A Conversation on 'Net Positive' with Paul Polman, former CEO of Unilever and John Goldstein, head of the Sustainable Finance Group at Goldman Sachs

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John Goldstein: Hi everybody. Good afternoon to viewers from across Europe, Middle East, and Africa. Good morning to those in the US. I'm John Goldstein. I'm Head of Sustainable Finance Group here at Goldman Sachs. And today I am extremely lucky as are you, to be having a conversation with Paul Polman on the question of Net Positive. And we'll get into what that really means why it matters and how to do it, in a little bit. But just quick introduction. You know, Paul, in some ways is someone who needs no introduction, particularly on this topic, but Paul was CEO of Unilever from 2009 to 2019. Will maybe hear a little bit more about that. Currently chairs a margin, a social venture dedicated systems change the side and at the Society Business School. He is also Vice-Chair of UN Global Compact, as well as a B-team leader. Paul, thanks so much for joining us today.

Paul Polman: Thank you, John, for having me, really appreciate it.

John Goldstein: So I'm really excited for this conversation. In some ways it appears really well with one I was lucky enough to do recently with John Doerr. We were talking about John and his book Speed & Scale, which talks broadly about really what it's going to take to make the progress swinging on climate. This gets a little more direct for business leaders, for investors, what they can do about this. Now, the one thing that both books have in common; they're impeccably researched weighty, and I don't know who wins the competition to have the most footnotes and the most data. But it's a close battle. So it's a good one. Well, I may have to go back and compare. But I think just to kind of follow that flow, just to really start, when you talk about net positive, we all read about net-zero commitments and focus, but, sort of, what is net positive? How is it different? Why is that really what you're centering on?

Paul Polman: The foot note John, I can't miss the opportunity now that you've given me the ball to score the goal, but the foot note really is to ensure that it's based on sound science and not alternative facts. And that's really part of the book and I think, John in his book that I certainly recommend people to read is also doing that. And there's a lot out there now. So it's actually a positive sign that we can reference so much evidence of what we're trying to put in a coherent picture in the book. Let me first express my respect for Goldman and Sachs for what you are doing and the tremendous impact that you are having through your portfolio of investment banking or consumer and wealth management or your asset management or the work you're doing on global markets. It's not by coincidence that you have 150-year young history and are thriving throughout this period and the power of your 40,000 employees, the indirect influence you have on all the companies that you work with and driving them to become a force for good is obviously what's interesting to me. Broadly, we know what need to be done as you rightfully say, but we're not moving with the speed and skill that is needed. But you are realizing more than anything else that we need to finance industry, frankly, to pivot for the overall system to pivot. It's such an important element. We cannot get to the issues of climate changes or inequality and addressing them if you are not getting the money to flow in this direction.

John Goldstein: I may say Paul, one thing your book talked about, which is used a very technical finance terms describing where you need a ton of money. I think $3 to $5 trillion a year to make all this happen.

Paul Polman: It is indeed ton of money, but you are sustainable finance group and I think you've committed $750 billion to that if I remember is not a small amount either. So I want to thank you for that. But I also think it's important that it's not only about the financing or the environmental side, we're going to talk, but also the sustainable side and the plans and the commitments that you've made long time ago when I had dinner with Lloyd before he stepped down and you started your 10,000 women program. And now with obviously, Black Lives Matter and, track the death of

George Floyd, you've made a tremendous commitment on the Black Women Impact Grant Programs and moving that forward. So it's very important that we see this holistically.

So coming to the book, why I wrote the book, if I may be honest, I never wanted to write the book. I always felt that CEOs who wrote books was either to stroke their images or to reframe history. And both of them were not appealing to me. But at the last, WEF that we had, Wealth Economic Forum before COVID struck, Adi Ignatius cornered me and said, "Listen, you have so much experience, you've done it in your company as being one of the four runners or most progressive companies. But you've also shown that it can be very attractive to the shareholders, that it doesn't need to have a trade-off. And, it's so important that you share your knowledge." Most of the books out there are written by academics or consultants in due respect, but they miss really the insights. And here you are one of the biggest publicly traded companies in the world. You need to share the story. And I had started the margin and wanted to create a broader movement to galvanize the change around the sustainable development goals. So the objective of the book was really one of the many tools I'm using to drive a movement. First of all, to reframe what good looks like. Most of the companies are still in the CSR or less bad state and we can talk about that later, John, but less bad is still bad. It's simply not good enough, not what the world needs. So we're reframing that net positive.

