



ksapa

Advise

Invest

Advocate

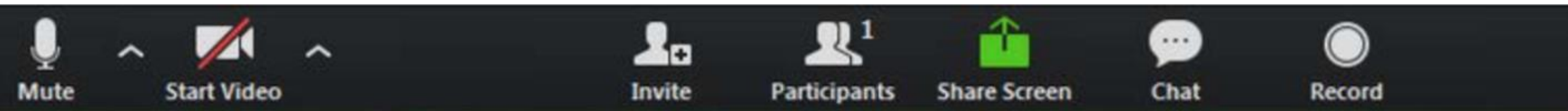
contact@ksapa.org

Online meeting instructions

Using the icons in the lower left corner of the Zoom screen, you can:

- Mute/Unmute your microphone (far left)
- Turn on/off camera (“Start/Stop Video”)
- Invite other participants
- View Participant list – opens a pop-out screen that includes a “Raise Hand” icon that you may use to raise a virtual hand
- Change your screen name that is seen in the participant list and video window
- Share your screen

Somewhere on your Zoom screen you will also see a choice to toggle between “speaker” and “gallery” view. “Speaker view” shows the active speaker. “Gallery view” tiles all of the meeting participants.





ksapa

**WELCOME TO THE 2030
SUSTAINABILITY DELIVERY
DECADE!**

28 JANUARY 2020

CONTENT

Ksapa

Introduction

Team & Network

Advice

Advocacy

Towards 2030 Report

At Stake & Methodology

Key Findings & Conclusion

SUTTI

Concept Note

Value Proposition

Program Overview

Ksapa - Introduction

Ksapa (Sioux language): Discernment, Wisdom, Soundness, Reasonableness

Our purpose is to participate in shifting the economic world towards operating and investment models performing economically, socially & environmentally

Ksapa combines **ESG & CSR consulting** and **Innovative Impact Investment services** to design and implement scalable solutions to build more resilient, inclusive and competitive operating models



We Advise

Ksapa provides strategic advice helping companies and investors to generate competitiveness with resilience and inclusiveness



We Invest

Ksapa provides scalable innovative financing solutions and impact investing programs generating return and accelerating impact on Global Goals



We Advocate

Ksapa is a social purpose corporation sharing insights to show businesses and investors why and how to embed resilience and inclusiveness across investment and business decisions

- ESG / SDG Materiality
- Business Strategy
- Risk & Due Diligence
- Training & Remediation

- Impact Investing Fund
- Sustainability Themed Investing Program
- Active Ownership

- Media
- Social Media
- Blog
- Briefing Papers
- Reports

Ksapa – Team & Network

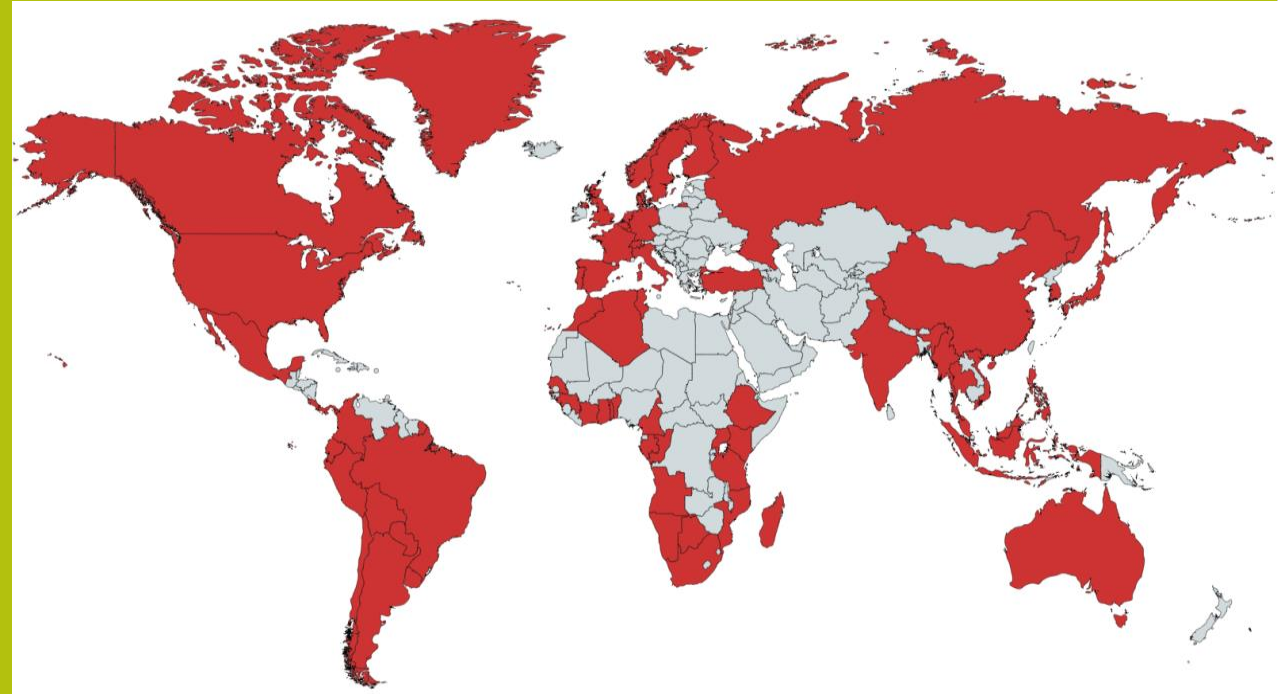
Founded in 2019

Team of 6 complementary persons to date

Headquartered in Paris

Strong network of +150 partner experts worldwide

Ksapa can ensure **close contextual and operational support** and deliver **high quality results to global players**



Ksapa – Advice



We Advise


We provide **strategic advice** on **ESG & CSR** policies relevant to your business and assets

We drive transformations, improving both short-term competitiveness and long-term performance: by harnessing the potential from more inclusive business models, improving relevancy by accelerating the impact on the **2030 SDGs**, and building greater resilience towards rising uncertainties

With our **expertise in Sustainability and Investment**, we assist companies and investors in improving their strategies and operations



**ESG / SDG
MATERIALITY**



BUSINESS STRATEGY



DUE DILIGENCE
**RISK & DUE
DILIGENCE**

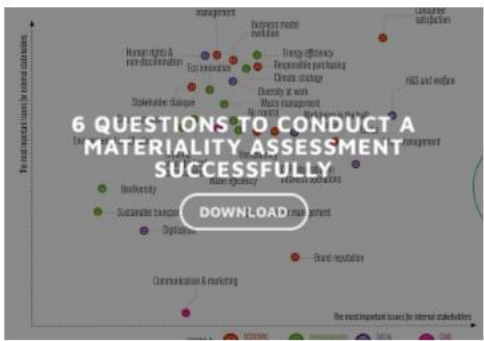
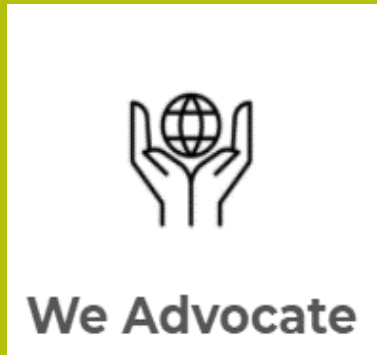
- Materiality Assessments
- Engage Stakeholders
- ESG Risks in AUM

- Define Purpose & Profit Approach
- ESG in Financial and Business Strategy
- Develop targets, metrics and impact measurement criteria
- Upgrade Management Systems
- Plans to drive transformational change

- Due Diligence Processes
- Translate into risk management policy and investment strategy

Ksapa – Advocacy

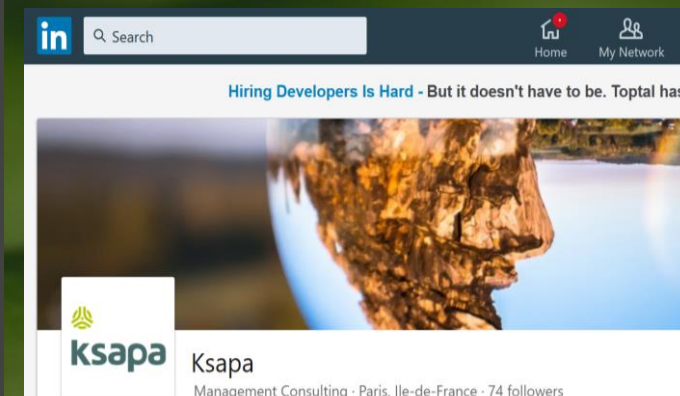
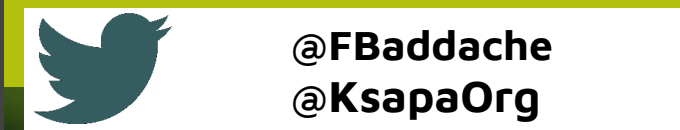
BRIEFING PAPERS



BLOG POSTS



SOCIAL MEDIA



CONTENT

Ksapa

Introduction

Team & Network

Advice

Advocacy

Towards 2030 Report

At Stake & Methodology

Key Findings & Conclusion

SUTTI

Concept Note

Value Proposition

Program Overview

**THE 2020's ARE HERE
& COUNTDOWN IS ON
TOWARDS 2030**

**WELCOME TO
THE SUSTAINABILITY
DELIVERY DECADE!**

TOWARDS 2030
**THE SUSTAINABILITY
DELIVERY DECADE**

How businesses can
make use of digital &
financial innovations to
accelerate transformations
and contributions to a more
resilient and inclusive economic model



VIDEO

**Link to the 2-minute Summary
Video:**

<https://ksapa.org/advocate/publications/welcome-to-the-delivery-decade/#video>

...or directly on Youtube, Vimeo,
Dailymotion...



