

March 2023

# edie

## The 2023 Sustainable Business Leadership Report

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# Visionary leadership is needed if businesses are to help create and thrive in a radically different future

There's no doubt that business leadership and innovation has become critical in determining whether we will be successful in creating a better future in which both people and the planet can thrive.



**Dr Sally Uren OBE**

Chief Executive of international  
sustainability non-profit

**Forum for the Future**

**Y**et all too often, vanilla sustainability strategies and tick-box approaches to ESG are falling short of the systemic and urgent transformation needed. Increasingly, the most visionary business leaders are realising this and stepping up to seize what is a timebound opportunity to transform the private sector into a powerful force for good.

The challenge is huge and so knowing where to focus based on an understanding of the barriers and opportunities to transformative change is key, which is where this Report comes in. Over the following pages you'll see a wealth of insights on the key trends impacting business leadership. Among them, three stand out for me.

Firstly, **82% of respondents believe their organisation will be more committed to sustainability this year than last, despite ongoing challenges.** Far from being a passing fad, the sustainability challenge remains a priority. It is here to stay and businesses can either get ahead of it – in turn, building financial resilience – or risk falling behind. As issues such as climate change, mounting inequality and crashing biodiversity continue to escalate, no business will be left untouched and so, quite simply,

there is no business case for inaction. Secondly, **corporate short-termism is the most common barrier to accessing finance for sustainability and climate action.**

Businesses must be able to hold multiple time horizons in order to succeed now and tomorrow. A narrow focus on short-term profit maximisation is putting the longer-term viability and prosperity of our planet, our society and so businesses themselves at risk. Financial resilience and true sustainability will come from smart strategies that allow businesses to navigate short-term pressures and keep the lights on, as well as build for the future. What are those no-regrets actions that save money today but put us on a path to a sustainable future? Switching to renewable energy must be close to the top answer here.

But the biggest opportunity isn't a question of a smart strategy, it's more personal than that. At Forum for the Future, we believe the greatest unlock in transforming business starts at a very individual level. It starts with you and your mindset. How can you shift your own mindset to see long-term opportunity, not risk, and prioritise delivering benefits for the planet and the communities you serve alongside meeting the needs of your investors and other shareholders?

Lastly, **people believe it is more important for sustainability leaders to motivate and empower others, and to collaborate and communicate, than to have deep technical knowledge.** This is super interesting.

Validation that technology and data alone will not be our saviour. Now more than ever we need to leverage the breadth of insights, experience, perspectives and innovations across sectors. We need to learn from one another, co-create and test solutions, be open and honest about where we're falling short and why. Leaders need to explore shared challenges – from how we can reimagine consumption to how we distribute value more equitably across the value chain – and they need to use their influence to drive change well beyond their immediate operations.

Underpinning all of this needs to be a shared belief that right now, businesses have an urgent need and opportunity to reset if they are going to help create and thrive in a radically different future. And that this is very doable.

That future is within our grasp. Whether we realise it will depend on just how visionary business leadership chooses to be.



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March 2023

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We are now officially three years into the 'decade of delivery' for the Paris Agreement and UN Sustainable Development Goals (SDGs). While businesses and governments alike have been increasing their ambitions in line with science, translating ambitions into delivery is proving challenging in this era of the so-called 'polycrisis'.



Sarah George  
Senior Reporter  
edie

# It's time for sustainability leadership through crisis

An oft-quoted statement from Winston Churchill is that we "should never let a good crisis go to waste". But this is precisely what, at a macro scale, seems to be happening with the economic recovery from the Covid-19 pandemic. G20 nations provided \$151bn of pandemic recovery funding to fossil fuel sectors, giving polluting sectors at least 70% more recovery aid than clean energy sectors. The wealth of the average billionaire increased by \$7bn over the 12 months leading up to May 2021 – the most dramatic annual surge ever registered. At the same time, the pandemic pushed back progress on most SDGs, particularly targets relating to things like education, sanitation and healthcare for the world's poorest.

The pandemic has, of course, been compounded by new challenges in recent times. Record-breaking extreme weather globally in 2022. Russia's war in Ukraine. Devastating earthquakes killing more than 52,000 people in Turkey and Syria. Avian flu outbreaks.

