

INSIGHTS  
FROM THE  
**ASPEN ESG  
SUMMIT**  
**2023**







## FOREWORD FROM JUDY SAMUELSON

EXECUTIVE DIRECTOR, BUSINESS & SOCIETY PROGRAM

The **Aspen ESG Summit** offered business leaders three days of immersion into the frontiers of environmental, social and governance (ESG) thinking and practice. With millions of employees and extended supply chains, corporations' impact on everything from economic inequality to commodity markets is truly vast. ESG has attracted intense interest in recent years for its promise to transform this complexity into a clear basis for informed business decisions. It's a tall order—and the Aspen Institute Business & Society Program recognized a need to bring leaders together to make sure execution is as strong as intention.

ESG hasn't just attracted attention for its lofty goals, however, and when we convened in Aspen this summer, there was much talk of a pressing backlash. Yet, as you'll read in this document, participants revealed considerable optimism about the state of the field, even in the face of growing challenges. The blowback is real, but so is the resilience and pragmatism of practitioners. The insights distilled from the Aspen ESG Summit 2023 reflect the most sophisticated conversations happening in this evolving arena today, and hint at what may come in 2024.





## ABOUT THE ASPEN ESG SUMMIT

In July of 2023, the Aspen ESG Summit drew together 175 leaders for three days of dialogue, working sessions and idea exchange at the frontier of environmental, social, and governance (ESG) practice. Held at the historic Aspen Meadows campus, the program was resolutely forward-looking.

Each year, the gathering offers participants the chance to step back and think deeply about the competing demands and barriers to systemic change—and the opportunity for business to contribute meaningfully to social and environmental progress.

The event engages corporate leaders, subject matter experts, and influential decision-makers to elevate cutting-edge thinking about the biggest questions facing the field. Against a backdrop of anti-ESG rhetoric and policymaking, attendees welcomed the opportunity to have, in the words of one participant, “the most strategic conversations of the year around ESG.”

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**The content is excellent, the attendees true leaders, and the time built in for both reflection and making/deepening new connections is invaluable. No other convening offers this unique and valuable mix.**

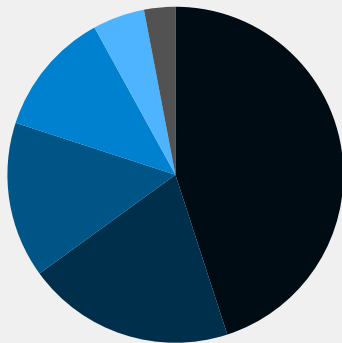
- Paula Luff, Director of ESG Research and Engagement at DSC Meridian Capital



## BRINGING LEADERS TOGETHER

The Aspen ESG Summit assembled actors across the ESG ecosystem—business leaders from diverse industries, long-term investors, climate and employee advocates, regulators, and business scholars—and provided space to think deeply about competing demands at the root of systemic change.

2023 PARTICIPANTS



**45% CORPORATE LEADERS**  
**20% INVESTORS**  
**15% NGOS**  
**12% ADVISORS**  
**5% SCHOLARS**  
**3% OTHER (GOV'T, MEDIA)**

The Aspen ESG Summit is supported by a range of organizations championing a long-term, stakeholder orientation in business, and defining the future of the field.

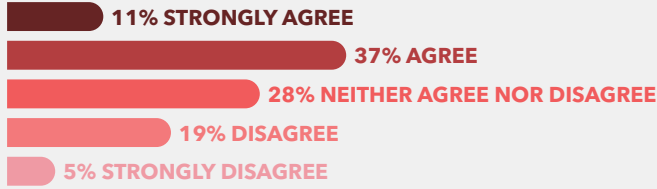




# THE PULSE OF THE FIELD

The Aspen ESG Summit 2023 kicked off with a series of polls to get a pulse of the industry.

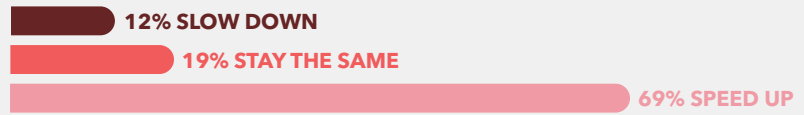
The heated rhetoric on “ESG” is adversely affecting my ability to advance my work.



Has the heated rhetoric on ESG had an impact? Almost half (48%) of participants agreed or strongly agreed.



