Reimagining GOOD CORPORATE CITIZENSHIP 2035

Companies as co-creators of socioecological transformation
Dear Readers,

How many of you believe that today’s children will be better off than we are? This was the question posed by a speaker at a popular conference I attended in the summer of 2022. Only five out of the 200 people in the room raised their hands. It has become much more difficult for us as a society to feel optimistic about the future. The massive challenges we face, and the profound changes needed to tackle them, are daunting. This fear can paralyze us; it can leave us feeling powerless, which is counterproductive in difficult times.

But the future just doesn’t happen, it is something that we create together. This takes courage. Courage to face our fears, to let go of the old, and to embrace the new. When I look around me, I see plenty of creative energy and passion for fresh thinking and change. If we are to master the challenges ahead, we are all called upon to make profound changes to our ways of life and business in fostering socioecological transformation. Companies play a key role here – not only because they bear responsibility as contributors to many of these problems, but also because their ideas, resources and commitment are essential to achieving this transformation.

We hope that this publication encourages you to reflect on the kind of future that inspires optimism rather than fear, and that you share your vision of such a future with us. We would also love to hear your thoughts on the role companies should play in this future. Fifteen corporate leaders in Germany have already accepted this invitation and shared their views on the future of corporate responsibility with us in the interviews featured here.

Let us inspire you – and let’s keep the conversation going,

Jennifer Hansen
The social and environmental challenges we face today are more urgent than ever before. Six of the planetary boundaries have already been exceeded. Crossing the boundaries in this way poses a massive threat to the stability of the ecosystem in which we live. In doing so, we are increasingly undermining the elements of the natural environment that make our existence on this planet possible.

And that’s not all: The ecological crisis is accompanied by other challenges of a social nature, such as increasing levels of global inequality and widening social divisions. The societal role of companies, their tasks and their responsibility in the world is therefore a subject of intense debate today both within companies and in academia, the political sphere and the broader society.

Milton Friedman’s slogan “The business of business is business” and the idea of profit maximization as an appropriate primary goal seem to have had their day. Companies’ ecological and social impact – that is, the value which they provide to society – is increasingly taking center stage.

Economists such as Mariana Mazzucato and Kate Raworth have developed concepts that re-embed the activities of the business sector more strongly in society and the environment. This shift in focus also blurs the boundaries between a company’s core business on the one hand, and corporate citizenship, corporate (social) responsibility and sustainability on the other. Previously, these latter items were often thought of only as add-ons, but they are now becoming an integral part of corporate activity. This raises the question of what corporate responsibility means – and where it might end – in a new way.
There is increasing awareness of the need for a fundamental transformation of the economy:

From a shareholder approach $\Rightarrow$ to a stakeholder approach

From degenerative business models $\Rightarrow$ to regenerative business models

From a reduction in the ecological footprint (net zero) $\Rightarrow$ to an increase in the environmental and societal handprint (net positive)

From treating symptoms $\Rightarrow$ to addressing causes

From short-term profit fixation $\Rightarrow$ to long-term social value creation

Our goal in this study is to enrich the current discussion of the role of companies in society with perspectives from the field, and to provide food for thought and stimuli. To do so, we have talked with 15 decision-makers from the business world.

When selecting our interviewees, we took into account the diversity and breadth of the business world’s sustainability-focused actors. We spoke with decision-makers from various sectors. They work in companies of all sizes; the oldest company was founded in 1756, while the most recently founded firm has been in business only since 2015. The interviewees additionally approach the issue of good corporate citizenship in different ways – as decision-makers from steward-ownership companies, B-Corp certified companies, founding members of the Value Balancing Alliance, common good companies and companies that work with true cost accounting and the planetary boundaries.

The interviews provide insight into the different perspectives, individual points of view and respective focuses of the interviewees and their companies. Moreover, at the outset, we would like to present – based on the interviews and our own views – seven theses for good corporate citizens in 2035.
The issue of companies’ future societal role concerns us all. We will define that future role through today’s ideas and visions.

So, before you start reading and learning about others’ ideas, we would like to invite you to ask yourself the questions that have inspired this report.

Imagine it’s the year 2035 and ask yourself:

What do I think it will mean to be a good corporate citizen in 2035?

Look back from that point: What will have been the most important steps that led companies there?

What questions do I currently have about the future of corporate responsibility?

In the broader context of the issues at hand, we’ve considered whether we should address each other on a first-name basis. Some of you, however, may find it more appropriate to be addressed in more formal terms with regard to your role as a professional. We therefore encourage our readers to consider the following: Would you answer the questions posed here differently if you were responding in a personal rather than professional capacity?
1. Companies are good corporate citizens if they implement regenerative practices.

2. Good corporate citizens must examine their purposes and internal structures, and transform their corporate cultures.

3. Good corporate citizens see corporate responsibility as a catalyst for future viability, a fact reflected in their internal decision-making bodies.

4. Good corporate citizens promote future skills such as a tolerance for ambiguity, courage and systems thinking among their employees.

5. For good corporate citizens, transparency regarding environmental and social impact is of central importance.

6. Good corporate citizens pursue corporate volunteering programs out of self-interest, to make social and environmental topics come alive for employees.

7. Good corporate citizens develop social innovations through co-creation with other actors.
Companies are good corporate citizens if they implement regenerative practices.

The boundaries between profit-oriented core business activity and ecological and social sustainability will dissolve. Companies and their economic activities are no longer viewed in isolation; instead, they are seen as being embedded within a broader environmental and societal context. This in turn fundamentally changes how we understand corporate responsibility. Corporate social responsibility (CSR), social commitment and sustainability are no longer regarded as add-ons to the core business, but are integrated into it.

Sustainable business in the sense of doing no harm, along with CSR activities more generally, have today become part of the economic mainstream. However, doing no further harm – with all the challenges that entails – is no longer enough. Companies are increasingly seeing it as their responsibility to make a positive contribution to our world – in other words, to move from doing no harm to actively doing good.

In 2035, we will have gone one step further, calling companies good corporate citizens if they implement regenerative practices. To date, the ecological and social dimensions of corporate activity have often been viewed separately from each other. This divide originates in a mechanistic worldview in which challenges are usually broken down into smaller parts to solve them. However, this mechanistic worldview is poorly suited to address the complex, interwoven challenges of the future. Given the broad range of simultaneous problems we must address in the coming years, only a systemic and holistic view will do justice to the challenges.

Regenerative companies take this holistic view. They aim to support the well-being of all people, and offer the capacity to regenerate our natural world and promote long-term, inclusive prosperity. In doing so, their focus extends even beyond restoring, renewing, and/or healing the social and ecological systems we all depend on. They additionally strengthen these systems, helping them to renew, restore or heal themselves. CO2 filters, for example, can help stabilize the climate by removing carbon dioxide from the atmosphere. But they are not regenerative, because they do not directly improve the planet’s own ability to restore climate stability.

“The boundaries between economic, environmental and social sustainability won’t shift. They will simply disappear.”

Thomas Schmidt, Haniel

“I propose that all sustainability officers should change their title to regeneration officer.”

Christian Kroll, Ecosia
The shift toward regenerative companies will require profound rethinking and ultimately a changed mindset among employees. In the future, in order to help facilitate regeneration and justice, they will have a deep, holistic understanding of the systems in which their company is embedded. Systems thinking that acknowledges complexity and takes account of interactions between the various social, environmental and economic levels will become mainstream as a part of companies’ day-to-day operations. This will ensure that in the future, companies integrate environmental and social factors into all of their processes, and they will consider the interactions between these levels when making decisions. Thus, regenerative business practices will be seen as more than a reporting or communication issue, and will be addressed beyond the confines of the board level and C(S)R officers. It will be regarded as part of the company’s core business – and as a prerequisite for everyone involved in the organization.

“We must understand social and environmental aspects not as obstacles, but as an inextricable part of the company’s mission.”

Gerhard Behles, Ableton

READ MORE ON THIS TOPIC

Paul Hawken — “Regeneration: Ending the Climate Crisis in One Generation” (2021) London: Penguin UK → Interactive website for the book
In the future, corporate responsibility will be firmly integrated into the purpose of an enterprise. Acting on this responsibility will not be the task of individual departments or people, but rather of everyone in the company.

To this end, companies will increasingly create spaces to deal with the relevant questions. For instance: As a company, how can we promote the healthy development of the world and society? Which ecological and social challenges do we want to help solve?

Future-oriented companies will also redesign their internal structures and processes. Today, most organizations still function with the same fundamental model as at the turn of the millennium, based on hierarchy, a structural-functional division of labor and a process-focused approach. However, our view of companies has changed over the last several decades, and will continue to change even more in the coming years. We no longer see companies as machines producing a certain output from their input in a predictable and controllable manner. Rather, we see them as living organisms that are constantly adapting, learning and developing. And we no longer see companies as being isolated, but are instead increasingly viewing them as entities embedded in a broader environment.

This expanded understanding of corporate responsibility, anchored in the core of an enterprise’s business, further increases the complexity facing sustainable companies. Companies will no longer be able to cope with this complexity through centralized control, rigid hierarchies and a purely process-focused approach. Good corporate citizens will thus be agile and responsive in their operations, and they will reorganize their leadership structures.

In the future, the issue of sustainability in particular will no longer be subject to centralized management because organizations will already operate under a decentralized structure.”

Nataliya Yarmolenko, Weleda

“Companies that have internally answered the question of why they will still exist in the future will be much better at dealing with their responsibility toward future generations. This allows them to secure their own future at the same time.”

Maximilian Viessmann, Viessmann

However, for companies, the transformation toward regenerative business activity involves more than just revising their statement of purpose and a reorganization of internal structures and processes. It requires a transformation of corporate culture. By corporate culture, we mean the shared values, norms and attitudes that shape
the decisions, actions and behavior of everyone who works in the company.

In any transformation of corporate culture, it is important to take a critical look at these elements, identifying unconscious beliefs and opening them up for discussion. On this basis, all employees can determine together which paradigms and beliefs may need to be questioned, adapted or discarded. Ultimately, this also requires a change in attitude at the individual level. In other words, change is also needed within the people engaged in the effort. Initiatives such as the Inner Development Goals build this bridge between sustainable development and inner development.

“We could be much, much bigger with einhorn and focus on growth, but that wouldn’t help the world. Instead, we take a lot of time for inner work and hope that something new will grow out of it.”

Waldemar Zeiler, einhorn

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Oliver Haas, Klaus North & Claus-Bernhard Pakleppa
“Transformation. Understanding, Enabling and Shaping Profound Change”
(2022) Munich: Franz Vahlen

Edgar H. Schein & Peter Schein —
“Organizational Culture and Leadership”
(2018, München: Franz Vahlen)

Inner Development Goals
→ innerdevelopmentgoals.org
Good corporate citizens see corporate responsibility as a catalyst for future viability, a fact reflected in their internal decision-making bodies.

As companies have sought to come to terms with their responsibility, sustainability has long been an issue addressed primarily at the level of the executive board. More than a third of German companies have a chief sustainability officer, which means that sustainability is firmly anchored at the top management level.

Overall, the environmental aspect of sustainability remains a strong area of focus. This is evident, for example, in the EU taxonomy for sustainable economic activities that came into force in January 2022, and which remains the subject of much debate. As yet, this has been completed only for the two EU climate targets. However, as the taxonomy is further applied to the EU’s other four environmental targets, including biodiversity and the circular economy, it will come to encompass additional environmental topics.

In the future, however, the social dimension will join the environmental dimension in playing a larger role in the transformation of the economy. Some movement in this direction can already observed at the regulatory level today. At the end of February 2022, for example, the European Commission’s Sustainable Finance Platform published its final report on a social EU taxonomy. The COVID-19 pandemic’s exposure of inequalities, along with more generally rising concerns about social cohesion in many societies, have both heightened the attention being paid to social issues. However, it is not yet clear, exactly, what this social EU taxonomy will encompass.

New policies, regulations, and reporting standards can provide impetus and create a level playing field for the profound changes needed for the transformation to a regenerative economy. Yet laws, regulations and public pressure are not the main factors driving good corporate citizens to fulfill their corporate responsibility. They see corporate responsibility as a catalyst for innovation and for the future viability of their company. This applies not only to how they generate their money, but also to how they invest it. Corporate impact investing – that is, investments that aim to achieve measurable social or environmental impact – is already being increasingly considered by companies as a means of fulfilling their corporate responsibility.

“Sustainability will no longer simply mean that we don’t waste resources, but we will look more closely at our production countries and ask about the quality of people’s lives there. And we’ll ask how people in our companies feel about what we’re doing there.”

Katharina Hupfer, Waschbär

“For me, companies will be good companies in the future if they make little or no use of natural resources and treat people decently. Only when these two aspects are fulfilled does the profit come.”

Georg Kaiser, Bio Company
impact in addition to financial returns – will no longer be a niche phenomenon but will have become a standard practice in 2035.

In the future, social and environmental topics will no longer be topics considered primarily by subject-matter experts at the level of the executive board. Instead, all those serving on the boards of good corporate citizens will be conversant with social and environmental issues as well as holistic, systems thinking.

Moreover, areas of responsibility and role models are changing even beyond the top management levels, for example among those responsible for C(S)R. They are becoming change agents for transformation. As such, they will no longer be limited to issuing warnings from within their comparatively isolated organizational silos, pointing out where the company might do less damage. Instead, they will actively use their skills to help identify solution-oriented opportunities and help shape the company’s core business. In this way, they too will move from being an “add-on” to being an “add-in.”

“In 2035, we’ll be talking as much about sales performance of stores in different markets at every board meeting as we will about sustainability goals, social engagement and how to better secure jobs.”

Alexander Birken, Otto Group

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Win Future – People with Impact (2022)
“The great strategy shift in the strategy theme of sustainability”
→ Podcast with Rene Schmidpeter

Shift — “Building Bridges for Impact” (2021)
→ Podcast-series on responsible entrepreneurship in the context of the UN Guiding Principles on Human Rights
Good corporate citizens promote future skills such as a tolerance for ambiguity, courage and systems thinking among their employees.