The second thing, we do is very practically help a company, how to do that. First and foremost, with individual and leadership transition, many of these things start at the top and start with courageous leadership. You don't create a courageous company if you don't have courageous leaders, but also very practically explaining how you can drive a change process like that. First of all, in a company, then at your industry level, and increasingly at the broader systems changes that we need to drive to succeed. And then last but not least, the book doesn't shy away from the tough choices. This is a difficult period to be a CEO, many things coming at you, many things happening, change has never been bigger and faster. And frankly, we haven't trained the right cradle people to lead these companies in this environment if I may be honest, it's one of the reasons why you see this tenure of CEOs going down as well. So the book is helping them in a sense also to point out the need to be consistent and to make the tougher choices. We have a chapter which we call "The Elephants in The Room," which talks about corruption, CEO, salaries, money, and politics, tax payments, trade associations, that lobby different things than what you publicly proclaim as a company and so forth, that also need to be addressed. All to be meant to help these CEOs, companies and industry sectors to transform to what we call, net positive.

John Goldstein: Well, I think one of the things that's so interesting, even as you walk through there is this ability on the one hand, be very clear in terms of the practical actions you can take, but look at these layers of influence and impact, right? You'd sort of talk about going, you know, in carbon we talk about scopes one, two, three, talk about scope four, but then getting beyond that, I think, as you think about the layers of influence, the layers of impact, I mean, to your point about 1 million black women, I think one of the things for us was so important is, hopefully, you know, $10 billion in investment capital will make a direct difference. A hundred million dollars of philanthropy will make a difference, but putting a stake in the ground and saying, this is fundamentally important, centering on that community, the needs, the opportunities, what that does in terms of our voice and our influence. I think being mindful of the different ways we can have impact. And sometimes it's the checks we write and sometimes it's the voices that we lift out.

Paul Polman: No, absolutely, yeah. You know, I always like to quote Viktor Frankl, John, that, in his book, "Man's Search For Meaning", he wrote something that always stuck to me. He said, "When they built the statue of Liberty on the East Coast of the United States, they forgot to build the statue of responsibility on the West Coast." We've had tremendous opportunities to build our businesses at Goldman Sachs, no exception to that, but with that size and scale, which I also had the honour to lead at Unilever comes in enormous responsibility. I think increasingly business understands that they cannot be successful in failing societies. And they also know that they cannot be by standers in a system that gives them life in the first place. So it's not surprising that people like BlackRock or Vanguard and yourselves are increasingly saying, it's not just good enough to get a return on my money longer term, but I actually also need to be sure that I create that world, where the people can live in longer term. And this is a responsibility that normally we could depend on of governments to deliver if I may be honest and to a great extent they have, but increasingly with the changes going so fast, the challenges that we see geopolitically, there is a void. The institutions, the global institutions designed in 1944, not anymore designed to deliver on today's challenges, the increased amount of global challenges that we see from cyber security to pandemics, to climate change. It is time for business, responsible business to step up and fill that void. And the, businesses that do that are so much the better for it.

Unfortunately, we are at the point now that most people understand that the debate, or is there climate change or not, or is there inequality is frankly not anymore where we spent our money or our time. The bulk of people are there in any country in the world, including the US, what we now need to do is, so what? What do we do about it? It's very clear John, that in the 4.6 billion years, that the earth has been around. And let me simplify that to put it on the scale of 46 years for the audience to follow me. But in these 46 years, we as human beings have only been around four hours. The industrial revolution only started one minute ago. And in that time we've been able to cut down half the world's forests, 68% of species mammals, reptiles have disappeared in the last five decades. Some people call it the sixth greatest extinction. So when is it our time, if we don't start pivoting now, then we put ourselves at risk. And the beauty is that we have the tools to do that and that we're increasingly starting to realize that it is an enormous opportunity. Very simply with the cost that we are incurring of not acting are now becoming significantly higher than actually what it takes to act. COVID is probably the best reminder of that. We've spent $17 trillion in Europe and the US alone to save life and livelihoods, are not yet out of the woods. We've probably lost $25 trillion in GDP over the decade, according to Kristalina at the World Bank, that is significantly more than what it actually requires us to invest to avoid these issues in the first place.

