

## Sustainability Watch – October 2021

Organizing for Success in Corporate Sustainability  
October 14, 2021, 9:00 AM ET (03:00 PM CET)

THE CONFERENCE BOARD  
**SUSTAINABILITY WATCH**



# Today's Speakers



**Ellis A. Jones**

Vice President & Chief  
Sustainability Officer  
**The Goodyear Tire &  
Rubber Company**



**Jessica Thurston**

Senior Director, ESG  
Strategy  
**ViacomCBS**



**Thomas Singer**

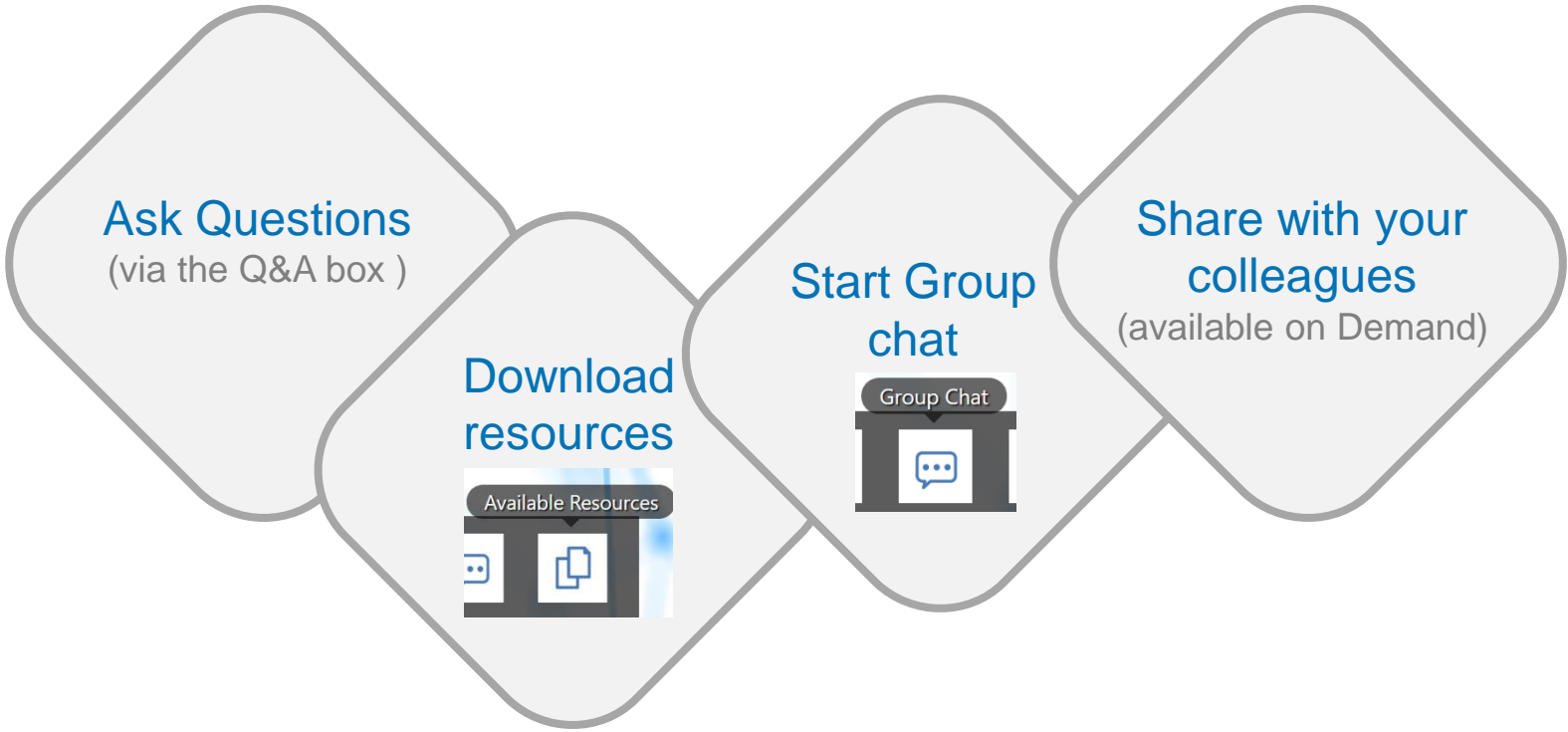
Principal Researcher,  
ESG Center  
**The Conference Board**



**Paul Washington**

Executive Director,  
ESG Center  
**The Conference Board**

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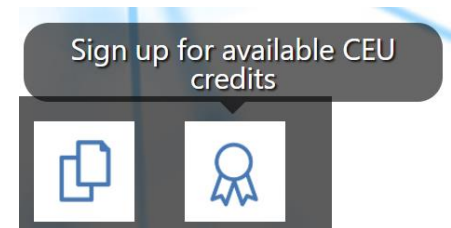
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# Discussion

