

Creating a Sustainable World

Are leaders doing enough?



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Sustainable Views

The Banker

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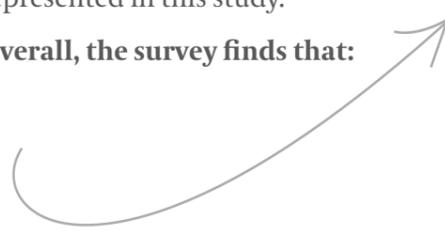
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Executive Summary

Sustainability is nearly always in the spotlight. From companies announcing carbon emissions reductions in the lead up to COP26 and in anticipation of the World Economic Forum, to ongoing media coverage of environmental and social issues, awareness has never been greater. But is enough action being taken by leaders and companies, or is it too little too late? We surveyed hundreds of executives globally to find out.

Our analysis covers medium to large companies whose revenues range from millions to tens of billions of dollars annually across every industry. While most of those surveyed work in publicly listed corporations (60%), private, family-, investor-, and state-owned companies are also represented in this study.

Overall, the survey finds that:



CEOs own the sustainability agenda and must empower their teams to deliver on it

Most of our respondents (68%) say a single person owns the sustainability agenda in their companies; 66 percent of them say it's the CEO, while 9 percent say it's the Chief Sustainability Officer. About 27 percent of respondents say that the ownership was shared by the top team: C-Suite or board, while 3 percent allocated the ownership to everyone in the organization. On a governance level, 82 percent believe their boards are well-equipped to monitor sustainability threats and opportunities, but there are concerns about preparedness, conflicting priorities, and lack of enough or sufficiently good data to make progress.

To be a more sustainable company, current culture and purpose may need to shift

More than half of our respondents (56%) say their organizations need to change their collective mindsets to achieve their sustainability goals. Recognizing the need for a mindset shift is critical, but the real challenge is embedding sustainability into the core of the company—a major departure from traditional business models for many. Some companies are already down that path: A full 37 percent of respondents describe their own organization's approach to sustainability as “transformative,” while the next largest group (27%) call it “innovative.”

Lack of universal metrics is an ongoing challenge for most companies

Companies do not all define sustainability in the same terms, and they often use different frameworks and systems to measure progress. But even for companies that have embedded sustainability in their core, there is still the issue of tracking progress. Commitments to specific ESG targets are one way of measuring. About 86 percent of companies that participated in this survey have signed up to ESG targets, and those that have not said they are in the process of doing so. This high level of commitment sends a strong message that sustainability is building momentum, but there is work to be done for effective action.

A CSO leading the sustainability charge should be a baseline, not a “nice to have.”

While most of our survey respondents believe CEOs “own” the sustainability agenda, 60 percent say CSOs lead it. We also found that while blending sustainability with the broad business strategy is challenging for most respondents, CSOs are often the missing link for organizations when trying to connect business and sustainability goals. For them, there are four priority areas that should be addressed in the next 12 months: incentives structures and culture; more human and professional development resources; carbon emissions and internal awareness on the work; and alignment on same targets and enhanced collaboration.

We also feature, throughout the study, insights from thought leaders in different industries on the role leadership plays to advance sustainability, challenges, strategies, success stories, and lessons learned. This survey suggests that advancing a sustainability agenda is an attainable goal. But it will require commitment, vision, and talent to achieve real impact. Our hope is that leaders consider these insights as food for thought and guiding principles they can adopt now to spring into action.

Overview

Sustainability is nearly always in the spotlight. From companies announcing carbon emissions reductions in the lead up to COP26 and in anticipation of the World Economic Forum, to ongoing media coverage of environmental and social issues, awareness has never been greater. But is enough action being taken by leaders and companies, or is it too little too late? We surveyed hundreds of executives globally to find out.

“Are we doing enough? Absolutely not. How could any of us say we do enough? We need to move much harder and faster in order to protect our planet for the future generations,” notes Wolfgang M. Neumann, Chairman of the Sustainable Hospitality Alliance. He is not alone in those sentiments. Many leaders agree time is of the essence. “There’s just so much to do, and we’re not on pace to get it done,” says Frank O’Brien-Bernini, Chief Sustainability Officer of Owens Corning.