AT STAKE



TOWARDS 2030 - At Stake (1/2)

Business resilience and capacity to remain acceptable and generate long-term value is at stake. More efforts are needed to adapt adequately to the SDGs



Digital technologies are exponentially disrupting the way the world works



Innovative finance solutions might change the game at large-scale

Businesses need to transform to stay relevant and thrive by embracing digital technological and innovative finance solutions to accelerate on the SDGs





TOWARDS 2030 - At Stake (2/2)

1

SDGs are framing **global priorities for business** as well as all stakeholders

2

Without being candid, **digital technologies** can clearly **amplify** programs addressing **SDGs**

3

Massive amounts of capital seeking more promising sustainable investment opportunities and **renewed financial approaches** might reshuffle the deck



METHODOLOGY

TOWARDS 2030

– Methodology (1/2)

Qualitative data was collected, both **primary** (interviews) and **secondary data** (publicly available information)



We have also looked into quantitative data to build our analysis

TOWARDS 2030 – Methodology (2/2)

15 multinational companies were interviewed:



5 institutional investors, experts based in the U.S., U.K., Brasil, China and India and **NGOs** were also interviewed

65 other companies: AtlasCopco, Essity, Schneider Electric, Maersk, Michelin, Nestlé, Unilever, Moeda, IBM, Grundfos, Prada, Gecina, Yuka, Wagestream, Descartes Underwriting, Dalmia Cement, etc.
Some organizations were also studied: WWF, We Mean Business, Consumer Good Forum, UNSDSN, Tropical Forest Alliance, The Sustainability Consortium, Stella McCartney, The Nature Conservancy, Global Resilience Partnership, B Corp, CDP, UNPRI, WRI, OECD & more...



THE DELIVERY DECADE



TOWARDS 2030 – Key Findings

6 Sustainability Priorities

- 1 Decarbonization
- 2 Water
- 3 Deforestation
- 4 Circularity
- 5 Social Inequalities
- 6 Human Rights

TOWARDS 2030 – Key Findings

6 Sustainability Priorities

1 Decarbonization - Changing Game of Acceptability



Perhaps on route towards **+7°C** by 2100
Long way to the goal of **+1,5°C**
Still, global emissions **keep growing**

...Only **13% of Fortune 500 companies** had **Science-based targets**, (1,5 or a 2°C), at the end of 2019 &
...**None** of G20s (**80%** of global CO2 emissions) are even **on track** to meet the **well-below 2°C Paris Agreement**

“Carbon exposure will radically impact businesses and economies by 2028 at the very latest.” (Rifkin, 2019)



Decrease the needs for greenhouse gases related elements across assets and value chains



Invest in energy transition, renewables, energy efficiency and decarbonize assets and supply chain



Invest in adaptation solutions to anticipate climate change impacts across assets, business operations & value chains



TOWARDS 2030 – Key Findings

6 Sustainability Priorities

2 Water - Getting Into Conflicts With Stakeholders



Essential **freshwater supplies** continue to **deplete**
Increased population & food demand with 70% by 2050
Global **yield potential** for all major crops on **decline** since 1960
Wildfires and **droughts** continue to **escalate**

"Water may become the key environmental issue of the century"
(NASA, 2018)

- Conduct and understand water footprint, similar to carbon footprint across entire value chain (upstream production, sourcing, production, logistics, end usage)
- Ensure a rapid transformation towards sustainable agriculture
- Decrease water needs and invest in circularity solutions, with primary focus on areas showing high risk of water scarcity today as much as how climate change is shaping different water scarcity scenarios by 2025 or 2030
- Invest in programs and solutions contributing to better sharing water resources or granting access to safe and drinking water across markets and operations



TOWARDS 2030 – Key Findings

6 Sustainability Priorities

3 Deforestation – Traceability, Ethics & Social Performance



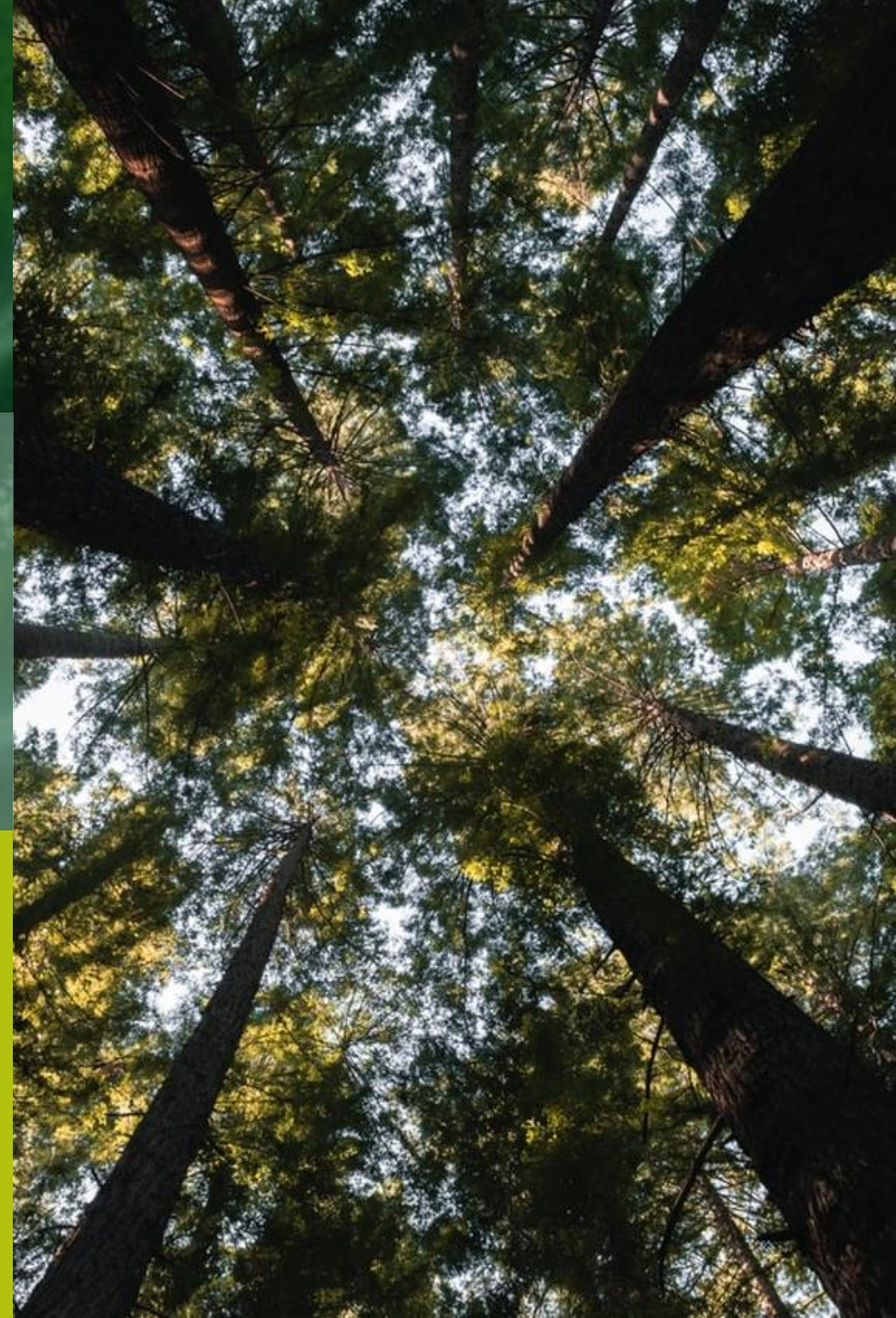
The 2nd top cause of climate change, 20% of GHG
Forest land still cleared for agriculture & grazing, at -3,2% since 90s
Beef, soy, palm oil & wood products are top risk commodities
Ecosystems and biodiversity massively affected

0/350 of most influential companies in forest-risk commodity supply chains reached their “zero-deforestation” targets in 2015
Only 45/150 supporting financial institutions had policies linked to the four top risk-commodities

→ Develop capacities of local civil servants, encourage enforcement of local regulations related to land property, land development, local circularity programs, or local biodiversity preservation. Zero tolerance on bribery and corruption

→ Collaborate between buyers and investors to accelerate common understanding of traceability of high-risk sourcing activities

→ Invest in better access to quality education and vocational training activities, better working and living conditions for workers, smallholders and local communities as poverty incentivizes deforestation



TOWARDS 2030 – Key Findings

6 Sustainability Priorities

4 Circularity - Align with Climate Science-Based Targets



Only 30% of businesses has a strategy for circularity today
75% still in planning stage on adopting targets for the next 5y

New regulations, media, investor demands, public outcry
A promising concept, but still unable to scale up at the pace that is needed to address sustainability issues



Select battles by identifying where plastics can remain, and define pathways to eliminate where it can't, in a constrained world with carbon budget discussions on the rise



Invest in circularity and alternative industrial technologies or packaging solutions to decrease plastic usage rapidly




Collaborate with governments and stakeholders to converge on regulations (e.g.: rPET), tax incentives, waste reduction and recycling programs learning from efforts to date to accelerate on impact in the decade to come



TOWARDS 2030 – Key Findings

6 Sustainability Priorities

5 Inclusive Growth – Decrease Social Volatilities



New rise of mass protests & social turmoil around the world
France, Chile & Lebanon share some similarities:
Rising costs on essential goods and services for the middle-class, long-term neglectance of their issues, feeling of worry concerning their economic futures
Hard to solve overnight, no longer only about the poorest
Much easier to mobilize a large scale movement today

Transparency, accountability, measurability, social & env. performance & dialogue more important than ever
Catalyze economic, social and environmental performance aligning business strategies & societal impacts with SDGs
Develop programs mitigating risks through product design and access (e.g. gender), investments and fair tax payment across markets and production site areas, and targeted investments in high risk supply chains improving supply chain workers' access to decent wages or quality jobs

Being able to anticipate and address concerns and grievances, help employees to prepare for and be a part of the future by providing opportunities for upskilling
Aim for making sufficient contributions back to society and learn how to create more inclusive societies
Conduct human rights impact assessment across operations and value chains, also in search of inequalities
Work in coalitions to incentivize laws and regulations, share best practices and combat common challenges