John Goldstein: Well, and one thing that for me was so interesting about the book before we get a lot into the kind of, how is, you talk about the urgency of a lot of these issues. And here we talk about sort of the imperative and the opportunity. But I think what was interesting for me is all the data you had, not just on the urgency side, but on the opportunity side. Right? And I think one of the big you talk about myths that are persistent is around some of these trade-offs. And just some of the statistics you have in the book around the business results that can be driven by some of this net positive thinking. I think both their data and their theories, I mean, talking about 69% higher growth in your purpose driven brands. I think the highly engaged employees, 70% higher productivity, 20% higher sale, we see sort of growth. We see employee engagement; we see all these tangible benefits just on the opportunity side.

Paul Polman: Yeah, I think the market is quickly flipping from seeing it as risk mitigation to actually seizing the enormous opportunities. In Glasgow at the COP26, we really saw the financial market waking up if I may say, and again, I don't want to insult the audience, but it's very rare that they wake up because of moral reasons, but when they smell an economic opportunity, they get involved. So having $130 trillion of money on the management, making commitments to be net-zero by 2050, decarbonizing their portfolios just as you have committed and in your own operations already by 2030 is because you see the opportunities. The fact that we now see in this proxy season, the pressures coming from the investors themselves to the companies in proxy propositions that are increasingly around ESG is because of the opportunity. We can now see, we've looked at 3,500 companies, John, and have put them into different industry segments to make them comparable. Think about transport or aviation or food industry or steel or shipping, you get it. And we compare within each of these industry sectors, the different companies with each other.

And what we find already to no surprise with a study that George Serafeim has done at Harvard around the weighted impact accounts, we find that companies that are already more aggressively attack these negative externalities and try to mitigate them have also already a higher market value. What is still considered to be a nonmaterial for our accounting systems, was basically only reward return on financial capital has become already material for the financial community. And that's not surprising. Because for most companies, the intangibles or the Goodwill or whatever you might want to call it, it's probably 85% of a company's value. And that is really how you treat your social and environmental capital as well. The financial market increasingly understands that if you, for example, if you don't treat your people very well, it's very hard to expect you to treat your customers even better. So now, unlike when I started in 2008, 2009, when there was no data really available were frankly many in the financial market, but also in the broader business community were sceptical, we had to prove, we had to show and results and slowly build our story. And it took four to five years. But now we are in a totally different point. We know companies that are more gender diverse are performing better.

That's why you've made a commitment that any company you make public needs to have two women on the boards. I would say why only two? But it's a good step because we know it performs better at these boards in general. We know that companies now that internalize the challenges of climate change and try to mitigate them are actually higher, valued, and more resilient and better place for the future. We know that companies that start to work, their human rights are liveable wages in their value chain, attacking issues like child labour or slave labour are actually companies that are more robust. So we're in a position to actually put it in hard numbers. In fact, just capital in the US, looked at the Russell companies and they found that the companies over the last four years itself that were more purpose driven operating under these multi-stakeholder longer term platforms actually had a 56% higher return.

John Goldstein: No, I think we're proud to have partnered with Just[?] in a variety of ways over the years and they have great research that I think folks should check out. I think a couple things when we get to the drivers on the opportunity side, I think on the investment side, look, when 40% of global equity fund flows last year were into ESG, it's sort of clear why the investor drive, you know, matters to companies. I think consumers, we see consumer taste and preferences changing. You look at that in the top line growth of those brands. But I think two things that really stood out, I think one you've talked a lot about are employees; they are ultimately the lifeblood of really any company and how important this is to those employees, I think has been one of the, maybe the less talked about if you did a two by two of important, less important, talked about, not talked about, that would be on the very important, not talked about enough box. You have a sort of a host of statistics in your-in the book on that.

