



Thinking the Unthinkable | Podcast

20 MINS

Be Loud, Noisy, and Disruptive in Order to Be a Better Leader

Presented & Hosted by
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Guest Speaker
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We need to be, we need to become uncomfortable with some of these initiatives that we are doing. And that kind of leadership takes a lot. If we don't have that, I think we'll just go on with the regular, traditional ways of profits, traditional ways of growth, without looking at whether it is sustainable and resilient or not."

Nik Gowing

Welcome to Talking about Thinking the Unthinkable, our latest leadership conversation and podcast. I'm Nik Gowing, Founder and Director of the Thinking the Unthinkable project since 2014.

How can a major corporate energise itself to confront, to embrace, to future-proof itself for the enormous challenge of tackling the climate, biodiversity, and nature emergencies with the scale and urgency needed?

That's something the giant international food and beverage company Asahi has been facing up to head-on. They brew Peroni, Grolsch, and Pilsner.

Now, I'm delighted to welcome Preeti Srivastav, a key executive in achieving this, to inspire leaders in how they've been doing it.

She's been Asahi's Group Head of Sustainability since 2020. Before that, she worked for NGOs like Greenpeace. She worked on sustainability for Ecofys, the We Mean Business coalition, EY, KPMG, and Infosys. In other words, Preeti, you bring a very broad experience of achievement and probably frustrations to what you're doing at achieving now as Head of Sustainability.

In these 18 minutes, let's get to the heart of how you work to change mindsets for the company's leaders and executives. And let me put to you: you said some time ago, "We cannot break the system to create a nice one, so we just have to start tweaking the system." How can you do this?

Preeti Srivastav

First of all, thank you for having me on the podcast. Very excited to talk about something that I think everybody should be talking about. And I like the question that you're starting with because I think this sets the premise of how we are all wanting to address the climate crisis, right?

I think if you look at it from a non-profit or an activism perspective, the reality doesn't change. We still need those organisations to speak truth to power, to check on the credibility of the work being done, to push corporates to do more. I think it's on the corporate side where there is a lot more that we can do.

When we talk about tweaking the system, what I mean is there are a lot of traditional processes and protocols that are hard-coded in businesses today.

For example, profits right? How do we calculate profits? It's the same way we've been calculating for, I don't know, 100 years or so. It does not include the social and environmental costs that should be part of the profit calculation.

So when somebody says, "How do you embed sustainability into a profitable business?" I want to challenge the premise of that question. So how are you defining and calculating profit? Let's tweak that. Let's include the social and environmental costs in it. Then let's talk about the profitable business.

And the second bit is the whole definition and goal of a business, right? For as long as we know, it's been about making profits. And the moment we tweak the profit system, it tweaks the goal of a business as well. Is it about short-term profit, or is it about building a resilient, long-term business or a corporate?

Nik Gowing

Let's talk about how you've achieved that in a moment. But you've talked about the need for a new kind of activism. Imagine leaders of the future, or leaders currently who are watching this wanting to be encouraged to be bolder. You say they need to be loud, noisy, and disruptive. How does that go down in a major corporate?

Preeti Srivastav

It doesn't go down very well all the time, I have to be honest. And I think that's the job. That's the responsibility of the climate or sustainability experts and leaders in the world. We can't just keep talking about CO2. It is important, and we are preaching to the choir when we're talking about reducing emissions.

I think when we talk about changing the mindset of leaders or being loud and disruptive about the way we speak about sustainability, the onus lies on us to tweak the perspective in a way that speaks

to the leader of a corporate business. So if I'm telling my CEO, "Let's do this because it will reduce emissions by X percentage by X year," they might respond, "Okay, Preeti, what else?" Right?

If I'm talking to my CFO saying, "Hey, we shouldn't be investing in this asset, but rather in that one, because that gives us more renewable energy," Wonder why Preeti? And that's why I think it's our job to create narratives and perspectives on sustainability that go beyond CO2. CO2 should be a large positive side effect of the work we do.

I'll give you an example of how we spoke about financial investments within Asahi. Right,

We've always looked at EBITDA, just like all the other companies, and a couple of years ago, we said, "Okay, we're going to come up with something else." Everybody has a carbon price. A lot of companies have an internal carbon price. We had the same as well, but it wasn't cutting it.

And then we took the carbon price and we created something called Sustainable EBITDA. It's a long acronym, but it works. Because now every month, every entity sees its EBITDA and S EBITDA. They are being monitored on the profits they make in the traditional way but also in the sustainable way.

The second bit we did is we integrated it into every single CapEx decision that we make. And when we speak about these things, I know I just said it, and I'm moving on to my next point, but this is an incredible shift in mindset and the way we are tweaking the system.

The third bit, we didn't stop there. We took it even further and we connected it with the bonuses of the leadership of Asahi. So now it's even more imperative for everybody to do more work on sustainability because it's hitting their own bottom line as well.