As the boundaries between a company’s core business and environmental and social sustainability dissolve, companies must make difficult decisions more frequently. In an increasingly complex world, decisions must be made for which there is no definitive right or wrong. Or, to put it in the words of the cyberneticist Heinz von Foerster: “We can decide only for those questions that are in principle undecidable” (own translation).

The tolerance for ambiguity – that is, the ability to endure uncertainty and contradictions both in situations and actions, and to accept other opinions and points of view – is therefore becoming increasingly important. Those in the business world must recognize and accept irresolvable paradoxes while remaining capable of acting and making decisions. Therefore, good corporate citizens act to promote their employees’ tolerance for ambiguity.

One future skill cited by almost all the interviewees in this project was courage. It is hardly surprising that courage is mentioned so often today; profound transformations into an uncertain future are initially frightening. The strategy of sticking with the tried and tested rather than taking risks is deeply rooted within us.

However, courage is a key prerequisite for the emergence of innovation. In the Inner Development Goals framework, courage is described as: “The ability to stand up for values, make decisions, take decisive action and, if need be, challenge and disrupt existing structures and views.” So how can we build further on this capability and enter more courageously into the transformation process?

It is much harder for us today than it was in the past to imagine a better society in the future. To overcome this “imaginary crisis,” as Geoff Mulgan has described it, we need positive images of the future. Furthermore, we need to shape transitions consciously and wisely. Initially, this must entail an explicit appreciation of the old, along with rites of passage that offer support, form, and a sense of assurance for new, unconventional ways of problem-solving. Courage must be actively encouraged and bolstered by the organization’s internal environment.

“Particularly with sustainability, being able to tolerate ambiguity is important. In the world of business, we have to be able to deal with the tension between ideals and reality without letting it frustrate us.”

Nataliya Yarmolenko, Weleda

“If we don’t retrain ourselves to have the courage to go forward and stop waiting for the perfect solution, we will continue to go in circles.”

Thomas Schmidt, Haniel
Good corporate citizens also promote systems thinking. To solve the challenges of the future, we must recognize their increasing complexity. Systems thinkers identify overall contexts and underlying structures, rules, and processes. They do not focus on symptoms to solve complex challenges but take the underlying root causes into account. They are aware that change is nonlinear and pay attention to feedback loops and interactions between different elements. They think in networks and ecosystems – in eco- instead of ego-systems. In this way, they open up new spaces of possibility.

“At the moment, we’re trying to solve the problems with what we already know. But perhaps we’re at a historical turning point, and we should actually be doing things quite differently.”

Christoph Selig, Deutsche Post DHL

Read more on this topic:

Heinz von Foerster & Bernhard Pörksen — "Wahrheit ist die Erfindung eines Lügners: Gespräche für Skeptiker" (2008, Heidelberg: Carl-Auer-Systeme Verlag)

Geoff Mulgan — “The Imaginary Crisis (and how we might quicken social and public imagination)” → Demos Helsinki publikation

Regulators and citizens alike are increasingly demanding information about companies’ social and environmental impacts. However, good corporate citizens will create this transparency not only to report on and legitimize their actions vis-à-vis these two groups, but also to make informed decisions. Greater impact transparency thus enables environmental and social considerations to be given equal weight with economic considerations in corporate decision-making.

One set of tools frequently used to analyze impact are so-called logic models or theories of change. They depict our assumptions about cause-effect relationships, and thus make goals and causalities explicit. In many cases, such assumptions are present only implicitly, never spoken nor written down, but function as silent presumptions. Logic models or theories of change allow assumptions about intertwining relationships to be discussed and critically analyzed. In the words of Donella Meadows: “Remember, always, that everything you know and everything everyone knows, is only a model. Get your model out there where it can be viewed. Invite others to challenge your assumptions and add their own.” Discussions of impact goals allow us to plan with an eye to the future, and to together orient our actions toward intended impacts.

At the same time, simple cause-effect relationships do not fully do justice to reality, which is characterized by complexity, ambiguity, and conflicts between goals. Being able to definitively and completely reliably predict what impacts will occur as a result of certain actions would certainly make many tasks easier. However, this is possible to only a limited extent in living systems, and not at all in the case of innovations. Good corporate citizens are aware that it is precisely at the systemic level that impacts are often impossible to trace, because the relationships are too complex and multicausal.

Good corporate citizens therefore have a very nuanced view of impact transparency and impact measurement – as well as of the associated challenges, limits and risks. Aware that the use of indicators without context and shared discourse
can quickly lead to misinterpretations, they use data as a starting point for conversation, for orientation and for discussion with others. They avoid the seductions of easily measurable goals and focus instead on the important goals, even if the corresponding impact is more difficult to measure and prove. When working with impact indicators, they ask themselves again and again: What has to happen so that new knowledge is translated into other organizational action? And: How do we handle conflicts between goals in areas where there is no right or wrong?

When working to increase impact transparency, good corporate citizens are able to reduce complexity to the right extent. Reducing complexity only slightly can easily produce situations in which the individuals involved are overwhelmed, causing them to lose sight of the big picture and reducing their ability to act. Reducing complexity too much can lead to monocausal thinking, a tendency to take a wrong turn toward easily measurable goals, and lead us to plan and act at odds with reality. Good corporate citizens are thus able to strike a good balance between the effort expended and the knowledge gained.

Impact transparency can reveal conflicts between goals, and thus provide a better basis for decision-making. However, the issue of impact is complex, and involves more than just the measurement of environmental and social effects. The various methods and instruments used are important; but it is above all critical that the right attitude is present, and that awareness of the relevance and complexity of impact is embedded in the corporate culture. For good corporate citizens, impact transparency therefore goes hand in hand with organizational development. They direct their focus to organizational conditions and factors that make it more likely for desired impacts to emerge.

“If companies were no longer measured solely in terms of financial returns, but also on the basis of ecological returns or sustainability criteria, then that would be a very big lever for transforming the economy.”

Florian Henle, Polarstern

“`If companies were no longer measured solely in terms of financial returns, but also on the basis of ecological returns or sustainability criteria, then that would be a very big lever for transforming the economy.”

Florian Henle, Polarstern

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Sophia Orbach & Ralph Thurm — “The First ‘True’ Sustainability Report?” (2022) r3.0 Case Study
Targeted corporate volunteering programs can push employees out of their filter bubble of office spaces and Zoom calls. By drawing attention to our broader communal, natural and societal environments, they raise awareness of socioecological matters. As a result, we can directly experience what may previously have been considered abstract problems, and thus become emotionally aware of the need for change.

Furthermore, corporate volunteering programs facilitate significant changes in perspective. Through them, we can break through ingrained patterns of thought and behavior, assess things differently, and better understand complex systems. When we adopt different perspectives, we activate networks in our brain associated with creative thinking and exploration. This strengthens our ability to solve problems, allowing new ideas to emerge that go beyond the familiar horizon of the core business. This can also help lay the foundation for (social) innovations. Being able to adopt other perspectives is also fundamental for cooperation within teams, as well as across team, departmental and even company boundaries.

Through the process of socio-ecological transformation, corporate values are gaining in importance as key elements of company culture. They provide a common foundation and a sense of direction for the entire company, especially in times of profound change. However, it is not enough to simply formulate these guiding values; they must be anchored within the company’s operations, and lived out by its employees. Corporate volunteering can provide a good opportunity to make corporate values come alive, and thus better anchor them in the organization.

Good corporate citizens therefore no longer view corporate volunteering as a charitable gesture, but as mutual enrichment. Employees of companies can mindfully apply their skills within new contexts, and thereby support non-profit organizations and their target groups. Moreover, they can benefit equally from the knowledge and skills of external actors such as non-profit organizations and their target groups,
engage with people holding different values, and adopt new perspectives.

For corporate volunteering to realize its transformative potential, good preparation and support are crucial. Integrating new perspectives, reflecting on one’s own values and making personal changes require structured reflection time and interaction. These must therefore be part of the plan from the very beginning.

With programs understood and designed in this way, the term corporate volunteering may change as well – and good corporate citizens will in the future speak of purpose journeys or learning journeys, for example.

“A person who is involved in the community, who promotes sustainable projects and sees meaning in his or her life has a lower risk of being overwhelmed by the barrage of changes around them and is therefore less susceptible to mental or psychological illnesses.”

Markwart von Pentz, John Deere

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Annelie Beller, Paula Berning, Florian Hinze & Nahide Pooya — “Ratgeber Corporate Volunteering” (2021) Berlin: PHINEO gAG → Ratgeber Corporate Volunteering

Good corporate citizens develop social innovations through co-creation with other actors.

Today, the knowledge and skills found within a single organization are often no longer sufficient to develop innovations. Cross-sectoral partnerships are thus becoming increasingly important. This is true both of companies and corporate foundations. Many companies are therefore implementing open innovation formats, expanding their innovation activities to include cooperation with external partners such as universities, suppliers, and start-ups, with the goal of developing innovative products.

The same method can be used to find solutions to societal challenges. Good corporate citizens live up to their role by entering partnerships with NGOs and associations in the context of corporate social innovation. This is because solving the complex societal challenges of our time will require strong networks focused on social innovation.

There are a variety of corporate social innovation formats, including:

→ The provision of financial assistance by companies to non-profits or social enterprises so that these organizations can develop social innovations.

→ Social intrapreneurship programs, in which companies provide support to employees working on innovative projects in cooperation with partners.

→ Corporate impact accelerators, which provide recently founded social enterprises or non-profit organizations with access to mentoring, expert networks and, potentially, funding.

In many cases, the companies, NGOs, and associations participating in these partnerships do so in order to achieve their own goals faster or better. In the future, the individual benefits for each partner will be less important. Rather, companies will place a greater weight on co-creation in open innovation ecosystems with the goal of shaping social innovations with other actors.

“We will only meet the challenges of the future if we reach out beyond the business community to collaborate with other players.”

Alexander Birken, Otto Group

“We’ll see boundaries dissolve – not only between departments but those between companies – as we include more agents across the entire supply chain and other stakeholders, and become more politically engaged.”

Aysel Osmanoglu, GLS Bank
There is no universally accepted definition of co-creation. The term is often used synonymously with collaboration or co-design. Such activities place a strong focus on the common vision and shared responsibility. Co-creation additionally emphasizes the open-ended, generative, and creative aspect of collaboration, and conveys a sense of joint tinkering. In co-creative formats, we detach ourselves from our own goals and definitions of success. By engaging in the collaborative process and embracing the different perspectives, we develop innovative solutions that would not have been possible to reach alone.

For this to succeed, trust is an essential prerequisite, as actors must be willing to share knowledge. This trust arises from cooperating as equals, in a process in which participants deal openly with mistakes and are willing to accept unexpected outcomes.

“That means that when there are big egos at the table, we have to learn to put the common success ahead of our own. As a company, I should always focus on solving the problem and not primarily on my own positioning.”

Christoph Selig, Deutsche Post DHL

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Emma Marx — “How Co-Creation Works in Organizations” (2022) → Article in Neue Narrative


Pause for Thought

Which aspects of the theses resonate with me?

With which aspects do I take issue?

What do the theses have to do with my work environment specifically? In which ways do they affect me?

What would I like to consider more thoroughly?
Interviewees

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Interviews
Annelie Beller: I want to ask you to think ahead to the year 2035. What will the term “corporate responsibility” mean at this point in the future?

Gerhard Behles: Regardless of the decade, I would always link corporations’ responsibility with the contribution they make to society’s well-being. Companies are here to make a contribution, for example by supplying products or services that society needs. Companies are not here to generate profit or to enrich people who have nothing to do with the company. They are here to provide a service to society.

The conventional view is often that profit-oriented business as a company’s core activity is to be viewed separately from environmental sustainability or social engagement. Will that change in the future?

I think you can distinguish between two views here. The first follows the motto: “The business of business is business.” Seen in this way, all other issues such as social or environmental responsibility are simply factors making it more difficult to do business.

The second view is that companies are here to contribute to society. In this case, we must understand social and environmental aspects not as obstacles, but as an inextricable part of the company’s mission. Policymakers must provide helpful guidelines here, in part to relieve companies of the pressure associated with the decisions to be made. For example, individual companies should not be left to decide how much CO2 emissions are still acceptable today.

Do you have any other ideas about what kind of environment policymakers could create in order to shape the transformation?

Fundamentally, I am not a fan of overly detailed regulations. However, I believe that general outlines must be set, with clear targets – and that this must be done at the political level.

In a successful future, a company should not be able to gain distinction simply because it is acting in a particularly ecologically responsible manner. That doesn’t make any sense to me. I would, however, find it useful to see policymakers deliver clear guidelines for companies to follow in fulfilling their societal responsibility. And that, in turn, lies in fulfilling their corporate purpose.

If the future looks like what you’ve just described, do you think companies will still have dedicated sustainability or CSR departments?

No, I don’t think so. Of course, I am excited by any company that goes well beyond the guidelines set by policymakers and thus represents an avant-garde. But when a company produces an industrial good, that also plays an important societal role.
Gerhard Behles grew up in Munich, where he discovered his interest in electronic music as a teenager.

After a year at the Institute of Sonology in The Hague, Behles moved to Berlin to study computer science. He initially worked as an instructor of computer-based music, while also researching and writing about electronic music on a freelance basis.
The company should be able to fulfill this purpose without having to subject itself to a complicated, unnecessary and scattered discussion about its CSR responsibilities.

I believe that accusations of greenwashing, for example, whether justified or not, often grow out of a context in which policymakers have not provided the necessary guidance. Faced with a gap of this kind, businesspeople must make their own personal decisions about corporations’ responsibility to society. However, responsibility of this kind is an excessive burden, and it exposes companies to a generalized suspicion of greenwashing. This quite unnecessarily destroys trust.