Part of the challenge is that you cannot simply become a more sustainable company overnight, especially when it comes to embarking on large-scale transformation. “Our pep+ announcements on regenerative agriculture, our targets to become a net-zero emissions company by 2040, net water-positive by 2030 and efforts to ensure that we achieve a 50 percent reduction in the amount of virgin PET we use by 2030 – those are really bold aspirations, and they’re not easy ones,” notes Eugene Willemssen, CEO for Africa, Middle East & South Asia at

PepsiCo. “It requires leadership to put those targets out there and then also to work through all the mechanics and tactics to deliver on them together with other stakeholders in the value chain.”

To preserve our world, it will take more than just vanguard leaders and companies taking action. From consumers to investors—there is opportunity for everyone to act as responsible global citizens. “We need the whole ecosystem to move and accelerate and we must act now, and we must act fast,” says Naïm Abou-Jaoudé, CEO of Candriam. For Janet De Silva, President and CEO of Toronto Board of Trade, there has never been a greater sense of responsibility in terms of climate accountability. “Through the pandemic, we’ve seen horrific supply chain disruption which has also driven new thinking around the need for global sourcing versus domestic production to address the environmental impacts of shipping of our goods and medical supplies. The world at large is at a place where this is a top-of-mind issue.”

Addressing major environmental, social, and governance (ESG) issues can be overwhelming for companies of every size and industry, but it is not impossible. At the heart, it’s a leadership challenge; it starts with commitment, layered with vision, leadership, strategy, alignment, and persistence. This survey unpacks the main challenges leaders are contending with and inspires hope in the better world they see ahead.

Our analysis covers medium to large companies whose revenues range from millions to tens of billions of dollars annually across every industry. While most of those surveyed work in publicly listed corporations (60%), private, family-, investor-, and state-owned companies are also represented in this study.



- Board Chair **4.6%**
- Board Member **7.6%**
- CEO **20.4%**
- Chief Sustainability Officer **21.6%**
- Other Senior Management **34.8%**
- Rather not say **11.0%**

Source: Egon Zehnder and Sustainable Views

KEY FINDING

CEOs own the sustainability agenda and must empower their teams to deliver on it

Most respondents (68%) say a single person owns the sustainability agenda; 66 percent say it's the CEO of the company, while 9 percent say it's the Chief Sustainability Officer. About 27 percent of respondents say that the ownership was shared by the top team: C-Suite or board, while 3 percent allocated the ownership to everyone in the organization.

Most of our survey respondents (82%) believe that their boards are well-equipped to monitor sustainability threats and opportunities. Those who expressed concern (18%) believe that lack of relevant skills among board members is the biggest reason behind lack of preparedness, followed by management's and shareholders' conflicting priorities and lack of enough or sufficiently good data.

Who owns your company's sustainability agenda?



Source: Egon Zehnder and Sustainable Views

Sun Life Financial Inc. Chair Bill Anderson notes, "I think it's a responsibility for all of us as directors to understand what's going on. We all have to be committed to this equally and be prepared to spend time reading, being involved in webinars, and spending time with the executives around what they're doing."

"I expect to see boards adding a focus on competency in this area," adds Mark Hershey, SVP, General Counsel and Executive Sponsor for Sustainability at Armstrong World Industries. "If you look at a typical skills and experience matrix for a public company board, I can easily see sustainability expertise being added

as a new attribute. This attribute might focus on direct experience designing or leading sustainability initiatives, with backgrounds reflecting applicable technical skills, environmental, health and safety management backgrounds, or simply what it takes to build and implement a long-term vision for an enterprise-wide sustainability journey."

While board members will not have all the answers, a significant part of their role can be to encourage constructive and ongoing conversations about integrating sustainability into the core of their companies. "Apart from just the governance aspect of the directorship, we really hope that the directors can be a sounding board for management and bring different expertise and experience to the table," says Stephanie Lo, Managing Director, Corporate Development of Shui On Land. "We have leaned on our directors a lot on those aspects to strategize as to how we can better integrate sustainability into the business, and it's been very effective and very helpful."

