



**FOR RELEASE:**

**Dr. James Mwangi joins Global CEOs in signing a commitment to champion a cross-sector collaboration for a Purpose–First Economy**

- *Pledges to be a champion of creating an inclusive and sustainable economy that leaves no one behind*
- *Advocates for broadening economic recovery and development strategies in order to catalyze the power of purpose–first businesses*
- *Calls on governments and businesses to accelerate a transition towards an inclusive, resilient, sustainable economy with purpose-first at its center.*

**September 23<sup>rd</sup>, 2020, Nairobi:** Dr. James Mwangi has joined a league of 14 global CEOs who have committed to champion cross–sector collaboration in the creation of a purpose-first economy. In a global call to action, the letter signed by the signatories outlines their vision for a new global economy that is more equal, inclusive and sustainable; an economy that is more resilient in the face of pandemics, climate change and many other global challenges that the world is facing. The CEOs’ open letter has been endorsed by the UN Secretary General António Guterres, UNICEF Executive Director Henrietta Fore, and OECD Development Co-operation Director Jorge Moreira da Silva, among others.

Dr. Mwangi joined the CEOs of Mastercard, Fortune Media, Mahindra, Interface, Voyager, Danone, DSM, Philips, L’Oréal, International Chamber of Commerce, Ketchum PR, Natura & Co. and Beiersdorf in calling on businesses, governments and development actors to join them in accelerating the transition towards an inclusive, resilient, sustainable economy that recognizes and enables purpose-first businesses to thrive. “Rather than ‘build it back’, we are choosing to ‘build it better’,” states the joint signatories in the commitment letter. They have also called on global leaders to join them, “We commit to playing our role in supporting the growth of the purpose-first economy and we urge you to join us.” The letter says that purpose-first enterprises will constitute the fourth economy at the intersection of the three traditional economies: the private, public and non-profit sectors.

The global corporate leaders represent a combined annual revenue of over \$100 billion USD and a combined global workforce of over 500,000. They have proposed a roadmap to “build the economic system better,” after COVID-19, rather than simply “building it back.”

In signing the letter, Dr. Mwangi stated that, “The current state of the world economy, as evidenced by the inequality revealed by the COVID-19 pandemic, has left business leaders with only one choice; the choice to recognize that the world system only works for a few and not the majority of the world’s population. This demonstrates that the economic and social system we have relied on is broken. We must, as a cohesive stakeholder community of leaders, address this inequality and serve humanity in a more productive and concerted way.”

Dr. Mwangi added “We are honored that Equity’s business model of inclusion, high volume, low margin and a purpose of transforming lives, giving dignity and expanding opportunities for wealth creation is well aligned with the call for a purpose-first economy. The model was recognized by the Global Vision Award in 2007 as an “initiator of the concept of the future that will shape the world economy”, and affirmed by the 2020 Oslo Business Award for Peace as a business worthy initiative that ethically creates economic and societal value. We are committed to continue championing a purpose-first business model in partnership with all stakeholders.”

Dr. Mwangi joins other leaders in calling upon governments, corporates and the UN system to create new policies and incentives to spur sustainable and inclusive economic growth, yielding a healthy society within planetary boundaries, for generations to come.

Prior to signing the open letter, the signatory CEOs worked with the Leaders on Purpose team that comprises experts from Harvard University, Unilever, The World Bank, and The London School of Economics on a White Paper focused on purpose driven businesses that will be released at the 3<sup>rd</sup> Annual Leaders on Purpose CEO



Summit taking place on the sidelines of the 2020 United Nations General Assembly (UNGA). Dr. Mwangi will play an integral role in this year's global virtual event, serving as Co-Chair and panelist in discussions on how to create a purpose-first economy.

The outcome document of the summit will be presented to world leaders at this year's November G20 Summit in Saudi Arabia, and to the leaders attending the Davos World Economic Forum gathering in 2021. The initiative will be carried forward into other global forums throughout the coming years.