What steps could companies begin taking now to create the future you sketched at the beginning of the interview?

I think we as companies have influence within the political sphere. We should exert that influence by demanding more regulation. Or, of course, I can make myself part of an avant-garde by setting an example in demonstrating social and ecological responsibility. We need companies to show that profitability and sustainability are not mutually exclusive. However, both of these potential corporate strategies are paths to the same goal.

And that goal must be for policymakers to provide more guidance. For example, we urgently need a proper supply chain law, as well as a sensible CO2 pricing system.

You have clearly defined the goal. What competencies or skills do employees need in order for us to get there?

I don’t even know if we really need new competencies or skills. I think it’s primarily a matter of attitude. We need more people in companies who go about their work with the idea that they are there to provide a service to society. This mindset can no longer be reconciled with certain courses of action and harmful business practices. A person who thinks like this becomes a bit more radical, and some half-hearted compromises become so painful that they are no longer easy to accept.

How prevalent is this attitude you just described? And how can it be strengthened even further?

I think that attitude has always been there in smaller and family-run businesses, and among all those who provide a direct service to society. But we also need to see this attitude in other companies.

The further decision-makers and shareholders drift away from a company’s actual purpose, the less service to society becomes a guiding principle for their actions. I therefore believe that there must be a strong link between the company’s purpose and its supervisory bodies, funders and decision-makers.

He founded the electronic music project Monolake along with Robert Henke, whom he met as a student. Together with computer scientist Bernd Roggendorf, the pair helped develop a new music software program, an early version of Ableton Live. In 1999, Behles and Roggendorf founded Ableton, and Live rapidly became one of the most popular sequencer programs for electronic music producers.
This is why we are also committed to the idea of steward ownership.

What do you think of instruments such as corporate volunteering or corporate foundations?

I think these are all fine, but they’re ultimately not sustainable solutions to our systemic problems. The systemic problems lie in the broader issues of decoupled responsibility, displaced decision-making power and the loss of corporate purpose. If all companies could in fact pursue their real purpose, while also understanding this purpose as a service to society, then we wouldn’t need all these additional instruments such as volunteering and foundations.

Finally, one more question: If you could ask one wise person of your choice anything about corporate responsibility, who and what would you ask?

I think that’s where I would talk to a sociologist, because the point is to move society forward. And companies are a part of that. To understand how best to conceive their role, we have to look beyond the purely economic perspective. We need to discuss these issues with a broad range of actors, and together ask ourselves: What does society actually need?
“We will only meet the challenges of the future if we reach out beyond the business community to collaborate with other players.”

Interview with Alexander Birken — Otto Group

Jennifer Hansen: I'd like to start by taking you on a mental journey into the future: What will it mean in 2035 to be a good corporate citizen?

Alexander Birken: I believe that it will be hard to find a successful company that operates without practicing good corporate citizenship on a daily basis. In the last two to three years, the topics of ethical consumption and value orientation have become part of mainstream discourse. And while perhaps not everyone, including consumers, has yet to act with these things in mind, this will change. In 2035, a company that is not resolute in living up to its social, societal and environmental responsibilities, will no longer have a license to operate at all. Instead of talking about sustainability or the circular economy, we’ll be asking ourselves: How can we bring about major change beyond the limits of our own company? We see a straightforward example of this in the issue of CO2 emissions. In the future, we’ll sell a washing machine that is manufactured as a CO2-neutral appliance and which uses only a minimal amount of water. But if using the machine is to involve sustainable washing, we’ll need sustainable detergents. We’ll also need renewable energies to be available across the country. This shows that sustainability depends not just on individuals, not even individual players like the Otto Group. We need instead broad-based alliances if we are to make any headway on the issue of sustainability.

Will the boundaries between profit-oriented core business activity, environmental sustainability and social responsibility have shifted by 2035?

The question suggests that these are separate areas that one somehow tries to connect. At the Otto Group, the topic of sustainability was defined as a core strategic goal even before I joined the company in the mid-1980s. Since then, it’s been part of our daily business. Of course, we want to coexpand our market share and make a strong profit. But not without taking sustainability goals into account. For us, this involves optimizing not only our sales, but several target figures as well. Of course, there are always difficult decisions to be made when you can’t reconcile everything. But we’re talking about a number of goals that we still want to achieve as a whole.

If sustainability has truly become integral to a larger number of corporate operations by 2035, how will it be expressed in their actions?

Business performance will be inextricably linked to sustainability performance. In 2035, we’ll be talking as much about sales performance of stores in different markets at every board meeting as we will about sustainability goals, social engagement and how to better secure jobs. Our metrics for ecological targets will be just as stringent as those for sales development. Dealing with these issues will be a mat-
Alexander Birken, born in Hamburg in 1964, was appointed to the chair of the Otto Group Executive Board on January 1, 2017. Previously, he was responsible for the strategic development of various companies as a member of the Executive Board.

He has been in charge of the Baur Group, the Schwab Group, the Witt Group and the Otto Group Russia. Since 1 August 2021, he has also held the position of spokesman for the sole proprietorship at OTTO.
ter for the entire organization, not just management and leadership. Everyone on staff will be developing ideas to move forward.

Right now, these topics are addressed primarily by sustainability or CSR departments. Will these departments even be around in 2035?

For decades, we’ve had a sustainability unit that works across the organization with the individual companies within our group. We’re also massively expanding our staff in the various companies that deal with CSR on-site.

They are not – and this is very important – relegated to a specific unit, they work directly with operational staff. This kind of internal competence-building is nothing new, as efforts to bring more financial knowledge to individual departments are already underway. There’s also been a trend over the last ten years toward integrating more tech know-how into operations. And now we’re adding a unit for sustainability issues.

What, exactly, do today’s sustainability or CSR managers need to do in order to properly manage the transformation toward greater environmental and social sustainability?

Well, they clearly need to make sure that these goals are properly resourced and budgeted. Because, after all, there is no such thing as a free ride to climate neutrality. There are costs associated with achieving this goal. Aside from this typical managerial response, however, I believe they can also make quite a difference in terms of participation. They can encourage employees to submit innovative suggestions for greater engagement. Organizations often have an incredible reservoir of energy and ideas. In this way, CRS managers can strengthen identification with the topic. For example, we’ve started overhauling our entire training program to include more and more on the issue of sustainability in our learning paths, as we’ve noticed a variety of knowledge gaps in a number of areas.

Apart from expertise, what do you think are the most important competencies that employees and managers need right now with regard to transformation?

The days when a company’s top-level executives answered all the relevant questions are long, long gone. As CEO, I’m responsible for asking the right questions, which we then explore and address, because I certainly don’t have the answers to many questions about sustainability myself. That’s why we need people with a thirst for knowledge, people who are curious and creative. And we need managers who are coaches, who lead the way, inspire and who, through clear and structured communication, create environments in which employees have agency. It’s time to delegate responsibility in the organization through sound reverse-flow procedures, so that we in management remain in touch with what’s happening and keep the company headed in the right direction. We also need a lot more sustainability experts.

From 2002 to 2004, Alexander Birken served as Chief Operating Officer of the Spiegel Group in Chicago, USA. Birken has been a member of the Otto Group Executive Board since 2005 and was largely responsible for the successful expansion of Otto Group Russia.

In addition, he carried operational responsibility for Human Resources, Controlling and IT at OTTO, divisions that were transferred to the OTTO Executive Board in 2012.
than ever before, and we need to integrate them even more strongly than ever before into our operational activities.

How can instruments such as impact investing help accelerate the transformation of companies toward greater sustainability?

We made one of our most important decisions about 13 years ago when we began investing in venture capital for the Otto Group. We’ve learned so much about developments in technology and the digitalization of communities. It’s been such an overwhelming success that we decided last year to also invest in individual funds. As was the case with digitalization, we now need access to those leading the way forward with new business models, technologies and networks. After all, impact investments are not simply good for society, we also gain something from them as a company. And if I’m right about the hypothesis I put forward earlier, namely that we’ll lose our license to operate if we aren’t sustainable in the future, then these are the best investments we can make.

Since we’re already talking about investments and finances, I’d like to ask you the following. You have several foundations associated with the Otto Group. What roles will corporate foundations play in the future you’ve outlined?

At the Otto Group, there are several issues that emerge from within the organization, but also from our colleagues and, crucially, from Prof. Dr. Michael Otto. The important question to ask is in what area is a company willing to step up and go the extra mile? Once this is clear, we can ask what’s the organizational form best suited to achieve this goal? For example, there’s the Stiftung KlimaWirtschaft, where we made a point of ensuring that it was not an Otto Group initiative, but something separate, which meant that several other companies could get involved. But our alliances must go further. “We will only meet the challenges of the future if we reach out beyond the business community to collaborate with other players.”

I’m thinking here in particular of policymakers, NGOs, trade unions, religious organizations and other societal actors.

We need a variety of stakeholders working together if we are to master the challenges ahead. Let’s take a look at politics, for example. What can the world of politics do for socio-ecological transformation?

We need reliable policy environments in order to promote investment but also to clarify how we are to report on sustainability issues. There are, of course, ESG formats and the like, but the taxonomy, for example, has yet to be determined. Moreover, we urgently need a master plan that is valid for more than one legislative period. The next step is to resolve the conflicting goals that exist between the federal and state levels. At the moment, there are specific interests being pursued in individual federal states that contradict each other and the overall goal. And we need long-term investment in areas such as renewable energy sources or in power lines so that, in the long term, we in Germany and, hopefully, all of Europe can draw exclusively on renewables – without having to resort to nuclear power.

If we look back from the year 2035 and the future you’ve described to the year 2022, what will have been the most important steps taken to get there?

We will need to have been vigilant about education on sustainability issues from kindergarten to adulthood. But it’s not just about communicating the facts; people need to experience things themselves, directly. While in Iceland this last year, I was witness to the glaciers melting away. It’s a privilege to travel there, but I realize this has had an impact on me, and that feeling is very important. So I think we need some emotionalization, for example, like that seen with Fridays for Future. We also have to be honest as soon as drastic changes occur. When something like lignite mining is done away with, we have to address the question of how to deal with the people who live there and their job losses. We have to properly acknowledge the insecurity and fears this creates. We also have to exercise patience and accept the fact that there are no easy answers when it comes to targeting transformative change.

Alexander Birken — Otto Group
Sonja Sparla: Mr. Henle, I’d like to start by traveling mentally forward with you to the year 2035. What will it mean to be a good corporate citizen in 2035?

Florian Henle: Exactly the same as it does in 2021 or did in 1921 or 1821, because companies have always had a social responsibility. However, looking at financial returns and measuring a company solely on those terms will be, hopefully, a completely insane thing to do in 2035. Really, it’s crazy now, too. I hope that common sense will have become more widespread. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example. That companies will be obliged to serve the common good, as is already stated in the Bavarian constitution, for example.

In this future, will the boundaries between profit-oriented core business activity, environmental sustainability and societal engagement have shifted?

Hopefully! Today, economic, social and environmental sustainability still often seem to be mutually exclusive. Either I am totally professional and make a lot of money, or I am unprofessional by being super socially minded and ecological. In my view, this is utter nonsense, because all three dimensions reinforce one another. So it’s a matter of “both and,” not “either or.”

When these three dimensions are more strongly harmonized with each other, how specifically will this be expressed in companies’ actions?

You can already see the first such developments in the financial industry, where the SDGs are increasingly becoming a focus of investment. Companies are being measured by different KPIs and new criteria. In particular, these are criteria that are “softer,” that reflect the overall impact – including social and environmental aspects. We’ll see even more of this in the future.

In the future you’ve outlined, will we still see separate departments for CSR and sustainability, or will we see more blurred boundaries?

I hope these departments will no longer exist. When someone refers proudly to their CSR department, it’s often crap. I tend to think that they simply haven’t understood what this is all about. Sustainability is so much more than a role. It’s an attitude. Sustainability is above all a mindset, and is a matter for the top levels of management. If it’s implemented well, it’s simply part of the corporate DNA, and then there’s no need for a department to do it.

Even if CSR and sustainability departments are a thing of the past in your vision of the future, how can people holding responsibility in these areas today help transform their companies so that they act more sustainably?

That depends a lot on the company. If these people can persuade others to listen, then it might be a good first step.
Florian Henle is founder and CEO of Polarstern GmbH, a pioneer in trend-setting energy products that support a sustainable energy future. At Polarstern, he is responsible for business development, the energy business, finances and marketing.
to embed these topics firmly into the company’s mindset or DNA. Particularly if sustainable thinking is something new for the company, and the company first has to warm up to it, then it may not be such a bad idea to start with a CSR department. Their most important job is then to show what’s possible in this area, and then to keep their eyes on the ball, because it will be a long-term and drawn-out transformation. However, it shouldn’t be just a marketing-style CSR department. They need to be familiar with the company’s products and core business focus in order to be able to point out opportunities in a serious way.

If structures and tasks are to change so much by 2035, what about the future of corporate foundations?

Foundations can play a very positive role, as at Bosch, for example. Foundations whose capital is dependent on the company are logically going to be interested in sustaining their source of funding. This long-term perspective has to include some thinking about sustainability, and creates a clear distinction relative to companies without foundations, which only have to answer to the capital market.

These are issues relating to the distant future. If we instead look ahead to the coming months and years: What are the most important next steps needed to move toward 2035 as you’ve outlined it?

Like it or not, the financial markets play a very large role. If companies were no longer measured solely in terms of financial returns, but also on the basis of ecological returns or sustainability criteria, then that would be a very big lever for transforming the economy. The sooner something is done about this, the better. Another step would be a change in societal awareness toward more sustainability and sustainable consumption. People are already starting to think about whether they should eat certain foods, and about what clothes they’re buying, and whether their banking and mobility choices are sustainable. Many young people no longer have a car. Transformation is already taking place here. Because if all these people base their consumption decisions more strongly on sustainability-related criteria, then of course this will have a huge impact on the economy.