Beyond the CEO and board, many other leaders contribute to setting goals and strategy.

"A really challenging part is to have a broad consensus, not so much on the principles but on the scale, and how to break it down into small pieces within different functions of the organization to drive the ESG agenda. If it's about energy consumption, maybe the operations team will be responsible. If it's about diversity and inclusion, the HR department. But mostly, we need somebody who is coordinating all these various efforts to make sure that an organization is driving a collective agenda."

Amy Fong
COO of FountainVest Partners

OUR TAKE:

Mind the difference between accountability and responsibility.

While a single leader or team of leaders may be *accountable* for sustainability, the *responsibility* should be shared by everyone in the company. Leaders must convey the importance of an organization-wide (and personal) commitment to sustainability and ensure that every employee understands what part they can play in their daily work.

KEY FINDING

To be a more sustainable company, current culture and purpose may need to shift

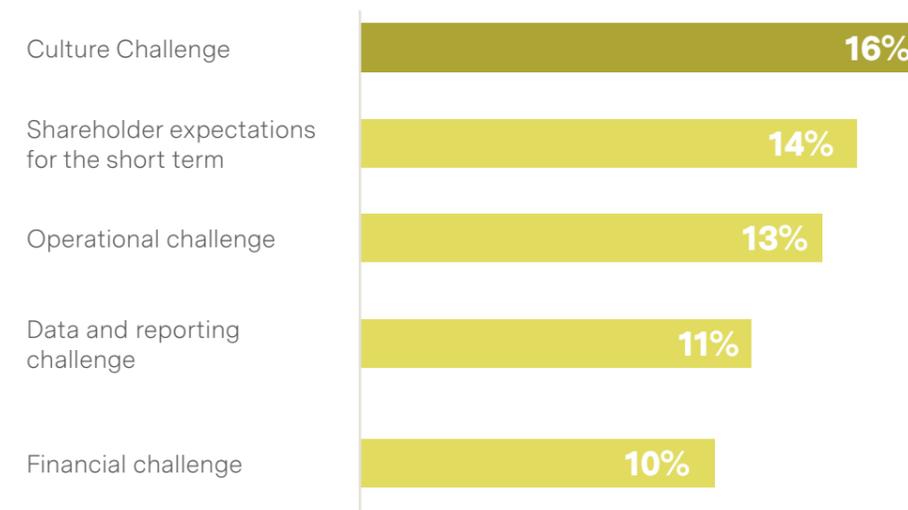
More than half of our respondents (56%) say their organizations need to change their collective mindsets to achieve their sustainability goals. Recognizing the need for a mindset shift is critical, but the real challenge is embedding sustainability into the core of the company—a major departure from traditional business models for many. “It’s not just change, but in some cases, radical change that’s required and that’s going to take a lot of bravery. It’s going to take a lot of strategic sense of direction, being clear about where we’re headed,” explains Miguel Veiga-Pestana, Head of Corporate Affairs & Chief Sustainability Officer at Reckitt. “It’s going to take a lot of innovation. And it’s going to take a shift in the culture of most companies.” Some companies are already down that path: A full 37 percent of respondents describe their own organization’s approach to sustainability as “transformative,” while the next largest group (27%) call it “innovative.”

Overall, and across industries, cultural challenges are the biggest obstacles to progress, according to 16 percent of respondents. Short-term shareholder expectations and operational challenges are the second and third biggest challenges, respectively.

Leaders who are tackling the culture challenges may be pleasantly surprised that nearly everyone is likely to find part of the agenda that is important to them, whether it’s addressing climate action or diversity, equity and inclusion, which can create a more cohesive culture. “People feel good about themselves that they can contribute to sustainability. There is a sort of inherent logic in sustainability that appeals to almost everyone—once you can convince them. Massive transformation is required to make people much more aware of their impact on the health of our planet.” says Erik Berglöf, Chief Economist of Asian Infrastructure Investment Bank.

The leaders who are instrumental in building a culture of sustainability

What are the main barriers in advancing your corporate sustainability agenda? (top 5 answers shown)



Source: Egon Zehnder and Sustainable Views

“Companies are going to have to reinvent themselves in the coming years if they want to still be around in the next decade.”

