

GUIDE TO CRITICAL SHIFTS

The critical shifts needed for a business to adopt a just and regenerative mindset

V1.0



Produced
by

**FORUM
FOR THE
FUTURE**

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INTRODUCTION

JUST AND REGENERATIVE BUSINESS

It's time for business to transform

We're at a crucial juncture in human history, with a rapidly closing window of opportunity if we are to create a world in which more than nine billion people will be able to live well, within planetary boundaries. Business is critical in determining whether we're to be successful in this transition. Tinkering around the edges won't do – wide-reaching transformations of how we live and, crucially, how business operates, are required: from reinventing our current model of capitalism to building greater resilience and adaptive capacity. To unlock these changes at the pace required we need to shift the underlying paradigm of business to adopt a just and regenerative mindset, embedding this into a new way of decision-making. The success of this business transformation will both be dependent upon a supportive operating context and be enabled by the actions that trailblazing businesses can take to make this supportive context more likely.

What a just and regenerative approach means for businesses

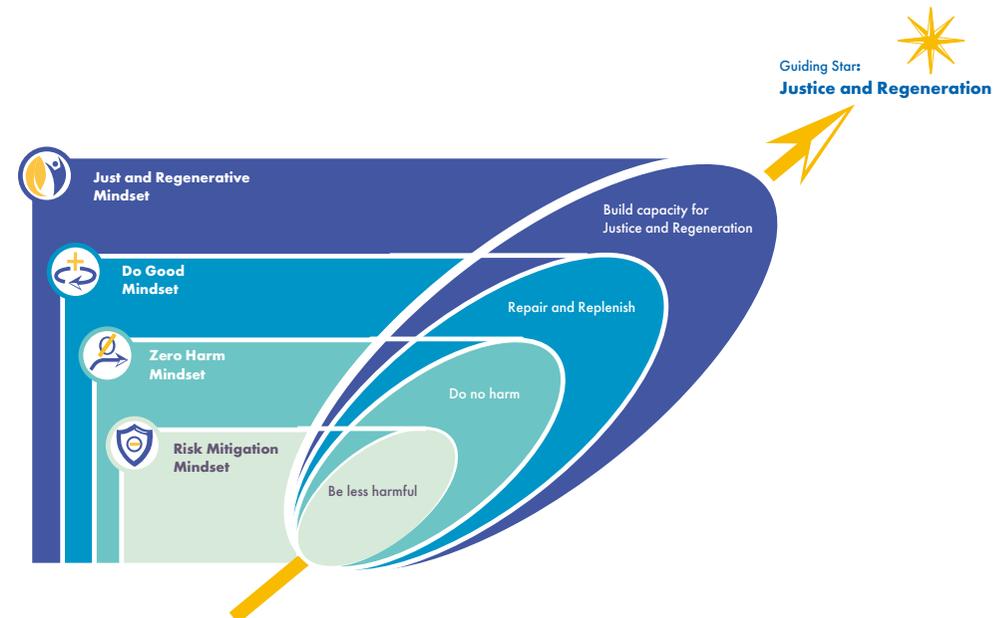
Much deeper than how a business minimises its environmental impact or prevents human rights abuses, a just and regenerative mindset gets to the heart of how we recognise our interdependence with other people, other living beings and ecosystems, and ultimately how we enable all living beings to not simply survive but to thrive together.

Adopting a just and regenerative approach means **embracing the power of nature to renew and regenerate, understanding that humans are a fundamental part of nature, and respecting everyone's universal rights and potential to thrive.**

This challenges us to go beyond our current extractive models to recognise a fundamental quality of all living beings and ecosystems – the ability to regenerate, replenish and create the conditions for more life. It also goes beyond false divisions between environmental and social issues – a thriving planet can't be one that contains widespread human suffering or stifles human potential; and a thriving human population can't exist on a dying planet.

The Business Transformation Compass

The Business Transformation Compass is a navigation guide for businesses working to adopt a just and regenerative mindset. It's designed to help businesses identify and shift their current mindset in relation to the four common mindsets we observe: risk mitigation, zero harm, do good and just and regenerative. To find out more, read our report: **'A Compass for Just and Regenerative Business'**.



INTRODUCING THE IDEA OF A CRITICAL SHIFT

What is the Critical Shift V1.0 report?

This document is designed to accompany the main '**Compass for Just and Regenerative Business**' report which should be read first as it explains the key concepts and frameworks presented in more detail in this report. While some illustrative Critical Shifts were included in the main report, here we present a more complete picture of the key Critical Shifts a business should focus on to adopt a just and regenerative mindset.

Two simple ways to start applying the Transformation Compass to your business

It's easy to feel overwhelmed by the prospect of implementing the shift to a just and regenerative mindset within your business. However, change happens over time not all at once, so it's important to take the first steps while recognising that you're on a long journey with many smaller milestones along the way. There are several good potential starting points, and we present two here:

1. Responding to key sustainable development challenges

We've applied the Compass to seven sustainable development challenges that are frequently material to businesses: climate; nature; circularity and waste; natural-resource management; providing and promoting decent work; voice, governance and participation; and respect for human rights.

2. Transforming key business functions

We've applied the Compass to eight key business functions: procurement, operations, finance, marketing, human resources, leadership, strategy and corporate affairs.

How to use this report

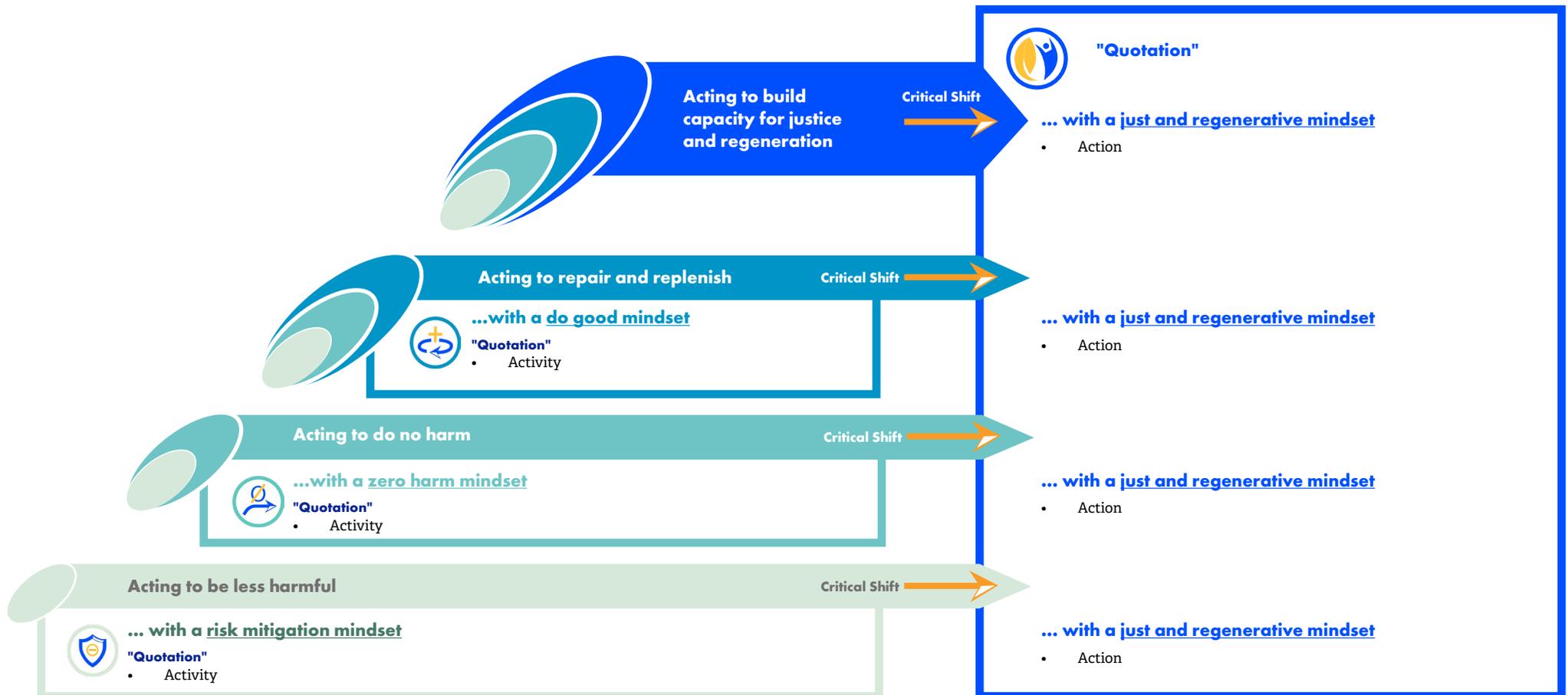
The detailed Critical Shifts in this report seek to make it easier to diagnose the current mindset of your business by exploring how it approaches key sustainable development issues and key business functions; it also makes clear the practical changes needed to truly embrace a just and regenerative approach. We see this as version 1.0 of detailed guidance, and actively seek to iterate it.



UNDERSTANDING HOW EACH CRITICAL SHIFT IS REPRESENTED

The left side of each Critical Shift explains the three business mindsets that fall short of being truly just and regenerative. The quotations help characterise each mindset. The activities are illustrative of how each may be reflected in action and what falls short of a high bar.

The right side of each Critical Shift expands on the just and regenerative mindset for that topic. Below the quotation, you will find examples of action at four levels: do less harm, do no harm, repair and replenish, and build capacity for justice and regeneration. This illustrates the key point that a just and regenerative mindset can and should be adopted now, even if a business needs first to deal with reducing and removing harm. Adopting this mindset is not something that has to wait for other steps to be completed.