I want to switch subjects again, to the topic of individual-level decisions. In your opinion, what skills and attitudes do employees and executives need to have in order to ably shape this transformation?

The same skills that I would otherwise need for a traditional company. Just a different mindset. Strong leadership is important. I personally believe strongly in leadership by example. I can’t preach water and drink wine. That doesn’t work, because credibility is important and will remain important.
Following on from the issue of credibility: What conditions do policymakers need to create in order for this transformation to succeed?

Politicians can also lead by example, for instance if they take sustainability criteria into account in their tendering decisions, and thus set an example in this way. I know this from the energy industry, where price is still the deciding issue in awarding contracts. Cost factors make the final difference, not whether a company acts in an environmentally or socially responsible manner. You hardly ever see aspects like this considered in calls for tender. The public sector wields vast amounts of demand-side power. This could be used to transform society.

The regulatory environment is another issue for policymakers. For example, environmental investments could be given special depreciation rules, or could be taxed differently. I would also like to see support given to social businesses. I hope we see some change here, but at the same time I hope it doesn’t get too bureaucratic.

Finally, one more question: If a wise person of your choice could answer one question for you about the future of corporate responsibility, what would you ask them?

I would ask: Why aren’t we getting it? Really, a conversation like this should be totally unnecessary. Isn’t it funny that Polarstern is allowed to take part in an interview like this just because they don’t act like complete a**holes? What will it take for everyone to finally get it? And act on what is common sense? So that these really basic things we’re talking about, which are actually flat-out obvious, finally get implemented? ✗
“The topic of steward ownership is so important to us, because it prioritizes meaning instead of maximizing profits, and stakeholders are given more importance than shareholders.”

Interview with Katharina Hupfer — Waschbär GmbH
Jennifer Hansen: To begin, let’s take a mental journey to the year 2035. In this year, what do you think it will mean to be a good corporate citizen?

Katharina Hupfer: I believe there will be a shift away from selective engagement and toward a holistic incorporation of the eco-social dimension into corporate strategies. In addition, we will be focusing more strongly on the human dimension. Sustainability will no longer simply mean we aren’t wasting resources ourselves. Instead, we will look more closely at the countries where our production is taking place, and ask about the quality of people’s lives there. We’ll ask how people in our companies feel about what we’re doing there. Taking ethical and scrupulous action, both with regard to the environment and people, will have become increasingly important.

Assuming ethical behavior does take on greater weight by 2035, will the boundaries between profit-driven core business activity, environmental sustainability and social engagement have shifted?

I can only hope so. The most important thing is that we humans become more conscious, more mindful and more attentive. As employees, as customers and as members of society, we – alongside policymakers and companies – bear responsibility as individuals. We should thus think about how we can put social pressure on other actors to persuade them to take action.

How will corporate activity be different in 2035?

People will be paying closer attention to many things – for example, to who their own stakeholders are. If you really think about it, you can quickly come up with a long list of stakeholders, and see all the things you can do for them as a company. Of course I can write a sustainability report and look only at individual measures, at what I have done externally. But it is important to take a holistic view of the system in which the company operates. In addition, transparent communication within the company is becoming increasingly crucial. We should talk more about the fact that doing business doesn’t just mean selling things and making money.

Many companies currently have CSR, sustainability and sometimes even corporate citizenship departments. What role will these departments play in 2035?

These departments will play a strong role in coordination. At the moment, they unfortunately still often meet resistance from the rest of a company. Some have a direct link to management, others have a seat on the board. But all of them wrestle with the same question: How much can we afford? If they can convince their top-level executives, then projects move forward. Otherwise, the process stagnates. I’m convinced that eco-social issues will have to be incorporated into mission state-
ments in the future. From that point on, everyone in a company – certainly top executives in particular – will be responsible for examining their own area and asking, “What can we do to enhance sustainability?” Bringing these answers back into operations and coordinating them will be the task of sustainability departments. They will advocate for their topic across the company, and collect the results in order to make them transparent and measurable.

Not an easy task, then. What core skills should employees of sustainability, CSR or corporate citizenship departments have in order to carry out this function well?

I would say that those in charge of CSR, sustainability or corporate citizenship must first and foremost be hard-nosed, and be able to stick with it. I know this from my own company. I’m constantly reminded there to stick to my commitment. It is important for sustainability managers to stay in constant contact with executives and the rest of the staffers, to be genuinely critical, to persist, and to keep pointing out new opportunities for improvement.

Many today see programs such as corporate volunteering as one such opportunity for improvement, and even as a way to accelerate the process of transformation toward socio-ecological sustainability. How do you feel about this?

Volunteering means experiencing important issues firsthand. It’s a great way to raise awareness of the socioeconomic dimension among employees and executives. Donating to something is easy. But when I give employees the opportunity to take part in the work on a Demeter farm, for example, it feels completely different to them. The top levels of management need to be involved in order to make such experiences possible. This is because the top executives play an important role in supporting the volunteer program, and in communicating the message that they view social engagement as important.

If we look back again from the year 2035, what do you think will have been the most important steps leading us to this future?

One of the most important steps is to realize that eco-social responsibility is not the responsibility of this or that company department, but that it instead belongs in a company’s overall strategy. The executive-level staffers must make this very clear, and allow this commit-
ment to permeate throughout the company. Employees should have the opportunity to engage with socioecological issues as part of the company's organizational development activities.

They should be educated, challenged and encouraged to think about these issues through a variety of methods and programs. Staff development is an important point for the transformation toward greater sustainability, because it is the only thing that enables trained employees and managers to be active participants in the process.

You cite staff development as an important prerequisite for transformation. In your opinion, what are the most important competencies and skills for executives to cultivate?

There has already been a change in thinking among top managers in recent years. Technocratic leadership is one thing, but it’s really more about understanding that you’re leading people. That’s where you have to ask yourself some questions. How can I communicate well? Who am I as a person, and what are my encounters with other people like?

Searching for answers demands an incredible amount of personal development, and requires you to be very open-minded about learning new things. Employees will also benefit from knowledge about good communication, as this can be integrated into the individual teams. As a manager, I’m also concerned with strengthening employees’ sense of personal responsibility, as well as their sense of community and team spirit. I think it’s important to give everyone on the staff the opportunity to connect with the meaning of the company.

We should always offer a platform to talk about this meaning, and to engage critically with our own mission statements. As a manager, especially when you’ve been thinking about something for a long time, such a process can sometimes be difficult. But that makes it all the more necessary.

What conditions do policymakers need to create in order for this transformation toward greater socioecological sustainability to succeed?

Policymakers play an important role. We need an environment that rewards companies whose operations are environmentally friendly, conserve resources, protect the climate, and which are socially engaged. For example, we are a part of the Alliance for Sustainable Textiles, which brings together a cross-section of Germany’s textile industry and fosters awareness of the subject.

Policymakers should in turn bring into the mainstream certain things that we’ve been discussing for a long time, for example through a supply chain law. They should also ensure that sustainably operating companies have support for their activities, because it is a challenge for companies to look at entire supply chains, for example. Ultimately, policymakers should also consider innovative forms of ownership. At our company, we have been able to express our societal responsibility in part through our ownership structure.

The topic of steward ownership is so important to us because it prioritizes meaning instead of maximizing profits, and stakeholders are given more importance than shareholders.

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“At the moment, nearly everyone is feasting like there’s no tomorrow. But businesses can become role models and make genuine contributions.”

Interview with Georg Kaiser — Bio Company SE

Jennifer Hansen: Let’s begin by traveling mentally to the year 2035: What will a company have to do in order to be perceived as an agent of responsible action in society?

Georg Kaiser: For me, companies will be good companies in the future if they make little or no use of natural resources and treat people decently. Returns come only when these two aspects have been met. This seems absolutely clear to me. However, it also means that, once again, people need to prioritize things other than their own consumption needs. We will have to learn to deal with the fact that resources are growing increasingly scarce, and everyone, including companies, will have to play their part in this regard. We define ourselves as Germany’s most sustainable supermarket, an achievement that Environmental Action Germany (DUH) has once again substantiated, for example, in the area of packaging. Nevertheless, I’m not at all satisfied with what we’ve achieved so far, even though we’ve been working on it for 20 years. Just the issue of packaging alone is a difficult one.

In this future, will the boundaries between profit-oriented core business activity, environmental sustainability and societal engagement have shifted?

Absolutely. The traditional turbo-capitalist company will no longer exist. We have to acknowledge the fact that no company is around forever, that companies exist only for a certain time and for the needs of that time. Less than one percent of companies remain in business for more than one hundred years. Against this backdrop, even large corporations have recognized the need to continually tweak their operations. Some are motivated by the potential reward and others by hardship. And for those in between, the incentives are too weak to trigger a broad push toward true development that leads to a rethink. There is, however, an avant-garde of sorts that thinks ahead and is therefore often better equipped to deal with emergency situations such as those we currently face and which are driven by resource shortages. But since most people are generally indifferent to these concerns or focused on profit, it’s up to this avant-garde to ask itself – over and over again – how can we get the rest of society on board? The same applies when it comes to dynamics within a company: Key decision-makers may be well-versed in the company’s vision, but this can be far removed from the reality of those who work at the checkout stand or in the bakery. This means that we have to use incentives to promote the issue of sustainability.

What will sustainable behavior look like in 2035?

Because our resources will either be used up or too expensive, we won’t have any choice but to orient ourselves toward ecological and social sustainability. At the moment, nearly everyone is feasting like there’s no tomorrow. But businesses can become role
models and make genuine contributions.”

For the past 20 years, I've been stating very openly that, unfortunately, my customers pay twice. They invest in the right direction with their consumption habits, but pay extra with their taxes for the mistakes made by others. So, when it comes to the true cost of food, a lot has to change.

What competencies and skills do employees and managers in companies need for the transformation toward greater sustainability?

First of all, there needs to be a goal and a vision that are defined not alone by two or three gray-haired men or women in a cubbyhole. Agreeing on these things involves hard work in a participatory communication process. The power of persuasion and being able to get your point across are therefore basic skills. At the Bio Company, we're trying to communicate more on the
issue of sustainability through our intranet as a way of fostering pride in what we have achieved together. But when I inquire about these things at individual stores, I notice that many of our measures are not catching on. We currently have a project aimed at reducing packaging that features a packaging deposit box. However, many cashiers are unaware of the project, even though it has been communicated through various channels. Patience and perseverance are the only things that help when acceptance of a measure is slow to take hold. There are social milieus that need very clear messages. We have to train managers to be able to do this. But co-creative processes can also help bring sustainable corporate goals more strongly to the attention of employees and customers.

Traditionally, sustainability units within a company or those tasked with corporate citizenship issues or CSR are responsible for bringing such issues to employees. What role do you see these departments playing in the transformation process?

I don’t see these units as standalone departments within an organization. They clearly need to have the support of the board, otherwise they are little more than fig leaves. Here at the Bio Company, the goals put forth by our boards always get their start in the sustainability department. And then a sustainability report says something about whether we’re moving in the right direction, treading water, or maybe even heading in the wrong direction. I need a sustainability department to summarize the various bits of information from different departments and then, in turn, provide them information regarding requirements and

Born in 1967, Georg Kaiser lives with his wife and five children in Berlin. After his training in retail sales and acquiring his degree in business administration, Georg Kaiser founded the Bio Company in 1999 in Berlin. The Bio Company SE, with branches in Hamburg and Dresden, is known for its emphasis on regional products and is the market leader in Berlin and Brandenburg.

Bio Company stores offer only certified organic food – preferably those products that meet comprehensive cultivation and social standards or which meet the production criteria specified by organic growers’ associations.

As Board Chair of the BNN (Bundesverband Naturkost Naturwaren e.V.) until 2017, Georg Kaiser played a key role in the development of the BNN’s quality guidelines.
other things. I often hear about sustainability departments at companies being subordinate to marketing divisions. This says a lot about what’s going on. In our company, the person responsible for quality assurance and the person tasked with sustainability work directly with me. And it’s clear that when they say something, it’s on par with a statement from the boss. There’s no discussion – whether it’s about the introduction of foodsharing, packaging deposit boxes, or something else. Resistance to these ideas usually comes from issues having to do with convenience or a lack of flexibility. But without change, there is no future.

Let’s take a look at the actors beyond the economy. What do you think are the most important regulatory conditions we need from politics to compel companies to undergo a transformation toward sustainability?

In my opinion, there is no such policy in place. That said, there are people in politics who have the strength to push new ideas forward. My biggest appeal to them is to give companies the elbow room to get their work done. Don’t try to make our work too complicated with too many regulations! For 30 years now, people have been claiming that life should be made easier for businesses, but so far, no one in politics has made this possible. How much responsibility can we continue to impose on companies? Complexity has been growing for businesses, entrepreneurs and other people in general, but this is not something that can continue indefinitely. I would like the government to ensure a less complex life once again. But this will only work if people want less.

To be a little more specific, I think the current tax burden is fine. However, by imposing additional taxes that punish “bad” companies, the government could use its leverage to create incentives for greater sustainability.

I think foundations are a better solution than are entities with shareholder ownership, even though foundations are slower because of all the regulatory demands they have to meet. The topic of foundations is of particular relevance when it comes to succession issues. As part of its own evolution, a company must at some point determine whether it prefers to pursue a foundation solution or a steward-ownership model. I find the latter a particularly charming idea. It’s an approach that seems to be very popular right now with many entrepreneurs such as Alnatura, the Völkels or dm. But I’m not at that point just yet. In 10 or 15 years, I’ll be exploring the question of succession. If, at that point, my successors have no interest in or knack for business, then it will be better to structure the whole thing in a way that serves the company’s purpose which, in our case, is sustainability.

