

The Case for Net Positive Leadership

PAUL POLMAN

Paul Polman is the former CEO of Unilever and co-author of Net Positive: How Courageous Companies Thrive by Giving More Than They Take. Polman ranks #1 among the world's thought leaders in business by Thinkers50. Described by the Financial Times as "a standout CEO of the past decade," Polman served as Vice Chair of the UN Global Compact, Global Commissioner of the World Resources Institute, Chair of the Saïd Business School at the University of Oxford, and member of the Advisory Group to the World Trade Organization.

I had the opportunity to bring into practice how I thought business was to really rebound. Over time, I learned to see both the influence this would have and its shortcomings. I thought I might be able to do something about that. You want businesses to solve the world's problems, not create them. We have enough problems that we keep creating. At P&G, I worked in Newcastle, running the UK and Ireland. Shipbuilding steel and coal had all gone belly up. If communities don't work, you can't recruit within them. You can't live there, given the safety issues and all the things that are missing. So, I got very involved in the community. When I was in Rio for Rio+20, Secretary General Ban Ki-moon asked me to be part of developing the Sustainable Development Agenda with a simple goal to irreversibly eradicate poverty and live in a more

sustainable and equitable way.¹ We worked on that for 2.5 years and spoke with all segments of society, including women and farmers. people with disabilities. different professions, different parts of the world. I saw not only a scorecard of what needs to be included, but also an enormous opportunity for business to be part of that Agenda. We put it at the center of our business.

Drawing on his experience working with leaders across continents, Mr. Polman emphasized that many still underestimate both the pace and implications of the changes now reshaping the global landscape.

Things around us change faster than we can, and we're living in a time when they are changing even faster. If you look at humanity, we've had enormous change, but that change is accelerating at a pace that we've never seen before. If you look at history, the changes that we have had have been relatively modest, spread out over hundreds of years. Now that change is very, very condensed.

There are major shifts in global geopolitics. The global order is being reshaped at a faster pace. Many of the institutions that were designed and developed 70 years ago have never been adapted to this changing world. Technology has historically served humans, making humans better. Now, with AI, we potentially have a technology here that might be better than many

¹ Editor's note: *The United Nations Conference on Sustainable Development (Rio+20) launched the process to develop the Sustainable Development Goals (SDGs). United Nations. (n.d.). United Nations Conference on Sustainable Development (Rio+20). <https://www.un.org/en/conferences/environment/rio2012>*

humans, and we struggle with that. Because we waited so long, we have the planetary boundaries. Mother Earth is sending us invoices for increasingly high costs, costs which are now significantly higher globally than it would take to avoid these issues in the first place. During the financial crisis, we dealt with the financial issues but didn't address the underlying problems that caused it. At that time, banks were too big to fail, and people were too small to matter.

Then we got COVID. This was a direct result of biodiversity loss. We've had other diseases, such as SARS, Zika, Asian flu, but there are 10 others waiting around the corner. And again, we didn't get the lessons. We spent \$18 trillion in Europe and the West to save lives, but we didn't care about the developing world. Social representation shows how we think about each other. We didn't do anything with the money to right-size the economy and start depressing these problems. No money spent on building facilities, no money spent on adaptation, no money spent on restoration. We didn't really address the basic issue. Now we're sadly in a situation where all these factors are coming together.

In the U.S., since COVID, you now have 1% of the billionaires who try to decide what the politics for all should be. It's so overwhelming. You have fear, anxiety, and other mental issues. That's where we need to be careful. We underestimate the effect it has on society, on undermining democracy, and on our values. We underestimate the anxiety that is created by people feeling that they don't count anymore, that they are not part of something. People feel excluded, as if they're not

part of society. We underestimate technology. We can debate AI for hours, but I'm most worried about what will happen to the truth. With AI, the bigger risk is that truth and trust will decline. If you don't have trust in society, then some people might feel a decline in the basis of prosperity, the basis of the room that keeps us together. That's a very big thing because we are linear thinkers. We cannot handle exponential change effectively.