So that's what I mean when I talk about tweaking the system. I'm not saying abolish the whole definition of profits or abolish the way we reward our employees and leaders, but start tweaking it in a way that actually drives sustainable progress, instead of the traditional way we've been thinking about.

Nik Gowing

You've talked about leaderships needing to, quote, "check on themselves all the time, whether they're fit to lead on the climate crisis, sustainability crisis, the biodiversity, the nature crisis,". And they need to have a new DNA. How do you achieve that? What kind of pushback do you get?

Preeti Srivastav

I'll impact that in two parts because I think it's such a big shift that it can take years to do that. I think the first bit is having a leader, a CSO, to lead on the sustainable agenda that helps to create awareness to do the right things. But I think the move that actually helps in shifting quite dramatically is when you integrate sustainability for all the leadership.

What I mean by that is, if you look at any of the messaging from Asahi, you'll see our CFO talking about sustainability. Of course. I talk about it all the time, but you'll see our CEO talking about how important it is. You'll see our CFO talking about how he looks at profit and sustainability as a coupled initiative. You'll see our chief marketing officer talking about how sustainability is going to be embedded in existing products and in new products.

Now that's the shift in leadership that needs to be. If you're not ready to educate yourself, if you're not ready to understand sustainability as to how it contributes to the profit, the growth, and the life of the company, then I think it's a moment of self-reflection for the leaders then.

Nik Gowing

You've already talked about this, but let's dig down a little bit more. Because you've made very, very clear on several occasions: money talks, money works. So why not use that as an incentive? How have you managed to do that without compromising the spirit of the company and the discipline needed to keep the shareholders happy?

Preeti Srivastav

I do say that because it has worked for us. But at the same time, I just want to add a little bit of a disclaimer around it. It doesn't always work in the short term, right? And it's very difficult to show people an investment in a sustainable initiative or asset that will take about 30 years to show the returns, because that's the story of most of the sustainability investments.

What I mean by saying money works is it's one of the most powerful incentives we have in the corporate business world. It has always worked, so why not utilise it for the benefit of driving sustainability? I spoke about sustainable EBITDA—really game-changing. I spoke about connecting it to our bonuses—even better.

And the third bit, when I talk about money works, is there will be times where an investment in a sustainability project will outshine the traditional way. And it happened for us.

We were still struggling to get everybody on board, and then we were looking at renewable energy in Poland, and it actually ended up being cheaper than investing in fossil fuels-based energy. That business case . . .and that will happen for every business.

You will have some of these business cases and instances pop up, and when that happens, it's a moment to be loud and proud and make sure that everybody sees the benefit of making investments like those.

I admit it won't happen every single time, but there will be times where you will see the immediate, short-term profit outshine even for a sustainability project.

Nik Gowing

What about the metrics that you use, though? Do they have to be new metrics to judge the capability, the incentive, the enthusiasm, the positivity which you're trying to reward?

Preeti Srivastav

Yeah, there are a lot of these metrics already out there. I think there are a lot of universal metrics. For example, when you look at renewable energy, everybody's looking at additionality, which is incredible even in traditional metrics.

So the Poland example I gave, it was not looking at new metrics. It was looking in a very traditional way: what would be the return on investment, and even in a traditional metric system, we saw profit with the renewable energy project.

But when you talk about overall metrics across a global company, millions of dollars, multiple projects, then yeah, you have to think of new metrics. But also, you have to think of customised metrics. You cannot have the same metric for India on some projects that you have for the Netherlands on others. That's something that we're trying to do, because we're trying to include both environmental and social metrics.

It becomes even more complicated, right? Gender equity is part of our sustainability work means something else in Italy, and it means something completely different in Japan. So it's a long game, but at least there are initiatives that we can create in one region, in one country specifically to that. I think a lot of companies think, you know what? I need universal metrics because I'm a global company, and I need global standards. That is only going to slow down the process.

Nik Gowing

We're talking about human beings here. We're not just talking about the company. We're talking about people who have to be incentivized, and particularly the next generation. What are you seeing there from the next generation about what they're expecting? Is money important to them, or is it as much the principles of what the company does and stands by just as crucial?

Preeti Srivastav

I don't want to take away from the new generation, but I think throughout all the generations—I'm old, I come from another generation as well, not the new one—but I think for all of us, and I like that you spoke about us as human beings and citizens first before we are consumers or employees. I think all of us want to live on a healthy planet. All of us want to be able to make a healthy living, right? We don't want to compromise one for the other.

I think it is a combination of a reality that always exists across all generations. But I think we're seeing it more and more now because the newer generation is being a little bit more bold about it when they join an organisation, or when they choose their workplace, or when they choose the products that they buy.

So I'm not taking credit away from the new generation, but I think everybody wants to have a healthy planet and a healthy livelihood.