If you could ask one wise person of your choice a single question about corporate responsibility, what would you ask?

I don’t think there’s anyone of interest who could provide any conclusive answers to the question of the future of corporate responsibility. I therefore take comfort in the changes I see underway in society. In today’s world, the percentage of people calling on us to become more grounded in society, warmer and less distant is growing. And we are expected to do this in ways that conserve resources or are not consumerist in nature. Only those companies that see things in this way will survive. In other words, only those companies that act quickly to conserve and handle resources as responsibly as possible will persist. If someone from the future were to come back and tell me this were the case, I’d be very happy to hear it.
Jennifer Hansen: Let’s dare to look into the future: What will it mean to be a good corporate citizen in 2035?

Christian Kroll: In terms of global warming and the biodiversity crisis, if we continue along our current path, we’ll have a massive problem by then. I guess we’ll have no choice but to take real action as if our house were on fire, to quote Greta Thunberg. This means that every company should invest all of their profit into solving the problem, which is something Ecosia already does. Hopefully, big companies like Google or Microsoft, which have hundreds of billions lying around and funnel them into more or less senseless investments, will realize before 2035 that this approach is no longer tenable. Companies will therefore invest their profits in solutions to societal problems. Will the boundary between profit-oriented core business activity on the one hand and environmental and social sustainability on the other also have shifted?

I hope so. Because if it doesn’t, things probably won’t look so great for the survival of mankind. Currently, companies do what they do to make money, and they also do a whole lot of damage to the world. Financial markets and wealthy people exert pressure on companies to prioritize profit maximization over everything else. Board members are thus, right now, merely the shareholders’ puppets. To make things look a bit better, a handful of CSR measures are applied here and there to make the whole thing look a little “greener.” We need to fundamentally change this system. Looking forward, business models must have an overall positive impact. And if that’s not the case, then at least the full profit should be used to not only compensate, but over-compensate for other things. We need to shift away from heavily profit-oriented reasoning toward a way of thinking that is oriented toward the planet, people and all other living beings. That’s the kind of post-capitalist world I would like to see. Whether I really believe that this will happen is another matter, but at least more and more employees and citizens seem to think like me and make decisions in line with this kind of thinking. Hopefully, people will run away from those companies that don’t follow suit.

If we look at internal corporate governance, will companies, in the future, still have their own CSR or sustainability departments?

The fact that we need a CSR department at all shows that something’s wrong. I also find the term “sustainability” misleading. Either you do damage to a system, or you improve it. Why should we stop with preventing a negative footprint? Why not do as much good as you can? The term sustainability becomes problematic when companies restrict their view to their own little universe and rest on the laurels of their CO2 neutrality, even though they can do much more. I propose that all sustainability officers should change their title to regeneration officer.
Let’s take the case of companies that exist to do as much good as possible: What role can and should corporate foundations play in 2035?

If a company generates profits, and there is no way to run its business model in a climate-positive manner, then some of its profit can be used to make a positive contribution in other areas. This should comprise a significant share of the revenue. I don’t know where the standard will be in 2035. Will every company, just like Ecosia, then have to spend all the money it earns on the climate? That would be great. Currently, the law requires very, very little, and the bar is very, very low. I would like to see full transparency in these areas so that you can see immediately that company X is not a good company because it uses its profits only to enrich itself.

Companies like that should have a thick black label on them so that I know not to buy anything from them.

What important steps do you see taking us forward to a year 2035 as you have envisioned it?

We don’t have a legal framework that rewards actors working to solve climate change. Currently, as a company, you’re still considered foolish if you are committed to solving climate change. In today’s world, if you emit tons of CO2 or violate human rights, you make a greater profit. We thus need a regulatory framework to prevent such things from happening. Only then can our market function. Also, on a personal level, it bothers me that those who don’t care about what happens to the climate can eat cheap meat and fly all over the place. And the others who do care, they pay the higher price. The incentives are misplaced. We need societal change. We have to get away from the idea that we have to produce and consume more and more. We need progress – not the kind that involves having three cars, but simply living a good, healthy life in a world that isn’t on fire. That, I think, is the luxury of the 21st century. We also need different financial market regulations. BlackRock, for example, wrote a statement emphasizing how important sustainability is to them. At the same time, they also stated that energy must nevertheless be inexpensive and available to all. That’s utter doublespeak. In today’s world, people who invest in oil and gas companies get the highest returns, while those who are really looking for sustainable investments get the lowest. This results in a distribution of power that drives things in exactly the wrong direction.

Looking once again at companies, what role can sustainability or CSR officers play in the transformation of businesses?

If the sustainability department is a subdivision of the marketing department, then something is wrong with the company’s DNA. They always say that the fish stinks from the head down. If the board, the head of the fish, has not understood the issue of Christian Kroll is the founder of Ecosia – the tree-planting search engine.

He launched Ecosia after taking a year-long trip around the world to help people in developing countries and do something about climate change. The Berlin-based search engine now has 100 employees and, thanks to its many millions of users, plants a tree every second.
sustainability, then you should make sure that they do. Starting a small revolt is not a bad idea in this case. We shouldn’t be satisfied with just a touch of green here and there, which is what I see with many companies – for example, banks patting themselves on the back with their sustainability investments which, in reality, don’t even represent 1.2% of their total portfolio. This just isn’t acceptable. We need the courage to be honest here.

What skills do employees and executives need to have in order to shape this transformation?

Employees and managers need to have solid knowledge of what it will take to solve climate change and the biodiversity crisis. Neither of these two core issues, nor anything about global justice, were taught to me in college or at school. We need to understand the system we want to change.

Also, it’s important to be able to work with those who have lots of power and money.

We want to get them to think about change as well. But if you just hit them over the head with a board in terms of your communication, you lose them, and nothing is gained. Sustainability or CSR departments can also help in this regard by developing strategies on how to get stakeholders to think twice and develop an appetite for rethinking their approach to things.

This is important because the worst thing that could happen would be for everyone to bury their heads in the sand and declare everything a lost cause. We need to be clear about the fact that we need a massive transformation in society, which usually takes several generations. But we only have five years to do it. That’s why we have to get out of our comfort zone and maybe even risk our own jobs at times. That’s not easy to do – even for board members who really want to make a difference. After all, they still have the shareholders behind them. In this situation, it takes courage to prioritize sustainability over returns.

Finally, one more question: If a wise person of your choice could answer one question for you about the future of corporate responsibility, what would you ask them?

I’m still puzzled as to how we actually fell into this trap called neoliberalism and would like to ask Milton Friedman what he was thinking.

That was a real shot in one’s own foot, I think. I don’t even know if Milton Friedman meant what he said or if he was just acting as a mouthpiece for some interest groups. After all, a pure profit orientation obviously doesn’t lead to things being any better on the planet.

So, I would ask Milton Friedman how he managed to make it so that we all followed the narrative of neoliberalism, and how to stop that.
Jennifer Hansen: To begin with, I’d like to ask you to take a mental journey into the future: What will it mean to be a good corporate citizen in 2035?

Dr. Melanie Maas-Brunner: Economic success depends on the extent to which one is embedded within a stable society. A company can therefore be characterized as a good corporate citizen only if it contributes to society and a fair transformation process. The founders of our company have always understood this, and we will continue to act as a good corporate citizen, even beyond the year 2035. “Good” has no expiration date. Societies never stop changing. In fact, the changes appear to be becoming more dynamic. We’ve been witnessing divisiveness in society, a drifting apart of interests, and an increasing radicalization of individual groups, even before the pandemic. Our task as a good corporate citizen is not to look the other way in such cases, but to be persistent in seeking solidarity with others and initiating activities that strive to create equal opportunity and thereby cultivate greater cohesion and stability. But to be very specific, wouldn’t it be great if, in 10 years, our Christmas charities were no longer needed? They’ve been around for more than 100 years, but I’d like to believe that in the future, helping disadvantaged people will be seen as a task for society as a whole. I would like to see all stakeholders – civil society, public authorities, companies – working together in partnership to achieve this goal and ensure that everyone participates.

Will the boundaries between profit-oriented core business activity, environmental sustainability and civic engagement have shifted by 2035?

I believe that these borders will not have to shift, but that they will, increasingly, have to disintegrate. This will involve us engaging in holistic thinking and assigning value to the environment and society. That’s why we, together with our partners, developed in 2013 the Value-to-Society method, which makes this sort of thing measurable. The goal here is to facilitate corporate reporting procedures that focus not only on economic development, but also reflect a company’s contribution of value to the environment and society.

We brought this idea to the table as a founding member of the Value Balancing Alliance. My colleague on BASF’s Executive Board, Saori Dubourg, chairs the Steering Committee for the Alliance and, together with partners, has been working for many years to ensure that we understand corporate success as a value function for the economy, the environment and society, and that we remain diligent in steering things in this direction.

If the boundary between profit-oriented core business activity and sustainability is increasingly disintegrating, how will this manifest in the specific activities of companies?

Sustainability and sustainability criteria will become integrated as standards into all structures,
processes and strategies. Companies are making a more visible, measurable contribution to society. This is therefore increasingly becoming the basis for sustainable business decisions. Sustainability criteria are thus growing in importance in terms of how we, as a society more generally, take action.

Will we still see dedicated corporate social responsibility or sustainability departments in this future?

Sustainability as an issue will increasingly become an issue that cuts across all areas, affecting every unit in a company. But developments in society and the changes they entail are never-ending and can therefore never be fully resolved. Which is why we need to constantly adjust our focus and broaden the scope of our view so that we can stay on top of and help shape the trends, developments and changes we face. In short, “The path to sustainable development is a never-ending journey that will always require stewardship.” Employees from sustainability departments can start taking action now to help ensure that the entire company is on board for on this journey.

What role will corporate foundations play?

Corporate foundations will continue to be an important tool. They complement the contribution companies make to society in ways that go beyond their corporate activity. The BASF Stiftung, for example, is actively involved in international development cooperation and contributes to human health and empowerment for a sustainable future. It’s therefore an essential aspect of the company’s purpose.

Turning our focus once again toward companies, what skills do you think employees and executives need to have in order to shape transformation?

In order to achieve sustainable development, we need knowledge, skills, a strong set of values, and a willingness to engage in partnerships. But we all have to have the courage to take responsibility for our actions. This readiness is essential to our capacity to successfully implement such complex transformation processes. We’re already targeting this goal with our CORE corporate values – that is, being creative, open, responsible and entrepreneurial – in our efforts to develop our business and especially our employees in this direction.
Jennifer Hansen: Let’s travel together to the year 2035. What will it mean to be a good corporate citizen?

Aysel Osmanoglu: In the future, companies will do more to ask themselves: What does the world actually need, and how do I respond to those needs? They’ll no longer be focused exclusively on how to fly higher, faster and further, but how to give people meaning. That’s why, in the future, we’ll be integrating the things that make us human into a company more thoroughly. The next generation will no longer want to see work as an ailment to be endured. They will invest their energy in those areas where the company enables them to live in ways that align with their ideals.

Will this orientation toward meaning impact the boundaries between profit-oriented core business activity and social or environmental sustainability?

Our definitions of these things will change. It will no longer be just a matter of orienting everything in my core business toward profits. In the future, we’ll have fundamentally redefined wealth as wealth in the sense of impact fields, our social relationships with one another and natural wealth. How connected are we to nature? How connected are we to each other? If I don’t address these issues as a business, then I will no longer exist.

How will we see this manifest in corporate activity?

There are two challenges that are best approached by questions. The first involves asking whether, as a company, we have any vision of the future. Moving forward, can we do things differently? For example, do we continue to produce vehicles, but only those that run on electricity?

Or has this chapter in mobility come to an end? If so, how can we move forward with compassion and respect? We take a different approach to the second challenge: To what extent are we able to create real utopias in the here and now?

Where are these kinds of things already taking place, and how can we build upon them as a company? Do we have the courage to question what really matters in a company – and to reposition ourselves accordingly? Are we fit for the future? Do we even want to be fit for the future?

Will companies, in the future, still have their own CSR or sustainability departments?

We will continue to see departments or persons responsible for topics such as CSR or sustainability. But they will no longer be about me and my department, they’ll be about me and my expertise. We’ll see boundaries dissolve – not only between departments but those between companies – as we include more agents across the entire supply chain and other stakeholders, and become more politically engaged.

Civic engagement that goes beyond corporate activity is often conducted through corporate foundations. What
role will these foundations play in 2035?

Foundations take on different functions. One involves giving money for use in specific areas like biodiversity, culture and so on. In the future, this sort of thing will still be required. It’s a different matter for companies with a less-than-pristine core business that try to whitewash this fact through their foundation’s activities. This sort of thing will die out. What I find exciting, however, is another type of foundation, namely those built on the steward-ownership model, which make it possible for companies to position themselves strategically in an entirely different way for sustainability and the longer term.

If we come back a bit closer to the present: What will have been the most important steps taken to ensure a future in 2035 that resembles the one you’ve outlined here?

The most important thing in any change is the people involved.

We should ask ourselves: What skills do we have now, and which skills will we need looking forward? We see many companies have begun to incorporate emotional as well as reason-based skills as part of an effort to see people holistically. There are, for example, spiritual abilities that we need, but also the ability to experience a closeness to nature. What was once a matter of fact now needs to be developed or trained. We need the ability to connect rational, emotional and spiritual issues. Equally important are the transformative skills needed to cultivate the courage to act and get to work, together with other companies.

How can an instrument such as corporate volunteering help employees with this process of transformation?

In very concrete terms, instruments such as corporate volunteering can help change perspectives. So we ask ourselves how we can implement the sense of purpose experienced in such activities in our core business as well. How do you bring back into the company the things that employees have experienced outside of the organization during their two days as a volunteer? But there are also many opportunities within the company to develop these things. For example, our colleagues have the opportunity to lend a hand and work on a farm for a week. Or, looking at our loan officers, I’m always struck by how many different people they interact with. Every day, they have the opportunity to go on an educational journey and immerse themselves in a different life. What does an organic farmer do? What does a conventional farmer do? And what does it mean to switch from one type of farming to the other? Experiences like these are enriching.

