

THOUGHT LEADERS

PURPOSE DRIVEN BUSINESS



It seems that more and more big corporations are beginning to accept broader social responsibilities. Business Roundtable, the influential thinktank of CEOs from the largest and most influential US companies, recently issued a new Statement on the Purpose of a Corporation signed by 181 CEOs who commit to lead their companies for the benefit of all stakeholders—customers, employees, suppliers, communities and shareholders. “Major employers are investing in their workers and communities because they know it is the only way to be successful over the long term,” said Jamie Dimon, Chairman and CEO of JPMorgan Chase & Co. and Chairman of Business Roundtable. “These modernized principles reflect the business community’s unwavering

commitment to continue to push for an economy that serves all Americans.”

With a focus on embracing corporate social responsibility, we asked this issue’s Thought Leaders to demonstrate what constitutes a purpose-driven business. Exploring how a company’s purpose relates to its core business and what drives a company’s decision to embark upon this purpose in the first place, our Thought Leaders discuss the social, environmental and economic changes companies should aim for and the positive impact these can have for both the company and the world. The section features a preface by AmCham CR Committee Chair Pakis Papademetriou, discussing the importance of purpose in the changing business landscape.

— ALEXANDRA LOLI



Seeking Purpose Seekers

Imagine a world where business is able to make a difference to serious social challenges simply by doing what business does best—making a profit.

Today’s commercial imperative calls for businesses to align core business with sustainable outcomes and to challenge current perceptions and business models.¹ Companies are urged to develop new services that are simple, affordable and sustainable: attractive to today’s consumers. This is not just about finding different ways of innovating; it is about fundamentally shifting the corporate mindset. There is a growing trend for companies to develop and integrate social purpose into their business models, as reflected in the changing face of corporate responsibility.²

APPROACH	PAST	PRESENT
Measurement	Donations only	Strategy, metrics, targets
Strategy	Scattered and ad hoc	Strategic
Comprehensive	Philanthropic	Holistic
Purpose	Corporate citizenship	Social purpose business model
Impact	Transactional	Transformational

It is about addressing social purpose as a more holistic approach to business, in which the business model is infused with their social intent and not treated as a separate, peripheral topic. The objective of such transformation is to create shared value, not as mere expression of corporate responsibility but rather as a new way to achieve economic success, by embarking on a management strategy to find business opportunities in social problems.³

THE INVESTOR PERSPECTIVE

One of the most impressive indications that sustainability and purposed growth are gaining center stage across the business world is Blackrock CEO Larry Fink’s annual letter to CEOs.⁴ In his 2019 letter, he writes:



Purpose is not a mere tagline or marketing campaign; it is a company’s fundamental reason for being – what it does every day to create value for its stakeholders. Purpose is not the sole pursuit of profits but the animating force for achieving them.

Profits are in no way inconsistent with purpose – in fact, profits and purpose are inextricably linked. Profits are essential if a company is to effectively serve all of its stakeholders over time – not only shareholders, but also employees, customers, and communities. Similarly, when a company truly understands and expresses its purpose, it functions with the focus and strategic discipline that drive long-term profitability. Purpose unifies management, employees, and communities. It drives ethical behavior and creates an essential check on actions that go against the best interests of stakeholders. Purpose guides culture provides a framework for consistent decision-making, and, ultimately, helps sustain long-term financial returns for the shareholders of your company.

In the years to come, the sentiments of the millennial generation towards business that is improving society will drive not only their decisions as employees but also as investors, with the world undergoing the largest transfer of wealth in history: \$24 trillion from baby boomers to millennials. As wealth shifts and investing preferences change, environmental, social, and governance issues will be increasingly material to corporate valuations.

SOCIAL PURPOSE IN GREECE

There is a growing trend in Greece in support of sustainability solutions that address key social challenges. Leading surveys⁵ show that the Greek public finds

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business more effective than the state, NGOs and charitable organizations in addressing key social issues, namely tackling unemployment and taking on initiatives of a technical or scientific nature. These two areas are particularly crucial for Greek society, along with other pressing issues such as the refugee crisis.