We see the cost of our failures going up exponentially. The cost of, for example, biodiversity loss is estimated at \$40 trillion. Food companies will not see any profit. It's already started there, with these costs being internalized on the balance sheet. We also see an exponential decline in costs. Many CEOs I talk to don't really realize how cheap green energy is now. So you have an exponential cost of technology coming down, you have an exponential cost of not acting going up. If we don't see that, we discount future cash flows and make the wrong decision.

That's a real issue, because that takes away the sense of urgency. The issue is not that we're not moving; we're moving forward, but we're just not moving fast enough. These issues are being created faster. Another thing businesses don't seem to address is that you cannot solve these problems without including the institutions that create 80-90% of them. Business must be part of this solution, and this has not yet been fully embraced. That's a leadership issue, and that's why I'm here.

Ultimately, leadership is about courage. Courage comes from purpose, it comes from empathy, it comes from compassion, it comes from a high degree of ethics, where you realize that you cannot run a business by discharging your negative externalities on other people. I've said to CEOs, "Do you want to be responsible if you continue to have carbon emissions for the 8 million people that lose their lives every year as a result?" "Do you want to be responsible for the 389 million people who are in acute food shortage?" "Do you want to be responsible for us having plastics in our bodies because we're putting more plastics in the ocean than fish?" If you're part of the problem, the highest ethical standard is to take responsibility for it and become part of the solution. Otherwise, you can't run your businesses successfully, and I don't think that's fully understood yet. The situation is more urgent now. Mother Earth was compensating for these values; we didn't even realize it. I would put the emphasis on these things, this connection, the truth, democracy, all these things, the values, and the role of business are probably the things that we most underestimate.

And what is the result? Some leaders don't see it, but I think only 10% of Americans trust business. That's not a good number. Only 10%, the same 10% of people who work for companies, think that their leaders are moral leaders. We've seen engagement scores in the U.S. decline, especially over the last 12 months, and they're now below 20%, meaning 4 out of 5 people are not engaged at work. A lot of time and energy are not engaged, which is very sad. I recently saw a headline in the Chicago Tribune about a guy running one of the AI

companies who was asked whether he was worried about job destruction. He responded to the effect of “no, I’m not worried about that, because most people are dissatisfied with their jobs now anyway.”

Against this backdrop, Mr. Polman reiterated that companies must move beyond minimizing harm and instead become net positive, describing what that shift requires in practice.

It’s awfully hard to do. The title of our book is *Net Positive: How Courageous Companies Thrive by Giving More Than They Take*. The notion of giving more than you take is counterintuitive for most people. Ultimately, leadership is putting yourself to the service of others, realizing that by doing so, you’re better off yourself. It’s an act of generosity. I’ve learned that the more you give, the more you receive. Some people agree with you that over time, generosity will always win. When we wrote the book, we wrote it for a different reason. We needed to give businesses ideas for taking greater responsibility and building more responsible business models. When we started writing it during COVID, my co-writer, Andrew Winston, advised us on U.S. business because I wanted what we were putting on paper to click with everybody. If no one is following you, you’re not a leader. When we wrote the book, we started to think it’s a movement we need to start, a change of mindset. And the change of mindset is very simple. Most companies are in the space of corporate social responsibility (CSR). I argued that we needed to move to Responsible Social Corporations (RSC) rather than CSR.

There's a big difference between CSR and being an RSC. 95% of companies write CSR reports. If you read them, sometimes you get tears in your eyes, and sometimes you must laugh, because they're more about a little bit less carbon in the atmosphere, a little bit less deforestation, a little bit less plastic in the ocean. Our planetary health is defined by 9 planetary boundaries; 7 of which we have already exceeded the maximum acceptable level. A little less is no longer good enough. The reason we have biodiversity destruction, deforestation, and species loss in our generation, the reason inequality, climate change, and food insecurity are going up, is that we think that being less bad than our predecessors makes us good. So, the book is about a mindset shift: the only acceptable business model is restoratively regenerative, which is part of what you call "net positive."