What other important core competencies do you think employees and managers need in order to be able to shape the transformation toward greater sustainability?

I think the most essential skill is to ask yourself: What is my mis-
In 2002, Aysel Osmanoglu started at Germany’s Ökobank as a working student. After her training at GLS Bank, she became in 2013 divisional manager for basic business and back office operations. She has been a member of the GLS Bank Executive Board since 2017 and is responsible for employee development, infrastructure and IT. Aysel Osmanoglu lives with her family in Bochum.

Vocation? What is my intrinsic motivation? Isn’t it sad to think about what we should have done in life only just before we die? So how do we get people to think about getting involved much earlier? When we’ve answered the questions of what we want to do with our lives, our intrinsic motivation is so great that our creative power emerges naturally.

There is one actor that companies will continue to interact with in the future—the world of politics. What regulatory conditions do policymakers need to create in order to successfully facilitate the transformation to sustainability?

Policymakers should ensure a sharper focus on collective goods, for example, through the question as to who owns the soil? Moreover, transformation involves a radical realpolitik that avoids getting caught up in “Yes, but...” caveats. Jobs will be eliminated because they’re jobs we won’t need in the future. For me, a universal basic income would therefore be an example of a radical realpolitik. Let’s just do it now and not talk about it for another 20 years!

One more question to wrap things up:
If you could ask a wise person of your choice one question about the future of corporate responsibility, what would you ask them?

When I think of whom I’d ask, I immediately think of the Dalai Lama. The question I’d pose would be: How can we frame the issues of corporate responsibility and socioecological transformation with a degree of levity and humor?
Jennifer Hansen: Let’s travel together in thought to the year 2035. At this point, what associations will we have when we hear the terms “good corporate citizen” or “corporate responsibility”?

Thomas Schmidt: Not the same ones as today. If we want to move forward as a society, then in 2035, this good corporate citizen, as we call it today, will be the norm. We’ll wonder how there ever could have been successful companies that failed to pay attention to the social and environmental aspects of doing business. We will ask ourselves why we didn’t do something to stop this earlier. Today, we’re already seeing that a growing number of consumers are changing their purchasing behavior and giving preference to responsible companies.

This trend will continue to expand, and the term will lose relevance. It will simply be normal to be a so-called good corporate citizen.

You mention the different aspects of doing business. Will the boundaries between profit-oriented core business activities on the one hand and environmental and social sustainability on the other change?

Profit-oriented core business activity on the one hand and environmental and social sustainability on the other – that is how we talk about it today. An entity that wants to flourish economically supposedly can’t also be environmentally and socially sustainable at the same time.

This narrative of a supposed contradiction bothers me. I believe every company must effectively implement all three elements. Thus, in 10 years, every successful company will automatically also be a sustainable company.

There will be no other alternative. The boundaries between economic, environmental and social sustainability won’t shift. They will simply disappear.

How specifically will this dissolution of boundaries be expressed in companies’ actions?

At Haniel, we say: It isn’t a matter of economic success and sustainability, but rather economic success through sustainability. This is what we call enkelfähig [Eds: roughly, in a manner facilitating the well-being of future generations], and it’s precisely this approach that needs to be integrated into the core of companies. There will be companies like ours that pursue this route on their own initiative, because they believe it’s the right thing to do.

But others will have to follow – if only because of regulations and rules. No matter what motivates us, we all at some point will have to internalize external costs, for example, especially when it comes to environmental issues. This means that just as we record financial transactions today, we will also have to keep an accounting of this new pool of costs. In the future, it will...
Thomas Schmidt (born 1971) has been CEO of Haniel since July 2019. He was appointed to the Haniel Executive Board in 2017, and in parallel was chair of the Executive Board of CWS, a Haniel portfolio company, until mid-2019. Trained as an engineer, he began his career in 1996 holding various positions at the U.S.-based General Electric (GE) before moving to TE Connectivity in mid-2008, and ultimately taking over the role of president at TE Industrial in July 2010. Schmidt is a member of the TAKKT AG Supervisory Board, and volunteers on the board of the AllBright Foundation.
no longer be enough to write a tidy ESG report. Rather, we will have to engage with the issue of sustainability at the core of our business. Companies will need to develop products within circular systems that leave less of a footprint and are thought through to the end.

You talk about the need to make sustainability a part of a company’s core business. What will this mean for corporate governance? Do you think there will still be dedicated CSR or sustainability departments in 2035?

They will still be around, but they will play a different role. These departments cannot limit themselves to providing assistance and support. Rather, they should provide a wake-up call. They should hold up a mirror and ensure that change is accelerated. I would compare the situation now with the early days of digitalization. At that time, we all had our own digitalization departments, but real success came only when we anchored the topic in the core of the business model. This will be the case for sustainability and CSR departments too. In the future, their task will be to contribute to corporate strategy. Instead of simply playing a supporting role, they will actively intervene in the core business, taking on more responsibility in the process.

When I started working at Haniel, I saw the best ESG reports of my career. They were all excellent, and without exception were backed up by KPIs. But when I asked where I could see the KPIs reflected in day-to-day business, everyone looked at me with wide eyes. Yet it is precisely this anchoring that has to happen, even if it means that managers begin to face different demands.

Like many other companies, you have a corporate foundation. What roles can and will corporate foundations play in this future?

I don’t know if the role of the foundation will change that much. As companies realign themselves to combine environmental, economic and social aspects, companies and foundations will be even more closely interlinked in the future. At the Haniel Foundation, we have already extended our focus further toward business done in an enkelfähig way. And enkelfähig business is of course also what we are pursuing with the company. In other words, I see the foundation as offering an opportunity to advance our work beyond the company.

If you now look again at the picture you described for the year 2035, what do you think will have been the most important steps leading to this point?

For every one of the steps, the most important thing is the attitude. We need courage, ideas and effective implementation. I come from a U.S. background, and dive into the German industrial sector from that perspective. In doing so, I have found that we are extremely good at assessing and avoiding risks in this country. We have forgotten the pioneering spirit. But to me, entrepreneurship means simply trying things out, seeing if something works and then pivoting again. If we don’t retrain ourselves to have the courage to go forward and stop waiting for the perfect solution, we will continue to go in circles.

Let’s look at the policy level. What role should it play, and what kind of environment should it create?

Policymakers must get CO2 taxation off to a clean start, and take care of issues such as minimum wages and supply chain legislation. All those issues are important. But also, when I look to Berlin or Brussels, what do I want from them? More courage! We often go in circles, and we’re always looking for the perfect compromise. We have to get away from that and just try things out. We always talk about companies having made some mistake, and having to learn from it quickly. That’s exactly what I would like to see in politics. So it’s the attitude and the mindset that need to adapt.

I have one more question before we finish. If one wise person of your choice could answer one question for you about the future of corporate responsibility, what question would you put to them?

This is what I’d really be interested to know: How can we accelerate change processes in the area of corporate responsibility so that we’re not talking about 2035, but would instead be there by 2027?
“Even when there are big egos at the table, we have to learn to prioritize shared success over our own success.”

Interview with Christoph Selig — Deutsche Post DHL Group

Annelie Beller: To start, I’d be interested in a look into the future: In your view, what will it mean in 2035 when a company claims to be a good corporate citizen?

Christoph Selig: The year 2035 is an interesting point in time, because we will have taken stock by then. We will know everything we’ve achieved by 2030 as part of our ESG roadmap, in line with the SDGs. We’ll know exactly what our contribution has been, and how we have empowered our partners to develop problem-solving capabilities on their own. Hopefully, by 2035, we will have worked through this agenda and will already be tackling a new one. I assume that when we draw up this new agenda, we will again take a very close look at where we can make a meaningful contribution in line with our strengths and competencies.

Let’s stay in 2035. How will the boundaries between profit-oriented core business activity, environmental sustainability and societal engagement have shifted?

I think by then, the boundaries between these areas will have become more fluid. Fifteen years ago, what is now called corporate citizenship was a nice add-on, a charitable approach. Today, everyone has recognized that there is something like a duty, and that it makes sense to fulfill with impact goals in mind, in ways closely linked to the organization’s own strengths and competencies. I would like to see both sides – the core business and societal engagement – always taking the other perspective into mind in order to create an integrated approach.

My second idea of the future relates to the constellation of partnerships. If we all focus together on solving problems, we can achieve a more sensible distribution of roles: For example, the NGOs governing access to the target group, the companies coming in with specific content offerings, and then third parties providing the funding to build up infrastructure within certain issue areas. Many companies find it impossible to manage when they’re expected to bring in the money as well as handling the content.

Let’s look inside the companies of the future. Will we still have dedicated sustainability or CSR departments in 2035?

I think we will still have them, but they will play more of a coordination role, for instance as project managers. The last two years have turned us all increasingly into crisis managers, thanks to COVID-19, the flood disaster, the Ukraine war and all the other situations in which we’ve had to pull together threads within the company in order to have a societal impact. The CSR or CC department is like a spider in its web, working to bundle, coordinate and orchestrate these special forms of engagement. Even if the boundaries between business and societal engagement are becoming blurred, there will still be a need for something like air-traffic controllers in the future.
So in your opinion, the structures within companies will remain quite similar. By contrast, what role do you see for corporate foundations in the future?

That’s an interesting question. I don’t think it’s a particularly good idea to situate engagement exclusively in either the company or the foundation. Engagement in the company should stem from a place very close to the organization’s own competences, strengths and opportunities. Social engagement in the foundation can then be complementary to and expand upon the company’s engagement. Foundations can add considerable value in this way, for example by providing infrastructure, helping with scaling or driving collective impact. They allow organizations to give space to important issues at a different level.

What skills do employees and executives need in order to shape transformation toward more sustainability?

The good thing is that no one today questions the relevance of these issues. If I don’t squarely face the issue of net-zero carbon, I will sooner or later cease being a relevant actor in the market. I’ll no longer be competitive. Of course I need people with expertise in this area. In the case of societal engagement, the requirements are somewhat different, because the issues are so complex that they cannot be solved by one actor alone. For these issues, we rely on working
very closely and intensively with others. When working cooperatively with people, the most important thing is the relationship level. Regardless of what you can do and what you’re actually doing: Whether it works or not will depend on whether you like each other or not. So I have to be socially competent and willing to enter into long-term collaborations and partnerships, investing quite a lot in these activities if necessary. The crisis situations I mentioned previously showed that in an emergency, we can immediately improvise a response with others because we have already built a relationship of trust beforehand. Otherwise, it would have been extremely difficult.

What can companies do to strengthen this relationship level? It takes openness and even a bit of humility. Let’s use a vivid example: Let’s say as a company, I’ve looked at the SDGs and have identified an issue I want to help address. Since I’m not an expert on the defined social or environmental case, I now begin looking for partners. I can go over and say: “Hey, you big environmental organization, I think you’ve been doing it wrong for the last 20 years. We have the solution for you, and we’re going to implement it with you right now!” Of course that won’t work. Ultimately, it comes down to all stakeholders bringing to the table what they or their organization do best in order to help solve the problem.

That means that when there are big egos at the table, we have to learn to prioritize shared success over our own success. As a company, I should always focus on solving the problem and not primarily on my own positioning.

What kind of regulatory actions do you think are needed from policymakers in order to enable the transformation to greater sustainability?

I think a similar degree of openness. In all of our programs, we have always found that it is good to describe a goal. But the way to get there? This often has to be discovered first. So I have to leave a lot of freedom and flexibility in the way the goals are achieved. We use the idea of local ownership in our work. We have defined global partnerships and global programs. But we are extremely comfortable with the fact that Ghana implements the guidelines differently than Vietnam or Costa Rica. From our role at the center, how am I supposed
Christoph Selig leads a team of social-impact enthusiasts at the Deutsche Post DHL Group. In the past, he was responsible for the development, implementation and management of a portfolio of global corporate citizenship programs for the group.

Selig has experience in the political sphere, having worked in the German Bundestag and the German Federal Foreign Office, and having represented Deutsche Post DHL in Berlin for more than eight years as manager for government relations and public affairs. He holds an MBA in entrepreneurship with a focus on social entrepreneurship and social business.

to know how to best transfer our programs for use in a local context I’m not even familiar with?
To a certain extent, the same is true for policymakers. It’s good to set ourselves ambitious goals, but then also to argue creatively and with commitment about how they can be realized.

Finally, if you could ask one wise person of your choice about the future of corporate responsibility, what question would you pose? And who would you ask?

There are philosophical discussions going on right now about whether our existing worldview and how we explain the world to ourselves might not need to be replaced by a new narrative. At the moment, we’re trying to solve the problems with what we already know. But perhaps we’re at a historical turning point, and we should actually be doing things quite differently. If you meet a person with answers to this, let me know!

✗
“The more companies commit to addressing societal issues, the more important corporate foundations become as well.”

Interview with Aylin Tüzel — Pfizer Pharma GmbH

Annelie Beller: To start, I’d like to travel with you mentally to the year 2035. What will it mean in 2035 to be a good corporate citizen?

Aylin Tüzel: Even today, the question is no longer whether a company should assume social responsibility and commit to addressing societal issues, but only in what way it should do so.

We can meet the challenges of the 21st century only with efforts taken across society as a whole, and that clearly includes companies as actors and role models. Therefore, in 2035, it will hopefully be taken for granted that companies are playing an effective social role, and that this is widely perceived, because engagement of this kind functions only in sustainable cooperation with external partners.

If companies take on a stronger role in solving the challenges facing society as a whole, will the boundaries between profit-oriented core business activities and environmental and social sustainability have shifted in 2035?

In the future, a company will no longer be able to run its core business in isolation from environmental issues. Sustainable business practices are becoming increasingly important for success. In addition to tackling societal challenges, this involves political and societal assessments of the company’s own products or services, as well as efforts to build public trust.