TOWARDS 2030 – Key Findings

6 Sustainability Priorities

6 Human Rights – Stay Ahead of Growing Pressure



Human Rights abuses in value chains are turning into big law suits
New laws and regulations are also putting more pressure on companies to anticipate and reduce harm, resulting in large and sudden changes for many companies, but still not enough to come to terms with root causes giving rise to much harm.
Poor awareness on human rights risks, complexity of operations and supply chains, along with the hidden and sensitive nature of these violations, are challenges which require full attention

- ➔ Develop awareness to explore areas and situations generating risks of human rights violations across operations and value chain, addressing root causes, e.g. #MeToo movement effects
- ➔ Strengthen internal processes to ensure alignment across business units
- ➔ Identify customers, business partners or suppliers at risk, making use of traceability or chain of custody tools by businesses, either individually or through industry or multi-stakeholder initiatives
- ➔ Promote and ensure the continuous engagement of vulnerable segments of right holders in the assessment process
- ➔ Sign, and deploy international framework agreements





TECH AS AN ENABLER

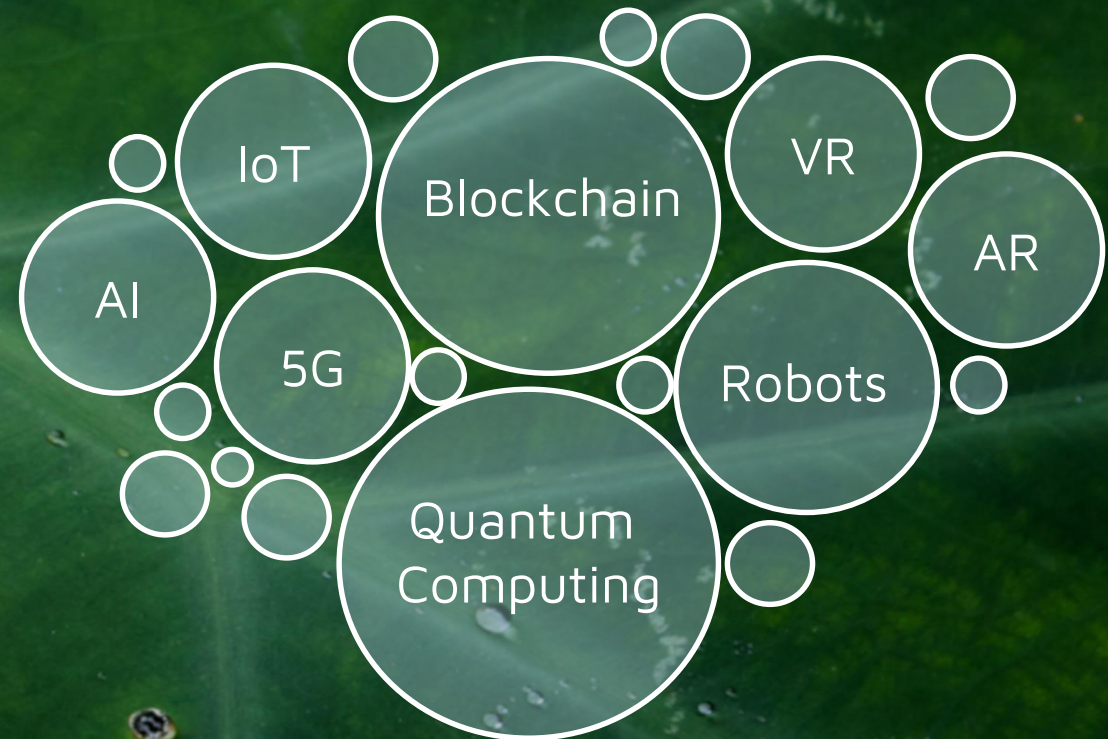


TOWARDS 2030 – Key Findings

Digital Technologies

SCALE
INTERCONNECTEDNESS
ACCELERATION

Every business is impacted
More powerful in combination
Many are still maturing



TOWARDS 2030 – Key Findings

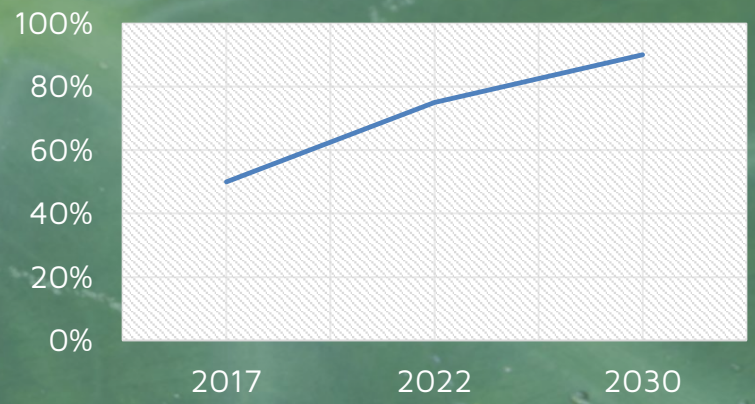
Digital Technologies

Internet may be old, but the amount of people connected will **increase with roughly 50% until 2030** (World Bank, 2019)

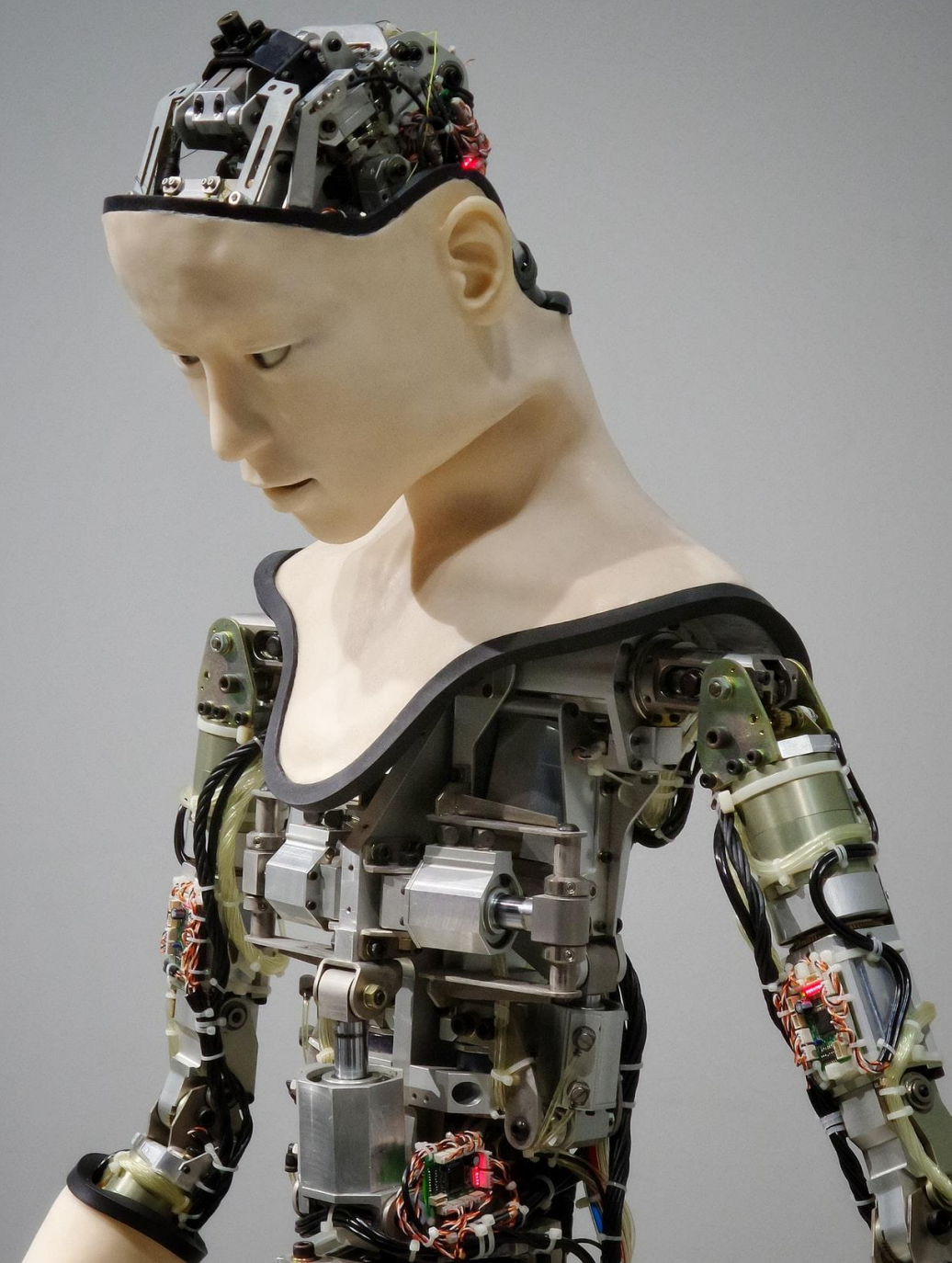
This is **a classic**

We tend to **overestimate** the growth of digital technologies in the **short-term**, but **underestimate** them in the **long-term**

Percentage of the World with Access to Internet



Many digital technologies are also becoming increasingly affordable and available around the world, further fueling the digital transformation and its disruptive capacities (OECD, 2019)



TOWARDS 2030 – Key Findings

Digital Technologies

Many new technologies are already disrupting our world today, and will continue to do so - exponentially