A net positive company takes responsibility for its total impact. Many companies think they can outsource technology, outsource their responsibility, but that doesn't work anymore. I always quote Viktor Frankl in the book *Man's Search for Meaning*, who said that when they built the Statue of Liberty on the east coast of the United States, they should have built a Statue of Responsibility on the West Coast. We need to take our responsibilities seriously; when you break something, you don't blame someone else. If we are in the food business, we are also in the deforestation business, the stunting (impact on nutrition)² business, and the food-waste business. We need to take on that responsibility. You don't create value by focusing on the quarter; you

² Editor's note: Clarifying language added.

create value over the longer term. This means you need to build your business models around all stakeholders, not just to maximize shareholder return. Your focus is on optimizing return for all your stakeholders. These two lines converge over the long term, and shareholders would be much better off investing in companies that take care of all their stakeholders.

Another aspect of net-positive companies is that they work on broader systems change. They work with civil society and governments to go beyond. This is where the notion of giving more than you take comes from. At Unilever, it doesn't serve to say, "I don't cause plastics in the oceans." Instead, the company needs to think about how it can ensure it involves others so that everybody in the value chain has a decent living, can send their kids to school, and no one goes hungry. So go beyond, work with governments and civil society, and drive broader systems change. That's where I spend most of my time now.

Net-positive companies also don't shy away from tackling the toughest challenges, such as the problem of money in politics. Stephen R. Covey, in his book *The 7 Habits of Highly Effective People*, said, "You can't talk your way out of a problem you behaved your way into." It is not one person, one vote: it's one dollar, two votes. Businesses go to Washington to lobby for their own interests. Companies say things to appear "green." CEO compensation went from roughly 20–30 times the average worker's salary in the 1960s/70s to over 300–400 times the average worker's salary today. The average American worker hasn't seen his salary rise, but

education, healthcare, and housing costs have. How are businesses dealing with that? There are CEOs now asking for a trillion-dollar compensation package. We are not dealing with the issues.

These are the calls that really get the essence of net positive. Now, nobody is net positive; it's an aspiration that you must strive to. Expectations and benchmarks will change. At Unilever, we were 10% sustainably sourced when I started, the highest in the industry. We were recognized for being the best in the world. We ended up at about 90% sustainable sourcing when I left. I worked with John Ruggie, and we experimented with the business and human rights frameworks. We put in the modern-day slavery goal.³ We worked with UNICEF, USAID, the Gates Foundation, and others to bring sanitation to schools. We started our company on the road to net positive, but the challenge is that you can't do it alone. You need functioning governments. So that's where I focus, moving from formal authority to more moral authority. It's difficult, but if you succeed there, then your influence is infinitely bigger, irrespective of the institution's size. So that life is more fulfilling for me, but there's no question that it's tougher.

³ Editor's note: Referring to work of John Ruggie who developed the United Nations Guiding Principles on Business and Human Rights (UNGPs). The UNGPs establish a "Protect, Respect and Remedy" framework requiring companies to identify, prevent, mitigate, and account for human rights risks in their operations and supply chains. United Nations Human Rights Council. (2011). *Guiding principles on business and human rights: Implementing the United Nations "Protect, Respect and Remedy" framework*. https://www.ohchr.org/sites/default/files/documents/publications/guidinprinciplesbusinesshr_en.pdf

Viewing “net positive” as the direction of travel, Mr. Polman reflected on the kind of leadership this shift will require in the decade ahead and how it differs from traditional models.

As society evolves, new issues emerge. Leadership also needs to be involved. Very few universities teach beyond financial capital to also teach social, environmental, and human capital. Ecological thinking is not really embedded in many educational institutions. Our common home is the most important entity that we need to take care of.

