

## Sustainability Watch - November 2022

Building a Sustainability Culture

November 17, 2022, 11:00 AM ET (05:00 PM CET)

THE CONFERENCE BOARD  
**SUSTAINABILITY WATCH**



# Today's speakers



**Don Young**

Executive Vice President &  
Chief Sustainability Officer

**J.M. Huber**



**Kara Fulcher**

Director, Sustainability  
North America

**Michelin**



**Paul Washington**

Executive Director,  
ESG Center

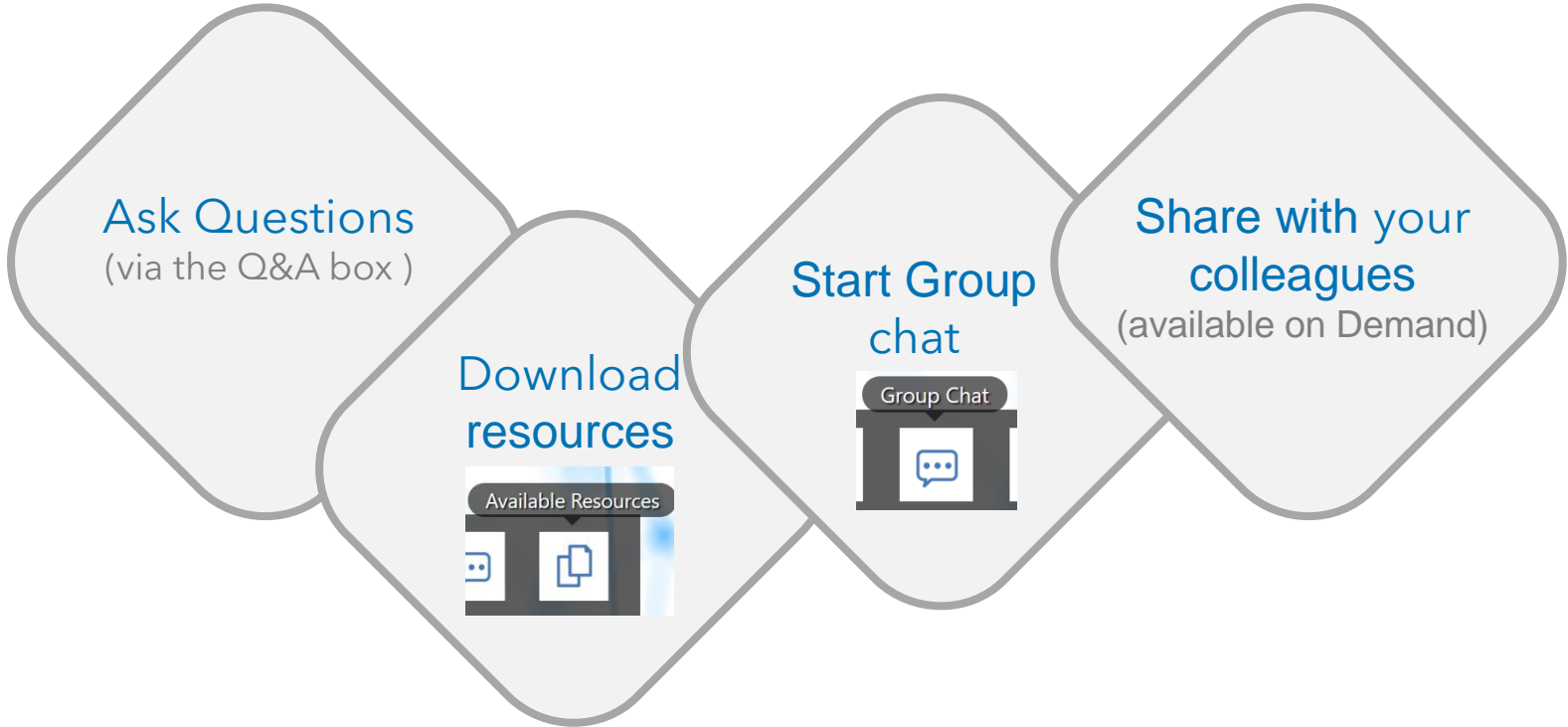
**The Conference Board**

# Some of the critical issues we will be addressing today

- What do we mean by “sustainability culture?” How do you get started building a sustainability culture?
