had our suppliers on board, that we create the awareness with our suppliers. And did we have things more and more on paper with actual goal setting and really knowing what we work towards that only happened this year.

Pri: Oh, great. And you started working on this? Like you said seven years ago?

Lise: No, I started out. I started like, four. Yeah, I think four years ago, full time on stability.

Pri: Yeah. Okay. Wow. Yeah, I think so it is. Do you? Do you feel like it's still very new for the organization? Or do you feel like now there's a better conversation going within the organization or what we want to do? Lise: |There's a better conversation going, and, but sometimes, it's still difficult because it will, it will cost money. And maybe it's better if you have, | don't know, I think in the future, we will have more co2 taxes, for example, from certain governments. And if you have like the true pricing, to have a better comparison, because now you have your product price, and then you come up with something better, or you need to have renewable energy, or you need to have certain materials or whatever. And it's, it is more expensive. And even though you're doing the right thing, it is still like for a company, it's like, oh, okay, so how can we budget this? Will we go for it? And how will we account for it? You know, will it just take a lesser margin? Or will we increase our prices? Or how do you pay and how do you deal with it? And that is still still there? | I think the mindset is, is strong, and it's something we cannot deny anymore, we need to do something and we want to do something on the social part, and on the environmental part, but then still, how much do we want to do? | To which extent Yes, still very much a balance -- cost wise, also, of course, capacity wise, what can we do as a company? And then also still the change in people minds? Like, yeah, no, of course we want to do something, but to which extent!

Pri: I love this. Okay. This is very interesting, because I was one of my questions also was like, what could be the driving factors that brought about this change within bugaboo?

Lise: I think it's twofold. One of the driving factor, well, maybe three fold. One of the driving factors is the company that we are, we are quite young company, we are aging. We're all aging but we're still quite a young company with a mean for the employee. The workforce is quite young. We are very much a consumer facing brand, we are a high end premium brands, you know, and we make high quality products. So it's, it feels natural, and a lot of people who work with us care, and a lot of people have this on top of mind. So it's like internally, it's like a force, it's like, Hey, guys, we need to do something that helps still, like I said, and implementing it in your day to day job and having it as a company goal, really part of your bigger strategy, then you need a bigger driver. So having the CEO on board, and our investors really made the change.

Pri: Okay,

Commented [MOU18]: Hard to create long-lasting change bottom-up

Commented [MOU19]: Set goals and have a focus point

Commented [MOU20]: Product focused: So relevant goal

Commented [MOU21]: Calculate for their org and what impact they want to create

Commented [MOU22]: Before: damage control. Spreading awareness.

Commented [MOU23]: Sustainable clear direction and goals started 4 yrs ago

Commented [MOU24]: Cost is a factor

Commented [MOU25]: If CO2 taxes rise, prise rise, how to compensate for P&L

Commented [MOU26]: Mindset is strong, cannot ignore anymore.

Commented [MOU27]: Balance – cost & capacity & what they can do as an org.

Commented [MOU28]: Young company

 $\begin{tabular}{ll} \textbf{Commented [MOU29]:} High quality consumer facing brand so they want to show they care \end{tabular}$

Commented [MOU30]: Org Goal, Leadership support, implementing in day-to-day,

SF INTERVIEW: Lise | Bugaboo coded line by line

Lise: I, in the beginning, I found it hard to admit, because I was like, you know, we can do this change anyway, we will just start bottom up, and we will go for it. But now I realize if you have to buy in from the board, and if the if the CEO says that we want to do this, we just we do it, you know, and it helps.

Pri: Yeah,definitely, definitely. And I'm also curious as to like, Did you once you got the buy in from the board? Did you sort of get together and say, Okay, this is these are the sort of value propositions we want to put down? And then, like you said, they wanted to work towards both social and environmental. And the question is, how much of which can we actually do at the company? So did you because I still feel these are very broad terms for any anybody like for a human capacity to understand. So I'm just curious as to like, how did you guys come up with like, Okay, this is how we define social. And this is how we're defining the environmental.

Lise: Yeah, so we had actually, from January, February onwards, beginning of the year, towards the summer, we had a project going on together with our investors, so really including them, and on a weekly basis, almost that it was for them, like a pressure cooking project, although it was half a year, you know, it really was a short focus project. And then we said, Okay, now we really need to define our strategy. What are our focus points? And how are we going to move forward? And we quickly already came up with, okay, when we have a decision, you know, so we want to focus our, what is our strategy, we need to come up with it. But then underneath it, what are our focus points? And we said, Okay, we are we make products. So one of the focus points will be our products, the other focus for it will lead to people. And then we took it further and further, and within products, we say, Okay, what is most relevant to us? What is our biggest impact that we're having, and it was clearly co2, because we do use fabrics, but we are not a textile, or a fashion brand. For example, with fashion brands, you also have a huge water impacts. But for us, water is less than co2. So we said, okay, let's focus on co2. We don't exclude everything else, but the focus is co2. How can we focus on co2? Let's commit to the science based targets. So let's measure what we're doing now. What is our baseline 2019? Is our baseline, our base year? What was our emission then? And where do we need to go towards if we want to contribute to limit global warming to this 1.5 degree. So we are in the process now. And it's like some discussions, you know, like, we have in our school, three our intensity targets to lower the emissions per product. So per stroller with 40%, we still need to communicate this externally. Yeah, this is now in the final final process of handing in the science based targets is quite a lot of work. That we know we did a quick scan, and then a more detailed scan, but we quite quickly realized that we needed to reduce quite a lot. So reducing 40% It's a lot, it's really means that you need to change materials. So within that first half year, we also showed like, Okay, if we want to reduce 40%, it means recycled fabrics, it means bio based plastic, it means recycled aluminium, not one of them, all of them. And we just went out to the market, see what the prices are see what the impact would be having our growth perspective in mind. And then we presented this and say like, Okay, if we want to do this, this is an estimated price. And this is what it will cost in the upcoming year. And you know, we don't have to do everything at once wants to change and you can't go back so these costs will stay. So those were heavy well not really heavy, those were discussions like okay, how do we approach this and how do we want to deal with this? And that's when we really start to make things very specific. Yeah, so in product it was co2. and then you have a lot of data and a lot of things to show. The other part that we're focusing on the circularity and long long lasting because our product stages they are very high cost and they do last for a long time. I mean, a stroller you're using it maybe for three years, but we design and we engineer our strollers to last for 10 years. And so we were like, we need to do something about this and we need to act upon it. And so we in our product scope, we have co2 and circularity, circularity is a little bit harder to measure or to put KPIs behind. So we are now approaching this in in two ways, one with new business models. So we implement leasing and refurbishment. And we are starting in Europe, we just got started this earlier this month, or last month in October. And we want to expand this of course, throughout the uncoming years with partners by our own we are really it's a different way of doing business. So it's also an inspiration. And then also from a design point of view. So we are looking into setting up design requirements like okay, you can only use renewable or recycled materials, you cannot glue stuff together because it means that you cannot easily separate them really make them modular, those are the things we are thinking about now that it's less exact than the co2 part. With Co2 you have numbers, you have to go there. With circularity it's, it's more fluent or something. And that's also sometimes it makes it more

Commented [MOU31]: Bottom up change is hard

Commented [MOU32]: pressure cooker project with investors to define the strategy sustainability

Commented [MOU33]: Focus on products, it will lead to people

Commented [MOU34]: Products so focus on Co2

 $\label{lem:commented} \textbf{Commented [MOU35]:} \ \mbox{What is the org commitment to this goal?}$

Commented [MOU36]: Next step communicate externally.

 $\begin{tabular}{ll} \textbf{Commented [MOU37]:} What implication this approach has on the products? \\ \textbf{On cost?} \end{tabular}$

Accurate reporting

Commented [MOU38]: Product focused: SO two goals: Co2 & circularity

Commented [MOU39]: Hard to put KPIs for circularity

Commented [MOU40]: Design pov on how to make it circular: modularity

difficult, difficult to understand this well. But we're learning and we're growing and the EU is, you know, focusing on circularity as well, they're not going so fast, but at least they're focusing on it. So we might as well and we try to put focus there. So it was for us quite easy, you know, what is our focus point co2, because that's our biggest impact. So clarity, because we make products that are so long lasting, and are still such a high quality, let's make sure that they can be reused and reused every time. So for the product part that was a, an easy, maybe not to, to execute, but it was an easy focus to come up with.

Pri: Yeah, yeah, that's, that's very helpful for me, give me a very like, well rounded picture of this. But I'm also curious, like, what do you think the social component of this is covered more in circularity, and then the co2? And you said you also did like a science based target? So these were studies provided by the EU, I? Or did you do a little research,

Lise: we did it ourselves actually. In a science based target, it's it's an initiative initiative, it's a global initiative. And you can apply to it. And they call themselves science based, because they have this calculation platform, you can put in the emissions that you're having, and they for a base year, and then you put in your target here, and then they say how much your emissions can be in the target year. So by debt, they really make sure that you contribute to limit the global warming, I mean, you can reduce your emissions, but to what extent when when does it have any effect with their calculation methods, they show like, Okay, you need to reduce 30%, you need to reduce 20%, to contribute to limit the global warming to 1.5 degree. So it's a nice platform to use. They're quite strict. They're also quite popular, they entered waiting line now in order to be assessed, so I need to hand it in this week. But I already know that I will only be assessed next year. So you know, there are a lot of companies applying to it. Yes. But it also seems quite real. Because otherwise, it's very hard to know, how much do you need to reduce to have any contribution?

Pri: Exactly. Yeah, I know, it seems at least it is bit more exact than the circular economy targets. That is true. But then how many of you are working on this? Like you said, you had a few stakeholders and investors buy in? So what do you think of your team sizes that is working towards this?

Lise: Um, it's not super big. It is scattered in the company. So we have of course, the buy in from the higher management. And the day will not execute the ideas, you know, so you need people to really work on everything. So from almost every departments, I have one person who can dedicate 0.2 towards 0.5 FTE (full time employee) on this program. So from the engineers, I have one engineer who is working one day a week to help me with calculating the co2. From the designers. I have one designer who helps me two days a week to make sure that with the new projects, we keep certain directions in mind from the sales team. I have one girl so one colleague for 0.2 FTE so one day a week as well. Who is our bridge for the donations because we are have several markets. And we really want to do to donations as local as possible, really to your local women's shelter or your local hospital or whatsoever. So the markets need to execute this themselves. And she is our, our bridge. So she has some dedicated time to really make sure that we draft the policy together sees the voice of us, as is the voice of the market. So to say, with this, we have several people throughout the organization who help and I think it are not super many, but maybe seven people within the organization, who are then allowed to work at least one day a week on this topic. They don't report to me. I mean, they have like a dotted line for that one day week. But they are in your own department. Of course, if they work in sales, they work in sales but for that one day, then I have the oneon-one and we guide them.

Pri: That's the acquire holistic picture. So I was actually thinking I've put this deal together, I could be great or could be a disaster, but I just wanted to try it out with you. I wanted to understand a bit about like, what do you think were like your three big challenges when you started out on this journey? Because like you said, This started a few years ago, but it's actually only coming into fruition today. So on the Miro board, I can share the link. It's in the chat. Share it again.

Lise: Yeah, I should have it. I need to of course, then get into it.

Pri: Oh, yeah. I mean, I hope that's not a big challenge.

 $\textbf{\textit{Lise:}} \ \mathsf{No,\,no.\,I} \ \mathsf{used\,it\,before,\,but\,it's}$

Commented [MOU41]: Co2 clear targets. Circularity not

Commented [MOU42]: Externally EU is focusing effort so it is easy to do this now.

Commented [MOU43]: Individual to org Clear measures to calculate Popular and trustworthy assessors

Commented [MOU44]: Cross departmental team, scattered

Commented [MOU45]: 7 ppl in different depts. Work one day a week.

SF INTERVIEW: Lise | Bugaboo coded line by line

Pri:Yeah, I would have loved to do this in person. Yeah, you here. I see you're here. Yeah. So I mean, this is just I'm putting, I just thought you could fill in this together, just maybe starting with like, your top three challenges, like what were they? And if you have if it gave it some thought, and you're like, Okay, so these were definitely there are many, but these are my top three that I had to get over. I just put these blue posted here to three different

Lise: Yeah. Let me think.

Pri: It is hard. I completely get it. You can also just write five. I'm okay with it.

Lise: Yeah, no, I think maybe the first biggest challenge was to transfer people's enthusiasm to their day to day job. So the Awareness. Yeah To their day to day job. Wait, shut this down. Sure. Yeah, so really make a job related. Because a lot of people, nobody will deny that they want to do good for the world to do good for the environment or for for other people. Yeah. But then making it part of their job and making it a top of their mind when they purchase materials or something that was a that was quite hard. Sometimes, by the way. Um, another challenge, yeah. involving the management involving the board, the higher management. Yeah. And then maybe the third one is making actual so setting the goals. Needed a second and a third went hand in hand. But I can imagine that even if your board is like, Sure, go ahead. Yeah, really knowing what you're going towards? Yeah. It's sometimes hard because, like I said, for example, with the co2 production, we need to immediately also know what the true impact will be cost wise supplier wise, you know, it is it suddenly becomes a very big stain. You know, and it suddenly affects a lot of people think these gosld was, it's quite hard.

Pri: Yeah, I know. I am. 100% agree with you. I think this is it is such a big challenge that people are actually delaying it further so that they don't have to deal with it. But I'm also curious to know Lise, why do you think it's important for organizations to play a role in this?

Lise: Because I think organizations can drive change. If we have to wait for governments. They are just, I mean, they are doing their part of course and even now with the COP26 You know, all the governments are saying that it's important that they are ready for the next step and implement stuff, but they're very bureaucratic and very slow. That's just the reality, they will not have like, legislation changes overnight. It takes a little time. And you can wait for the governments but you can also start your own chains. And I think, are these I feel that me personally or me with a company, I have way more impact with the company. So I think if every company does their part, we can have a huge impact. And other companies, they want to see change on quite a short term. I mean, even now with our investors, they were supposed to make, like this long term plan. And they they said it for three years. And I was like, three years is not long term. But for them it is. And so we now made like a three year plan and a 10 year like the far future, a 10 year plan. But everybody wants to see changes within those two years. So you really act upon it and with a lot of companies that is like that, that they really want to, you know, implement stuff and see change. And yeah, work on it And companies, to my belief will have way more impact than then the government will have

Pri: that very interesting. Why do you say that?

Lise: Because I think the government's are just too slow.

Pri: Okay, with that. So this is great. So for on the Miro board, what I actually ended up doing was I thought we could ask, we can continue the talking format, or we can just play like we used to as kids, which was just, you know, map some things together. So I was wondering, like, in the journey that you've described so far, I was just curious to know, like, if it was this challenge about transferring the enthusiasm, or like you said, first, and the second one about involving the board went hand in hand together. And sort of see the organization maybe divided into certain layers, or the process divided into certain layers, where it's in terms of the depth of the change that has happened, probably is from, like, when the vision and the mission of bugaboo changed, or when you got a senior leader to join in. And then it's also what you described, the people and the employees. And then there's the tools that you put in place, or to make certain, you know, frameworks fall into place, which is when you need to start putting together certain

Commented [MOU46]: Challenge 1: Enthusiasm to their day-to-day job. Awareness.

Commented [MOU47]: Making it top of their mind

Commented [MOU48]: Challenge 2: involving higher management

Commented [MOU49]: Challenge 3: Setting goals.

Commented [MOU50]: Challenge 2 & 3 go together as sustainability needs direction.

Commented [MOU51]: Orgs drive change.
Govt. have initiatives but are bureaucratic and slow

Commented [MOU52]: Legislations don't change overnight. Org can affect supply chains and create impact faster.

Commented [MOU53]: Longterm plan of 10 yrs but investors want to see results in 2 years.

measurements that you know, okay, by the end of, like, the first year, second year, third year, and like you said, you also done the next 10 year planning, so this is perfect. I sort of was wondering, like, if we could just use maybe the emojis are something to start with. Okay, so to solve my first challenge, I did this, this, this, this, and you could just walk me through a journey.

Lise; Yeah, nice.

Pri: Sorry, it was too complicated.

Lise: No, no, it's not, it's actually really, really effective. Um, and I think, ah, the measurement and framework. I think for us it took like.

Pri: you can actually just even start, like, I know, you told me that who involve the senior leaders happen? Maybe at the end of four years of this?

Lise: I think there's a I mean, you have to I can stand. So maybe we can use two of them? Because, of course, they were involved at the beginning. Because otherwise I could not spend my time on it. You know, I wouldn't have the job description. There's a difference between saying 'Go ahead', or between like, yes, we will put our money where our mouth is, you know, so I think there's a gap. And this gap is very noticeable. But only after four years for us. The change really came with this mission and vision, it only came after four years.

Pri: Oh, okay. All right.

Lise: Like the true mission and vision, of course, you you want to have you know what, I have a certain change, and I want to do good, but actually setting targets. And it also changes. Because after the first year, we had like six focus points. And it was like way too much. I mean, now we have two 'people & product' and underneath it, there's of course many different directions. But back then we had like six high level focus points, and it was just not realistic. So also over the years, you you evolve, and you get it off the table and then back again. Yeah, and only now we are really at the point as a company to say like, Okay, this is the focus we need to have and this is what we're going to do. So the true mission of vision and mission only comes now with the engagement of the senior management.

Pri: That's great. And then did you Like when he said, I love the people and product thing that's really nice. If there's someplace I can read more about your new policy,

Lise: not yet, you have to wait until like January, February we we Okay, making it an internally it's quite clear but externally, you know, internally, it's very much like corporate communication, you know, it's like this is no program. But if you want to put it on a hang tag or on the shop floor or towards your actual consumers its not attractive. So we are finding out we are working with an agency to make this internal program really having any consumer facing message. It'll take some time. So we only have it beginning of next year.

 $\mbox{\bf Pri:}$ Is it okay for me to ask who the agency is? Or

 $\textbf{\textit{Lise:}} \ \ \textbf{Yeah, no, for me, it's okay. It's Salterbaxter.} \ \ \textbf{There are long, London based agency.}$

Pri: Okay. All right. And the reason for choosing them was

Lise: they really have experience in making a communication framework on sustainability. So there are of course, many agencies out there. And we were not really looking at an agency. Yet to make the actual visuals. For example, we really looking at this agency who can make the communication framework, not our strategy, but making it communicatable. We had several several, we had like three or four agencies, and Salterbaxter just came out the most strong, most bold as well. And it's what we like, as a brand. So yeah, that's the that's why we have them.

Pri: Okay, so then I sort of put the, like an arrow bit connecting the vision to the employees we've got and that something not happen next year, which would already be I guess, around five years for you in the

 $\label{local_commented} \begin{tabular}{ll} Commented [MOU54]: Only after the mission vision change did the direction come. \end{tabular}$

Commented [MOU55]: Choose focused goals & targets: People & product

Commented [MOU56]: Quote:

Commented [MOU57]: External customer facing communication next step

Commented [MOU58]: External Partner: for

SF INTERVIEW: Lise | Bugaboo coded line by line

process. And that would help communicate, not just like, people within the organization, you're also looking at people like your, your customers and consumers, right?

Lise: Yeah, yeah, definitely, we really have it separate. So we have our internal communication. And we have, well, earlier we had like this Ambassador team, and really try to engage people internally hosting movies and lectures. It went off the table, and now it's coming back on. So we really want to have this enthusiastic workforce. But we also have our consumers. So you really differentiated what we do internally with ext or externally, of course, we have the same message. But the execution is very different. And we always try to involve our internal workforce first. And then the consumer

Pri: how like is do you have certain like tools and artefacts that which you use to pass down this? This this new vision or the like, how you're saying, how do you involve them? Like, do you use some sort of? Is it through emails or newsletters? Or do you have workshops together, or some

Lise: All them actually, so we are having our newsletters, not really emails, because people get just too many emails. So we have our newsletter and our monthly company updates. So it's like a town hall updates, and where we talk a lot about our ESD program. But also through trainings so we started from this summer, when we finished more or less the vision and mission with the senior management, we started to host trainings for all our departments, and explaining like, Hey, this is what we came up with and how we want to execute it. We don't have the details, but this is the plan. And so we try to involve people. And from there we are building and we are now I think the core team, like I said, you know, the different people who work on it. But it all started with with the trainings and the company updates

Pri: that, and then how do you feel like over the four years now, this, like one of your first challenges is like, you know, getting the enthusiasm into the day to day job. Do you think that started to happen a bit more now?

