

Highlights from the Chief Sustainability Officers' Roundtable

16 November, 2016

Sands Capital Management, Arlington, VA

The goal of the day was to identify possible areas of significant shared interests, and especially potential conversations that may merit future targeted “deep dives” with curated experts. A significant number of themes of mutual interest were expressed.

Future such Roundtables may help address this need: while many forums for corporate sustainability discussions exist, it seems that few events incorporate serious dialogue between company representatives themselves and also involve CSOs, policy practitioners, and diverse researchers (spanning business, innovation, and policy).

Key discussion areas included:

- Causes and consequences of various institutional structures for corporate sustainability
- Metrics for measuring and quantifying financial and other types of value for corporate sustainability
- Research-based tools needed for facilitating strategic sustainability efforts
- Communicating sustainability accomplishments to stakeholders within and outside the company
 - Yet it's difficult for customers, policymakers to discern what is accurate information
- “Megatrends” in social norms and customer attitudes, and implications for corporate sustainability
 - e.g. consumer “self-direction” in consumption patterns
- Sustainability strategy: first movers' advantages and disadvantages, and sustainability in pre-competitive vs. competitive spaces
- Planning horizons for corporate sustainability inside and outside the company

- The unclear role of sustainability in changing policy contexts, with regulatory patchworks and uncertainty
 - Even if domestic markets change, companies need to be consistent in how they present themselves in international markets
 - States may become drivers of sustainability if federal regulations are rolled back
 - Companies still want to avoid a patchwork of policies
 - An increasing role for voluntary standards may exist but these are inconsistent and invite free-riders
- Strategic levers for broad change, such as:
 - New funding streams, business models, and business/product initiatives, e.g. (IoT)
 - Development of human capital solutions
 - Aligning sustainability with customer needs/demand
- Rapidly expanding global responsibilities and the emerging human element of sustainability, e.g. job creation
- Transparency, traceability and social media: managing perceptions of the public, and of public policy
- Unconventional partnerships to achieve sustainability goals, and the changing NGO
 - Can frame partnerships in terms of Structure, Impact, Innovations and Scalability
 - Authenticity matters and will vary by country
 - Partners may include media, academia, governments, other industry/financial entities
- Challenges for the Chief Sustainability Officer role
 - Difficult to obtain resources without either crisis or unexpected revenue
 - Positive financial impact may accrue to different areas, difficult to get “credit”
 - Leading is risky because mistakes are seen as hypocrisy, worse than no action
 - Identifying unintended consequences and risk-risk trade-offs
- Topics for further discussion
 - Strategic regulation
 - Innovation for sustainability
 - Incumbent innovators and entrepreneurs
 - Role of incubators and accelerators
 - Potential for customer-subsidized R&D