The second thing that for me was so interesting is speaking of COVID, you talked about VUCA, V-U-C-A vol[?] that we're living in a world there's volatile, uncertain, complex, ambiguous. And in that world, a quote was resilience is everything. And I think one of the distinctive points about net positive approaches is a different set of relationships with supply chain partners, governments, civil society, your own workforce. And, I think you've walked through COVID it allowed Unilever to be much more nimble and responsive that investment in relationships that are not always relationships that are cultivated, right? Sometimes they're relationships that are avoided, that, that pays off in that resilience is everything kind of world. Maybe just comment a little bit, because looking outside your organization into what is that real difference between stakeholder and shareholder capitalism? Just maybe walk us through that a bit.

Paul Polman: Let me just first start with a qualifier before people are getting worried. You still need a good shareholder return. But increasingly, we are finding out that in general, the best way of getting that better shareholder return is by focusing on optimizing the returns for these multiple stake holders that you refer to. And if you do that successfully, then the shareholders have a higher opportunity or a higher chance to get a decent return. Of course, there are short term investors chasing short term returns. But I actually have stopped calling them shareholders. To me, at least in-with my Dutch background award holding is someone that is committed longer term to a company. Most of the value that a company is creating when they make investments is at least three to five years out. If I build a factory in Unilever, or if I go into another country like China, let's say it might even take 10 years sometimes to get the pay-outs. So this is how value creation is. And, if these companies want to really address these major issues that society has, which have become major opportunities, climate change, inequality, food security, it cannot be done in the red race of the myopic focus on the quarterly performance. Unfortunately, there's still enough pressure in the market that drives companies to that shorter term behaviour. But increasingly we've seen the cost of that to society; the cost and negative externalities, which we are all getting back on our plate. And frankly are increasingly being sent back to companies to deal with the European green deal of the taxonomy is a good example of that, but we've also seen the cost to the private sector itself. The average length of a publicly traded company when I was born was 67 years of life, that has reduced now to 17 years.

John Goldstein: Wow.

Paul Polman: We are grossly underinvesting in these companies now. Most of the value creation of the last 10 years has gone to shareholders and CEOs and frankly not to these multiple stakeholders that built these longer term values. And what we now can see is that, there's a clear bifurcation again happening, in companies that are myopitically short term focused on the shareholder, fast as the ones that run a more responsible, longer term business model in terms of the opportunities for shareholders to create value. The latter model creates more value over the longer term. And certainly in Unilever over the 10 years, we have seen a consistent growth in top and bottom line, there was no need to make a compromise, but also a 300% shareholder return as a result of what we were doing. So increasingly we are there.

Now, not surprising again with what I mentioned that that is the case. As you say, the pressure is coming now from many different areas that are actually fairly transparent, if we would just be aware of it or take the time. We see technology coming in at a very fast pace, that makes a lot of things possible that we thought even yesterday or the day before, isn't possible. I'm still surprised how many CEOs say, "This must cost more money", or "This must cost-put me at a competitive disadvantage." Sure, there are some things you can't do immediately or can't do at once. I always say you can't eat an elephant in one bite, but study after study shows that 70%, 80% of the solutions are already available now, if we would just put our efforts against it and our willingness. Then the other thing that is happening is that the demand from the different stakeholders is becoming so loud and so clear. That if you don't listen to that and don't respond to it, I think you're already heading to the graveyard of dinosaurs. Think about the value decrease[?] that is happening by a lot of new companies in the energy space or in the alternative food space or in the mobility space. And frankly, it's not coming from the incumbents. They are too slow to pivot for different reasons that we need to address which this book is getting to. How can we put these companies on a faster pace?

But the most force and I'm glad you pointed out, are the employees itself? It would've been unheard of John, five years ago or four years ago even, that employees would walk out of companies or write letters to their management or refuse to actually show up anymore. This great resignation that you're now going through in the US and admittedly also in other places is because this generation Z or millennial is really rethinking what they value. And they certainly want a decent salary and life, but they also want to work on something bigger than they could achieve by themselves and work for something more important than just only earning money. And this is the time that we live in now, and rightfully so. And smart companies that obviously first and foremost, depend on the quality of employees as we all know, the engagement of these employees would do well to take notice and be serious.