We now find ourselves at an inflection point whereby we are faced with an opportunity – indeed, a necessity – to go beyond incremental change and transform systems to create a more sustainable and equitable future. Yet doing so is, in some ways, more challenging than ever.

The challenge-to-opportunity mindset is a running theme throughout this 2023 Sustainable Business Leadership Report from edie. Much of this report is based on an in-depth survey of sustainable business leaders\* which we compiled to explore the shared challenges, opportunities and opinions on what great leadership – personal and organisational – actually looks like in 2023 and beyond. We hold this survey annually and are able to track trends year-on-year, with many genuine causes for optimism shining through this year, despite the aforementioned financial burdens.

Promisingly, most businesses are more committed to sustainability than they were last year – a trend that is doubtless attributable in no small part to the tireless work of edie readers; the activists, agitators and activators within business. Notably, this year's survey also revealed that 95% of chief executives are now engaged with sustainability to some extent, translating to increased engagement in most boards, operations teams and procurement teams.

Now is the time to turn this commitment and heightened engagement on sustainability into transformational climate action.

## \*SURVEY METHODOLOGY

*Developed by the edie editorial team, the 2023 Sustainable Business Leadership Survey was conducted online via edie.net during February 2023. The survey, comprising 24 questions, received 225 responses in total. The respondent-base primarily consisted of individuals working in in-house sustainability/ CSR/environmental management roles (64%), with chief executives (12%), consultants (10%) and in-house energy managers (4%) also taking part. The remaining 10% of respondents were made up of other job functions that have a touchpoint with sustainability, such as marketing and communications, procurement and finance.*

*In total, 87% of the respondents were UK-based and, in terms of business size, a combined total of 54% of respondents worked for large (250-999 employees), very large (1,000- 4,999 employees) or extremely large (5,000+ employees) organisations. All of the UK's major industries were represented among the respondent base. Those working in manufacturing accounted for 16% of the respondents, making it the most-represented sector in this survey. Other sectors well-represented by the respondent base transport & logistics, education, hospitality & leisure, IT & technology, media, retail, consumer products, utilities and the public sector.*

*Please note: all figures in this report have been rounded up or down to the closest whole percentage.*



# edie's Business Leadership Month: At a glance

March is edie's biggest month of the year from a content and events perspective. We have hosted a whole month of face-to-face and online events, reports, podcasts, interviews, features, blogs and more dedicated to the topic of sustainability leadership. Our theme for this month has been 'sustainability in action'.

Here, you can see just some of the exciting events we've been hosting and great digital media we have been publishing for you.

**Click here** to see all edie Business Leadership Month content in one place.

## Listen in Full:

Elizabeth Wathuti's keynote speech on climate justice at edie 23

March began with edie hosting its biggest face-to-face event of the year, edie 23, in central London. Hundreds of sustainability leaders attended on 1-2 March to hear from keynote speakers including Nigel Topping, Paul Polman and renowned Kenyan climate activist Elizabeth Wathuti. Wathuti appeared virtually to deliver a rousing speech on why sustainability leaders must embrace climate justice, supporting the efforts of the most-affected people and communities.



## Episode 5 of the Sustainability Uncovered Podcast

Hosted in partnership with Lloyds Bank, this episode saw Sarah and Luke from the edie team speaking with experts about three critical aspects of sustainability leadership: becoming a "climate solutionist", embedding ESG principles across the business, and prioritising mental health and wellbeing.



## Keynote talk:

Are businesses scared of the coming exponential growth in clean technologies?

Former COP26 High-Level Climate Action Champion Nigel Topping delivered a keynote speech at edie 23, filled with ice-hockey related metaphors to remind us to be optimistic about the ongoing exponential growth of clean technologies – and the likelihood of similar growth curves for emerging climate solutions.

## edie Explains: Becoming a B Corp

March was also notably B Corp Month. With support from edie's B Corp partner Seismic, we produced a free-to-download guide answering all of your questions on why your business should consider certifying as a B Corp, how the certification process works and how the certification can and should shape your future approach.



## Are we on the verge of credible carbon markets?

There has been much scrutiny of the credibility of the global \$2bn market for voluntary carbon offsets in the media lately. We spoke exclusively to co-chair of the Voluntary Carbon Markets Integrity Initiative (VCMI) Rachel Kyte on to find out how these markets can be made "transparent and viable".



