



# WHITEWATER MANAGEMENT

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INSIGHTS FROM THE ASPEN  
LEADERS FORUM ON THE  
EVOLVING SUSTAINABILITY  
PROFESSION

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**BUSINESS  
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**“To win in the 2020s and beyond, business will have to be about more than just business. Companies will need to create value not only for their shareholders but also for society—by confronting humanity’s toughest challenges.”**

Boston Consulting Group [“Winning the 20s”](#).

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Even before COVID-19 unleashed its havoc on the world, the stakes were high for corporate sustainability strategists. They are higher now that a multi-dimensional crisis is unfolding.

Sustainability departments in large companies were once about compliance, efficiency, disclosures and public relations. As the new decade dawned, companies that wanted to be in the vanguard of sustainability practice were expecting a great deal more from the experts in these departments. The COVID crisis has upped the ante even further as sustainability strategists now help companies manage their response to employees and customers, provide disaster relief and plan for the long-term in a world that will look nothing like it did on January 1, 2020.

As a result, the job of the corporate sustainability strategist has become more difficult - and more exciting and critical to business success - than ever.

Nearly a decade ago, the Aspen Business & Society Program launched the Aspen Leaders Forum, a cross-industry invitation-only network of top notch sustainability and social impact strategists in leading companies. These strategists are working at the cutting edge of practice and influencing the future of the profession. At present, revenues of the companies represented in the Forum exceed \$1 trillion. Across the globe these companies employ over 2.3 million people.

Over the last six months, we have sought their insights on what is changing in the zeitgeist that is affecting their work - and, potentially, amplifying their impact. We sought information about what their jobs now entail, how their responsibilities are shifting and what they see ahead for the sustainability profession.

This report, in three sections, offers a summary of we have heard and what we believe it takes to be on top of your game at the start of this new decade.

- 1 Trends that signal increased need for expert sustainability strategists
- 2 Ways companies are responding to these changes
- 3 Strategies for becoming a best in class sustainability strategist for the new decade

## NOTE

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We are using the term “sustainability” to refer to the wide array of social, environmental and governance issues that impact companies and society - issues that differ by company and by industry. Thus, throughout the report, we refer to the individuals who manage these issues as “sustainability strategists” even though they have wide-ranging titles.

A common thread is that all of them have enterprise-wide responsibilities for steering the corporate ship through what we are calling “whitewater,” the churn that results from integrating social, environmental, and governance issues into business practice and policy to achieve results that benefit all corporate stakeholders.

## TRENDS THAT SIGNAL INCREASED NEED FOR EXPERT SUSTAINABILITY STRATEGISTS

### Many existential threats to corporations today - and exciting opportunities for value creation - are rooted in social and environmental issues.

An increasing number of looming, material threats to companies emanate from the social and environmental issues that have always been at the heart of sustainability practice. They are even more visible in the midst of the COVID crisis. Climate change. Inequality. Inclusion. Data security. Workforce implications of digitization.

On the flip side, companies that are committed to finding opportunities within these challenges will uncover new pathways to profitable growth, industry leadership, and greater employee engagement. They will do so, for example, by creating products and services for underserved customers, adopting practices that enhance employee well-being and inclusivity in the workplace, and innovating to lower greenhouse gas emissions.

The issues that are central to these risks and opportunities are ones that sustainability strategists have been trained to watch for. Their job is to identify those risks, work with colleagues to mitigate them, and uncover the value creation potential embedded in the challenges.

### Large institutional investors are looking for alpha in ESG.

**In the future, companies will be differentiated by how effectively they integrate sustainability into their core business processes, especially innovation and finance.**

Anna Palazij  
Senior Director, Sustainability Reporting, PepsiCo

Investors have finally begun to see what sustainability professionals have been saying for years. Environmental, social and governance (ESG) issues are far from “non-financial” concerns. They contain risks that can be costly for the business and opportunities that generate long-term value. Mainstream investors, as well as those who run impact funds, are reaching out to C Suite executives and board members and expecting them to be up to speed on complex questions about ESG risks and opportunities.

Sustainability strategists serve as critical resources and often present to board committees on these issues because they know how the company has managed these risks over time and taken advantage of opportunities. They also know where there are gaps in managing these issues. Many are also frequently asked to join their investor relations colleagues on calls with investors to field ESG related questions.

