



Future-Fit
Business Benchmark

FutureFitBusiness.org

21 **Future-Fit Goals** together define the environmental and social ‘break-even point’ for business: the **minimum level of extra-financial performance** all companies must strive to reach



Goals relating to **the environment, communities and employees** also apply to a company’s **core suppliers**



Community concerns are actively solicited, impartially judged and transparently addressed





7 goals specific to **the environment**



5 goals specific to **employees**



1 goal specific to **communities**



5 goals specific to **customers**



3 goals specific to **society as a whole**



All goals relating to the environment, employees and communities extend to certain **suppliers** too



Companies depend on the goodwill of the communities in which they operate, so it makes sense to foster strong relationships with them.

That said, the intent here is to set a minimum threshold of acceptable performance, which in this case means ensuring that the company does nothing to undermine a community's wellbeing.

A future-fit company is not one whose communities are concern-free, but rather one that has taken all steps possible to minimize concerns, and to deal effectively and appropriately with any that arise. Thus the emphasis here is on putting in place appropriate mechanisms to identify and manage community concerns, so that potentially serious issues and legitimate grievances do not go unaddressed.

Note that a company should also take care not to impose its presence on communities in ways that could interfere with their culture and values. This is covered by the goal **Operations do not encroach on ecosystems or communities**.



A **Future-Fit Business** is one that creates value while in no way undermining – and ideally increasing – the possibility that humans and other life will flourish on Earth forever



Every company relies to some extent upon third-party suppliers – as, in turn, do they. Such interdependencies leads to extremely complex supply chains. So where should mutual accountability for supplier impacts end?

A future-fit company takes responsibility for any impact resulting from the provision of supplied goods or services if their absence would seriously affect its business. We consider two types of such **core suppliers**:

- **Outsourced functions:** A company is mutually accountable for the operational impacts of any direct supplier to whom it outsources core business functions (e.g. customer support, manufacturing, logistics).
- **Product inputs:** A company that sells goods (or services whose delivery requires goods to be consumed) is mutually accountable for all cradle-to-gate operational impacts caused by the creation of its product inputs (raw materials and their derivatives).

Future-fit goals relating to operations (grouped under **the environment, employees and communities**) must ultimately be reached by all of a company's core suppliers if the company as a whole is deemed to be future-fit. That's because a company's ability to create value depends on the actions – and thus impacts – of its core suppliers.



Energy is from
renewable sources



Water is used in
an environmentally
responsible and
socially equitable way



Materials derive
from sources that
respect the welfare
of ecosystems,
people and animals



Operational emissions
do not harm people
or the environment



Fresh water is critical to people's health, for drinking, cooking and sanitation. Further, by over-harvesting water, or taking too much water from one source and returning it to another, a company may undermine the balance, quality, and availability of water that flora and fauna rely upon, resulting in the degradation of ecosystems.

Companies must ensure that their water use in no way undermines the availability of water for people and ecosystems that depend on the watershed from which the water is withdrawn.

Water use is a complex issue. Impacts vary at a local catchment level, depend on where water is withdrawn from (e.g. aquifers, rivers) and returned to, and can also arise from changes in water quality (e.g. by introducing or removing impurities).

This goal focuses on localised impacts stemming from water withdrawal. Water quality issues are covered by the goal **Operational emissions do not harm people or the environment.**



Company operations can cause the release of a range of chemicals and particles. The emission of substances that are already abundant in nature, and of substances that nature can break down rapidly and without consequence, are not a concern.

Some substances are known to be toxic to people and organisms. Other substances may not seem immediately harmful, but if nature cannot break them down rapidly they may – through emission into air, land or water – systematically build up in the environment to dangerous levels.

Substances that have a higher potential to systematically build up in nature, and thus are of greatest concern, include those that are scarce in nature (e.g. trace metals such as cadmium), those that are persistent (e.g. CFCs), and those that are emitted in large volumes (e.g. NOx).

All such potentially harmful substances must be kept in tight closed loops, or not used in the first place. The context of this goal may vary from local (e.g. soil, rivers) to global (e.g. air, oceans) depending on the substance and mode of emission.



There is no longer any doubt that the systematically increasing concentration of greenhouse gases (GHGs) in the atmosphere is causing climate change and ocean acidification. Further, ever-riskier fossil fuel extraction methods are becoming increasingly disruptive to the environment. Examples include shale gas fracking and Arctic drilling.