## Five of Paul Polman's tips for becoming an effective sustainability leader

In the face of the polycrisis, what it means to be a leader is shifting – hence the creation of this very report. Former Unilever boss Paul Polman delivered several key recommendations on effective leadership at this time at edie 23, as summarised here.

## Watch: Damilola Ogunbiyi's keynote talk at edie 23

Sustainable Energy for All's chief executive Damilola Ogunbiyi used her virtual keynote speech for edie 23 to urge businesses to combine development, energy and climate initiatives to create a just transition to net-zero that benefits all communities and nations.



## Your FAQs on setting science-based targets, answered

As the Science Based Targets initiative gains ever-more attention from businesses and continues to evolve its standards, more and more organisations are asking questions about how, exactly, they can go about getting involved. We put some of these questions to the initiative's head of standards, Emma Watson.



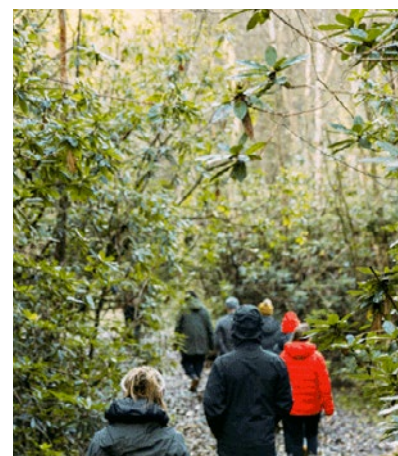
## How can you become a regenerative business leader?

An ever-growing cohort of pioneering businesses are pledging to deliver a net-positive impact on people and the planet. But will they be able to do so without first changing their internal mindsets, structures and cultures? Some say no. Find out why in this feature.



## Women in sustainability provide their top tips for leading through crisis

To mark International Women's Day, edie spoke to eight female sustainability professionals to find out what key traits they believe corporate leaders need to develop to assist the transition to a just and net-zero society. Watch their answers here.



# The 2023 Sustainable Business Leadership Survey results: *At a glance*

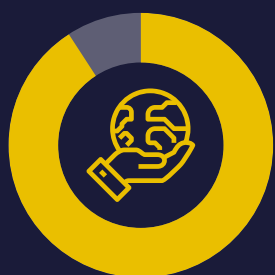
The following facts and stats have been extracted from edie's 2023 Sustainable Business Leadership Survey, conducted online in February 2023 and taken by 225 sustainability and CSR professionals, business leaders, environmental consultants and energy managers – predominantly based in the UK.

*Here are some of the headline facts and stats. Read on for an in-depth analysis of the results.*



82%

of respondents said their organisation will be **more committed to sustainability** in 2023 than 2022



91%

of respondents believe their chief executive is either **'somewhat' or 'very' engaged** with sustainability



**LEGAL**

**FINANCE**

**HR**

the functions most frequently cited as being 'disengaged' with sustainability



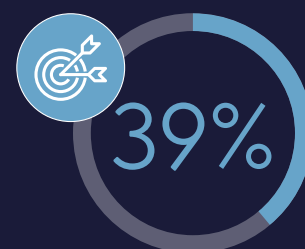
57%

of respondents believe the biggest challenge for sustainable business this year will be **related to economic challenges**



75%

of respondents said the energy price crisis has **impacted the delivery** of their organisation's sustainability strategy



39%

of respondents are not sure whether their organisation will **hit its sustainability targets** due to current crises

**NO PRIORITY**



**LOW PRIORITY**



**BUSINESS-CRITICAL**



The least-prioritised sustainability topic this year is **biodiversity**. **9% said this is not a priority at all** and a further **18% said this is low priority**

The most common **'business-critical'** sustainability priority this year is **energy efficiency**, described this way by **one-third (32%)** of respondents



# 2023: The year of...

## A timeline of key dates for climate action





# 2023: The year of...

## Some reasons for cautious optimism...

So, 2023 will be another year of important global environmental meetings, of key green policy anniversaries, and another year closer to long-term climate goals. As noted in the introduction to this report, 2023 is set to be another year of permacrisis and polycrisis. While global wholesale energy prices are beginning to decrease, they are unlikely to dip to 2019 levels for some months or even years yet, to give but one example of ongoing challenges.