OPPORTUNITY FOR BUSINESS

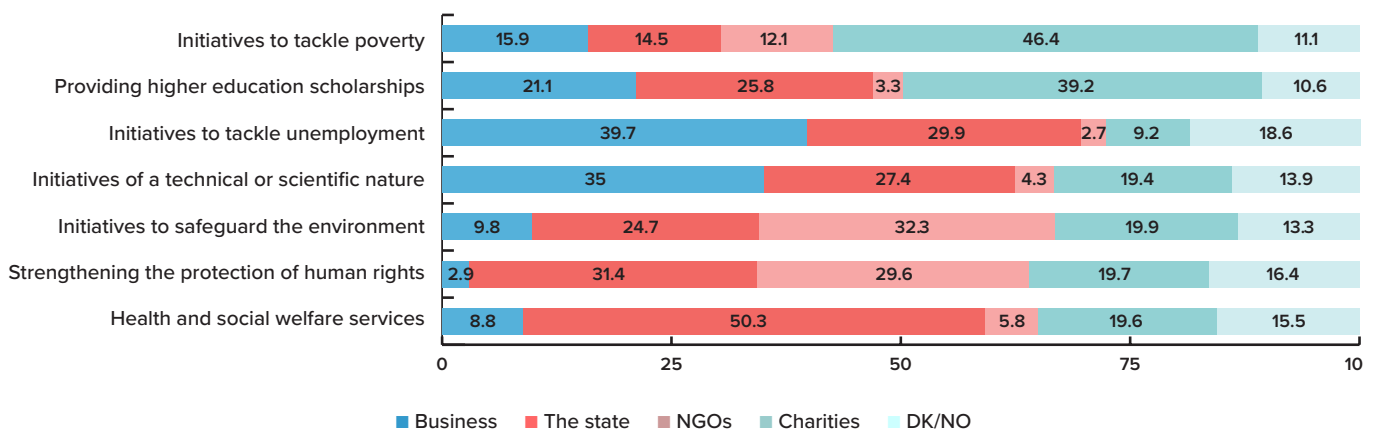
The new environment sets an opportunity for companies to take a stand for a specific social purpose and embed it in their core business. This is in line with the global trend of brands that stand for something and use this for mobilizing employees, business partners, and other stakeholders. Embedding social purpose into core business also enables new commercial potential from sustainability-conscious consumers.⁶ The engagement potential of this approach is limitless. Companies may choose to support social entrepreneurship initiatives. Profit-making and society-purposed social enterprises present great potential for addressing youth unemployment and seeking solutions to social challenges.⁷ Companies may also embark on purpose-driven innovation as a motivational tool for employees and other stakeholders. Today's business reality calls for a fresh perspective on generating new value and for driving the change of corporate mindset towards a purpose-driven, agile

culture—and this new reality can only be served with a new notion of leadership that is highly adaptive and responds to the situational context.

TODAY'S BUSINESS REALITY CALLS FOR A FRESH PERSPECTIVE ON GENERATING NEW VALUE AND FOR DRIVING THE CHANGE OF CORPORATE MINDSET TOWARDS A PURPOSE-DRIVEN, AGILE CULTURE

- ¹ University of Cambridge Institute for Sustainability Leadership - CISL (2017). Towards a sustainable economy: The commercial imperative for business to deliver the UN Sustainable Development Goals. Cambridge Institute for Sustainability Leadership, September. Available from: <https://www.cisl.cam.ac.uk/resources/publication-pdfs/towards-a-sustainable-economy>
- ² Strandberg, C. (2019). Is this the end of corporate social responsibility? GreenBiz, March 11. Available from: <https://www.greenbiz.com/article/end-corporate-social-responsibility>
- ³ Shared Value Initiative (2016). About Shared Value. Shared Value Initiative, (n.d.). Available from: <https://www.sharedvalue.org/about-shared-value> [Accessed 19 August 2019]
- ⁴ Fink L. (2019). 2019 Letter to the CEOs: Purpose & Profit. BlackRock, (n.d.) Available from: <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>
- ⁵ Dianeosis (2018). Civil Society & Philanthropy in Greece. Dianeosis (May 24) Available from: <https://www.dianeosis.org/research/civilsociety/>
- ⁶ Nielsen.com (2018). Global consumers seek companies that care about environmental issues. CPG, FMCG & RETAIL (Sept 11). Available from: <https://www.nielsen.com/eu/en/insights/article/2018/global-consumers-look-for-companies-that-care-about-environmental-issues/>
- ⁷ Delphi Forum 2019 – Discussion at the “Inclusive face of finance” panel, led by EIB

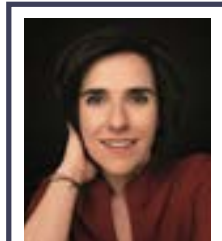
Today, in addition to the state, an increasing number of charities, NGOs, and businesses are becoming involved in social issues. I would like to read to you certain areas of involvement, and I would like you to tell me, in your opinion, which stakeholder—that is business, the state, NGOs, or charities—is more effective...*



*Translated from Greek. The original report is available from Dianeosis and can be accessed here: tiny.cc/Dianeosis052018

It's Not Enough to Make Drinks. We Want to Make a Difference.