Miguel Veiga-Pestana
Head of Corporate Affairs and Chief Sustainability Officer of Reckitt

are typically those who display a genuine love for the work, the organization, and the planet. They tend to naturally gravitate towards an ESG agenda, and they do it very passionately, notes Amy Fong, COO of FountainVest. “That pride and love would translate into pride and love within the organization. You know there is a oneness agenda, because one single person cannot make anything happen on their own. He or she can only drive the agenda with significant and broad support from the entire group of staff.”

In addition to culture adjustments, companies may need to realign their purpose with their business outputs. “We have a very honorable purpose, which is to empower the next generation to explore the wonder of childhood and reach their full potential,” notes Pamela Gill-Alabaster, Head of Global

Sustainability at Mattel. “I think that’s what turns people up to work—the notion that we’re making a better life for kids. There has to be purpose-driven alignment when you have such an inspiring intention, while also understanding that the products you create use valuable resources and can contribute to waste and carbon emissions.”

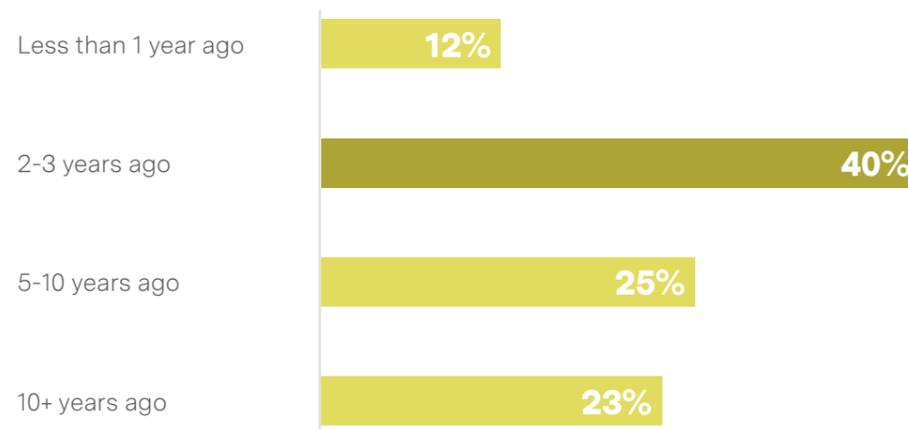
Companies are at different points in their purpose and culture shifts, depending on when they began their sustainability journeys. Among our respondents, almost a quarter were including sustainability as part of their strategic agenda more than 10 years ago. However, more than half of the companies surveyed have been focusing on sustainability for less than 3 years.

Our survey also reveals that industries have come on board at different

times, which suggests varying levels of maturity in digesting and embedding sustainability goals, depending on the organization's activity. For example, while for the majority of industrial/manufacturing respondents (58%) and energy/oil/utilities respondents (42%), sustainability became a priority

between 2-4 years ago, more than 40 percent of investment and financial advisory industry respondents felt the change took place for them over 10 years ago.

When did sustainability become a strategic priority for your company?



Source: Egon Zehnder and Sustainable Views

OUR TAKE:

Know the company you are today, the one you want to be in the future, and how you personally can help get the organization get there.

Every culture shift starts with an intention, then layering on tangible commitments over time. While these commitments must come from all levels of the organization, the executive leadership team and the board of directors must be ready to put in the work to model behavior, drive accountability to commitments and be willing to act as both teachers and learners as the culture evolves.

Embracing a Sustainability Identity

In a highly competitive labor market, adhering to a culture of sustainability could be an asset for companies looking to attract and retain talent.

When Armstrong World Industries publicly announced its sustainability plan, as its Head of Sustainability Mark Hershey explains, there was a significant display of interest and engagement by employees. “Employees started to rally around it. And it is not just the current employees, it’s the new hires. It’s the recruiting cycle. People are asking [about purpose], especially the new, next generation of leaders. People are profiling their potential employers and distinguishing them on their commitment in this area. They view sustainability as a hallmark of the culture, strategic direction, and what the company stands for. It becomes an identity for a company.”

