



From Incrementalism to Transformation: Reflections on Corporate Sustainability from the UN Global Compact-Accenture CEO Study

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Over the last decade, sustainability has become firmly established on the corporate agenda. CEOs have become more confident in discussing sustainability issues and their impact; sustainability reporting has become commonplace; and business leaders talk of sustainability as a critical driver of future success. But beneath the surface, progress in embedding sustainability into companies, industries and markets may be slower than anticipated. Despite individual achievements, progress has slowed, with many companies struggling to move beyond philanthropy and corporate social responsibility. The new era of integrated sustainability, once confidently predicted by CEOs, has perhaps never seemed so far away.¹

Over the last decade, the UN Global Compact has conducted a triennial survey of CEO opinion on sustainability. Through a series of in-depth interviews and online surveys, the three studies – published in 2007, 2010 and 2013 – together offer a unique perspective on corporate sustainability since the founding of the Global Compact in 2000. In this article, we reflect on the insights of the CEO Study in order to trace the development of sustainability, and shed light on the current pathway towards a more sustainable economy.

¹Definitions of ‘sustainability’ and ‘sustainable business’ abound. As a working definition, and an aspiration, we use the term ‘sustainable business’ to mean a company or organization that creates value for owners, stakeholders and society through its products and services, operations and value chain, while delivering a ‘net positive’ social, environmental and economic impact; embedded within this concept is the idea of ‘zero-harm’ to people and planet.

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From Philanthropy to ESG: The First Wave

The first CEO Study, commissioned by the UN Global Compact in 2007 and conducted by McKinsey & Company,² reflected a world in which sustainability issues were just beginning to move from the domain of academic debates and NGOs to become a primary concern of business. In the early 2000s, as companies had begun to respond to the demands of NGOs, the media and their own employees, discussions of environmental and social impact became commonplace. Many companies established corporate social responsibility teams, and sought to partner with charities and NGOs on philanthropic initiatives: building wells in rural communities, for example, or donating computer equipment to schools.

By the time of this first study, *Shaping the New Rules of Competition*, a small group of companies – themselves ‘early adopters’, through their membership of the UN Global Compact – are seen to be considering the implications of these shifts for their competitive positions; the ‘new rules of competition’ would be based, they believed, on a more active role in promoting social and economic prosperity that in turn would build trust and legitimacy with the public. The study revealed that more than nine in ten business leaders were doing more than 5 years previously to incorporate environmental, social and political issues into their firms’ core strategies, and showed how business leaders were becoming ever more comfortable with the language of sustainability. “If you’d talked to any CEO about what their carbon footprint was one year ago,” said one CEO quoted in the Study, “you’d have been met with a fairly blank stare. Now they’d be able to give you a pretty good answer.”

The authors highlighted new demands and expectations on business:

Many executives see the new standards and demands as burdens. But our research shows that some visionary CEOs are recognizing them as opportunities to apply their creativity and resources to gain competitive advantage, and help address some of the world’s biggest challenges. As governments around the world wrestle to address issues that cross borders, there is growing recognition that the marketplace and private enterprises that operate on a global scale can and must help find solutions to global problems. Many experts believe, for example, that given the right price signals, the market is better equipped to address climate change than any central planning or state enterprise model. We are therefore witnessing the dawn of a new era in corporate innovation and experimentation, when new partnerships and standards will emerge, when new, more transparent measures will better reflect the full costs of doing business, and when greater private participation in the delivery of public goods and services will change companies’ roles in society.³

This anticipated shift in the role of companies in society marks an important development. After years of ‘unrestrained capitalism’, CEOs can be seen to be reflecting on the legitimacy of business and the challenge of building public trust, as well as the tensions between business-as-usual and the challenges of environmental and resource constraints: in the words of one Latin American CEO, “Society’s expectations of our company, and business in general, have increased significantly

²United Nations Global Compact and McKinsey, *Shaping the New Rules of Competition: UN Global Compact Participant Mirror* (2007).

³*ibid.*

in the last five years, particularly around environmental issues and broader social and economic development.”