SECTION **1**

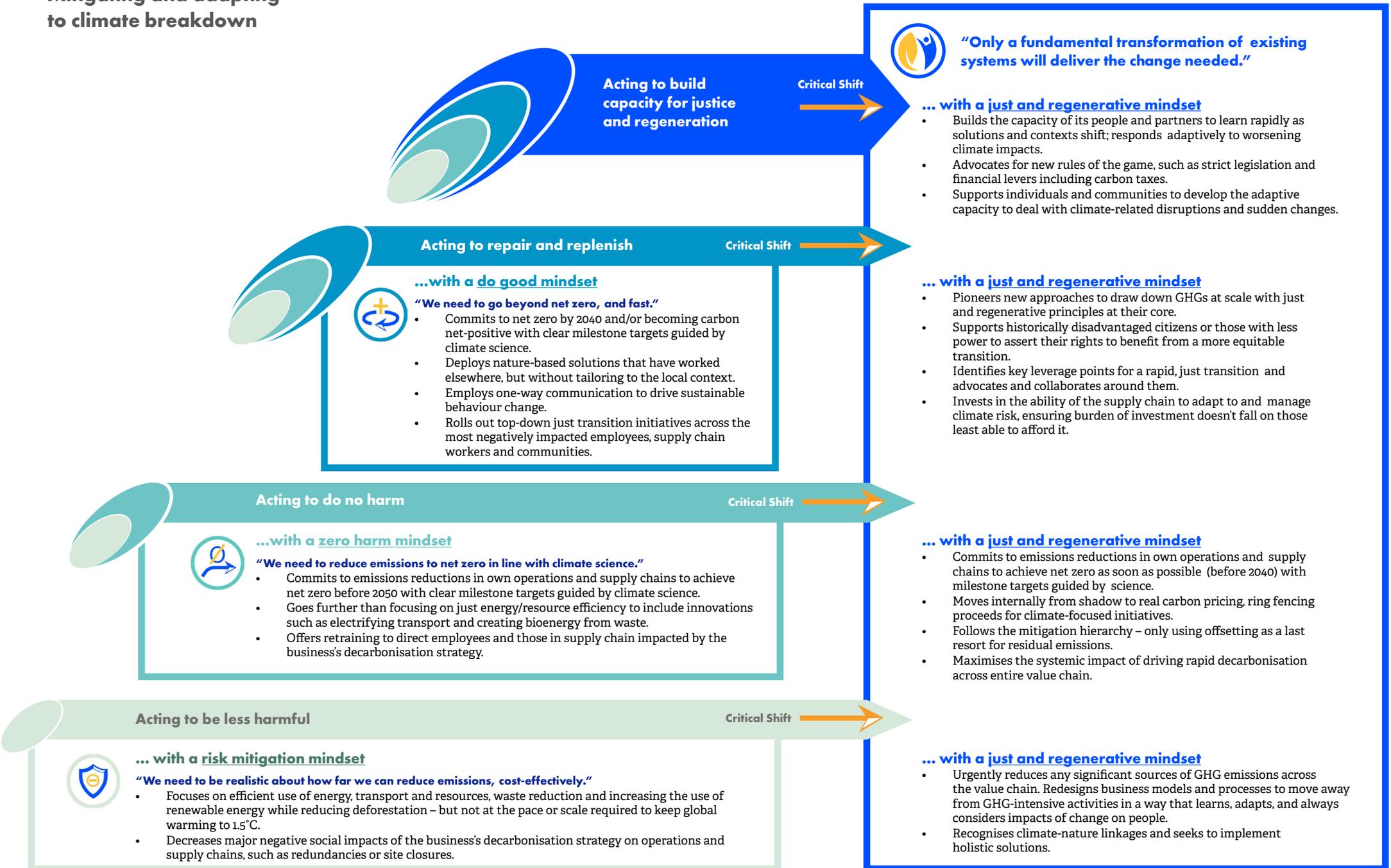
**CRITICAL SHIFTS FOR
KEY SUSTAINABLE
DEVELOPMENT CHALLENGES**



CLIMATE

Mitigating and adapting to climate breakdown

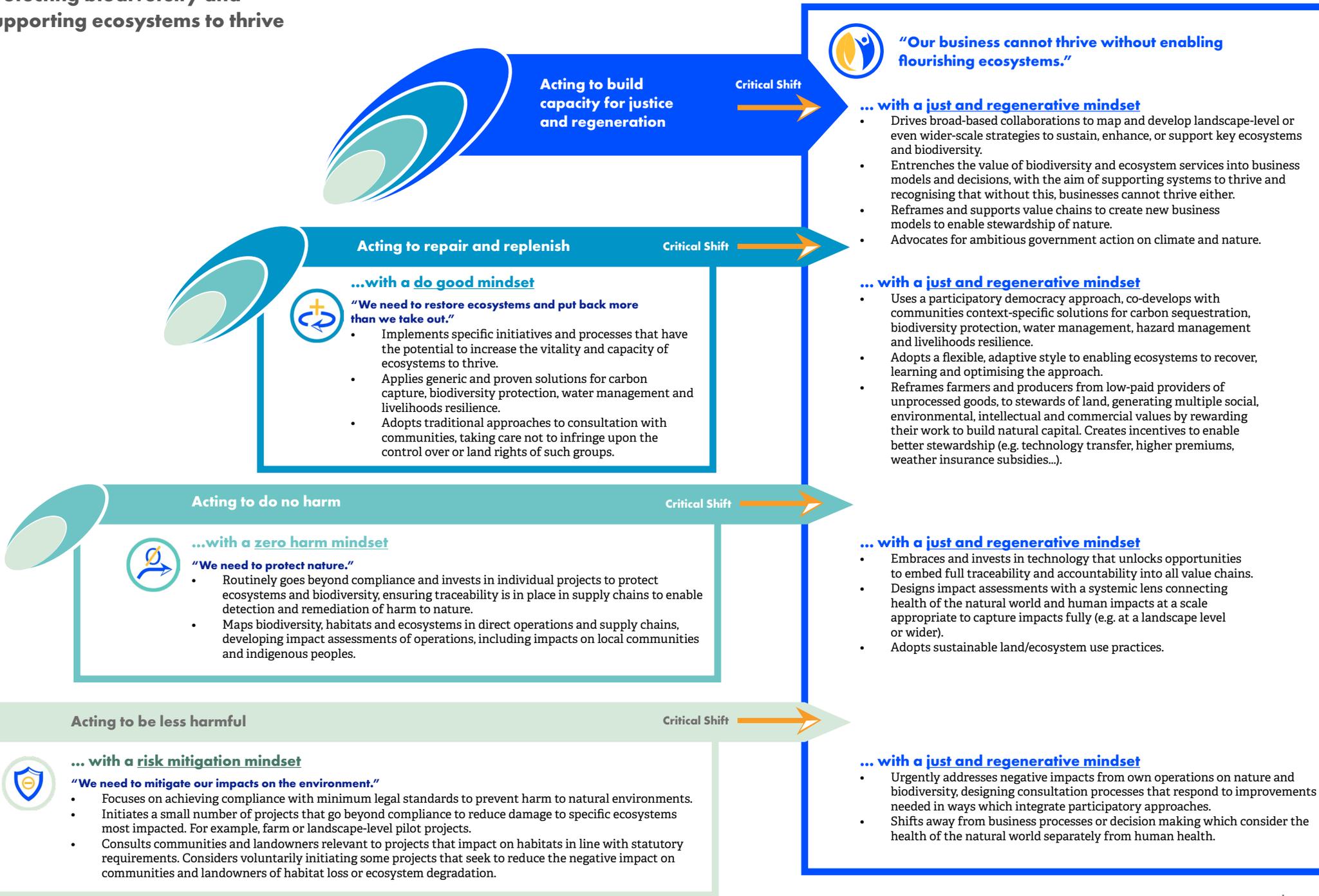
Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



NATURE

Protecting biodiversity and supporting ecosystems to thrive

Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



Acting to build capacity for justice and regeneration Critical Shift →

Acting to repair and replenish Critical Shift →

...with a do good mindset

“We need to restore ecosystems and put back more than we take out.”

- Implements specific initiatives and processes that have the potential to increase the vitality and capacity of ecosystems to thrive.
- Applies generic and proven solutions for carbon capture, biodiversity protection, water management and livelihoods resilience.
- Adopts traditional approaches to consultation with communities, taking care not to infringe upon the control over or land rights of such groups.

Acting to do no harm Critical Shift →

...with a zero harm mindset

“We need to protect nature.”

- Routinely goes beyond compliance and invests in individual projects to protect ecosystems and biodiversity, ensuring traceability is in place in supply chains to enable detection and remediation of harm to nature.
- Maps biodiversity, habitats and ecosystems in direct operations and supply chains, developing impact assessments of operations, including impacts on local communities and indigenous peoples.