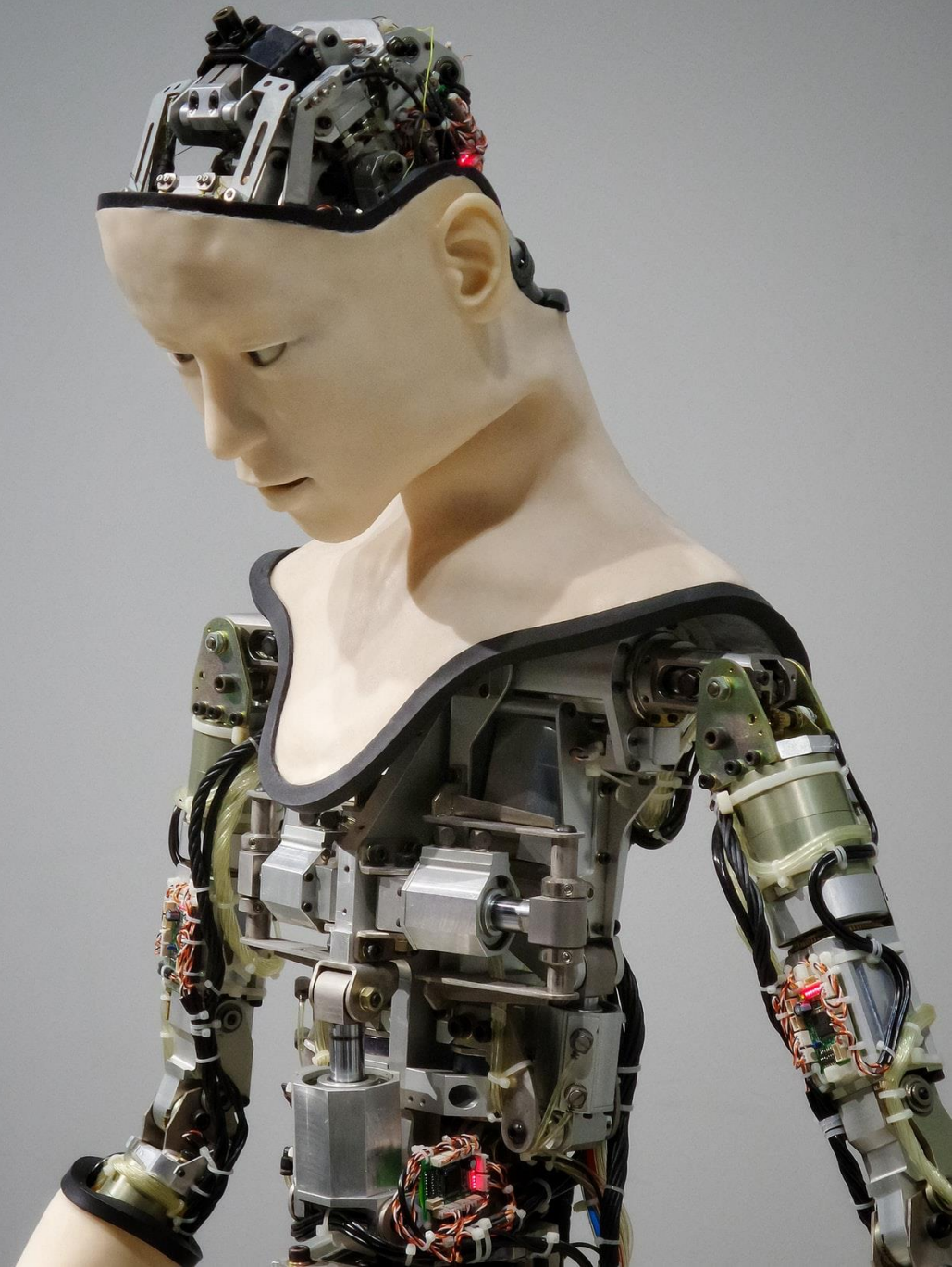
Scale, **interconnection**, acceleration

Organizations need to adapt better to change, allow experimentation with new digital technologies, and make them move from pilot to practice

First movers saw a 70% productivity increase, followers only 30% (World Economic Forum & Accenture, 2018)

Yet, only 11% of small business & 33% of large businesses used big data for analysis (OECD, 2019)

Managing the digital transformation sustainably also stresses the importance of bridging digital inequalities (between gender, age groups, different income levels, geographical locations) by ensuring access and equal opportunities to explore benefits from digital technologies for all



TOWARDS 2030 – Key Findings

Artificial Intelligence

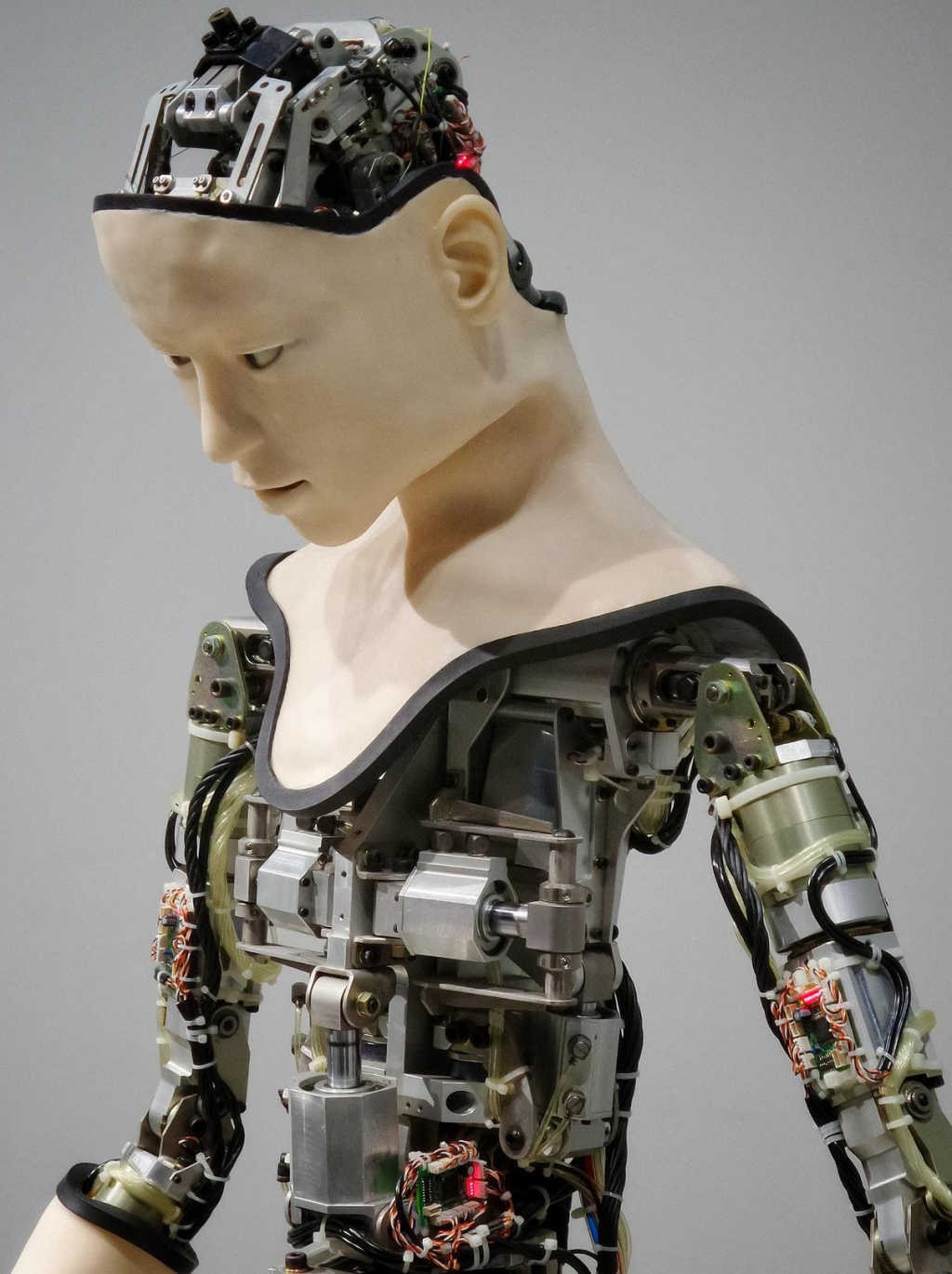
Its potential to do things faster, better and more differently, may outsmart us in some ways, which means **AI will transform, displace or replace old ways of doing things**

The AI market, valued at **\$16.06 billion in 2017**, is expected to grow to **\$190.61 billion by 2025**, giving it a compound annual growth rate of 36.62% (Markets And Markets, 2018)

Companies using AI, big data, and IoT to discover new advantageous business insights “will **steal \$1.2 trillion** per annum from their less-informed peers by 2020.” (Forrester Research, 2016)

Few sectors have more potential than **agriculture** to adopt new digital tools such as IoT, AI and Machine Learning, a concept typically called “**precision farming**.” (OECD, 2019)

AI has had a rather long exponential learning curve now, has perfected its results, AI patents are booming and AI have started designing new AI itself, suggesting **quantum leaps are incoming**. Question of **bias** is essential (UN/WIPO, 2019)