Asked about the factors motivating them to take action on sustainability issues, CEOs identify employees, consumers and governments as the most important stakeholder groups, reflecting a combination of incentives: attracting and retaining talent through a commitment to social responsibility; securing consumer preference and loyalty through ‘green’ branding; and responding to government and regulatory requirements. Through these various motivations, we can trace a strong current running through the Study: sustainability, rooted in philanthropy and CSR, becoming embedded more widely across business – with the early signs of a real commitment to addressing social and environmental challenges.

The Financial Crisis and the Rise of ‘Sustainability’

The financial crisis of 2008–2010 fundamentally changed approaches to corporate sustainability. Economic pressures and the demands of short-term survival forced many companies to re-examine their CSR programmes and philanthropy initiatives, seeking tangible, measurable returns on investment and integrating sustainability more closely into the fundamentals of business. As the 2010 CEO Study, *A New Era of Sustainability*, notes:

In the course of our survey and conversations with CEOs, we have witnessed a fundamental shift since the last Global Compact survey in 2007. Then, sustainability was just emerging on the periphery of business issues, an increasing concern that was beginning to reshape the rules of competition. Three years later, sustainability is truly top-of-mind for CEOs around the world. While environmental, social and governance challenges continue to grow and CEOs wrestle with competing strategic priorities, sustainable business practices and products are opening up new markets and sources of demand; driving new business models and sources of innovation; changing industry cost structures; and beginning to permeate business from corporate strategy to all elements of operations.⁴

Strikingly, in what quickly became the headline number of the 2010 Study, 93% of CEOs reported that sustainability would be ‘important’ or ‘very important’ to the future success of their business; sustainability, it appeared, had shifted from an optional ‘nice-to-have’ to an essential part of core business, with real, tangible impacts on the fundamentals of success. Consumers, employees and governments all grew in their perceived importance in setting the agenda for sustainability, as NGOs fell away – a move away from issue-based, reactive responses, perhaps, and towards sustainability as an integrated part of core business. With the crisis of trust still a white-hot issue for business leaders, CEOs identified ‘brand, trust and reputation’ as the prime motivating factor to take action on sustainability, followed by the potential for revenue growth and cost reduction – a further sign that sustainability was no longer considered peripheral to business, but an integral part of relationships with consumers and customers, and a strategy that could benefit the bottom line.

⁴United Nations Global Compact and Accenture, *A New Era of Sustainability* (2010).

Another notable development is the prominence of the term ‘sustainability’ itself. Virtually absent from the 2007 study – the word appears only twice, in mentions of ‘environmental sustainability’ and ‘sustainability reports’ – ‘sustainability’ appears no fewer than 360 times in the 2010 study, including in the title itself. Analysis of transcripts from interviews with CEOs in 2010 reveals the rise of ‘sustainability’ as a mainstream concept in business: from the ubiquity of ‘ESG’ in 2007, ‘sustainability’ has taken over, featuring on multiple occasions in every conversation.

The combination of business leaders’ focus on efficiency and survival, and the maturation of ‘sustainability’ as a mainstream concept, had important consequences for the development of companies’ approach to environmental, social and governance issues. From the broad approach evident in 2007, as CEOs discussed rebuilding the social contract within an economy that demanded more from business, ‘sustainability’ for many companies became shorthand for a narrow focus on incremental achievements in environmental efficiency. From a commitment motivated by a sense of responsibility and ‘the right thing to do’, sustainability became a business-led imperative, motivated by short-term concerns and justified by its impact on the bottom line. Throughout the 2010 Study, we can see companies focussing on the ‘quick wins’ of energy and resource efficiency and cost reduction: in the words of one senior business leader quoted in the Study, “If managing a business sustainably is about using resources efficiently, then it serves the cost agenda as well.”