Looking at our survey results, it is clear that 2023 is an important year for accelerating action on **energy efficiency** on the road to **net-zero**. Three-quarters (74%) of respondents said that they expect their business to place either 'high' or 'business-critical' levels of priority on energy efficiency efforts, making this the most common shared priority. Just 1% of respondents expect energy efficiency to not be a priority at all in the coming 12 months.

Net-zero was found to be the second most common shared priority. 70% of respondents said net-zero is either a 'high' or 'business-critical' priority for the coming year. With **91%** of global GDP now covered by net-zero targets set at the national or regional level, there is little room for business complacency.

Given that most businesses will see the majority of their climate impact falling within the **supply chain** rather than in operations, engaging suppliers is a crucial part of any credible net-zero strategy. It is promising, then, that almost two-thirds (63%) of our survey respondents rate supplier engagement and indirect (Scope 3) emissions management as either a 'high-level' or 'business-critical' priority for the short term.

**“Looking at our survey results, it is clear that 2023 is an important year for accelerating action on **energy efficiency** on the road to net-zero.”**



There is time yet to improve the credibility of corporate net-zero targets, following [the issuance of guidance](#) on how to do so from the UN late last year. And it is clear from our survey results that many sustainability professionals see 2023 as an important year in which to improve the credibility and visibility of targets and initiatives. Two-thirds of respondents said that improving communications and showing thought leadership is a 'high-level' or 'business-critical' priority this year.

Indeed, 2023 could also be described as the year of ramped-up efforts to combat **greenwashing**. Much research has been undertaken into growing levels of consumer distrust in environmental claims from businesses. This scepticism is not unfounded – [one 2021 analysis](#) of green claims on corporate websites revealed that four in ten could be misleading.

Greenwashing could be reduced as regulation and legislation improves. But there is a risk that businesses will '**greenhush**' if they are too wary of speaking out for fear of punishment. The UK's Competition and Markets Authority could take its first action against businesses breaking its Green Claims Code this year, but [maintains to businesses that simply saying nothing is not the answer](#).

Promisingly, 49% of survey respondents said their corporate communications team is very engaged with sustainability, while only 5% said this team is disengaged to some degree. Moreover, 80% said their marketing team is either 'somewhat' or 'very' engaged with sustainability. The opportunity here is doubtless building on top-level awareness and ambition with the specific knowledge needed to deliver effective, transparent, greenwashing-free communications.

# The challenges in 2023

More than three-quarters of respondents said they believe their employer will be more committed to taking action on sustainability issues in 2023 than in 2022. But our survey revealed a multitude of challenges in turning commitments into action, with most of the most common and pressing issues relating to the rising costs of energy, materials and goods.

When we asked our 225 respondents to state what they perceive to be the biggest challenge to the sustainable business movement this year [\[FIG 1\]](#), the most common answer (cited by 24%) was the ability to secure investment – especially in line with rising costs. A further 19% cited the cost-of-living crisis, and, on top of this, 14% cited the energy price crisis specifically.

Indeed, less than one-quarter (24%) of respondents said the energy price crisis has had no or low impact on sustainability strategy development and delivery to date [\[FIG 2\]](#). Almost one in four are not sure whether rising energy prices will result in their employer being unable to reach its sustainability targets.

All in all, the current economic climate is the biggest near-term challenge for more than half (57%) of respondents. 42% of respondents agree that it is more difficult to access funding to support their projects as a result of current crises.

Somewhat concerningly, only half of the survey respondents believe their organisation's finance department will be more committed to taking action on sustainability this year than last, with half of finance teams likely to either maintain levels of commitment or decrease them, just as they need to step up. Almost one-fifth (17%) of respondents said their organisation's finance teams were either 'somewhat' or completely

disengaged with sustainability, making finance the function perceived to be least engaged.