So what we see right now still is lots of intentions, but they are often not matched by actions. We see companies making commitments for 2050 on climate change, which are sometimes net-zero commitments. I don't know what they mean. There are promises that really don't require anything, hopes for technologies that we don't have. And they refuse to make commitments for 2030. When we know we need to have the emissions in the next 10 years. There is a big gap between what employees say, companies are doing and what CEOs actually promised the world. So the say, do gap is enormous as well.

And then you have many companies that set targets. We can talk about that, but these targets are basically not to lose versus to win. They are in my ducks, I would call them to chicken targets and they think they can get away with it. But increasingly, that's not anymore the case. So whilst we're moving, whilst we're moving in the right direction, whilst we're in some areas, even moving faster than governments, we have to significantly step up. We are at this crucial moment that everybody thinks that they're not part of the problem, but that the problem is getting bigger. We're dealing here with an exponential problem, whilst we continue to think linear and if that gap gets bigger, the pressures will step up. More people, always the more disadvantage will suffer again, out there. And we actually put the mere essence of business, and may I say capitalism at risk. And this is why it's so important that we move to this net positive mind-set.

John Goldstein: Well, so this is a good segue. And before getting to the, now the-we have then what it is. We have the why now we're going to get to the how. Just want to let viewers who are watching live, please put questions in the chat. Because I think Paul was very clear. Doesn't want to just hear us having a conversation, wants to bring you into the conversation. So put your questions into the chat. But meanwhile, that is a great segue into the how. As sort of you look back and you go, the book does a great job of going through the whole journey from before, during, after the Unilever sustainable living plan, kind of what it took, what you learned. I guess, when you look at what it took to really do it, what surprised you because it was easier than you thought it would be and what was harder than you thought it would be?

Paul Polman: Well, this is hard for everybody, you know, John, as we mentioned before, this is the scale times 10 of the industrial revolution that we need to change. And the speed times 10 of the technological revolution, no, you know, no world has decarbonized their global economy. We're carbon junkies. We simply don't know yet how to do it in many areas. We have to totally redesign our mobility system, our food system. It's overwhelming for many CEOs. Then coming at the same time, as you get some of these other forces to deal with the geopolitical uncertainties and again, the tragic news from the Ukraine, just adding to that or the technological revolution itself. It is not an easy time. But as Mandela said, "It always seems impossible until it is done." So the first and most difficult hurdle as we talk about in our book is actually starting with our own capacity to want to take responsibility of these challenges and take responsibility of our total impact in the world. In other words, it starts with leadership. Our first chapter is therefore called, do we care?

What I found in Unilever was, that once we went together with our employees and decided what our next course of action should be, which culminated in the Unilever sustainable living plan, there was an enormous appetite to succeed. An enormous appetite to work on something bigger than just the financial performance. And an enormous appetite was the size and scale of a company like that to really make a difference in society and address some of these bigger problems. In fact, as I said, turn them into opportunities. The speed with which we aligned the company internally was easy. What was more difficult for us at that time was one of the things we talked about was to convey the value creation model to the financial market. That took a little bit of time, but I think we're in a better position now, as we also have covered. In fact, shortly after we started, I had the pleasure to help develop the sustainable development goals, which as you know, was a great moral framework for the wealth when everything else doesn't seem to work. And we asked Mark Malik Brown to put a leader commission that I created, which was the Business and Sustainable Development Commission, where we just looked at four areas to help CEOs implement this into their businesses. We looked at mobility, energy, transition, food transformation and health and wellbeing. And we found in these four areas, just over this decade, an opportunity to unlock $12 trillion of economic opportunity and create 380 million jobs. So we are in a situation now that this value creation story is becoming easier.