As the focus of sustainability narrowed, business leaders’ confidence soared. From a nebulous concept, fraught with fundamental questions about the role of business in a healthy society, sustainability now presented a narrowly-defined set of expectations and demands. Companies built their capabilities in measuring and reporting carbon emissions; in tracking health and safety in the workplace; in promoting diversity within the workforce. Many more companies made public commitments to environmental sustainability; published annual sustainability reports; and reported year-on-year metrics under the Global Reporting Initiative (GRI). Buoyed by this progress, 81 % of CEOs surveyed reported that sustainability issues were fully embedded in the strategy and operations of their company – and more than half anticipated a ‘tipping point’ where sustainability would be integrated into companies and global markets within a decade.

‘Frustrated Ambition’: Reaching the Plateau

Fast forward to the most recent CEO Study in 2013,⁵ and the bullishness of business leaders has all but disappeared. Far from continuing towards the ‘new era’ they anticipated in 2010, many CEOs feel that business has become complacent about progress, describing a situation in which sustainability has become embedded into communications and rhetoric, but not into the everyday realities of business. Two headline numbers from the 2013 study give a striking indication of business leaders’

⁵ United Nations Global Compact and Accenture, *The UN Global Compact-Accenture CEO Study on Sustainability 2013: Architects of a Better World* (2013).

perspective: just one-third believe that the global economy is on track to meet the needs of a growing population within environmental and resource constraints; and one-third believe that business is doing enough to address sustainability challenges (Figs. 23.1 and 23.2).

Reflecting on their own progress in embedding sustainability into core business, CEOs express a sense of ‘frustrated ambition’. Business leaders remain convinced that sustainability will transform their industries; that leadership can bring competitive advantage; and that sustainability can be a route to new waves of growth and innovation. In the words of Ramakrishnan Mukundan of Tata Chemicals, “There is no choice for businesses but to get on the road to sustainability: it is unsustainable to be unsustainable.”

But beneath this commitment, frustration is clearly evident: business leaders are in many cases unable to locate and quantify the business value of sustainability; are struggling to deliver the business case for action at scale; and see market failure hindering business efforts to tackle global challenges. CEOs see business caught in a cycle of “pilot paralysis” – individual, small-scale projects with an incremental impact on sustainability metrics – and while they see a role for business in promoting sustainable development, their responsibilities to the more traditional fundamentals of business success are preventing greater scale, speed and impact (Figs. 23.3 and 23.4).

Fig. 23.1 Ninety-three percent of CEOs believe that sustainability will be important to the future success of their business (Source: UNGC-Accenture CEO Study 2013, based on 1000 completed responses)

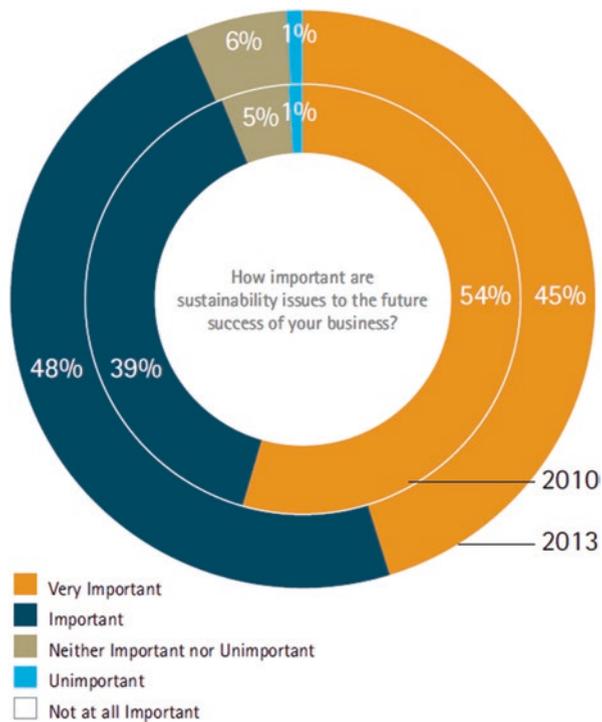
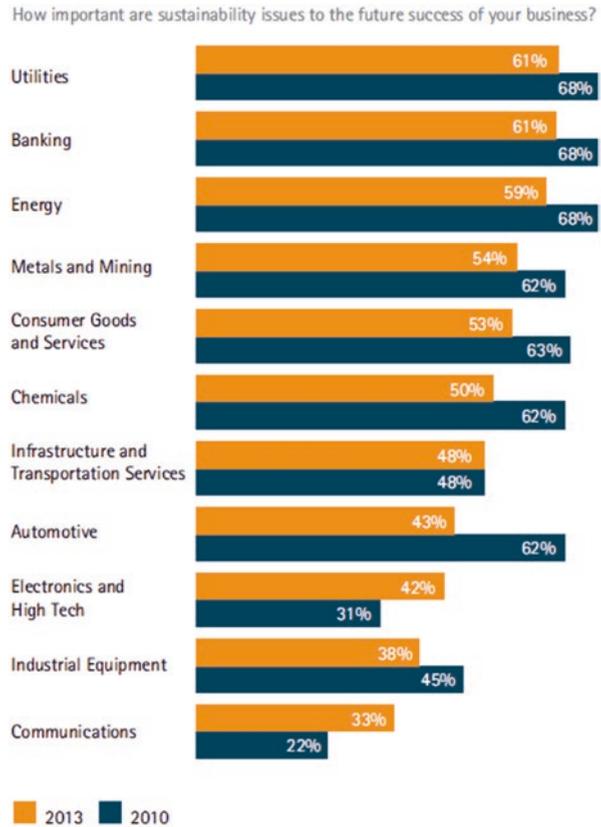


