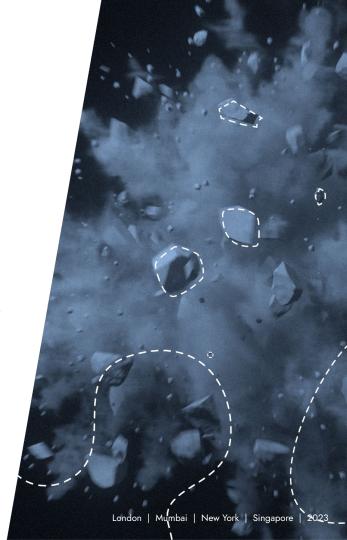




KEY MESSAGES

- We're passing over the 1.5°C threshold and now face the dual imperative: transform systems while also responding to climate change impacts.
- In order to do so we need to unlock the inertia that keeps us on the 1.5°C trajectory, while building the capacity to transform through natural disasters.
- The Business Transition Trajectories are a futures tool that can be used to better understand the responses that keep us on the current trajectory and how to navigate towards the 'Courage to Transform' trajectory.
- The **Five Principles for Transforming through Crisis** provide guiding principles to navigate towards more resilience business models in the face of climate change.



SUPPLEMENTAL GUIDE

Supplementing the report, this short deck aims to provide a means for you to bring the Business Transition Trajectories to life within your own team or organisation.

It does so by:

- Setting the context for why transformational change is crucial
- Providing four pathways for how businesses are responding and what might be reinforcing inertia
- Providing a means to catalyse a deeper discussion on how your organisation or sector might take action to enable a 'Courage to Transform' trajectory

We understand that these are complex issues, and we acknowledge that this supplement offers solutions at a high-level overview.

Forum for the Future is available to facilitate workshops around these materials to develop a deeper understanding of how to respond to the challenges of this decade.



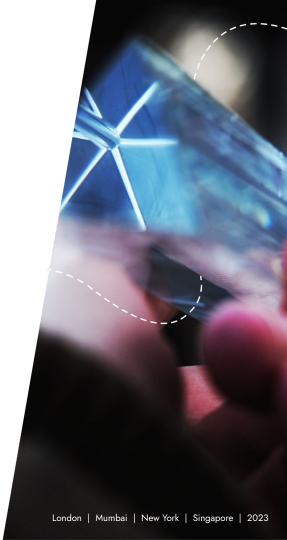
Using the Business Transition Trajectories

A futures tool to explore how businesses is responding to our environmental and social crises as we enter a new operating context

THE BUSINESS TRANSITION TRAJECTORIES

The Business Transition Trajectories are a futures tool to provoke a deeper examination of different mindsets adopted by market actors to resist, respond or adapt to the crisis, and allows you to observe—or imagine—where transformative potential exists.

- The four trajectories may seem provocative or readily familiar. They are
 written to highlight opposing extremes of human behaviour and to
 encourage conversation on which actions will reinforce the status quo
 and which will contribute to transformation.
- Each trajectory can interact with others in contradictory or mutually reinforcing ways. You will find them simultaneously coexisting in the world around you. They do not encompass every potential factor or outcome, but provide a glimpse of how mindsets might contribute to how we respond to our changing world.





THE BUSINESS TRANSITION TRAJECTORIES

PASSING THE 1.5°C THRESHOLD

People aiming to lead change in business are facing headwinds: inflation, rapidly changing reporting standards, price volatility, talent scarcity, and the highest number of violent conflicts since the end of the Second World War.

Challenges are intensifying while the need for transformational change is becoming more acute.

By 2030:

- Global natural disasters could increase by 40% this amounts to 540 natural disasters every year; more than one per day.
- The number of droughts is forecast to double.
- Extreme temperature events are set to triple.
- 4.8 million people are at risk of hunger by 2030 due to climate change

Source: Our World at Risk: Transforming Governance for a Resilient Future Global Risk Report 2022'



HOW ARE BUSINESSES RESPONDING?

- The responses from businesses to these pressures vary. A small but growing number of companies are redefining the purpose of their business, or launching new businesses, as a solution to the challenges the world faces. Others are choosing to stay silent, apprehensive of being accused of greenwashing or genuinely unsure of how to move forward.
- Of more concern are those that are sensitive to a growing anti-ESG sentiment from political groups in the United States, contending that a company's primary responsibility, above all else, is to deliver returns to shareholders.
- Concurrently, the field of sustainability is experiencing rapid expansion and has moved into the mainstream of corporate strategy.
- However, in spite of this massive uptick in activity, it has not yet set us on a path towards the just and regenerative future that we aspire to achieve.