The second challenge that we have, John, which is still a big challenge is, we're trying to optimize every company does to a certain extent within a current system when frankly, the system isn't designed anymore to deliver. Just to be very clear. When we have governments that still have $1.8 trillion of per first subsidies that pushes in the direction of unsustainable farming, deforestation or carbon emission, then it is difficult for business to optimize. When you still have an enormous pressure from a certain sector of the financial market on the short term, financial performance, it compromises companies on doing the right things for the longer term. So, I've never met CEOs who want more unemployment, more climate change, more food insecurity, but yet collectively, we're still acting as if we do. And the reason for that is that these boundaries haven't moved. Most of the politicians, most of the businesses are dealing with symptoms and don't take out the time to work these underlying courses. And frankly, through leadership, as I often say, is working on the forest, not working in the forest. This is one of the reasons why, as soon as I came in Unilever, I stopped quarterly reporting, stopped giving guidance. It was not a heroic act in itself. It was exactly meant to change that behaviour. If you then put smart people behind that, you don't have to fear that it actually results in less shareholder return. With very good people, you then put the right systems in place and incentives to ensure that you get actually a better shareholder return over the longer term. But I would say that these are the two biggest challenges.

And then the final challenge, if I may, my final sentence, is there is no uniform agreement on what good looks like. We still don't have the right standards or the measurements. And that's a little bit confusing. You were mentioning the ESG funds and indeed 81% have outperformed their peer funds in 2021. But the standards of ESG are not really there yet. They're now coming in with the European taxonomy and other things, which is the right next step. We're talking about the sustainable standard board coming in, which will help us, but we're still a little bit in a territory that, where there is indeed some greenwashing and claims that probably don't halt the road long term, if you call it that way.

John Goldstein: Well, and actually on the greenwashing topic, one of the parts of the book that really struck me was you were working on a hygiene and sanitation partnership with UNICEF and they asked for soap and your response was, "I don't have soap. I have life buoy." And I think there's a lesson in there around finding those win-wins. Right? Finding where there is value for the business for shareholders, for profits and for society. I think that they cut through a lot of these binaries a lot of people spend time and just maybe tell us a little bit about that dynamic. And I think it just-it shows up in the book in a way that I think is important and not often how people talk about it.

Paul Polman: Yeah. I used this a little bit as a proxy for what we were trying to communicate in the book, you know, I'm from the Netherlands and a lot of people, when I talk this way and explain what we were trying to achieve with Unilever, think that I fell off the deep end coming from the Netherlands I must have smoked something, but I'm actually a firm believer in capitalism. But capitalism that works. That works for the long term, that works for everybody in this wealth to a great extent. And that also works for future generations. It is in our best interest. And what is most important for companies as they, make these transitions, is obviously what you do at the corporate level. At Unilever, we set non-negotiables. We have to move to sustainable sourcing. Decoupling our growth from environmental impact. We simply are living well beyond the planetary boundaries. We can't have infinite growth on the finite planet than anything you can do forever is by definition unsustainable. So we had to decouple. We have to be sure that all of our factories were run at zero waste. That we would confer to green energy. We were one of the first companies to do that actually saved hundreds of millions as a result.

So we had some corporate objectives. But ultimately, what we were doing and our relationship with society or with the citizens of this world, was through our brands. And what we really did as a major change was each of our brands, we gave them objectives that were a higher level purpose if you want to. Most companies would run their brands on, I want so much top line growth, and I want so much bottom line growths and now go out and deliver it and figure out how to do this. We actually said, no, a brand like Domestos, its main objective became to solve the issues of open defecation. It made a commitment to build a hundred million toilets for people that didn't have them. A brand like Lifebuoy made a commitment to help a child reach the age of five. In this world, there's still 4 million children dying every year of infectious diseases like pneumonia or diarrhoea, that frankly could be avoided by a simple act of handwashing. And yes, it isn't any of our children for the people listening on this call. And then a brand like Dove said, we need to work on women's self-esteem. Only 4% of women feel comfortable in the bodies that they're in. It's not their fault. It's the stupid advertising out there and the models we put in the newspapers, but frankly, none of them exist. They're all computer doctors.

So to the extent that women don't want to be participating in sports, raising their hands in class, drawing their attention. So Life-Dove said very simply, "We're going to reach a hundred million girls in schools and work on women's self-esteem." Interestingly, all these brands were out there solving these societal problems. All these brands became more creative because they were living in this [inaudible] wealth. They became outside in brands. All these brands became part of a bigger movement. And they were growing at twice the rate of the Unilever rest of the portfolio, and they were actually also more profitable. And when we could show that, the penny dropped and even within the company, where we still had some sceptics people sitting on the fence, jumped and fortunately jumped to the right side of that equation for them and for the company may I say. So that is why it's so important that we look ultimately at these brands, which had these links with our citizens or consumers to drive this broader change.