Lise: Yeah, yeah. I had, I must say, between between year two and year three, so to say we had a big reorganization and we were sold as a company, like I said, so it doesn't a lot of initiatives that we were having, like an ambassador team and some awareness programs internally, they went off the table because it was just, you know, the organization changed so much, that those Yeah, that the internal awareness also just, I don't know, the initiatives weren't there anymore. And so that had quite some effect on this program. But then still transferring it to their day to day job. So the people or the employees were involved and were very enthusiastic, but then more in like cleaning, do cleanups around the office and stuff like that, but not in the day to day job, and the transfer to the day to day job only happens now, because now we have the mandate to really do change. I mean, people, it's it's funny, you know, if you ask people to like, hey, let's do a cleanup, would you like to help? And everybody's like, yeah, sure, hey, let's change your job. They're like, yeah, if my boss doesn't say I need to change my job, then why should I change my job? You know, so what do we do my job? Only now when we have this mandate, and the vision is clear. And we are things I know materials and stuff like that. Yeah. Then it's it feels like allowed to, to do to act upon it.

Pri: Yeah, I can understand that sentiment that you also feel that, like over the you've been doing it for like four years now, do you have certain things that you're extremely proud of right now.

Lise: umm Well, I am proud of the fact that in the early years, I was able to really make everybody very enthusiastic. Everybody was it was such a part of the company we had every three, four weeks, we had a movie screening, or we hosted a lecture and workshops from external parties and other companies who came over. And it was really alive in the company. But it was only on awareness. And that tipping points to really acting on it as a company only came out. So I'm very proud that I managed that. And nowadays, I'm really proud of the fact that for example, I'm about to hand in these co2 targets. So CO2 based targets, yeah, it's really a lot of work to measure what you're doing as a company, and to really try to avoid assumptions as much as possible with really measure your impact. Yeah, it's it's not only so much work, it's also feeling quite awarding, you know, like, hey, now we know what we're doing. And we are going to

Pri: Oh, yeah, that sounds wonderful. And do you like today, when you're sitting here, and now you're like, Okay, things are finally aligned. I'm extremely excited. How do you see like the next five or 10 years going,

change it. So that really feels Yeah, that's something I'm really proud of at the moment.

Commented [MOU59]: First: Internal Second: external communication is separate. Ambassador team engage ppl internally hosting movies & lectures

Commented [MOU60]: Internal communication: Newsletters | Trainings| Town halls.

Commented [MOU61]: Started with lessons with senior management

Now involving people in departments

Commented [MOU62]: Reorganisations / Change in leadership can impact progress and success of projects

Commented [MOU63]: Before: without leadership & vision efforts were diminutive.

Not part of the day-to -day

Commented [MOU64]: Build enthusiasm

Commented [MOU65]: Awareness: Movie screening | Workshops from external parties
This was also the tipping point in the org towards sustainability

Commented [MOU66]: Proud to hand over science based targets for CO2

Lise: um, a lot of implementations, I also not sure what is coming, you know, was always fighting to get the strategy, you know, something, and now we are there, and we start to roll out things. And I'm also quite curious if my role will now suddenly change more towards project management, almost, you know, that to make sure that everything is being implemented, or that you are that and that's also up to me, or up to the organization that I'm staying in this to strategic corner, and keeping ahead and making sure that we adjust the strategy along the way, making sure that I read my white papers, and that I'm aligned with what the EU is doing. And I think it will be a combination of both, because it certainly will be very practical, because we do need to change, you know, we now need to do is we also need to keep aligned with what is happening in the world. So I think it will be very much a two fold in my role. And yeah, it's really nice. And what I also like a lot is that I have to work I have to work with a lot of different people. Because you're changing a material. Yeah, mostly means changing suppliers. So I need to work with our procurement team, working with engineers seeing if the technical properties are the same, working with our management team, like how are we going to voice this towards the consumer. And it's going to be more and more a Yeah, I don't know. Like really engaging everybody and making sure that they stay engaged.

Pri: But this this is slightly off topic question. But now that you brought this up about the supply chain and vendors, I'm also wondering, like, is that? Is that a big challenge? To get them aligned on your vision? Or if you do then just like how do you manage this? How do you manage it with your vendors? Lise: Yeah, I'm most of them are aware and willing to cooperate? Not all of them and some of them are harder, but we decided to target 70% of our supply base of buys spent so you know really 70% where we spend most of our money You know, where we have most of our orders and buy most of our raw materials. That's where we focus on. And it is for us, we are not a very huge company where they're like 15 suppliers, it's not, you know, we can handle it. And plus, we have the big advantage that we have our own factory In China. We produce in China, we have our own factory there with a lot of engineers, and we have it already there for 10 years. So it's really like a Knowledge Center. But with a lot of local people, so they talk to our suppliers directly, they drive to them, they go to those places on a regular basis. And already for years, we conducted our audits with them, but they were internal audits from from bugaboo itself. So it's hard to tell the audience like you know, the outside world, like, we think it's a good supplier, you know, you need to have a third party verified. So now we are bringing on board for already a few years, this third party verification, it's not a big change for a supplier versus was asked asking how they deal with people or waste water. And now it's a third party who were asking the same questions, but then it's a different person. So we managed to keep them on board. But we also take them by the hand sometimes I post trainings, and we host them in our own factory. So we invite all our suppliers to our factory, full day

Pri: Yeah, that makes Yeah, that makes a lot of sense. It's a really good suggestions in there. So if I'm gonna pick your brain just a little bit more, keeping in mind the time if you now look to like the future, and you're also seeing your other organizations within EU trying to make this change, and some of them are scared, some are struggling, some are trying but not clear. What do you what do you have as an advice for like, okay, these are the crucial attributes, I think that are successful for that transition.

training, we pay most of the times their verification fees for these third party verifications, and auditors. So

we help them we make it quite attractive to, to join to join us.

Lise: And focus, first of all, really focus now you and it's hard. And I also sometimes get the question, like, why don't we focus on water. And I'm like, we are not forgetting a water. I mean, you see it now more and more as well that sometimes people have this tunnel vision, but then only for carbon. But for us, carbon is the biggest, the biggest part where we have our impact, but it's never standing on its own. I mean, if you improve your carbon footprint, you most of the times also improve the work environment or your social footprint with it, you also improve most because you change materials or you go to renewable energy, you most of times also improve your water footprint and your biodiversity. So it includes automatically a lot of things, even though it doesn't have your highest focus, but you need to choose. And maybe for another company, it is water, it's not co2, but it's water, but then stick with it, you know, focus on it, try to measure it, and try to set a goal for yourself and you cannot solve everything in one go. It's just it's not possible. The same way. You know, we try to do a lot of community building. And we try to donate a lot of products that we choose for the local approach. And we like to have we think it's very important that women shelters have strollers available for for the women who come there. Child hospitals, who suddenly there's a family

Commented [MOU67]: Earlier challenge: getting. strategy

Commented [MOU68]: Current challenge: implementation of strategy

Commented [MOU69]: Need to be aligned with what is happening around the world

Commented [MOU70]: Working across teams, management and suppliers

Commented [MOU71]: Voicing to customer

Commented [MOU72]: Keeping them engaged

Commented [MOU73]: Choosing a focus of what percentage the org can impact

Commented [MOU74]: Capabilities of organisation involving, Training and certifying vendors

Commented [MOU75]: For their org CO2 made sense

Commented [MOU76]: Can solve everything, pick a relevant goal

SF INTERVIEW: Lise | Bugaboo coded line by line

there for two weeks who cannot leave the hospital, it would be nice, they can at least walk around the hospital. So we donate strollers to them. And then we get a question, why don't you donate any strollers to Afghanistan? Like, it's first of all very hard to get a stroller over there. It is may be needed. But I also doubt if it's the first the first material that they need over there. Maybe they just, I don't know, they did 100,000 other things as well. We do hand out strollers also to refugee camps. But it's it's sometimes I don't know you really need to focus you cannot do anything everything. I think focus is really the main thing also when you hear that a lot as well when people try to commit to the sustainable development goals. So yeah, you can do all 17 You know, focus.

Pri: Definitely. How did you pick? I mean, what what kind of study or what did you do to find out that co2 is our main and it's not water. like?

Lise: Um, well, we have the advantage as a company that we design all our products ourselves, we engineer all products ourselves, and then we have our own factory as well. So we have we are controlling. We are we are in control as well bit So we know what kind of materials that we're using. So by knowing the materials that you're using, you also know the impact of the materials. So if we use either out from the TU Delft, or if we use the carbon database from the HiC index, you can see like, Okay, this is my water impact, this is my co2 impact. And it's it's, even though if you have a lot of estimations, but you just focus on your top three materials. Yeah, it says polyester fabric, Pa6 plastics and aluminum. If you focus on them, you already see like, okay, co2 is the main driver in in those. So it was, yeah, of course, it takes time and you need to build it, you know, you need to show it. But it was quite clear quite soon already that co2 is the higgest driver.

Pri: Cool. What is there anything when you look back at your journey, you go like, Oh, I wish I'd done this part differently.

Lise: Maybe I should have been a little bit more vocal in the beginning towards the management. I was like, I'll solve it, you know, no problem. But it's, it's not possible. And I did implement a lot of changes in the supply chain. And I did create a lot of awareness that maybe I wish I would have be more vocal earlier, because, of course, we had this reorganization and change of ownership. But next to that, I think we could have this vision and mission that we're having today. Yeah, I feel we could have it a year, one and a half year earlier.

Pri: Okay, yeah, maybe maybe hypothetical thinking, though. But do you have any advice for how organizations can actually build this culture of sustainability within?

Lise: Um, well, I said that it was hard to make people's minds change from normal awareness to changing their job. But if you try to make it relevant for the job, and relevant for the company, you will get people more and more important, if you are, I mean, we make products for the future generation. Yeah. So in our communication, we say that we do this for the future generation. And, you know, you have to make it relevant, relevant for your employees and relevant for the brands that you're you're you already have built, you know, so if you make it relevant, it's easy to step into it. And if you also then show like, okay, for your make it practical, you know, relevant and practical. I think that it's an easy change, especially nowadays, it's okay. Nobody will deny that you have to do good, you know, To start, but then that's the job, you know, make it relevant. And yeah.

Pri: Do you have like maybe a story for me to understand how you made it relevant or unpractical for, for your employees?

Lise: Yeah, well, it also really depends to which audience you're talking to. Right. Especially when I started and I, I had a little budget, and I was going over it with one of the guys from our finance department. He was like, Oh, do you need budget? You know, what is this fluffy sustainability thing? What are you going to do, you know, hugging trees or something, he was really still in that mindset. You know, making it very, you have to know who you're talking to. So when I was talking to this finance department, they're very actual. So they want to know, what are you going to do? And why does it require money and budget, and I was like, okay, but we want to be certified, and we want to do audit, and we want to show and prove what we're doing in money. And this is, you know, this is why he was like, Oh, you're actually getting an audit. Oh, okay. So you're, you're, you know, you're having proof points, and you're doing stuff. So those are also

Commented [MOU77]: They do social good by donation

Commented [MOU78]: Pick your own org focus

Commented [MOU79]: Strong control over their processes as own org.

Note: Can help their suppliers.

Commented [MOU80]: Co2 was heir biggest driver: Data picked from TU Delft, HiC index.

Commented [MOU81]: Hindsight: been more vocal for this

Commented [MOU82]: Change mindset Awareness

Relevant to company Relevant to day-to-day job

Commented [MOU83]: Products for the future generation

things that knowing who you're talking to, and if you talk to a designer, they don't care about money, you know, they just want to know how they can change their design. And if you didn't say okay, but if you make it modular, instead of gluing stuff together, you need to find a way how it still functions, but then you can easily separate it and replace it so it can last the last the last. Then it also make this click so like,

Pri: Okay, yeah, that's very helpful. Yeah, I totally see that you just put it into their environment and you just make them be a part of it. Okay. All right. Yeah. This has been such a wonderful conversation I've loved like every minute of it you absolutely love the cats on your T shirt. Love cat. So,

Lise: yeah. I hope it was useful for you because I'm very enthusiastic. about a topic and I'm very happy where we're at at the moment that our company so I, I tend to just talk and talk

Pri: definitely every I've literally taken so many notes like every minute of this was very useful for me because I must, it's taking me some time to understand as well like, how do you decide what you're fact First of all, how do you put this vision in place when there are so many people involved? And then how do you pick one versus the other? Like, it must be so hard and getting in the way of finance guys focus? Yes, it was such an honor three, actually, like, are you going to talk to you? Yeah.

Lise: But I also think it's, it's fair, what you just put them on the Miro board, it will take time. And I do see a lot of companies. I mean, a lot of companies have on-boarded on a sustainability journey already. Of course, there are also a lot of companies who are now starting. And then they have this job description for sustainability manager, we need to do it all, you know, implement staff making the strategy do everything. And I'm like, Okay, if you want to do this, as a company, be realistic, because it is change management. And even though if you are in the first half year, you have a clear strategy, and this is what you're doing. You need to have your whole workforce and everybody with you. So it will, it will take a few years, I'm quite sure of that. Maybe not if you're a startup, but if you are an existing company, it will take a few

Pri: Yeah, definitely. Definitely, It has to do you see it's like something that's really important to permeate? Like you said you could you thought about doing it bottom up? And then he said none

Lise: So it's a bit of both, or you feel a bit of both. Because if it's only coming from the top, you will create resistance, because then it's the boss saying you need to change and it doesn't feel genuine, you know, so I think you really need a bit of both. That also takes time and and it needs to come together at a certain point. That cannot happen within a few months.

Pri: Yeah, I was it because of the reorganization that you happen to get a senior leader interested in the topic? Or like you said, it just got paused, and then it got picked up again.

Lise: No, it is also because of the reorganization because we got a new CEO on board. And he's very passionate about a topic. And he reached out to the investors and investors. It's a private investment company that is owning bugaboo at the moment. So they are maintaining private funds. And those families and investors of their company. They're asking, of course, as well, like, what are you doing? So for those private equity companies, it's also getting more and more focused, like, Hey, what are we doing? What is our brand portfolio doing on sustainability? So when our CEO reached out to them, like, Hey, do we in what is our playing field in this, they immediately jump on board? So maybe it's also the timing, maybe six years ago, it wasn't like that. But at the moment, it just happened to be perfect timing, but it is. And yet well, without the help of our current CEO, we wouldn't have been where we are now.

Pri: Well, that's great. I wish you all the luck on this journey. And I really hope we get to meet sometime in person I would look forward

Lise: And good luck with with your thesis ofcourse.

Commented [MOU84]: Depends on audience you are Finance: hard measurable targets, budgets & goals Designers: Vision & direction

Commented [MOU85]: Change management takes time

Commented [MOU86]: Senior leadership support for change

Commented [MOU87]: Progress because of senior leadership support – CEO reaching out to investors and setting a vision and direction

SF INTERVIEW: Mike Barry | M&S coded line by line

Interview with Mike Bary (M&S)

Mark: So Marks and Spencers a legal entity is defined by what it owns shops lorries, warehouses offices. think that's the old definition of an entity I think in a sustainable future. It's a much looser definition of, you know, let's just say a value chain for now. So Marks and Spencers is supplied by 2000 suppliers making products for it 20,000 farmers 1000 raw material sources, and the other side 32 million customers buying 3 billion items from it each year. Now Marks and Spencer doesn't own any of that supply chain customer base, but he's got an influence on it. So in terms of creating a sustainable future, Mark and Spencer, the legal entity cannot become sustainable without its supply chain changing and its consumers changing. So there is much more voluntary, looser definition of an entity in the future in a sustainable future are clearly that is the value chain of Marks and Spencers value chain participates in a wide retail marketplace that participates in the wider economy that participates in the wider society where your responsibilities begin and end for more risk be a little bit sort of shades of grey, but businesses having to take more and more responsibility beyond just what he owns.

Pri: Right? That's, I find that very interesting. Oh, because I feel it's also a very big challenge for me to define sustainability. How did you at Marks and Spencers define the idea of sustainability. Mark: So initially, back 15-20 years, it was much simpler, it was just about reducing the physical footprint of Marks and Spencers, the Mark Spencer the entity, so less energy use less water use less waste. So it was about numeric reductions in the impact of the entity of society and the planet.

Pri: Okay, how did you arrive? Yeah, How did you arrive at this statement? Or? Yeah

Mark: For very loosely, I think we arrived at it because that was the prevailing consensus in the wider world around us of expectation of a business. So when we're talking to stakeholders, they will be saying, you know, why Greenpeace, we want Mark and Spencer to use less energy. That's our expectation of you to mark and Spencer, we might disagree as to how much less energy we use, we might want to 10% they might want 20%. But you're still talking about less impact. So we were part of the prevailing societal definition of what it meant to be a less impactful business at the time. Now was the last 15 years the definition of being a sustainable businesses as evolved on from being less harmful? But, but running the old prevailing linear business model, so what you, you, you weren't changing what you sold, but how you sold it, you're just making it less impactful. And now you're changing the fundamental business model from left to a low carbon one, a circular one more equitable, one more diverse than we have today. So you're shifting actually, the business model? That's the prevailing discussion now. But you can already see a new discussion emergent beyond that to say, that's still not enough. How do you create a more expensive business model is positively impactful in all that it does. Okay, so you're not just changing the business model to be dramatically less impactful, you're changing the business model to be dramatically more positively impactful in the future. It's constantly evolving.

Pri: Yeah, what? I think that's a good sign. We're constantly evolving, so but how do you? How would this be more positively like, well, there suddenly? Did you have like an idea of what factors would go in? Oh, Mark: there was never a moment when there was suddenly a book, a pipe or a script that said, this is exactly how you do it. And that's finished. Now. There's a new script and this is how you do it. It's constantly evolving and emerging. And I think your challenge then in terms of organizational change, is you can't keep going back to the the Marks and Spencers boardroom was saying, Ah, new set of rules. We've got to change what we do in last week's out fashion. Now we've got to do something else because you drive the business crazy. Because being a retailer, forget sustainability. Being a retailer is difficult. If you think what's happening now you're dealing with Brexit pandemic lorry driver strike, the Suez Canal being blocked by Christmas is coming but fuel strikes of lack of fuel. So wherever you look, running a retailer on a day to day basis, it's just difficult economically. And then suddenly you say, but ah, but we've also got to do all this sustainability stuff. And even though we're doing all this stuff today is still not enough, we need to do even more. So if you keep going back to the business every weekend seem crazy. But what we did with Plan A are systemically plan, we said, we're going to launch it, we're going to do it for three years, we're going to learn, we can improve, then we'll stop, we'll breathe, we'll learn and say,

Commented [MOU1]: M&S define its legal entity

Commented [MOU2]: M&S define its sustainability entity as its value chai

Commented [MOU3]: M&S and its dependence on Supply

Commented [MOU4]: M&S has influence on its supply

Commented [MOU5]: M&S Sustainability & value chain

Commented [MOU6]: Org responsibility: Go beyond your own husiness & what you own. Quote

Commented [MOU7]: Sustainability Started with Reduction of physical footprint

Commented [MOU8]: Why: Motivation: External factor:

Commented [MOU9]: Why: Motivation: External factor: prevailing Societal consens

Commented [MOU10]: Old business model - reduction of

Commented [MOU11]: Prevailing discussion: Circular

Commented [MOU12]: New discussion external factor emerging

Commented [MOU13]: BM is constantly evolving

Commented [MOU14]: No sustainability rule book earlier. Commented [MOU15]: Sustainability rule book emerging

Commented [MOU16]: Its evolving and iterating

Commented [MOU17]: Challenge: can't always go back to the board with a new change

do we need to evolve it again? Yes, we need a new plan. So Plan A was launched in two January the 15th 2007. But it was updated in 2010 2014 2017. And now this year 2021, as the world around mark and Spencer moved on, but what plan A had, they always had this sense of evolution. So you could get Marks and Spencers come from where it was and where it needed to go. There's this constant, we would say the are the words that went through the stick of rock. Yeah, consistent sense of multispace. is doing this in a consistent way. I saw a lot of other retailers do this, a lot of other businesses for three years would work from having a plan. And then say this isn't working stop that throw it all in the bin. But go across up a brand new plan. And you plan it was good plan. But then don't do that two years, and they just stopped and marched on ahead. But what Marks and Spencers had was this constant sense of evolutionary journey? Not a moving motion?