At Pfizer, we are already very involved in numerous CSR issue areas, for example through our long-standing commitment to refugees or our environmental protection initiatives. In 2015, we were one of the first companies in the world to apply to and have our greenhouse gas emissions-reduction targets approved by the Science Based Targets Initiative. The science shows quite clearly that there is a need for action to achieve the goals of the Paris Agreement.

The temperature increase must be limited to 1.5°C in order to limit the catastrophic effects of climate change. For this reason, we have set ourselves the ambitious goal of becoming climate-neutral throughout the entire company by 2030.

Do you have any other examples of what it will look like in the future when a company’s core business can no longer be run in isolation from environmental issues?

We are seeing increasing interest in our understanding of topics such as sustainability and social issues, as well as our corporate activities in these areas. The public wants to take a holistic view of corporate engagement. On the one hand, this relates to the core business: product quality and safety, research and patient programs. However, there is increasingly a focus on topics such as diversity, inclusion, the environment and social engagement as well. At Pfizer, we work on therapies that make a difference for people with...
serious diseases. Our new global approach in the areas of the environment, social engagement and governance, or ESG, strengthens the corporate mission and in the future will be even more closely linked with our corporate activities. This year, our second global ESG report was published as part of the company’s Annual Report. Personally, I am curious to see whether more unified EU reporting requirements, for example, will strengthen companies’ implementation within these CSR fields of activity.

If ESG issues become still more closely linked to corporate activities in the future, what roles will sustainability or CSR departments play?

Successful work in the area of corporate responsibility always requires a focused strategic approach, coordination, meaningful investments and oversight. None of these aspects can be relegated to secondary concerns. For this reason, in the future there will continue to be staff members who are primarily responsible for the areas of corporate citizenship and CSR. However, the underlying issues such as sustainable management will be an everyday part of the work in all areas of the company. It’s important to get employees on board with changes. This creates a common understanding of the values derived from the corporate mission, allowing everyone to implement these values in their day-to-day work.

Since we’re talking about values: What roles will corporate foundations play in this future you’ve outlined?

Corporate foundations are an expression of civic engagement and a clear sign of democratic participation. By virtue of their function, they are designed to make a long-term commitment to societally relevant issues. Corporate foundations can thus usefully complement a company’s social or sustainable engagement. For example, the Pfizer Foundation provides funding and resources to programs that promote science and innovation, strengthen health systems, ensure access to high-quality care, and provide disaster relief. In this regard, companies and foundations have a close relationship, because the more companies commit to addressing societal issues, the more important corporate foundations become as well.

Beyond the corporate foundations, what contributions can those in charge of CSR or sustainability make to the transformation toward greater sustainability today?

In companies, topics such as sustainability, diversity or ethical behavior never affect just one department or team. They are part of the culture, and are thus shaped collectively, with each individual playing a role. In this regard, CSR and sustainability departments help people grasp the big picture, serving both as mediators and leaders. They provide orientation, promote mutual exchange and guide the sustainability reporting. In
addition, they can use various tools to strengthen employee engagement within the company. For example, through corporate volunteering programs, they provide low-threshold access to activities that express the company’s values, and to societally relevant topics such as inclusion or environmental protection. In our experience, this does not have to be presented to the workforce as a comprehensive package. On the contrary, it can add considerable value when employees themselves help to develop engagement opportunities. This also makes the sustainability of employment even more intense. Last fall, we hosted the Pfizer Engagement Days for the twelfth time. We incorporated numerous ideas from our workforce, from making waffles to planting trees to renovating social facilities. In addition, we learned a number of lessons over the course of the pandemic. In the future, we always want to think about including digital offerings in our employee engagement portfolio so we can open this up to colleagues throughout Germany, for example those working in the field.

Your corporate volunteering example shows that everyone can make a contribution to improving sustainability. What competencies and skills do employees and managers need in order to advance this transformation?

For both management and employees, the first step is to understand the relevance of sustainability. And then an open, courageous approach to the topic within the company is relevant. Because it will also always be a matter of taking innovative, new paths and stepping out of one’s own comfort zone in order to formulate goals, integrate them into the corporate values and set in motion everything necessary to achieve them.

2018, Tüzel moved to Berlin with her family and took over responsibility for the Vaccines Business Unit in Germany. In May 2021, she was appointed country manager and chair of the Executive Management Board of Pfizer Germany. Tüzel is a passionate ambassador for inclusive leadership that encourages and inspires a growth mindset and bold decision-making. She is also a strong advocate for women in leadership positions.
Jennifer Hansen: To start, I’d like to travel with you mentally to the year 2035. What will it mean in 2035 to be a good corporate citizen?

Maximilian Viessmann: The most pressing question of our time already revolves today around how we can design living spaces for future generations. This will continue to gain relevance, and by the year 2035 will have become the central determinant of corporate responsibility. Because the closer we get to the deadline of achieving the net-zero target by 2050, the clearer we will see whether our actions today are bearing fruit for future generations. And that is what we must measure ourselves against. Every company must therefore become a climate solutions company as well.

Will this focus also have shifted the boundaries between the profit-driven core business activity and social and environmental sustainability?

Without profit, no company can survive over the long term, not even in 2035. However, companies whose view is limited to short-term profits will disappear from the market. Profit without simultaneous sustainable action and societal responsibility will become almost impossible to find. The one aspect will no longer be able to exist without the other two.

How specifically will this relationship be expressed in a company’s actions in 2035?

Business activity is becoming increasingly multifaceted. For example, Viessmann’s statement of purpose is: “We shape living spaces for future generations.” We are already consistently aligning all our actions with this principle today: from providing an integrated range of solutions geared to renewable energies, to sustainability campaigns in which our company members and our partners in the trades have contributed over one million trees to reforestation efforts, to our social engagement through the Viessmann Family Foundation.

You mention your own corporate foundation. What role will corporate foundations play in 2035?

I firmly believe that the role of corporate foundations will grow in importance and relevance. A statement of purpose can sharpen a company’s self-conception, as well as that of its employees. Moreover, foundations can further fill this mission statement with life.

Foundations can do this in many ways – for instance via social, societal or charitable activities. They offer a great opportunity to extend value chains to include what is indirectly and directly related to the company’s purpose.

In this future you’ve outlined, will there still be internal departments for CSR and sustainability?
Max Viessmann is CEO and member of the Executive Board of the Viessmann Group. The family business bases all of its activities around the mission statement: “We create living spaces for generations to come.” Creating living spaces for future generations – that is the responsibility of the Viessmann family business and its 13,000 employees worldwide.

Viessmann oversees the group’s digital and cultural transformation, and is also a key driver
Sustainability and social responsibility will be integral elements of every company in 2035. However, as with other key themes that run throughout the company – corporate strategy, for example – it will still be important to give them an organizational home with an overarching coordinating role. I see this task as continuing to be located within CSR or sustainability departments. Their contribution is the rigorous and systematic management of sustainability and social responsibility across all areas of the company. This includes all aspects of operations, from purchasing, product development, production, packaging and shipping to the selection of cooperation partners and service providers.

Of course, both CSR departments and the corporate foundations we just discussed can work toward sustainability and social responsibility even outside the context of operational processes. Indeed, transformation only succeeds when everyone is working in the same direction.

In addition to the concrete efforts made by all employees, tools such as strategic corporate impact investing can also contribute to transformation. What do you think about this?

It is natural to pursue the company’s mission statement in part through investments. What these look like in specific terms is very individual, and will depend strongly on each company’s statement of purpose. At Viessmann, for example, we entered into a strategic partnership with an indoor farming company in 2021.

This is a highly relevant issue for the future in the world’s metropolitan regions, where both land and water are becoming increasingly scarce.

In addition to partnerships of this kind, which expand our field of activity to include the design of living spaces for future generations, we make very targeted investments in forest and moorland areas in order to preserve them in the interests of climate protection.

Let’s turn from investment back to employees. What skills do they and their managers need in order to shape transformation toward more sustainability?

It requires empowerment through transparent information, coupled with a sense of responsibility and the spirit of co-creation.

And very importantly, the trust that allows communication on an equal level with everyone in the company, along with the right digital tools and platforms to do this.

Trust is a good keyword as we turn away from companies to look at the political level. What kind of regulatory conditions do policymakers need to create in order for this transformation to succeed?
From policymakers, the most important things are a stable regulatory environment and ideology-free, pragmatically realizable decisions. Companies need reliability in order to implement the transformation successfully.

Suppose your predictions from the beginning of the interview come true. What steps will have led us to the year 2035 as you sketched it?

More action! We already have plenty of knowledge. It’s now a matter of using transparent and fact-based communication to arrive at the right decisions and take action. This includes the courage to make the right changes. Companies that have internally answered the question of why they will still exist in the future will be much better at dealing with their responsibility toward future generations. This allows them to secure their own future at the same time.

That almost served as a conclusion. But before we finish completely, I have one last question. If one wise person of your choice could answer one question for you about the future of corporate responsibility, what question would you put to them?

How can we ensure – both faster and better – that all companies are putting their energy and passion into creating the right climate solutions, so we can preserve and positively shape living spaces for the generations to come?

Maximilian Viessmann — Viessmann Gruppe

the German Cancer Research Center. He is additionally a member of the German Startups Association. Before joining the 105-year-old family business, Viessmann was a management consultant with The Boston Consulting Group and an angel investor in Europe and Asia.

He holds degrees in industrial engineering from the Karlsruhe Institute of Technology (KIT) and the Technical University of Darmstadt.
“Companies should not serve as a substitute for religion, but they are increasingly providing ethical standards for many employees.”

Interview with Markwart von Pentz — John Deere GmbH & Co. KG

Annelie Beller: I’d like for us to start by looking toward the future. What will it mean for a company like yours to be a good corporate citizen in 2035?

Markwart von Pentz: For me, corporate citizenship means being thoroughly grounded in our own operations centers. Exactly what that looks like varies from country to country, as societal, infrastructural, and cultural and religious environments differ. Even in Europe, where civil society is well organized, we see a growing need for corporate citizenship, a need that is rapidly growing, in fact.

By the year 2035, we will need to be able to offer employees opportunities to engage in corporate citizenship at various levels. The company will thus serve as a sort of bridge in this manner. For us, the highest form of commitment involves not just giving money through an endowment, but combining this with our activities and enabling employees to get involved in ways that align with their interests. Why not spend three hours of each quarter packing groceries for the needy or serving as a mentor to facilitate the empowerment of people and charity organizations? I hope that by 2035 this sort of thing has become a mainstream activity.

Let’s stay for a moment in the year 2035. Will the boundaries between profit-oriented core business activity, environmental sustainability and societal engagement have shifted by then?

Companies will still have to turn a profit, otherwise they will deprive themselves of their livelihood in the medium and long term. John Deere, however, is a prime example of how the aforementioned issues are intertwined. In agriculture, we have incredible opportunities to work sustainably. Using less fertilizers or sprays and applying organic farming practices offer a huge opportunity for us to combine business with societal and sustainability issues. Sustainability can drive our business model forward because we don’t just make machines, we can offer holistic solutions, ecosystems and circular systems.

Aside from this, I can also see our employees volunteering to contribute to environmental sustainability by making it possible for them to participate in the relevant agricultural employment models.

Do you think we will still have dedicated CSR or CC departments in 2035? What will they look like?

Today, we have a small unit that lies between Government Affairs and HR that carries out this function. But activities in this area are increasing, and employees are demanding more and more. Employees today expect us to provide them opportunities to get involved with the community in ways that foster sustainability. I therefore believe that the department will grow and position itself even more broadly throughout the organization.

“Companies should not serve as a substitute for religion, but they are increasingly providing ethical standards for many employees.”

Interview with Markwart von Pentz — John Deere GmbH & Co. KG
At the beginning of our talk, you emphasized specifically the importance of employee community involvement. What contribution can corporate volunteering make to transformation?

It simply feels good to give something back to society – and not just in the form of money through donations, but by offering yourself as a person. The desire to help others is deeply rooted in us as people. That’s why corporate volunteering, for example, is so popular, and why we’ll continue to promote it more strongly across all of our businesses. At the same time, however, it seems that in recent years, unfortunately, many people have retreated from voluntary work with organizations like the fire department, Malteser International or the Red Cross. It also seems that less people are taking part in church activities. Many of these institutions, in addition to working for the broader good, have given people something to identify with and provided the guardrails that help them distinguish the good from the bad as they go along in life. “Companies should not serve as a substitute for religion, but they are increasingly providing ethical standards for many employees.” This makes CSR all the more important as part of a company’s values.

What competencies do you think employees and managers need in order to help shape social and ecological transformation in a company?

I’ve already mentioned the canon of values that I consider to be very important if we are to stay on course in an increasingly fast-paced world. I therefore think that the ability to keep our feet on the ground and remain steadfast as we face all the uncertainties brought on by these changes is one of the most crucial things for all of us. A company can also cultivate resilience through sound CSR measures. A person who is involved in the community, who promotes sustainable projects and sees meaning in his or her life has a lower risk of being overwhelmed by the barrage of changes around them and is therefore less suscepti-
ble to mental or psychological illnesses.

If we shift our focus toward politics, what kind of regulatory environment do you think politicians need to promote for companies so that we can successfully achieve transformative change?

We need different regulatory rules and better incentives. For example, I can imagine a system in which companies can achieve a certain score in order to be considered good companies. As a reward, they then get other subsidies, grants or a better tax rate. So far, very little in the area of corporate social responsibility has been promoted other than the deductibility of donations made to non-profit organizations. The state would be well advised to launch more measures like these instead of trying to do everything itself, because the efficiency of privately funded projects is, in my view, incomparably higher than that of state-run projects.

One last question as a wrap-up: If you could ask a wise person of your choice a question about the future of responsible corporate behavior, who would you ask and what would you ask them?