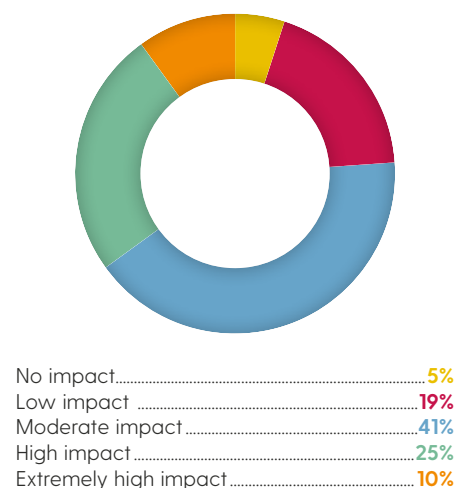
One respondent said their biggest challenge is bringing executives on-board with their sustainability targets and plans to reach them with finance – not just warm words. They said: "[My team is] viewed as important but we are not backed with enough budget, capital or resources."

Indeed, while our survey did show generally high levels of engagement with sustainability from the chief executive (91% said their CEO is either 'somewhat' or 'very' engaged) and the board, senior management engagement levels were down slightly year-on-year.

This lack of engagement from finance is impacting senior management's appetite and ability to prioritise sustainability at many organisations, our survey suggests. While we did record generally high levels of engagement with sustainability from the chief executive (91% said their CEO is either 'somewhat' or 'very' engaged) and the board (81% said their board is either 'somewhat' or 'very' engaged), levels were [down slightly year-on-year](#).

Our survey asked respondents what they believe the biggest barrier is to securing finance for their projects. The most common answer by far, selected by 31% of people, was

**FIG 2:** How much of an impact has the energy price crisis had on sustainability strategy development and delivery at your organisation?



corporate short-termism. The second most common answer was linked to this – that payback periods are perceived to be too long.

Beyond the current economic climate, the survey revealed that engagement and behaviour change is a common challenge in the near-term for many edie readers. One in five described this as the biggest challenge to sustainable business for the coming 12 months. Staff behaviour change initiatives are often regarded as an option with low upfront costs and the potential for significant benefits, but they are by no means easy to perfect.

Rounding out our top five biggest shared, near-term challenges is a lack of policy support. This has to do with national and regional policies, but also with international sustainability agreements; just 5% of respondents said they believed negotiations at COP27 last November were a success.

**FIG 1:** The five biggest perceived challenges to sustainable business over the coming months

Challenge	Number of survey respondents (out of 225)
Accessing investment	55
Engagement and behaviour change	45
The cost-of-living crisis	43
The energy price crisis	31
Lack of policy support	19

## EXPERT VIEWPOINT

# Net-zero - balancing the near and long term

This year's survey results mirror what we are seeing first hand while supporting companies with their net-zero journey. There is renewed interest in energy efficiency and net-zero remains high on the agenda, but current economic conditions and incoherent policy frameworks are making it hard to secure resources and capital investment.



**Tim Crozier-Cole**, Head of Aim for Zero – Corporates, **Verco**

## A longer term view will achieve ambitions

Companies can't ignore immediate pressures but should be wary of taking their eye off the medium and long-term. Many have set near-term science-based targets for 2030, requiring GHG emission reduction of 30 to 50%. A short-term mindset will not deliver these levels of reductions in time, let alone lay the foundations for net-zero.



Those with the best net-zero response are implementing projects now, whilst cueing up the next wave to follow in future years. They are also identifying and planning for the significant investment and business model alignment required for deep decarbonisation.

## Disclosure requirements provide useful frameworks

Climate disclosure requirements are already shining a light on companies' preparedness for net-zero. Recent research published by [CDP](#) and the [Corporate Climate Responsibility Monitor](#) suggest that there is still much work to be done. The lack of engagement of finance teams flagged by the survey echoes this; the adage "follow the money" comes to mind.

Nonetheless, the trend is towards ever greater transparency, driven by an acronym soup of initiatives, standards and regulations including TCFD recommendations, CSRD,

the ISSB and the UK Transition Plan Taskforce (TPT), to list just a few. Whilst undoubtedly adding to the reporting burden, these requirements do however provide companies with useful frameworks to get their 'net-zero house in order'.

## Together we can achieve zero

With all this extra climate disclosure, we now need the power brokers (finance and policy makers in particular) to use it in the spirit intended. That the survey results rank soft leadership skills highly perhaps reflects that we already have many of the solutions to the net-zero challenge, but businesses can only go so far on their own. They need the financial sector to truly support the transition, government to provide a coherent policy framework, and suppliers and customers to be on the same journey. Positioning the company to make this happen will indeed take genuine commitment and soft skills in spades.