Pri: Yeah, definitely, definitely. When you when you say the we in this situation, is it the board of directors, or only the senior leadership or was it a bit of both bottom up and top down as well Mark: as so what Plan A did 15 years ago was really try and create a plan that was both top down and bottom up. And a lot of businesses even now develop a good systematic plan that's developed by the central system team. Full time professionals working with space either clever people work working on this, they take it to the board supported, sign it off, and then nothing would change. And what Marks and Spencer tried to do was co create a plan that works for everybody and then democratize it down through the organization. So everybody in the business worked on it. So let me give you one example. Yeah, Marks and Spencers soul sells 3 billion items a year, an item being a bottle of wine, a ready mail a dress, pair of shoes. Yeah. And it's set in 2010. It set a goal that by 2020 Every one of those 3 billion items would have at least one Plan A story to tell. So this would avoid it having just a niche, Fairtrade organic, super elite systemic range here, and then everything else do nothing. This was M&S saying every single product needs to be consistently getting better. And once it's got one place A attribute story it's got then has 2,3,4, And then one day a system. That meant that every buying group mark and Spencer had to be involved. You know, the men's slippers team, the Italian ready meals team, the m&s Money Team, the MLS energy team, everybody had to have Plan A as part of their planning. Every Marks and Spencers shop had a plan A champion. So every store had somebody in it big and small, who would be doing a day job in that store, but also being a spokesperson for plan A.

Pri: That that's really interesting. Um, what what I shared with you in the microbore. So to make help articulate this thought of like, how did you bring like the bringing this change into action? Yeah. And I think I wrote to you in the email, but maybe we can even discuss it right now. I imagine when you were like putting this together, I love the evolving attitude. But at the same time, I imagine that every time you did this, there must have been a few challenges that are that are prevalent through every evolution. Mark: Yeah, of course. Of course, the biggest challenge always is what I would call bandwidth. So the Marks and Spencer board will be saving this is really important that we really support it. But we've got short term challenges. The economy's in recession, we're not selling enough. There's going to be a new chief executive. There's always lots of short term things that mean that you've postponed sustainability action for 3,6,9 months. So that's the biggest challenge is bandwidth. The second challenge is relevance. So Marks and Spencers sells ready meals and underwear. And suddenly we're talking about carbon and water and human rights and for a lot of people who are not in the full time sustainability that can seat feel very distant from what you actually sell. So a lot of the time you're trying to make these quite distance Sustainable Development Goals feel relevant to people who are running shops or buying things selling things, marketing, things running lorries rink, building, building things all the time, you're trying to make it relevant to people. Yeah. And that's hard. And that's yeah.

Pri: Is this a challenge? Also not just within Marks and Spencers? Or do you think Marks and Spencers is made up of all this value chain vendors as well?

Mark: So yeah, I mean, and and that's the other challenge is that the vast majority of your footprint, social and environmental is not owned by you. You know, those shops, those lorries, those warehouses have five or 10% of your impact. 90% of your impact as a retailer, is what you call your scope three emissions. Yeah, your suppliers and your consumers your product. Now. That's the third for fast moving consumer goods, businesses like Unilever and Coca Cola. It's a bit different from manufacturing

Commented [MOU18]: M&S had a Plan A that would be launched for 3 years and reviewed for improvement

Commented [MOU19]: "Plan A had this sense of evolution"

 $\label{local_commented} \begin{tabular}{ll} Commented & [MOU20]: Organisational transition from as-is to to-be via Plan A evolution \end{tabular}$

Commented [MOU21]: Consistent evolution.

Commented [MOU22]: Other orgs have erratic growth if they don't have an evolutionary plan.

Commented [MOU23]: Consistent evolution

Commented [MOU24]: Top-down and bottom-up innovation

Commented [MOU25]: Co-create the plan throughout the org. bottom up. Central teams dictating , even with leadership sign off decoral work.

Commented [MOU26]: Org goal. Top-down

Commented [MOU27]: Org need Bottom-up

Commented [MOU28]: Quote

Commented [MOU29]: Recognition of people who are ambassadors or champions or spokespersons

Commented [MOU30]: Challenge 1: Bandwidth: Capabilities, resources and timing

Commented [MOU31]: Challenge 2: Relevance:

Commented [MOU32]: Challenge 2: Relevance of SDG's to people in diff depts.

 $\begin{tabular}{ll} \textbf{Commented [MOU33]:} & \textbf{Majority of footprint not owned by} \\ \textbf{org. (Supply chain)} \end{tabular}$

Commented [MOU34]: 90% of footprint not owned by org. (Supply chain) – scope 3 emissions.

SF INTERVIEW: Mike Barry | M&S coded line by line

companies, where more of their impacts are actually happening in their factories or their steel work. So but generally, the ability of certain business models, models to control all their impacts and reach reduce them is much harder, because they're spread into their scopes, right.

Pri: Okay, so I guess it's, we could say that the third challenge, perhaps is taking the value chain with you. Because it's the third, like you said, it's the third tertiary circle that actually has an impact on your vision, even if you want to go towards sustainability. Yeah. Love all these challenges. And what I'm now extremely curious about is like, how did you overcome some of these, like, I actually put this what I've put together in the miro board is a bit to understand a timeline on, which just shows you like, it's not, it's not immediate, like you were saying every three or four years you guys evaluated. And then and the depth of change, I was thinking that sometimes we just worked, like we were saying, it's just measurements and frameworks are put in place, sometimes. You just introduce a new tool, does it work, you actually go to the next one. But then it's also like you were saying, it's about taking the people with you, whether it's the champion, the largest. And then I guess, I'm wondering, it does get deeper when the senior leadership is involved, and the vision and mission of it of the organization changes. So if we were to tackle some of the challenges that you put down, I'm curious to know, how did you make this journey? Take this journey to like overcome some of these challenges.

Mark: So so so let me just sort of frame it in my language and then Miroboard. So So plan A went through five fundamental steps. So the very first plan back in 2007, built a firm foundation, identified all the material social environmental impacts, that m&s had set targets to reduce them, time bound targets created a structure within the business to reduce those impacts in class if the traditional corporate responsibility program. And he gave Mark, he spent a lot of credibility with the external stakeholder audience. And he started the business on the initial steps to reduce its impact by 10, or 15%. So firm foundations first. The second thing that Marks and Spencers then did in 2010 was integrated more deeply into the business. So it felt more of a business issue. It built a business case that helped the business save 750 million pounds net in 10 years. Yeah, so it was measuring how much it spent, and how much it saved from a Plan A from less energy and less water use, less waste. It got every business every part of the business on this model of building a plan a story into every product area. So again, commercially became much more relevant. It made sure that all its food suppliers were on a bronze silver gold ladder to become more sustainable. So the second phase is Plan A was about integration of the plan A into every part of the business. The third phase of Plan A was then looking out externally to say there's only so far that you can go yourself internally before you start running into these systemic global challenges that mean you just can't solve it on your own. And Mark and Spencer created a joint series of partnerships to tackle things like deforestation from soya sourcing, or from palm oil sourcing tiny little mark and Spencer couldn't solve on its own. It had to work with Tesco. It had to work with Nestle new live and Coke and Pepsi in global collaborations, so that was the third part was build these external partnerships to accelerate Marks and Spencers own journey, because it couldn't solve problems on its own. The fourth part of the journey that in 2017, was to start a conversation with the customer base to say, look, we're doing all this work on your behalf behind the scenes. Now, let us start to tell you the m&s difference about what we're doing, why our products are different. And at that stage, what you're doing is in effect, taking the single word that defines Marks and Spencers for its 32 billion customers quality. If Marks and Spencers perceived as selling quality, food and clothing, it wins. If it's not perceived as selling quality, it looses us because it costs more. So Marks and Spencers brought the definition of quality beyond the functional quality buttons that don't follow shirt packaging, that doesn't lead to emotional quality. This was made by people who were treated well, it doesn't harm the environment. So you start a conversation with the customer. And then the fifth and final phase of plan A, which is where the business is now, my former colleagues are working on his business model disruption. So you're starting not just to sell meat, but plant based alternatives. You're starting not just to sell clothing as new clothing, but you're starting to look at models now, rental or resale, or donation of clothing. So it has a second, third, fourth life. So first you build the foundations, then you integrate to then you build external partnerships, then you have a conversation with Customers, then you disrupt your business. Does that make sense? So those those five things happen sequentially. But even when you get to that fifth level of doing the

Commented [MOU35]: Nature of business: Manufaturing (more impact), Retailer/FMCG (less impact, more dependencies)

Commented [MOU36]: Different business different scopes

Commented [MOU37]: Plan A: 5 fundamental steps.

Commented [MOU38]: 1.Firm foundation at M&S

Commented [MOU39]: Method: Material impact assessment by M&S

Commented [MOU40]: Method: Set target (to reduce)

Commented [MOU41]: 1. Firm foundation at M&S

Commented [MOU42]: 2. Integrate into the business more deeply – Business Value

Commented [MOU43]: Commercially relevantHelped business – can see it in the Impact progress

Commented [MOU44]: Integrating Plan A in value chain

Commented [MOU45]: 3. So Joint-series of Partnerships.

Can't solve on your own.

Commented [MOU46]: Joint-series of global partnerships

Commented [MOU47]: 4. Talk to your customer – share behind the scenes steps

Commented [MOU48]: 5.Business model disruption

Commented [MOU49]: Quote – 5 steps. 1. Build foundation, 2. Integrates into business 3. External Partnerships 4. Talk to customer 5. Disrupt business.

business model disruption, you're still not you're still doing what you started off doing, which is having a firm foundation, reducing your impact you're constantly adding and building upon those foundations.

Pri: Sorry, I think it was a mute. I was asking like, how did how do you define setting up a foundation?

Mark: so a firm foundation, it's identifying all your social environmental impacts. So Mark and Spencer do 100 of them. Any juice would sourcing impact on high streets impact of salt and sugars in food. So every possible social environmental impact, identify them? Veah. Second is then set targets to reduce those impacts 10% less than 50%, less sold. And then thirdly setting put in place a governance system internally to make sure that the words on paper, the target is delivered and hold people to account for delivery. And then the fourth part then is external reporting to say, we said we would do 10% reduction with an 11% reduction or 9%. But then you've got this external transparency. And what are you doing?

Pri: Okay. Did you actually put put down as like, Oh, we're doing circular economy when you said that? Oh, this is the business. Sorry, what did he call it? It's the business model disruption now. Yeah, the stage where you're

Mark: at stage five? Yeah. Yeah.

Pri: I knew I arrived as it as you're looking at where you want to be? Is that another evolvement? In the in the vision?

Mark: So that's a good question. So until very recently, no one was able, on an endpoint to say if we keep doing all this activity to become less impactful. In 2030, or 2040, this is where we need to be. Now with carbon, we've got science based targets and Net Zero to say all this, all this activity here is taking us to an endpoint which is Net Zero scope, one, two and three by 2040 underpinned by science. So on carbon and climate, you know, where you going on circularity, by diversity, on gender on equality on human rights, you don't know where you go. So let's take human rights. For example. You do lots of audits every year to make sure that you're not doing anything really bad. Children in factories. But that's not positive. That's just stopping bad things from happening. Yeah, where she positive aspirational endpoint to set this point mark and Spence will know that whichever human life it touches in the supply chain in its business customers, it's been a positive force for good for people and their aspirations. So there is no human equivalent to a science based target on that zero.

Pri: I know. Yeah, that's, do you have any thoughts on this? Very,

Mark: so that it's really hard to do. So let's just use the <u>social dimension</u> for now. So when it comes to environmental, like just carbon, <u>carbon can be measured?</u> Yes, my generation of <u>business leaders who all look like me, white male, gray head, we like numbers we made, you know, we need to make 3% more profit 3% less carbon, I understand that. As soon as we start talking about social issues, and much more fluid, Black Lives Matters, Pride, Metoo, all of that is it can't be measured, it can't be turned into a number. So when we talk about what we want Mark and Spencer to look like in terms of social aspirations, social sustainability, 2040 is hard. And so you've got to ask the question. Do we need new leaders who can cope with this much more fluid in precise definition of being good for people good for society? Or is it just you can never quite do it in the numeric way they do for carbon? People will always be this looser sense of a feels like not a good business. Yeah. But I can't turn it into report and numbers and targets. Yeah.</u>

Pri: Yeah. Interesting. So what? What would the metrics for future look like if we were to go down this road? Okay, very conscious of time and only have five minutes. But I have so much more to ask you. See what I want to do you? Do you have any sort of advice for organizations that are perhaps just starting out on this journey?

Mark: So again, I think what Marks and Spencer didn't have 15 years ago, was this big reference pool of what's happening today, everybody else is doing something. This cop 26 There's new laws, new investor interest, consumers are more interested, all the big businesses are working in this space. Marks and Spencer didn't have any of them. It was looking deep into the future sort of think all this will happen. But we're not quite sure when so today, to me, it's more obvious that a business needs to act much more obvious. But I still got back to build a foundation integrated into your business, build partnerships, engage your consumer and your colleagues, disrupt your business model, I think those are the five steps. I think what you can do now is you can do that much quicker, because it's more obvious that you need to act and more people are doing it. And therefore it's easier to change the system because

Commented [MOU50]: Step 5 disrupts step 1 of firm foundation. Builds upon it..

Commented [MOU51]: Firm foundation means – 4 steps 1.social and environmental impact assessment made by M&S

Commented [MOU52]: 2.Set targets for m&S

Commented [MOU53]: 3.Governance to show progress

Commented [MOU54]: 4. External reporting: External

Commented [MOU55]: Measurement: CO2, science based targets concrete to measure. Circularity. Social aspects, don't know where we are going in concrete steps.

Commented [MOU56]: Quote: No human equivalent to science based targets.

Commented [MOU57]: Quote: role of M&S in social

Commented [MOU58]: Solution: New Leadership

Commented [MOU59]: Solution 2: New metrics, not

Commented [MOU60]: High maturity org. set the trends of what is done now.

SF INTERVIEW: Mike Barry | M&S coded line by line

everyone else is trying to change the system. Marks and Spencer was introduced a brought in a fee charge for plastic carrier bags in food halls in 2008 hours <u>really controversial because no one else had done it</u>. And it reduced carried bags usage by 80%. But lots of customers really unhappy because it used to be free. And now what we're seeing is, it's the law, you have to charge five p or 10 P for a plastic bags now. So no one's upset. It's just the marketplace norm. So it's in some ways, it's much easier to do it now than it was 15 years ago, because the pressure for change is more obvious.

Pri: And the last question, why do you think it's important for organizations to lead this change?

Mark: So I think in the in the past, it was optional, you could decide it was it was a reputational issue for very public visible brands like Marks and Spencer or Tescos of Coca Cola Unilever, but for 99.9% of businesses that no one's ever heard of. Who cares? You know, I could save a little bit of money for a bit less energy. Some heavy, polluting industries had laws associated with them, but it was optional. Now it's not optional. So whether it's there are more laws, whether it's there's more interest from your investors, more interest from your colleagues who want to work for a good company, your customers who want to buy from a good company, or just marketplace disruption. So if you're a diesel car company today, and you ignore electric cars, you'll die. If you're a meat based business that ignores the rise of plant base, you'll die. So if there's just a lot more obvious things to respond to change your business very radically company I took 15 years. I'm really sorry. I've got to stop.

Pri: No, totally get it. I was also just very conscious of it. Have a wish you would love for your presentation. And it was such an enormous pleasure talking to you.

Mark: I really. Yeah, we're here and I'm sure we'll talk again. But there's so much. And remember, I've grown up in a different paradigm from you. I actually a lot, what a lot of what I've learned now is redundant. And there's some there's some good learning from the past, but actually, the world is moving so fast into a sustainable future. So So I would challenge you to say you're as good a leader as me. You're, it's just, I learned a lot about how to disrupt the old paradigm. Now, there's a new paradigm to still be disrupting, you know, we're only halfway to a quarter of the way up the Everest to building a sustainable future. Yeah, definitely. I joined a 10% you're joining when we're 25%. Yeah, but the still 75% to do.

Pri: Well, I hope it's a difference. Yeah, definitely. Yeah. Thanks. This was an extreme pleasure for me. Thank you. Have a lovely day and a lovely weekend.

Notes:

Design like approach

Mark: Good to talk. Good bve

- Evolving and iterative planning and reviewing.
- Co-creation and democratization with everybody in the organization.

Commented [MOU61]: Timing is right:

Commented [MOU62]: Much easier to make this change now towards sustainability. Charge for a carrier bag example.

Commented [MOU63]: In the past: This was optional. More visible brands did it.

Commented [MOU64]: Quote: Now its not optional

Commented [MOU65]: Influential factors: Laws, interest from investors, colleagues, customers, Market place disruption, business survival

Commented [MOU66]: Long way to go – iterative evolving journey

SF INTERVIEW: Nicole | Erasmus MC coded line by line

Interview with Nicole:

Pri: I'm looking forward to talking to you today, we could, maybe you could give me a little bit of an introduction of how your journey has been at Erasmus MC.

Nicole: Yeah, I started working here at 2011 eh 2010, as a hospital pharmacist, with already expertise in intensive care. And then I investigated what my role could be in the intensive care unit in academic in an academic center. Because before I worked in a teaching hospital that smaller in The Hague, and then well, we, we found out that there are so many patients here, and they use so many drugs, that I can do a lot of good things, also in reducing drug costs. So I made a business case about myself. And they hired me for 50%, that was in 2012 started. And then also there was a big change, because all of a sudden, the doctors over here had a pharmacist was talking to them and giving advice. Okay, so I have a lot of experience in changing, changing mindset, different views. And from that on, I worked in the hospital, pharmacy, as well as want to prize with my ICU hospital pharmacy project. And then I did a lot of management stuff in the pharmacy. Also over there, we changed the whole setting the whole system in your hospital, pharmacy in a computer system. So we had to change people all the time. Okay. But I learned a lot from that. So that might be nice for you. And then I think last year, about a year ago, did a commerce asked me if wanted to lead the sustainable ICU project with Metabolic.

Pri: Oh, great. Alright, so I was, yeah, I guess that's what I would like to start with. I'd like to start with how how do you? How do you at Erasmus MC, define or see sustainability?

Petra: Well, we do have a large task force called <u>sustainable Erasmus MC task force with people from all over the place in hospital</u>. Yeah. So it's like a wide / broad group of people from different departments. People with a green heart. Okay, at this moment, and I think it's already quite common to have like, a report on sustainability with our <u>co2 footprint</u>, but it's really on a high hospital level. So, for the intensive <u>care</u>, we have no clue. Okay, so and then Massa Timmerman, that's one of our strategic buyers, who knows, I think you saw his name, he know he knows people from Metabolic. Okay. So he was connected to them, and then they decided to start the ICU project. So then they defined the goal of material flow analysis, so that well investigate a lot of things but also get a little bit feeling by what material is really bad for the environment where where should we start? Towards circularity, <u>because we have no clue</u>.

Pri: Okay. All right. And then

Nicole: yeah, and it's all <u>because of COVID</u>. We saw all the bins outside the ICU, normally they were in the patient room. But now with COVID. It's all infectious materials. So you're not allowed to take that out in the room. So you have to step outside, take it off, put it in a trash bin, and all of a <u>sudden, these bins</u> were visual. We saw them every day. And then we were thinking like, oh, no, this is so much waste. This is terrible. Everybody noticed like okay, this is not okay. Right. That helps with the change.

Pri: Yes, definitely. Yeah. When it can ignore it anymore. But I'm also curious to understand like, what are the goals that you have set aside right now for Erasmus MC?

Nicole: Erasmus MC itself follows the Green Deal. Okay. And but we have our already we said like, okay, it's 49% reduction of co2, co2 for batteries. Well, 49 is not enough. So we go above 50. And for the ICU, specifically, we said like, we want to be a circular Intensive Care Unit in 2030.

Pri: Okay, all right. And then May I ask, like, hold that these goals in place?