I would most like to talk with the Pope. I find it distressing to see the Church undermine itself because it is out of step with the transformative change already underway. The less guidance the Church provides, however, the more other actors must get involved by providing ethical guardrails and standards. We companies should step in here, ideally not to replace the Church, but to complement it. Therefore, my question to the Pope would be, “What can we do to help keep the Church from rapidly losing relevance?”

John Deere International. His other leadership roles in marketing included those for the United States and Canada, and later for Europe, Africa, South America and the Middle East. A graduate of the University of Hamburg, von Pentz has a degree in business administration with a focus on technology.

He is a member of the advisory board of the German Equipment Manufacturers’ Association (VDMA), a member of the regional advisory board of Deutsche Bank AG, a board member of the U.S.-Russia Business Council and a member of the board of trustees of the Heidelberg University Foundation. In May 2020, the University of Hohenheim awarded him an honorary PhD in Agricultural Sciences.
“Particularly with sustainability, being able to tolerate ambiguity is important. In the world of business, we must be able to deal with the tension between ideals and reality without letting it frustrate us.”

Interview with Nataliya Yarmolenko — Weleda AG
As a member of the Executive Board of Weleda AG, Nataliya Yarmolenko is responsible for marketing and communication. Born in Russia, she later moved with her family to Odessa in Ukraine. After studying medicine, she worked as a physician in Odessa. It was during this period that she became acquainted with anthroposophic medicine, which she practiced at her own therapeutic center.
and we need to be mindful of the company’s role in nature, the environment and society. True cost accounting – which involves taking into account, for example, the cost of air or water pollution associated with the production of raw materials and goods – offers a practical example of how to go about implementing this. Fortunately, more and more people are discussing this. The prices for products will thus initially increase, but if we don’t do anything to change the status quo, society will simply have to pay in other ways in the future.

In the future you’ve outlined here, will we still see dedicated corporate citizenship or sustainability departments in companies?

If we’re talking about the next 13 years, then we will still need sustainability managers as a staff position within a company. At the same time, however, it’s important to pursue transformation across the company as a whole, not just through a separate department.

Managers and employees have to experience these topics not only as the product of expert knowledge, but as part of a company’s strategic orientation. Knowledge about sustainability and competencies should be anchored in those areas where business decisions are made, for example in production or marketing departments. In the future, the issue of sustainability in particular will no longer be subject to centralized management because organizations will already operate under a decentralized structure.

What will have been the most important steps taken to get us to your vision of the year 2035?

The steps must come from companies and the state. We need framework conditions and stricter regulations. There must be greater clarity on issues of transparency and sustainability in reporting obligations. We started voluntarily producing sustainability reports back in the 1990s. And for the last ten years, we’ve published an integrated annual and sustainability report every year. We want to continue improving on this.

We’re considering a form of inclusive reporting that includes an accounting process not only for capital but also for our values. This will be placed in the context of the Sustainable Development Goals, the Paris Climate Change Agreement, and planetary boundaries.

In any case, corporate responsibility must be integrated into a company’s purpose. This brings us to the topic of a company’s purpose and meaning. The younger generation is looking for meaningful work and sustainable products, which is why being purpose-driven will prove crucial to the success of a company in the future.

That sounds like a lot of work for those employees tasked with sustainability. What role can corporate citizenship and sustainability leaders...
play in expediting the transformation process?

Sustainability managers don’t have an easy job. They need to drive transformation forward within old structures and cultures. They need the strength to inspire others, and they must be able to convince them on an emotional level, because you can’t really make any headway with rational goals alone. In addition to being good analytic and strategic thinkers, they need to be pragmatic enough to put things into practice. Ultimately, however, I would like their role to be one of constant disruption. As you can see, the job of sustainability managers, if taken seriously, is complex. I don’t envy them.

You just mentioned putting concrete tools into practice. What do you think instruments such as corporate volunteering or corporate impact investing can do to promote transformation?

Corporate volunteering is a great way for people to get involved. However, it also needs to be used correctly. We can’t let it lead to people suffering burnout because of the volunteer work being added on to their day-to-day work. And likewise, it must not lead to weakened state structures. While corporate volunteering is already relatively well established, the instrument of corporate impact investing is currently gaining traction. At Weleda, our calculations show that our finance carbon footprint exceeds our product carbon footprint. In other words, how we handle money has a much greater impact on our carbon footprint than our product handling does.

Since our products are sustainable, this comes as no surprise. Nevertheless, even we at Weleda, which doesn’t prioritize profit maximization, have to think about how we can deal with this. We’ve decided to develop a carbon management plan that will allow us to consider the impact of finances on our carbon footprint.

What skills do you think employees and executives need to have in order to promote transformation?

First and foremost, of course, they need expertise in sustainability. In addition, emotional and spiritual intelligence helps both managers and employees think systemically. Something I’ve noticed over and over again is that particularly with sustainability, being able to tolerate ambiguity is important. In the world of business, we have to be able to deal with the tension between ideals and reality without letting it frustrate us.

Not all ideals can be implemented one-to-one and immediately. In addition to patience and pragmatic idealism, it also takes a certain amount of courage to change in order to stay the course.

What kind of regulatory actions do you think are needed from policymakers in order to make transformation a reality?

We need clear, reliable, consistent regulations. And within this framework, we need a free economy. We also need a level playing field, in other words, there must be no disadvantages for those companies that operate sustainably.

I have one final question. If you could ask a wise person of your choice one question about the future of corporate responsibility, what would you ask them?

Since we work in the consumer products sector, I would ask: What types of consumption will we see in the future? How do we, as human beings, exercise constraint while also leading a happy and contented life?
Jennifer Hansen: Let’s travel together into the future. What do you think it will mean in 2035 to be a good corporate citizen?

Waldemar Zeiler: In 2035, we will be past the tipping points and in a situation of absolute crisis management. A significant share of these crises will have been caused by companies. But at the same time, businesspeople can provide skills that are important for managing the crises. I imagine it would be very interesting if someone who had previously dumped poisons into the sea suddenly had to rely on the help of everyone else to get that sea clean again. We’ll be busy picking up the pieces, and I don’t know whether the social glue will still be holding together.

At the moment we are contributing more and more to the crises, and to increasingly less social justice.

We’re adding to the climate crisis, and to the dwindling biodiversity. I was considerably more optimistic a few years ago. That’s one of the reasons I’m taking a sabbatical. Activist work and just dealing with everything going on right now is overwhelming. This makes it really hard for me to put myself in 2035. Twelve years with all the threat scenarios we have in front of us? That’s a grim idea. I would have an easier time thinking about the next five years, because specifically with regard to the climate crisis, we at least have a chance to turn the tide.

Then let’s think about the next five years: What will taking responsibility mean for companies in five years?

I would recommend that everyone do just the minimum to ensure that the company survives and gets to the break-even point. And then put the company completely at the service of society and the planet. We need to suspend growth, give up the associated KPIs over the next few years, and invest the time this frees up in the big problems of our time. If all companies could spare just 20% of their time to solve these problems, it would generate tremendous power and innovation. We need this energy, which is just being wasted on more and more growth.

At einhorn, we are committed to operating in the doughnut economy. We don’t yet know exactly how this kind of business will look for us in specific terms. No one does. But instead of using that as an excuse, we want to find an answer to this question.

Companies will probably always have to deal with conflicting goals, and there will always be questions without clear answers. How will companies in the future make decisions in situations that pose dilemmas?

The great thing about shareholder value is that it’s so simple. Everything can be subordinated to this one goal, and it simplifies every decision. I think we have to develop alternatives for KPIs, and that’s extremely difficult.
We can definitely do it. But we are already so heavily socialized into our current system. We no longer feel what it means to run a business humanely, so that it's not operating at the expense of either people or nature. It's going to take a long period of reflection before we learn this again.

There’s a lot of talk right now that the boundaries between profit-driven core business activity and social and environmental sustainability will shift. Do you believe this too?

This debate is incredibly rational, and we know that rationality has gotten us nowhere. But the whole world has today become irrational. You now can’t tell ahead of time how your own relatives and friends will position themselves in any crisis. And in this situation of maximum confusion, in which I also find myself, it is totally difficult to tackle a global challenge. I think we have to approach it in a fundamentally different way, and much more through feeling. If people don’t feel it, it won’t matter what kind of great theory and rationale there is behind it. We therefore have to learn to be in harmony with ourselves, and to know: What’s going on inside myself? Why do I act the way I do? I’m in the middle of this myself, in a very long process. More clarity in these questions helps us to connect genuinely with others instead of just throwing the best arguments at each other. This is why we do inner work at einhorn as well as new work.

Otto Scharmer refers to an update of consciousness. I used to hope that someone would snap their fingers, and bang, there would be a consciousness update right there. However, it takes a lot of individual work to get there. Not everyone can afford that.

You can’t meditate for an hour a day if that means you can’t pay your rent. Those of us who are in power and have the resources have a responsibility to make sure that this journey is even possible.

Do you also see it as a company’s task to give employees the space to do inner work?

Giving employees space to do inner work is definitely part of a company’s responsibility. Because where do they spend so much of their lives? If you just make sure the companies aren’t going out of business, and then free up the rest of the time, you can do an incredible amount with it. We could be much, much bigger with einhorn and focus on growth, but that wouldn’t help the world. Instead, we take a lot of time for inner work and hope that something new will grow out of it.

So it takes a personal transformation. And if we look at structures inside the company: In the future, will there still be corporate sustainability and corporate citizenship departments, or fairstainability departments like yours?

These departments shouldn’t exist in the future. Today, however, we’re still a long way from
having the issues handled by these departments in the DNA of every company. With five people out of a total of 25, our sustainability department at einhorn already has a lot of power in terms of numbers. But I’ve heard from inside large corporations that most of these departments have no power at all, and are more of an add-on. Sustainability departments are often fighting losing battles, and have to contend with an opponent that can’t be defeated. For this reason, I can only hope that these departments at first get larger and gain more formal power – but with the eventual goal of dissolving themselves. You can find this in the New Work theories of Frederic Laloux, for example. Here, there is no longer a central function in companies, even in large companies. Instead, there are small units that manage themselves in a very entrepreneurial way, taking on a quite large number of functions and thus also having general responsibility for the world immediately around them.

What do you think will have been the most important steps taken by companies to get to a perhaps slightly less catastrophic future?

Companies and founders have project implementation skills that they have to contribute. But they can’t do this like Elon Musk, in order to win applause for it. They have to put themselves at the service of society, and get satisfaction from feeling that they’re making an impact. We have to rely on cooperation between different kinds of stakeholders – policymakers, government administrations, the business sector, civil society. Mariana Mazzucato has described this quite well, calling it the Mission Economy. That’s where we have to get to. Businesspeople and founders play a very important role here. Many entrepreneurs, including myself, still have to learn how to fill this role while also making space for actors from other sectors.

That’s quite a big shift in mindset for businesspeople. How do we get there?

I can only speak from our experience at einhorn. We gave away the company so that it belongs to itself. We’ve also learned that having reservations about each other doesn’t help. Labeling companies as the bad guys doesn’t motivate them to move in the right direction. But I also understand NGOs and activists who find it disconcerting that companies are now being acknowledged for addressing the mess they made. We need to forgive each other, even if it’s hard, and look at how we can give recognition and appreciation to everyone involved. It’s also important to create spaces.

A year ago, we started an experiment. It’s called Brafe Space, and was started by Rolf Schroemgens of Trivago. We’ve joined forces with activists, investors and businesspeople, and created spaces where you can be brave and safe. The most striking
moment for me was when a very opinionated activist, one of those who lets herself be chained in the street, talked to investors, and they suddenly found they had made a solid human connection even though the battle lines had seemed to be much too sharply drawn. This resulted in a nine-month program where we paid an anonymous, unconditional basic income to people who couldn’t afford things otherwise. To be able to take time is a privilege. This is normal for founders or business people, but not at all for activists, because they have to earn their bread on the side. Through the basic income, we wanted to get everyone sitting at the table as equals. We businesspeople have the most resources, and if we need everyone at the table, the distribution question comes up, because time is money. And that in turn was something the businesspeople invented.

What kind of regulatory conditions do you think policymakers need to create for the transformation to somehow succeed?

We have to figure that out together. But for this too, many more spaces need to be created where people from civil society, the political sphere and the business world can explore together in a safe space. It doesn’t help for politicians to hand down petty orders, even if they are always totally rational. No one feels them, and if no one feels them, no one will really implement them with conviction. For people to feel this, they need to be brought together. And this needs to happen in safe spaces, where even politicians are safe, and it’s not just about defending yourself or avoiding anything you could be criticized for.

Then to close, I would have one more question. If one wise person of your choice could answer a question for you about the future of corporate responsibility, what question would you put to them?

I would like to hear from Milton Friedman what he thinks of his original radical idea now, with the consequences we see. And where he thinks we may have taken a wrong turn. Maybe have him and Karl Marx discuss it. But then we have two dudes again. No, that’s no good. So let’s do Milton Friedman and Karl Marx, and we’ll have them talk with Mariana Mazzucato and Maja Göpel. And Naomi Klein is there too.

And then maybe Kate Raworth.

That’s right. Okay, exactly these four, these four have a conversation with Karl Marx and Milton Friedman. I think that’s great.
Check-Out

What was new for me?

What surprised me and why?

What things do I experience in similar ways?

What things do I experience in an entirely different way?

What (new) questions do I have?
Reimagining GOOD CORPORATE CITIZENSHIP 2035

In view of the challenges and important tasks that lie ahead, the big question facing companies today is:

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PHINEO is a non-profit organization aimed at strengthening strategic civic engagement.

We foster socioecological transformation by providing support and advisory services while building bridges between civil society, industry and the public sector.

PHINEO is committed to fostering an open, sustainable and peaceful society where doing good with impact guides collective action.

act to impact