In the year ahead, the integration of social and environmental considerations into core business decisions will:



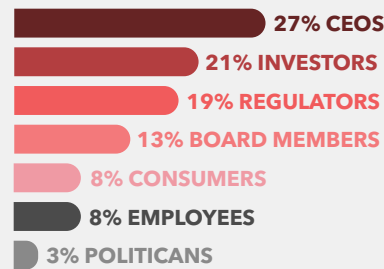
In the year ahead, the most important thing we can do to support the widespread integration of ESG into business decision-making is:



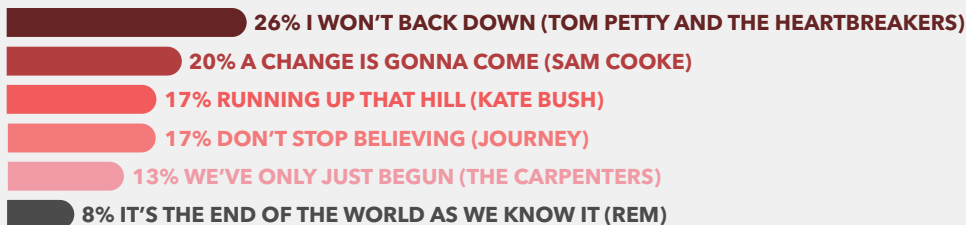
To advance the impact of the field, ‘strengthen the business case for ESG’ won by a landslide.

When asked who the most important stakeholder is for this work, participants felt that the CEO/Board (40%), Investors (20%) and Regulators (19%) held the most sway.

Which group will have the greatest influence on the mainstreaming of ESG practice in the year to come?



Which song title best describes the state of ESG in the moment?



Maybe our favorite data point: asked what song title best describes the state of ESG at the moment, the winner of the most votes was: “I Won’t Back Down,” by Tom Petty and the Heartbreakers.



## KEY TAKEAWAYS

Over three days of Summit conversations, participants wrestled with new realities: acrimonious political sentiment in the U.S.; increasingly visible “E” and “S” challenges; and a maturing in the field of ESG. These realities are reshaping ESG practice in ways that are new, but which also reveal enduring tensions at the heart of ESG. Here is what we heard.

### **1. Demands on ESG practice are accumulating at a rapid pace and inspiring all parts of the organization to innovate faster.**

Summit participants observed that businesses are being called on to contend with a slew of disruptions—climate change, deep social shifts, new technologies like AI, geopolitical turmoil, and evolving regulatory regimes. In response, corporates and investors are rethinking business models, repositioning themselves, creating new partnerships, and more to capture the emerging opportunities. And yet, the rate of disruption in our natural and social systems necessitates that we move even faster.

### **2. The ESG backlash is prompting a moment of reckoning.**

Anti-ESG rhetoric and policymaking are generating real headwinds. Some participants’ organizations are adopting a “wait and see” approach, while others are rethinking the design and communication of their ESG practices. Many are worried that limiting talk of ESG, aka “greenhushing”, may be a precursor to limiting action. Despite these concerns, however, many participants note that the ESG backlash is also prompting a valuable look at where ESG practice has fallen short.

### **3. As ESG evolves toward a value creation mindset, its root in risk management may hold it back.**

In leading companies, sustainability is becoming embedded into core functions. Finance and sustainability professionals, for example, are now working hand-in-hand to make decisions about capital expenditures, and sustainability skill building is ramping up. However, a lack of adequate resources and increasing demands for compliance can swamp strategy. As one participant noted, “Every dollar spent on reporting is a dollar not spent on doing.”

#### **4. As aspirations for ESG to address systemic challenges grow, so too must collaborations and partnerships.**

Summit participants repeatedly invoked “systemic change” as an inspiration and guiding principle in their current and future efforts. Indeed, change at the level of the system is essential for managing threats from climate change to economic inequities. Many at the ESG summit pointed to emerging and impactful collaborations across industries and sectors that are designed to achieve change at scale, but more are urgently needed.

#### **5. Public and private markets each have a distinct role in catalyzing the green transition.**

As the world starts to decarbonize, tremendous capital mobilization is needed. Private capital firms are now building environmental management into their value creation models and playing an increasingly prominent role in the transition, using their ability to influence portfolio company operations. However, as both public and private equity investors push companies to adopt sustainability practices at scale, they need to ensure that an equitable transition is as high a priority as a profitable one.

#### **6. The “S” remains underdeveloped, fragmented, and misunderstood.**

Greater clarity on what constitutes the “S” and how to measure and improve impact is urgently needed. Companies collect vast amounts of workforce data, but in many cases these findings are not being converted into strategies that provide stability and upward mobility. Participants emphasized that such investments are critical to long-term corporate competitiveness.

