



Thank you

We would like to thank everyone who contributed to our 2021 inquiry – our roundtable chairs, attendees, fresh voices, and partners.

Our roundtable chairs

Thank you for guiding broad & diverse conversations with such expertise:



SIR BRENDAN BARBER
Deputy Chair, Banking Standards Board



SUSAN HOOPER
Co-Founding Director, Chapter Zero



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Research Director, BGF



BARONESS PATIENCE WHEATCROFT
NED, St. James's Place



MARK GOYDER
Founder, Tomorrow's Company



STEPHEN WELTON
Executive Chair, BGF



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CEO, London Chamber of Commerce



LOUISA HARRIS
Head of ESG, Brandpie



SARAH FLANNIGAN
Chair, Riverford Organic



DAVID DICKSON
Chair, Family Business Matters Ltd



DAVID BENNETT
Chair, Virgin Money UK



PAUL DRECHSLER OBE
Chair, International Chamber of Commerce



STEVE HOLLIDAY
Chair, Cityfibre



SIR KEN OLISA OBE
Chair, Restoration Partners



LORD BOB KERSLAKE
Chair, Peabody

Our fresh voices

Thank you for bringing your perspectives & challenges into the room:



LIZZIE BEALE
Board Member, The Careers & Enterprise Company



GABRIELLE MATHEWS
NHS England Youth Expert Advisor



DR ALEXANDERS MALCHEVSKIS
Academic & Political Refugee



DR SUE ROFFEY
Psychologist, Author, & Former Teacher



MATT CULLY
Mental Health Crisis Assessment Nurse, NHS Foundation Trust



ZANELE NJAPHA
Unlearning Expert



SUBA DAS
CEO, Hightide

Attendees at our partner organisations

Thank you for offering insight into the minds of future leaders:



Mulberry 50
SCHOOL FOR GIRLS



**ALETO
FOUNDATION**

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Foreword

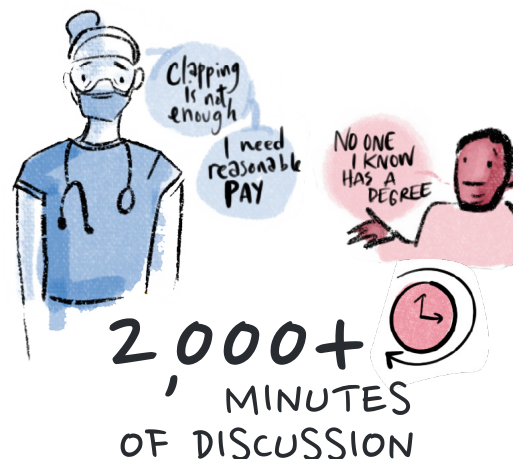
A few years back, a board member of an organisation regularly mentioned in the news for its outsized environmental impact told us something that stuck with us: “The increasing legal risks that go along with being a director, I can manage; it’s not being able to say what I do for a living to my grandkids that worries me.”

Since then, concern for the kind of world we’re leaving to our children, and for the roles we’ll have played, has become increasingly common amongst business leaders — and that likely includes you too. Yet, few have transformed that individual apprehension into collective action at board level.



So, what will it take to make tomorrow better than today? And where do we even start? This is what the Board Intelligence Think Tank explored in 2021, asking board members, youth leaders, environmentalists, creatives, economists, and other subject matter experts, one deliberately broad question: “What is the role of business in creating a fairer future for all?”

Listening to their insight — which has been distilled in this document — made clear one thing to us: We’re lucky. Not because the task ahead is easy, but because, as business leaders, we have the power to do something about it. And if you’re reading this, so can you.



The Think Tank’s vision is of a fairer future, and our mission is to enable UK leaders to effect — both within and beyond the organisations they run — meaningful, long-lasting change that brings us closer to it. We hope that the work of the Think Tank will help you do just that, and that you will join us for what’s next.



~ Pippa Begg &
Jennifer Sundberg,
Co-CEOs, Board Intelligence



“What is the role of business in creating a fairer future?”