**We serve as radar for the company - the eyes and ears. We hear weak signals, connect the dots and communicate internally. We bring what we hear into the corporate conversation. If we are doing our job well, we create awareness of important issues.**

Brenda Colatrella  
Associate VP, Corporate Responsibility, Merck

## Public-Private partnerships will be needed to solve complex social problems.

There was a time when the public looked to national and state governments to take the lead in addressing our most complex social problems by establishing norms, setting regulations, funding programs that served those in need. Over the years, confidence in government's ability to act has declined as the complexity of the social and environmental challenges we face has increased - and are now further exacerbated by the COVID crisis. Governments alone cannot address these challenges. So there is increased pressure on business to step up and take responsibility for being part of the solution. This trend is not a new one, but the urgency is growing and the need for establishing productive partnerships - with national, state and local governments, NGOs, other businesses - is increasing exponentially.



Increasingly, we are going to have to work in pre-competitive space in order to help solve complex problems like lack of access to technology for underserved populations.

Andrea Wood  
Head of Social Impact, Best Buy



To ensure continued collaborative efforts we need "diplomats" who have proven expertise in cross-sectoral coalition building. Who are these corporate diplomats? They are the sustainability professionals who for years have sat on industry sustainability boards, worked across sectors in communities, negotiated with social activists. They are collaborators extraordinaire, and their experience in finding common ground in order to move forward is now especially valuable.

## Customers are applying pressure on companies to be more sustainable.

Whether it is the Millennial consumer or a B to B relationship, more and more customers are expecting that their purchases will meet certain sustainability standards. Their concerns are wide-ranging - from the environmental impacts of products to the diversity of the workforce to the level of transparency throughout the supply chain. And the threshold for acceptability is ever increasing. If companies can't meet these rising expectations, customers will seek services or products from those companies that do meet a higher bar.

As a result, sustainability professionals are bringing their expertise to help colleagues respond to customer needs. They are being called in by the sales team to craft a solid narrative that communicates their sustainability story to the market. They are working with innovation and R&D teams to provide informed perspectives on the social and environmental impacts of products and services. They are helping business development teams respond to sustainability-related questions in requests for proposals.

## Existing and prospective employees care deeply about their employers' track records in sustainability.

Customers are not the only ones demanding accountability from companies. Existing and prospective employees expect to work for purpose-driven companies. Employees and applicants want to know what commitments an employer has made to achieving social and

environmental impacts, and they expect honest assessments of progress. They will choose to work elsewhere if employers don't measure up. There have even been very public instances of employees demanding action from their employers on social and environmental concerns when they decide companies have fallen short.

Talent acquisition and retention is now linked to the sustainability narratives in companies with multiple implications for sustainability professionals. For example, on-campus corporate recruiters are contacting the sustainability experts in advance of their visits to ensure they have a strong sustainability story to share in order to attract top talent. When new hires arrive, sustainability teams are being invited to welcome them in onboarding sessions. For existing employees, sustainability targets are being built into performance reviews - and sustainability teams are keeping track of progress in ways that impact careers.



**Our opportunity now is to harness the incredible energy across the firm around social and environmental issues, to focus on a common goal and identify the building blocks toward achieving that goal.**

Val Smith  
Chief Sustainability Officer, Citi



## HOW COMPANIES ARE RESPONDING TO THESE CHANGES

Expert sustainability strategists can point to many changes they are experiencing within their own companies. Here are five changes that are directly impacting their jobs. There are short-term challenges in each of these changes, but each is also opening a pathway for these strategists to have greater influence and produce more value for their companies.

### 1. Corporate purpose is being redefined in line with sustainability goals.

Since the 1970's, maximizing value for shareholders has served as the underlying purpose of many corporations. Over the past few years, shareholder primacy has been losing its iron grip as the public - and corporate executives - began to understand how deleterious the impact of this concept was not only for other stakeholders but for the long-term success of the firm. The Business Roundtable (BRT) announcement in August, signed by nearly 200



**We bring specific analytical capabilities, strategic foresight, the ability to interpret wicked problems and translate them into business language. We work with the business to redefine problems as opportunities, but ultimate responsibility for turning rhetoric into reality at scale must rest with the business units.**

Michael Fürst  
Head of Social Innovation and Strategy,  
Novartis



influential U.S. CEOs, provided clear evidence of this shift. The new statement of purpose from the BRT affirmed that businesses have a fundamental commitment to serve all stakeholders - customers, employees, communities and shareholders.