Dr. Mwangi said, "It is an honor to join other like-minded leaders at this trying time when we need to come together to reset and champion the structural rebuilding of the world by improving equality, financial, social, economic and digital inclusion, and people's dignity. Business leaders have a central role to play in how the world emerges from the COVID-19 crisis. It is my hope that more leaders will sign the global call to action and join hands in creating a purpose-first economy. The COVID-19 crisis has revealed that our global system needs an overhaul. No business can thrive in a failed environment and it is incumbent on us to partner with all stakeholders if we are to be successful in reimagining and addressing market failures in the world. I look forward to working with my fellow CEOs, government leaders, development organizations/agencies, United Nations, the private sector and civil society to make the world a much better place for humanity."

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#### **About Dr. James Mwangi, Group MD & CEO of Equity Group Holdings Plc; Executive Chairman, Equity Group Foundation**

Dr. James Mwangi is one of Africa's most renowned thought leaders, a disruptive entrepreneur and philanthropist. As the Group CEO of Equity Group Holdings, James is credited with democratizing financial access. He has led Equity to become an integrated financial services Group operating in 6 African countries with a client base of over 14 million, and an asset base of over USD 9 billion. James established Equity Group Foundation to scale up shared prosperity and as Executive Chairman has mobilized the support of like-minded partners to commit USD 445 million for social impact. James is an honoree of the 2020 Oslo Business for Peace Award for his businessworthy values in championing financial inclusion for all in East and Central Africa and using business ethically as a tool for change; he is a holder of the prestigious 2007 Global Vision Award that cited him as "an initiator of a concept of the future that will shape the world economy". He was recognized in the 2009 Financial Times' list of the 'Top 50 thought leaders in emerging markets' and among the 'Top 20 most influential people in Africa'. James is the holder of Ernst & Young World Entrepreneur of the Year 2012 and was named one of the Bloomberg 50 in 2019. Nationally He served as the Founding Chair of Kenya's Vision 2030 Delivery Board from 2007 to 2019. He is the Chairman of the Health Committee of Kenya COVID-19 Fund, and Chancellor of Meru University of Science and Technology. He provides thought leadership serving on several global economic, education and sustainability advisory boards including the UN, IFC, among many others. James is a certified international retail banker and is married with three children.

#### **About Leaders on Purpose:**

Leaders on Purpose (LOP) is a community of purpose-driven corporate leaders promoting an inclusive and sustainable economy that puts purpose at the core and leaves no one behind. What began as a research collaboration between business leaders and experts from Harvard University, Unilever, The World Bank, and The London School of Economics has evolved into a platform that connects the CEO agenda with the global agenda. Today LOP operates as an independent, for-benefit, organization supporting businesses in the transition from business-as-usual to a purpose-based approach. This involves putting purpose at the core of the business strategy for the benefit of the organization, the employees, the planet, and society. Our approach is grounded in rigorous research and years of experience. We do this through corporate strategy, peer learning, advisory on systemic innovations, and advocacy for policies that support purpose and performance.

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## OPEN LETTER: GLOBAL LEADERSHIP COVID-19 RESPONSE CROSS-SECTOR COLLABORATION FOR A PURPOSE-FIRST ECONOMY

*'Everything we do during and after this crisis must be with a strong focus on building more equal, inclusive and sustainable economies and societies that are more resilient in the face of pandemics, climate change, and the many other global challenges we face'*

— ANTÓNIO GUTERRES, Secretary-General of the United Nations

We, the undersigned, are committed to work towards the creation of an inclusive and sustainable economy. We resolve to build an economic system that leaves no one behind, overcomes the structural barriers to equality and transparency and puts purpose first, so that our planet and society can thrive for generations to come.

The COVID-19 pandemic and global unrest have brought to light the vulnerabilities of our current economic system. Around the world, this crisis has sent economies into freefall. As governments are making critical choices between lives and livelihoods, it is imperative to get this right.

**Rather than simply “build it back,” we are choosing to “build it better.”** We are determined to address the current structural barriers to an inclusive and sustainable economy and to unleash the full potential of all sectors. This means contributing to the urgent challenges we face, mitigating the risk of future shocks and improving our resilience. Building it better will set us on the path toward more equitable economic recovery in the service of global wellbeing.

### The Power of Purpose-Driven Business

Purpose-driven business is nothing new. For decades, innovative organizations have been operating at the intersection of the private, public, and nonprofit sectors of the economy — reimagining and remaking our systems of finance, enterprise, policy, production, consumption and measurement in order to better serve the common good. These efforts have demonstrated that purpose-based performance is commercially viable. With the right strategies and structures in place, it is possible to benefit society, the planet and shareholders simultaneously.