What have we found?



What have we found?

Different leaders care about many different things — that much is obvious. But after engaging with a wide cross-section of decision makers, asking them how we create a fairer future, what's even more obvious is that a few key themes linger in most leaders' minds:

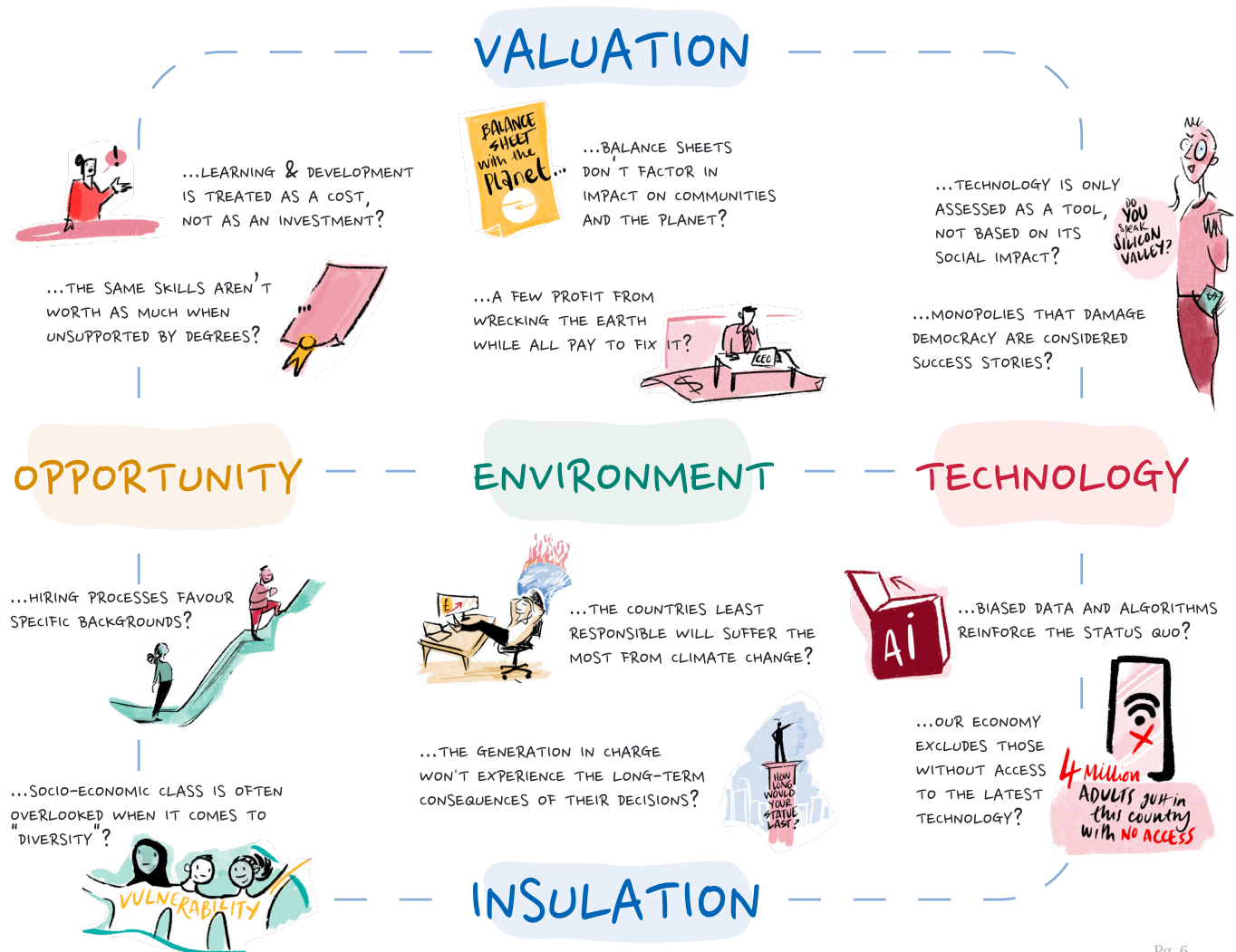
- Three are key topics: opportunity, environment, and technology. They pose the greatest threat to fairness — but also hold the possibility to have the greatest positive impact on society.
- Two are barriers to progress: what we value, and how insulated leaders are. They are what's preventing us from tackling these threats — and it's here that business leaders have the strongest personal mandate for change.