By ensuring energy comes from renewable sources, companies do not contribute to the demand for fossil fuels and their associated emissions, nor to the over-harvesting of resources such as oil whose value to society extends far beyond combustion.

The goal is therefore to ensure that all energy consumed – as electricity, heat or fuel – is derived from renewable energy sources: solar, wind, ocean, hydropower, geothermal resources, and biomass.

In contrast, non-renewable energy derives from sources that cannot be replenished, reproduced, grown or generated in a short time period through ecological cycles, such as: fuel distilled from petroleum or crude oil; natural gas and its derivatives; coal; and nuclear power.



As demand for natural resources increases, so does the pressure placed on the ecosystems, people and animals that contribute to their delivery.

Many issues related to responsible sourcing – from reducing emissions to paying people a living wage – are covered by other future-fit goals. The emphasis of this goal is on a specific issue not covered elsewhere: causing no harm as a result of physical sourcing activities (harvesting, fishing, hunting, rearing and mining). Examples include but are not limited to:

- Harvesting renewable resources at rates that do not reduce nature's capacity to regenerate them.
- Keeping non-renewable materials in closed loops to reduce demand for further extraction.
- Respecting the welfare of animals.
- Avoiding conflict and human rights violations when mining valuable minerals.

This goal applies to all natural resources that contribute to the company's **product inputs** – including any it produces itself, any sourced directly from suppliers, and any embedded into purchased materials.



Operations do not encroach on areas of high significance to ecosystems or communities



Operational by-products are repurposed



Operations emit no greenhouse gases



Employee health is safeguarded



The world's resources are dwindling. Renewable resources are consumed faster than they can regenerate, and as society's most accessible finite resources are used up, extraction methods become increasingly disruptive. Demand for virgin resources can be mitigated if all of the materials society uses are repurposed, rather than discarded as waste. Doing so also eliminates the costs – financial, environmental and human – that waste disposal incurs.



Future-fit companies ensure that all their operational by-products are repurposed. In particular, organic waste may be composted and returned to the soil, and materials that can be reused forever (e.g. metals) must be reclaimed.

A company should eliminate by-products wherever possible and (in descending order of preference) should, repurpose unavoidable by-products as follows:

- **Refurbish, remanufacture or reuse:** it is cleaned, repaired or otherwise processed to be used again.
- **Recycle:** it is turned into a new product input that the company or a third party can use.
- **Recover:** it is a biogenic substance (100% derived from animals/plants) and is composted or recovered as energy.



This goal is about protecting the health and safety of all employees. Companies that do not adequately address workplace health issues may cause serious long-term negative health problems for their employees.



Note that "health" here extends beyond physical safety to encompass mental and emotional wellness, so companies must not contribute in any way to stress-related health issues.

Work-related injuries, illnesses, and fatalities should reach and remain at zero. Companies should also seek to foster physical health (e.g. through proactive positions on exercise, nutrition and smoking) and mental wellbeing (e.g. zero tolerance of bullying and harassment).



Growing demand for land is putting pressure on ecosystems, communities and plant and animal species. Companies that do not adequately consider the impacts of their physical presence may cause irreversible degradation to natural processes and resources that they and others rely on, and may undermine the wellbeing of local communities.



The requirement is to eliminate negative impacts in areas of high biological, ecological, social or cultural value. Companies must protect such areas where they are already present, and must refrain from expanding into new areas if degradation of some kind is possible.

Examples of what is required include but are not limited to:

- Protecting primary forest (e.g. no clearing of rainforest for farm land).
- Respecting the land rights of communities (e.g. zero tolerance on land grabbing).
- Not introducing invasive species that could affect local ecosystems.
- Protecting aquatic ecosystems from degradation (e.g. diverting sea traffic away from endangered coral reefs).
- Avoiding encroaching on areas of religious/sacred importance to local communities or indigenous peoples.



There is no longer any doubt that the systematically increasing concentration of greenhouse gases (GHGs) in the atmosphere is causing climate change and ocean acidification. Companies should respond accordingly, to ensure that their operations cause no GHG emissions.



Nature can safely absorb some human-made GHGs every year, but the future-fit imperative is for companies to eliminate all operational GHG emissions. That's because we are dangerously close to reaching atmospheric GHG levels that will be catastrophic for society, and any attempt to divide up the remaining carbon budget across companies is too complex and contentious to be practical.

The requirement is for a company to emit net zero GHGs as a result of its operational activities and energy consumption. We consider net GHG emissions to be total GHG emissions less any emissions that are permanently sequestered or adequately offset.