Acting to be less harmful Critical Shift →

... with a risk mitigation mindset

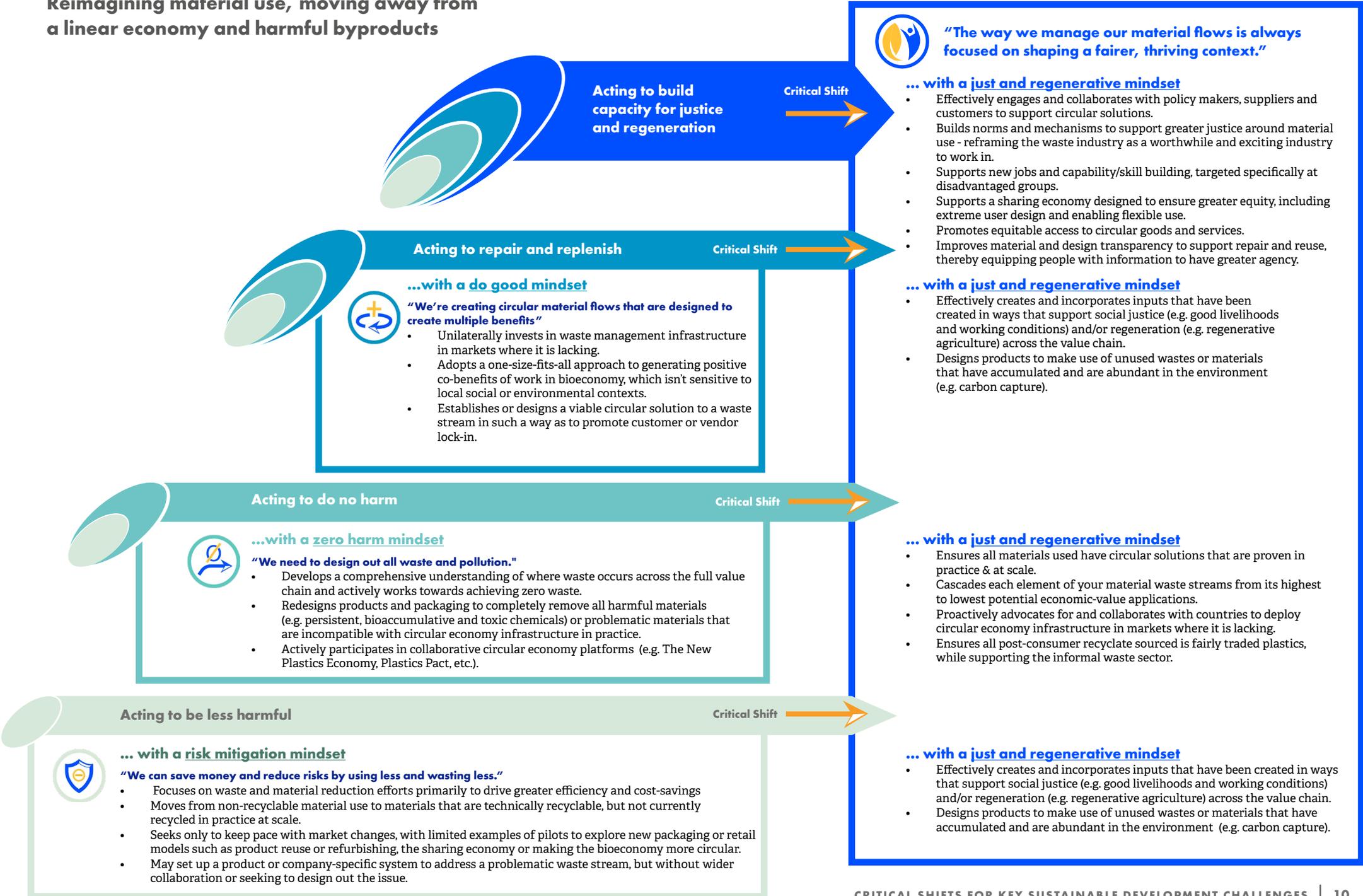
“We need to mitigate our impacts on the environment.”

- Focuses on achieving compliance with minimum legal standards to prevent harm to natural environments.
- Initiates a small number of projects that go beyond compliance to reduce damage to specific ecosystems most impacted. For example, farm or landscape-level pilot projects.
- Consults communities and landowners relevant to projects that impact on habitats in line with statutory requirements. Considers voluntarily initiating some projects that seek to reduce the negative impact on communities and landowners of habitat loss or ecosystem degradation.

CIRCULARITY AND WASTE

Reimagining material use, moving away from a linear economy and harmful byproducts

Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



Acting to build capacity for justice and regeneration Critical Shift

...with a do good mindset

"We're creating circular material flows that are designed to create multiple benefits"

- Unilaterally invests in waste management infrastructure in markets where it is lacking.
- Adopts a one-size-fits-all approach to generating positive co-benefits of work in bioeconomy, which isn't sensitive to local social or environmental contexts.
- Establishes or designs a viable circular solution to a waste stream in such a way as to promote customer or vendor lock-in.

Acting to do no harm Critical Shift

...with a zero harm mindset

"We need to design out all waste and pollution."

- Develops a comprehensive understanding of where waste occurs across the full value chain and actively works towards achieving zero waste.
- Redesigns products and packaging to completely remove all harmful materials (e.g. persistent, bioaccumulative and toxic chemicals) or problematic materials that are incompatible with circular economy infrastructure in practice.
- Actively participates in collaborative circular economy platforms (e.g. The New Plastics Economy, Plastics Pact, etc.).

Acting to be less harmful Critical Shift

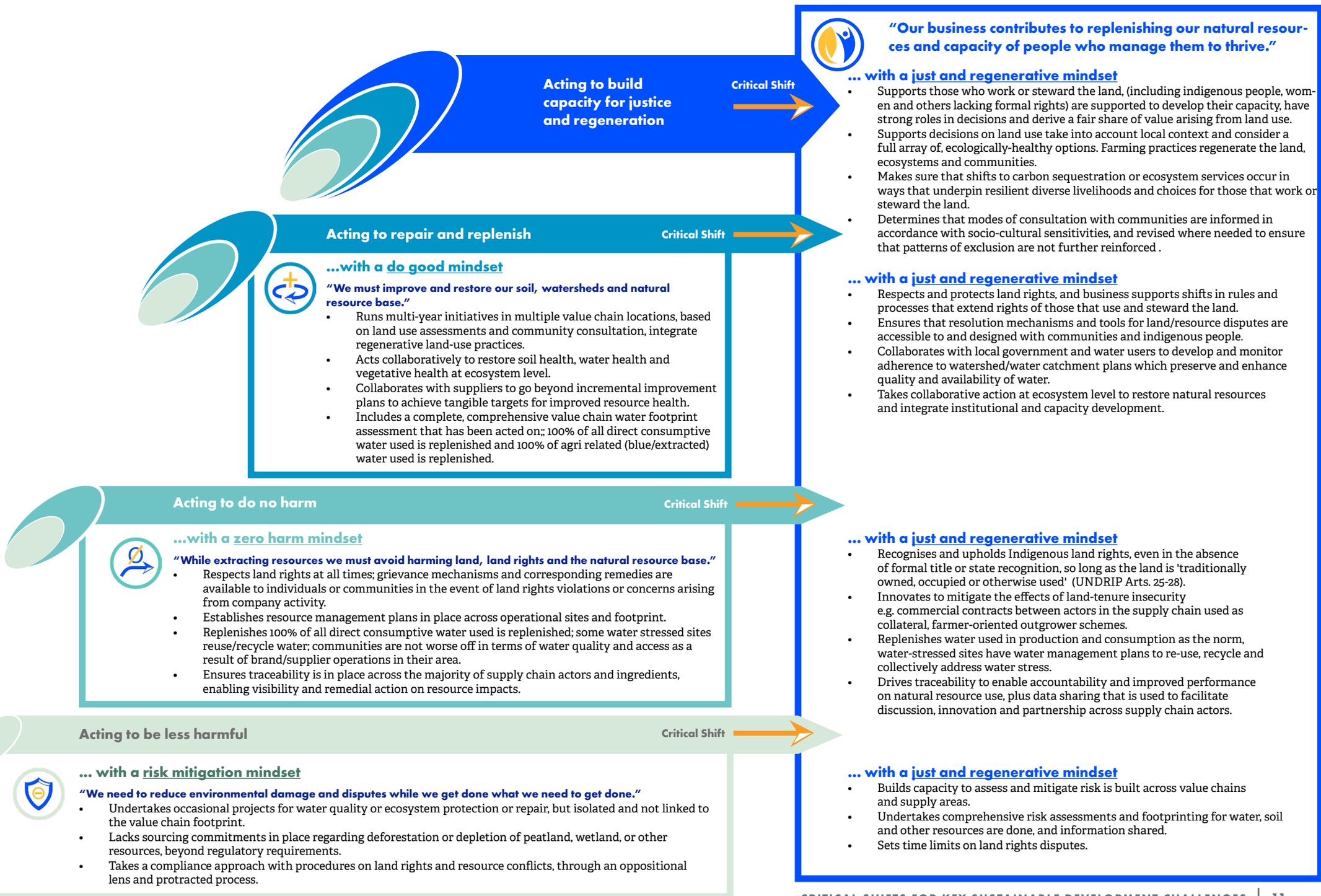
... with a risk mitigation mindset

"We can save money and reduce risks by using less and wasting less."

- Focuses on waste and material reduction efforts primarily to drive greater efficiency and cost-savings
- Moves from non-recyclable material use to materials that are technically recyclable, but not currently recycled in practice at scale.
- Seeks only to keep pace with market changes, with limited examples of pilots to explore new packaging or retail models such as product reuse or refurbishing, the sharing economy or making the bioeconomy more circular.
- May set up a product or company-specific system to address a problematic waste stream, but without wider collaboration or seeking to design out the issue.