**“Those with the best net-zero response are implementing projects now, whilst cueing up the next wave to follow in future years.”**

Find out more about how [Verco](#) can support you on your net zero journey



# The opportunities and investment priorities in 2023

The 2020s so far have undoubtedly been a challenging time for sustainability strategy development and implementation. But the current energy price crisis has prompted many organisations to go further and faster on energy efficiency, clean energy procurement and onsite energy generation to both reduce costs now and built in resilience against fossil fuel price shocks in the future. There have also been opportunities to innovate and engage suppliers to build long-term resilience, and to realise the intersections between environmental and social sustainability.

Promisingly, 41% of the respondents to our survey said their organisation is going further and faster on sustainability in response to current crises including the energy price crisis. Just 3% strongly disagreed that their employer was raising ambitions and accelerating action.

A stand-out area of focus for sustainability-linked investment in the near term is energy efficiency. When asked how much priority was being placed on different aspects of sustainability and net-zero (FIG.3), just 1% of respondents said

energy efficiency to not be a priority at all in the coming 12 months, as noted above. In contrast, 74% believe their organisation sees energy efficiency as a 'high' or 'business-critical' priority for 2023.

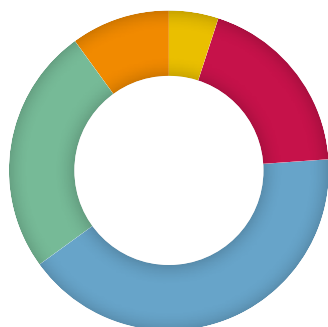
One-fifth (21%) of respondents said they are certain that their employer is prioritising cheaper, shorter-term investments in sustainability at the moment – and energy efficiency investments often fall into this category. With energy prices so high at present, payback periods will be shorter.

**“Amidst the energy price crisis, three-quarters of organisations (74%) have made energy efficiency a ‘high’ or ‘business-critical’ priority in 2023.”**

**FIG 3:** How much of a priority do you expect your business to place on each of the following areas of sustainability and CSR in over the next 12 months?

	Not at all a priority (1)	Low priority (2)	Medium priority (3)	High priority (4)	Business-critical priority (5)	Weighted average (1-5)
Energy efficiency	1%	4%	20%	42%	32%	4.01
Net-zero	2%	7%	21%	42%	28%	3.87
Communications/thought-leadership	2%	10%	22%	40%	26%	3.78
Workplace diversity & inclusion	2%	7%	26%	43%	22%	3.76
Scope 3 emissions/supplier engagement	4%	10%	23%	38%	25%	3.7
Waste management and resource efficiency	3%	9%	32%	38%	17%	3.58
Climate-related financial disclosure	12%	13%	27%	35%	13%	3.24
Sustainable Development Goals (SDGs)	6%	21%	36%	26%	11%	3.15
Single-use plastics	8%	24%	35%	24%	8%	3
Biodiversity and nature-based solutions	9%	18%	38%	24%	10%	3.08

**FIG 4:** To what extent do you agree that your organisation is now prioritising cheaper, shorter-term investments in sustainability?



Strongly disagree.....12%  
Disagree .....36%  
Neutral/unsure .....31%  
Agree .....18%  
Strongly agree.....3%

Yet, most respondents indicated that their employer is still willing to invest in longer-term and more expensive sustainability-related projects, despite pressures on budgets (FIG.4). Half (48%) disagreed to some extent that their organisation is prioritising cheaper, shorter-term investments, with 12% disagreeing strongly.

Previous iterations of this annual survey have revealed far higher levels of confusion over which technologies and systems to invest in to reach long-term goals. This year, just 15% of respondents said choosing the correct options here is the biggest barrier they face to accessing finance. This is likely linked to the fact that in-house teams which are expanding and upskilling; just 12% said their biggest barrier to accessing finance is a lack of knowledge internally.

Investors are also becoming increasingly aware of not only top-level sustainability concepts, but also appropriate technology pathways to deliver sustainability-related goals. A lack of knowledge among investors was the least common barrier to accessing sustainability-related finance.