John Goldstein: No, I love-I mean, there is sort of in unapologetic putting the brand forward. Right? There wasn't any bashfulness about it because that was the win-win. And I think you had a great quote, and I use a derivative of it that marketing budgets are a whole lot bigger than philanthropic budgets. And I linked to the conversation earlier, investment capital is even bigger than marketing budgets. Right? And I think back to the-there's a quote in the US of, you know, they asked an old bank robber, Willie Sutton, why he robbed banks. And he said, "Because that's where the money is." And I think a lot of your focus is of let's use the levers of where kind of the money are.

Paul Polman: Sorry to interrupt John, but when I talk sustainable, it also means sustainable financially. Otherwise it would be easy to have no impact just by going out of business. You know, I always compare, profit is like the white blood cells in your body. We all need white blood cells to live, but we don't live for white blood cells. That's why we invented purpose and these higher other brands. But you still need to ensure that you have these white blood cells or profit. So there's nothing wrong with that. In fact, by showing that Lifebuoy grows faster and become more profitable, we actually can do more of it. This is one of the reasons that over these 10 years, we reach over 1 billion people with hand washing and saving a significant amount of lives. So I've always said it's actually a very good business to be in, and actually changing lives and doing that in a profitable way. It cannot come from charity models or it cannot come from the NGO community. And frankly, it can come from the governments either. This is the essence of business and business needs to once more pivot their models to achieve that. And I think that needs to be clearly understood. What we found in Unilever final sentence is, that because we were such a mission driven company and people understood within the company that there was still a lot of sceptics or cynics out there that frankly didn't want us to succeed. That it put even a higher pressure on performance. I personally believe that that was one of the reasons why we had a consistent 10 years, top and bottom line growth because people thought that they were just on a bigger mission than even Unilever itself.

John Goldstein: It was funny back when Goldman Sachs acquired Imprint Capital, Impact Investing for my co-founded. I think one of the things we really talked about is, our goals were to sort of move more capital impactfully. But second was do it better. Because you're either creating proof points or cautionary tales. And proof points fade quickly, but people remember those cautionary tales for a really, really long time. And I think he explains one of the barriers, I see is, sort of this built up cognitive bias from, you know, people I like to say sometimes not that people are wrong, but there may be 10 years out of date in their perceptions of these things. But as we go from the past to the future, one of the question that came in-Paul, the question is, you said you're often guilty of hoping for technological solutions that don't yet exist, but what are the emerging innovations that you see buddy up to get you excited? What are the things that are not in the 2050 distant horizon, but much closer that get you excited?

Paul Polman: Now first, I don't want to be here misquoted. I'm actually hopeful because technology is actually always going faster than what people expect. But the awareness gap is there. People are just not aware of it. I give you an example. In 2014, the International Energy Agency was saying that green energy wind and solar would be 5 cents per kilowatt hour by 2050. We actually achieved the 5 cents by 2030-2020, 30 years earlier. I was in the UAE a week or two ago, it's one and a half cents per kilowatt hour. That same international energy agency was saying in 2014 the electric car will be as economical to buy as the combustion engine by 2050. I think we will pass that curve in 2024 and 2025. So I get excited about technology, but I don't put false hope in technology. I think Bill Gates' book is a very useful addition, we don't criticize each other for anything that is a gift to the wealth if you want to, but just to sit here and say, technology will solve all the problems, I think is a little bit naive. We know how to build toilets and yet one and a half billion people have still opened the application. We know how to produce food without cutting down the forest, and yet we still cut down the forest as if it doesn't matter. So, a lot of things we can do now already, again with leadership, with willpower, by forming partnerships, making systems changes, changing rules, laws or regulations that would really, avoid or even, and reverse many of these challenges that we have.