TOWARDS 2030 – Key Findings

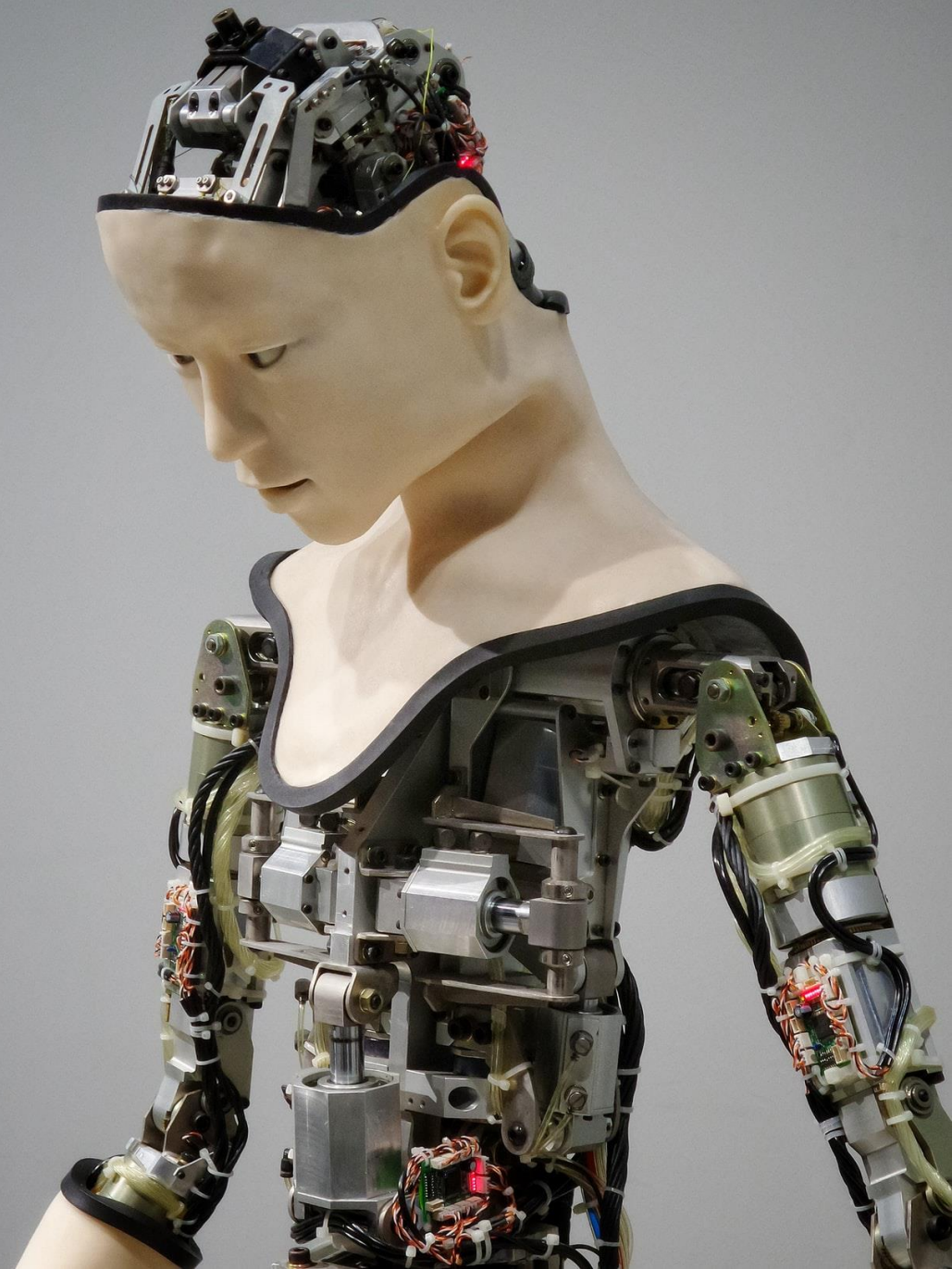
AR/VR

AR and VR can allow us to **better embody, live, and understand how to act in a future situation**, making the desired future not feel as distant or abstract anymore

When setting a sustainable strategy concerning digital transformation, making use of digital technologies in the training process of employees can also reinforce the transition.

Sodexo has made use of VR in their training program for employees. Here, the employee is indulged in a simulation of working in a kitchen, teaching him or her about best-practices relating to reducing food waste, avoiding safety hazards and ensuring the highest quality and degree of hygiene.

Atlas Copco plans to make use of AR for on-site maintenance activities, efficiency, safety and health, and help skilling up employees or tackle language barriers.



TOWARDS 2030 – Key Findings

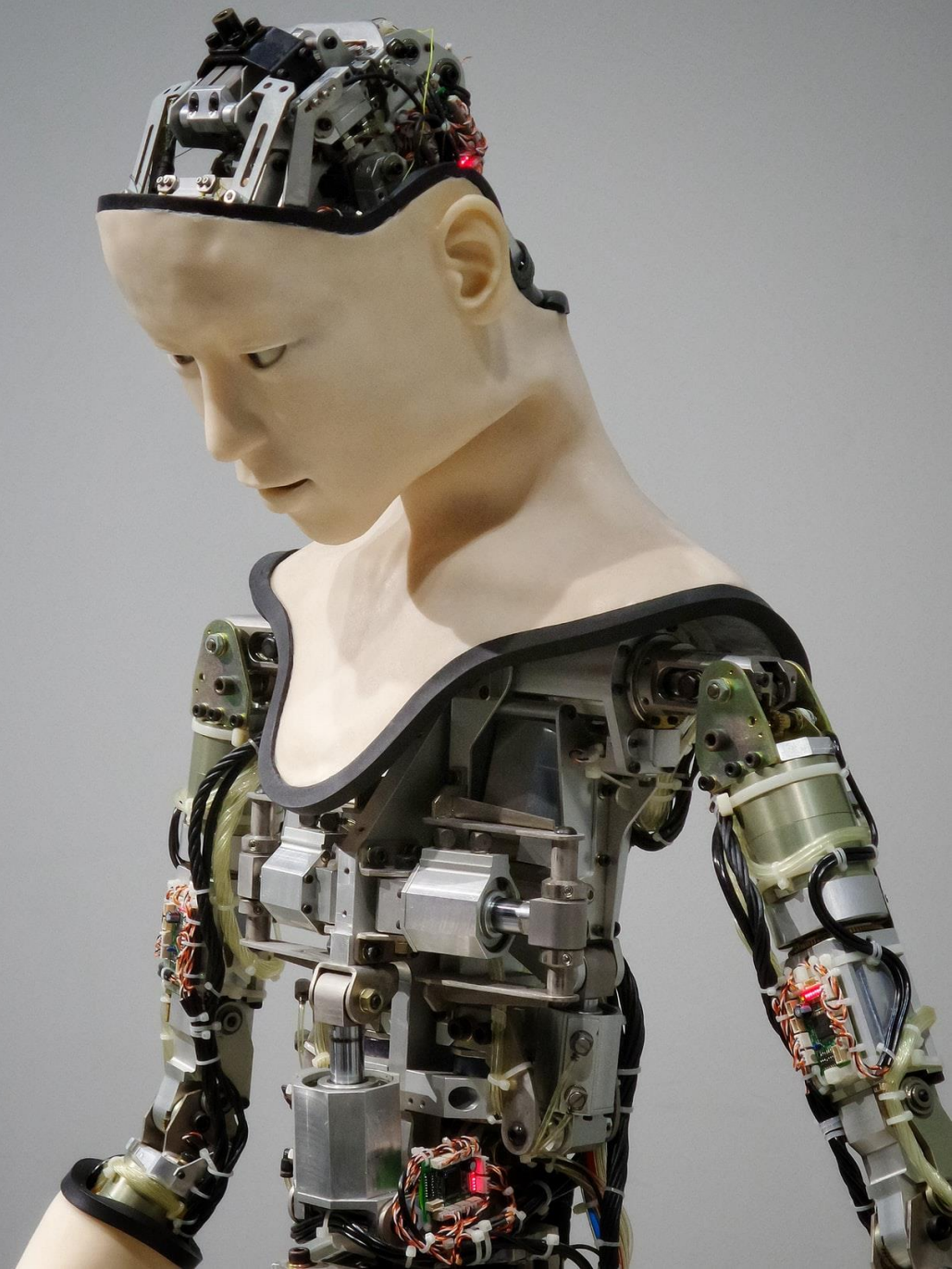
5G & Internet of Things

The promise of **5G networks** is that they will be **up to 200 times faster than 4G networks and have 1/10th of the latency**

It is the first wireless network generation that is **envisioned with the Internet of Things (IoT) in mind - In 2022 there will be 3 devices/person in the world**

When we will soon start to see IoT for massive and dispersed machine to machine communications and for critical IoT communications, that will be the true game changer

*In South Korea, one can see that the 5G network expansion has already changed the way the operators network's are used, as **AR and VR applications is now corresponding to as much as 20% of all the nature of the traffic in the 5G networks** (OECD, 2019)*



TOWARDS 2030 – Key Findings Blockchain

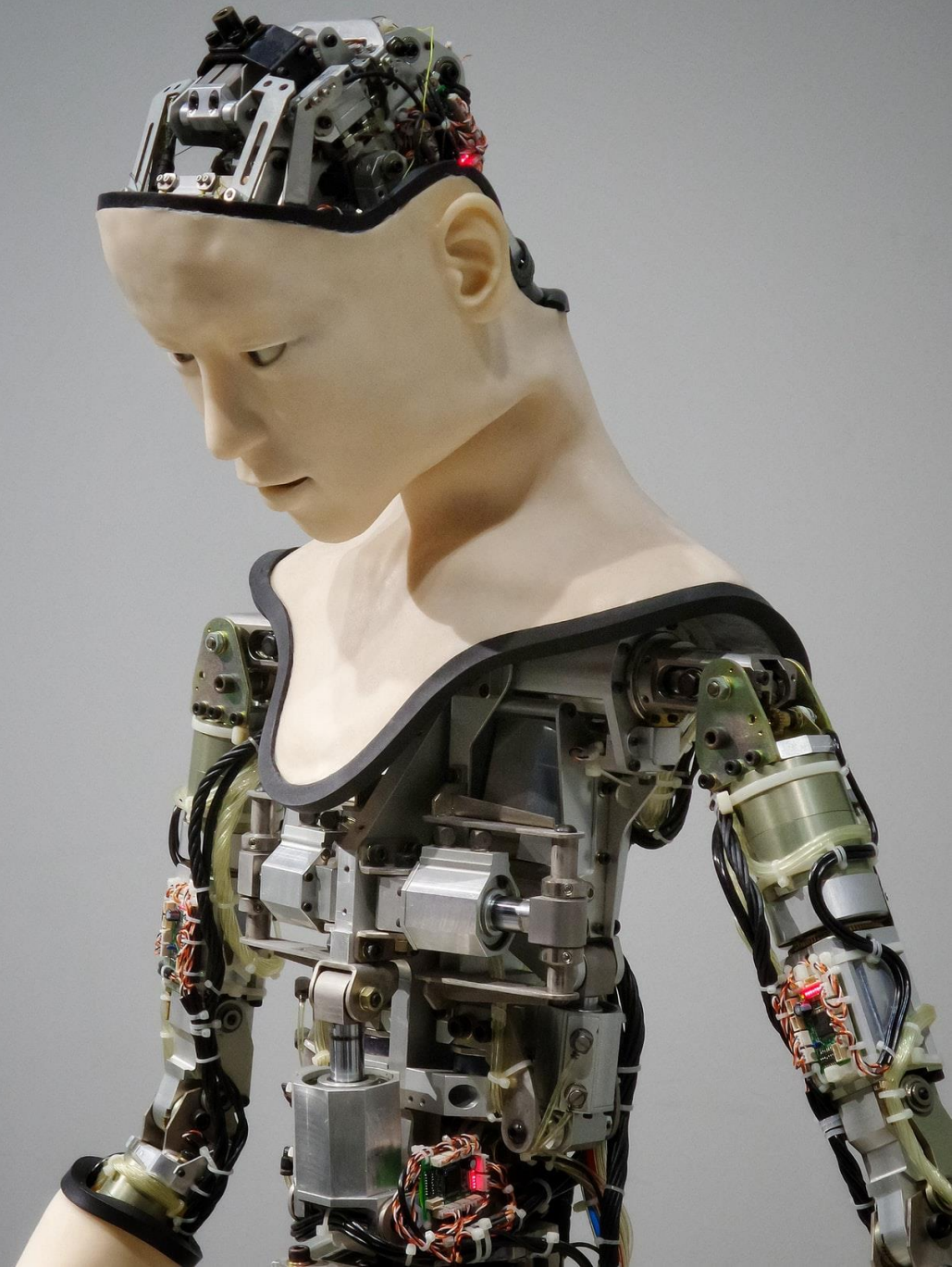
Blockchain remains a digital technology still to be considered as nascent, but **will fully matured in this decade**