LAND AND NATURAL-RESOURCE MANAGEMENT

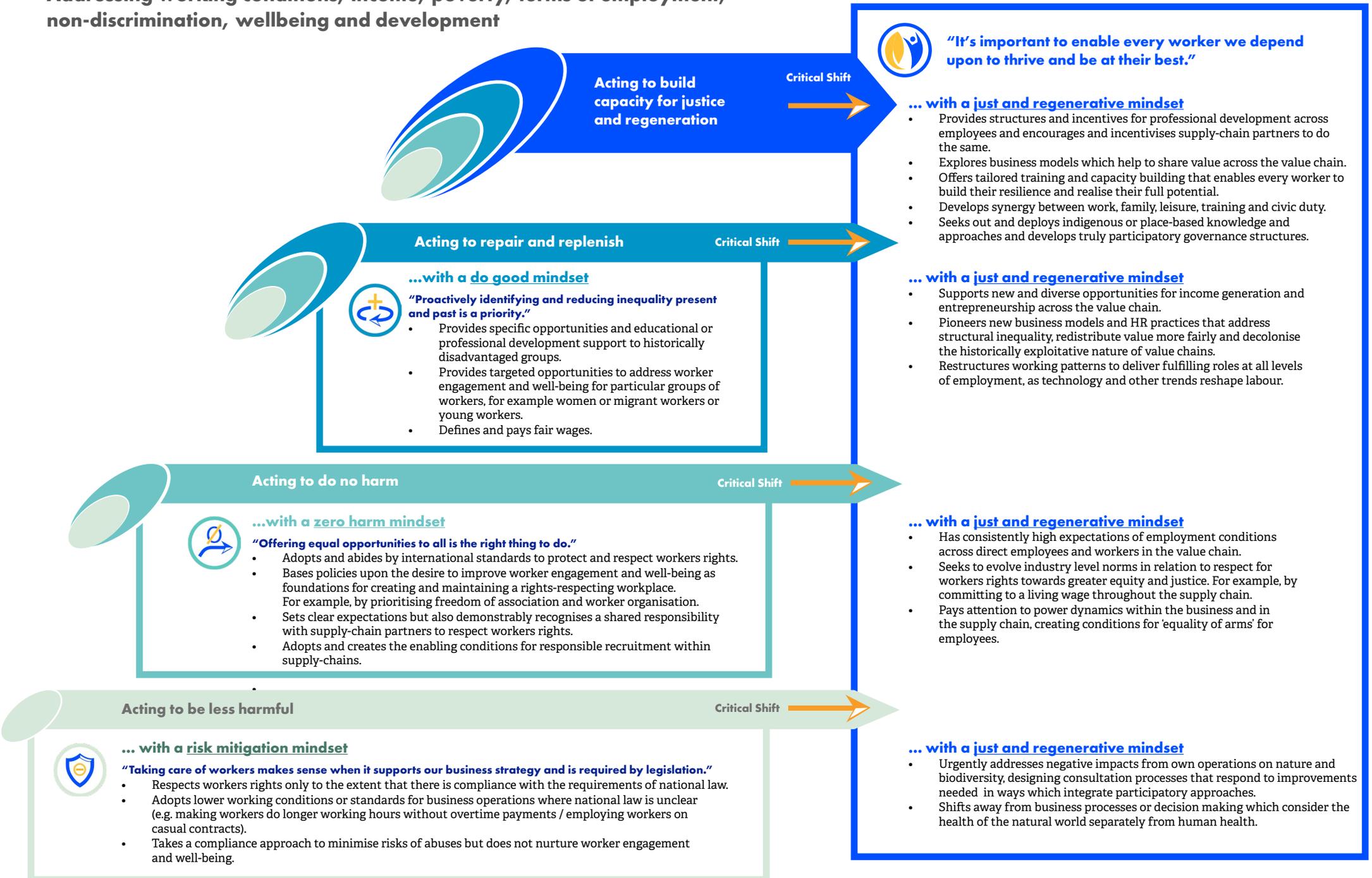
Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



PROVIDING AND PROMOTING DECENT WORK

Addressing working conditions, income, poverty, terms of employment, non-discrimination, wellbeing and development

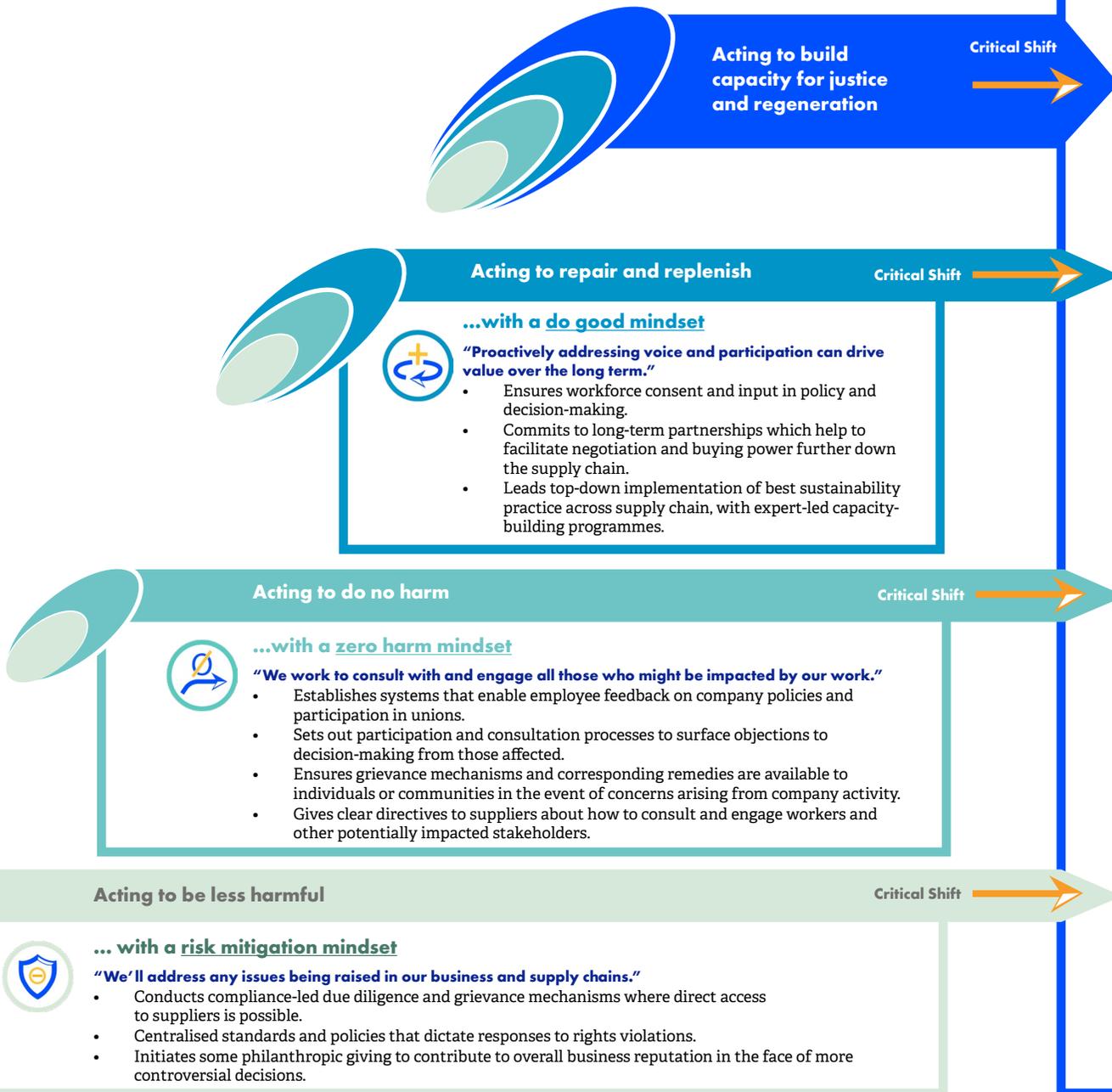
Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



VOICE, GOVERNANCE AND PARTICIPATION

Focusing on marginalised voices, building agency and distributing value

Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



“An inclusive and fair operating context with healthy and balanced power dynamics is essential to our long-term survival.”

... with a just and regenerative mindset

- Develops participatory governance structures that involve diverse stakeholders – especially those impacted by decisions – in decision making as stakeholders' needs shift and as feedback is gathered.
- Develops long-term partnerships with smallholders and local communities in ways that give them: collateral to engage in financial markets, transparent information over supply chain mechanics, ownership of their intellectual property, and voice on how contracts are shaped and adapted.
- Shifts from consultation to dialogue and partnership with women, indigenous peoples and broader communities in ways that are framed by, and reinforce, their de facto rights and are informed by their lived experience and socio-cultural sensitivities.
- Actively seeks engagement beyond conventional voices to ensure that patterns of exclusion are not further reinforced.

... with a just and regenerative mindset

- Creates a brand and supplier culture of accountability.
- Co-designs governance structures with people impacted by the decisions. For example, workers are actively involved in designing policies that affect them not only in reacting to them.
- Adopts models of worker-led governance and ownership in the business's structure and supports innovative models in its supply chain.
- Implements innovative market mechanisms that distribute value across the value chain.
- Upholds international laws and recognition of indigenous land rights irrespective of whether such a right has been recognised by the state itself.

... with a just and regenerative mindset

- Puts in place effective mechanisms for smallholders and local communities to have a voice (for example, to comment and vote) on how supply chains are conducted.
- Respects and upholds rights of smallholders (including FPIC) with robust due-diligence exercises and grievance mechanisms across all supply chains to identify, prevent and mitigate adverse impacts on communities and land.

