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A Green Seat for the C-Suite

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Key takeaways



Society at large is increasingly placing its trust in business leaders to deliver the sustainable transformation.



The current era of sustainability disruption presents the C-Suite and Board level with a rapidly evolving series of societal and environmental challenges outside of their traditional remit.



The Chief Sustainability Officer (CSO) is fast becoming a cornerstone fixture in the C-Suite – an ambassador for sustainable change, bridging the executive, the Board and the broader organisation.



This is not purely a technical role; rather, successful CSOs need to be effective communicators, strategic thinkers and agents for sustainable change.



While the CSO and his/her team provide the framework, embedding sustainability throughout the organisation is everyone's job.



To meet the complexity of rapidly evolving challenges, collaboration and co-operation are key.



The Institute of Corporate Responsibility and Sustainability (ICRS) provides networking, mentoring and resources to support career development and enable sustainability professionals to be brilliant at what they do.

Evolution

Good governance practices underpin a company's ability to effectively address risks of all kinds and create long-term value for shareholders and other stakeholders. The current era of sustainability disruption presents the C-suite and Board level with a rapidly evolving series of societal and environmental challenges.

Society at large is looking for business leaders to embrace the sustainable transition. Edelman's 2021 global barometer of trust, which surveyed more than 34,000 respondents in 28 countries, found "a heightened awareness on key social issues such as access to healthcare and education, climate change and poverty. Now, more than ever, people are looking to business to embed a sense of social purpose at the very heart of their organisations".

For corporate leadership teams, success is no longer evaluated solely through the prism of shareholder returns. Additional success metrics include the ability of such teams to guide a strategic approach that proactively develops solutions to difficult issues such as navigating new business models for a sustainable future.

“ Embedding sustainability throughout an organisation is everyone's job. However, a central team ensures focus and direction. The role of the CSO and their team is to ensure sustainability is hardwired into the business strategy, embed the delivery throughout the organisation and drive system change to optimise the enabling environment for sustainable business.”

Rebecca Marmot, Chief Sustainability Officer at Unilever

Core sustainability expertise alongside governance (ESG) at the C-Suite and Board level is no longer seen as a "nice to have" but a requirement, part of the licence to operate in the 21st century. In order to provide that expertise, the CSO is rapidly becoming the permanent Green Seat fixture. This cornerstone approach is increasingly being adopted by leading global companies to help create and maintain a strategic priority around issues such as climate change and inequality – topics that are increasingly dominating their core stakeholder concerns. The CSO and, more broadly, their sustainability teams play an important role in providing thought leadership, expertise and innovation on ESG matters at Board level and beyond.

The CSO sits at the centre, creating an effective bridge between the Board, the executive and the whole organisation. The CSO is the ambassador for sustainable change – helping frame, communicate and implement an inclusive vision of how regulatory forces, societal expectations and investor and employee engagement are shaping the business environment.

While the presence of a CSO at the C-suite is a sign for shareholders that a company is taking sustainability seriously, investors will be quick to scrutinise whether the CSO is suitably empowered. They want to see evidence of the CSO having real clout, a role clearly supported by both the Board and CEO, with a clear remit to drive sustainable change across the organisation and engage external stakeholders.

Very few CSOs have the same background and mandate. Despite this, there are several key commonalities which are outlined below.

“ The group responsible for oversight of ESG issues is one of many data points that we consider in our ESG Ratings model. Dedicated sustainability functions can help the board and management understand and address the growing array of ESG and climate-related disclosure requirements. The real prize is helping the board and management fully integrate ESG and climate-related risks and opportunities into their strategic and operating plans.”

Howard Sherman, Executive Director, MSCI



According to Andrew Cave, Head of Governance and Sustainability at Baillie Gifford, there are a number of qualities that are necessary for successful sustainability leadership.

“ First and foremost, CSOs need to be effective communicators of sustainability strategy. While they should have expertise in sustainability, theirs is not a purely technical role, they need to be effective communicators and agents for change. A CSO needs to be good with people, inclusive, and good at finding pragmatic solutions to challenges faced by different operating divisions, providing a pathway to success while acknowledging deficiencies. CSOs also need to exude patience, implementing a sustainability strategy or winning over hearts and minds of internal leadership may take time, but they will get there eventually.”