Today, **10 out of 10** of the largest companies, and **50 of the top 150** on Forbes' top 2000 list, are exploring Blockchain

Blockchain technology can increase speed through real time propagation of data and events as well as allowing an **instant settlements** date. It can improve **trust, transparency** and **traceability** by preserving a complete **audit trail**

It **reduces risks** as it is immutable and resistant to collusion, shares data with **privacy by design**, **reduces human errors**, and **executes contractual terms** via self-executed code, and can trigger actions in "smart contracts"

Making use of Tokens and Blockchain technologies can also be successful when dealing with issues such as **poverty** or **ecological practices improvement** or when incentivizing a certain behavior from suppliers, employees, consumers or society at large



TOWARDS 2030 – Key Findings

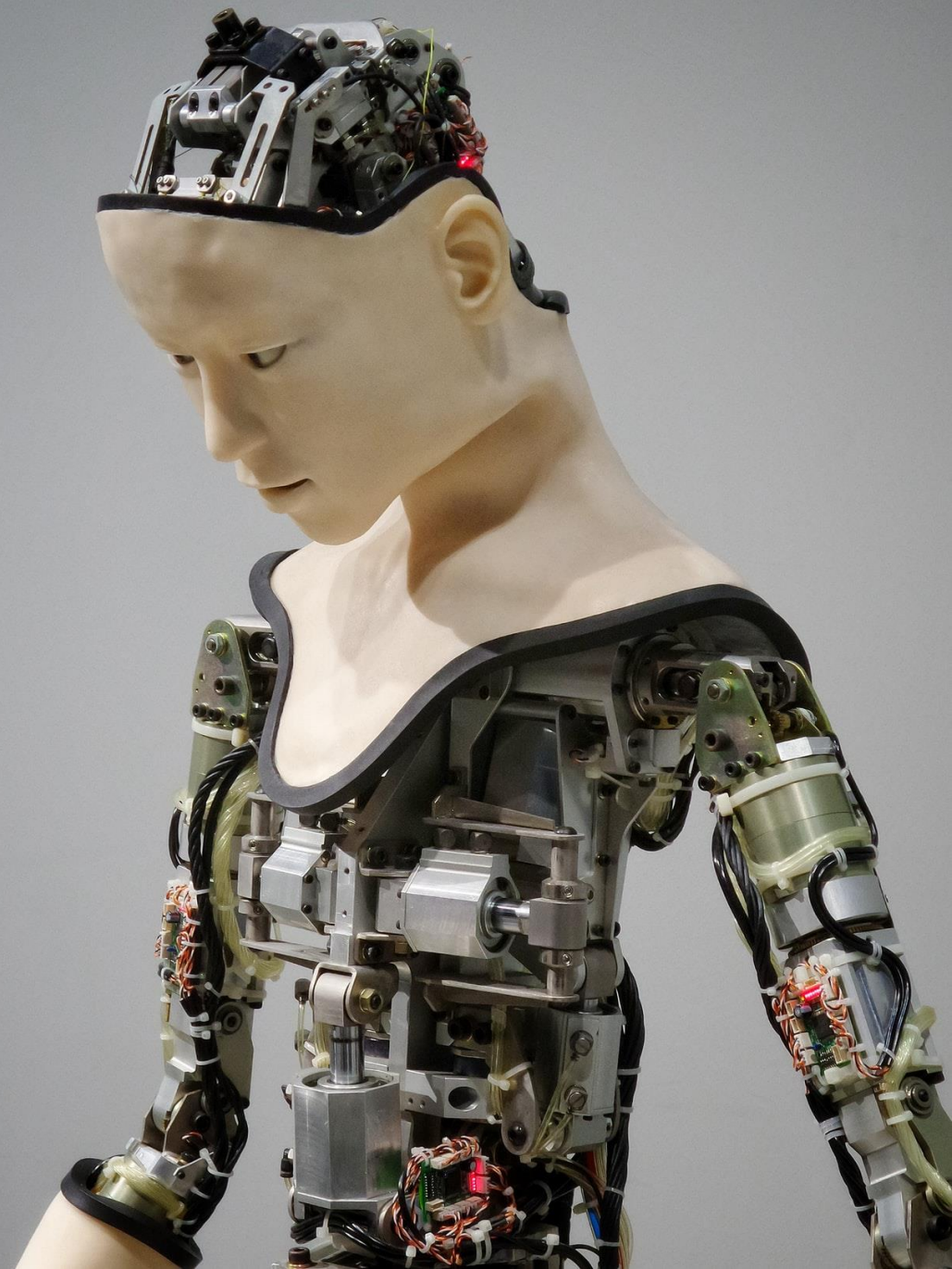
Quantum Computing

What was impossible to compute in a timely manner will become possible

One of the most immediate applications is found in **machine-learning**: quantum algorithms will start outperforming classical algorithms. Moreover, near-term applications can be found in **cryptography, chemistry, optimization, communication** and many other

However, building these computers remains a big challenge, and although they already exist today their commercial availability is still limited

Google and NASA's quantum computer solved a problem in **200 seconds** that would take the world's fastest supercomputer **10,000 years**.
(World Economic Forum, 2019)



TOWARDS 2030 – Key Findings

Robots

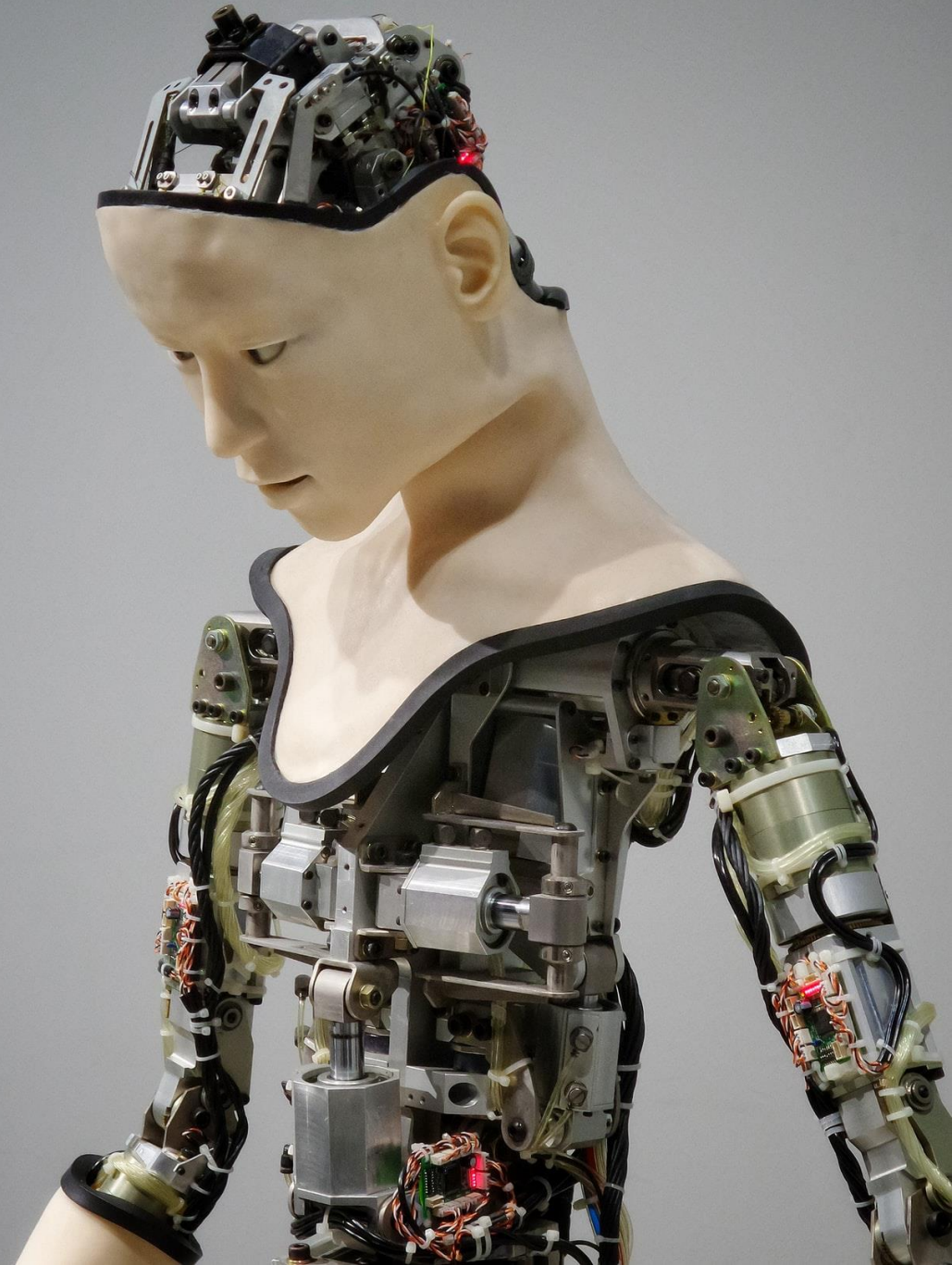
Advanced robotics is expected to have a widespread impact in the coming years (Deloitte, 2019)