... with a just and regenerative mindset

- Acknowledges role in legacy harms and historical roots of power imbalances in the value chain.
- Builds awareness of the need to centre marginalised voices in decision-making and puts those impacted at the forefront of decisions.
- Is transparent about unilateral approaches to change and the need to shift towards co-creation where possible.

Acting to build capacity for justice and regeneration

Critical Shift

Acting to repair and replenish

Critical Shift

...with a do good mindset

“Proactively addressing voice and participation can drive value over the long term.”

- Ensures workforce consent and input in policy and decision-making.
- Commits to long-term partnerships which help to facilitate negotiation and buying power further down the supply chain.
- Leads top-down implementation of best sustainability practice across supply chain, with expert-led capacity-building programmes.

Acting to do no harm

Critical Shift

...with a zero harm mindset

“We work to consult with and engage all those who might be impacted by our work.”

- Establishes systems that enable employee feedback on company policies and participation in unions.
- Sets out participation and consultation processes to surface objections to decision-making from those affected.
- Ensures grievance mechanisms and corresponding remedies are available to individuals or communities in the event of concerns arising from company activity.
- Gives clear directives to suppliers about how to consult and engage workers and other potentially impacted stakeholders.

Acting to be less harmful

Critical Shift

... with a risk mitigation mindset

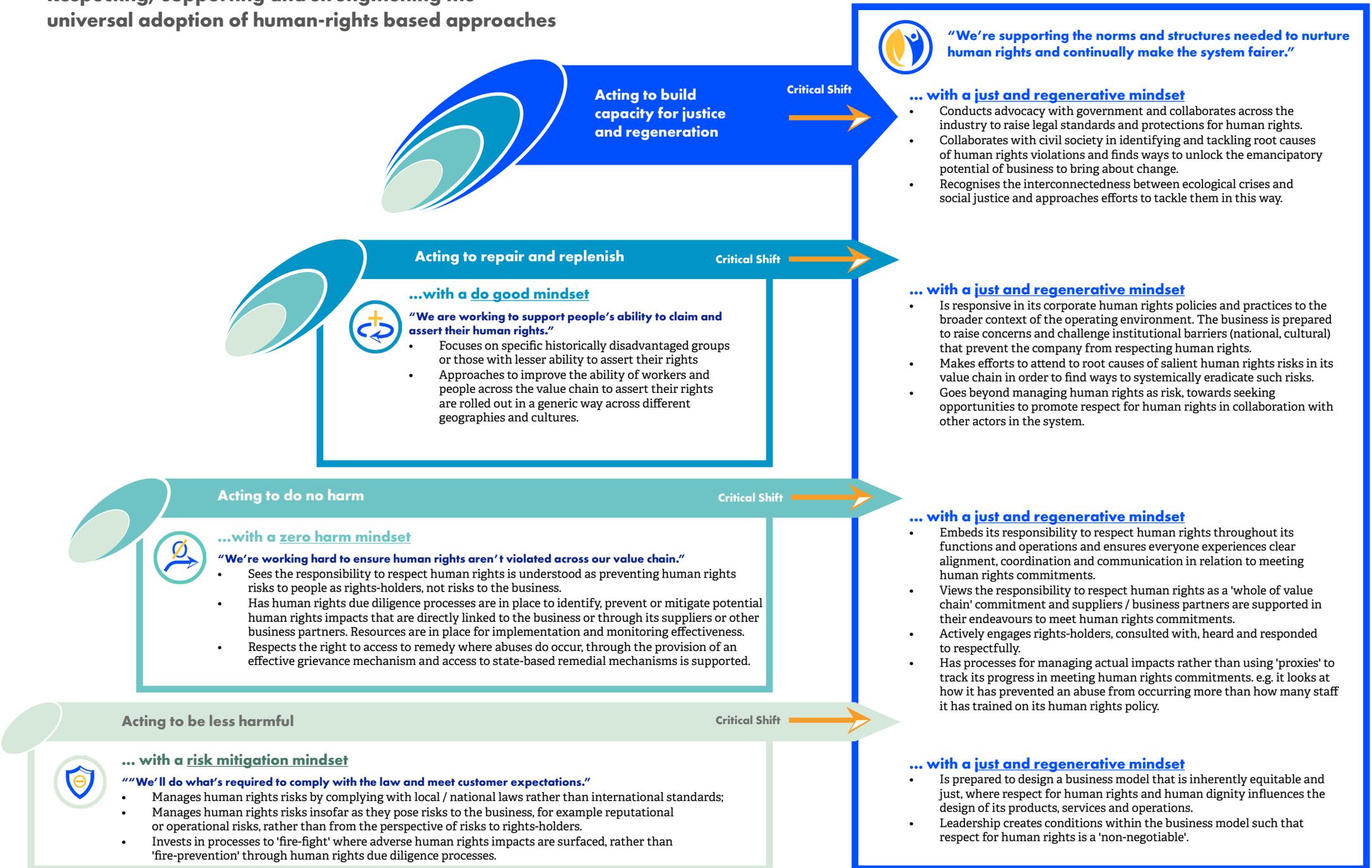
“We’ll address any issues being raised in our business and supply chains.”

- Conducts compliance-led due diligence and grievance mechanisms where direct access to suppliers is possible.
- Centralised standards and policies that dictate responses to rights violations.
- Initiates some philanthropic giving to contribute to overall business reputation in the face of more controversial decisions.

HUMAN RIGHTS

Respecting, supporting and strengthening the universal adoption of human-rights based approaches

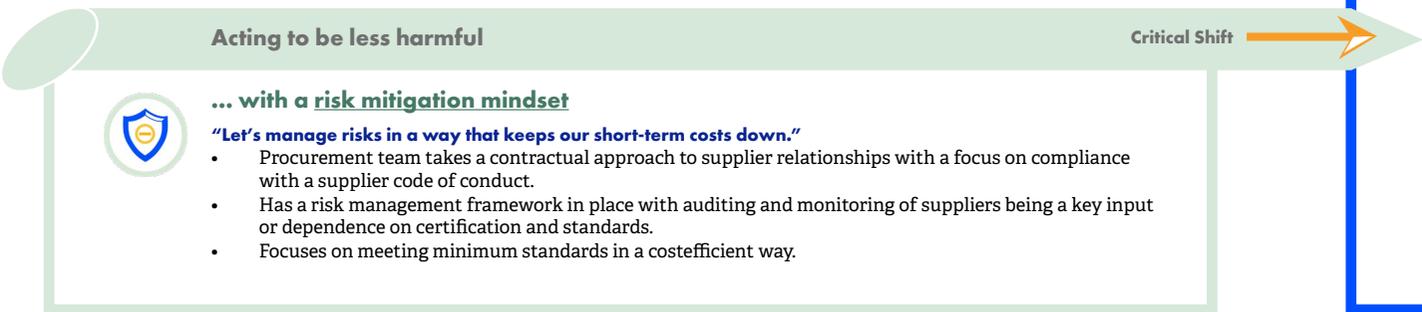
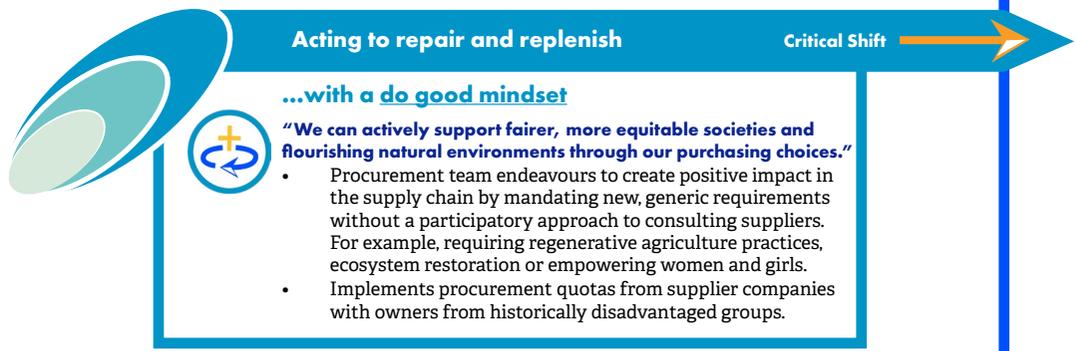
Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



SECTION **2**

**CRITICAL SHIFTS FOR
KEY BUSINESS FUNCTIONS**





“Only by reimagining how we relate to our suppliers can we ensure the systems we depend upon can become stronger, fairer and evolve to realise their full potential.”

... with a just and regenerative mindset

- Builds capacity of suppliers and producers along the value chain, including rights and access to information.
- Provides education, training, development and direct support to suppliers along supply chains.
- Facilitates the development of peer and supplier support networks.
- Encourages more transparent sharing of information, (for example, pricing) in a non-proprietary way across the supply chain.
- Uses power and relationships to support positive change in the supply chain.
- Advocates for higher regulatory standards and supports the rule of law.

... with a just and regenerative mindset

- Procurement balances considerations of cost with supporting supply chain resilience and adaptiveness.
- Co-designs programmes to create positive impact (for example, regenerative agriculture or empowering women and girls) with suppliers and beneficiaries, tailoring them to local conditions and needs.

... with a just and regenerative mindset

- Procurement builds and invests in strong, longer-term partnerships with suppliers, fairly sharing risks and benefits across the supply chain.
- Invests in and deploys the infrastructure needed to enable greater support, transparency and deeper engagement with suppliers.