Nicole: | think the Green Deal. One Is from the Government, yeah. Yeah. And the other one from the ICU, that was me.

Pri: Okay, so and, and what were like, now maybe it would like to know a little bit about like, how did you then you have the goal in mind, then how did you leverage it throughout Erasmus MC?

Nicole: Well, we had a lot of media attention. Okay, it was easy so that you don't have to do anything anymore

Pri: Okay, but still have you must have had to convince your entire team or perhaps.

Nicole: No, I don't. <u>I don't have to convince anyone.</u> Okay, everybody likes this topic. And the assessor is really important. So they want to help.

Pri: Okay, all right. So is it more like, like your team? Or do you also have support from like, senior leaders on top?

Nicole: I think that the Board of Erasmus MC really supports this. Okay. Are you still there?

Pri: Yeah, I am. Can you see me? I can see you.

Commented [MOU1]: Role of the interviewee: Mindset change

Commented [MOU2]: Thinking of the interviewee: Changed whole systems

Commented [MOU3]: External Partnership: Metabolic agency creating change in Erasmus MC ICU

Commented [MOU4]: Taskforce with a green heart: cross

Commented [MOU5]: Need a relevant goal for the

Commented [MOU6]: External agency: Material assessment – suggesting a starting point for department ICU

Commented [MOU7]: External Factor: Covid: waste management focus

Commented [MOU8]: Erasmus MC ORG FOCUS: Green deal: CO2 reduction

Commented [MOU9]: ICU department FOCUS: Circularity

(Two goals In one org:Based on department relevance)

Commented [MOU10]: Goals by External: Green deal, Government. Internal Org & department

Commented [MOU11]: External Factor: media attention: Pushed change.

Commented [MOU12]: Willingness and motivation is in the team and senior leadership so no convincing required.

Commented [MOU13]: Quote: The Board of Erasmuc MC really supports this. SO that helps a lot.

SF INTERVIEW: Nicole | Erasmus MC coded line by line

Nicole: Yeah, a bit of a freeze. <u>Our board members really supports us. So that helps a lot.</u> Okay. And <u>also, the task force really helped.</u> Because that's already a network with you. And <u>we also see we have different green teams in our hospital. And also those people are starting to connect.</u>

Pri: Okay, could you maybe walk me through what your task force does?

Nicole: Now you're in a freeze sometimes.

Pri: Oh, sorry. Am I clearer now?

Nicole: quality a little bit.

Pri: Oh, is it better now? Yeah. Okay. I'll go closer to my computer. I guess. I was, Can you maybe tell me a little bit more?

Nicole: Are you on and off?

Pri: I can come to Erasmus MC right now. But that's not an option. So I'm back. I was wondering if you could like walk me a little bit through the role of the task force, and how did it come about and what it does on a day to day basis?

Nicole: Well, the task force is just like a group of people. And we meet every six weeks, and then discuss like the things that are going on, on a regional level, because we have a lot of hospitals in this area. Also on the academic level, because those hospitals are also put together in a group. That's from the UN is called MFU. Okay, so that's the <u>Dutch society of university hospitals</u>. Okay, you have also a sustainable working group. And also, the region has a sustainable working group from the local hospitals here, we are the biggest hospital so they always look at their Erasmus MC and what needs to be done, and together with these groups, goals are set. But also, we set some goals with the task force, like we want a sustainable year report. So we met on for the first time also in English, people can look at our website and find the report. And those goals in the report are quite common goals. Like your co2 footprint, on mobility on the building. Those are like the I think, quite a normal things that you want to report. And then every six weeks we sit together and we we just tell about what's going on with our Green Teams. We have college tours, we invite people to speak or to learn something, okay? in a digital way. I have students from TU Delft as well, from IO. So give us an update about their setting. Yeah, so those kinds of things we discuss, alright. Every year, that's a sustainability week at the hospital. So we prepare that week together. All those kinds of things. Okay. It's a bit on a high level. It's not on the ICU level. Pri: Yeah, that's what I was keen to understand. Like, is it more like you had a small team, and they're all from different departments. I was just curious to know like, what kind of departments at what level do

Nicole: these are people from, let's say, <u>our facility department</u>. So there they are. That's the department that's about logistics and trash, that kind of things. It's someone it's a <u>there's a doctor in there</u>. We have someone that represents patients. We have a student med student in there, she represented students. There's the director of this group, we have the manager of this group. I represent, like the acute care. We have also someone from that represents <u>everything that has to do with the building.</u> Okay. And we have a secretary. So that's pretty much it. I think.

Pri: Yeah, that's kind of a comprehensive theme. And then, like, how long ago? Did you put the taskforce together?

Nicole: Yeah, I think it started two years ago. There wasn't me. I wasn't in there.

Pri: Okay. But you joined the team. That's what you meant. Yeah. Yeah. So the the, and the initiator for sustainability has been going on for much longer than the task force has been there. Right. **Nicole:** Well, we started really late. Okay, hospital started really late.

Pri: Okay. Why do you say that?

Nicole: Because I think a lot of companies are way ahead of the care sector.

Pri: Which ones?

Nicole: Philips, clothes, clothing companies, although the food or flowers. <u>Care started really late, but I think we are, we are now growing and improving also what we want to achieve</u>?

Pri: And then what kind of factors do you think come into play over here, when you have to make your goals like what define what affects your decision making?

Nicole: It has in a hospital, it has to do with safety. So if you want to change something, your protocols still have to be safe. Your patient safety is the most important thing. And people have to be able to work with it. So we have a lot of nurses that, that if we change something, it's really important that they can use it, they know how to use it. And money is the other the cost.

Commented [MOU14]: Taskforce helped a lot & the people connect and form a network

Commented [MOU15]: Collaborative working: Different teams collectively setting goals.

Commented [MOU16]: External Reporting: Sustainability

Commented [MOU17]: Invite & Learn from experts: Expert learning and sharing.

Commented [MOU18]: Quote: every year a sustainability week at the hospital.

Commented [MOU19]: Done at a highlevel not ICU dept.

Commented [MOU20]: Depts of cross functional teams.

Commented [MOU21]: Recent starting point for the org.

Commented [MOU22]: Quote:

Commented [MOU23]: Private companies had a head start compared to an academic hospital.

Commented [MOU24]: Factor of success: Safety

Commented [MOU25]: Factor of success: People have to be able to work with it.

Commented [MOU26]: Factor of success: Cost.

Pri: Sure, yes. So then I'm gonna, like, do this a little faster. I was also wondering, like, Do you have any? Like, do you have an idea of like, what were like a top three challenges that you faced on your journey or towards becoming sustainable?

Nicole: Well, I think the biggest challenge is like the crazy rules we have about infection prevention. Okay. Because everything is, is, let's say, in a protocol. And those protocols are made with the idea that there is no percent transmissions of viruses or bacteria. Okay, so we always have to work in a safest way as possible. So you have to change your clothes all the time. And it's all plastic that you throw them away, you throw away your gloves all the time. That's because of the infection prevention rules. Okay, the basis for those rules, is that you that there is no percent there's no risk at all for any transmission.

Pri: Oh, right. Okay. So that's one big challenge.

Nicole: Yeah. Especially if you want to change those rules.

Pri: Yeah, definitely. Do you have any other in mind,
Nicole: money is also a big one. And this, everybody thinks it's sustainable things are, are expensive. And
one other thing is that we buy all this stuff. I think all these companies have to change.

Pri: Right? Right. **Nicole:** So three big hurdles we have.

Pri: That is true. So if I may, I'm actually just going to very quickly share my screen with you if the internet allows it. And and at least see, do you do you have a visual of any guy? Yep. Oh, great. So so what I did here was I took your top three challenges. And I've been trying to work on a framework to try and understand how organizational mind like mindset changes are done. And then I measured it against two metrics when I measured against the timeline because for sustainability, obviously, it takes a while for it to get into action. And then so I saw it from one to five years and then the next 10 And the next 20. So long term future And then I also looked at in terms of the depth to the depth of change was more like it would be least if it is just implementing a framework, or just introducing a tool or not involving your employees or, and the deepest, like, the most strongest change would come if actually, the vision or the senior leadership is like, yes, we need to do this. So, if I can sort of clear that what I was wondering was, you gave me three challenges that seem quite compelling. So I was wondering, like, what actions as Erasmus MC, did you take looking at, like, you know, the DNA of your organization, and then saying, Okay, if it is about infection prevention rule, then these are the actions we take every day, yearly, whatever, to make sure that we are moving away from it or or achieving it.

Nicole: Well, with infection prevention, it all falls back on leadership. Yeah, yeah. Because I really have to convince these people that our treatments are still safe. Even if we change the protocol a little bit, okay. It's a lot of talking.

Pri: It's a lot of talking. And you need this. And you need their buy in for this to be a reality. **Nicole:** Yes. Yeah. They have to agree because they determine how the protocols are written. Okay, but the rules really important.

Pri: Okay. And then how does this affect like, the, the next steps? Like, what, once you've convinced them what happens next?

Nicole: If they agree, then we can, let's say, change from disposable gowns to washable gowns.

If they agree to change certain protocols, we can increase the speed up to circular circularity.

Pri: Okay. Right. Okay. So we can and for Do you have any, like, tools, methods or frameworks that you use for this?

Nicole: Yes, we have like the <u>material flow analysis for metabolic</u>. So they <u>determined seven hotspots</u>. Okay. And we are currently working on the hotspots.

Pri: Oh, lovely. Okay. Yeah

Nicole: So I know their co2 footprint. So I know. So I just have to ask the company that is going to deliver the washable gowns, what the footprint of the washable gowns, and then we can calculate the Co2. A lot of data already, so it helps.

Pri: Oh, great. Yeah, I get Yeah, data would be important component. And then, like, how, how do your employees and people like how do you get them involved In this?

Nicole: We all gave them clinical lessons about sustainability. Okay. And we had a workshop with them about, what do you do you think you can change tomorrow? Or what do you want to change?

Pri: Oh, nice, like, so their aspirations in a way? And then once you have this data from your employees, what do you do next?

Commented [MOU27]: External Regulation as a challenge: Infection prevention – creating more waste to prioritise safety.

Commented [MOU28]: Hard to challenge an external law and regulation

Commented [MOU29]: External challenge: Cost to be

Commented [MOU30]: External Challenge: Supplier have to change as the hospital buys from vendors.

Commented [MOU31]: Overcoming challenge 1: Convincing leadership

Commented [MOU32]: If the leadership agrees, new protocols can be put in place.

Commented [MOU33]: Method: External Partnership with Metabolic, identified 7 hotspots to work on for the department.

Commented [MOU34]: Knowing the vendor, calculating CO2 footprint is measureable.

Commented [MOU35]: Clinical lessons & training for employees.
Workshops on what to change.

SF INTERVIEW: Nicole | Erasmus MC coded line by line

Nicole: We had like a <u>very cool runway</u>. Two weeks ago with <u>seven washable gowns</u>, okay, with music and all kinds of fun. And really to, to ask them, <u>What do you want? What is important for you if you're working and you're wearing a gown? Yeah. So we had like, questions with QR code on their phone, and they really liked it. You see that everybody's helping us. I started thinking about it and gave a lot of information.</u>

Pri: Yeah, that's great.

Nicole: This can really help us to make the change.

Pri: Right? Does this also help convince the leadership if you have this data?

Nicole: Yeah, it's gonna help me again, with my story to the infection prevention department like Well, well, the nurses really want to change that helps.

Pri: Right? Of course. And then if I may, do you want to add something to this to this journey of bringing about this change?

Nicole: I think if do you also want to find the last one vision and mission?

Pri: Yes, of course. Yeah.

Nicole: The mission is like 100%, circularity in 2030.

Pri: Okay, so Yeah. Yeah, that's nice. And okay. And this is this is like sort of the goal that the senior leadership is convinced for.

Nicole: Yeah

Pri: And now you're working towards, okay the material flow with metabolic. Okay. Got it. All right. Shall we switch to the next challenge? Okay, so for funding, how do you overcome funding?

Nicole: We don't have Yeah. For this whole project, the ICU, just paid the bill. Okay.

Pri: That's under your leadership, right?

Nicole: Yeah. Yeah, not exactly mine, but the head of the department paid for it. Okay. But a department itself

Pri: Okay. But is this something you see as like a scalable, sustainable solution for the future? Or?

Nicole: Yeah, well, I think with the hotspots, that's, that's the seven. We start with, sometimes we will have to pay something but sometimes you really need to companies to help. So it has not there. It's not a is one solution. Yeah. And company depends also the hotspot.

Pri: Right. Do you? I would ask two questions. One, do you maybe know the seven hotspots? Yeah. Okay.

Nicole: But then in English, it's syringes. Okay. It's plastic gowns. It's the, the masks. It's quite nice with COVID. Now. It's also the plastic that's around the syringes and infusion band. It's the infusion lines.

Because they contain PVC. Okay, yeah. Toxic, and it's also the bed liners.

Pri: Okay. Yeah. Oh, so these are the seven hotspots that are there for the ICU? Or is this for the entire Okay, for ICU?

Nicole: No, it's not for the ICU. Most of them are also used in the rest of the hospital, but we only have data from the ICU.

Pri: Okay, got it. And then I guess my next question would be that you said it also makes a difference about the other companies and other companies in this case are like your suppliers, right?

Nicole: Yeah. Yes

Pri: Okay, my internet is gone now.

Nicole: No.

Pri: Okay. Oh, good. I just gotta wait a second. So if I may, kind of take notes on paper for now. So if I may ask the next question like these, oh, this is lovely. The material flows are very clear. And at the moment, you're paying for your share of the seven hotspots. But do you have sort of a plan for how you want to bring along your supply chain vendors?

Nicole: Yes, the plan is that we are going to start co-creations, with TU Delft with our suppliers, and we will be the experts from the ICU. And then I know some companies are willing to pay or we can get some funding.

Pri: Okay. All right. And do you I mean, is it like a really large base of suppliers in this case?

Nicole: Sometimes it is, and sometimes it's not. <u>With the syringes, there are only two big ones</u> worldwide. Uh huh. But the bedliners there are plenty.

Commented [MOU36]: A fashion show of washable gowns

Commented [MOU37]: Team involvement: QR codes to gather data from employees on what they thought and wanted.

Commented [MOU38]: Their input can really help make the change.

Commented [MOU39]: The employee input helps enhance the story for regulation change.

Commented [MOU40]: Clear mission & vision for the department that senior leadership is convinced for.

Commented [MOU41]: This time the department had t pay the hill

Commented [MOU42]: Cost effort to be decided on the basis of the hotspot. Sometimes it son ICU dept. Sometimes it is on the supplier.

Commented [MOU43]: 7 hotspots

Commented [MOU44]: Data specific to the department

Commented [MOU45]: Co-creations with experts, TU Delft Students, Suppliers (who can fund too)

 $\label{local_comment_composition} \begin{tabular}{ll} Commented [MOU46]: Sometimes monopoly of supplier, sometimes not. \end{tabular}$

Pri: Okay. And yeah, obviously, <u>it depends on the material</u>. Okay, so we have the goals we. And, like, for I guess, no, I think those are my questions for this part. That's fine. And this is, is the seven hotspots also connected to the <u>vision then of 100% circularity?</u>

Nicole: Well, it's the big it's the Yeah, these are the largest ones. So if we have things left the co2 footprint of those materials, not as big as the seven hotspots.

Pri: Okay, got it. And then I guess, the do you see value chain now is like a separate challenge here. And then do you have should we address it as a separate challenge and then work how we want to address it? **Nicole:** You mean the value chain in the value hill with the Rs?

 $\textbf{Pri:} \ \textbf{Yeah, I mean, or I don't know the value hill with the Rs. You mentioned during your}$

Nicole: Recycle, reduce those kinds of Rs.

Pri: okay. Okay. No,. We can also add that but in the three challenges you mentioned to me one was infection prevention rules? Funding? The third one you said was also the value chain? Partners?

Nicole: Oh, yes. That sounds Yeah. Yeah. Yeah. Let's see if we have a syringe? Yes, the syringe consists of three kind of two types of plastic and it has rubber in there. Yes. So we are never, we will never be able to recycle these kinds of materials. Right. So if we want to change it, and we want to move towards a circular Intensive Care Unit, we need different syringes. Right? So we depend on the company, they have to change their process, or we need a new startup that comes with new syringes or whatsoever. And also, the packaging is really bad. It's also paper laminated with plastic. Right? So we can never share, we can never separate those things.

Pri: Oh. yeah. absolutely. Yeah.

Nicole: So companies have to be really willing, they have to make large investments, they have to change their products, they have to change their protocols. So we, it's a big question that we have.

Pri: That is true. And at the moment, do you like are you? What is the what are the actions that you're

taking to like overcome this challenge of getting your value chain windows,

Nicole: starting with co-creation with TU Delft? Okay. And two hotspots, because I really need their expertise to be able to ask the supply or to tell the supplier what they have to change. Okay, because it's not my in my field of expertise. I don't know every I don't know anything

make a plan. And then we go to the supplier and we tell them, hey, we already looked into these things.

We have the details, we have the patient journey of the material journey. This is what we need.

Pri: Yeah. Yeah. Okay, that's fantastic. Um, do you have maybe another challenge that you want to add to it? Or you think it's a big hindrance right now in your journey towards sustainability?

about plastic. So those students from TU Delft do know it. So they can help me, and I can help them to

Nicole: No, I think I mentioned the biggest ones. Go wait, okay, then I'm gonna say to people itself is not a big problem. They want to change.

Pri: Okay, that's nice.

Nicole: Yes, the easiest part.

Pri: Yeah. That is really nice. So I guess for me, I'll be very conscious of the time. Yeah, I guess you also mentioned just now something about the three R's or the big R's? I don't know. They were Can you maybe walk me through?

Nicole: I think you think you should have seen this in TU Delft, I think. Did you? Did you have sustainable classes there?

Pri: Yeah, I did. I did sustainable business model innovation.

Nicole: It's a very famous model. Let me check. If you can see it. This is like the value Hill model.

Pri: the value Hill model

Nicole: Yeah, that's what we use a lot with metabolic.

Pri: Oh, got it. Got it. Okay. Okay.

Nicole: It really helps if you show these these graphs to people. Especially nurses said they have no clue what sustainability is. So have to explain what's a linear process and what's a circular process. So I, I showed this like a zillion times, and then explain to them the RS like recycle reduce and the value of these Rs, because they think you only have to recycle and then everything all your problems are solved. Alright, that's how that's how they think because that's what you do at home. Yes. So then I tell them, Okay, recycling is nice, but it's the first step in retaining value. We want to reuse or we want to repair or we want to whatsoever but in the end, also a bit of recycling but it's it's much better not to focus on waste,

Commented [MOU47]: For ICU dept. circularity is bigger than CO2.

Commented [MOU48]: Dependent on supplies to go sustainable

Commented [MOU49]: Some suppliers are willing to change protocols

Commented [MOU50]: Co-creation of ideas with experts. Collaborative working with suppliers to change protocols.

Commented [MOU51]: People are not the problem at Erasmus MC

Commented [MOU52]: Value hill model – suggested by Metabolic

SF INTERVIEW: Nicole | Erasmus MC coded line by line

<u>but to but to focus on beginning of the process</u>. That's, <u>that's how we made our clinical lesson</u>. That's that's how we teach them what circularity is?

Pri: Yeah, it sounds nice. I would also like to attend that I guess

Nicole: Its so simple Yeah. Because they understand those graphs.

Pri: Yeah, and do but I'm also curious like when you're putting all the reuse, refurbish all the hours in action. You have a lot of support from within Erasmus MC and like also externally

Nicole: sometimes we have sometimes We don't because it depends on Is there a tender already? Is the buyer group busy with something else? Or do they really? Or is this a topic of interest? Only the ICU or the whole hospital? So it really depends on the topic. Okay. And also on the people?

Pri: Yeah. What do you what do you mean by people

Nicole: Well, I did this whole metabolic project with one of the, the buyers in-house from from our hospital, so he knows exactly what's going on. So if he helps me, then it's fine. But his colleagues are not working on sustainable things or sustainable goals. So sometimes it depends on just one person.

Pri: Right? Do you have any advice for people who are in that situations?