- What’s the role of the CEO, board, business units, communications, human capital, legal, and other departments in building sustainability into a company’s DNA?
- What are the key obstacles to overcome? How do you ensure that the culture is embraced by senior management, middle management, and employees?
- What does success look like? What are the best ways to communicate progress internally and externally?



# Making the most of the webcast



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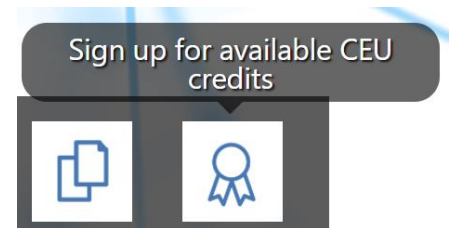
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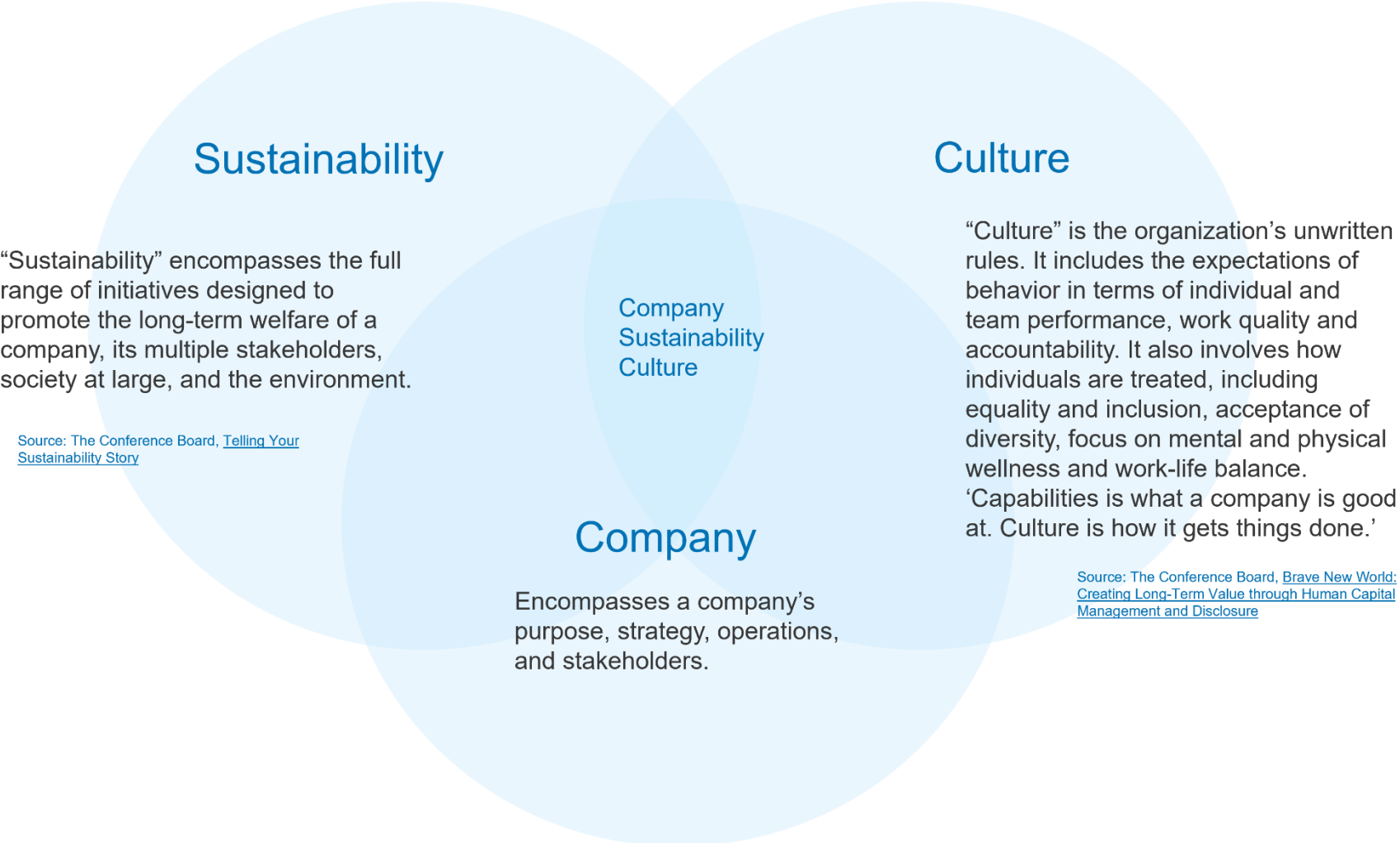
## HRCI, SHRM, & CPE (NASBA)

