

WELCOME
to the second edition of the *Brunswick Social Value Review*, born of our belief that to be a leading company in today's world you need to deliver financial value alongside social value. The *Brunswick Social Value Review* was initially launched in early 2020, as societal issues continued to rise up the boardroom agenda. We aimed to chronicle the growing pressure on companies to demonstrate that they are part of the solution to the world's great challenges, and to show what leadership looks like in this space.

- **Then COVID-19 struck.** In the early days of the pandemic, a number of commentators described it as the "Acid Test" for corporate leadership. More and more companies have been talking enthusiastically about their "purpose," and now we would see whether this was anything more than PR. How would businesses stand by their employees and suppliers, even as revenues dried up? How would they support their customers? Which companies asked the crucial question: *How can we help?*
- Brunswick ran a tracker to see how businesses were responding—and pretty soon it had thousands of entries. Some companies took unprecedented steps to support their employees and suppliers. Others focused on the crucial role that their products and services could play—providing broadband connectivity, for example, or through food deliveries or access to credit. Some companies, in sectors as different from each other as high fashion and aerospace,

FOREWORD

rapidly adapted their operations and capabilities in a "war effort" push to make hand sanitizer, face masks, ventilators and other essential items; others focused on critical tech and science-based innovations—testing, tracking, treatments and, of course, the search for vaccines. Meanwhile, even as businesses reeled from the financial shocks of the lockdowns, corporate philanthropic giving reached new highs. • However, the pandemic also exposed—and accelerated—some more challenging realities, inequality most especially. The harshest health impacts of COVID-19 were felt by the poorest, who were also more vulnerable to the economic shocks that quickly followed. And then the tragic murder of George Floyd—and the global wave of protests that followed—drew attention to

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the stark racial injustices that perpetuate much inequality. Alongside the climate crisis, inequality has become a defining challenge of our time. It is a global issue that shows up differently in different places around the world, and relevant to businesses in every sector, and we will explore it further in this edition's Issue Focus (Page 6). • As the pandemic began, the implications were unclear for corporate action on climate change. Some predicted that COVID-19 would put climate action on the backburner for the foreseeable future. This has not been our experience: Across sectors, the ambition to achieve a net-zero economy has accelerated, not stagnated. In addition, there is increasing evidence that the transformation required to achieve a net-zero economy is technically possible,



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LUCY PARKER & JON MILLER are Partners based in London leading the firm's Social Value offer.

economically affordable and popular with electorates. We explore these developments in our Business Action section (Page 35). • Even before the pandemic struck, it was clear that the current model of capitalism had a serious "pre-existing condition": The dominant theme in the first weeks of 2020 at Davos had been stakeholder capitalism, and even the *Financial Times* was calling for a "reset." In this edition, we hear from Roula Khalaf, Editor of the *Financial Times*, on the role of business in society (Page 76); and from Henry Timms, the author of the best-selling book, *New Power*, who explains how profoundly the world is changing for organizations built on the old power

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structures of command and control (Page 70). We also hear from Dave Lewis, the former CEO of Tesco, on the need for business engagement in systems transformation to tackle tough issues such as food waste (Page 49). • We launched the *Brunswick Social Value Review* to show what it looks like close-up when businesses set out to become part of the solution; to explore how companies can create social value alongside financial value. The past year has been a forceful demonstration of the role business can play in tackling critical global issues. And, as we hope to bring to life on these pages, it shows the power of taking action that's radical, practical and personal. ♦