Andrew Cave, Head of Governance and Sustainability at Baillie Gifford

Board diversity and mindset also play an important role in successful sustainability leadership;

“ Board diversity, including age, gender, expertise and the presence of an active or sustainability mindset, positively contributes to a firm’s climate response. An active or sustainability mindset prioritises relationships over transactions and is underpinned by a forward-looking attitude that sees a low carbon future as inevitable. Dimensions of a sustainability mindset include: long-term creative and inclusive thinking, connection with nature and partnering. Currently a sustainability mindset is not a prerequisite for board or C-Suite appointments, however it will likely become one for nomination committees as companies focus more on improving their sustainability and ESG performance.”

*Sam Anthony, Ninety One and CISL**

While the CSO plays an essential role in influencing and communicating to the C-Suite, it is also important to consider the role of sustainability teams, employees and other stakeholders in the development and implementation of sustainability strategy. Companies must undertake a holistic top to bottom approach when putting their sustainability strategy into action. As employees take cues from leadership on what is most important for the business, leadership must also take account of an employee base that is pushing for action.

* Based on outcomes of a study undertaken by researchers at the Cambridge Institute of Sustainability Leadership – Richard Burrett, Sam Anthony, Beate Van Loo-Born, David Jones, Clare Nickson-Havens, Veronica Palmgren, Nawaz Peerbocus



Sustainability professional bodies such as the Institute of Corporate Responsibility and Sustainability (ICRS) play an important role in improving the skills and competencies of sustainability professionals while maintaining a degree of control and setting standards for the industry.

The ICRS, in collaboration with Davy Horizons, has launched the Ireland Hub of ICRS see [here for more detail](#). The ICRS Ireland Hub offers sustainability and corporate responsibility professionals in Ireland a space to network and connect on topics of local and global importance. ICRS Chairman Anita Longley highlights the importance of professional bodies and continuing professional development (CPD) for corporate sustainability and ESG professionals.

“ Addressing the complex and fast changing sustainability challenges means that CRS professionals must focus, more than ever, on CPD. We need to innovate, collaborate and communicate with integrity. The ICRS provides a framework of core competencies, a network, mentoring and resources to support professional development and ensure that we can be brilliant at what we do.”

Anita Longley FRSA FICRS

The first ICRS Ireland Hub steering committee is made up of Irish sustainability and ESG professionals from a range of different industries. In advance of the launch of the ICRS Ireland Hub, we asked members of the steering committee for their organisations’ insights on the role of sustainability leaders and how they drive sustainability strategy within their companies.

“ The evolution of the CSO role has been dramatic. Today, sustainability is infused throughout the organization. It’s part of our ambition and purpose and central to how we make decisions, run our businesses and operations, and innovate new products. A CSO sits at the intersection of key ESG drivers and stewards the company’s sustainability strategy to positively impact multiple stakeholders. Looking at the investment community alone, we see greater demand in how we’re addressing critical societal challenges including climate protection and circular economy. For us, it is the strength of the intersection between inclusion and sustainability in which we will solve them. What hasn’t changed is our focus on solving these challenges through materials science innovation and collaboration.”

Mary Draves, CSO and VP, Dow Inc.



The growing sustainability challenges are immense, and the purpose of my role is quite varied. Implementation and operationalisation of our 2030 Roadmap, 'Building Today, Caring for Tomorrow', is one of the main priorities, and that really involves engaging and supporting right across the business to ensure we deliver on our sustainability commitments. Being aware of the external challenges and the evolving landscape is critical and filtering through that by making sense of what is important to our business, industry and range stakeholders and showing leadership across the construction sector. Internal and external stakeholder engagement is an essential part of this role and I believe that those stakeholders expect this type of role to exist in our business today."

Sinéad Hickey, Head of Sustainability, Ireland & Europe, John Sisk & Son

Conclusion

For business leaders, societal expectations and trust are increasingly being placed on their ability to deliver the sustainable transformation. Navigating this type of transition requires not just a different skillset, but a mindset change and a willingness to embrace collaboration and co-operation. While the CSO and his/her team can play a valuable role in guiding that change, embedding sustainability throughout the organisation is everyone's job.



Let's work together.

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