We’re just a few months into a new and pivotal decade, and the global coronavirus pandemic has changed life as we know it. Turning a crisis into an opportunity is of course a cliché—and before the coronavirus crisis we were already on the brink of another, slower sustainability disaster—climate change. Somehow it is easier to mobilize resources to solve the critical, short-term, immediate problems, as opposed to the climate crisis which has been underway for decades. The pandemic has created an unprecedented, terrible reality that will change us in ways we can’t even anticipate. But it’s also a wakeup call, and a chance to rethink how we conduct business. It has presented a tabula rasa—a clean slate—an opportunity to restart business based on sustainable principles.

Business cannot thrive on economic returns alone. As we lay out in this book, we need to measure success beyond profit to motivate change. And just as health workers, fire departments, police forces, and many others have been on the front lines of the COVID-19 pandemic, it’s time for business leaders to step up to the front lines of the sustainability crisis.

COVID-19 has created a lot of fear and uncertainty—but this means that it is a leadership imperative. In reaction to the pandemic, companies can demonstrate in unprecedented ways their commitment to purpose and society. The businesses that are authentic will build trust, loyalty, and resilience.

The pandemic also highlights the importance of science and facts, a point we underscore in this book. In this case, COVID-19 has shown us that human health and the health of the planet are inseparable, that we must resist fake news and convenient truths, and that partnerships are key to solving major
challenges. Now more than ever, concerted global action for a more sustainable world is urgently needed.

While we grapple with the seismic shifts in our society and economy brought on by the pandemic—the full consequences of which we can’t yet predict—we cannot lose focus on the myriad challenges that the planet and humanity are facing. Climate change, rising inequality, and unsustainable resource use continue to demand our attention and action. This is not a head-in-the-sand moment. It is an invitation for the world to change direction—faster and more decisively than ever. It is also an opportunity for the private sector to exercise much-needed leadership in finding solutions rather than adding to the problems. With just ten years left to achieve the UN Sustainable Development Goals (SDGs) agreed by the world’s nations in 2015, all sectors of society need to mobilize for a decade of action.¹

Courageous and visionary business leaders are already heeding that call, inspiring others to set big, bold goals. There has also been a remarkable shift among investors, including influential mainstream investors, toward prioritizing sustainability and factoring the impact of climate change into investment decisions. Citizens around the world have been raising their voice for change, in ever larger numbers. Business leaders can no longer turn away. This book is a wake-up call because there is simply no time to lose.

Sweden may be a small country, but it has long punched above its weight. It is admired around the world for its progressive actions on sustainability, both as a nation and within the business sector. In this book, we share some of the essential ingredients in Sweden’s “secret sauce” for corporate sustainability leadership. We draw extensively on our own leadership platforms and experience as well as that of other business leaders who share the same commitment to sustainability.

There Is No Business as Usual in a Turbulent World

Concerted global action for a more sustainable world is urgently needed and the challenges we face are more complex than ever. While it is encouraging to see that setting sustainability targets has become business as usual for many companies, most targets are still based on achieving incremental improvements. Leaving a better world for our children requires not just some action from the business world, but exponential solutions. Sustainability is not a trend; it is a condition for future business success, and we need to up the game.
It’s important to keep in mind that sustainability is not philanthropy. It is much broader than environmental impact, corporate citizenship, or corporate social responsibility. It is not a stand-alone issue but affects every aspect of a company, and therefore must be connected to the core business and aligned with overall corporate strategy. We define sustainability, in the business context, as an integrated approach to minimize a company’s negative impacts and maximize its positive social, environmental, and economic impacts, while creating long-term value for all stakeholders. We see sustainability as critical to the success of today’s companies.

Over the next 30 years the world population will likely reach ten billion people, all wanting the same opportunities for a decent life. Despite global economic gains, more than 700 million people—some 10 percent of the world’s population—still live in extreme poverty. At least two billion people worldwide live in areas affected by fragility, conflict, and violence, where the intersection of poverty, high population growth, environmental degradation, natural hazards, and protracted conflict leaves them especially vulnerable. Unprecedented mass migration and movements of people have led to some 150 million people being displaced (equivalent to the world’s tenth largest country), due to conflict and humanitarian crises. The current geopolitical instability, economic turbulence, protectionism, and polarization exacerbate global inequality and threaten peace and prosperity. While globalization has opened up new markets it has also contributed to supply chain complexity and risks of labor exploitation.

People and planet depend on one another—but this mutual dependency is not reflected in current measurements of economic growth. Gross domestic product (GDP) is an increasingly inadequate indicator of growth, productivity, and value from the perspective of sustainable development, and the relentless pursuit of higher GDP has resulted in environmental destruction and a narrow notion of human wellbeing netted at the expense of a fair and inclusive society. The UN Sustainable Development Goals, the world’s plan to build a better world for people and the planet by 2030, call for a recalibration, with only a decade left to shift direction.

As many Swedish business leaders in this book point out, they are well aware of the privilege of birthright, coming from a country where basic needs are met, and where they can rely on the benefits of social democracy—the right to free education, healthcare, and other aspects of a stable, well-functioning society. Part of their passion for creating purpose-driven companies stems from a recognition of the importance of balance: the drive for profitability is tempered with a sense of responsibility to create positive impact
in the world, and leave a worthy legacy, with sustainability as a central, defining aspect.