Fig. 23.2 In many industries, there is a marked decline in the proportion of CEOs who see sustainability as “very important” to success (Source: UNGC-Accenture CEO Study 2013, based on 1000 completed responses)

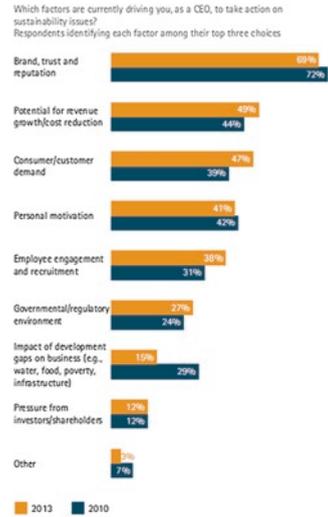


Consumers Are Conflicted in Their Signals: And May Not Provide the Answer

In the most recent survey, it is clear that market-facing factors are influencing CEOs' approach to sustainability: the top three motivating factors to take action are brand, trust and reputation (69%), the potential for revenue growth and cost reduction (49%) and consumer demand (47%). These factors, ranked above such motivators as employee engagement, personal motivation, or pressure from government and regulators, demonstrate how business leaders have begun to root sustainability in the business case.

The consumer emerges as the most important stakeholder when it comes to having an impact on a company's approach to sustainability. Consumers are ranked among the three most influential stakeholder groups by 64% of CEOs, continuing the trend observed in 2010, when 58% of CEOs ranked them among the top three influencers, up from 50% in 2007. For consumer-facing businesses, understanding the shifting preferences and desires of disparate consumer groups is a constant and complex undertaking. Business leaders strongly believe that their sustainability

Fig. 23.3 CEOs are increasingly market-focused in their motivations to invest in sustainability (Source: UNGC-Accenture CEO Study 2013, based on 1000 completed responses)