Nicole: Yeah, <u>make sure that there are more people in a team involved</u>. Or if <u>it's just one person, make, make sure that person is really involved in your team.</u>

Pri: Okay, all right. Yeah, there's one person in their chain who's super interested to get them be a part of Nicole: with sustainability, you have to work together? Yes, people from the infection prevention are also in my green team. So I see them every two weeks, we talk to each other. So they know exactly what's going on. And that helps

Pri: Do you maybe have a story to help me understand like how it helps?

Nicole: Normally all departments in the hospital can order stuff. So if I would say I would like to pink or yellow gowns, I can ask for pink or yellow gowns. But no one asks questions about sustainability. And it could be that once the gowns are ordered, because it's quite easy process, the infection prevention says, "Hey, ICU that's not gone, you can use that was forbidden." But then it's already happened. So then you're too late. So what we did is we made a green team and integrating our people from the buyer group people from the infection prevention, not one, but three of them. I have doctors and their nurses, in quality staff. And we do this together. And I can just ask them, okay, we are going to change the gowns. Infection prevention, Can you make an advice? Or can you tell me exactly what's important? Yeah, we are going to build a runway on Tuesday afternoon to test seven gowns. We need you there. Can you help me with the setup? Can you help talking to nurses, etc.. Instead of what we used to do was involve them in the end when it was too late. Now they are already involved from getting, so they start thinking as well earlier in the process.

Pri: That's the way to go. Yeah, that sounds really nice.

Nicole: It sounds easy, but this is the trick. Yeah.

Pri: I don't think it's that easy. I guess keeping that. Yeah, no, bringing them this early, also would require enthusiasm from there to be a part of it, I guess.

Nicole: Yeah. And I also tried to give them a project. So they are in the lead, sometimes, that also helps.

Pri: Okay, that's nice. So this would be the other team or this would also be including the buyers.

Nicole: And one of the buyers is also in this green team.

Pri: Oh, okay. All right. Yes. Lovely. I guess I'm going to use your next few minutes to maybe try to understand like, what are what are the most crucial factors you think in, like if you looking now and bar

understand like, what are what are the most crucial factors you think in, like if you looking now and back at your journey, and you're like, these were very crucial factors for the success of sustainability to happen at Erasmus MC.

Nicole: I think success is building a good story that everybody understands because sustainability is not an easy word. Yeah. Recycling at home is completely different from using things at work. Yeah, so I think we made a very good story. And talked to a lot of nurses just by the coffee. Okay, how are you doing? Yeah, we started the green team, you know, we're doing what do you do at home? Is it important that you work on a sustainable basis at work? And then if it's all nice, great answers, yeah. Well, there will be a clinical lesson. So all the nurses got clinical lessons from people from our green team. We made the lesson together with the green team. And then everybody was really happy with it and also enthusiastic because it has to do with the way people work. It has nothing to do with your patient at that time. Yeah. And we also metabolic really helped us with nice graphs with nice value Hill graphs with numbers. We could say, okay, one patient in a bed is 2000 kilometers with a car, co2, co2 emission. And then

Commented [MOU53]: Graphs and explaining jargons helps in training staff and involving them and them seeing their role

methods & tools for training: graphs and models & stories

Commented IMOU541: Quote:

Commented [MOU55]: Hinderance: A running tendor

already.

People not interested in the topic.

Is it relevant for the department.

Commented [MOU56]: Enthusiastic suppliers part of the task force.

Commented [MOU57]: Even if its one person.

Commented [MOU58]: Enthusiastic suppliers part of the

Commented [MOU59]: Involve the team at the start not at the end when its too late to make a change

Commented [MOU60]: Encourage team by giving projects

Commented [MOU61]: Factors of success: A good story to engage

Commented [MOU62]: Factors of success: Casual chats

Commented [MOU63]: Factors of success: Training in the way people already work. Easy to understand and apply.

Commented [MOU64]: External Partner Metabolic got nice graphs and numbers

everybody's like, Huh, that's from here to Russia. And those things really held building a story. And then everybody starts thinking like, Oh, this is terrible. How can we change this? And especially the younger people really liked it. Oh, I'm already vegan. Yeah. Oh, okay. Cool. Yeah. So then you then you have a conversation. And that's, that's all you need rest Will go off.

Pri: So nice. Okay, oh, this is a lovely intro like, steps to understand how it works. But you mentioned 'the story'. Can I really read about the story? So where do you want to tell me the story? What story exactly, you told me that like, start with telling a story that, understand what

Nicole: tell them, if we keep on going like this, we will destroy the planet. And we will run out of materials. Because we already knew with COVID, that there's not enough material in the world, in a pandemic or whatsoever. So we have to be careful. So we are going we will move towards circularity, that means that we have to do it together. And every time you grab something, you have to think do I really need it? Or can I leave it outside the patient room? And that's pretty much my story. And then they start thinking already. I tell the same thing every time.

Pri: That's, I love that I really keep it as something special to remember. Yeah, I am. I guess, those are my major questions. I also know that we're running out of time. Just maybe I will ask the last two questions, which would be what is the future for Erasmus MC, what is like what is looking towards a sustainable future? Could be five years, 10 years 20 years.

Nicole: Well, I think that's pretty much the same as in the ICU that we really have to build change that contain value. So that's that's circularity. And that's also repeating your story all the time, so that people are conscious of what they're doing. And then I think everybody's working on this topic. It's not at the moment the board supports it. Think everybody around you awesome. See, also the city of Rotterdam is quite busy on sustainability. So there is already a movement. So we just have to keep keep moving, I think

Pri: And, and maybe you have any, like achievements that you're super proud of in the last one year that you want to share with me?

Nicole: Yeah, I think we had a lot of media attention. And it made me really proud because we did it as a team. Yeah.

Pri: Lovely. Alright. And any last words of advice for other organizations that are struggling to start with sustainability?

Nicole: Yeah, just start somewhere with baby steps.

Pri: Okay, just we've got five minutes over time, but it was such a pleasure talking to you. And although it's a really stressful time, so I appreciate you taking out even like half an hour, 45 minutes. For me, it's a lot of time. And it was a pleasure talking to you getting to know like how the hospital would ever imagined sustainability for me also, like quite new, like, Oh, I didn't even know that you had such a detailed and thorough process. So it was such a pleasure, like learning from you.

Nicole: Thank you. So when do you have to finish your thesis?

Pri: I have to finish it by the end of February

Nicole: Well, good. Good luck finishing everything

Pri: And I'd love to share it with you.

Nicole: Yeah, that would be nice. Send it to me.

Pri: Yeah, I'd love Okay. Thank you. **Nicole:** You're welcome. Bye bye.

Commented [MOU65]: Comparative stories to get the people thinking how they can contribute to the change.

Commented [MOU66]: The story & external factors to get people thinking.

Commented [MOU67]: Quote: Build change that contains

Commented [MOU68]: Repeat story to inspire

Commented [MOU69]: It's a movement right now

Commented [MOU70]: Org advice

Commented [MOU1]: Org motivation: cost saving

Commented [MOU2]: Team: Orchestrators of sustainability: Cross functional team

Commented [MOU3]: Orchestrators: As strategy is not done by head office alone but all the breweries in 70 countries.

SF INTERVIEW: Petra | Heineken coded line by line

Interview with Petra Hissink (Heineken)

Pri: Tell me just a little bit about how did you come to this?

Petra: Exactly. So how, how did I end up in the topic of sustainability within Heineken now. So my career in Heineken goes a long way. Actually, I started in Heineken 28 years ago. I have my study background in food technology in Wageningen in the Netherlands, and started to work in Heineken In R&D as a product and process developer, so really got to know everything about the brewing process, etc. Then I moved into roles really, in some of our breweries. So really, I worked guite a lot of years in the brewery in one of the breweries in the Netherlands in 's-hertogenbosch really in supply chain management roles. Managing the operators in the brewing department, the utilities department, I've been Maintenance Manager, all kinds of things. And, and then I had the opportunity to go for an international move. So I took my family to Ireland and I became the sustainability director for Heineken, Ireland, So I became responsible for the brewery we have in Cork in Ireland, including logistics, including planning, etc, etc. Really, really nice time. And then my next step was actually for the first time not a role in breweries, but in head office roles. So in the corporate office, still for supply chain. And it was first a role that was called policies director, but then the last four years in supply chain, I was the director r&d In Heineken, really working on all kinds of great innovations, I have to say, then the topic of already in my time in the breweries, and you you work on reducing energy consumption, you work on reducing water consumption, and it was not so much with the lens of hey, we have to improve and lower our co2 emissions or water becomes a scarcity, So it is important to definitely head lower our water consumption. It was more if I'm honest, and talking about a change journey, it was more also about cost savings. So and lower energy consumption, also bring savings in a brewery, same for water, etc. etc. And then actually, after my time in r&d, as an r&d Director, the opportunity came up to move into the corporate affairs function, because my role reports into the corporate affairs function, and to become the Global Director of sustainable development. That is now a bit more than two and a half years ago. I thought it was a very good investment in my own education. And because as you said, it's, we have to really make that a strong business agenda. And there's so much, yeah, depending on that, also, that the future business agenda has to find the balance between growth profits, but also on the mid and the long term to do that in a sustainable way. So I, I thought it was a great opportunity, and, and maybe to conclude first a little bit on my role, so I have a small team of six people. And I call my team the Orchestrators of the sustainable and responsible consumption strategy for the company. Okay. And in my team, I have somebody who specialized on circular economy, on decarbonization, on water, So on the topic of water, I have a person who is really managing our stakeholder management elements related to our sustainability agenda. I have somebody who is specialized in the whole reporting side. So the ESG disclosure elements have because there are a lot of reporting requirements and only increasing and then I have a project manager for sustainability that can support actually the team on all kinds of projects that we do, but sustainability and responsible consumption, it's a very cross functional agenda. So so that is why I call ourselves the Orchestrators because in developing the strategy, but also of course in the implementation and execution of the strategy. First of all, we cannot do it with only the employees in the head office because all the results are really coming from the breweries and that is where we consume the energy that is where we make the products that is where we etc, etc. So we really have to do it together with all our operating companies, how we call them, Priyanka. So we have operating companies in more than 70 countries. So it's, and yeah, so it's, it's really huge. Yeah, so that's a little bit what I do now. And actually when I arrived, and Heineken has already some commitments and targets related to sustainability, for a long time, I think we already measured things like energy consumption, water consumption. Since 2008, we have data that shows us that already in our own breweries, we were able to reduce our co2 emissions by by nearly 50%. So that is already a long, long journey, and that we work on that agenda. Same for

water already and a long time, efforts to increase water consumption. So but actually, when the commitments that we had as a company, a lot of them were formulated with a kind of ended in 2020. So that's what you see very often by 2015, we do this by 2020, we do this. So actually, I arrived at a moment in my role in June 2019, where my team immediately called me Petra, we have to do a lot of work, because a lot of our commitments as a company are coming to an end. Because we have set targets for the year 2020. So we have to start to develop the strategy for the decades after 2020. So that is why we started to develop our 2030 strategy, which we launched in April this year.

Pri: This is I have to ask you a lot about that because I haven't read about it yet. But whatever. Maybe I'll start with something super simple right now, how do you at Heineken understand the concept of sustainability or define it?

Petra: Yeah, redefine it for us, it needs to be an holistic strategy. So sustainability has to be an holistic agenda and what I mean with that it has to address the environmental elements. It has to address the social sustainability elements and for us, but that is of course very industry specific for Heineken because we are in the alcohol industry. It also addresses the role we have to pay with regards to responsible consumption. So we have built and launched our Brewer better world 2020 strategy earlier this year, and you see if you go on our website, you can read about it. It has three pillars Priyanka, so it has an environmental pillar, where we have three ambitions one around decarbonisation, one around circular economy and one around water. Yeah. Then we have a social sustainability pillar that is really about fairness, equitability. Safety is in there so you see a set of commitments there, really on those ambition areas, and then we have a pillar <u>around responsible consumption</u>. This is really about with our product portfolio, which contains more and more 00 products, we want to give consumers always a choice it it's not necessarily always alcohol that you should offer consumers but you can also offer non alcoholic <u>products.</u> We want to be very strong in sharing responsible consumption messaging with the Heineken brand leading that agenda. So we commit to spending every 10% of our worldwide Heineken media boots yet on responsible consumption messaging. And now we say as well, we are going to measure how many consumers we be connect with on that message every year so we want to tie the 1 billion consumers every year. There's responsible consumption messaging, and what we also find very important is transparency on the labels we are ahead of legal requirements there but we want to have on the pack On our products information about the ingredients, the nutrient value of the products, but what about we also have is the symbols had the legal drinking age, they don't drink and drive. Don't drink it if you're pregnant. There is a new element that we are going to implement, we are going to put on every label of our products, a QR codes, that gives the consumer access to a website where you can find information about alcohol and health.

Pri: Okay, all right. Okay, that's okay

Petra: to give you a little bit, and at the same time explaining you a little bit our new strategy with the three pillars in each pillar. Yeah, three ambition areas, and in total 22 commitments. Yeah, that is, that is it's not a bit of a long answer. But that is our interpretation of sustainability and responsibility.

Pri: Now, I think it was a great answer, because I didn't realize it gone into so much depth already. But also, like, most of these factors, you said, were also put into force in 2008. I'm wondering like, what, what was the motivation back then to do it?

Petra: Um, I think it was, it was it was, the motivation was definitely also already grounded to a certain extent into, protecting the climate. Sustainability angle, but I'm also very honest, I think it was also very much a cost saving angle, increase productivity, cost saving kind of angle, for sure. Yeah. But the title brewing a better world and in the in the past, it was called brewing a better future. That that umbrella for a kind of sustainability agenda we have already quite long. I see, I think since 2010, 2012. For the first

Commented [MOU4]: Started early on the journey of sustainability

Commented [MOU5]: Longterm thinking: Set a new 10 year strategy

Commented [MOU6]: Holistic strategy pillars: Environmental, social and responsible consumption Org strategy, focus and commitments

Commented [MOU7]: Org commitments

Commented [MOU8]: Org strategy, focus and commitments

Commented [MOU9]: Org motivation: Cost saving

SF INTERVIEW: Petra | Heineken coded line by line

time, and and the interesting thing is that already in 1994, we produced and disclosed our first sustainability report.

Pri: Oh, okay. That's really great. So does this mean that this sort of futuristic, being careful about the planet thinking was always there? At the at the top tier in the organization?

Petra: Yeah, it was at least in in, in the in the thinking was it fully integrated into strategy that came later on that really came later on that it was? I think, maybe since since 2000, mid, around 2015, I think it was really, it became more and more integrated into the strategy as one of the pillars. And what we did another step up with the launch of the 2030 strategy in April, because we to measure how success looks like for the company. So you have a kind of company and set of KPIs open until now, these were only financial driven KPIs. Yeah, yes. But now our new CEO hand in hand with the new company strategy, which is called Evergreen, and the new sustainability strategy, which is called Brew a better world, it has changed what was always a triangle with on each corner of financial KPI, he has changed that into what is now called the Green diamonds. Okay. And on the four corner of the diamonds, there are measures of success related to our sustainability strategy, nine, so we are discussing to include that into remuneration and the bonus structure of the senior managers. So you see, over the years, at first you get some KPIs, then it gets a name brewing a better future, then it gets later a few years later, it gets embedded as one of the pillars of the strategy. And And now, that is still the case. But then you add an element saying, but hey, if we want to measure in the coming years, what does success look like for our company? It cannot just be financial parameters, there need to be some sustainability parameters. So that's actually how you see it evolving. Yeah.

Pri: Yeah, that's really great. Because my next question was going to be like, how do you then leverage this sort of thinking within the organization? Like, is this change that you're describing to me? Always come from top down, or was it also some bottom up inspiration as well?

Petra: Yeah. So you see that in the in the I have to say, we as I said, we already have a set of external commitments for a longer time. Um, we have gone through a face that especially with all those operating companies, how strong this was embedded in an In an in a local strategy of an, in a country in an operating company, I always felt it was very much depending on the personal leadership of the local general manager. And we have very good examples of where it is fully integrated in Vietnam and in New Zealand and in the Netherlands, and and you probably are familiar with the phrase, culture eats strategy for breakfast.

Pri: Yes.

Petra: And so what we saw over the past years is that when you have strong local leadership, and where the leader said, I'm going to really embed sustainability in my local operating company, strategy for the coming three to five years. Then the vehicle starts to right to turn, right. And that's varies from company from, from operating company to operating company. Of course, they all have to contribute to certain extent because we as a, as a company, we had these company commitments, that whole but now with developing the new company strategy evergreen with the new CEO, I think the the end to be honest, in developing that strategy. I already started in 2019, even before the CEO said. Oh, we are going to develop a new company strategy for the five years and sustainability and responsibility has to be in there. Yeah, we already started with that whole materiality assessment journey. So we spoke with NGOs, we spoke with senior managers we spoke with, we did a lot of desk research, what what do other companies commit to? What do big the big four consultancy advice and are expecting from companies in the coming <u>years</u>, and I also <u>recorded a movie</u> in which he is on our internal channels, <u>I asked all the employees to</u> share with me what they wanted to see, in the next gen strategy for the coming 10 years in the sustainability strategy of the company, I got more than 150 responses, people sometimes really responding and what needs to be in there. So I think that is also to really, so it was a bottom up exercise to really develop this new 2030 Blue a better world strategy. In the end, it was a cross functional team.

 $\begin{tabular}{ll} \textbf{Commented [MOU10]:} Thinking integrated as a strategy \\ \textbf{pillar later} \end{tabular}$

Commented [MOU11]: Adding green KPIs to financial KPIs

Commented [MOU12]: Measure KPIs – imbed as strategy

Commented [MOU13]: Evolving parameters: Not just financial now also sustainable

Commented [MOU14]: Been in the game long

Commented [MOU15]: Integration depends on the personal leadership

Commented [MOU16]: Progress happens when there is strong leadership

Commented [MOU17]: Even in Heineken varies company to company/leader to leader

Commented [MOU18]: method

Commented [MOU19]: external help/partners

Commented [MOU20]: involve employees for bottom-up strategy

really developing that. And And now of course, now it is launched. Yeah. And that is the phase we are exactly in now. Now we say we have to operationalize the strategy. So we have to develop a performance management dashboard, we have to get the governance, right, we have to have the right vehicle. But also helps is now since we have this new strategy in our supervisory boards. There is an an a small committee with members of the supervisory board that is really our sustainability and responsibility committee at the supervisory board. So the new strategy back in April was also signed off by the supervisory board that has never been done before.

Pri: Oh, alright. This is fantastic. I mean,

Petra: <u>all these building blocks help.</u> Yeah. To really? Yeah. elevates the strategy. And to really, yeah, so we tried to put a lot of effort in communicating about it, embedding it in the strategy at SP level. Yeah, so it's, but that's a journey. That is, <u>that's really a journey.</u> Yeah.

Pri: Yeah. And I didn't realize that it takes so many partners of research to get to that. So that's really interesting. But I also then have a question because you seem way ahead of the trend, the way things are happening. Did you Did you ever, like could you maybe think of your top three challenges that you faced in this journey?

Petra: Top Three challenges. I think one challenge was <u>always to get it to a holistic strategy</u>. So not only having <u>environmental there but also having social sustainability</u> there. And and <u>in combination with responsibility</u>, I think now we landed at the place that we have an holistic sustainability strategy with commitments addressing all those three areas. I think a challenge we still are facing and that is still a journey is to make but as I said, we are building all those elements with the green diamond and with the performance management system, but to really, yeah, get almost the performance of on sustainability and responsible at a at a same level, then the financial that is <u>still a change management journey</u> had to to to as we spoke about the personal leadership element, etc, etc to sit still. Yeah, get everybody behind this green diamond principle Hey, the company after the success of the company is no longer only market share or revenue or profits. And that's, that's <u>that is that is culture you have to build</u>. I think that is still not something at every level in every Op.co.(operating company) and in every company decision that we make. It has sustainability has to be integrated in the thinking and you should not only think if me so <u>so if you build somewhere a new brewery How can I build it as green as possible? Is there water in this area?</u>
So all these kinds of things to really <u>embed our sustainability agenda in every daily decision that we make as a business? I think that is still a challenge. Yeah,</u>

Pri: I get it. I absolutely understand. Yeah. Do you maybe have one more in mind?