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# Sustainability culture is company-specific and needs to reflect business priorities

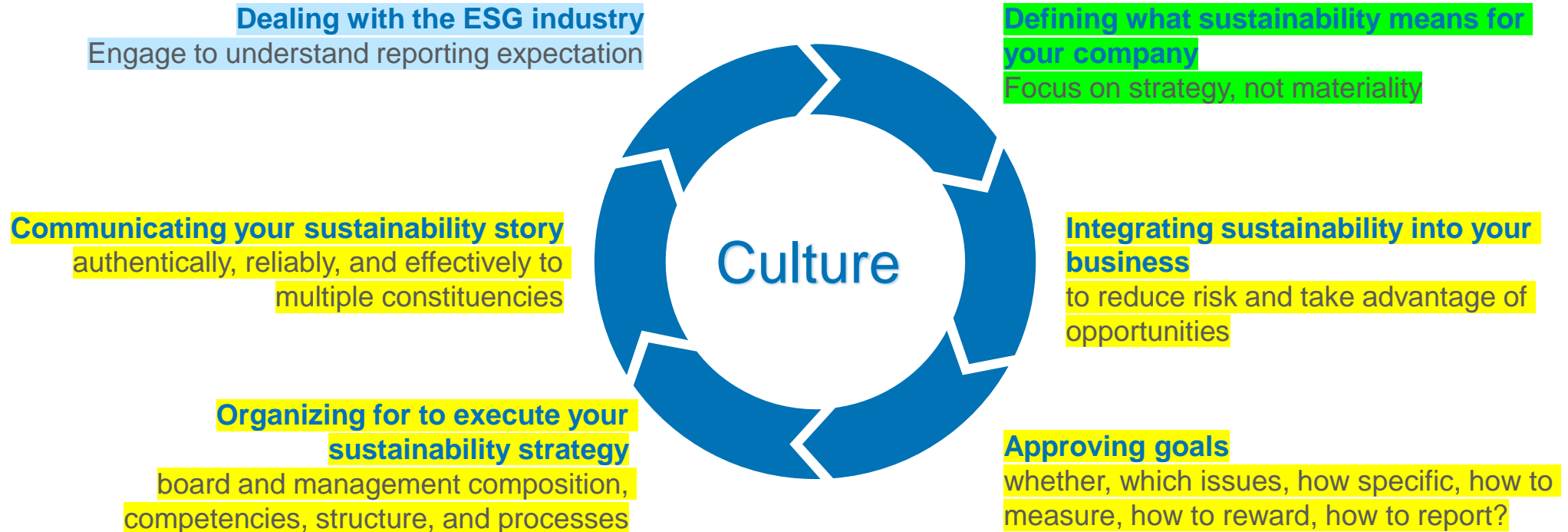


## Poll Question 1

How well do you think sustainability is embedded into your firm's cultural DNA?