Founded in 1886 and active in Greece since 1969, Coca-Cola is a total beverage company offering more than 500 brands and 4,300 soft drinks to millions of consumers in more than 200 countries around the world. We are proud of it. At the same time, we also know that we carry a big responsibility toward consumers and toward the local communities in which we operate. For us, it's not enough to make drinks. We want to make a difference. Our choices define us, and as such, we want to do more, to contribute in a meaningful way to society and to our country. Recently, we have developed an integrated corporate campaign, #neversettle, to communicate to the people what we stand for and what our priorities are in tackling big global challenges with significant local



— BY —

LILIAN NEKTARIOU

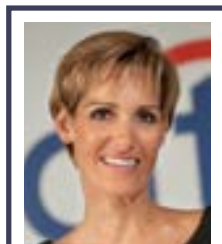
Franchise Country Manager
for Coca-Cola Greece,
Cyprus and Malta

impact. Our Neversettle spirit drives us forward in key areas we can influence: waste, water, people, and tourism. We have initiated our signature Zero Waste Future program in Greece, to reduce waste and promote a circular economy. We are securing water replenishment on 34 islands. We are empowering youth and women through the advancement of their professional and life skills. We are supporting tourism, using our global iconic glass bottle to promote Greece as the ultimate tourist destination.

In this purpose-driven journey, we strongly believe in collaborative leadership and a strong network of partnerships: with public authorities, with non-governmental organizations, with entrepreneurs and startups, with civil communities, and with the people. Only together can we make a real difference towards a better future.

Beyond Responsible Business: Leveraging Expertise to Benefit Society

The rapid transformation of our world into a new reality, via a path of interconnected challenges such as global warming, rapid urbanization, and social inequality, calls on the public as well as the private sector to make strategic commitments and proceed to socially responsible initiatives. Modern business has an important role to play by investing in finding ways to improve our world and leaving behind the old norm of pursuing profit at the expense of other very important matters. Research shows that purpose-driven businesses attract, motivate and retain satisfied employees, who then become the company's most influential brand ambassadors. Purpose-led



— BY —

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Public Affairs Officer,
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brands have the potential to forge stronger customer relationships that translate into increased sales and greater customer loyalty; increasing numbers of investors are choosing to invest in companies based on ESG criteria, not only on financials. Profit with purpose is set to become the new norm and will make irrelevant the companies that fail to understand it.

As visionary corporate citizens, purpose-driven companies go beyond responsible business practices and look for ways to leverage their expertise and voice to benefit society. As an example, today Citi is a leading financier of clean energy and transition to a low-carbon economy, having in place a comprehensive suite of environmental and social risk policies as well as a leading green building portfolio of Citi facilities. The \$100 billion Environmental Finance Goal (2014-2020) is just one of the initiatives under its Sustainable Progress Strategy aiming to finance and facilitate clean energy, infrastructure and technology projects that support environmental solutions and reduce the impacts of climate change.

**PROFIT WITH PURPOSE IS SET TO BECOME THE
NEW NORM**

Focusing Purpose Toward Long-Term Value Creation

The shift towards integrating sustainability into corporate strategy requires us to redesign and redefine strategic and operational processes to meet the changes, needs, and expectations of the market and society alike to support long-term value. However, to do so, organizations must plan for and address potential impacts of global megatrends, including the challenges posed under the UN Sustainable Development Goals (SDGs) agenda.

Today, we see a strong business case for companies to commit, engage, invest, innovate, collaborate and communicate their efforts related to SDGs in four key areas, as reported in the recent EY publication “Why should Sustainable Development Goals be part of every business plan?” and based on our interaction with clients globally:

Driving growth: By creating shared value, companies can help to secure their ability to generate capital and shareholder value over the long term.



— BY —

KIARA KONTI

Director, Climate Change
and Sustainability Services,
EY Greece

Addressing risk: By linking strategic priorities to the SDGs, companies send a message to investors about their capabilities to manage ESG risks.

Attracting capital: By aligning their business models to SDGs, companies may benefit from new sources of capital, such as green bonds.

Focusing purpose: By defining and activating a company’s aspirational purpose as a foundation for its strategy, it may help increase stakeholder value over the long term.