Undoubtedly, a purpose driven culture is a powerful ally of a positive work environment. “You need to have a values-based approach in the business, not just talk about it, but be purpose driven in an all-encompassing way,” notes Wolfgang M. Neumann, Chairman of the Sustainable Hospitality Alliance. Overall, it is important to highlight that culture surpasses one single leader—it can harness the collective

power for the greater good. “It goes to a deeper part of yourself in a way,” says Erik Berglöf, Chief Economist of Asian Infrastructure Investment Bank. “You feel like you are fighting for something that is greater than just being successful in a market or pushing a particular brand.”

Part of nurturing a positive culture is listening to employees, welcoming diverse perspectives, and acknowledging everyone can contribute to the work. “Leaders who have a more purpose-driven mission tend to focus on the long-term good and they believe that the rising tide raises all boats. We are all threaded together by one planet and therefore we need to do everything within our power to make a difference and also bring the next generation along. That means including the younger generations and welcoming their input because they are the next generation of leaders,” believes Lesly Goh, Fellow at Cambridge University and Former CTO of World Bank Group.

Ultimately, it comes down to harnessing individual strengths working collectively to build momentum. “We’ve got some amazing talent in parts of our organizational parts of our marketplace. And I am big believer in scale,” notes Janet De Silva, President and CEO of Toronto Board of Trade. “We need the ability to convene people with common thinking and purpose to solve things. When we’re able to bring all that right power to the table, we become unstoppable.”

KEY FINDING

Lack of universal metrics is an ongoing challenge for most companies

Companies do not all define sustainability in the same terms, and they often use different frameworks and systems to measure progress.

But even for companies that have embedded sustainability in their core, there is still the issue of tracking progress. Commitments to specific ESG targets are one way of measuring. About 86 percent of companies that participated in this survey have signed up to ESG targets, and those that have not said they are in the process of doing so. This high level of commitment sends a strong message that sustainability is a seed with potential to create deeply ingrained roots across businesses globally. But it needs to be well cultivated—and measured.

One company that has successfully adopted a clear methodology to support its sustainability goals is Ecopetrol—one of the world’s 40 largest oil companies. Monica Jiménez, Secretary General – Corporate Governance and Corporate Responsibility, explains that the company is adept at ongoing assessment efforts. “Our strategy includes continuous identification of ESG material issues, stakeholder mapping and their expectations

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“There is not a specific sustainability agenda. Sustainability is seen as a way to future proof the business.”

Survey respondent

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“We decided deliberately not to talk about a sustainability strategy. Because it creates that sense of division between what is the core business operating framework and the core business priorities with sustainability.”

Miguel Veiga-Pestana
Head of Corporate Affairs and Chief Sustainability Officer of Reckitt

● ● ●
“We include in our sustainability agenda several goals: decarbonization, circular economy, sustainable use of water resources, smart and resilient cities, quality of our services and products, diversity and inclusion, health and safety, people skill improvement, etc.”

Survey respondent

since they can evolve depending on circumstances. We are also focused on understanding how energy transition impacts our broader environment, including communities, water, solid corporate governance and our decarbonization efforts,” she says, noting that another critical component of the company’s sustainability plan is technology. “In oil and gas companies, technology is key in order to leapfrog as fast as you need in order to achieve your decarbonization objectives.”

Beyond the issue of defining sustainability, there are several obstacles leaders need to overcome to effectively implement and advance their sustainability work.

While leaders have distinct priorities they want to address, there are common themes that CEOs, Board Chairs, CSOs, and CFOs all pointed out as challenges. One is the way their companies lay the foundation of sustainability work, which encompasses the development of a methodology, KPIs, tools, and a data collection pipeline for more insights. This underscores the need for strategic leaders with the right skills who can align ESG with the existing business structure, which is already the case for some companies. “Sustainability is absolutely central to our strategy,” notes Xavier Denoly, CSO at Schneider Electric. “It’s not only wishful thinking anymore—it is reality. You need strong leaders who are capable of interfacing with absolutely every single corner of the company: operations, sales, suppliers, and every single stakeholder in the company.”

In equal measure, culture was frequently pointed out as a priority area for change, with leaders

“Sustainability is not only wishful thinking anymore—it is reality.”