In this report, we dive deeper into these areas, exploring what needs to change to enable business leaders to create a fairer future. Next year, the Board Intelligence Think Tank will start searching for answers, to equip business leaders with the tools they need to tackle these threats and overcome these barriers.



~ Dr Scarlett Brown, Director,
Board Intelligence Think Tank

IS IT FAIR THAT...



What barriers
stand in the
way of fairness?



What barriers stand in the way of fairness?

“I honestly don’t know a business leader who doesn’t see that there are major issues on inequality, and that it may get even worse.”

~ Sir Mike Rake, former Chair, BT Group, Worldpay

From the flow of Extinction Rebellion protesters into city streets to the flow of capital into Environmental, Social, and Governance (ESG) funds, there’s little doubt that most of us are yearning for a fairer world. There’s also a widespread sentiment amongst leaders that business’s business isn’t just business and that, done well, it can — and should — be a force for good.

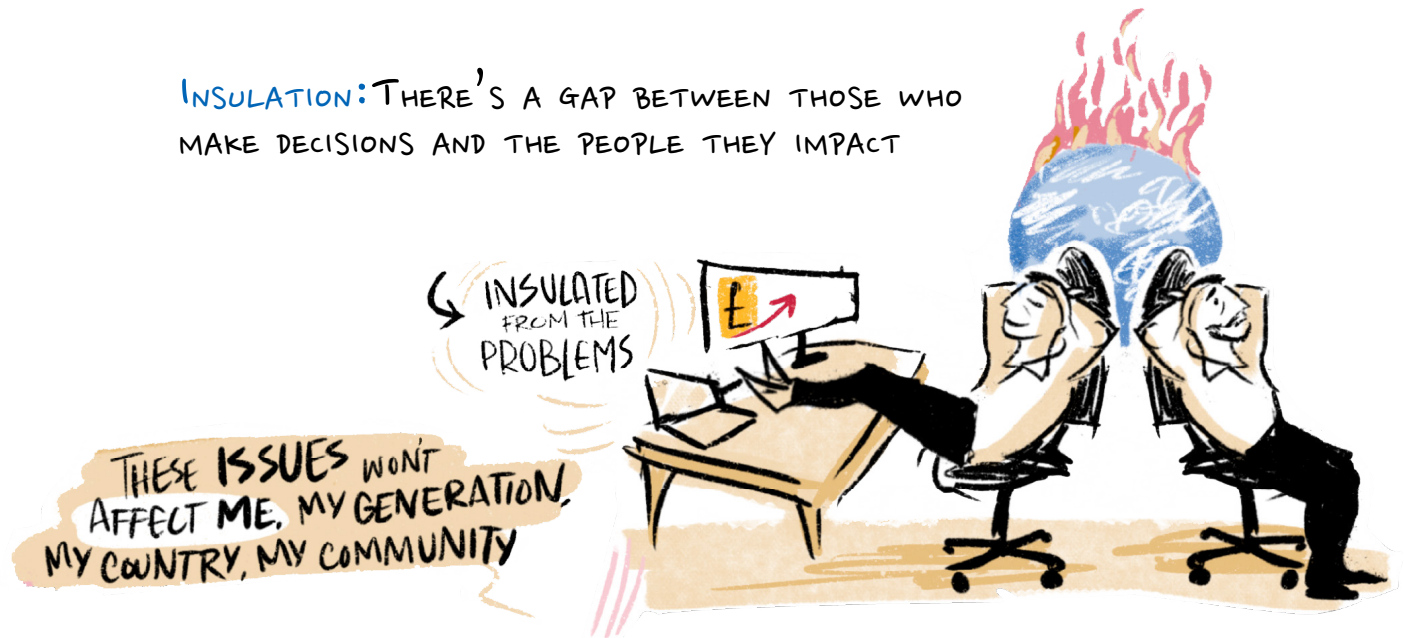
So, if everyone’s on the same page, why are both temperatures and inequality still rising?