As already touched upon in this report, businesses are continuing to prioritise net-zero-related projects, with an increasing

**“63% of organisations now view **Scope 3 (indirect) emissions** as a ‘high’ or ‘business-critical’ priority on the road to net-zero.”**

focus on supply chain management and engagement to drive down emissions. Just 4% of respondents said managing Scope 3 (indirect) emissions from the supply chain is not at all a priority this year, compared to 63% who see this as a ‘high’ or ‘business-critical’ priority.

It bears noting that the appetite to realise the interconnected opportunities relating to both social and environmental sustainability remains strong, even if we are seeing fewer and quieter discussions on diversity, equity and inclusion (DE&I) on our LinkedIn feeds. Two-thirds of (65%) of respondents said they see workplace DE&I as ‘high’ or ‘business-critical’ priority for 2023 and less than 2% said this is not a priority at all. Beyond the four

walls of the workplace, almost three in ten respondents said contributing to the delivery of the UN SDGs is either a ‘high’ or ‘business-critical’ priority.

One respondent said they see their business’s biggest sustainability opportunity for the year ahead as “supporting more corporates to create genuine sustainability policies with an inclusive approach”. Another described Business Fights Poverty as the organisation they find most inspirational. Founded in 2005, Business Fights Poverty is a coalition of individuals and organisations across the private sector advocating for system-level change to improve the livelihoods of the most vulnerable people and communities.



## EXPERT VIEWPOINT

# CEO commitment: the cornerstone of sustainability and CSR impact

Why buy-in from leadership is critical to achieving and measuring your impact



**Ashling Cashmore, Head of Impact & Advisory, Charities Aid Foundation**

I was pleased to see that 91% of survey respondents reported their CEOs are engaged when it comes to sustainability and CSR. In our advisory work, commitment from the C-suite is one of the main things we find that can either accelerate or de-rail an impact strategy.

## Aligning strategy with business purpose

The greater the commitment from the top, the better aligned your strategy will be to your business purpose – this was the response considered most important to the future of business leadership.

It's true. For an impact strategy to be sustainable in the long-term, it needs to be intertwined with the business purpose to help provide clarity of direction and identify your strengths. You can't solve all the world's problems but your business purpose can help identify where you can add most value.

## Key traits of business leaders

I'd also echo the findings on the most important traits of future business leaders:

motivating, collaborative and genuinely passionate about the cause. All three of these traits are vital for properly engaging stakeholders, both internally and externally. Indeed, without stakeholder engagement and input, you simply cannot create shared value for all.

## Better impact measurement

How will you know what value you're creating? Determining how you're going to measure impact depends on your impact strategy. It can be difficult to measure, particularly the social aspect of ESG or CSR. Some principles we use to measure impact with our clients include:

1. **Clarity of impact:** a clear definition of what will be achieved
2. **Outputs vs outcomes:** distinguishing between the two
3. **Capacity planning:** for both the business and its delivery partners
4. **Defining scale:** in line with budgets and timeframes
5. **Baseline mapping:** for accurate measurement



With businesses increasingly required to demonstrate how they're adding value to society beyond doing business, achieving real impact always starts with the genuine commitment of business leaders.

**Achieve your social and environmental goals with help from CAF's impact and sustainability advisers.**



# Defining sustainability leadership in 2023

When Covid-19 was first declared a global pandemic in early 2020, there was much theorising about how leadership styles would change. This conversation has continued and evolved in the subsequent months and years, with the evidence base making the case for empathetic leaders growing.

With this in mind, several of our survey questions garnered respondents' views on what it truly means to be a sustainability leader in the 2020s – both from the point of view of personal leadership and regarding how organisations can lead their sectors, national or regional markets, or even global movements.

Regarding personal skills and traits (FIG.5), we asked survey respondents to name the three activities they believe it is most important for future sustainable business leaders to excel at. The most common answer, cited by 55%, was motivating and empowering others. A further 51% of respondents put collaborating, networking and knowledge-sharing in their top three.

In contrast, only 8% of the respondents said it is important for leaders to be experts at data management and analysis, and only 5% ranked deep technical knowledge as a must-have trait for leaders.

To summarise, the majority of our survey respondents believe it is more important for sustainable business leaders to have the

**FIG 6:** Top 5 corporate attributes for sustainable business leadership

Challenge	Number of survey respondents classing as a top-three attribute (out of 225 respondents)
Alignment between core business values & purpose	123
Collaborating with others, even rivals	90
Full transparency, disclosure & accountability	85
Effective communication and reporting	80
Sustainability credentials built in to all products & services	79

soft skills needed to ensure that others are motivated and engaged to play their part in delivering key programmes, than it is for them to have deep, technical knowledge.