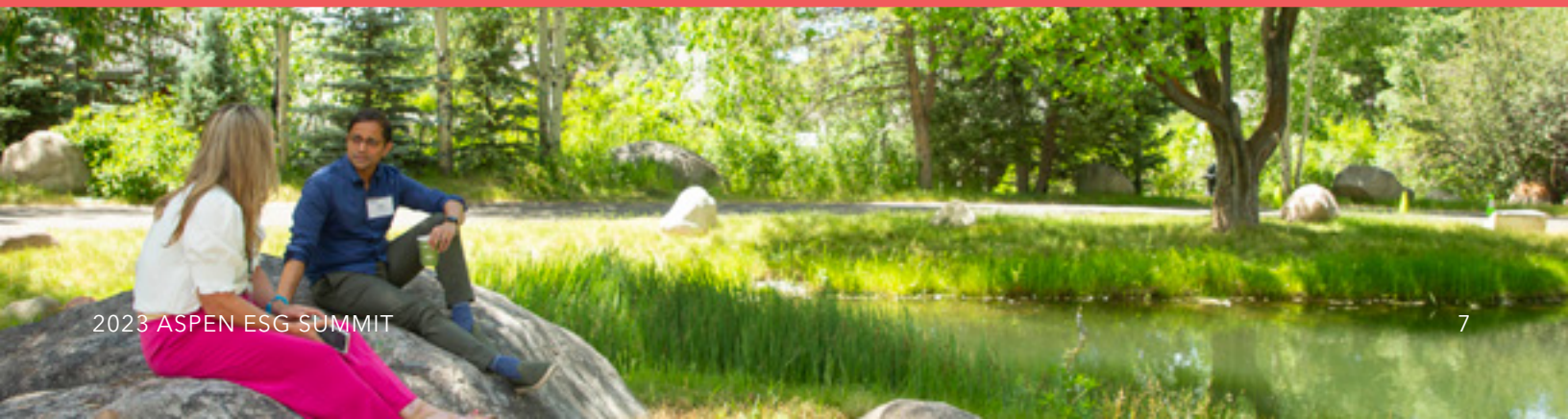
#### **7. Workers should be at the table designing sustainable solutions.**

Building more sustainable practices, products and business models requires major change. Workers can help companies anticipate and avoid potential missteps—and yet, worker voices are rarely at the table as decisions are made. ESG strategists who put worker knowledge, skills, and experience to good use will be better positioned to influence more sustainable long-term outcomes.

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**I thought the event was very useful...facilitation/curation of both the content and more importantly the attendees made it all worthwhile. I took a number of follow-ups away from it and will use them to accelerate the work we are doing!**

– Jim Andrew, Executive Vice President, Chief Sustainability Officer at PepsiCo



## BIG QUESTIONS FOR 2024

In the closing session, participants were asked to identify the next big questions they expect around ESG. A summary of these responses is shared below, along with the Business & Society Program's roadmap for continuing conversations at the frontier of sustainability, corporate strategy and governance.

# 1

**How can we advance ESG goals collectively at speed and scale to meaningfully curb climate change, address equity challenges, and engage policymakers?** Our ongoing dialogues leading up to the **Aspen ESG Summit 2024** will examine how companies can better collaborate within industries to drive scale for new innovations.

# 2

**How will companies manage the “tsunami” of mandatory data and disclosure requirements, without sacrificing the ambition to capture future opportunities?** The Business & Society Program's network of sustainability professionals, the **Aspen Leaders Forum**, will tackle this question of ensuring that reporting doesn't eat strategy, as one of their key topics leading into 2024.

# 3

**How can we imbue the “S” in ESG with greater priority?** The Business & Society Program's newly launched **Economic Mobility Fellowship** helps shift corporate focus onto worker resilience, equipping change agents inside business to create pipelines for the advancement of low-wage workers.

# 4

**How do we continue to reframe language of ESG so it brings people along and doesn't polarize?** This challenge will be addressed in the Business & Society Program's **ESG Ideas Lab**, which features conversations on topics like the evolving role of employee voice, and how to reframe ESG as info relevant to business valuation and viability. Look for our upcoming release, *Corporate Boards in the New Era of Employee Voice*.

# 5

**How can ESG professionals effectively engage the c-suite and board to focus on critical ESG issues, and integrate ESG into day-to-day operations?** The Business & Society Program's **Agenda for the Prepared Board** offers seven perspectives that invite board directors to consider how decisions that affect employees, customers, suppliers, communities, and ecosystems can deliver enduring value for the companies they serve.

Evolving—and often conflicting—expectations of firms add complexity to governance, and fresh thinking is required in boardrooms and at all levels of the business. We invite you to join the **Business & Society Program** as we dig deeper, and aim to unlock fundamentally new mindsets about management priorities, capital allocation, and long-term, responsible decision-making at the heart of business practice.