

# A Sustainable Future

Without a sustainable approach our future is at risk. Not just the future of our businesses but, we also risk the lives and livelihoods of generations yet to come. This is why we, The International Board of the Family Business Network, are reaffirming our promise to promote a business model that will sustain not only our own generation, but all those that follow us.

The benefits of a sustainable approach are apparent to us all: the responsible use of capital is a powerful force for good and with corporate stewardship comes corporate advantage. Businesses that achieve great things deliver greater financial results, but these issues we face are more pressing than immediate financial return.

To provide future generations with more than we have received ourselves is a deep-seated human ambition. It is found in all walks of life, but it is in family owned businesses that inter-generational thinking is intrinsic. We believe that our inherent understanding and appreciation of legacy brings an obligation to support and promote a sustainable future in all that we do. As custodians of tomorrow, we believe that it is our duty to act now by making these pledges:

## For our People:

We pledge to do all that we can to create and nurture workplaces and working cultures where our people flourish.

## For our Communities:

We pledge to be responsible global citizens making positive contributions to the communities that we work and live in.

## For the Environment:

We pledge to constantly search for ways to reduce the ecological impact that we create and safeguard the environment that we all share.

## For Future Generations:

We pledge to share our values and long-term aspirations with future generations.

We know that these are bold promises and we do not make them lightly. But in order to protect all that we have done and create a sustainable future, where our work lives on, they are vital. We call on all family owned businesses, worldwide, to take responsibility for the future of our children and our children's children.

Please join us in our pledge.

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## Redefining Success

From the boardroom to the factory floor, a new conversation is taking hold in leading businesses around the globe. It revolves around both a need and a desire to rethink the role of capitalism, look beyond a single bottom line and redefine how success is measured.

To be clear, capitalism has served society enormously well. It has expanded access to healthcare and education and lifted millions out of poverty. But it has also come at an enormous cost: loss of biodiversity, unsustainable levels of debt, too-big-to-fail organizations, and too many people left behind. Many businesses have realized that the status quo just isn't sustainable; and that the current capitalist mindset – if left unconstrained – will ultimately cause irreparable harm to this place we call Home.

But the world's biggest challenge is also our biggest opportunity.

Enlightened enterprises across the spectrum are taking advantage of these opportunities and, in doing so, establishing business cases that we can learn and profit from. They are standing up to be measured on the Triple Bottom Line of 'people, planet and profit' and inviting everyone in their value chains to do likewise. Whether accessing new markets or reducing energy costs while lowering their footprint, they are demonstrating that clear returns can be realized in a relatively short timeframe. The long-term benefits are even greater, as these businesses attract top talent, build trust and credibility, minimize risks in supply chains, and enhance their social license to operate.

But while this movement is gaining momentum, it still needs concerted leadership. With our intrinsic intergenerational nature and care for future generations, family businesses are the best advocates for a more conscious and responsible capitalism. No other organizational entity is chartered to address the future with as long a timeframe, as intrinsic a focus, and as holistic an approach. In reality, family businesses already embody the key characteristics that many enterprises are using to reframe themselves:

1. We understand our business is a reflection of values
2. We have an inherent focus on long-term success
3. We know the importance of nurturing talent
4. We are not afraid to innovate or even reinvent our business when we see a need or an opportunity

Family businesses know what it takes to build sustainable businesses and value across generations, and it is time for us to take on this mantle and lead the business community forward. We have the potential to not just redefine success, but to change the world.

### **The Collective Impact of Family Business and the role of FBN**

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Globally, family businesses account for two-thirds of businesses, employ 60% of the workforce and contribute over 70% to global GDP (FFI 2012). Given this predominance, family businesses are well positioned to lead responsible capitalism by empowering our employees, encouraging responsible consumerism and engaging our suppliers in ethical practices.