Most respondents recognise how crucial communication is to garnering change from others. Two-fifths ranked communicating, listening and storytelling as a top-three leadership skill.

Our survey also asked respondents how they would define a business leading the way on sustainability (FIG.6). Again, they were able to pick up to three attributes they believe a

business should embody to be considered a sustainability pioneer. More than half (55%) said an alignment between core business values, purpose and actions were the most crucial attributes. This ties in to the growing narrative around, and movement towards, more embedded positioning of sustainability.

Communication and collaboration were also found to be highly valued from businesses as well as individuals. Two-fifths of respondents said they would define a business leading on sustainability as one which collaborates effectively with others, including rivals. Similar proportions of respondents believe it is important for businesses to be fully transparent and accountable (38%), and to be great at sustainability reporting and communications (36%), to be considered sustainability leaders.

**FIG 5:** Which of these skills & traits do you believe are the most important for future sustainable business leaders? (Numbers shown out of 225 respondents, who each selected a top 3)



We asked the survey respondents to name businesses or organisations they believe to embody these traits. Answers ranged from organisations we have seen named frequently in previous editions of this survey, like Patagonia and Unilever, to companies which have set ambitious sustainability goals in recent years. Companies falling into this latter category include shipping giant Maersk, which updated its climate strategy in 2022 to include a 2040 net-zero goal for the whole value chain, and pharmaceutical behemoth Novartis, which is aiming for a carbon-neutral value chain and water-neutral operations by 2030.

## EXPERT VIEWPOINT

# How to build a culture of sustainability

Organisational structure tends to see specific tasks being delegated to specific departments, which can naturally lead to colleagues seeing the organisation through the lens of their own specific responsibilities.

Part of



Supporting partners



**Ghinwa Chammas**, Group Sustainability Director, **BSI Group**

Sustainability can also fall victim to this, with the expectation that it is not something that sits on everyone's to-do list. In reality, accelerating progress towards a sustainable world can only really be possible when everyone in an organisation sees through the sustainability lens.

Building a [culture of sustainability](#) means sustainability becomes part of 'the way we do things around here'. To achieve this, all employees need to have a baseline understanding of sustainability and how it relates to them. Moreover, sustainability needs to be integrated with business-as-usual processes. How do we bring everyone on board? How do we weave sustainability into the fabric of our organisations?

One strategy for bringing people on board is building employee confidence by engaging teams and providing guidance and support along the way. That means more than a once-a-year training course or sharing a slide deck; going beyond single points of contact to an ongoing, two-way dialogue. And it means making information

and advice relatable – providing 'real-world' reasons to engage and strive for change. Understanding the audience, how sustainability will affect their decisions, where they sit in an organisation, the pressures they are under and what will be landing on their desk can help ensure they are increasingly engaged.

At BSI, we're helping cut through the noise, by providing monthly Teams sessions called Sustainability Snacks, that offer the chance for people to have conversations around a lot of the stickier more complex topics. These offer a safe place for our people to get a better understanding of all the work on the ground and get their questions answered in real time. That helps them feel they are part of a wider team, all working to benefit the environment and society.

Embedding sustainability means sustainability is seen as part of the ingredients, not just the decoration on top of the cake. It's using every tool in our toolkit to empower people to adopt a sustainability lens in the way they make business decisions, design products and

services, and engage with the world. Positive sustainable outcomes will only be achieved if such thinking is embedded early on.

One way of enabling this is ensuring that everyone in the organisation feels a sense of personal responsibility. That's the approach we've taken at BSI as we try to accelerate our own contribution to a sustainable world. We've introduced a carbon allowance model that gives personal ownership to our leaders by providing annual targets to reach and tying that to remuneration. We don't only share responsibility, we also share the limelight, ensuring our successful collaboration with our internal stakeholders is rightly celebrated.

There's no one-size-fits-all way of building sustainability culture. To achieve change, it's about leaders empowering people by giving them the tools to help them make better decisions and giving them space to collaborate and find the best path for our future. Sustainability touches every aspect of business – and the culture we build should collectively drive progress.