

Executive Summary

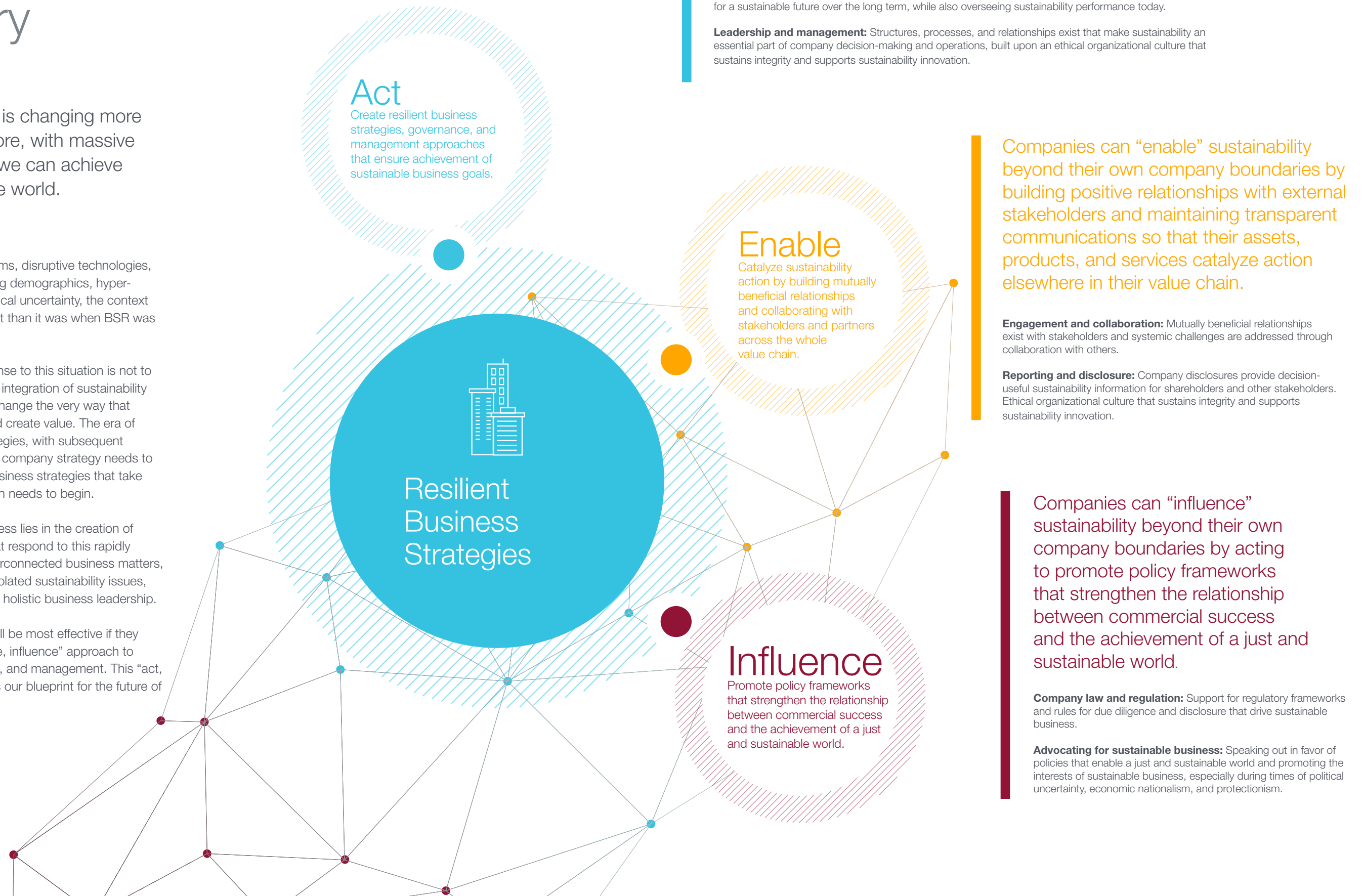
The world around us is changing more rapidly than ever before, with massive implications for how we can achieve a just and sustainable world.

Whether it is new energy systems, disruptive technologies, new business models, changing demographics, hyper-transparency, or rising geopolitical uncertainty, the context for business is radically different than it was when BSR was established 25 years ago.

