



# Leadership for Social and Environmental Good

## Walking the talk to make ESG happen in your organisation

Having strong ESG purpose is only the start. Businesses need to define how their corporate activities are measuring up to this purpose, and clearly express this to customers, investors, media, governments, and the public.

For business leaders, the task can appear dauntingly large and complex – but there are manageable ways to approach the challenge, and the key thing is to make a start.

“ *The purpose of the business is to produce profitable solutions to the problems of people and planet, not profiting from producing problems.* ”

The British Academy Future of the Corporation project (2022)

## Today's businesses are expected to help with:

- ▶ Climate change,
- ▶ Workforce reskilling,
- ▶ Economic inequality,
- ▶ Restoring trust in information,
- ▶ Access to healthcare,
- ▶ Systemic injustice,
- ▶ And more.

Rather than take on the whole gamut of sustainability goals, individual companies should focus on:

- 1 Where they can reduce any damage they are causing,
- 2 Where they have the opportunity to create positive value.

## Creating sustainable value can be viewed as two stages

### STAGE 1: Initial actions

- ▶ **Mitigate risks** – focus on business and supply chain reliability and resilience.
- ▶ **Reduce costs** – maximise eco-efficiency (energy, water, resources) and minimise waste.



### STAGE 2: Added with time

- ▶ **Increase in trust** – customer loyalty and employee retention; enhanced reputation; product differentiation.
- ▶ **Business growth** – product and business model innovation; disruptive systems change.

Understanding how business development can not be divorced from the societal and environmental context.

Considering future environmental and societal consequences of the business's activities; balancing short-term and long-term interests; courage and resilience to deal with risks and change.

Building awareness of evolving ESG challenges and opportunities; noting and communicating technical and management issues and their practical and emotional effects.

Understanding embedded systems, and relationships within the organisation and the environment it inhabits.

Understanding other viewpoints; distributing value; collaboration



## Seven key leadership capabilities required for creating sustainable value