Petra: Um so I have to holistic I have to really embedded in every business decision and get everybody behind it will be a third challenge? I think in general, and that is not a specific challenge for us. I think the whole reporting and data collection to really so so I think that the biggest if I take carbon, so we have a commitment that we want to be completely <u>net zero emission</u> in our <u>own production sites by 2030.</u> And in <u>the full value chain by 2040</u>.

Pri: Yeah. Okay. Yeah, that's, that's a big claim.

Petra: That's a big claim. We were the first Brewer making that claim, the whole data collection, accurate reporting, driving and having that to enable decision making, etc., etc. Yeah, that is that is a big challenge. We are getting there. And we are making the I think we are absolutely another Legger. I think we are doing really well. But that also takes time. So to enable decarbonisation and to enable transparent disclosure on that whole net zero journey. Yeah, that is that everything you have to put in place from Reporting Initiative mapping decision making? That is? That is a challenge. Yeah.

Pri: Yeah, definitely it is. But I'm going to maybe share my screen, go ask, because I wanted to show you something I put down. Like some ideas, I put down what like what your top three challenges were in here. And, and I've also, what I've tried to do is put together a very small, what I think could be a framework to understand like, how do you then drive this change, like you've had your top three

Commented [MOU21]: cross-functional team helped

Commented [MOU22]: operationalise the strategy

Commented [MOU23]: tool

Commented [MOU24]: Governance

Commented [MOU25]: Supervisory board

Commented [MOU26]: A journey & building blocks to embed the startegy

Commented [MOU27]: Challenge: build an holistic strategy

Commented [MOU28]: embedding green goals as important as performance management

Commented [MOU29]: Change management journey

Commented [MOU30]: Build a culture

 $\begin{tabular}{ll} Commented [MOU31]: Challenge: Integrated sustainability thinking in day-to-day decision making \end{tabular}$

Commented [MOU32]: Challenge: Accurate reporting

SF INTERVIEW: Petra | Heineken coded line by line

challenges. And what I've tried to map it against is two things. One is the timeline. Because this is also something that takes a while to get, you know, to get integrate, first of all to be brought into the thinking that then to integrate it. And then to make it like you what you said it just becomes culture at the end. And what I've also tried to map it against is the depth of change, which is, to me it feels like if you're just implementing a tool, perhaps it's just a very, this the first level of depth. But if it comes all the way down to your vision and mission, then it's like a really deep change that affects everything, which is something that I think I heard in your story as well.

Petra: Yeah correct.

Pri: So, maybe we can just have some fun or you can maybe help me understand like, when you face this problem about making it holistic or embedding it in the culture or whether it's a simple thing about accurate reports. How do you like manoeuvre this? If this look like the fabric of your organization? How do you manoeuvre this change? Hmm.

Petra: Shall we? Shall we just pick the first challenge to make it holistic?

Pri: Yes.

Petra: Yeah, and I'm almost tempted to say, that is a kind of organic process. So what you see in many companies is that their sustainability journey started really, on the environmental elements of it. Traditionally in supply chain, okay, with focus on the breweries, as I said, improving water consumption, improving energy consumption, etc, etc. Then you see, that and that's it that is that is by following trends in society by staying close to NGOs, partner with NGOs. You, you, you learn that these topics still matter, but that you have to evolve them into a bit more on holistic strategy. So for to give you an example, on water, as I said, we started already back in 2008, to focus on improving water consumption. Yeah. And you can invest in breweries to make them more efficient in their water consumption, etc, etc. Then, in 2019, we thought, let's have a look at our environmental topic on water. And it's just focusing on lowering water consumption. Is that the right strategy, and then we said, with help of WWF and other parties, then we said, actually, what it is all about is that we have our breweries, and those breweries. they have to use water, beer is 95%. Water, Some of these breweries they have, they are in locations. where there is four periods in the year there is scarcity of water. And the water the breweries get they do come from a certain watershed or a certain water basin. And actually, the aim of our strategy should be to keep those water basins those watersheds to keep them healthy. That is the whole thing. But we should ensure that <u>communities around the brewery still have access to good quality water to sufficient</u> water, et cetera, et cetera. And then we can say, we said we can only work on that improving water consumption, water consumption, water consumption, but there is more we have to do, because in the end, product goes live at the brewery in the bottles and in the cans. And that product has water that we took from the watershed. So let's go for another leg to our water strategy. And say we also make a commitment about replenishing in those watersheds, all the water that ends up in the product. Wow. So that was not only focusing on water consumption, but we are also going to focus on water balancing on replenishing that water. And then we said actually, there is another element we have to do right to protect the health of those watersheds. That water you use in your brewery for cleaning the tanks, etc. etc. We have to make sure that that wastewater is treated so that every brewery has a wastewater treatment plant, the treated water has to meet a certain quality, you have to do the treatment, right. And then we said actually to enable ourselves to pull as less water from the watershed for our production. We have to look into water circularity in two ways. If we have treated our wastewater, are there processes in the brewery that don't need the good quality water that we retrieve from the watershed, but maybe we can reuse recycle bad water that we have treated? And then another element is in that same area, we might our brewery might be next to a paper factory, or next to a farmer. And that data factory or that farmer is now also pumping of water from that watershed. But what if we could

make our treated water available for because the quality might be good enough for that farmer to

Commented [MOU33]: Organic change process

Commented [MOU34]: Earlier Sustainability focus: water consumption, breweries, supply chains

Commented [MOU35]: These evolved into the holistic startegy

Commented [MOU36]: 2008 focus

Commented [MOU37]: 2019 foucs

Commented [MOU38]: External partners WWF & more, new goal: Watershed health

Commented [MOU39]: New focus

Commented [MOU40]: New focus: circularity

irrigate his lands or for the paper industry to do that? The first 30 steps of their process. So now we have a water strategy called EveryDrop. That has commitments around, still improving our water consumption. but also commitments on water circularity and also commitments on water balancing replenishing the water. So that is how you see how organically you learn you, you discuss with NGOs, and you come to Pri: Yeah, yeah.

Perta: this strategy

Pri: is a lovely story. I mean, I love how you think of it in systems you even saw in surroundings and then added to it it's yeah it's hrilliant

Perta: So maybe you start a bit internally focused, and then you say, but what is actually the objective? So you then and I think this, and then you see that, that the social sustainability elements, because now we have embedded it officially as a second pillar in our strategy. But what happens before that is that you see that the company already hires a social sustainability director, also, again, from talking to NGOs, NGOs, you see how have a fair wage, human rights, how important these things are. So you start to work on these topics without having really external commitments in your strategy. And then after a few years, you revise your strategy as we did this year, and then the timing is right. And of course, it's also because of what is because we have a lot of stakeholders, our employees, our stakeholders, to society, our stakeholders, consumers, our stakeholders, NGOs are our stakeholders. And of course, they also point us in that direction, hey, when you revise your strategy, make social sustainability. The good thing is that we then never start fully from scratch. Because there is always already some resources somewhere done. And that is I hope to explain a little bit how such a journey goes in a company.

Pri: Yes, I'm learning so much from you in, Yeah, okay, That's so that's one journey,

Perta: that is on the holistic one. Yes. Then on the leadership one? Yeah, that is, I think a couple of things. Having external commitments is the first driver. I think that is where we started certain elements, company wide external commitments, that it where it, that is where it starts. Then the journey is a little bit as I said, based on personal leadership. The agenda in operating agendas is further evolving. And then you really get and that is a little bit and then you really get that moment, hey, we embedded in our vision mission company strategy had the building block that you have also in your slides. And then now we are actually in the face of integrating it in remuneration. Had, as I said, the green diamond. So the measures of success for the company, improve your whole governance improve your performance management reporting system. That's a little bit how I would picture that journey.

Pri: Okay. Okay. Okav.

Perta: Yeah. And it's also learning and because if if, if, if you don't know, what the impact of climate change is, and how what you can do in your brewery, so I think awareness creation, and education capability building is also a very important element on that wall of getting the whole senior leadership getting everybody on board.

Pri: Right. Yes, I understand that. I have a very silly question. Do you do you then also have some measurement frameworks or tools in place that help you measure?

Perta: Yeah, yeah, we have a brew a better road dashboard.

Pri: Okay, fantastic. Okay. Yeah. Yeah. All right. So that and that leaves us with the last challenge if we have to address it, which he said was the accurate reporting and data,

Perta: More specifically for the whole netzero decarbonisation journey? Yeah, Yeah, that is, that is actually something that that started in already years ago. I think it already reports. So again, very interesting when it comes to the carbon footprint of our breweries. Yeah, we already have four years in supply chain, a system that collects all kinds of data from all our breweries over the world more than 160 breweries. Okay. If we call that the brewery comparison system, it drives nicely, a little bit of internal competition, you can use it for internal benchmark setting. But there are also the data in there that we at a certain moment could use to calculate our carbon emissions. So as I said, it started with energy

Commented [MOU41]: EVERYDROP systemic strategy think of your surroundings and how you can help as an org.

Commented [MOU42]: External partner NGOs

Commented [MOU43]: First: focus internally

Commented [MOU44]: Learn from experts, make it a strategy when the time is right

Commented [MOU45]: External partners are stakeholders too: Help point in the right direction

Commented [MOU46]: Never have to start from scratch. Use existing resources.

Commented [MOU47]: Strat with leadership. Top-down. Commitments are a driver

Commented [MOU48]: Next with operating agendas

Commented [MOU49]: Next building bloack: vision

Commented [MOU50]: Governance, reporting and

Commented [MOU51]: Awareness creation, education & capacity building - with senior leadership on board

Commented [MOU52]: tool

Commented [MOU53]: started years ago

Commented [MOU54]: 4 years data In supply chains in 160+ breweries. Huge Scale.

SF INTERVIEW: Petra | Heineken coded line by line

measures, and then all of a sudden you say, hey, but now we have to start to calculate our carbon footprint in our laboratories. Then, I think already, yeah, years ago, we already started many already 10-15 years ago, we started to also say, but it's not only about the carbon footprint in our breweries, it is about the carbon footprint in our whole value chain. Interesting is that we started with working with the consultants, big questionnaires, we had to collect data from suppliers. And once a year now we started with once every three year, we reported the carbon footprint of the entire company, including the value chain, oh, okay, then we move to once a year. And we did that with a with a bit of an extrapolation. So we looked at the biggest suppliers and the biggest breweries and, and with always with help of an outside consultant, okay. The Journey arrives at the moment where you say, Yeah, but decarbonisation becomes a very important topic in our whole environmental sustainability agenda and be said, but on that whole data collection, and the tooling, and etc. etc. And, and producing the carbon footprint once a year, behind months after the year closest is not good enough, we have to really be able to report that faster and then and have the results at a higher frequency. So then we decided that this knowledge we need to have in house. So we put the consultant out of the door. And we said we have to develop our own carbon reporting to the need to create specialists, etc. etc. And we are still in that journey to further improve that I just had a workshop yesterday, very cross functional, that the type the name of the project is to develop and shape the Northstar of carbon reporting. So we are still evolving into because in the end, we say it might be that in a few years, we want to when the consumer and it grabs a can of Heineken that you can put on the label. The carbon footprint of the scan is so much. Yeah. So it means if you have that as a kind of dream, that you further have to develop your whole data collection and your carbon reporting. So all of these things are indeed, journeys.

Pri: Yes. Oh, I absolutely love that. You said that. At the end of the day. All of these are just journeys. Because yeah, the maybe, I'm also interested to understand like, do you have do you have any advice for people or organizations that are making this change today? Like, how can they want to be the first thing that they should do? Maybe?

Petra: Yeah, and I think it starts with agreeing at top management, hey, we want an holistic sustainability strategy. And then and then and then you start with your materiality assessment. You start with a desk research to define which for your company, the right topics and you include your employees you regroup include all your stakeholder groups, I was reading an interesting article because there is now in the society also cop 26 Last week, yeah, nice. All these pledges, nice all these commitments, but it is now also about really acting and delivering results. There was an article of McKinsey, Yeah, That was an article from McKinsey. Could be also another another, another magazine or something like that, but it has proven that companies who have stretched themselves really by setting bold ambitions, that helps in the end, also to really make results so you have to so if you're less ambitious, you will also be slower in achieving results. I think it's something that Unilever already also uses for years. Okay. Hey, they sometimes Overpromise and they realize that but it was already performance, saying, yeah. But if I put my ambition lower and I reach 80%, I am here, I rather put my ambition here and reach 80% because then at least that is what I was able to achieve. So I would always start with with and and then look what's already cooking in your organization for many years, what are the elements you can integrate, and approach it as a very cross functional journey. And you have to really do it with all the functions and with all the data, and not only in the head office, but you have to have your production units or operating companies, whatever you name it. behind it. And then of course, it is all about performance measurement and reporting. And here, you have all these building blocks to really embed it into wrinkle that to leave it in the DNA of the organization.

Pri: Yes, I love that. It is it is lovely. But yeah, I think the challenge also for a lot of organizations is how do we bring our value chain partners with us?

Commented [MOU55]: Now measuring in labs.

Commented [MOU56]: Started years ago on supply chain

Commented [MOU57]: Questionnaires and external partners to collect data. Once a year

Commented [MOU58]: Building capabilities for an in-house reporting team

Commented [MOU59]: Evolving journeys of reporting

Commented [MOU60]: External communication to

Commented [MOU61]: Quote:

Commented [MOU62]: Step 1: agreeing at top

Commented [MOU63]: Step 2: Want holistic strategy

Commented [MOU64]: Step 3: material assessment

Commented [MOU65]: Step 4: Desk research and right topic for your company

Commented [MOU66]: Step 5: Include stakeholders and employees

Commented [MOU67]: Step 6: Be bold: aim for the moon you will reach the stars.

Commented [MOU68]: Step 7: What internal initiatives you can integrate in the new journey

Commented [MOU69]: Step 8: Do this journey with all not

just Head office

Commented [MOU70]: Step 9: Performance measurement

Commented [MOU71]: Building blocks to leverage change

Petra: So it's just challenging, but it is. Yeah. And that's that is why we said we have 2030 commitments to decarbonize fully our own productions, you have to be credible, on your own journey, first in your own operations. And that gives you the credibility to talk with suppliers and the value chain, etc, etc.

Pri: Yes, oh, this. I mean, this has been so great. Because I have learned so much from you, because I've been reading it about it in the paper, like Academy papers and trying to understand how to make this change happened. But I'm listening to you and you've actually made it happen on ground lake for **Petra:** Still on the journey, and we are not there yet. And that's nice, because the way we phrased our

Petra: Still on the journey. And we are not there yet. And that's nice, because the way we phrased our three pillars in the strategy, Priyanka is for the environmental one, we are on a path to zero impact. We are on a path to a fair, safe and equitable world. So we see ourselves still on that journey.

Pri: Yes, I think that's beautiful. That is an ever evolving world. Journey? Well, I mean, I think on this note, I am sort of done with questions, but I feel like I can talk to you for ever about this. There's so much, there's so much to do. I could go on forever, because I feel like you've lived the experience. You've done the change. And um, maybe I'll just leave you with the last question, which is, what is the like? What is the thing that you're most excited about in your new set of strategies? Like what what's the dream thing that you're looking forward to?

Petra: I'm tempted to say two things. So I'm very proud on our both commitments on the Net Zero journey. Yeah. And I'm very proud that there is now also a pillar on social sustainability in that strategy. **Pri:** I think I think that's fantastic. And with that, I will, I will say a big thank you.

Petra: And it has been more than welcome.

Pri: It has been a pleasure. It has been an honor, it is I cannot begin to tell you how wonderful this chat has been for me. So thank you so much for taking the time and talking to me.

Petra: What is truly my pleasure, I wish you best of luck with your thesis, you think and if there are any questions popping up, I think you have my email address by now. Yes or no? Feel free to pop them in an email and let me know. Yeah.

Pri: That's, that's very sweet of you. Thank you so much. Yes. Thank you so much. Have a wonderful week ahead

Petra: Yeah, same to you. Take care, stay safe and all the best. Bye bye

Commented [MOU72]: First your own org journey this gives encouragement to value chain

SF INTERVIEW: Sandra | ING coded line by line

Interview with Sandra, ING

Pri: To understand a bit more about like, what is it exactly that organizations do well, to make sustainability happen, and for every organization is different, so it'll lead you to learn something new that coming from a financial sector would be very different from any other product design company. So I would love to know your point of view. And, I'm really excited to get to talk to you today. So that's my story and read I'm coming from, and maybe you could tell me a bit about yourself, like how you got around to be into sustainability in a financial sector?

Sandra: Yeah, super. Yeah, very good question. Okay, so. Mmm, hmm. Where to start? So maybe then starting? How do you How did Lend up being in a bank or a financial institution? I? Okay, I don't know. Exactly. To be very honest, how did I end up in a bank. But I do know that I was always intrigued by money, and not so much by having money, but just the fact that money is such a big change maker in the world. And being able to manage your money is quite important to actually just be happy, right. And that's the entire thing. So I was really intrigued by that, and ended up in working in a bank, basically, doing my profession, which was 20 years ago, data analytics, marketing, data analytics. And banks happened to be very good at that, because they have a lot of data and very good tools, and very, very good and intelligent people working on it. So it was a great place to be in. And for about 17 years now, I have really enjoyed working at a bank because it's an extremely changing landscape. Banking is not at all what it was 17 years ago when I entered it. So it's very, very fast changing environment. And there's just great people working in banks. I really like my colleagues. How did I end up with sustainability? That's a bit of a coincidence, actually, I was a bit on a sort of stuck part in my career as well didn't know exactly what to do, and managed huge parts of the organization. Many people, but then in the end, what do you do? So I felt okay, I'm, I'm supposed to create a lot of impact. But in the end, I'm just writing emails the entire day. So what am I really doing? How can I, what can I change here? And then sustainability or global stability just landed on my path? And I thought, Okay, that's a nice, nice change, a huge change. For me a terms of, you know, career perspective, this was actually a step out. But I just wanted to learn more and understand this topic better. And this was about six years ago, where sustainability was not at all what it is now. I mean, people, there were a few people who said, that's such a nice topic, and I really want to do more with it. But it was really only a handful. And I actually looked at them at Oh, really, I had no idea this was something because it was totally not a topic that was largely talked about. And then in the last six years, it's completely booming. Yeah, so that's a very, yeah. I mean, if I would be, you know, twisting the story a little bit I could say, and I knew it was coming and therefore I want it to go there and then, but that's just not true. I was just very fortunate to be there at the beginning. But then again, if I look at okay, and how did we, you know, how did we go about that ING is really stepped up and really, really delivered massively especially in the climate area, but but also in social. And we're one of the few banks who are really reporting on climate and climate change and how it impacts us and the impact we have on it. And that is very nice to be part of. And it's only because we have just great people working in our team, a lot of young people, so. And what I've seen is that these young people, good educated people on this topic, don't, don't say get don't they don't rest until they're satisfied with how that needs to be done. So where I would probably say, Can this be done ever? They would just say, yes, we need to do it. And that's why we are so far. So it's really because of great people.

Pri: Oh, that's such a nice thing to say. But I love what said about like that, even from the time that he started working, the banking is really changing in its landscape. Could you give me a small hint of how much it has changed from when he started to now?

Sandra: Ooh, maybe one? Yeah. Well, I think I can give you so many examples. But maybe. And you mean that really from banking? Not so much sustainability in banking? Or is it that combination?

Pri: Oh, that will be my follow up question for sure. But first, when you said like, oh, banking is really changing the landscape. I was curious what you meant by that.

Sandra: One example, a bit more from the retail banking space, especially back then, I remember, in my first years that in order to understand the bank, we would have to go to the places where the how do you call it the paper? Paper stamps, not stamps, but like an overview what you would receive as the where these were processed and printed? And had it all worked. And it was like massive, massive, massive production places. And I mean, how many millions off of paper statements we would send out each and that was, I mean, that would be the interesting part to work at, right. That was where it happens. Same goes for the call center. And I before this job, I worked there actually. millions and millions. And actually

Commented [MOU1]: Quote: Money is a big changemaker

Commented [MOU2]: Quote: Banking is a fast paced changing environment

Commented [MOU3]: Sustainability not a hot topic 6 yrs ago

Commented [MOU4]: Sustainability is a hot topic now

Commented [MOU5]: ING org focus – climate & social

Commented [MOU6]: One of the few banks reporting on climate change

Commented [MOU7]: Great people with motivated nevergive-up attitude

Commented [MOU8]: Old school: Paper statements

that only went down down there because of the digital banking. No, I in entire year. I have not received a paper statement from my bank. Nothing.