Although a microcosm of the family business universe, the **Family Business Network** is the largest network of family businesses and is uniquely positioned to play a key role in bringing this agenda to life. As a trust-based organization that facilitates peer learning, we are focused on enhancing our members' ability to create meaningful growth in their businesses. The FBN Pledge for 'A Sustainable Future' introduced at the 2011 FBN Global Summit was the first step in recognizing this potential. It stated that as 'custodians of tomorrow', FBN members have a duty to promote a business model that enables the positive development of 'People', 'Communities', 'Environment' and 'Future Generations'.

## **Polaris - Delivering on the FBN Pledge**

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Once the Pledge was in place, we set out to better understand how we could better support our members in activating the Pledge in each of their family businesses. We quickly recognized that our members are at many different stages when it comes to sustainability, and that facing these challenges often requires significant planning and resources. We also know that these type of changes are seldom straightforward and that even within the same family business, different parts of an organization can be at different stages of change. This is why we believe sustainability must be thought of as a journey and not a destination. Building on this understanding, FBN has developed a roadmap for sustainability specifically customized to fit the unique realities of family business. This roadmap is named '**Polaris**', a reference to the North Star that countless explorers have used to find their 'true north': a clarity of purpose that guides their every decision. Through Polaris, FBN members now have access to inspiring case studies, useful toolkits, and numerous other resources all designed for and by the family business community.

As a next step in our collective journey, we want to ensure that every family business has access to the insights and information needed to understand the positive impacts they are creating and where opportunities might exist to make new ones. We have partnered with **B Lab**, a non-profit that serves a global movement of people using business as a force for good, to build a tool that gives family businesses access to all of this information, and more. The result of our collaboration is the [Polaris Impact Assessment \(PIA\)](#), which allows all family businesses to measure what matters and benchmark their efforts with over a thousand other businesses around the world.

The PIA will help all family businesses accelerate their sustainability journey, attract better talent, improve their reputations, and outperform their competitors. Beyond the tool, we are also organizing opportunities for everyone to learn from fellow family businesses via events, peer circles, and case studies. As a community, we have countless best practices to share; if we work together we exponentially increase our collective positive impact in the world. With a critical mass of our members who have taken the assessment, we will begin to have our first deep insights into the impacts we are creating as a community, allowing us to decide where to focus our efforts going forward. This is an amazing opportunity for our community to lead where no others can and, in doing so, demonstrate that family businesses aren't just building sustainable businesses for themselves, but creating a more sustainable future for the world.

## Moving from 'I' to 'We'

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The collective impact we could achieve wouldn't just make the world a better place, it would make the world *a better place to do business*. Think about the possibilities for your business if your people were better educated from the day they started working, local infrastructure was consistently being improved upon, or key infrastructural inputs like power and water were inexpensively and reliably provided. To make this kind of change happen at scale, governments and civil society also need to play a role. Working collaboratively with them, we would undoubtedly produce game-changing results.

So, where do we start and what should we focus on? It begins with creating a shared understanding of the key drivers needed to create this positive shift. Fortunately, this work was made easier in September 2015 when all 193 UN countries coalesced around the opportunities identified in the [17 Sustainable Development Goals](#). These goals build on learning and insights gained over the last 20 years and have been designed in consultation with business, civil society and governments. Both aspirational and inclusive, they encompass infrastructural, economic, social and environmental dimensions. Most importantly to our community, they place business center-stage, presenting a historic opportunity for businesses to engage as a strong and positive influence on society, and playing a central role in building a more sustainable future.

Significantly, a number of FBN members have taken up the challenge and are already contributing to the overall success and progress of these goals. For example, the Wates Group is contributing to goal 9 through building sustainable infrastructure and fostering innovation; SIPEF is making progress on goal 15 by halting biodiversity loss and promoting sustainable agriculture; and ForbesVyncke and Singbee are working hard to advance goal 7 by providing access to renewable and affordable energy. These efforts are only just the tip of the iceberg and there are many more inspiring FBN member cases in the Polaris Guide and Resource Kits.

We look forward to learning what every member of our network is doing to contribute to the overall success of these goals. We invite you to join our journey, share your family sustainability story and click <http://bimpactassessment.net/familybusinessnetwork> to take the Polaris Impact Assessment today.