The answer, according to the Board Intelligence Think Tank community, is two-fold:

1. leaders are well-intentioned but too insulated from the impact that their decisions can have on others.
2. leaders operate in a system that prevents them from meaningfully solving the problems that their organisations cause.

Boards are still perceived — even by those who sit on them — as being too insulated from the people who are impacted by the choices they make. Despite greater boardroom diversity and efforts to amplify employee voice over the past years, we still need to do more to change the who, and how, of leadership.

INSULATION: THERE’S A GAP BETWEEN THOSE WHO MAKE DECISIONS AND THE PEOPLE THEY IMPACT



“I’d ask business leaders: Who do you have the power to represent? Whose experiences do you understand? And who are you not hearing from at all? Why not?”

~ Gabrielle Mathews, student doctor and member of the NHS Youth Forum

Many in the Think Tank community acknowledged that the “who” of leadership is rarely representative of organisations’ wider communities. And even diverse leadership teams tend to still focus on a narrow definition of diversity — one that doesn’t go far enough to tackle multi-generational problems like climate change.

Beyond that lack of representation, boards also rarely listen to diverse, outside voices as part of their day-to-day work. And the actions that organisations currently take for so-called stakeholder engagement are not just too far and few between: they also lack bite. Non-committal employee surveys and employee representatives on boards lacking actual power are not enough to make sure the board is paying attention.

“We don’t expect every decision to be a democracy, we just want to be listened to when the decisions affect us.”

~ Next-generation leader, Aleto Foundation

IDEAS WE’LL EXPLORE IN 2022

Members of the Think Tank community are already experimenting with solutions, and we’ll build on their findings — and search for more options — next year. Here are some of the big and small ideas our community have already implemented:

1. Inviting an employee representative to every board meeting — *and* agreeing to a process that forces you to follow through on what you hear.
2. Making Diversity, Equity, and Inclusion the CEO’s personal responsibility — not a committee’s.
3. Adding an empty chair to your table, to act as a physical reminder of the stakeholders who aren’t represented in the room.

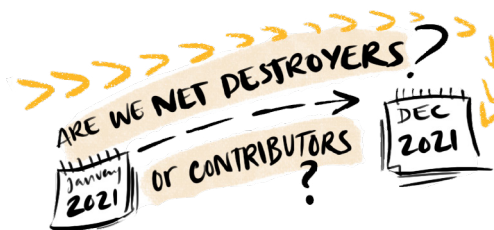
“Every board needs to be exposed to things that make them uncomfortable, and make them realise how disproportionately comfortable we are.”

~ Mark Goyder, Founder,
Tomorrow’s Company





VALUATION: HOW WE MEASURE AND REWARD SUCCESS DOESN'T ALIGN WITH WHAT WORKS FOR SOCIETY AND THE PLANET IN THE LONG-TERM



Not only are most businesses not doing enough to tackle unfairness, in many cases — such as climate change — they're exacerbating it. And one reason for this is that we measure, value, and reward success in too narrow a way.

This goes beyond the “profit vs. purpose” or “long-term vs. short-term” debate. Instead, it's about measuring the true value — both positive and negative — of our activities, in a way that encourages the right behaviour. Clinging to a quarterly reporting cycle or to Generally Accepted Accounting Principles, for example, makes it hard to “unpick what got us here,” as one member of the Think Tank put it, and doesn't tell us whether we are net destroyers or net contributors overall.

“The sooner you start to think about your legacy and what you'll be remembered for, the more likely you are to start thinking about things that have lasting impacts into the future, as opposed to short term success and KPIs.”