Pri: Okay. Okay. So then how now I'll follow it up with the question that you already framed? How do you think and this very curious, how do you think sustainability and banking go together?

Sandra: Well, they go together, because in the end, the world changes where money flows. And this was exactly why I wanted to be in banking, because I saw the importance of money, right. And in the end, you can really have influence, and with stainability is exactly the same. So if we change where our money goes to, that has an impact on the real economy. At the same time, if something good happens, it's not always the case that it's because of us. I mean, our clients are really changing their own emissions are really changing their own processes. But a little bit of support from our side can help. And when banks and more and more banks do so saying no to certain things, that is really hampering those type of activities to continue. So it does help. And it also helps to ask questions. In order to get things done, you need money back start asking a lot more questions. And that's supporting all of that. But yeah, I mean, it's, of course, not enough. It's not that much. would not say banks can save the world. Not at all, but it is an important influencer.

Pri: That's true, though. Do you have maybe an example to help me understand, since I'm not in the banking sector, like how, what kind of, like I said, you have an influence over the organization. Can you give an example of like what?

Sandra: Yeah, yeah, one, okay. One example one positive and one negative. Let's start with the with the negative one. So back in I think 2017. We have said, No more new coal financing. So coal for energy production for electricity production. We've said no more new. And then I think a year or a year and a half after we even say close to zero by 2025 in our portfolio. And I always forget numbers. But let's say it's about, Oh, don't be me to this, but I think it's about two or 300 million Oh, no, I don't think so no? Okay, I would have to look it up. But you can find it in our annual report, the exact amounts that are called portfolio was in 2017. So we're not talking about pennies here, it was quite substantial. And where it is now, and that is a huge reduction 90% is gone in just a few years. Okay. So in terms of we have an influence, when we say we don't find it anymore, it runs out of our books. Now, the negative part of this is that that Coal production is probably still there, but now financed by someone else. But hopefully, the more and more banks embark on that, it is going to be harder and harder for them to get their financing and with that produce the goal. So that's the way to influence but maybe in a negative way, because they need to say no, in a positive way. We've introduced the sustainability linked loans. So if our corporate clients are up for sustainability, they can get an interest rate reduction. So if they have let's say they have a sustainability program, and they have an ambition, and they put, and they share those visions with us. Yeah, and they hit those targets, then the interest rate is lower for them. Okay, can also be done with independent rating agencies. So you can also ask senolytics to do that for you. So anything, so if you're into sustainability as an organization, the finance with us is cheaper. So those are all kinds of sustainability linked? offerings we have. So that's a positive way to influence.

Pri: Yeah, definitely. So then how, how do you add ING then understand egocentrism or sustainability? **Sandra:** Sorry, what do you mean with eco?

Pri: I mean, how do you how do ING understand sustainability? Like, how do you define it? Maybe?

Sandra: Yeah. Um, oh, that's a very good question. So what, um, so the sustainability direction that we have set is made up of two cornerstones. One is on climate change. And the other is on the show on social climate change. That means we want to align our portfolio with the Paris Agreement goals, and now it's the net zero by 2050. Goals, okay. But it's also about understanding climate risk. And it's climate. But I actually should say, climate related, because biodiversity and other environmental elements are, of course, also part of that. And that's scope is from our own footprint. So our buildings our traveling that we do, up until what we finance and just the finance we do, and we measure the impact of that. And that's quite advanced, because not a lot of banks do that, because it's quite hard. And then on the social side, it's human rights, protecting and fostering human rights and financial health. We know that a lot of people struggle to make ends meet. And therefore we also have a role to play to help specifically those people to manage their money in a better way. So that's the landscape of sustainability or the translation of super broad topic of sustainability to to us, and how do we decide on these topics? So we have a materiality assessment, we ask different stakeholders, we look at media, we look at ourselves, and all of that we decide what are really material, most important topics to us. Where can we have an impact?

Commented [MOU9]: Digital banking: Modern Tech tool/

Commented [MOU10]: Power of finance

 $\begin{tabular}{ll} \textbf{Commented [MOU11]:} & \textbf{Role of ING/Financial Support in sustainability} \\ \end{tabular}$

Commented [MOU12]: Orgs supporting org. Clients change is financial support is there.

Commented [MOU13]: Quote: Banks are an important influencer in change.

Commented [MOU14]: Org policy influence change and impact on financials and growth.

Commented [MOU15]: Org change created huge impact in just a few years

Commented [MOU16]: Orgs need to support orgs & get behind a good agenda to create a change

Commented [MOU17]: Bank influence creating a good change

 $\begin{tabular}{ll} \textbf{Commented [MOU18]:} Org focus: climate and social change \end{tabular}$

 $\begin{tabular}{ll} \textbf{Commented [MOU19]:} Externa factor: Paris agreement, \\ now net zero by 2050 \end{tabular}$

Commented [MOU20]: Climate related elements

Commented [MOU21]: Factors to measure impact of: buildings, travels, what we finance

Commented [MOU22]: Social impact: protect & foster human rights, and financial health

SF INTERVIEW: Sandra | ING coded line by line

Okay, and based on that, and we, we take these topics, but of course, there's more topics that are important to us, but that are out of the scope of sustainability. Let's say cybersecurity. It's not a topic of sustainability. Some might say yes, because there's also data ethics involved but okay, let's leave that apart. So for us, that's how we decide this is where we feel the impact should be But of course, we also look at external frameworks, let's say the SDGs, for example, and other climate commitments. So like the Paris Agreement goals, but now the net zero, but also in the Human Rights area where the there's the OECD guidelines. And so we take guidelines, our own materiality assessments, and then a bit of the mix of our own, you know, sense of where it should be. And that's where we focus on.

Pri: Yeah. Oh, that's, would you mind my asking a little bit more about the materiality investment that you said? What does it cover? Exactly? When it comes to ING? Like,

Sandra: which topics? You mean?

Pri: Yeah, what factors there does that take into influence?

Sandra: So what we, we what we do is we look at, we take a very long list of all kinds of topics, okay. And then we look at are these topics relevant for us? So we go out with a survey to quite a large group of stakeholders. And we ask them, is this topic important to us? And then we do that with internal stakeholders as well. And then we go even into a dialogue with all these stakeholders to understand and what does it mean? And that's how a shortlist is then. Yeah, then we get to a shortlist and then another round, and then okay, here's the let's say 11 key topics that are really material to us as a bank. Materiality analysis is also important from a reporting perspective. So in order to do your annual report, it's important to first determine what do I need to report on? Because yeah, it can be anything. Yeah. That's also why it is so important to do it. But of course, the concept should be that is not just for your reporting, but it's also on, you know, what you focus on as an organization. Yeah. And one of the interesting things, yes, that's an environment or climates. I think it's called environment and social due diligence as a topic. It wasn't ranking very high a few years ago, but this year, when we did the analysis, again, it was number one. So it's really growing. Yeah. growing in importance. Okay, more important than financial results to apparently to stakeholders, that's probably not the case with some investors. So don't don't get me wrong. It's a wide group of stakeholders. Right. That is? Yeah, that is an interesting trend to

Pri: All right. So I think that also brings me to the question like how, who is like the team? Or who are the stakeholders in this that take this decision? Or make the list? And then make the shortlist like, is there a small team? Or how does that happen?

Sandra: Yeah, that's a good question. So it is indeed a small team. It's mostly us. So our team. But then, of course, we also connect to media relations, communications, finance, investor relations. So it's, there's a lot of people who are able to put topics on the, let's say, the long list. And we work with an agency as well, that, of course, also understands this concept and sees other organizations as well. And, yeah, getting to the shortlist. Yeah, that's based on all these results that we then get in, and then we prepare a few of these topics for the dialogue. When we do as a team as well. And then yeah, that's, that's how it goes. And then our auditors who KPMG they provide an audit on on our reports, they also provide an audit on this particular part. So they also, it's not that they can put topics on the list, of course, but they do audit whether those topics make sense. Did you follow the right steps? And is this really a good process that you followed?

Pri: That's, yeah. Oh, that's lovely. Um, but maybe I'm skipping forward to a question I had later on. But it seems so connected to what you're saying. Because the two cornerstones that you put down were climate related change and also social. And both of these. Do you feel that it's easy to put down metrics for For these two cornerstones?

Sandra: Well, for climate, it is, it seems to be a little bit easier in that sense that we all agree that climate change is caused by co2 or greenhouse gas emissions. So we know how climate change is cost, you know, we know what the causes. So we also know how to measure that. And therefore we also know, if we want to measure something, it needs to be around co2 or greenhouse gas emissions. So that's clear. That's the easy part, then it becomes very difficult. So how do you measure that? On which level? Does it say anything? Can you influence that all of those questions? And that's what we've done in our climate report, in our, in our approach, we sort of try to cut through all of that and come to a methodology to do it. That's on the climate side. On the social side. There's no such thing as a social metric. It doesn't exist. Yeah. If you would take well being as a sort of a highest form of the social metric. But then what's the

Commented [MOU23]: Materiality Assessment method

Commented [MOU24]: External factors of influence: SDGs
OECD guidelines. Paris Agreement

Commented [MOU25]: Assessment method: guidelines: org priorities

Commented [MOU26]: Which ones are relevant topics for the organisation

Commented [MOU27]: Method to choose relevant :Surveys with stakeholders, Dialogue with internal stakeholders to understand what it means for the org.

Commented [MOU28]: Material assessment important for

reporting in annual reports. Know what to report on.

Commented [MOU29]: Reporting shows what the

Commented [MOU30]: Changing evolving trends. Environmental and Social due diligence is hot topic.

Commented [MOU31]: Small team

organisation focuses on

Commented [MOU32]: External Partners: help with the long list of goals.

Commented [MOU33]: External Partner: Agency that is an expert on topic and helps other orgs as well. Helps with short-listing.

Commented [MOU34]: Based on the partner findings: Next step Dialogue with stakeholders.

Commented [MOU35]: External Partner KPMG: for audits of chosen directions & its relevance to the ore.

Commented [MOU36]: Measurable Climate change metrics

Commented [MOU37]: Methodology to choose and how to measure the climate metrics by org.

Commented [MOU38]: Social Metrics do not exist.

measurement of well being? Yeah, it's not there. Yeah. So we've given quite some thoughts. And we've also done quite some experiments on for example, as particular to financial health there, which is, I would say, close to wellbeing for at least prerequisite for well being most of the time not also, but, but even there. I mean, if we ask people, do you felt, do you feel in control of your finances? They say yes. And then in those cases where we were able to check, okay, what does it mean, in terms of financials? Yeah, it's not always the case that they have a lot of money. So it's not connected to the way you feel and whether you are really financially healthy. If we would look at your finances? Do we then say you're financially healthy? connection between these two is not always there. So then, is your answer, I feel in control the truth? Or is the data we see you're not in control that job? What is it? Yeah. So that's the difficulty part there. Then your own human rights, of course, there's clear guidance on how to to detect human rights violations. But again, data, there is not always the case. How far do you go into the value chain? is a is a human rights violation? In some countries? It's not right to ask. But in that particular case, in that particular context, maybe it has a different meaning. Yeah. So how do you? What do you do with that? And the interesting part that I find, and it's not so much of an answer, but the interesting part here is that it's all connected, right? And so an end, understanding or trying to understand the complexity of that interconnection is what is yeah, really interesting. Although extremely difficult, because there's no, a yes or no, or a black or white. It's always, yes, this, but look at the other side. And yeah, Pri: I get it. Thank you so much for answering that. But then, um, so you said that this proposition for sustainability started six years ago, but only today is gaining momentum. How was it at ING to leverage

this Sustainable Thinking within the organization? Yeah, Sandra: yeah. Yeah, it's a lot of pushing the agenda. It's a super important that the top management believes in this and sends out that signal very clearly into the organization. And we've been very lucky to hear as well with our former CEO, but also our current CEO, being a strong believer in this topic, and really pushing it. I think, now with one regulation coming up more, but also, maybe a different mindset of our current CEO. That all that let's say positive vibes, now also get translated into very clear KPIs that go into the organization. Okay. And I think that is really helping us to get to the next step even. So what happens how did we get this far. It was really about our, let's say visionary people that said, I just want our books to be aligned with the Paris Agreement goals. Just go figure out how to do that. And we'll just make the claim. So really bold and visionary. Yes. On the social side, I just want to impact 100 million people, go do it, and then figure out how now it's a lot more about we know how to do it, maybe, but then, what exactly are we aiming for? And how can we exactly let the entire organization contribute to that? Okay, not just one central team, but really, make sure it's integrated into the entire organization, that's really the next step. Okay, that you need a lot more nitty gritty detail, KPIs, and you know, getting everyone to work on it.

Pri: Okay, I'm gonna approach this in a slightly different angle, and maybe also share my screen just to make it a bit more fun. I was like, over the six years, my question to you would be, what were like your top three challenges that stood in the way? Could you think of some?

Sandra: Um, yeah, I would not, say call it my challenges, but the challenges of the organization or challenges that we encountered when approaching people in the organization? Yes. First of all, the biggest challenge, and that's still of course, the case. how is this impacting my p&I? p&I Profit and Loss? Sorry, yeah. Sorry. So how how is, you know, if you want me to do more about sustainability, how is that impacting the profits that I make? And what will it cost me? Okay, that's the number one challenge. Everyone has that hurdle is done, then how many resources do I need to free up in order to do this? Because yeah, resources are constraints. And even if it's not hitting my profit or loss, I still need to free up people who are not working on something else. And the third item, I think the biggest challenge is maybe the maybe a bit of a lack of understanding that the there's a role of business to play here. Okay. Okay. And I think that latter part is now really slowing down. It's not that much anymore. I would say, No, sometimes that's still a bit of the of the of the challenge. Yeah. It's a, it's a bit similar to when we asked people who own a house, yes. Who's responsible for making your house more sustainable? And the answer a lot of people gave was the government. Yeah. But you own this house, you make money out of this house, if you sell it. So why is the government's response responsible for making your house more sustainable? Yes. And many people felt that that was the case. Okay. And if that's sort of the sort of the belief people have sustainability is something to be solved in the public domain, not by me as an

Commented [MOU39]: Method: Experimentation with

Commented [MOU40]: Complex and interconnected.

Commented [MOU41]: Awareness on the topic.

Commented [MOU42]: Senior Leadership must believe in

Commented [MOU43]: Integrate into the organisation

Commented [MOU44]: Right mindset of the leadership

Commented [MOI]451: Translate into metrics of the

Commented [MOU46]: Help to get to the next steps.

Commented [MOU47]: Visionary Leadership and people

Commented [MOU48]: External factor to align with: Paris Agreement

Commented [MOU49]: Bold and visionary

Commented [MOU50]: Quote: Not one central team but the whole organizatio

Commented [MOU51]: Details: Measurement (KPIs) & Everyone working on it.

Commented [MOU52]: Challenge 1: Impacting Profit & Loss

Commented [MOU53]: Challenge 2: freeing up resources to work on it dedicatedly (people in the org)

Commented [MOU54]: Challenge 3: Role of business

SF INTERVIEW: Sandra | ING coded line by line

individual, not by me as an organization? That's really a challenge that you need to Yeah. You need to

Pri: Yeah, and that is a tough one to fight. Well, I mean, so if we go challenge by challenge, how do you think. What actions did you take at ing to make these overcome these challenges? Like, if we can start with anyone that you think is like, easy to address, and I can show you what I'm mapping it against? Yeah. What what I tried to do is like an experiment, just put down a certain timeline could be a year, two years, three years, five years, and then plus 10 plus 20, looking to the future, and then also looking at the depth of change, which could be lowest thing, like, Oh, it's just a measurement and a framework we're implementing to the deepest level of change, which is we're really bringing it into our vision. And as a strategy pillar in the thinking of the organization. So that's how I've tried to map it out. And then obviously, there are like, people and the role of senior leadership and also tools, artifacts that have help take a vision forward. In implementation, so this is what I've tried to do to create, I guess, an environment to make a conversation with both of us slightly more interesting, I guess.

Sandra: If I don't I don't see your screen yet. Okay. I think I have the right picture in my head the way you describe

Pri: So sorry, I should have asked that first. Is it visible now?

Sandra: No.

Pri: no? Okay, let me try one more time. My entire screen. Sure. Yeah. Wonderful. Oh, I didn't realize learning so much about online communication. So I put together

Sandra: put it on my bigger screen. Alright. Okay. See? Okay, interesting concept. Nice.

Pri: Okay, so while you were talking to me, I put down the three challenges that you shared with me? Yes. One is how is this impacting my p&l? How many resources do I need to get free to meet this goal? And just the lack of understanding of the role that businesses need to play here? Yeah.

Sandra: I can clearly see you, you've been with Livework, I've been a workshop exactly like this. It's really funny. Moving around stickies on the board.

Pri: This is so much easier person. But yeah, just trying to do this online. And no,

Sandra: I'm I'm very amazed. I've tried it a little bit myself, but I don't I can't do it. So it's, I'm really amazed by it. So we did, let's let's maybe start with how is it impacting my p&I?

Pri: And then maybe you can just tell me like, these are the actions, you or your team to get ing to overcome this challenge? Yeah, it could be an ongoing one, that's fine.

Sandra: So maybe take the coal example I shared with you earlier. So what happened there is that we didn't just look at the losses that were being made at that right moment. Because obviously, you know, bring the book down is also a loss in profits. But we also looked at what are the risks? So we obviously also have costs of risk risk costs, as a bank, that is an extremely important driver. And we were able to make the business case to claim that in near future, the cost of risk would grow massively for continuing continuing financing coal. Yeah. And that was, so it's maybe the loss of doing that business no longer itself, that is indeed true, but then try to look at other parts that are also impacting the business case. And bring that into the mix is not always possible, but in the case of coal, that was absolutely true. Yeah, and if you are not sure how to put it here, but I think senior leadership is extremely important there, okay. Because you need so you have even in senior leadership, you have people oriented towards the business oriented towards the risks. And so you need to be able to also have a conversation with both of them to, you know, not just see this from one perspective, but also take other perspectives into account. **Pri:** Right. And did this become part of your vision and mission as well? Sandra: No.

Pri: no? Okay. Good. Okay. No. Okay, so now was more of a decision from the senior leadership. Sandra: Yeah, I would say yes. Okay.

Pri: Okay, And then how did Do you like what was the next steps? Did you take?

Sandra: In this case, not a lot of next steps, right. So it's a decision that we made, and we started to report about it. Okay, now to communicate it outside. And indeed, if we look at measurement and framework, yeah, we created sort of a measurement dashboard, where every year we report on the on the progress we're making.

Pri: Yeah. Okay. That's interesting, right? And for the reporting, do you have to like then get your team to be involved in it? Like, does it become part of their day to day working? Also?

Commented [MOU55]: Example of role of business: Sustainability of owned home, personal or govt?

Commented [MOU56]: Evaluated Long term risk over Profit & loss. Choose risk is way bigger

Commented [MOU57]: Easy to convince senior leadership aligned with longterm risk thinking

Commented [MOU58]: Decision of senior leadership

Commented [MOU59]: Next steps: reporting

Commented [MOU60]: Communicate it to the outside

Commented [MOU61]: Measurement framework:

Measurement Dashboard

Sandra: Not Well, yeah, the reporting is only done on a yearly basis. Okay. There's, of course, quarterly report, but then, in the end, this really is a yearly exercise. So it's, it's part of what we do. Okay. But it's not a day to day exercise.

Pri: Okay. I understand now. Yeah, it's much clearer. All right. And then shall we approach the next challenge, then? Actions? Is that okay, so the next challenge was, how many resources do I need to free up for to achieve this goal?