As CEO of Scania, Henrik knows that transport is a big part of the problem, responsible for 24 percent of direct CO₂ emissions from fuel combustion, according to the International Energy Agency, and road vehicles account for nearly three-quarters of transport CO₂ emissions. But he is also convinced that Scania can be part of the solution, by driving the shift to fossil-free commercial transport. This book is partly the story of that journey. For her part, Elaine’s years of experience with technology and digitalization have brought her to the same point of deep commitment to act, to realize the substantial sustainability benefits Information and Communication Technology (ICT) can deliver, but also to raise awareness around—and preempt—its emerging challenges.

Our case for action is for business leaders, the primary audience for this book. Business has more influence and power than ever before. In the past 20 years, the number of companies with a market capitalization above $100 billion has more than doubled from 37 in 1999 to 98 companies in 2019 and many companies today are larger than governments. CEOs and other executives are expected to step up and do their share to contribute to sustainability. While we are seeing the welcome appearance of individual CEO activists, this needs to become the norm—not the exception.

Encouragingly, the financial world is waking up to the climate crisis and the costs of sustainability inaction. The financial risks of climate change are now firmly on the agenda of many banks, insurers and other financial institutions and growing numbers are putting a stop to investment in the fossil fuel economy. In 2019, the European Investment Bank announced it would cease funding fossil fuel projects by the end of 2021. Sustainable investing and Environmental Social Governance (ESG) investing is no longer niche but rather one of the signature financial shifts of the past decade, obliging more companies to focus on sustainability as well as profits.

The urgency to act is there: to be a leading company and business leader today requires sustainability leadership. But what does it take? Do you have the ambition and the tools to take your organization on the journey and make a credible, meaningful contribution to the sustainable development challenges the world faces? What can you learn from how Sweden is rising to the challenge?
The Sustainability Leadership Model

This book attempts to answer some of those questions and point you in the right direction. It starts and ends with emphasizing the importance of leadership. Based on our combined decades of experience in moving the needle in our respective industries, we’ve developed a simple but powerful Sustainability Leadership Model (i.e., the journey to sustainable Expönentiality, with a Swedish flair) (Fig. 1.1).

The three steps of the model consist of the following elements:

![The Sustainability Leadership Model](image)

**Fig. 1.1** The Sustainability Leadership Model. This consists of three steps that include setting the Foundation (1.0), embedding sustainability into the Core (2.0), and making the Leap (3.0)
• The Foundation: Discover your purpose, know your footprint, and build trust through responsible business.
• The Core: Embed sustainability in your core business. Make it real by linking it to sales and customer value creation.
• The Leap: Find your X-Factor. Adopt a societal and planetary lens, seek unconventional partnerships, and hone your influencing platform.

The entire model is a journey toward sustainable exponential impact, or Expöntentiality, which is the destination. A simple formula shows how individual leaders can reach that destination, and find their X-Factor. Think about the X-Factor as your level of ambition on steroids; what differentiates you as a sustainability superhero. Your ambition as a leader will be fundamental to guide the necessary actions to steer your company to sustainability leadership and market success.

Through sharing the experiences of some of today’s sustainability pioneers, our goal is to nudge business leaders to find their own X-Factor and start their Expöntentiality journey today. Engineers and mathematicians, take note: this is not meant to be a precise mathematical formula; it’s rather about directional leadership (Fig. 1.2).

![Fig. 1.2](image)

Fig. 1.2  The Expöntentiality Formula. This simple but powerful formula shows how leaders can reach sustainable exponential impact, or Expöntentiality. The footprint focuses on minimizing negative and maximizing positive sustainability impacts. The Value proposition is how sustainability is integrated into the core business. By upping their ambition, leaders can discover their X-Factor through a set of unique tools and accelerators. The exponential impact you create delivers long-term value for business and for society.
A Reader’s Guide

We recognize readers will be at different stages of the sustainability leadership journey. Some will be just setting out and others may be well on the way to becoming exponential in their reach and ambition. Our intention is to provide guidance for business leaders at every stage. By business leader we mean first and foremost CEOs, but also the C-suite (other senior executives) such as chief sustainability officers, or anyone trying to lead a sustainability transformation in the company. The book is structured to allow readers to begin where they like—to sample the smörgåsbord (that famed Swedish buffet meal), according to their own preferences and appetite. The book is divided into three parts, in line with the Sustainability Leadership Model:

Part 1.0 The Foundation includes three chapters:

- **Purpose-driven leadership**, describing how a leader can discover their purpose or “north star” to guide their sustainability leadership journey (Chap. 3);
- **A stake in the ground**, knowing the basics, and outlining how to use stakeholder insights to help set your level of commitment or ambition (Chap. 4); and
- **How to earn trust**, underlining the importance of responsible business practices in building trust—a vital ingredient for successful partnerships and stakeholder relationships (Chap. 5).