~ Steve Holliday, Chair of Cityfibre and Vice Chair of Business in the Community

While ESG investing and reporting suggests change is coming, not everyone is optimistic about it. On one hand, the irresistible rise of ESG enables investors and boards to measure value in different ways. But is it the next vanguard, or the latest fashionable topic? Is it too complex to be of use to all leaders, rather than just subject matter experts?

“ESG conversations are jargon-heavy, process-driven items, increasingly managed by specialists. And their complexity means that many — inside and outside the boardroom — feel illegitimate when the subject comes up, and leave the floor to the experts.”

~ Lord Bob Kerslake FAcSS, Chair, Peabody

IDEAS WE'LL EXPLORE IN 2022

1. Linking executive remuneration not to the delivery of performance targets, but to the delivery of the organisation's strategy — including its climate strategy.
2. Having remuneration committees assign a financial value to social and environmental activities so that they can consider the full picture when setting executive pay.

“Unless it is integral to the KPIs it's not going to be measured, it's not going to be paid for.”

~ Baroness Patience Wheatcroft, NED, St. James's Place

What types of unfairness keep leaders awake at night?



What types of unfairness keep leaders awake at night?

Business and business leaders can no longer operate without a consideration for their impact on society. But even the most enlightened leaders can struggle with where to start. Which of society's big problems do we tackle first, to have the most impact?

For members of the Think Tank, three threats to fairness stand out: opportunity & inclusion, technology & innovation, and environment & climate change. If we want to create a fairer future, any one of these — or ideally all three of them — would be a safe starting point for a board wanting to step up and play its part.

OPPORTUNITY AND INCLUSION



IS IT FAIR THAT 2.8M PEOPLE IN POVERTY LIVE IN FAMILIES WHERE ALL ADULTS WORK FULL TIME?¹

Business can have a powerful impact on people's life chances by giving them access to opportunity. Yet, these opportunities aren't always fair. Many working people live in poverty, and pay inequality is a major concern. Of our 18 roundtables with business leaders, pay inequality came up in half of them.

"I'd like to make the mission of every company: people working for them didn't need government handouts to survive."

~ Baroness Patience Wheatcroft,
NED, St. James's Place

The role of education in creating opportunity was also mentioned by business leaders in all but one of our roundtable discussions. This topic, more than any other, drew wide consensus: education can create a fairer future, but it is also a powerful reproducer of inequality.

"Fairness starts with opportunity."

~ Sir Mike Rake, former chair,
BT Group, Worldpay

¹ www.ft.com

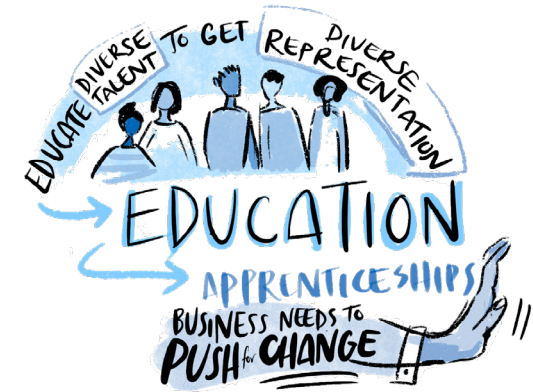
Business has a significant role to play in education and opportunity - and stands to benefit. Making our organisations good places to work, addressing pay inequalities, and focusing on opportunity will pay dividends in the long run. This includes looking at recruitment practices to ensure we are not recruiting from one kind of background. A focus on education also shapes both future employees and future leaders as well as acting as a route to opportunity. A better-educated, more productive workforce benefits us all.

“Businesses must improve the dialogue we have with young children about their potential and opportunity, so people can see what’s possible. If you can’t see it, you can’t be it.”