Employees are not subject to discrimination



Employees are paid at least a living wage



Employees are subject to fair employment terms



Employee concerns are actively solicited, impartially judged and transparently addressed



Companies should safeguard employee health by ensuring all employees have the means to afford health coverage, to eat a balanced diet and to be free of concerns about meeting basic needs. Also, employees should be compensated such that they have the physical and mental means to pursue personal development outside of work.

A living wage affords a decent standard of living for the worker and his or her family. Living wage estimates vary by region and guidance is offered by government agencies, academics and/or NGOs. It is typically higher than the minimum wage or poverty-line wage.

Living wage calculations should focus on employee compensation with respect to standard working hours. So figures should exclude overtime pay and (unless they are guaranteed) productivity bonuses and allowances.



Everyone is entitled to equitable treatment and equal opportunity, irrespective of personal characteristics such as age, gender, sexual orientation, ethnicity, country of origin, or disability.

Discrimination in the workplace may take many forms, and discriminatory behaviour can be perpetuated – or at least go unnoticed and unchallenged – by established norms and practices within organisations.

Companies must be proactive in investigating and monitoring key practices – such as recruitment, pay structures, hiring, performance assessment and promotions – to ensure that no discrimination occurs, however indirect or unintentional it may be.

The goal Employee concerns are actively solicited, impartially judged and transparently addressed seeks to ensure that employees are empowered to raise concerns – including any related to discrimination – should they arise. This goal is about reducing the possibility that such concerns arise in the first place.



Companies depend on the commitment and motivation of their employees, so it is good business sense to engage them as much as possible.

That said, the intent is to set a minimum threshold of acceptable performance, which in this case means ensuring that the company does nothing to undermine its employees' wellbeing.

A future-fit company is not one whose employees are concern-free, but rather one that has taken all steps possible to minimize concerns, and to deal effectively and appropriately with any that arise. Thus the emphasis here is on putting in place appropriate mechanisms to identify and manage employee concerns, so that potentially serious issues and legitimate grievances do not go unaddressed.



Employees who work reasonable hours, who feel secure in their employment, and who are afforded adequate time off are more likely to thrive physically, emotionally, and mentally – in and outside work.

Fair employment terms are about respecting an employee's rights, needs, and wellbeing within and beyond work. Such terms include right of association (e.g. the right to join – or refrain from joining – a union), right to reasonable working hours, right to leisure (e.g. holiday entitlements and overtime pay) and right to parental leave.

Note that fair compensation is covered separately by the goal **Employees are paid at least a living wage**.



Products do not harm people or the environment



Products emit no greenhouse gases



Products can be repurposed



Customers are informed about any aspect of products that may cause harm



There is no longer any doubt that the systematically increasing concentration of greenhouse gases (GHGs) in the atmosphere is causing climate change and ocean acidification. Companies should respond accordingly, to ensure that their products cause no GHG emissions when used as intended.

Nature can safely absorb some human-made GHGs every year, but the future-fit imperative is for companies to eliminate all product-related GHG emissions. That's because we are dangerously close to reaching atmospheric GHG levels that will be catastrophic for society, and any attempt to divide up the remaining carbon budget across companies is too complex and contentious to be practical.

Products powered by electricity can be considered as indirectly causing GHG emissions if the electricity derives from fossil fuels, but the products are not themselves forcing that. The focus here is on products that emit GHGs as a direct consequence of their use, such as:

- Transport services whose provision causes GHG emissions (e.g. taxi rides, commercial flights, and couriers using GHG-emitting vehicles).
- Combustible fuels (e.g. diesel, end-of-life tires when sold as fuel).
- Equipment powered by combustion (e.g. petrol cars).



The emphasis here is on products whose purpose is to cause harm, and products that are likely to cause harm – to people, organisms or ecosystems – when used as intended or at their end of life.

One of the most common ways in which products can cause unintentional harm is through the substances they contain. Some products are already widely known to be harmful (e.g. cigarettes). Other substances may not seem immediately harmful, but if nature cannot break them down rapidly they may – through emission into air, land or water – systematically build up in the environment to dangerous levels.

Substances that have a higher potential to systematically build up in nature, and thus are of greatest concern, include those that are scarce in nature (e.g. trace metals such as cadmium), those that are persistent (e.g. CFCs), and those that are emitted in large volumes (e.g. NOx).