Evaluating the above, shareholders and stakeholders are increasingly challenging organizations to show that their purpose benefits society and protects the natural environment. Although most companies globally are still struggling to understand the business case behind the measurement and valuation of non-financial capital (such as social, human or natural), sustainability leaders worldwide are investing into available and upcoming outcomes measurement and valuation methodologies, toward creating long-term value.

Clarify Your Purpose and Share It with Gen Z

Over the last few years, leaders in business have become more interested in the development of purpose, yet despite this increased focus, businesses are still sorely lacking leaders who are aware of and deeply connected to the purpose behind their work.

This happens because our culture conflates being mission-oriented with being purpose-driven. A mission is the *what* we are trying to accomplish and a purpose is the *why*. A good example is the Hellenic Petroleum Group: Its *what* mission is “to be independent, exports oriented, competitive, combining the business capacity for high performance, with early and effective adaptation of energy transportation in the context of sustainable, economic and social development” and its *why* is to ensure access to affordable, reliable, sustainable and modern energy for all.

When leaders are connected to a personally meaningful purpose, young employees are more likely to



— BY —

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Group CSR Director,
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follow their example and connect to a higher purpose as well. And of course, people who find meaning in their jobs report being more motivated, engaged, empowered, and satisfied with their work. It is vital to connect with what it is we actually do, and in order to achieve this, we need to clarify our purpose, plan time to reflect on our *why* and share it with our employees. Particularly concerning Gen-Zers, leaders looking to recruit top personnel, they have to answer the job *why* first, as purpose is a key element not only in recruiting but also in retaining and inspiring Gen-Z talent.

PURPOSE IS A KEY ELEMENT NOT ONLY IN RECRUITING BUT ALSO IN RETAINING AND INSPIRING GEN-Z TALENT

The Future: Purpose-Driven Business

A cceptance by society—being recognized as an active participant not only in economic progress but also in the general welfare of the community—is necessary for a firm’s sustainable development. Firms must realign their purpose in the direction of the real needs and desires of the interested parties: customers, shareholders, partners, the workforce, and the community. And this purpose requires a constant effort to create value and render value to all stakeholders. For example, in the insurance sector, the purpose of an insurance company is to make people’s lives safer, longer, better.

Businesses must accept new challenges and integrate these into a performance plan for sustainable development. Key points include climate change management; rapid technological developments and their impact on the workplace; social reflexes required to



ensure solidarity among different generations and equal rights for all; wellbeing and more efficient health care systems; and management of the economic cycles and redistribution of the social product in a way that maximizes the benefits for the national economy.

The Global Sustainable Development Goals provide us with a broad reference base, so that every firm, in accordance with its set business purpose, will be able to select the most appropriate goals and help in their fulfillment, in the framework of the UN 2030 Agenda for a better world. Many initiatives may support the business purpose even further in particular areas, as for example the Principles for Sustainable Insurance, may find grounds in climate change management. Constant interaction between the firm and the stakeholders in the form of open dialogue is surely the most effective way to fulfill the business purpose.

Purpose Driven Businesses Unite!

A higher purpose is now driving business besides profitable growth. These purpose-driven companies wishing to contribute to society are often called upon to fill the expectations as well as the feasibility gap in what the state is able to and what it should provide. The number one issue, also acknowledged by CEOs as the biggest risk to their organization’s growth according to KPMG’s fifth CEO Outlook, is that of climate change. This, together with their environmental impact, means that companies with a sustainable strategy embark in resource recycling programs, at the very least. Social issues, such as hunger, disadvantaged communities, public health, unemployment, and lifelong learning (in tandem with upskilling and reskilling) are also areas of great concern.

But how much of an impact is a company really making? Each company can do so much; its reach is restricted, its impact finite. What if there was a way for motivated companies, bound by the same hunger to leave their footprint and really make a difference,

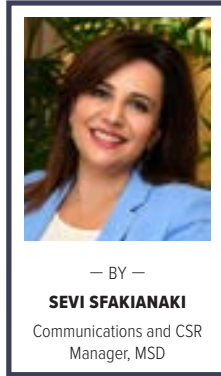


to unite in their goals? Companies caring about the same goals should come together, align strategies, devise tactical moves, unite resources, and create impact that transcends their immediate sphere of influence. Partnerships and cooperation of purpose-driven businesses can drive exponential changes and impact, motivating their people to contribute further, be proud of and feel part of the change that is coming. Partnerships provide for a stronger, united voice that can affect legislation, change culture, and provide a vision of how we want our world to be, shaping the future of generations to come.