Xavier Denoly
Sustainable Development SVP of Schneider Electric

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“The difficulty comes from the details—who is going to manage this, how exactly, what kind of KPIs we want to adopt, how ambitious we want to be.”

Amy Fong
Chief Operating Officer of FountainVest

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“The biggest challenge for me has just been learning about sustainability—they did not teach this in business school when I was a student. For me, it has been about learning and understanding what pledges and initiatives we are committing to, and being confident that we have a roadmap to get there.”

Theresa Jang
CFO of Stantec

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“Coal mines and the transition to clean tech, such as solar and wind, requires so much capital investment, not to mention the job transition and retention challenges—which are especially difficult for aging labor force as more automation is deployed in the sector. The transition will also require very different types of skillsets switching from labor-intensive mining industry or auto industry to more automation leveraging technology innovation in clean tech.”

Lesly Goh
Fellow at Cambridge University and Former CTO of World Bank Group.

mentioning “a deep sense of care” and “employee engagement” as critical elements. However, leaders must recognize they can’t over-commit their companies, but rather be strategic about how to get there. That means carefully assessing factors such as financial investment and human capital risks. For instance, companies in the energy industry currently face a critical workforce shortage that needs to be considered. “The transition to clean tech requires so much capital investment, not to mention evolving skillsets and worker retention issues, against a backdrop of an aging workforce and automation,” discusses Goh. In addition, Board Chairs had their own focus areas, which include seeking a better connection with government authorities and the influencing power that companies have over suppliers and contractors.

Ratings agencies also factor into ESG decision-making. Our survey finds that only a small fraction of respondents ignores ESG ratings regarding finance, investment or capital raising decisions. Companies are genuinely interested in the ratings. “From a shareholder perspective, there are certain institutions that are following or subscribing to ISS [Institutional Shareholder Services],

and MSCI [Morgan Stanley Capital International] for ratings information, as they are currently the more prominent or visible raters. We monitor both of those closely. We’re certainly not out solely for the ratings, and we’re not trying to change the scores for scores’ sake. We hope the ratings are accurate and reflect what we’re putting into our program. If those raters are fully informed, if they’re actually picking up on all that we put out, the scores will happen,” notes Hershey. Ultimately, climate change is a top priority for businesses. “I don’t see how anyone, and not just in business, but anyone living today and understanding what’s going on in the world can’t be concerned about climate change. It’s becoming so critical from a timing point of view that we need to start to develop more specific plans around how we solve some of these issues.” says Anderson of Sunlife.

Regulations could also pose a challenge. But what if leaders approach them as a catalyst for positive change instead? “We will see within a very short period of time, companies, being audited against their practices. I think this awareness is changing. And, with that, more and more companies ultimately set

targets and measure targets and measure performance,” analyses Neumann. In most cases, companies that perform well in ESG metrics are more competitive as this challenge inherently requires thinking creatively and asking questions and thinking about issues that haven’t even presented themselves yet. “It’s still a really important factor in us framing what we’re trying to get done that we challenge ourselves to be creative, innovative, to invent whatever is necessary to meet our environmental aspirations or social aspirations in a way that is affordable” says O’Brien-Bernini of Owens Corning.

Of Note

While most companies recognize ESG/sustainability as a critical component of their business success and risk mitigation, another recent Egon Zehnder study with CEOs unearthed that leaders state ESG is important—but it still falls behind when it comes to decision-making. They place financial metrics at the top, followed by growth, talent, innovation, and health and safety. A question these leaders should ask themselves is whether they would progress in their higher-ranked metrics by focusing more on ESG.

OUR TAKE:

Hit your target and then go further.

The intent to create a better world is there, and targets are only step one. Leaders must dedicate resources and people to carry out their ESG intentions over the long term. What will set companies apart is the willingness to lead—rather than simply trying not to lose. This is a space where leaders cannot have all the answers and must be willing to take some leaps of faith to enact real change.



KEY FINDING

A CSO leading the sustainability charge should be a baseline, not a “nice to have.”