We believe that the best response to this situation is not to continue advocating for further integration of sustainability into business strategy, but to change the very way that companies design strategy and create value. The era of stand-alone sustainability strategies, with subsequent integration of sustainability into company strategy needs to end; the creation of resilient business strategies that take sustainability as their foundation needs to begin.

The future of sustainable business lies in the creation of resilient business strategies that respond to this rapidly shifting external context as interconnected business matters, rather than as a collection of isolated sustainability issues, which will require cohesive and holistic business leadership.

Resilient business strategies will be most effective if they are based upon an “act, enable, influence” approach to company strategy, governance, and management. This “act, enable, influence” framework is our blueprint for the future of sustainable business.



Companies can “act” within their own company boundaries.

Strategy and value creation: Resilient business strategies address sustainability challenges and take into full account all the ways that the world around us is changing.

Governance: Boards and senior executives have the expertise, insights, and information necessary to plan for a sustainable future over the long term, while also overseeing sustainability performance today.

Leadership and management: Structures, processes, and relationships exist that make sustainability an essential part of company decision-making and operations, built upon an ethical organizational culture that sustains integrity and supports sustainability innovation.

Companies can “enable” sustainability beyond their own company boundaries by building positive relationships with external stakeholders and maintaining transparent communications so that their assets, products, and services catalyze action elsewhere in their value chain.

Engagement and collaboration: Mutually beneficial relationships exist with stakeholders and systemic challenges are addressed through collaboration with others.

Reporting and disclosure: Company disclosures provide decision-useful sustainability information for shareholders and other stakeholders. Ethical organizational culture that sustains integrity and supports sustainability innovation.

Companies can “influence” sustainability beyond their own company boundaries by acting to promote policy frameworks that strengthen the relationship between commercial success and the achievement of a just and sustainable world.

Company law and regulation: Support for regulatory frameworks and rules for due diligence and disclosure that drive sustainable business.

Advocating for sustainable business: Speaking out in favor of policies that enable a just and sustainable world and promoting the interests of sustainable business, especially during times of political uncertainty, economic nationalism, and protectionism.

We believe the fundamental tenets of the “act, enable, influence” blueprint will remain constant, and we look forward to the opportunity to further refine this approach in partnership with our member companies.

The sustainable business field has made significant progress over the past 25 years, developing separate parts of this “act, enable, influence” framework and learning many lessons along the way. We believe that now is the right time to take stock of the progress we have made, stop doing things that are not fit for purpose, and innovate in important ways.

We have no doubt that the implementation of the perspectives shared in this paper will evolve as the world changes around us. However, we believe the fundamental tenets of the “act, enable, influence” blueprint will remain constant, and we look forward to the opportunity to further refine this approach in partnership with our member companies.

Act

Create resilient business strategies, governance, and management approaches that ensure achievement of sustainable business goals.

- Create resilient business strategies that account for disruptive change
- Deploy strategic foresight processes and futures methodology
- Proactively communicate resilient business strategies with investors
- Use sustainability solutions as a business development opportunity
- Strengthen board stewardship of sustainability
- Recruit and develop board-level sustainability expertise
- Align incentives with sustainability performance
- Build new leadership competencies

Enable

Catalyze sustainability action by building mutually beneficial relationships and collaborating with stakeholders and partners across the whole value chain.

- Collaborate with stakeholders to address systemic sustainability challenges
- Use stakeholder relationships as a source of innovation
- Engage a broad range of stakeholders beyond the “usual suspects” — and use business functions beyond the sustainability team
- Develop coalitions to advance progress on major sustainability challenges
- Provide disclosures that inform diverse audiences
- Focus company reporting on value creation and performance improvement

Influence

Promote policy frameworks that strengthen the relationship between commercial success and the achievement of a just and sustainable world.

- Identify the legal and policy instruments that support sustainable business
- Align business strategy, sustainability, and government affairs agendas
- Demonstrate sustainability as an enabler of business strategy and social benefit
- Communicate internally and externally about company ethics, vision, and values
- Advocate for sustainable and resilient business models
- Advocate for sustainability policies at the regional, national, and global levels