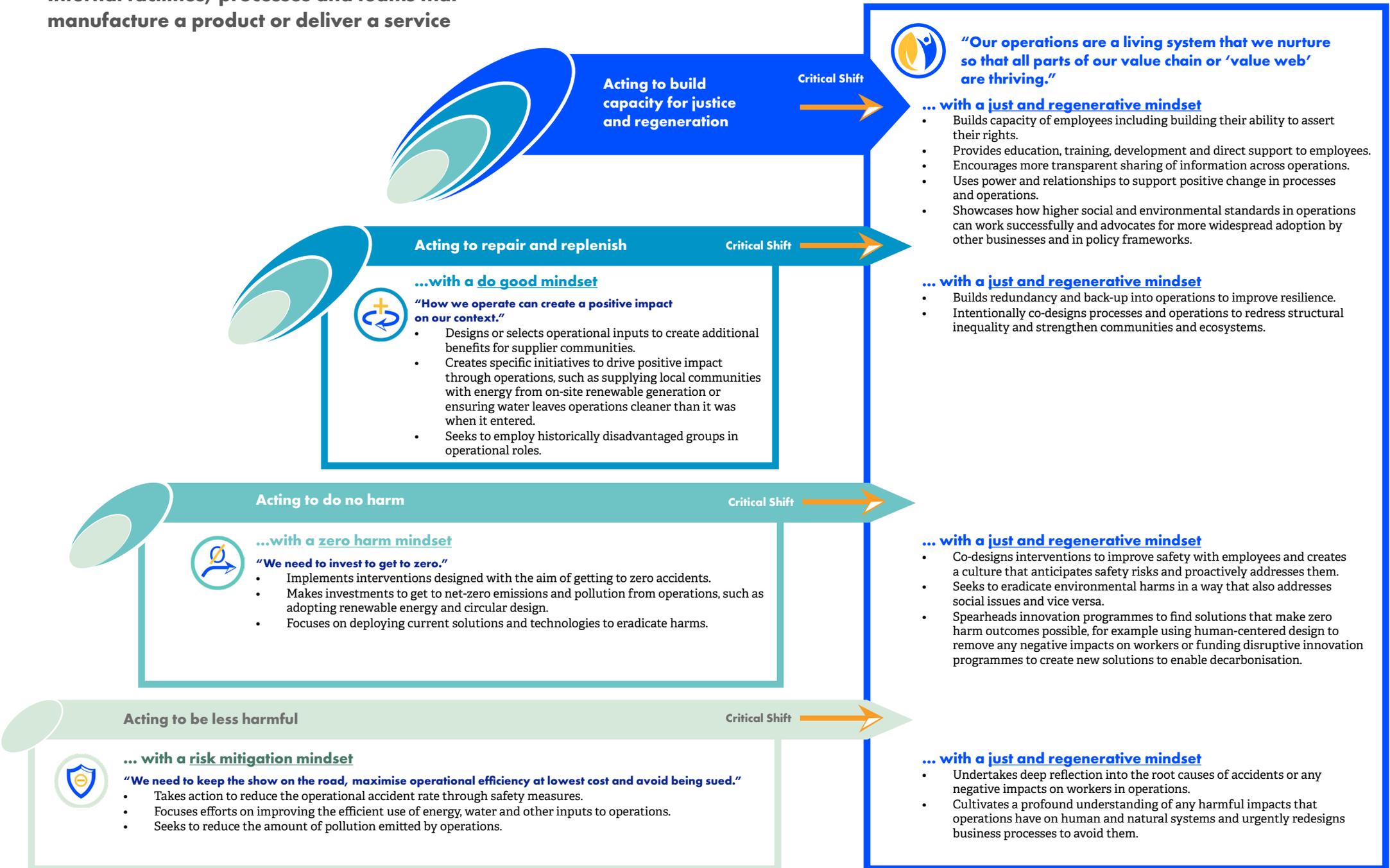
... with a just and regenerative mindset

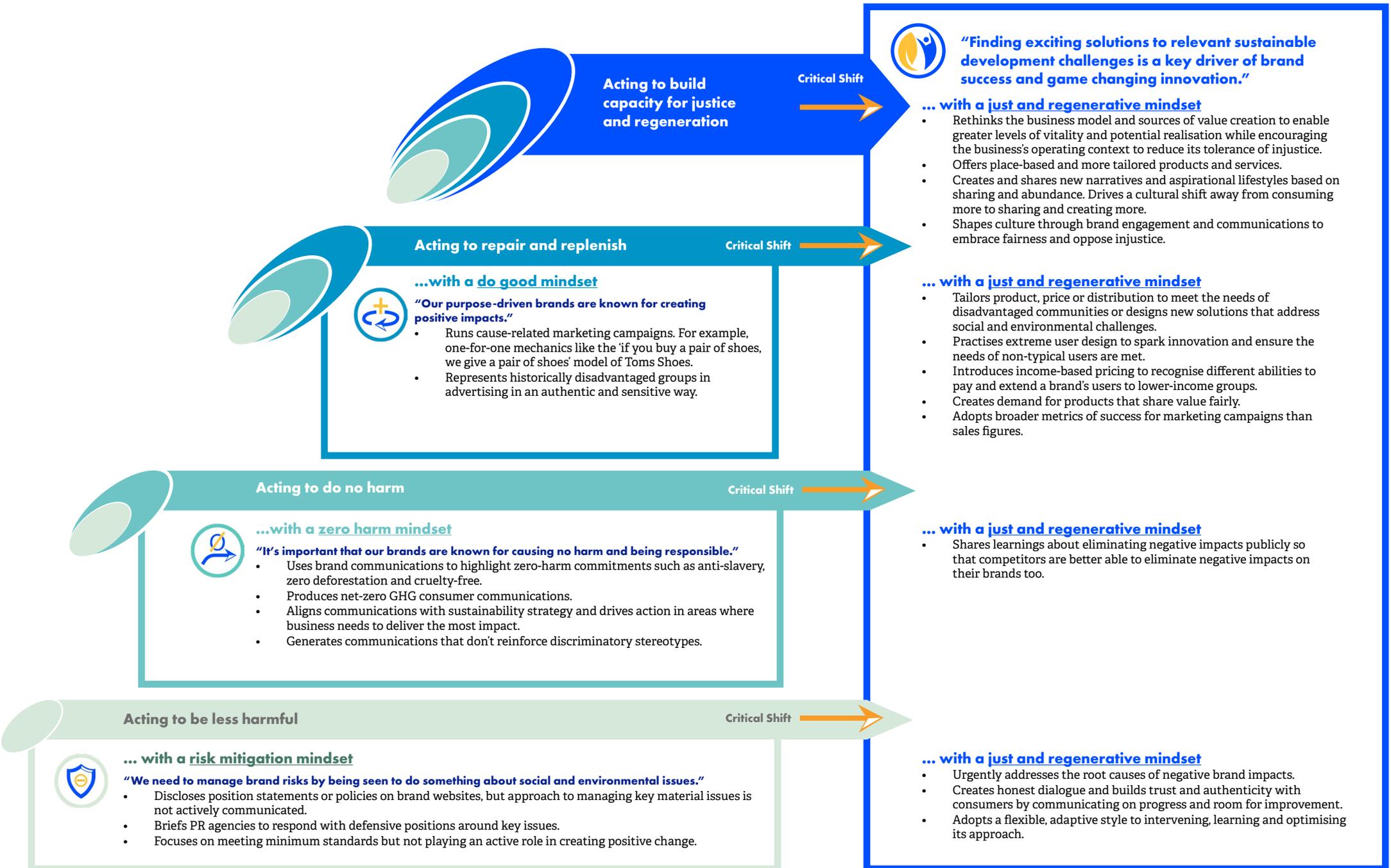
- Encourages deep reflection about the root causes of negative, social and environmental supply chain impacts, recognising exploitative or colonial patterns of behaviour that are entrenched.
- Urgently reduces any significant harm occurring in supply chain, redesigning the business model and processes, where necessary, to move away from activities that cause harm in a way that ensures a just transition.
- Adopts a flexible, adaptive style to intervening, learning and optimising the approach.

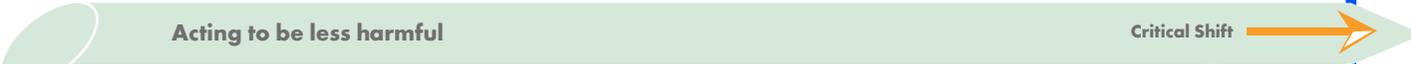
OPERATIONS

Internal facilities, processes and teams that manufacture a product or deliver a service

Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action







“Our business is a living system that we need to support so all our people can thrive.”

... with a just and regenerative mindset

- Supports authentic purpose-driven leadership. Gives leaders and employees the space to invest in developing their own skills, learning, and sense of purpose.
- Equips designated change agents (outside of executive level) with the skills and information to champion supportive and inclusive culture within their departments, teams and working groups.
- Advocates for broader mandatory reporting requirements in relation to diversity and inclusion to drive wider system change.
- Advocates for policies that close skills gaps in society.
- Invests in creating conditions where every person can contribute in their unique, meaningful way and feel safe and secure doing that.

... with a just and regenerative mindset

- Invests in programmes that can overcome barriers to employment and create opportunities for underrepresented groups.
- Supports education and the mindset shifts needed to offer equal access to training and opportunities.

... with a just and regenerative mindset

- Shares information transparently across the organisation on pay and benefits to support fairness.

... with a just and regenerative mindset

- Commits to regularly understand issues and challenges that employees experience and proactively co-create solutions to address them.
- Builds employee capacity to understand structural and systemic biases in your operating context (e.g. systemic white supremacy in a US context) and a culture that works to address them.