Many companies now are saying it was easy to sign onto this new purpose statement because they are ALREADY meeting the needs of stakeholders beyond those who own shares in the company. Of course, that is true - to an extent. Any

company that doesn't care about its impact on its customers and its employees isn't going to be in business for long. However, the sustainability professionals know just how far their company needs to go to manifest that commitment fully. Moreover, they understand the complexities of balancing competing objectives amongst stakeholders and setting long-term goals while attending to short-term needs. They have an oversized responsibility (and ability) for helping their companies realize their commitments and to work with colleagues throughout the business to take ownership for implementation.

## 2. Everyone wants to get in the sustainability game.

Interest within companies on sustainability and a range of social and environmental issues is now widespread. Many executives are being asked to be spokespersons for sustainability in public forums and are eager to step into these opportunities. They may be looking for a "crash course" before speaking on a panel - or they may dive into projects or speaking opportunities with limited preparation.



**My job is to help create sustainability expertise across the business, to enable others to make good decisions and speak with confidence about sustainability.**

David Clark  
VP Sustainability, Amcor Ltd.



The engagement of so many colleagues in the sustainability space who are not well versed in the complexities of the issues can present coordination and communication challenges. However, there may be clear benefits for sustainability professionals. Expanded interest may mean that more resources could be made available for this work - to achieve greater impact.

Also, if companies commit to developing greater sustainability expertise across the company, they will need to build robust knowledge and skills development programs for employees at various levels. Human resources will be responsible for this effort, but sustainability professionals can be critical partners in development and, possibly, delivery of the content. Their involvement in this effort can increase their visibility and perhaps bolster their standing.

## 3. In many companies, sustainability is moving to the core of business.

"At last!" some sustainability strategists are exclaiming. They have been arguing for this integration for a long time. For years, sustainability experts were outside the mainstream in many companies. These strategists are now being pulled into discussions on strategy, innovation, business development and investor relations. That's good news for those with deep expertise to share.

The transition, however, presents challenges for all. Although sustainability strategists now have the opportunity to take on new responsibilities, they continue to



**Our work is the Company's work - philanthropy and social responsibility are no longer separate from the role of the business. Our work, in partnership with our businesses, will help shape the future for our Company.**

Lauren Moore  
VP Global Community Impact,  
Johnson & Johnson.





**My role is to build strategies to move us from transactional subject matter expertise into transformational change that is embraced by all of our employees.**

Kim Dabbs  
Global Director, Social Innovation, Steelcase



be responsible for everything their job encompassed before – compliance, disclosure, measuring impact, goal setting, etc. Moreover, to become value generators, they will need to develop a much deeper understanding of many aspects of the business. Outside the sustainability team, to achieve the desired integration, employees across the company will

need to gain more sophisticated understanding of what sustainability means to the company and how it impacts their responsibilities.

#### 4. The sustainability function is becoming an innovation hub.

While companies still need to do better at identifying and managing the Environmental, Social and Governance (ESG) risks they face, leading companies are also looking for the opportunities that exist in the ESG space. They are trying to get ahead of the competition by designing new products, services, business models and business practices that link business success and positive social and environmental impact. The need for a merger of sustainability and innovation extends to the finance function as companies begin to issue green bonds, social bonds and sustainability bonds which require input from sustainability experts.

One outcome of this shift to a focus on innovation is increased fluidity between the sustainability group and other departments. Sustainability strategists are being seconded to other departments to share expertise. Likewise, sustainability departments are adding other staff members – like product designers, PR experts, engineers – to their teams. There will be new opportunities for job swaps, secondments for periods of time or specific projects, permanent hires. Sustainability experts will also be hosting or participating in hackathons, innovation labs, competitions, and design sessions.



**Internalizing megatrends allowed us to see opportunities within climate change – not just the risks.**

Scott Tew  
Executive Director, Center for Energy Efficiency and Sustainability,  
Trane Technologies



#### 5. Massive digital transformations are triggering concerns about social impacts.

Organizational change has always had implications for employees. Downsizing. Outsourcing. Corporate restructurings. Managing those implications historically has fallen to the human resources team. The changes wrought by digitalization are of an entirely different scale. Companies are now spending trillions of dollars annually to transform companies and make them competitive for the future. As Satya Nadella, CEO of Microsoft, writes in *Hit Refresh*, “Mixed reality, artificial intelligence, and quantum computing are going to be game changers, creating new economic surplus, but also disrupting the workforce, eliminating routine jobs we take for granted today.”