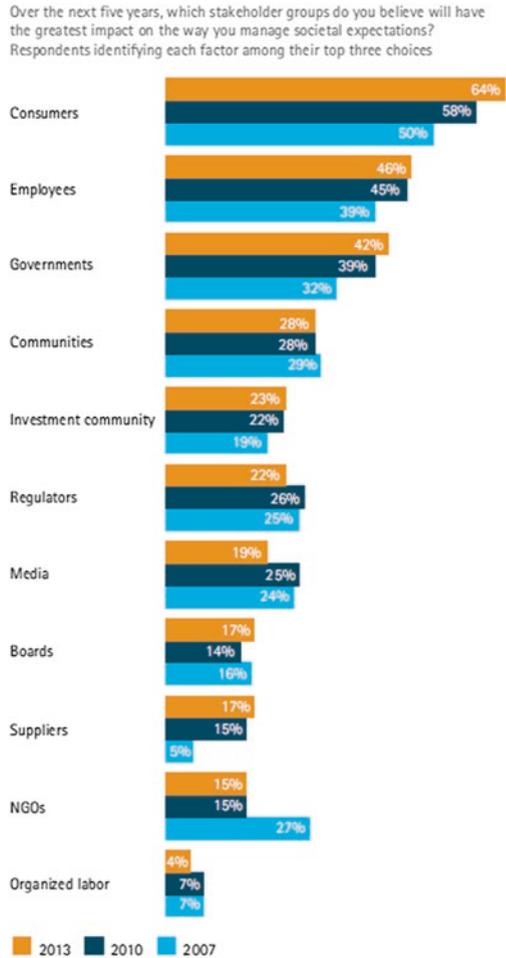


performance and reputation are key factors in shaping consumer and customer demand: CEOs report that both the reputation and brand of their company on sustainability (81%) and the sustainability performance of products and services (77%) are important in the purchasing decisions of their consumers and customers. As one CEO in the technology industry told us, “Five years ago, sustainability was important, but not core to how we delivered value to customers; now we have products designed with sustainability in mind.”

Despite their belief in the importance of sustainability for consumers, CEOs are realistic with regard to its impact in the market. CEOs remain skeptical of consumers’ willingness to make trade-offs between sustainability and traditional differentiators, with 46% believing sustainability issues will *always* rank behind price, quality and availability. In the words of Peder Holk Nielsen, president and CEO of the Danish biotech company Novozymes, “Sustainable solutions have to be qualitatively or economically on par or better than the old processes that they replace; it has never been possible to charge extra for sustainability.” While 28% of CEOs report securing a price premium through their approach to sustainability, many believe that this may not be sustainable or that it may not reach beyond a small segment of “ethical” consumers. “Consumers are aware of sustainability but are not willing to compromise on quality, convenience or price,” said Henkel CEO Kasper Rorsted.

The recent companion study conducted by Accenture and Havas Media, on the views and expectations of 30,000 consumers worldwide, show the challenge of engaging the consumer on sustainability. The study reveals that, although CEOs see engagement with consumers as the most important single factor motivating them to accelerate progress on sustainability, less than one-quarter of consumers report that they regularly seek information on the sustainability performance of the brands whose products they purchase, and less than one-third ‘often’ or ‘always’ consider sustainability in their purchasing decisions. In essence, consumers expect superior performance on

Fig. 23.4 CEOs see consumers and government growing in importance in influencing their approach to sustainability



sustainability and demand a greater contribution by business to global challenges, but that they have little appetite to pay higher prices or to actively pursue information on the sustainability performance of companies. CEOs and consumers alike are clear, though, that sustainability is becoming an expectation, and that the reputation on social, environmental and ethical issues can make or break brands – and companies.

Investors Are Showing Greater Interest: But Remain Ambivalent and Are Unlikely to Drive Change

In 2010, CEOs identified the relationship with investors as critical to making progress on sustainability: 86% of CEOs saw the accurate valuation of sustainability by investors as critical to progress. If companies could clearly communicate the value of sustainability, and investors could factor sustainability performance into company

valuations, CEOs believed that this relationship could unlock new investment and reward the leaders in the field.

But the 2013 survey reveals little momentum in the impact of investors on corporate efforts in sustainability: as in 2010, just 12% of respondents regard investor pressure as among their chief motivators on sustainability, and only 23% (from 22% in 2010 and 19% in 2007) see investors as an important stakeholder. As one CEO told us, “Investors sit and listen politely when we bring these issues up, but they really don’t ask about it – we’re not doing this to please shareholders.” And in the words of another, “My job as CEO is to make the company bigger, better and more sustainable; I don’t spend much time convincing investors, because I think if I do my job, the rest will follow.”