HOW WILL THESE RESPONSES SHAPE THE FUTURE?

Every business response is rooted in a mindset. Mindsets are pivotal in influencing how we address environmental and social crises, serving as foundational tools that shape individuals' and organizations' perceptions, approaches, and reactions to the future. The Business Transition Trajectories delve into how specific mindsets will shape various future pathways, highlighting our potential to cultivate a 'Courage to Transform' mindset.

Directions:

- Read through the questions on page 11.
- Explore each of the trajectories in the report keeping these questions in mind.
- Scan the internal and external environment to identify these mindsets.
- Facilitate a discussion using the questions on page 11 as a guide to explore what this means for individuals, the organisation and sector at large.
- Explore the barriers or possibilities to contributing to a transform trajectory.
 How might you rethink the purpose of business to address these challenges or opportunities?

DISCUSSION QUESTIONS

- What trajectories resonated with you as being true? Is there a mindset you find more dominant in your organisation or sector?
- In what ways did some mindsets, more than others, continue to contribute to greater future risks from climate inaction?
- Using any of the trajectories as a case-study, how might changing decision-making power, authority, and influence longer term outcomes in that scenario?
- A root cause behind several trajectories lies in the prevailing economic growth model, which often shifts environmental and social costs onto external factors. Can you envision a world operating under an economic model that considers indicators beyond growth in the next two decades? If such a shift were feasible, what actions might be taken today to contribute to that future?
- What barrier or possibilities are there to contribute to a transform trajectory? How might you rethink the purpose of business to address these challenges or opportunities?



PROFIT SUPREME

Businesses focus on their historical purpose:
 to maximise short-term shareholder value.

Some companies don't engage, unclear about what to do.

Some businesses may respond to the pressure to actively
 oppose the value of sustainability initiatives — seek to make
 it a 'culture war' issue.

Critics challenge whether efforts actually do any good.





On this trajectory the world continues on a growth path so as to permanently exceed the crucial 1.5°C threshold.

A chain of **tipping points** that irreversibly reshapes Earth's climate system is triggered.

PROFIT SUPREME

SIGNALS OF THIS FUTURE:



Rush for critical minerals is on with a focus on challenging China's dominance



Rising sea levels could endanger numerous coastal ports leading to large scale supply chain disruption



Risk of rising anti-ESG legislation in the US



Supply chain fragility in the face of extreme droughts

Read further

Read further

Read further

<u>Read further</u>

HORIZON SCAN

Where do you see this future emerging?

- Get into groups and take turns sharing signals and where you can spot this mindset growing externally.
- Explore future implications and what impact these might have in a changing climate context.

Questions to keep in mind:

- How does the dominant mindset influence the trajectory's evolution over the coming decade?
- How does the distribution of decision-making power, authority, and influence either reinforce existing patterns or contribute to building resilience?
- Conversely, how might the structure of our economy, and how it allocates resources, pose challenges to driving transformation, potentially entrenching inertia?

SHALLOW GESTURES

- Businesses appear to take actions to address environmental and social challenges, but are unable to commit to the trade-offs that will be required.
- Bold announcements are made and "green" product lines are launched but these efforts fall short of creating meaningful impact.
- People publicly repeat the rhetoric of 'change' but efforts ultimately resemble shallow gestures.





On this trajectory the notion of a 'win-win' approach to corporate sustainability, where companies flourish while improving environmental, climate, and social aspects hasn't proven viable.

The world is on track to permanently surpass the critical 1.5°C warming threshold, leading to severe and irreversible impacts on our planet and its inhabitants.