Human resource professionals will continue to play a key role in helping employees adapt and prepare, but sustainability professionals are also getting involved in multiple ways. For example, some are working across industries in to implement community-based programs to build a diverse pipeline of tech savvy talent, particularly among underserved populations. As a result of increased expectations for companies to disclose human capital statistics, they are studying how upskilling and retraining programs are being deployed across the company. Also, in the rapid digitalization shifts, they may find that they are the ones raising difficult questions about possible biases in algorithms or raising alarms about data usage and privacy.

In the last couple months, the pandemic has also laid bare the dire implications of a massive digital divide. The success of digitalization will depend, at least in part, on ensuring that customers, employees, and community members have internet access and are tech savvy.

## STRATEGIES FOR BECOMING A BEST IN CLASS SUSTAINABILITY STRATEGIST FOR THE NEW DECADE

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Based on the dynamic changes that are happening within and outside companies, expert sustainability professionals have identified nine recommendations for individuals who want to be a sustainability superstar in the '20s.



### **Know your strengths.**

Emphasize the skills you offer that the company needs now. Systems thinking. Collaboration. Communication skills. Foresight. Pattern recognition. If you feel that you are coming up short in any of these categories, find a fast track refresher course.



### **Hone your listening skills.**

The best sustainability strategists have always functioned as the “radar” for their organizations. They bring insights from stakeholders who have no voice in company decision making. With companies awakening to the importance of focusing on all stakeholders, the importance of this ability to pick up signals from inside and outside the organization will be amplified.



### **Read analyst reports on your company and study industry trends.**

Now that investors expect to dive more deeply into how a company is integrating material environmental, social and governance issues into the business, sustainability strategists are playing a key role in investor conversations. In order to serve as a truly valuable resource to your investor relations team, you need to be well versed in what analysts are saying about your company and the trends that will affect industry.



### **Become multilingual.**

Learning the language spoken in various departments (e.g. finance, marketing, R&D, technology) that are embedding sustainability will be essential if you want to be an effective partner.



### **Embrace the role of innovator.**

Product, service and practice innovation was once the province of the R&D or innovation team or quasi-rogue “skunk works.” No longer. In this new world, to deliver value you must get into the innovation game by developing a design thinking/discovery mindset.



### **Dive into digital.**

Trillions of dollars are being invested every year by companies aiming for digital transformations. The implications of these investments are just beginning to emerge. Making sure that changes are ethical and equitable will require more inclusive conversations. You will need to be sufficiently comfortable with the technology to spark these conversations or at least take an active and informed role in the discussions. Be prepared to ask fundamental questions, such as: What data are we collecting and how are we using it? What are the privacy implications? How may public “teclash” affect the company’s reputation?



### **Ask the tough questions.**

Beyond questions related to digitalization, there are other very difficult questions to ask about corporate practices: Tax avoidance. Share buybacks. Diversity and inclusion efforts. Compensation. Lobbying. All of these activities have the potential of undermining your work in sustainability and potentially lower public trust in your company. Bringing controversial subjects to the fore is a critical first step in addressing them.



### **Strengthen your capacity to manage complexity and ambiguity.**

There is a lot of talk about the need to lead in an increasingly volatile, uncertain, complex and ambiguous ecosystem. Less often do we reflect on what capacities and skills are required to do so – and how these capacities and skills are developed. Make sure you have what it takes to lead in disruptive times.



### **Stay true to yourself and open to others.**

Sustainability jobs are very demanding and unpredictable. It’s easy to get lost in the role. That is why taking time for reflection can help you build self-awareness and get in touch with your own sense of personal purpose. Why do you do the work you do? How does the work align with the values you hold most dear? These moments of reflection will energize you for the work ahead and keep you on track. It is impossible to traverse these whitewaters without this inner knowledge and strength.



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## ABOUT THE ASPEN INSTITUTE BUSINESS & SOCIETY PROGRAM

The Aspen Institute Business and Society Program, founded in 1998, works with business executives and scholars to align business decisions and investments with the long-term health of society—and the planet. Through carefully designed networks, working groups and focused dialogue, the Program identifies and inspires thought leaders and “intrapreneurs” to challenge conventional ideas about capitalism and markets, to test new measures of business success and to connect classroom theory and business practice.

Sign up for the monthly newsletter from the Aspen Institute Business & Society Program [here](#).

## ABOUT THE AUTHOR

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