But despite their absence from the most important stakeholders cited by CEOs, investors do have an impact: 52% of executives report that investor interest is an incentive for them to invest in sustainability, and 69% expect investor interest to be an increasingly important factor in building sustainability issues into core business. As one senior business leader put it, “We still find it challenging to convey to mainstream investors why and how sustainability can drive value creation, but they’re starting to appreciate the risks of working in an unsustainable system.”

Yet as with CEOs’ perceptions of the consumer, this belief in the growing interest of investors is yet to be reflected in the realities of the market. Just one-third of CEOs of public companies believe that their share price currently includes value directly attributable to sustainability initiatives and performance – further evidence for CEOs’ own recognition that the lack of a link to business value is a barrier to progress on sustainability. And the recent Accenture-PRI study of investor attitudes to sustainability exposes a gap in communication: 57% of CEOs surveyed in the UNGC-Accenture CEO Study reported they are able to set out their strategy for seizing opportunities presented by sustainability; when asked the same question of the companies in which they invest, just 9% of investors believe this to be the case. Similarly, while 38% of CEOs believe they are able to accurately quantify the business value of their sustainability initiatives, just 7% of investors agree – a striking gap which exposes the shortcomings of many companies in effectively communicating their approach to sustainability and its links to the traditional measures of business value and success.

Given these prolonged challenges in extending sustainability beyond the firm, CEOs believe that business is not leading on sustainability in the way that was predicted 3 years ago. But our data suggests a disconnect between CEOs’ perceptions of global progress and their opinion of their efforts and achievements: fully 76% of CEOs are satisfied with the speed and effectiveness of execution on their own company’s sustainability strategy, and nearly two-thirds believe that they are doing enough to address sustainability challenges. CEOs clearly recognize the scale of the global challenge – but may not yet see the urgency or the incentive for their own businesses to do more and to have a greater impact. This disconnect suggests that a gap persists between the approach to sustainability of the majority of companies globally – an approach still centered on philanthropy, compliance, mitigation and incremental improvement – and the approach being adopted by leading companies, focused on innovation, growth and new sources of value.

The Transformational Leaders: Steps to Success

The advances of leading companies, and their adoption of large-scale, collaborative projects targeted directly at value creation through addressing the priorities of global sustainable development, are beginning to demonstrate how business impact can be scaled beyond incremental advances and efficiency gains. The 2013 CEO Study, *Architects of a Better World*, identifies a group of “Transformational Leaders” that combine sustainability leadership with market-leading business performance, as measured by traditional metrics including revenue growth, profitability and shareholder returns. These companies are approaching sustainability in markedly different ways to those who are failing to achieve this distinction – with different motivations, different influencers and different areas prioritized for investment, innovation and action. At the heart of their approach is a strategy that moves beyond reactive, incremental responses to external pressures and toward a new understanding of sustainability as an opportunity for innovation, competitive advantage, differentiation and growth. Leading CEOs are already uncovering strategies for sustainability that allow them to deliver both value creation for their companies and impact on global challenges; they are not waiting for others to act, but are actively creating real value for consumers, investors and society.

From leading multinationals like Siemens and Philips, whose portfolios of products and services targeted at improving their customers’ environmental performance now represent about half of their revenues, to smaller, disruptive innovators such as Zipcar and Airbnb, companies are seizing new opportunities through innovation, and devising new models and new ways of doing business. From the circular economy to new digital businesses, these innovators are finding new ways to meet the needs of their customers while impacting positively on the environment and society.

New models such as the Circular Economy are potential gamechangers in the development of corporate sustainability, as innovators move from a lens of mitigation and incremental improvement, to investment at scale in solutions, directly targeted at sustainability challenges that begin to decouple growth and prosperity from environmental impact and resource degradation. In providing a unifying framework that can solve the challenge of decoupling growth from environmental impact, understood and implemented correctly the circular economy is a genuinely systemic – and potentially transformational – approach; it is radical new models like these have the potential to shift the economy from an incremental path to a revolutionary one.

Harnessing sustainability as a radical, transformative force will require a new commitment from business leaders, as well as new skills and new ways of approaching sustainability. The CEO Study outlines seven key themes that CEOs believe can guide their own thinking and actions, as well as transforming their companies’ strategies, business models, value chains and industries in order to achieve sustainability leadership and high performance.