Routine tasks are at risk of becoming outdated by automated processes

Still, only 7% of surveyed European companies with more than 10 employees had started using robots (OECD, 2019)

New socioemotional, creative, technological, and higher cognitive skills are needed (World Bank, 2019)

Providing avenues for lifelong upskilling, through investment in human capital, is essential to use the full potential of digital technologies and for the digital transformation to be sustainable and ensure benefits for all and an inclusive growth of our societies



TOWARDS 2030 – Key Findings

Tech 4 Good

- 1** Digital technologies offer **new pathways** to identify **more cost-efficient solutions** to scale up programs by a company or by an ecosystem of stakeholder across industries
- 2** **Collaboration of digital technologies reinforces one another**, and improves their common abilities to explore new boundaries
- 3** Companies have an interest in **building their competitive advantage on an early stage** in order to benefit from the increased economic productivity triggered by innovation



TOWARDS 2030 – Key Findings

Amplify Sustainability Using Tech?

Challenges

Way Forward

1

Gap between leadership’s strategic digital intent and its operational execution and is an obstacle for unleashing its full potential

Adopting techniques such as experimentation, pilot schemes, rapid iterative development models, open source sharing and even crowdsourcing and strategy hackathons to brainstorm ideas and demonstrate real-world feasibility

2

Competing consortia are focusing on the same topic, creating a myriad of platforms

Develop financial vehicles encouraging an ecosystem of stakeholders to develop a joint fund working on specific priorities (traceability, vocational training for instance) to aggregate resources and manage governance issues

3

Ensure that the digital revolution is shaped in a comprehensive and far-sighted manner that prioritizes both equity, accessibility, inclusion, human dignity, international collaboration and sustainability

Invest in creativeness and capacity to manage exceptions, Emotional Intelligence, teamwork and collaborative attitudes

Work using Inclusive design models

4

Digital transition and carbon footprint

Apply climate 1.5 degree trajectory across programs
Explore emerging technologies – holochain, quantum calculation...



BETTER FINANCE

TOWARDS 2030 – Key Findings

A Global Context Favorable to a Positive Impact of Finance on SDG Agenda

1

Financing the SDGs needs the contribution of the private sector
- An estimated USD 2.5 - 5tn/year needed until 2030

2

A global investment approach redefined by extra-financial analysis
- Recasting risk / return ratio
- Development of Sustainable funds + SRI funds
- Leads to an improved damage control

3

A rethinking of the role of corporations in societies
- Social purpose (Benefit Corporations, Entreprise à mission, etc.)
- About increasing the positive contribution to societies

4

Externalities valuation
- Improvement of techniques to measure and value positive / negative impacts, e.g. carbon

5

Monetary context
- Low interest rate, monetary expansion => high levels of liquidities, low levels of yield
- Climate being considered top of the list for regulators through climate stress tests, or since Quantitative Easing policies will be more and more driven by corporations' contributions & impacts on environmental issues

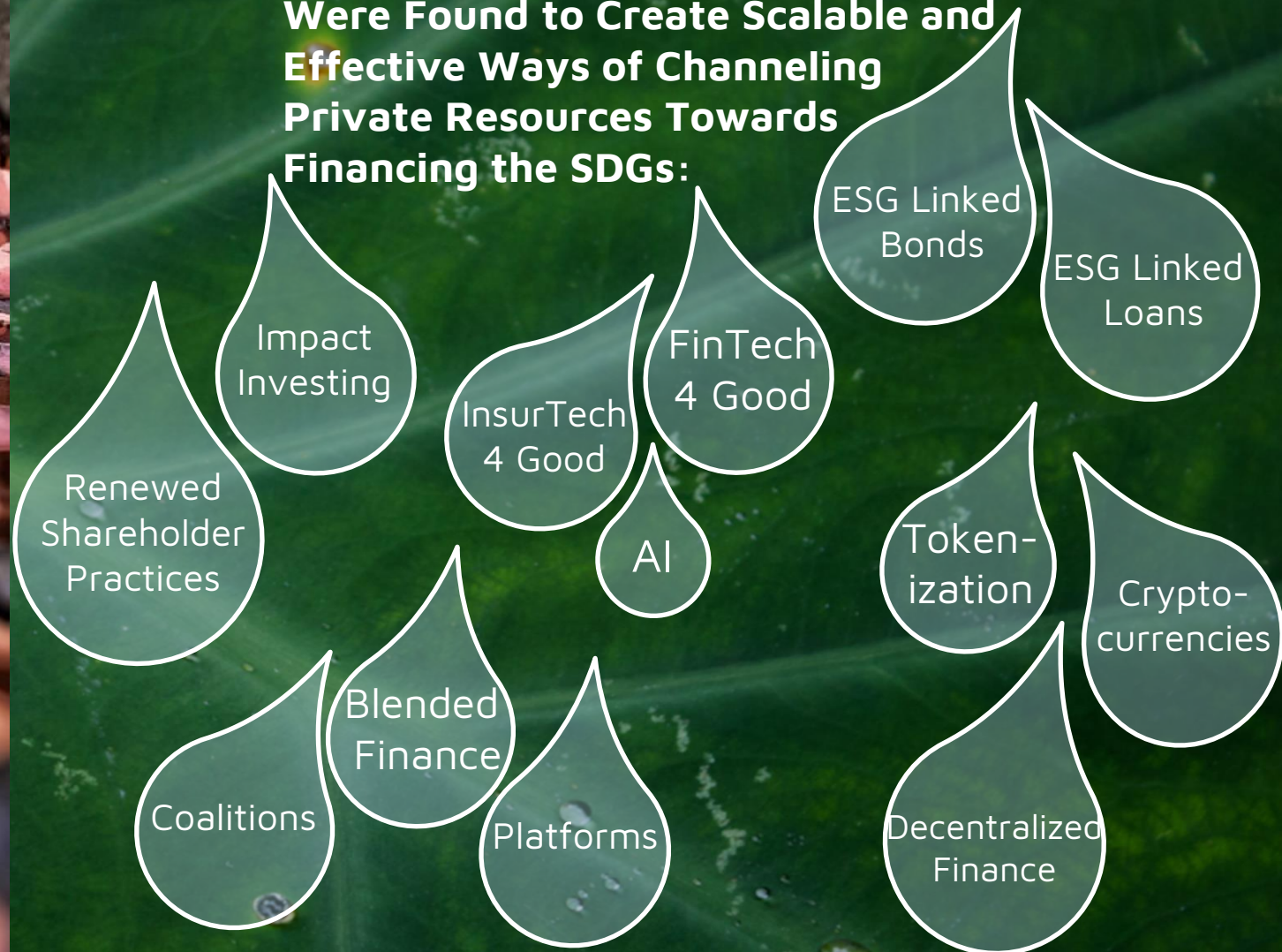




TOWARDS 2030 – Key Findings

Innovative Finance Solutions

**13 Innovative Finance Solutions,
Were Found to Create Scalable and
Effective Ways of Channeling
Private Resources Towards
Financing the SDGs:**



TOWARDS 2030 – 1 Innovative Finance

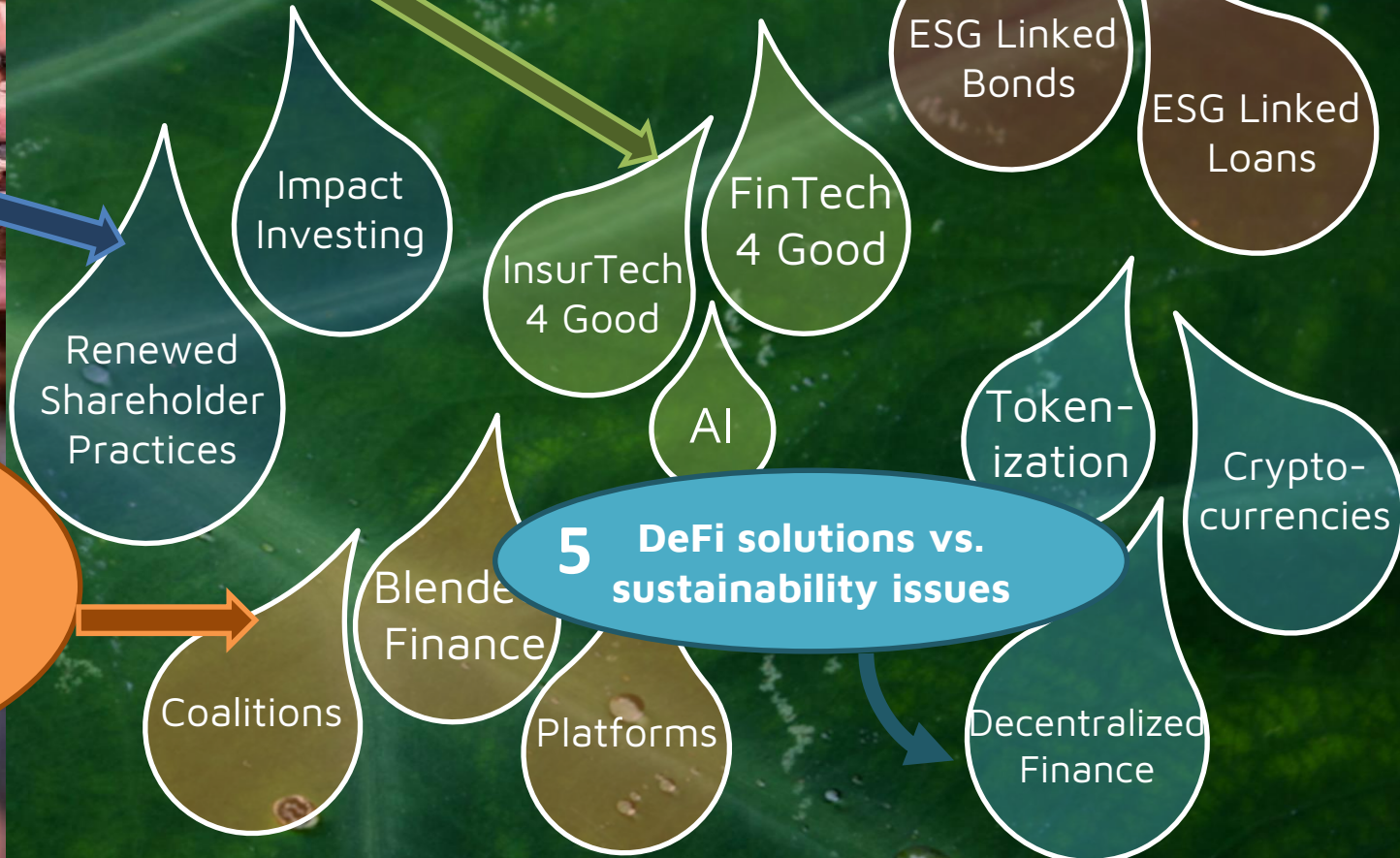
1 Use of Digital Technology Innovations in Banking, Finance and Insurance 4 Good