- 5 - Fully embedded
- 4 - Mostly embedded
- 3 - Partially embedded
- 2 - Slightly embedded
- 1 - Not embedded at all

# A clear definition of what matters . . . is essential







# Additional Resources

## [Building a Sustainability Culture](#) (Publication, June 2022)

At the heart of addressing the many challenges of sustainability is creating a “sustainability culture” in which those at the organization—from the top of the house through frontline workers—think and act with sustainability in mind. Building a sustainability culture is highly company-specific, requires adopting a common language and understanding of sustainability goals, and involves working with suppliers and other business partners to set common goals and plans. This essay offers guiding principles as a way to get started, or accelerate progress, as you move forward with your sustainability efforts. If successful, you can build sustainability into your firm’s culture and character so that it becomes an enduring part of not just how you behave, but who you are as a firm.

## [Organizing for Success in Corporate Sustainability](#) (Research Report, November 2021)

Nearly 20 percent of US companies have a chief sustainability officer reporting directly to the CEO, but that’s not the only organizational model that works. The key is to have a sustainability leader who has the skills and credibility to drive sustainability forward. This publication focuses on how companies organize—at the management level—to carry out their sustainability initiatives. It offers insights drawn from a survey of 104 companies, in-depth interviews with 20 sustainability executives, and a roundtable discussion with 116 executives from 86 firms.

## [Telling Your Sustainability Story: Overview](#) (Research Report, August 2021)

The Conference Board convened a working group involving over 300 executives from 150 companies to discuss how companies can tell their sustainability stories authentically, reliably, and effectively to multiple constituencies. This overview captures the insights, guidance, and best practices from the working group sessions. Additional details can be found in the four accompanying Practical Guides.

## [Questions Boards Should Ask About Climate](#) (Publication, November 2021)

Constructively engaging the board on climate is critical for both business performance and the sake of the planet. Instead of beginning a discussion with your board that focuses on the company's impact on climate, as so many environmental activists do, start with climate’s impact on the company. This is both a universal question for companies and an urgent one. From that starting point, you can move on to the company’s impact on climate, the risks and opportunities presented by climate change, how the company is organized to address climate change, and how the firm is addressing stakeholder expectations.



# Additional Resources

## [Five Reasons Private Companies Care about ESG](#) (Publication, March 2022)

Many private companies are well-positioned to be trailblazers in ESG. Freed from many of the short-term pressures and regulatory disclosure obligations of public companies, private firms can focus on areas where they can have the greatest impact. And with greater continuity in leadership – particularly at family-controlled companies – they have a greater ability to focus on the long term and grow a culture where ESG is in the firm’s DNA. This report, which draws upon conversations with senior executives at leading private companies, sheds light on the ways private firms are leading in this area to their competitive advantage

## [B2B Sustainability Disclosure: Telling Your Sustainability Story to Your Business Partners](#) (Publication, May 2022)

Companies face a potential nightmare in trying to satisfy their business partners’ competing – and sometimes conflicting – demands for information about sustainability. A survey of 159 procurement executives indicated that 69 percent consider sustainability performance when selecting new suppliers and renewing contracts, and 63 percent stated that delivering on corporate sustainability goals has become a “very important” priority, up from 25 percent two years ago. The essay offers recommendations to help navigate this challenge – and all of them go beyond simply filling out questionnaires you receive from your business partners.

## [A Pathway to Net-Zero](#) (Publication, April 2022)

Climate change has become front and center for many investors, regulators, customers, and employees—and an increasing number of companies are making net-zero commitments. These pledges can play a central role in guiding emission reductions and have grown in popularity in the last few years; over 20 percent of all companies in the Forbes Global 2000 list have a net-zero target in place. However, this momentum currently has limits: Asia is by far the largest carbon emitter but committing to net-zero is still a nascent practice for Asian companies.