...with a do good mindset

“The success of our organisation depends on having a diverse workforce that reflects the markets we operate in.”

- Proactively identifies disadvantage and seeks to address it to enable a more representative workforce and to close any pay gaps for groups with defined characteristics.
- Has learning and development programmes that support individual professional development and skills building
- Supports employee resilience in multiple ways (e.g. encouraging savings, offering health insurance, support through disruption) going beyond statutory requirements.
- Links executive pay and rewards to achievement of diversity and inclusion targets to create accountability and ownership.

...with a zero harm mindset

“We won’t tolerate bias or discrimination and want to support our people to ensure they can perform.”

- Creates results driven initiatives on diversity and inclusion, by setting public targets for balanced, equitable representation of key designated characteristics across leadership and the full organisation and reporting on them.
- Adopts HR processes that prevent or significantly reduce bias (e.g. ‘blind’ recruitment) are adopted.
- Tailors training programmes and monitoring to support successful implementation of policies.
- Reports externally on wider subset of issues to drive improvements in performance i.e. gender/ ethnicity pay gap.

... with a risk mitigation mindset

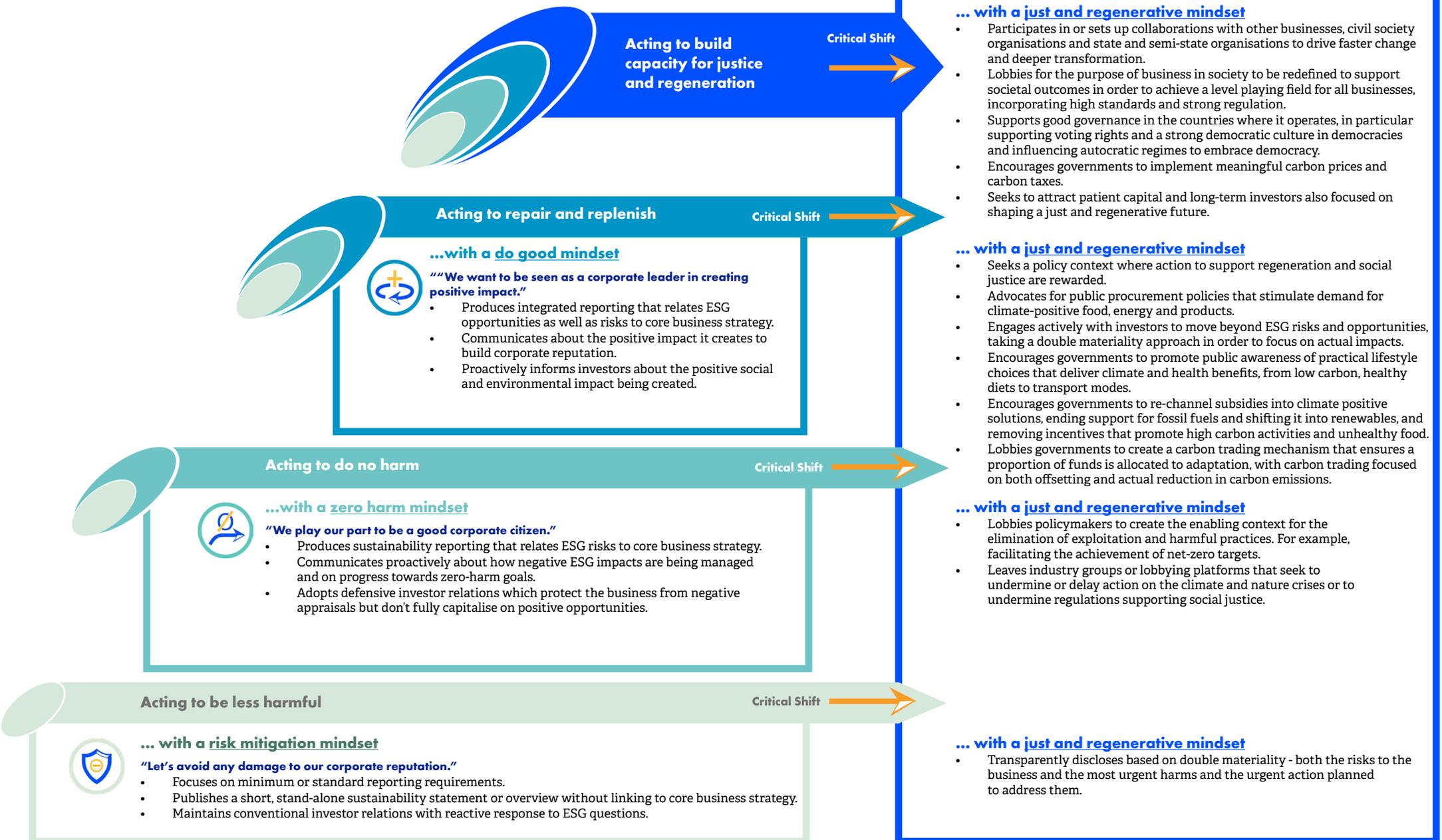
“Let’s keep the organisation running smoothly and minimise our exposure to risks while keeping costs down.”

- Takes contractual approach to recruitment and employee management with a focus on written policies to manage legal risks and comply with requirements.
- Has some generic training initiatives in place that seek to actively reduce bullying, harassment and discrimination
- Reports on composition of workforce in line with regulatory requirements.
- Offers support to employees in accordance with statutory minimums i.e. statutory maternity pay.

CORPORATE AFFAIRS

Including corporate communications, government affairs and investor relations

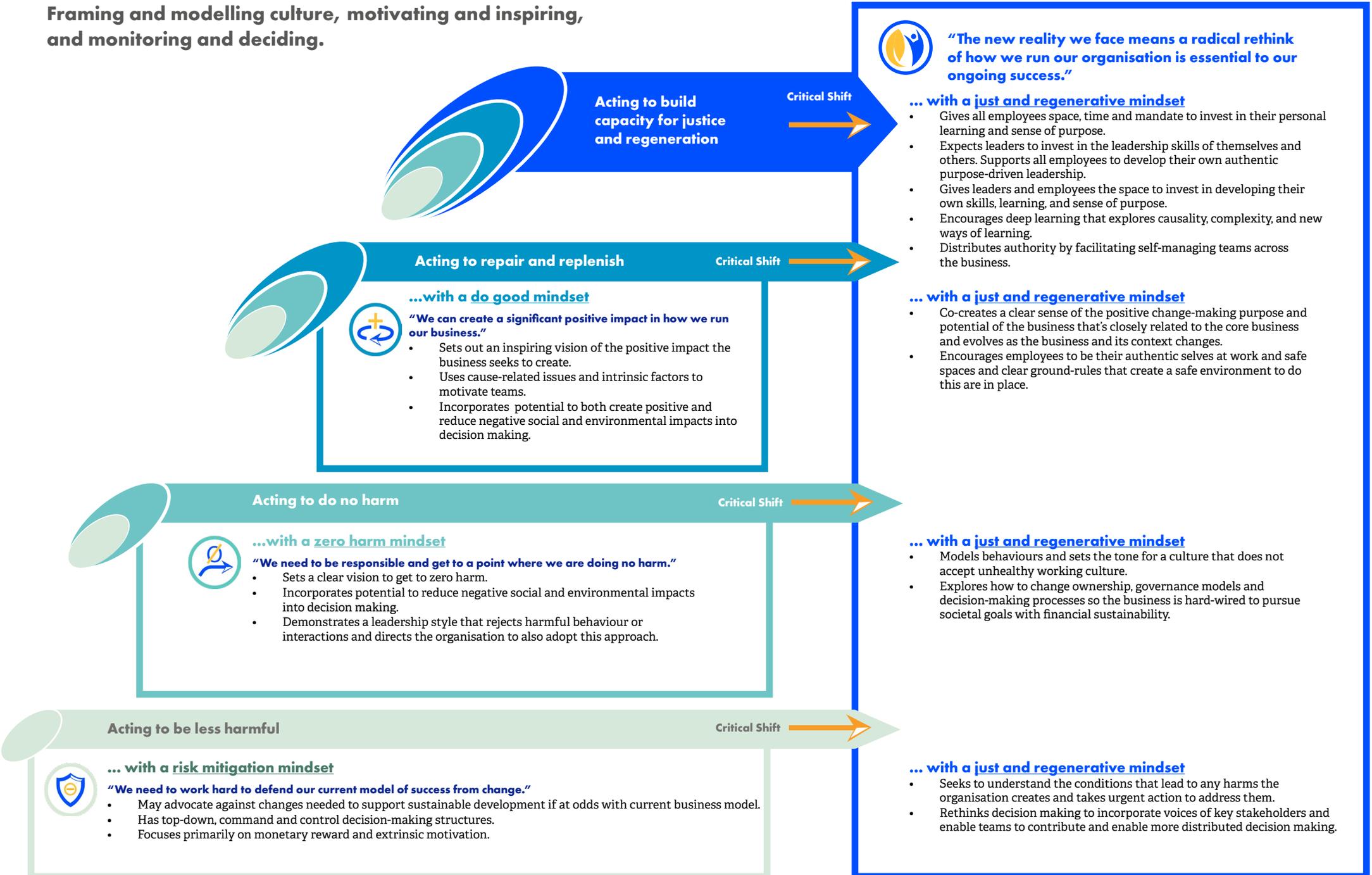
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LEADERSHIP AND MANAGEMENT

Framing and modelling culture, motivating and inspiring, and monitoring and deciding.