When COVID came, we again saw a bifurcation in businesses that were already transparent before COVID. There were businesses that worked for the short term for shareholders, businesses that focused on the benefit of a few at the cost of the many. These were the businesses that were not so successful. Their balance sheets were over-diverse, and they needed government payouts. We saw bifurcation of leadership. We saw in this very uncertain environment, where people didn't know what to do and human health and lives were at risk, that there was a bifurcation of leadership, a higher sense of empathy, compassion, and humanity, and stronger, purpose-driven partnerships. These leaders were able to keep their followers while instilling a higher level of trust and emotional equity that they could capitalize on. These leaders were the leaders that people wanted to follow. So just as you saw bifurcation in business models, you saw bifurcation in leadership.

Now, over the last 12 months, if I may say without being too contentious, we have seen, under some pressure, leaders flip and values thrown out of the window. 180-degree changes, such as in how some in the tech world are paying to keep their models running at others' expense. There are recent court cases that have finally held tech companies accountable under the principles of net positive.⁴ If you break it, you own it. So hopefully we see more of these people being helpful, that higher level of leadership that we know is more rewarding, but also a shared leadership role. Because leadership ultimately determines whether a company will succeed. We have the technologies to solve all these issues, to some extent. We certainly have the awareness of what needs to be done. We also have the solutions; everywhere we can see leaders being successful. What is holding us back is willpower and leadership. It's an issue of leadership, and we need to spend more time cultivating it now. That's really where the world's deficit is right now.

Reflecting on how he would approach the start of his career today, Mr. Polman explained where he would place his bets and what he would have the courage to do differently.

The older I get, the more obsessed I am with finding out how to stay relevant. The only fear I have is that if

⁴ Editor's note: Referring to recent U.S. rulings against Meta and Google in March 2026 that found the companies liable for harms connected to addictive platform design and inadequate protections for young users. Reuters. (2026, March 25). *Jury reaches verdict in Meta, Google social media addiction trial.*

<https://www.reuters.com/legal/litigation/jury-reaches-verdict-meta-google-trial-social-media-addiction-2026-03-25/>

you're no longer useful, you'll be excluded from things. I've looked at Desmond Tutu and Nelson Mandela. I've looked at Mick Jagger and Richard Branson, who appeal to all generations. I was with Simone Perez in Israel shortly before he passed on. He was in his 90s, but he was talking to me about technology like an 18-year-old from Silicon Valley. I remember saying to him, "Mr. President, it is amazing that you stay so active and so young. How do you do this?" He responded, "Paul, it's very easy when the list of things you want to do is longer than the list of things you have done." I've always operated under the principle of "today is my first day." Even when I was running Unilever, I would ride to work and tell myself, "Today is my first day." If today is my first day, I would look at the biggest issues I could have an impact on. I would take the toughest challenges that moved me out of my comfort zone. I would work with like-minded people and try to bring them together.

I would focus on the areas where I can drive people. And that's true at every level of society. In my position, I would certainly keep hope. I would not let the opposition dominate by causing me fear or anxiety. I would not be reactive; I would take my life proactively. You must take charge of your own destiny. It is better to make the dust than eat the dust. In a sense. I would work more strongly on my purpose and my anchors so that when you encounter the friction (opposition, the skeptics, the sins) that change automatically brings, you're able to walk through it with firmness and determination. There is more polarization in the U.S. right now than at any point in the country's history because many people lack an attitude of adaptation.

You need to be adaptive as a leader; you need to be more of a bridge. I spent a week in Washington with a lot of people whom I normally wouldn't talk to. I was professional, I tried to find common ground, and I spent a lot more time adapting my own thinking to create bridges with people who think differently. This is necessary to identify areas where we can collaborate, heal some of our wounds, and move forward for our benefit and the future of the planet.