~ Karen Thomas Bland, Portfolio NED

IDEAS WE’LL EXPLORE IN 2022:

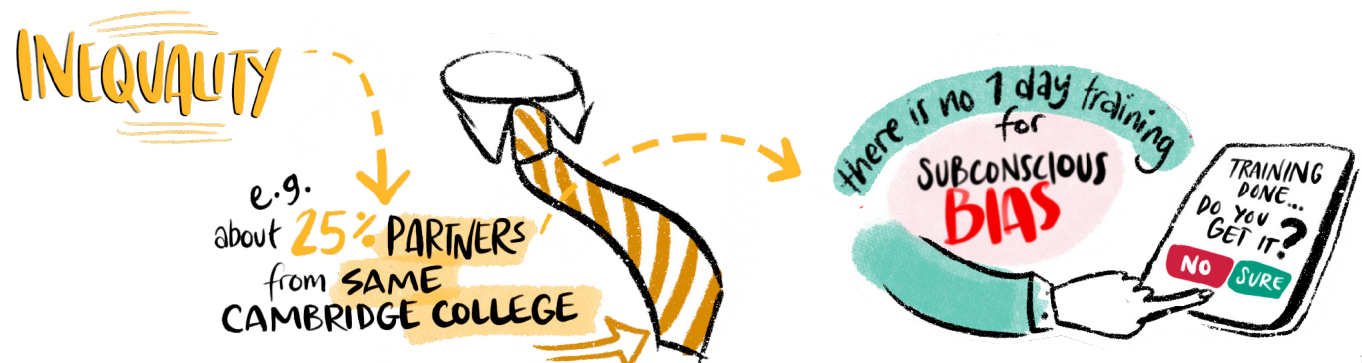
1. Setting recruitment targets for leaders, board members and workforce from a working-class background.
2. Adopting a "Discomfort Policy" that exposes employees to communities and experiences different from the one they grew up in, to develop empathy and understanding.
3. Introducing the “Grandchildren Test”, where leaders must ask themselves whether they’d be happy for their grandchildren to live in the community their business operates in.



“Businesses must learn to appreciate that there is no single perfect route for everyone, encourage different paths, and be more flexible in how they draw out individual talents.”

~ Mark Winlow, Chair, Redwood Bank

IS IT FAIR THAT ONLY 6% OF UK STUDENTS ARE PRIVATELY EDUCATED, BUT THEY MAKE UP 55% OF INTAKE AT RUSSELL GROUP UNIVERSITIES?²



²www.sites.manchester.ac.uk

Environment & climate change



IS IT FAIR THAT...
100 COMPANIES ARE
RESPONSIBLE FOR 71%
OF GLOBAL EMISSIONS?³

Environment & climate change

Now is the time for business leaders to be more ambitious in how we can collectively tackle climate change. It is a time-sensitive crisis and the consequences of not acting now will be devastating in the long run. The consequences are also deeply unfair — the generations after us will face the challenges we fail to solve. We have to drive a “just transition”: shifting to a regenerative economy in a way that does not disproportionately disadvantage parts of society that already face inequalities.

If we want to avoid a repeat of what happened with recycling — where the burden of effort has been borne disproportionately by the consumer — we must ensure that businesses shoulder more of the responsibility for change and cut pollution at the source. Leaders must empower their organisations to change.

“We need a balance sheet for what we’re doing to the environment.”

~ Christopher Rodrigues, Chair,
Maritime and Coastguard Agency

Current leaders have been hardwired to combat and fear risk. But with climate change, so much of the risk is unknown. In the words of one Think Tank member, it is “critical” that we get comfortable with risk if we are going to make it through this.

The Covid-19 crisis could have been the catalyst for change: during the first phase of the pandemic, we managed to reduce global emissions for the first time. Businesses and individuals were able to rethink their relationship with the planet. Yet we’ve already surged back to emission levels higher than 2019⁴. This is the kind of seismic change we need every year; we had an opportunity to learn from the Covid-19 crisis and we failed.

“If you’ve learned how to succeed in business, you’re capable of learning how to deal with this. So just get on with it.”