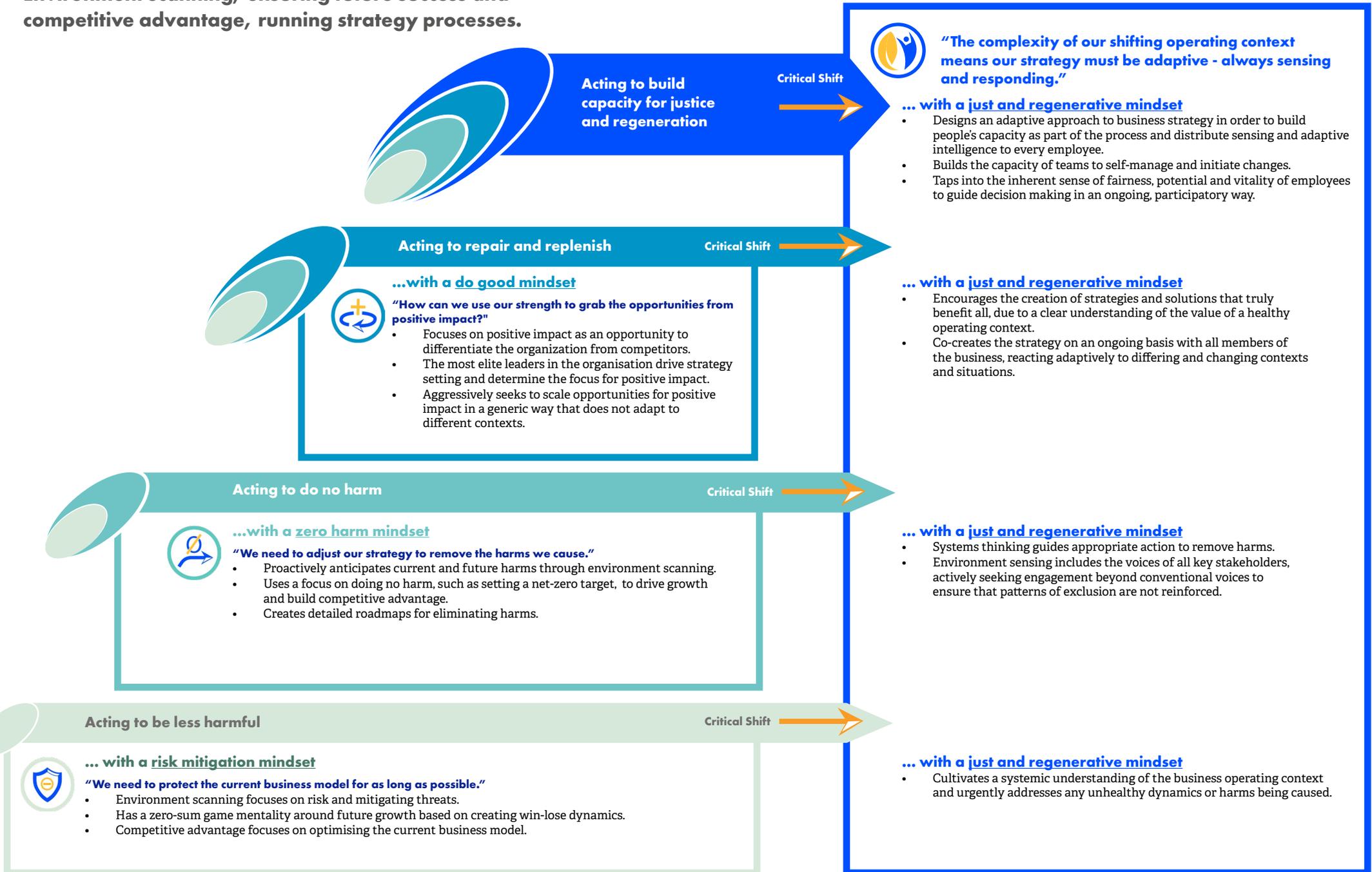
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STRATEGY

Environment scanning, ensuring future success and competitive advantage, running strategy processes.

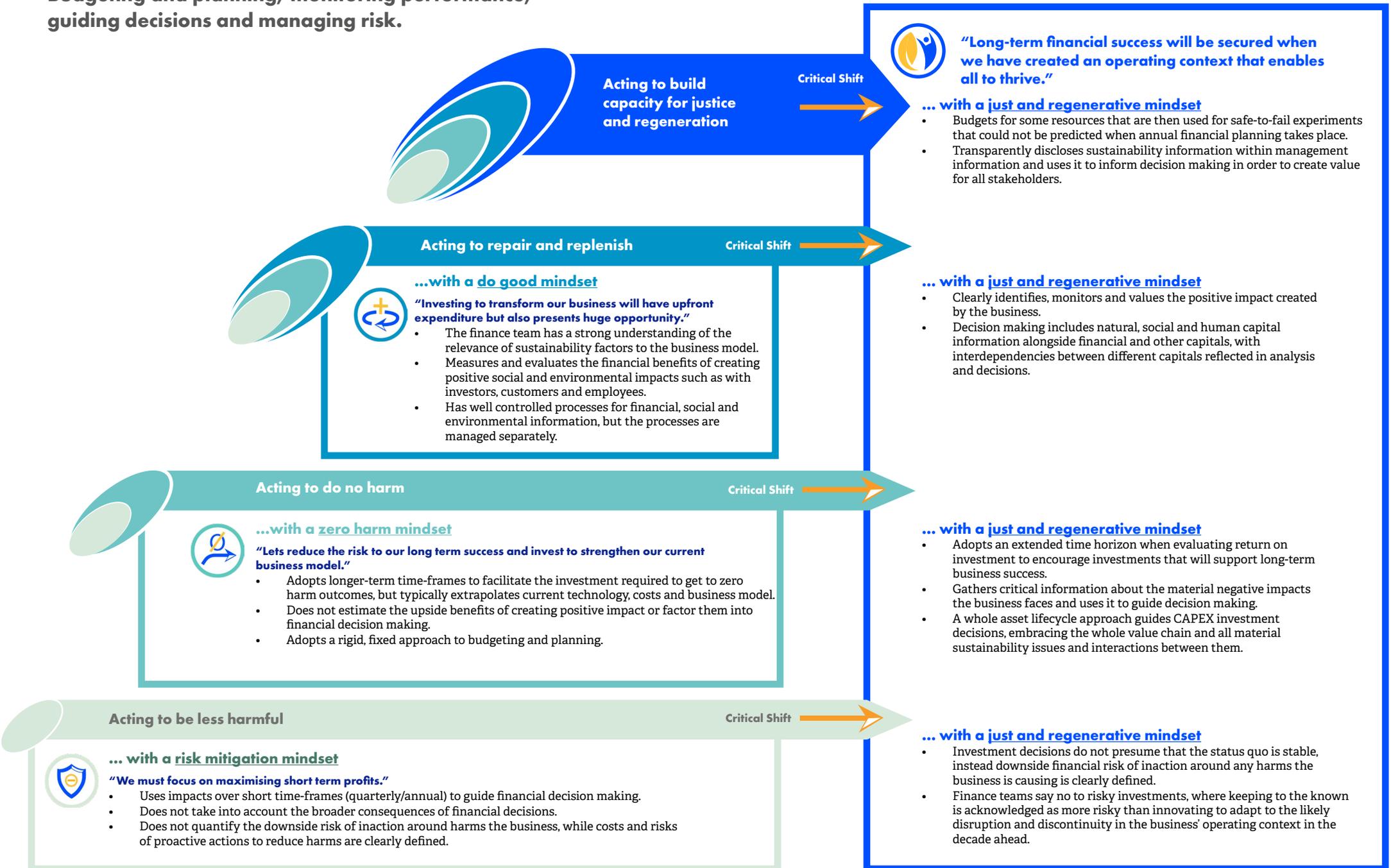
Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



FINANCE

Budgeting and planning, monitoring performance, guiding decisions and managing risk.

Adopting a just and regenerative mindset unlocks the potential for an enhanced response at all four levels of action



SHARING FEEDBACK AND PARTNERING TO DEVELOP THE CRITICAL SHIFTS

If you have specific feedback about this report please share it by clicking on [this link](#).

We are actively seeking to partner with organisations that are subject matter experts in each Critical Shift to iterate and road-test the recommendations. If you are interested in partnering with us to do this, please contact j.payne@forumforthefuture.org

ABOUT FORUM FOR THE FUTURE

Forum for the Future is a leading international sustainability non-profit. For 25 years we've been working in partnership with business, governments and civil society to accelerate the transformation toward a just and regenerative future.

We use our systems change and futures expertise to help tackle critical global challenges: the climate emergency, transforming our food and farming systems, and ensuring supply chains are more resilient and more equitable. We also enable long-term, transformative change by equipping individuals and organisations to act more systemically.

We are working towards a vision of a just and regenerative future, where people and nature are thriving together. In this future, the systems we rely on, from food to energy to governance, have been reconfigured to restore and replenish our ecosystems and promote dignity, fulfilment and equity for everyone. The purpose of the economy has shifted to meet the needs of society, create value fairly, and to operate in harmony with nature and within planetary boundaries. We have addressed the root causes of today's biggest challenges: our climate and biodiversity crises and structural inequality. And we have built capacity for ongoing resilience to adapt to and address challenges of the future.

Find out more about our work at forumforthefuture.org, thefuturescentre.org, or via [LinkedIn](#), [Twitter](#) and [Facebook](#).

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