But on technology itself, what I'm excited about, I think hydrogen, green hydrogen is going very quickly to $2 per kilo, and that is a tipping point. I think that will open the door much faster for green aviation for example, a green shipping coming in, a green steel. There are some companies moving into that direction already, green cement. Those are these high abatement or high emitting industries. And not surprisingly, the bulk of venture capital has moved in there at a quite rapid pace and I'm sure that many of the people that are listening in have been benefiting or are part of that investment the wave that is happening. So I'm excited about that. I'm also excited actually about a more modest system, which is the transformation of the food system. It is now for the first time that people understand that to solve climate changes, we also have to solve our natural capital and in Glasgow at the COP26, for the first time, the transformation of food systems agreements to get the sustainable supply chains, stop deforestation are all high on the agenda. It's about 25% of the problem, but it's also 30% of the solution. And frankly, the cheapest and best technology we've invented is called a TREE it's spelled T-R-E-E. And it does a lot of things. It grows by itself. It absorbs carbon, it gives us a lot of other things. So, I think I'm actually excited about that. That people start talking now about soil health, about carbon capture about regenerative agriculture. Now these are some examples that I think we should now scale at the speed that we need.

John Goldstein: Now, and it's been so exciting to see other companies really leaning into this topic. When you talk about forestry, I think about the work, you know, our friends at Apple and the restore fund, how to really partner with civil society, conservation international, how you put those pieces together. And I think the power of partnership, the book does a great job of into. So look, in our last couple of minutes, as you think about the audience, both watching this live and potentially later, what's your advice who come away inspired? So step one is; read the book. But beyond that kind of what, you know, two; it can be paralyzing for people. How to get started, right? How to take that step?

Paul Polman: Well, everybody can make a difference. I think the first step to do is create the awareness, get yourself familiar with what the sustainable development goals are if you don't know yet, or read about the technology that is developing. There is a gap in awareness that needs to be bridged. So if you are in that change process, then, yes do. The second thing is make your money matter and really put it at the right place. First of all, I think you are putting yourself at a higher probability of getting better returns. All my investments are in the Impact space and increasingly more, and that definition is rapidly moving up. But it's also the right thing to do. Not only from an economic point of view, but also from a moral point of view. Anybody that is listening to this call is financially independent. You've had your education, you didn't have to deal with food security when you were born, you weren't stunted, you had a toilet at home, you made it past the age of five because you had a piece of bar soap. And yes, in my case, my father worked in a factory, but I had access to free education in the Netherlands. Otherwise I wouldn't have been talking to you. But let me be very clear. That is because I won the lottery ticket of life. I haven't done anything for that.

Unfortunately, it's only five of the world population and getting less who have won that lottery ticket of life. If you are in that category, then I believe it is our duty, our obligation to put ourselves to the service of others. A world where too many people feel they're excluded or not participate will ultimately rebel against itself. And we cannot construct a wealth of smaller and smaller islands of prosperity in an increasing ocean of poverty. So take that moral step that gives us the courage to do a little bit more than we otherwise would be doing, as well as this enormous economic opportunity that is laying there. And if we can find this sweet spot in this case with the financial flow of where we can work on things that we like to work on, that we're good at, and that the world needs, we're working on that intersection where miracles happen. And I think many of us are getting to some of these intersections and its just outright fun and outright rewarding. It was the Dalai Lama who said it very well when he said that, "If you seek enlightenment just for yourself to enhance your own, you miss purpose, but if you seek enlightenment to help others achieve their objectives, you live a life with purpose." So my final message to all of us really is, I live a life with purpose.

John Goldstein: My one warning on that, as I've told people, it's a one-way trip. Right? Once you've started working that way, once that's how you've been spending your life, I find you can't go back. So that's the one health warning is once you discover that that's how you can spend your days, there's no going back from there. Paul, thank you so much for your generosity, for your time, for your insights, for your wisdom. Really, really appreciate it. We just scratched the surface, but would encourage everybody who wants to go deeper, please feel free to reach out to your

Goldman Sachs representative and you can get a paper or E-copy of the book. Otherwise you can find it yourself, but Paul, thank you so much.

Paul Polman: Well, thank you, John, and other people listening for what you are doing and above all be safe. Hope to see you in person soon. Thank you.

John Goldstein: Likewise.

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