PARTNERSHIPS AND COOPERATION OF PURPOSE-DRIVEN BUSINESSES CAN DRIVE EXPONENTIAL CHANGES AND IMPACT

Inventing for life

United Nations Sustainable Development Goal (SDG) 3 aims to “ensure healthy lives and promote wellbeing for all at all ages.” In over a century of inventing medicines and vaccines for many of the world’s most challenging diseases, MSD’s researchers have helped find new ways to treat and prevent illness—from the discovery of vitamin B1 to the first measles vaccine and from antacids to the first statins to treat high cholesterol. We’ve always been inventing, and we do it for the single greatest purpose: life. SDG 3 is at the core of our business, aligned with our mission to save and improve lives, through pioneering medical science and effective CSR initiatives, such as MSD for Mothers, LIVE IT, and MSD Gives Back. MSD for Mothers is a 10-year global initiative. Run in



Greece for two years (2016-2018), in collaboration with Doctors of the World Greece, it offered maternal health services to 42,399 vulnerable women and pediatric services to 7,693 babies and distributed 7,282 baby kits. LIVE IT is a wellbeing program which focuses on four pillars: prevent it, balance it, move it, and fuel it. It encourages employees to take control of their health and live their best lives. Finally, MSD Gives Back is a volunteerism program that allows each employee to take up to 40 hours of paid time off annually to engage in volunteer activities that support eligible nonprofit organizations. Over the past three years, the program has contributed more than 10,000 volunteer hours to nonprofit organizations that support the health needs of vulnerable populations.

Growing Through Purpose: From How to Why

Almost a decade has passed since the European Commission re-defined Corporate Social Responsibility as “the responsibility of enterprises for their impacts in society”, a milestone switch from a nice-to-have approach on CSR. Corporate philanthropy is no longer enough—long live Creating Shared Value (CSV), the approach developed by Harvard Professors Porter and Kramer in 2011. CSV puts social and environmental responsibility at the core of business strategy. An enterprise must not only minimize any negative impact but also locate its strengths in terms of social growth. Materiality analysis, a concrete plan with measurable impact, and connection to the UN Sustainable Development Goals are signaling the route to corporate maturity. Is this enough? It seems not. Because it’s not just what you do and how you do it: There’s also why. Enter



purpose, the magical word that changes business perspective to a more meaningful alternative, putting all business goals, operations and functions, all the direct and indirect beneficiaries of a corporation under the same unified umbrella. Investing in people and technology has been the basis of Stoiximan / Betano Group since day one. The Group has demonstrated remarkable growth, reaching over 650 employees and 6 countries of operation in just a few years. We grew through purpose and our purpose grew along with us: developing people through technology, reversing brain drain to brain gain, promoting responsible gaming in and beyond the digital environment, supporting sports. Moreover, since 2017, our Young Heroes initiative has provided educational experiences to more than 26,000 students throughout Greece. In other words, our efforts go beyond short-term profit; our purpose drives our ability to create lasting value.

**CORPORATE PHILANTHROPY IS NO LONGER ENOUGH—
LONG LIVE CREATING SHARED VALUE**

When Did Corporate Purpose Become Mainstream?

As trust toward established institutions declines, the importance of purpose in a company's relationship with its stakeholders is coming to the forefront. Demand is rising for consistent and clear communication about the role organizations play in addressing global issues. Companies are required to serve a bigger idea and meet customers and employees at a values level.

The notion of corporate purpose is not new. PepsiCo's Chairman Indra Nooyi, who believed that companies must achieve business success while also leaving a positive imprint on society, introduced Performance with Purpose in 2007.

Authentic purpose is central to a company's strategy and success; it guides business decisions, motivates employees and engages stakeholders. It is not a communications tool, nor an ad hoc activity. It is a



company's pulse; it encompasses the reason it exists and the contribution it wishes to make in the world. It allows stakeholders to foster relationships with a company and consumers with a product based on their knowledge and understanding of what a company stands for.

With an authentic purpose at heart, companies can see increased sales, customer loyalty, and employee engagement. Sustainability provides the foundation based on which purposeful business strategies are shaped. In a world where new social realities, populism, and fake news are affecting the role and expectations society has from companies, purpose is more powerful as it speaks to people's hearts and inspires action. It energizes an organization, sparks innovation and helps companies gain a sustainable advantage by bringing values at the center of their relationships and dialogue with policy-makers, employees, and customers.

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