SHALLOW GESTURES

SIGNALS OF THIS FUTURE:



Only 7% of companies are on track to achieve their net zero targets



Insurance companies continue fossil fuel investments while announcing sustainability initiatives



Efficacy of nature based solutions challenged with rising temperatures



Gaps revealed between climate action and climate messaging

Read further

Read further

Read further

Read further



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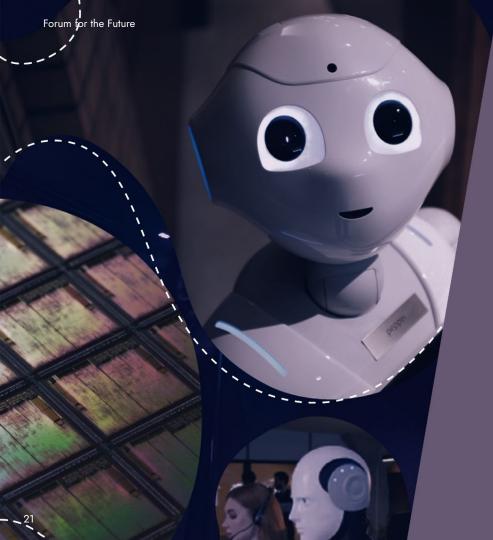
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TECH OPTIMISM

- Companies utilise the power of data and technology to address environmental and social challenges.
- Companies that rely on technology platforms that are asset-light and skilled in quick innovation and experimentation.
- Technology solutions become central in managing the transition to decarbonisation, disaster resilience, and restoring nature.





On this trajectory limiting global warming to below 1.5°C has remained a challenging endeavour despite the efforts in innovation.

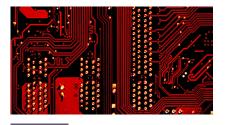
The intricate interplay of climate systems requires ongoing dedication and steadfast cooperation across all scales and tackling the root causes, such as consumption.

TECH OPTIMISM

SIGNALS OF THIS FUTURE:



A new front in the water wars: Your internet use



How Generative Artificial Intelligence automates disinformation



New trade patterns are emerging with a focus on micro, small and medium enterprises



Small-scale farmers likely to be excluded from Al-related benefits

Read further

Read further

Read further

Read further



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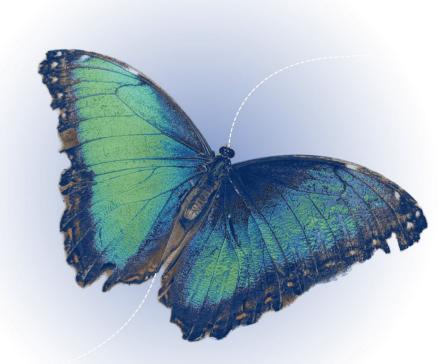
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COURAGE TO TRANSFORM

- Business, government, and civic leaders demonstrate the courage to step forward to accelerate the emerging paradigm shift.
- New regulatory, policy, and procedural approaches that expand the economic agenda to encompass safeguarding and rejuvenating ecosystems while bolstering communities.
- Defining value evolves to encompass equitable and regenerative business models that enhance resilience.





On this trajectory good news emerges in 2033 when the IPCC announces that **emissions are stabilising.** The world has gone through a paradigm shift.

Many were displaced, many people and species died. Many people carry grief. But through the process, a new paradigm for understanding progress and well-being has emerged.

COURAGE TO TRANSFORM

SIGNALS OF THIS FUTURE:



Citizens are leveraging human rights to testify against pro-fossil fuel state policies



Community centred innovation labs introduced to focus on engagement with smallholder farmers



A tide of financial mechanisms are being designed to address climate and biodiversity challenges



Bangladesh relies on hundreds of individuals—rather than scientists—to monitor water levels

Read further

Read further

Read further

Read further



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For more information on facilitated futures workshop using the **Business Transition Trajectories** and **the Five Principles to Transform through Crisis**, please reach out to us:

futurescentre@forumforthefuture.org

ABOUT THE FUTURES CENTRE

As Forum for the Future's creative hub, we utilise applied futures to facilitate a proactive approach to integrating principles of justice, equity, universal rights, and resilient ecology as we enter an age of transition. We help people take action during uncertain times by exploring potential future scenarios, and considering various trajectories and their implications.

Our open and participatory web platform, www.thefuturescentre.org showcases how Forum applies futures thinking to cultivate just and regenerative transitions in energy, food, and the purpose of business and allows you to contribute your own signals of change.

For organisations interested in embedding futures thinking we offer futures coaching, bespoke programmes, and horizon scanning and trend monitoring for critical issues in the context of a justand regenerative future.

Across 2023-2024, the Futures Centre is exploring the following areas:

- Future-fit Value Chains
- Transforming Consumption
- Shifting Economic Paradigms
- The Future Land Crunch
- Transition Trajectories Interactive Game

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