Sandra: Yeah. Yeah, that's absolutely a thing. So I would then start with indeed, people employees. So one of the things is that, so it starts with, I don't have the resources. So how do you? What are the things that people often do is sustainability on the on the side? We have sustainability champions. Yeah, And usually, it starts really, from these people to say, okay, but if you can free me up for only a day a week, I can do it. Okay. So that challenge is then okay. But if you have this challenge in your team, network, wherever there are these people, and they actually do want to work on this, let's say, yes. And they then start to become, you know, more of an expert, and then the end, it becomes their job, usually, oh, that's one thing to, you know, due to hate this challenge. But of course, what we've done some more on, let's say, that's the vision. And the mission is to make sure that we also foster that group of champions to become larger and larger and larger, because in the end, it's really going to help us. So we set up training programs, and it's not it's 20 programs that people go through what we also connect with them on a very frequent basis. So it's training as a community to make this group bigger and keep them involved. So that's really part of our vision, in the end. In order to do this as a next step, so the next step for this would be not to only go to the, let's say, the ones that really want to become a champion. But to also train, let's say, the mass, the ones that don't really care, also not not care, but just know. Yeah, ignorant, so to say, we really want to train them as well. Yeah, because in the end, it's, it's, it's only if that critical mass is, you know, involved, everything will will move. So that's the, that's really the next step. And it's also really part of how we see our role. We need to make sure that the action is in our business. And for that we need all employees to embark on this

Pri: Okay. All right. That's it. And then, shall we address the last one? Or do you want to add more to this? **Sandra:** No, that's fine. And the last one was lack of understanding. Is there really a role for business to play here? Right. that

Pri: was exactly Yep.

 $\textbf{Sandra:} \ \textbf{There's nothing in your framework, like just you know, ignore or think}$

Pri: there's a whole room full of stuff outside of the board. Ignore this.

Sandra: No, I don't know you can't always ignore because to be very honest, this, of course, also sometimes comes from quite senior people. So if this comes from any normal employee you can ignore but it's not always the case. But maybe it's ignored. In that sense that what we see is maybe six years ago, this was a more common thoughts, and then you can't just ignore. Yeah, but these days, what I see is that there's always someone else who will then say, No, that's not true. We really have a role to play. So, yeah, yeah, yes. Ignore and you know, the Yeah. I don't know. Do you? Oh, maybe maybe sorry. I just just thinking about how, what do we do then? So maybe then these days, we would, I would then say, yes, you can ignore or you cannot agree with this. I don't care. But there's just regulation here. So yeah, if you don't do it, because you believe in it, then just do it for the regulation.

Pri: Okay. Yeah, I like to do it for the record. I like alright. I get it and what the, in this case, if you do it for the regulation and this regulation would have been set by the senior management or it's just or is a part of your strategy already.

Sandra: No regulation would come from outside right from the regulators.

Pri: Okay. Okay. Okay. So this sitting out here. Okay. Got it. Okay, thank you so much for this. I'm going to stop sharing. And this was helpful. If you want to add something to it. I can add it even now. To the challenge.

Sandra: No, it's fine. It's very visual visual, presented very nicely. Yeah.

Pri: Thank you. That's so nice of you. But I guess that sort of brings me back. Also, when you? Like, I love what you said about ignoring. I'm thinking like, what is it? Do it for the regulation? What is the response that you get?

Sandra: If we say you have to do it? Because? Yeah. Oh, usually then as well, that's, that's, um, oh, usually, then that's it. I mean, we are as a bank, we are very scared of not meeting regulations. So that is

Commented [MOU62]: Reporting is done yearly.

Commented [MOU63]: Free up people as resources

Commented [MOU64]: Solution: Sustainability champions; few employees. Work one day.

Commented [MOU65]: Find them and create a network

Commented [MOU66]: These champions grow from one day a week to experts to full time job of sustainability

Commented [MOU67]: For the team to grow and help more – ADD IT TO THE VISION

Commented [MOU68]: Method to help team grow and flourish: Training and community building.

Commented [MOU69]: Make it the org vision.

Commented [MOU70]: Train and gain critical mass adoption for successful adoption and implementation

 $\label{local_comment_continuous} \begin{tabular}{ll} Commented [MOU71]: Request from senior people cannot be ignored. \end{tabular}$

Commented [MOU72]: From employees maybe its ignored.

 $\label{lower_comment} \textbf{Commented [MOU73]:} \ \textbf{Ignoring no longer an option.}$

Commented [MOU74]: Orgs need

Commented [MOU75]: If there is a regulation you cannot ignore.

Commented [MOU76]: External factor: regulations

Commented [MOU77]: Banking scared of not meeting regulations

SF INTERVIEW: Sandra | ING coded line by line

a very good argument. Okay. It might be that they would say, Yeah, but there's so many regulations. So you tell me which regulation to follow? aren't usually that's not the case. No.

Pri: All right. And you also mentioned something about, like how you evaluate the KPIs every year? What is the reason for doing this?

Sandra: Oh, that is a Very good question.

Pri: I'm also wondering like, because you all, you described some very intangible reporting KPIs to at the start, which are the social and very hard to define, as you said, that was wondering like, you do it? Do you do the intangible ones more quarterly, or all of them are evaluated at the end of the financial year?

Sandra: Hmm. Some of them are. Event. Sorry, some of them are quarterly, others, Midyear, Endyear, and others are quite hard to measure. And then usually, it's only at the end of the year. In a perfect world, I would say you would want at least quarterly or even more frequent. But it's just a matter of lack of data that is not available, or it takes too long to really process it, or we need to collect the data of all countries where we operate in. And that is just a huge hassle. So then for that reason, it's not being done. And why do you keep track of of KPIs? Why do you set KPIs at all? In order to to see if you're actually making the progress that you want to make? That's the only reason? Yes, otherwise you don't know where you are? Right? So

Pri: Right. Yeah. So I'm conscious of our time and I'm like, I'm learning so much from you're constantly going on and on with questions. But the one that I wanted to ask you, importantly, was add ing what were like the crucial factors that existed for the success of this transition towards sustainability.

Sandra: And do you want me to only name one? Or can I mention that?

Pri: They were four to five? All okay.

Sandra: Yeah, but I do feel that if you want to, if you want crucial, then it should be a bit limited. Right. It's it is what is. And that's why I'm thinking. I think very, very important. For the success is one, leadership. Yeah, the turn of the top and leadership is so important. And I've not been convinced about that. As much as I am right now. Six years ago, when I entered the team people were saying, but we will not achieve here something because we don't have KPIs, why is a KPI needed. I never do my job. Well, because I have a KPI. I don't care. But that's not how the big world works. So I now really am a strong believer of leadership and KPIs. It needs to be there, otherwise, it's not happening. Okay. And the other part is good people. Yeah, very good and talented people who really understand their stuff and really want to make it make it work. That is so important. For me, those are the two, the only two, okay, regulation is helping. The importance of climate change on the agenda and in the media is helping probably these are all also very good elements that have brought, you know, the entire thing to flourishing. But if you don't have leadership involvement, if you don't have very good people, then it's not like, so that's. So that's how I would see it.

Pri: Yeah. I love it. Yeah, that's super nice. And lastly, in your professional opinion, for other banks, that are other organizations that are moving towards sustainable futures, what can they do today to help them prepare for the future?

Sandra: Start just start anything, just something small and make that bigger and bigger and bigger.

Pri: Okay. And at ING How do you when you do the evaluations every year? How do you then compare it to the goals that you want to achieve? Like? Let me see what I want to like? Like, how, what do you feel most proud of right now, in the last six years, comparing your journey from where you started to where you are today? With all the frameworks you put in place all the visions and goals you put in place? What are the things that you're the most proud of?

Sandra: Yeah, that is a bit hard. It's a bit as if you would say which of your three children you like the most?

Pri: What are the top five things you're super proud of?

Sandra: Yeah, okay. Yeah, well, I think I'm very happy with the way I'm very proud to be part of the team within ing that has made ing a front runner in sustainability and more specifically, on climate. I had the honor to speak today at an event, a Reuters event. And then again, we're always introduced as ing one of the leading banks in sustainability and climate. I mean, that is it's a huge compliments, because it's what we achieved as a team as an organization. So that I mean, that's, I think I'm very proud of Yeah, no, also very proud of the fact that we keep on pushing for the more social topics that need to be included. And the way we're doing that we're extremely conscious of what is the impact that we really want to make, we're just not just spending an awful lot of money on good causes, and then say, Oh, we don't care. No,

Commented [MOU78]: Org needs to choose relevant regulation to follow.

Commented [MOU79]: Why KPIs are done once a year

Commented [MOU80]: KPIs are done to track progress.

Commented [MOU81]: Factor for success: Leadership

Commented [MOU82]: Factor of success: Leadership and

Commented [MOU83]: Factor for success: good motivated knowledgeable people

Commented [MOU84]: Factor for success: External regulations help

Commented [MOU85]: Without good leadership and people nothing will change or happen

Commented [MOU86]: Start small & make it bigger and bigger

Commented [MOU87]: Proud to be part of the org and the people

we're, there's really a vision behind it. Why do we do this? And why? What do we want to see out of that, and we're really making an effort there. So I'm also very proud of that. And it's as hard work as it is for climates. And it sometimes doesn't get as much attention from the the organization and the rest of the world. So I would say it's a thought of both of these teams. Yeah. That's really nice.

Pri: I'm so curious about your team. How big is your team now, the one that you work with?

Sandra: It's about 20 people

Pri: Okay, that's huge.

Sandra: Well, I if you, if you if you compare it to the work that we're doing, I think it's super small. If you compare it to teams in other organizations, it's sometimes it's it's compared to it's rarely small. Sometimes it's super large. Yeah. It really depends also, what kind of work you actually do in that team? Pri: Yeah, yeah. And they're, like I said, it's not just one day a week they work with on this topic? Sandra: It's a five day job, their Sustainability Consultants, so to say, and it's their job. Yeah, that's okay. Pri: That's super nice. I read this was a lovely conversation. I really like, Oh, sure. Other time this late in the evening to talk to me. And I learned a lot from you. So I want to thank you immensely for sharing your knowledge with me.

Sandra: Absolutely. It was my pleasure. And you could read it very well. And little whiteboard. So very nicely done.

Pri: I'd be really happy to share this towards the end of my thesis with you if that's okay.

Sandra: That's fine. Yeah, happy to see the end results. Absolutely. So and good luck with that and enjoy the journey because it's also a very nice journey to be on.

Pri: I do agree. Yeah. Thank you so much, Sandra. Have a lovely evening and a very nice weekend ahead. **Sandra:** You do. Okay. Bye bye.

Commented [MOU88]: Proud of the vision, not mindlessly throwing money to good causes and pushing boundaries impact to create and of what's possible

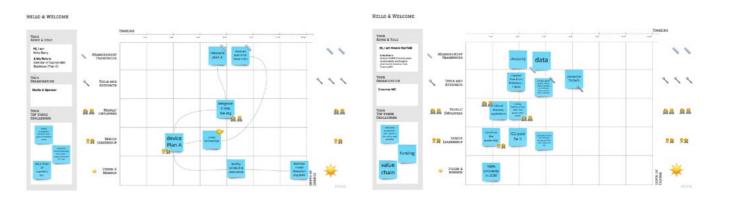
Commented [MOU89]: Team size

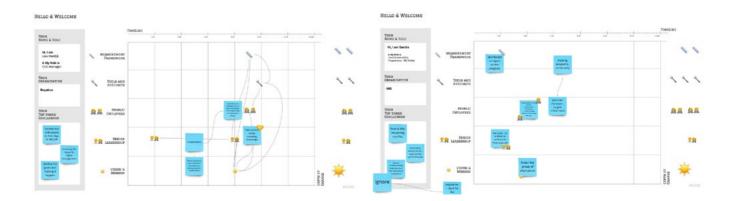
Commented [MOU90]: Full time sustainability consultants

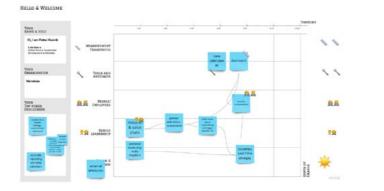
8.6: MIRO BOARD DURING SF INTERVIEWS

During the interview for SF participants were asked to map their journey.

This kept the participants engaged and gave a visual respressing of their journey and challenges.







8.7: ANALYSIS OF SF OPPORTUNITY AREAS FOR LW

Opportunity 1: Model - help start the process for change management
- Create bold vision

LIVEWORK

 Create a vision and purpose that the organisations fabric to always make choices that are guided by the big purpose.

SERVICE DESIGN

- · Alignment of current practices etc.
- creating a narrative and story
 process to come to a shared vision
- · check their vision with the real ppl, human sense check

most companies feel that they can do this themselves.

Opportunity 2: Model Could: wrap their head around different potential and

LIVEWORK

· Explore different potential and

SERVICE DESIGN

- Co-creation and collaborative way of working
 Prioritising
- Build business value

CHALLENGE

- · Do we have the expertise for material
- · What kind of help can we offer here?

What is human lens, the value, empathy

Opportunity 3: Model Could: - Co-create a plan to create business value.
-Collaborative working critical mass adoption

LIVEWORK

We are experts on this bringing this change

SERVICE DESIGN

- Co-creation and collaborative way of working towards SF
- Integrating in the org
 Educating and training

CHALLENGE

- · Do we have the expertise for assessment?
- · What kind of help can we offer here?

Opportunity 4: Model Could: - Help with the roll out with an overview of the org.
- Help define governance & reporting.

- · Governance on human factors can be our area of influence
- · as other aspect has science based targets

SERVICE DESIGN

- Measuring and evaluatingReorganising

CHALLENGE

Do we wish to develop the metrics for human/social factors?

Opportunity 5: model disruption

LIVEWORK

- Can set the standards for good practices
- Sign up future

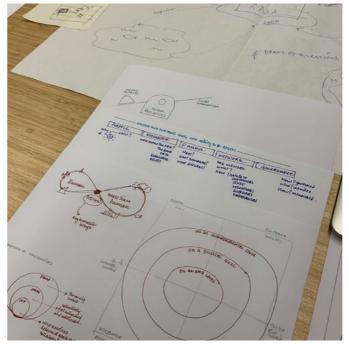
- SERVICE DESIGN

 Creates mindset shifts
- Changed behaviours
 inclusive and integrated change

- How can we build time space and capability for this
- · This change will be expedited if there is external pressure, or motivated leadership willing to experiment?

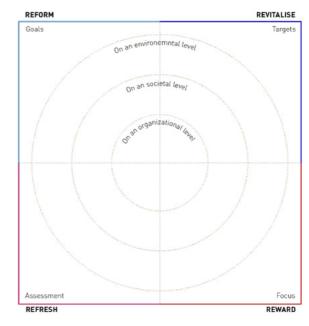
 this will need time and be experimental.

8.8: DESIGN EXPLORATION



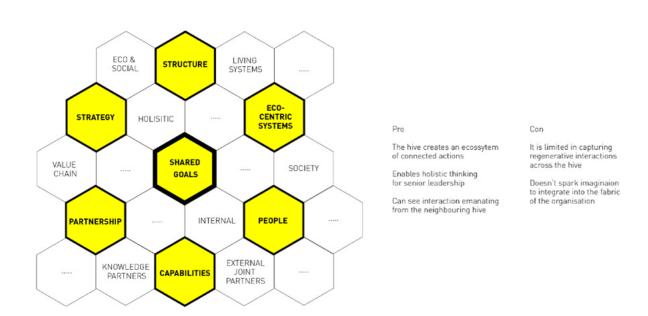


Early concept sketches

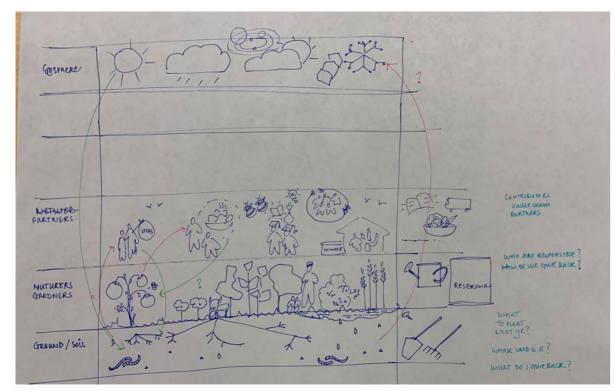


Pro Enables holistic thinking for senior leadership Still high level. Lacks to capture regenerative interactions & thinking. Helps set eco & social goals, targets, focus at an organisational level Hard to incorporate how this fits in to the day-to-day for other people in the organisation. quadrants give structure to thinking

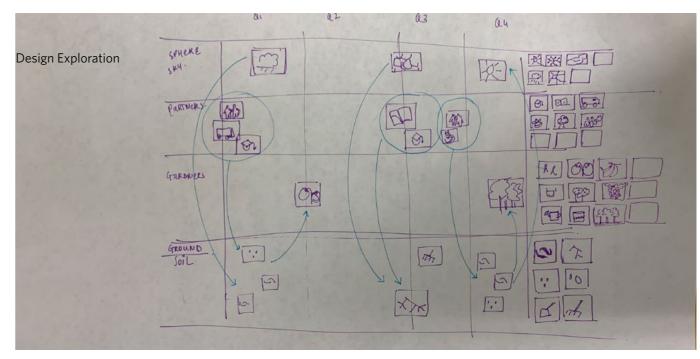
Model borrowed from systemic thinking tools website and tweaked to fit the concept



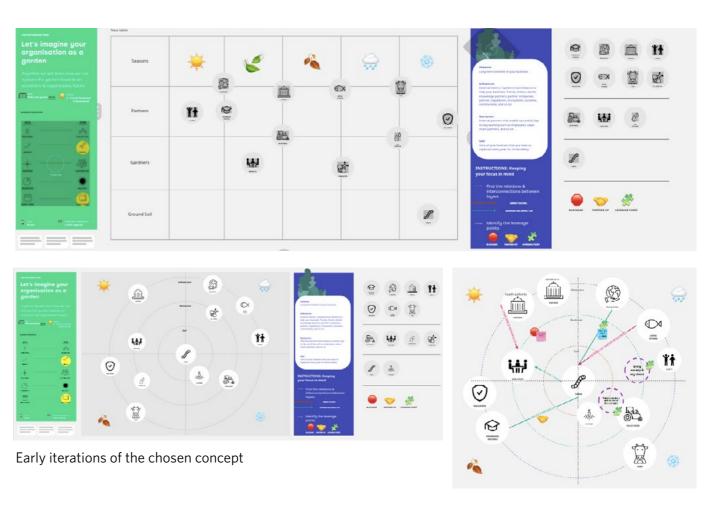
Borrowed 7S McKinsey's organisational analysis and modified it to suit the systemic thinking context but this concept had a few limitations.



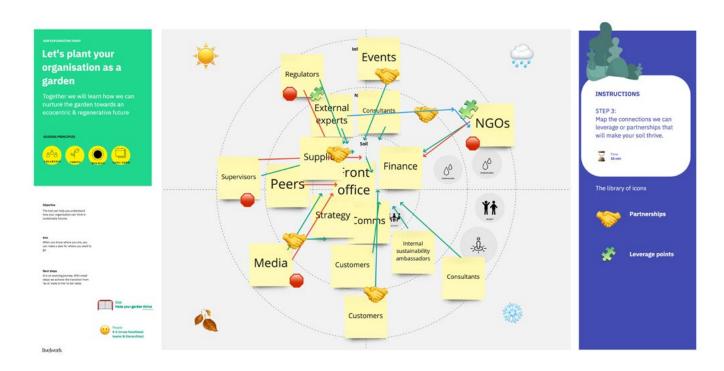
Initial drawings of the garden metaphor-01

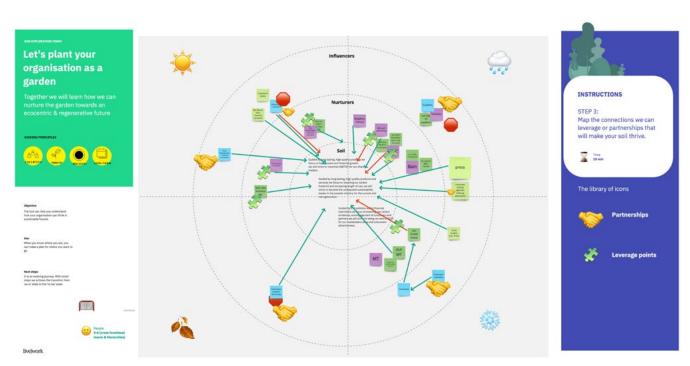


Initial drawings of the garden metaphor-02



8.9: VALIDATION WORKSHOP





Validation of tool -- real time with ING & Bugaboo