While most of our survey respondents believe CEOs “own” the sustainability agenda, 60 percent say CSOs lead it. CSOs are often the missing link for organizations when trying to connect business and sustainability goals. “As someone who has led companies in that transformation to become a more sustainable business, you’ve always got to strike that balance between challenging the business and asking those tough questions and pushing, without losing credibility because you’re seen as out of touch with the business reality,” explains Michael Kobori, CSO of Starbucks Coffee Co. “The other thing that I keep in mind is sustainability isn’t a standalone. We’re not doing it because it’s a good thing to do. Of course, it’s important for the planet and it’s important for our posterity. But it’s also deeply intertwined with business success.”

Several companies are finding successful ways of merging sustainability and business. Some are leading the charge through product innovation. Commercial and residential building materials manufacturer USG Corporation, a

subsidiary of Knauf Group, illustrates exactly how business strategy and sustainability can blend together. As CEO Chris Griffin describes, “We think about how sustainability benefits our company as well as our customers—it has to make sense for our business. It drives where we invest, particularly in continuously improving our products and processes. For example, we have a wallboard product where we completely reinvented the manufacturing process to use less water and less carbon dioxide. It’s also lighter than other wallboard products, which means less environmental impact from transportation and an easier time for the contractor on the job site. That one product innovation serves multiple sustainability goals. We’re also forward thinking about our own processes and how to make them more sustainable. Several of our plants have solar panels installed, and we’re looking at other ways to deploy capital for alternative energy sources. A significant challenge we foresee is adopting sustainable alternatives to energy sources like natural gas. That doesn’t exist today.”

Another tactic relates to the circular economy. As O’Brien-Bernini explains, “For example, we source large quantities of recycled raw materials for our fiberglass insulation. When we use recycled glass instead of virgin raw materials, then the energy that it takes to make our products is significantly lower, as well as the embodied carbon associated with those raw materials and the final product.”

Approaching sustainability as a tool to mitigate risk is a strategy companies could adopt as well. “We have considered that responsible investment is a key component of our fiduciary duty to our investors over this time,” explains Naïm Abou-Jaoudé, CEO of Candriam. “We believe that incorporating sustainability factors and criteria into our investment decision-making process improves our ability, first, to manage the downside risk; second, to integrate a maximum number of externalities in our assessment; and third, to generate long term returns and ensure sustainability outcomes.”

Additionally, companies need to stay attuned to the evolving regulatory landscape within the corridors of power to ensure they are properly equipped to leverage opportunities

and meet compliance. “We’re very committed to creating a world where plastic never has to become waste. But ultimately, we need to make sure that there are collection systems in place, that there is a recycling infrastructure and that regulators approve the use of recycled material for food-grade consumption,” says Willemsen of PepsiCo.

While progress is being made, there are still missing links and resources needed for companies to truly transform. When we asked CSOs in our survey the one thing they wanted to change in their organizations in the next 12 months to make progress on their sustainability agendas, their responses centered on four main themes:

- Incorporate sustainability into the business, including compensation structures, hiring incentives, and culture
- Allocate more resources, including enlarging the sustainability team and ESG training for all employees
- Reduce carbon emissions and ensure all employees understand the role they play in this
- Align on the same targets and collaborate more

OUR TAKE:

Be open to new perspectives and new talent.

As companies gear up to incorporate sustainability more holistically, current operating approaches are no longer enough to support this new vision and meet new demands related to ESG. For some, change will mean more upfront investment in talent, such as the appointment of a sustainability officer; for other companies, progress will come from an internal cultural shift. The nuance here is to strike the right balance between vision, action, and outcome in the long run.

KEY FINDING

A Sustainable World Starts with Finding Human Answers to Complex Issues

Committing to sustainability is not a light-switch to be turned on and off. If you want to make a positive impact on the planet, you must be willing to lead in your company and in your personal life. In the same way organizations are seeking to embed sustainability at their core, leaders similarly must internalize it as well and embrace the key role they have in translating their commitment and energy to those around them.

As leaders make both initial and deeper commitments to sustainability, that puts companies at different stages of their sustainability journeys. We asked survey respondents to share one thing they would recommend to other leaders looking to advance their sustainability agendas (see “In Their Words” sidebar).