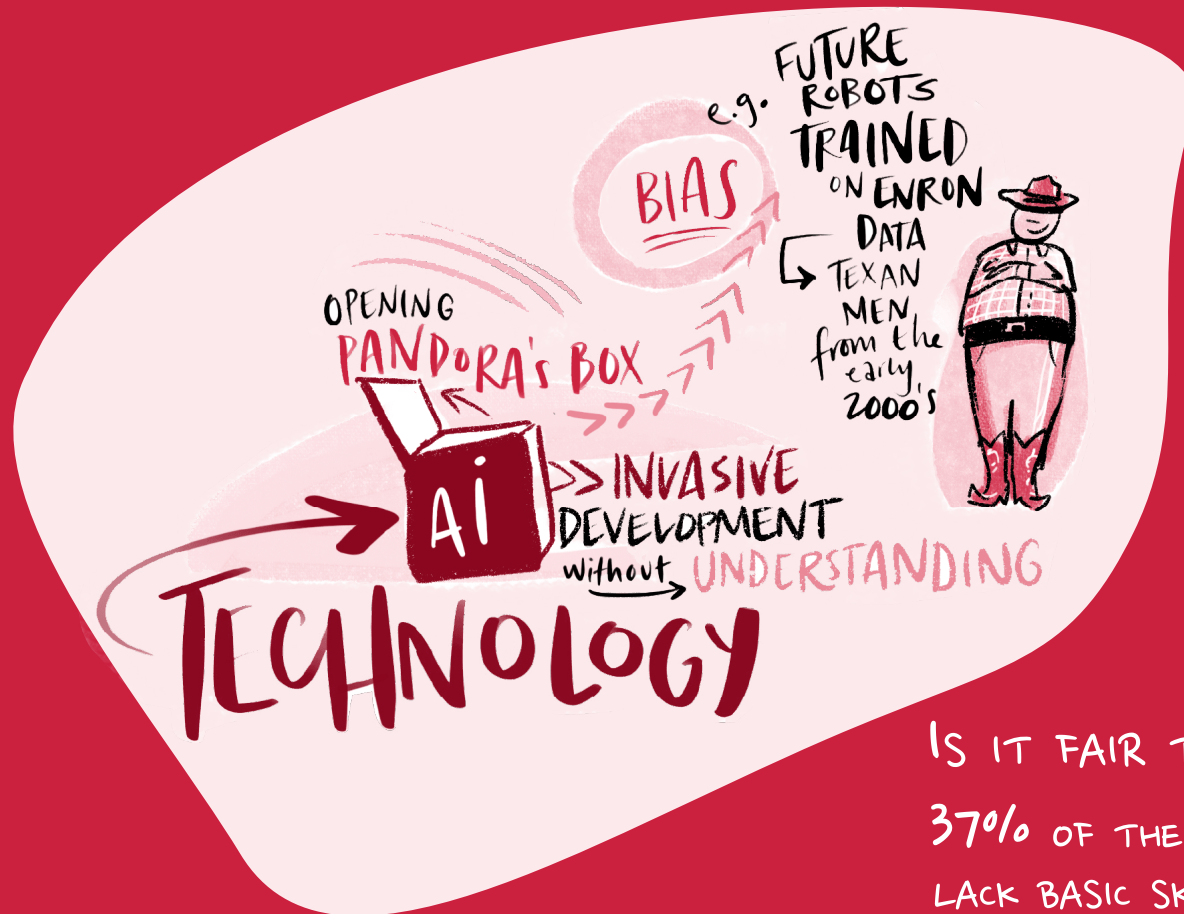
~ Susan Hooper, Co-Founding Director,
Chapter Zero

IDEAS WE’LL EXPLORE IN 2022:

1. Finding new metrics to evaluate your leadership team and ensure you have the right people to take you into a net-zero future.
2. Embracing experimentation and the failures that come with it, to encourage rapid action rather than the search for a perfect solution.
3. Reducing complexity and increasing transparency, to help customers close the gap between their beliefs about sustainability and the consumer choices they make.