1. **Realism and context: Understanding the scale of the challenge – and the opportunity.** Throughout our interviews, it was clear that companies taking the most ambitious action on sustainability were also the most realistic about the scale of the challenge – and are more likely to admit that business is not doing enough. Understanding the challenge also allows these companies to appreciate the opportunity for future growth in providing solutions to sustainability issues and to target strategies to achieve it.
2. **Growth and differentiation: Turning sustainability to advantage and value creation.** One of the clearest insights in our most recent research is the emergence of a two-speed world in sustainability, between those companies still reacting to external expectations on sustainability and focusing on incremental mitigation, and those that see sustainability through the lens of growth and differentiation. For leading companies, many CEOs told us that the urgency of global challenges provides an opportunity to differentiate their products and services; to access new market segments; and to grow into new regions, countries and areas where their products can meet a pressing need.
3. **Value and performance: “What gets measured gets managed.”** From carbon emissions to water footprints, tracking environmental measures is now commonplace across industries. Our research suggests that, for companies seeking to go beyond incremental change and tackle global sustainability issues, the challenge is twofold: not just to measure and manage metrics of reduction and mitigation, but also to quantify the value of sustainability initiatives and more sustainable business models to the company, and to track their impact on the communities in which they operate.
4. **Technology and innovation: New models for success.** Our data suggests that leading companies are turning to innovation and technology. Environmental and resource constraints, and growing social pressures, are acting as a stimulus for innovation: From investment in renewables, to intelligent infrastructure enabled by machine-to-machine communications technology, to new Circular Economy business models, leading companies are securing business advantage through innovative R&D and the deployment of technologies ranging from cloud computing to analytics.
5. **Partnerships and collaboration: New challenges, new solutions.** We have seen a growing confidence from CEOs over the last decade that business can provide solutions to tackle global challenges. In the context of intensifying pressures and flagging efforts, CEOs more readily acknowledge the role of collaboration and partnerships in meeting their ambitions on sustainability. Business can lead the way, they believe, and can maximize companies’ impact through close partnerships with governments, policymakers, industry peers, consumers and NGOs.
6. **Engagement and dialogue: Broadening the conversation.** Business leaders are increasingly conscious of the need to establish a constructive, two-way dialogue with consumers and local communities; regulators and policymakers; investors and shareholders; employees and labor unions. Rather than simply acting and then communicating, CEOs are actively engaging stakeholders to negotiate the role of their business in addressing global challenges.



Fig. 23.5 Transformational Leaders are combining sustainability leadership with superior market performance

7. **Advocacy and leadership: Shaping future systems.** Leading CEOs are clear that business efforts are not sufficient to set the global economy on track – but believe strongly that business should lead the way toward defining and delivering a sustainable global economy, not least through the post-2015 development agenda. They are realistic that individually they can only have so much impact, but recognize a need to play a part in collaborative solutions with governments and other stakeholders. Business leaders’ advocacy and public commitment will be integral to further progress (Fig. 23.5).

Impact and Value: A New Approach

In the most recent study, CEOs were unequivocal in their belief that the global economy is not on the right track – and that business is not doing enough to address global sustainability challenges. They see their companies stuck on a plateau of incremental achievement, uncertain of the way to the summit of greater impact and business success. But among sustainability leaders, we can see the beginnings of a collaborative, systems approach to sustainability, focused on the impact business can make. These companies are seizing opportunities at speed through building skills, measuring value and performance, and improving the dialogue with consumers, investors and governments. Perhaps most importantly, they are aligning

sustainability with value creation, and seeking to create real advantage – put another way, competing through sustainability.

We can see the seeds of a new approach to sustainability, with pockets of real innovation both within the firm and beyond its four walls: collaborating within and across industries and sectors, and working closely with stakeholders to develop the beginnings of transformational change that can put in place an architecture that mobilizes the business contribution to the post-2015 agenda. Through the innovations of these leaders, we begin to see a pathway for business to make rapid and meaningful progress on the journey from sustainability's plateau of good intentions toward a summit where global markets are aligned with sustainable development, enabling business leaders to truly become the architects of a better world.