In Part 2.0 The Core, the focus is on business integration for sustainable value creation. The three chapters in this section include:

- **Embedding sustainability in the core business**, analyzing the strategy, business model, and value proposition to identify the challenges and opportunities that matter most and where you can have the greatest impact (Chap. 6);
- **It all comes down to sales**, making the all-important link between sustainability commitment and your customer (Chap. 7); and
- **Measuring impact beyond profit**, how to use robust sustainability metrics to measure what matters and support your progress (Chap. 8).

Part 3.0 The Leap is where business leaders define their level of ambition. These five final chapters are intended to help leaders aim higher and set their sights on changing the world. It is here that the Expöntentiality Formula can help visualize where the greatest transformational business potential lies.
The Path to Expönentiality introduces the societal ecosystem approach, and how using societal and planetary lenses helps you understand your impact on society (Chap. 9).

Society as a Stakeholder applies the Expönentiality Formula and helps you to find your X-Factor, in part through unconventional partnerships (Chap. 10).

Making Business Sense of the SDGs is about understanding how you fit into the broader sustainable development agenda, and how to make the UN Sustainable Development Goals purpose-fit for business, and be on the alert for “SDG-washing” (Chap. 11).

The Next Sustainability Frontier Is Digital explores how digitalization is a powerful accelerator but why caution is needed to avoid some of the inherent risks in data-driven societies, that is., data pollution (Chap. 12).

Find Your Personal Influencing Platform sets out why the key to advancing a leadership vision for sustainability transformation begins and ends with leadership and that the true test of purpose is having an authentic, impactful voice on the issues a leader is most passionate about (Chap. 13).

The three stages of the model in their entirety comprise the journey to Expönentiality. By the end of Part 3.0, we hope leaders will have identified new possibilities for their own sustainability leadership journey. It is in their power to execute a vision that not only shifts the direction of the company but has the power to change an entire industry—and even, in some modest way, the world.

This book is rich with cases and examples, provided by respected Swedish business leaders from leading large industrial companies to startups, who have generously shared their stories, opened up their toolboxes to reveal their best strategies, and shared their personal motivations for why sustainability is a main driver of their business leadership. Further insights are provided by a range of experts and thought leaders who shared their views with us: investors, economists, next-generation innovators, and sustainability advocates. We have found it to be an inspiring journey and hope you will, too.

In the Conclusion, “No Time to Lose,” we leave readers with a call to action. Don’t settle for incremental improvement. We don’t have all the answers, but the urgency of rising to the challenges of a more sustainable world is greater than ever. It’s time to step up and use your leadership platform to make a difference.

The world is counting on us.
Expönestiality Cheat Sheet

These key terms and definitions are unique to this book, and represent our interpretation of these words. As you’ll notice with the creative spelling, there’s a Swedish flair!

The Sustainability Leadership Model: An original model developed by Elaine Weidman Grunewald and Henrik Henriksson, summarizing three phases of sustainability leadership. These are The Foundation, 1.0; The Core, 2.0, and The Leap, 3.0 which together can lead to exponential sustainability impacts. They are interdependent and the end goal of exponential impacts cannot be achieved without the first two.

Planetary Lens: A way to view and understand a company’s impact on the environment and the planet.

Societal Lens: A way to view and understand a company’s impact on people, communities, and society more broadly.

Society as a Stakeholder: An approach that looks beyond traditional stakeholders to include society as a key stakeholder and assume responsibility for maximizing the positive impacts and minimizing the negative ones.

Societal Ecosystem: A business ecosystem that applies a planetary and societal lens to understand the science and impacts on people and planet while engaging with other actors, and finding new value chains.

Expönestiality: A company journey to achieve exponential sustainability impact that is based on purpose-driven leadership, a strong integration with your core business, and finding your X-Factor level of ambition.

Expönestiality Formula: The roadmap that links each phase of our model together to achieve Expönestiality.

The X-Factor: A set of leverage points—unique tools and accelerators that enable you to amplify your ambition and achieve greater impact. There could be many others, but we’ve chosen to highlight societal ecosystem, unconventional partnerships, digital technologies, and your own personal influencing platform.

Digital Pollution: When the use of data or data-driven technologies has harmful or negative unintended consequences on people, planet, or society, as a result of unattended risks, or poor data management.
1. Decade of Action, UN Sustainable Development Goals, accessed Nov 10, 2019, https://www.un.org/sustainabledevelopment/decade-of-action/.
2. Goal 1: End poverty, UN Sustainable Development Goals, accessed Nov 10, 2019, https://www.un.org/sustainabledevelopment/poverty/.
3. Global Humanitarian Review 2019, UN Office for the Coordination of Humanitarian Affairs (OCHA) accessed Nov 10, 2019, https://www.unocha.org/sites/unocha/files/GHO2019.pdf.
4. Tracking transport, International Energy Agency, May 2019, accessed Nov 29, 2019, https://www.iea.org/reports/tracking-transport-2019.
5. PWC, Global Top 100 companies by market capitalisation, July 2019. https://www.pwc.com/gx/en/audit-services/publications/assets/global-top-100-companies-2019.pdf; Top 100 Companies by Market Capitalization, http://fortboise.org/top100mktcap.html.