## [Linking Executive Compensation to ESG Performance](#) (Publication, October 2022)

The share of US companies linking executive compensation to ESG performance is increasing—from 66 percent of the S&P 500 in 2020 to 73 percent in 2021. However, just a small minority of polled corporate executives say including ESG in executive pay is very important in achieving their ESG goals. Indeed, only a bare majority of companies include ESG goals to drive performance. Companies may want to consider (or reconsider) whether they truly have a compelling business reason to link executive compensation to ESG.



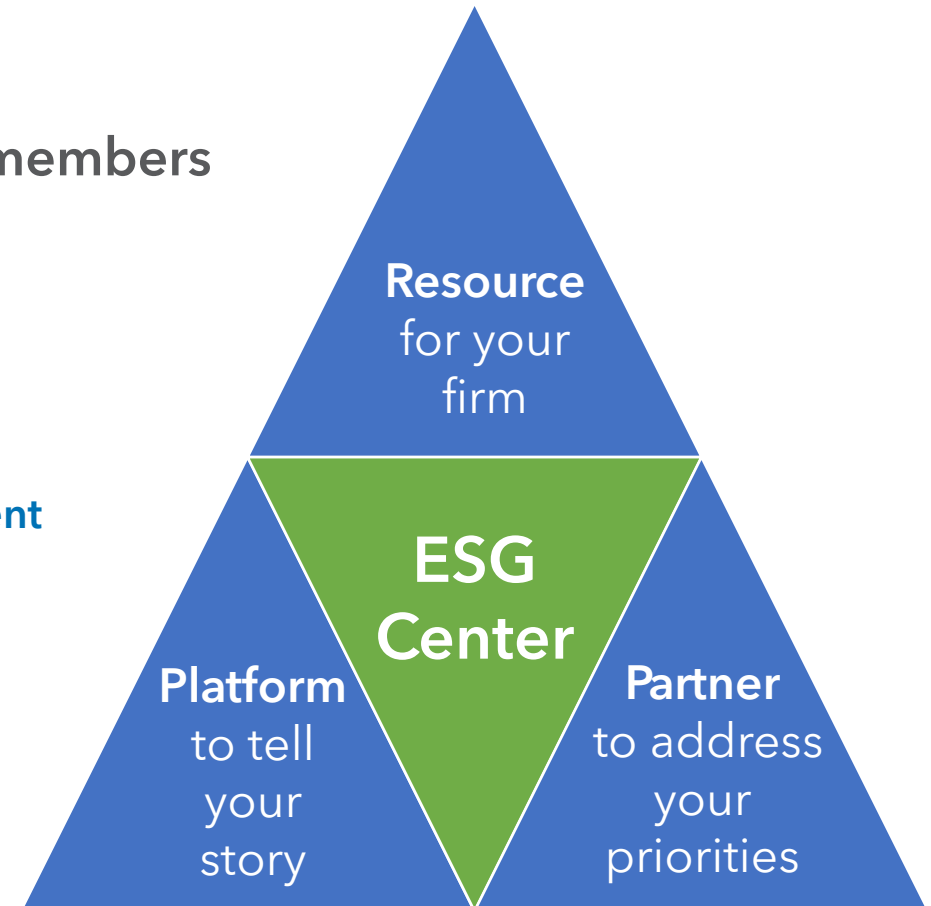
# Environmental, Social and Governance (ESG) Center

The ESG Center is the leading independent, non-partisan, non-profit think tank in the US focusing on **corporate governance, sustainability, and corporate citizenship and philanthropy** on a global basis.

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# Upcoming Member Exclusive Programs



## Lessons on How to Avoid Stains of Greenwashing

November 17 | 2:00 - 3:15 PM Eastern



## Maximizing the Benefits of Board Diversity

November 30 | 3:00 - 5:00 PM Eastern



## Addressing Scope Three Emissions Center Briefing

December 2 | 10:00 - 11:30 PM Eastern



## 2022 ESG Summit: Collaborating While Competing in ESG

December 8 | 2:00 - 5:00 PM Eastern

To learn more about The Conference Board ESG Center, contact [Jon.Y@tcb.org](mailto:Jon.Y@tcb.org)