The only shift that I'm seeing quite a bit now is the pull from the employees. It's incredible how many messages I get from our own employee base, and not just the newer generation, questioning our ambition level. Is 2050 ambitious enough? Why aren't we going for 2040, Preeti?

And I love that, because I think that's the best way to shift some of the ambition. And I will not take any credit for that, and shouldn't—I mean, none of the corporations should take any credit for that. I think it's an upsurge of awareness and wanting to make a change, and I think the only way to harness that energy is to give them back initiatives that they can be proud of and be satisfied about contributing to a company that is creating a legacy which is healthy for the planet and the people together.

Nik Gowing

What do you mean by "loud, noisy, and disruptive" when you have that kind of level of questioning, particularly from the next generation? Is that accommodated well within Asahi, or does it still grate a little? Does it still create tension?

Preeti Srivastav

I would love them to be louder and more disruptive, and I think that's a very healthy balance. Sometimes I don't think we get to hear enough from our employees, and I think the more we hear, the better it is. Of course, it creates tensions, because once the wheels are in motion, you cannot control the speed and the momentum.

So, for example, once we said, "Okay, not 2050, 2040 is our target." Once we said, "Okay, it's going to connect to the bonus scheme," then the questions arose. "Okay, I work in a brewery in, you know, Romania. What do you want me to do so that I have a positive impact on the sustainability goals? How do my day-to-day tasks contribute to that?"

So before we get into the bigger ballgame, I think it's very important to have everything outlined, because the moment you get interest from the employees, you have to be ready to say, "Okay, this is what I have for you. This is how you can help us to reduce A, B, and C targets around it." If you're not ready for it and you've already set the ball in motion, I think it's a recipe for disaster.

Nik Gowing

We've got about three minutes left, but I'm wondering about what the impact is on the board, at the board level. Because you've said, a board seat is not enough. Quote, "I think having a board seat and using it to jump up and down is what is now required." Does that sit comfortably?

Preeti Srivastav

I think for a lot of leaders, and especially maybe women leaders, the end game has always been to get a seat at the table. And I think that's not enough. I think having a seat at the table is the first step, but using that seat at the table to change the mindsets, to make a difference, and to actually push the boundaries of how sustainability is absorbed and embedded within the DNA of a company is important.

And a board is also a set of folks who have a lot of experience and want the best for the company. So the moment you say the investors are asking for it, everybody's listening to you. The moment you say the regulators are going to hit you with A, B, and C, everybody's listening to you. It's a matter of tweaking the narrative of sustainability so that it speaks to the different audiences within the board as well.

Nik Gowing

Are you managing to stretch people's minds? Nature externalities. The way, after all, you use a lot of water, you lose a use a lot of natural resources. In other words, the implications for Asahi's reputation thinking much more broadly than what happens in just the enclosed area where Asahi is operating.

Preeti Srivastav

I think we're not looking at, for example, water as a sustainable initiative. We're looking at it also from the risk and the scarcity perspective, right? Forget reducing the consumption of water to meet our water sustainability target. There is water scarcity rampant in the world right now. If we don't take care of the water, our business has no future.

So I think there are certain elements within the sustainability perspective that should be looked at beyond just good for the planet. It also is good for the business. And if we don't have that, we don't have a future.

Nik Gowing

Final thought, if you can, Preeti: for all levels of leadership, what does your Asahi experience signal about the big shift in thinking which is needed in skills, approaches, and attitudes?

Preeti Srivastav

I think the big shift in thinking is getting uncomfortable in your own jobs as leaders. I think that's crucial. I've been uncomfortable. There have been times where my CEO has pushed me beyond what I had asked them for sustainability. I remember saying, "Are we ready to do this?" And he's like, "If you're uncomfortable, then that's exactly where we need to be."

We need to become uncomfortable with some of these initiatives that we are doing. And that kind of leadership takes a lot. If we don't have that, I think we'll just go on with the regular, traditional

ways of profits, traditional ways of growth, without looking at whether it is sustainable and resilient or not.

Nik Gowing

So that's how you tweak the system, rather than create a massive revolution.

Preeti Srivastav

I don't mind a massive revolution. I'm all up for a massive revolution if it brings about the results that we want. But I think a massive revolution is brewing. And it needs this momentum to hit the pinnacle. It needs tweaking of the base systems and the foundations before we hit the tipping point.

Nik Gowing

Well, Preeti, thanks so much for joining us here on Thinking the Unthinkable. And you can reference everything that you've heard from Preeti, because a transcript of the podcast is posted in parallel on our on our website, along with contact details for Preeti and for us.

Do please join us for our next conversation about Thinking the Unthinkable. From me, Nik Gowing, until next time, keep thinking the unthinkables. We hope we've inspired you, whether you're a leader at the top or leader on the way up, with what you've heard from Preeti.

More than ever, thinking the unthinkable is both possible and necessary in these disruptive times, as you've just heard from Preeti.

Thank you very much, Preeti for joining us. From me, Nik Gowing, bye-bye.