Technology & innovation



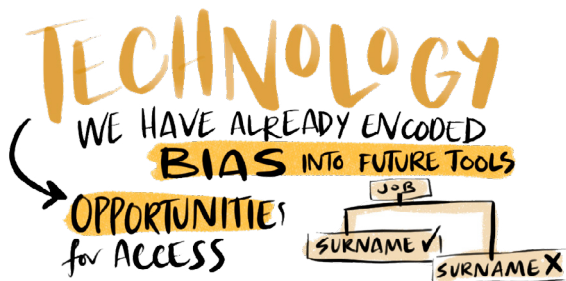
Technology & innovation

Is it fair that... nearly half of households earning under £10,000 per year do not have home internet access?⁶

All leaders are under pressure to innovate. But while new technology can create opportunities, it can also replicate and entrench unfairness — particularly amongst those with limited access to it. And with the pandemic increasing our reliance on technology in every aspect of our lives, including our health, these upsides and downsides are more significant than ever.

“Technology can reinforce power and social divisions.”

~ Lord Bob Kerslake, Chair, Peabody'



“Technology imports the past unfairness of the world and replicates it.”

~ Paul Lee, UK Endorsement Board member

Because of the way that new technology is designed — particularly AI and machine learning — we’re also at risk of solidifying existing inequalities. For example, much of our current AI development was taught human language based on millions of Enron emails released by US agencies in the early 2000s⁷ and racial and gender biases from that era and corporate culture are already starting to emerge in how it operates. If we don’t want the technologies that will underpin most of what we do tomorrow to exclude certain people, places, languages, and thought processes, we must design, procure, and use them with fairness in mind.

IDEAS WE’LL EXPLORE IN 2022:

1. Inclusion through technology. Ensure websites, events, and resources are truly accessible and can include those who may not have been able to participate in in-person gatherings and meetings.
2. Lifting others up, by offering up excess technological resources to those without access to them — such as schools lacking laptops and servers during the Covid-19 pandemic — and providing courses on how to use them.
3. Procuring with a critical eye, by not just adopting cutting-edge new technology but also asking what biases may have been built into it by the humans behind its creation.

What's next?

When it comes to fairness, there is no shortage of problems to be solved — and there is a worry that it is getting worse. None of these issues are new, but the Covid-19 pandemic has exacerbated their impact and highlighted the urgency to tackle them.

“Rather like a spell of extreme weather which exposes the cracks in the paint work and leaks in the roof, the pandemic has exposed a lot of social imperfections.”

~ Sir Ken Olisa OBE, Lord Lieutenant, Greater London



The good news is: There is a willingness amongst business leaders to step up, and there is a broad consensus on which areas we should focus on. All that's needed now is an effective playbook.

Some of that playbook's actions will involve industry-wide change. Others, new individual habits. All will require deliberate effort. The Board Intelligence Think Tank will explore them in 2022, through a programme of research and debate designed to stimulate fresh thinking and help you pioneer new ways of working to drive meaningful and long-lasting change. Get involved in testing ideas, creating new approaches, and finding out ways we can implement them in our own organisations.

OPPORTUNITIES TO STIMULATE FRESH THINKING

Join our cross sector, collaborative events where we'll deep dive into education, technology and innovation, and environment and climate change. We'll explore these topics, learn from each other and start to build solutions or approaches to tackling them.

FOR EXAMPLE:

- How can we make sure the technology we use doesn't have unfair outcomes? What questions do non-executives need to ask to make change?
- How can boards be less insulated from the people their decisions impact? Does inviting an employee representative to every board meeting, or adding an empty chair to represent wider stakeholders, make a difference to decision making?



HOW DO WE PIONEER NEW WAYS OF
WORKING IN OUR OWN ORGANISATIONS?
WHAT CAN YOU DO IN YOUR ROLE TODAY?

Join our peer communities to discuss with others in similar roles to you and move from ideas to action.

FOR EXAMPLE:

- What is the role of the remuneration committee in fairness? How can they effectively assign a financial value to social and environmental activities, to consider them in setting executive pay approaches?
- How can the board make a meaningful difference to climate change targets?
- What is the role of the HR leader, or company secretary in creating a fairer future?

Get involved

Get involved and join the Think Tank to shape how future generations will lead.

THINK



ACT



GET INVOLVED



For more information,
contact us on:

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@BoardIntel