Contributing to this trend, conventional businesses have been broadening their missions to prioritize social and environmental purposes. At the same time, nonprofits and governments have been adopting market-based approaches to scale their impact. This mosaic of innovations, involving countless organizations and networks around the world, combines the best of the three traditional sectors, giving rise to a new fourth sector of the economy. This new sector of purpose-first or for-benefit enterprises has been estimated to represent as much as 10% of GDP in the U.S. and Europe. Such remarkable growth has been fueled by widespread global demand from citizens, consumers, CEOs, employees, investors, and entrepreneurs.

Because purpose-first businesses are incented to solve societal problems, they play a significant role in addressing the global challenges outlined by the Sustainable Development Goals. The COVID-19 pandemic has triggered government mandates related to manufacturing as well as trillions of dollars in monetary redistribution. In light of this, **we propose broadening economic recovery and development strategies in order to catalyze the power of purpose-first businesses** and minimize the need for future top-down government interventions. This is essential, both for “Building it Better” and for achieving the global 2030 agenda in the post COVID-19 world.

This approach can enable purpose-driven business to assume a larger part of the responsibility for addressing key global challenges like inequality, health, mechanization, and climate. The purpose-first economy will ensure that in times of crisis, businesses will be both compelled and empowered to act for the benefit of society. The time has come to formalize this emerging fourth sector of the economy and take purpose-first business to scale.



## Leadership for the Purpose-First Economy

While still evolving, the emergent purpose-first model harnesses decades of innovation to spur sustainable and inclusive economic growth, yielding a healthy society within planetary boundaries, for generations to come. We call on businesses and governments to join us in accelerating the transition towards an inclusive, resilient, sustainable economy that recognizes and enables purpose-first businesses to thrive. We recommend:

- **Recognize the purpose-first sector.** Governments can acknowledge the mosaic of innovations we have identified as a distinct (and diverse) fourth sector of the economy. They can thereby enable and scale purpose-first businesses through the systematic provision of support and removal of impediments. This can include targeted policy, financing, procurement, contracting, taxation, accountability measures, capacity building, and more.
- **Carefully craft incentives and policies.** Encourage other economic actors – the private sector, civil society, investors, academia, philanthropy, and citizens – to engage in the co-creation, employment, and expansion of the fourth sector and its growing ecosystem.
- **Incentivize innovations of financial products, risk assessment, valuation models, and ratings.** Develop standards for assessing and accounting for social and environmental impacts of purpose-driven enterprises. Support implementation, i.e. through corporate charters.
- **Design for a safe, educated, and healthy society.** Support colleges, universities, and research centers to collaborate and access capital, talent and shared resources. Expand community building and educational training, develop regional platforms and new curricula. Equip policymakers, practitioners, and students with necessary knowledge and skills for careers in the purpose-driven economy.
- **Leave no one behind.** Support economies to climb the development ladder by enabling and accelerating the growth of purpose-first businesses and investment to successfully deliver on the Decade of Action in pursuit of global climate and sustainability goals.
- **Enable a supportive ecosystem.** Building a better post-COVID-19 economy by creating an enabling ecosystem that serves both purpose-first businesses and conventional businesses that want to transition toward a purpose-first logic.

**We commit to playing our role in supporting the growth of the purpose-first economy.** We will do this through raising awareness and leveraging procurement, innovation, research, development, and investment to accelerate the growth of this critical sector.

Today, we are setting in place the guiderails for this transition through policies and incentives that enable organizations of all kinds to work for the benefit of society. **We urge you to join us.** Together we are building a new economy designed to promote a more just and sustainable world for generations to come.



Signed,



**Ajay Banga,**  
President & CEO



**Alan Murray,**  
CEO



**Anand Mahindra,**  
Chairman



**Daniel Hendrix,**  
Chairman & CEO



**Dylan Taylor,**  
Chairman & CEO



**Emmanuel Faber,**  
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**Feike Sijbesma,**  
Honorary Chairman &  
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**Frans van Houten,**  
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**Dr James Mwangi,**  
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**Mike Doyle,**  
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