2 New Positive Contributions Investment Approaches

3 Increasing collaboration on common sustainability challenges, between different actors (co-financing, knowledge sharing, etc)

4 New Financial Instruments whose cost is dependent on Sustainability Performance

And could be grouped into 5 groups:



5 DeFi solutions vs. sustainability issues



CONCLUSION

TOWARDS 2030 – Key Findings

Conclusion

Companies & Investors	Business Implications
1 In the coming decade, large companies will be exposed to major challenges of resilience	In the 2020 "Delivery Decade", countdown is on. Business resilience and capacity to remain acceptable and generate long term value is at stake
2 Large companies lag behind in projecting their sustainability ambition for this decade	The cross-cutting nature of many Agenda 2030 aspects and the linkages between SDGs need improved strategic planning
3 Sustainability targets to date are poorly aligned with Agenda 2030 Global Goals	The pressure has never been greater, and keeps increasing, on businesses to take a stance and demonstrate progress on social and environmental issues
4 Tech is a buzz word	Most investments are spent on internal transformations, marketing and sales. Too few using tech to both improve business and material ESG challenges
5 Deployment of innovative finance solutions is poor	Corporations must lean on investment approaches evolutions and new innovative finance solutions to scale up positive impacts and support large scale sustainability transitions

CONTENT

Ksapa

Introduction

Team & Network

Advice

Advocacy

Towards 2030 Report

At Stake & Methodology

Key Findings & Conclusion

SUTTI

Concept Note

Value Proposition

Program Overview

Scale Up Technical Training Initiative (SUTTI)

is a Ksapa program aiming at:

- developing **large scale Technical and Vocational Training programs**
- focusing predominantly on **low income rural people** working across **fragmented supply chains** in **emerging countries** having low access to good practices
- deploying an efficient learning process based on a **hybrid approach: face-to-face training sessions combined with digital solutions**
- significantly **increasing participant revenues** while improving both social & environmental impacts
- favoring the adoption of **sustainable agricultural practices**
- improving **agricultural commodity traceability**
- implementing **economically performing solutions** in an added-value sharing scheme benefiting to all: participants, local & global partners & investors



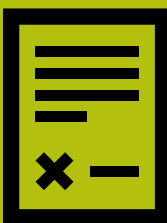
SUTTI

(Scale Up Technical Training Initiative)

SUTTI - Value Proposition for Farmers (1/2)



Ari, smallholder farmer
2ha, family run business



After meeting a SUTTI-certified instructor, Ari gets enrolled into the program



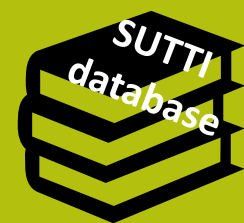
Ari attends a training at cooperative level to get kickstarted



Ari continues to improve his skills at his farm whenever he wants



Ari to improve his livelihoods: income increase, better safety, access to market

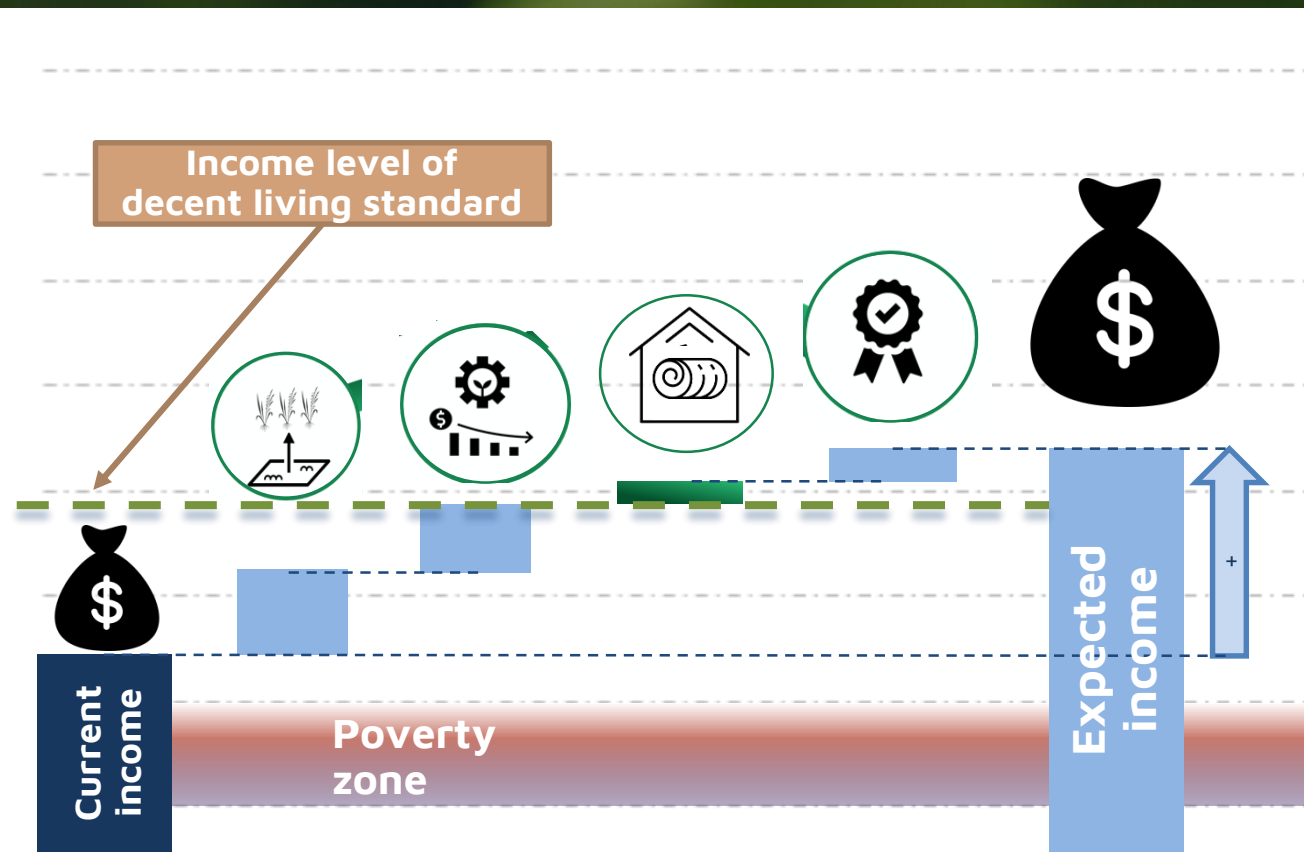


Ari has permanent access to complementary technical and vocational training and services

SUTTI - Value Proposition for Farmers (2/2)



Income bridge to reach the decent living wage standard
Example of an average plot size of 3HA



Yield increase



+10%/year



Cost of production decrease



-15%/year



Circularity: waste valuation



+2-3% of net revenue/year



Traceability & Quality Premium



+5% of net revenue/year, during 3 years

SUTTI - Value Proposition for Industrial Buyers / Industry Coalitions



Nina, Buyer, Category Manager
Strategic Natural Ingredient
200 references under management

JOINT DELIVERY OF TECHNICAL TRAINING ALONG TARGETED SUPPLY CHAIN

MORE SECURED, COMPLIANT, TRACEABLE SUPPLY CHAIN WITH IMPACT REPORTS



Nina encourages commodity suppliers to cascade access and recruitment to SUTTI Program



Deforestation, labor issues, safety... data collection from supplier chains provides insight on Responsible Supply Chain compliance



Transparent commercial relationship between farmers group and suppliers



Access to efficient technologies and better working conditions decreases rural exodus, and retain youth in rural areas



Impact measurement can be reported to clients asking for a sustainability premium

SUTTI – Overview of a Thematic Program

Strategic sourcing - securing & improvement
Compliance requirements - information & traceability
Positive impact (internal / external communication)

Industrial Buyers

Ksapa SUTTI Thematic Program

Operational assistance
Link with subcontractors
Financial participation

Industrial Sub-contractors / Supply Chain Partners

Local NGO / Training Institution

Training Program
- Face to face sessions
- Digital solution

Farmers

Training Fees
Supply chain / Compliance Information



ksapa

Q&A

Contact:

Tel: +33 9 50 85 48 48

10, rue de Louvois – 75002 Paris – France

Ksapa.org – contact@ksapa.org

Farid Baddache: fb@ksapa.org / + 33 6 21 50 60 89

Raphaël Hara: rh@ksapa.org / +33 6 09 31 55 86



ksapa

Advise

Invest

Advocate