A future-fit product can contain such substances only if they are kept in tight closed loops, and retrieved at the end of the product's life. Public waste handling cannot always be relied upon, so the onus is on the company to ensure that such products are repurposed safely.



Some products may cause harm to people or ecosystems, either because of the way they are designed, or because there is a reasonable chance that customers could misuse them or dispose of them incorrectly. The company must make potential customers aware of any such risks, to empower them to make well-informed decisions regarding their purchase, use and end-of-life processing of its products.

Products may cause harm in a wide variety of ways. Some examples include:

- Foods and beverages that affect a person's health if consumed in excessive amounts.
- Products that contain known carcinogens or endocrine disrupters.
- Consumables containing non-biodegradable particles (e.g. plastic micro-beads in shampoo), whose emission into rivers and oceans, via wastewater, harms organisms.
- Complex financial products, whose use may undermine a customer's livelihood if their associated risks are not properly understood.



The world's resources are dwindling. Renewable resources are consumed faster than they can regenerate, and as society's most accessible finite resources are used up, extraction methods become increasingly disruptive. Demand for virgin resources can be mitigated if all of the materials society uses are repurposed, rather than discarded as waste. Doing so also eliminates the costs – financial, environmental and human – that waste disposal incurs. Future-fit companies do all they can to make sure that their products and associated packaging can be repurposed. There are two aspects to this.

First, companies should ensure that customers have ready access to recovery services, for all products and packaging that are not consumed during use. And second, products and packaging should be designed to ensure that – via such a recovery service – they can be readily disassembled into components and materials to maximize their reuse value.

Note that a company is not itself required to gather and repurpose all of its own products: it may choose to do so, or it may instead ensure that repurposing happens through other means, such as partnerships with third parties or support for recycling programs. This goal applies to physical goods: service products that do not rely on the provision of any goods are considered de facto future-fit with respect to this goal.



Customer concerns are actively solicited, impartially judged and transparently addressed



The right tax is paid in the right place at the right time



Lobbying does not undermine the pursuit of future-fitness



Business is conducted ethically



Governments require tax revenue to fund critical services upon which society and business depends.

This goal recognizes the fact that any company should pay its fair contribution to the infrastructure upon which its success – and even its existence – relies (e.g. transport networks, legal system, healthcare, education, public utilities).

This includes not engaging in ‘creative accounting’ to take advantage of tax loopholes – for example to move money to tax havens – and not deliberately seeking ways to obey the letter but not the spirit of regional tax law.



All future-fit goals can, and should, be interpreted as matters of business ethics that apply to any company. This goal, in contrast, focuses on the proactive identification, pre-emptive prevention, and transparent disclosure of any specific issues which could – due to the unique nature of a company’s business – lead to breaches of Future-Fit Business Principles.

The kinds of ethical breach that might occur will vary widely across companies, depending on their size, structure, sector, business model, geographical presence, and so on. A future-fit business is not one that is completely immune to ethical concerns and challenges. Rather, it is one that puts in place effective mechanisms to reduce the likelihood of breaches, to encourage people (employees and third parties) to raise the alarm when one does occur, and to respond effectively to them. Examples of potential issues include:

- Anti-competitive practices (e.g. unfair supplier treatment, price fixing).
- Dis-information (e.g. misrepresenting or failing to disclose information which could influence stakeholder decisions or wellbeing).
- Abuse of trust (e.g. inappropriate use of personal data).
- Wilful ignorance (e.g. neglecting to investigate supply chains in which human rights abuses are suspected).



It makes sense for any company to actively engage its customers, but the intent here is to ensure that a company does at least the minimum required in this regard. That is, a company must give its customers a voice by actively soliciting their views, impartially investigating their concerns, and transparently acting to address legitimate grievances.

Note that – in contrast to the similarly-worded goals relating to employees and communities – this goal does not encompass every type of concern that a customer may raise. The emphasis here is on concerns relating to the future-fit credentials of the company’s products, such as whether a product may cause harm as a result of its use or disposal.

This goal encompasses concerns raised on behalf of individual customers, for example by NGOs and consumer groups.

Transparency is key here. For example, if a product fault is reported which could jeopardize the health of other customers, the company should act swiftly and openly to address it.



Companies often seek to influence the markets within which they operate, by lobbying those with the power to change them.

This goal recognizes that any attempt to influence market dynamics in favour of the business must not in any way contribute to hindering progress toward future-fitness, in or beyond the company.

For example, a future-fit company would not fund any organization that protests against more stringent toxic emissions laws.