Signposts to the Future: Towards Transformation

The adoption of the Sustainable Development Goals in 2015, and the achievements of the climate negotiations in Paris, mark a critical turning point in the history of global development. As we look ahead to a new sustainable development agenda, business and civil society leaders see an urgent need for the rejuvenation of a global partnership focussed on development and prosperity.

Following the landmark agreement at COP21, the international community has an immediate opportunity to advance action through bold, ambitious and universal action on climate. Paris marked a collective recognition that climate change is not simply one element among multiple priorities: action to protect habitats, secure livelihoods and enshrine environmental justice can provide the cornerstone of an integrated development agenda and can lay the foundations of achievement across all 17 Sustainable Development Goals.

But achieving ambitious goals will depend on the active engagement of business, and unlocking the potential of the private sector will require enabling action on the part of governments and policymakers. The innovation required to forge the transition toward a low-carbon economy will depend on clear, coherent and consistent policy frameworks that enable companies to invest with confidence and place the big bets that will bring about new technologies and new business models to tackle the challenges of the twenty-first century. Foremost among the challenges business, government and civil society leaders face in rejuvenating their partnership for development is working together effectively across sectors, understanding common priorities and facilitating transformative action.

The forthcoming edition of the triennial CEO Study, to be published later in 2016, will grant a unique opportunity to understand the views and priorities of business leaders in this new landscape. Foremost in the minds of the study team will be understanding the progress of business since the last study in 2013, and the extent to which individual leaders and companies have moved beyond their shared sense of 'frustrated ambition' towards a clear path to competitive advantage through leadership on sustainability.

The practical import of the Sustainable Development Goals, too, will provide a key area of interest: after a decade in which progress has often been stifled by unclear and competing expectations of companies to act on ‘sustainability’, could the SDGs provide a new rallying point for discussions of purpose and value in business? Could ‘Corporate Disruptors’ – those companies finding a route to growth, innovation and competitiveness through addressing global challenges – chart a pathway towards new definitions of opportunity and success? And how will new business models and new technologies allow companies to uncover new sources of advantage through addressing the most pressing global challenges?

During the decade’s lifespan of the UN Global Compact-Accenture CEO Study, we have traced the development of corporate sustainability from its roots in corporate social responsibility towards the integration of environmental, social and governance issues as a critical element in strategies for growth. Aided by the momentum of the UN’s Agenda 2030, the adoption of the Sustainable Development Goals and the strides made at COP21 in Paris, growing recognition of the scale of the challenge has begun to translate into renewed advocacy for action: for perhaps the first time, we are beginning to see a united front of business leaders and policymakers setting their course toward a bold deal that can begin to close the gap between ambition and execution.

For the private sector, working in concert with policymakers and civil society, the SDGs provide a global aspiration and common direction that can stimulate innovation, investment and engagement. As companies look to grow and innovate low-carbon solutions to global challenges, they can lay the foundations of achievement, offering opportunities for business to have a meaningful impact on societal challenges through core business: new energy technologies are creating opportunities for companies to ensure access to affordable, reliable, sustainable energy for all; climate-smart agriculture solutions help to achieve food security and promote sustainable farming; and new low-carbon technologies for cities will build resilient infrastructure and promote inclusive, sustainable and prosperous industrialization.

In the context of Agenda 2030, our research with CEOs shows a striking shift in business leaders’ attitudes and commitment across the decade to 2015, with a majority of companies now looking beyond an incremental approach rooted in corporate social responsibility to one motivated by the opportunities to scale innovative solutions. Many challenges lie ahead: in the assessment of business leaders themselves, companies are not doing enough to invest in the solutions of the future, and are not yet living up to their own expectations of corporate leadership.

Advancing the role of business in tackling the greatest challenges we face will depend on a new compact between business, governments and civil society, to work together to unlock the potential of the private sector in delivering a shared vision for a prosperous future.