The question we posed at the start of this survey, “Are leaders doing enough?” has a simple answer. No one is ever doing enough. While there are pockets of companies around the world that are making progress, we have yet to hit a tipping point to spur large-scale change. Leaders find themselves “between a rock and a hard place” – as society, investors,

employees and businesses, all parts of a system of systems – face the climate emergency with their own hopes and fears, the ability to convene and be open to other perspectives, and the prospect of change to our traditional mental models. Leaders need to consider alternative perspectives, and this requires new skills or underutilized skills.

We are starting to see leaders exhibiting more empathy, driving us closer to the point of change. “To what extent are you able to put yourself in the shoes of somebody else? To what extent are you able as a CEO to put yourself in the shoes of your least paid worker and understand what that life is like? What is it like to work for your company as a supplier? What is it like for the local citizens of the place where your manufacturing plant is?” asks Alice Steenland, Chief Strategy & Sustainability Officer of Signify. “And do you care?” These questions require distinctly human answers—they are not able to be answered by changing a reporting system or adopting technologies. By listening and then acting, leaders can help take us from the world we have today to the one we deserve.



“The moment leaders realize the importance of their work on ESG, the creativity comes out in a scale that is far beyond our imagination. Unleash the power of creativity through getting people to buy in, through the spirit of understanding and joy and passion and love, and the sharing of the same values and mission. There are no boundaries to what can happen.”

Amy Fong

Chief Operating Officer of FountainVest



“Leaders have to have that heart, understanding that sense of purpose, believing in that purpose is very important because it has to permeate all that we do. It’s not as simple as setting high-level targets--you actually have to shift the mindset in some operations to think about how we can do things slightly differently each day each year.”

Stephanie Lo

Managing Director, Corporate Development of Shui On Land



Our two core corporate values are embedded in our brand name, Candriam being the acronym of “Conviction AND Responsibility In Asset Management.”

Naïm Abou-Jaoudé

CEO of Candriam

In Their Words

Board Directors

- Be real. Authentic. Honest. Some businesses will not have a long-term future without ESG.
- Socialize a better and more relevant (targeted) value proposition to various stakeholders.
- Ensure purpose-driven leadership from the top.
- Instill a sense of urgency.

Chief Executive Officers

- First and utmost: Believe in your own duty and possibilities for your stakeholders and the planet.
- Align with the Chairman of the board on what it means and how important it is.
- If you have not yet started it, really move this to the top of your priorities.
- Accelerate and include ESG targets in the variable incentive scheme.
- Dare to believe investments in this area will pay off – and in several ways, including financially, retaining talent, and being a more attractive supplier or brand.

Chief Sustainability Officers

- Place sustainability at the top of your priorities.
- Board support comes first. Embed it into governance.
- Set tough targets—you don’t have to have all the answers.
- Communicate and align across all levels of the organization and the whole value chain.
- No greenwashing. Take a commercial approach, everything you do operationally should create social and economic value.

Chief Financial Officers

- Clear ownership, doing it for the right reasons and not because of others’ expectations.
- Ensure that the responsibility for the sustainability strategy is carried cross-functionally.
- Think beyond your own commitments, towards value creation along value chains.
- Think long term.
- Balance social and environmental agenda, both are important.

Get in Touch



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About Egon Zehnder

Egon Zehnder is the world's preeminent leadership advisory firm, inspiring leaders to navigate complex questions with human answers. We help organizations get to the heart of their leadership challenges and offer honest feedback and insights to help leaders realize their true being and purpose.

We are built on a foundation that supports partnership in the truest sense of the word and aligns our interests with the interests of our clients. Our 525 consultants across 63 offices and 37 countries are former industry and functional leaders who collaborate seamlessly across geographies, industries and functions to deliver the full power of the Firm to every client, every time. We partner closely with public and private corporations, family-owned enterprises, and non-profit and government agencies to provide a comprehensive range of integrated services, including executive search, leadership solutions, CEO search and succession, board advisory and diversity, equity & inclusion. Our leadership solutions cover individual, team and organizational effectiveness, development and cultural transformation. We believe that together we can transform people, organizations and the world through leadership.

For more information, visit www.egonzehnder.com and follow us on [LinkedIn](#) and [Twitter](#).

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