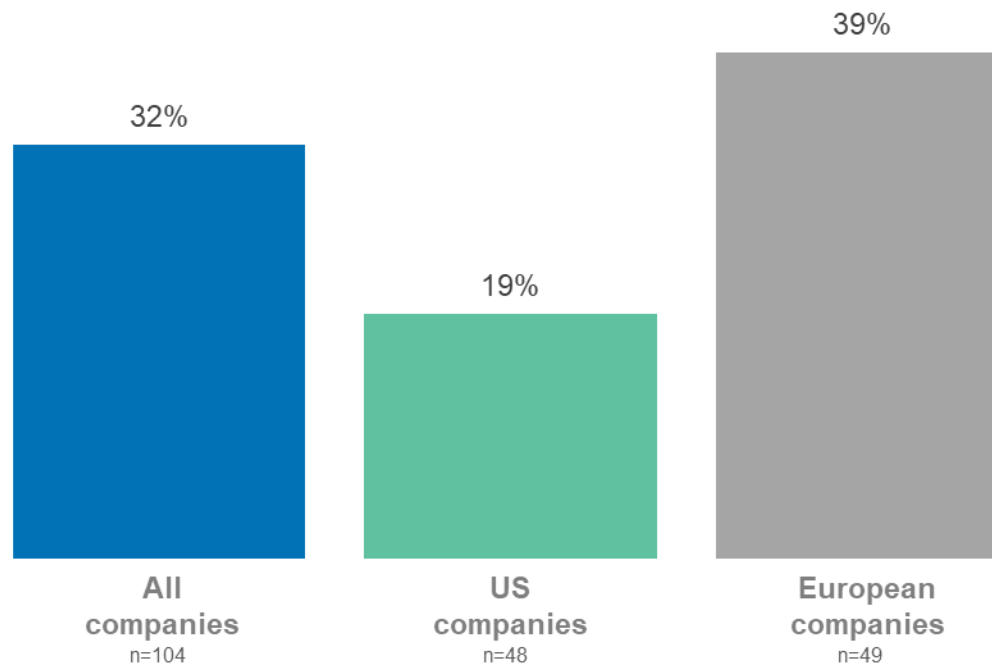


Where does  
sustainability sit?



# Almost one third of companies have heads of sustainability who report directly to the CEO, but this is far more prevalent in Europe

Percentage of companies with heads of sustainability who report to the CEO



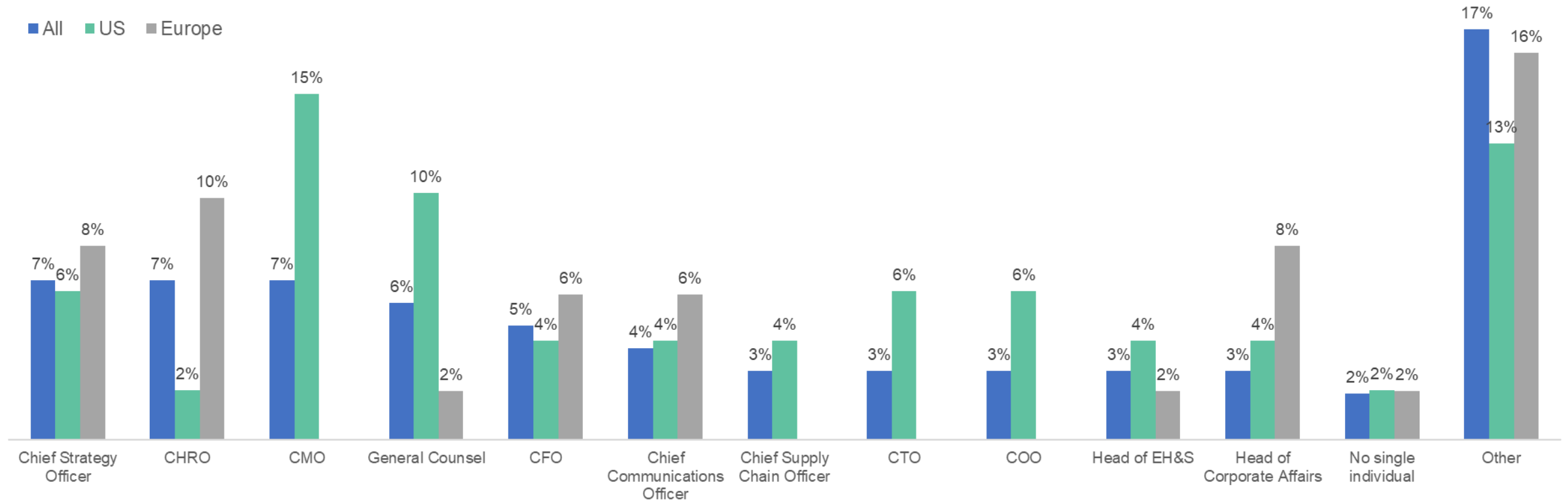
Among European respondents, twice as many sustainability leaders report to the CEO compared to their US counterparts

Note: "All companies" also includes responses from Asia-Pacific which are not shown.  
Source: The Conference Board, 2021.



# After the CEO, European heads of sustainability most often report to the CHRO, chief strategy officer, and head of corporate affairs; in the US, most report to the CMO and GC

To whom does the individual with primary responsibility for leading your sustainability initiatives report?



N=104

Note: Some of the "other" responses mentioned by respondents include: Management Board, Chairman of the Board, Chief Administrative Officer, Chief Commercial Officer, Chief Investment Officer, Chief Purpose & Inclusion Officer, and VP of Corporate Governance.  
Source: The Conference Board, 2021.



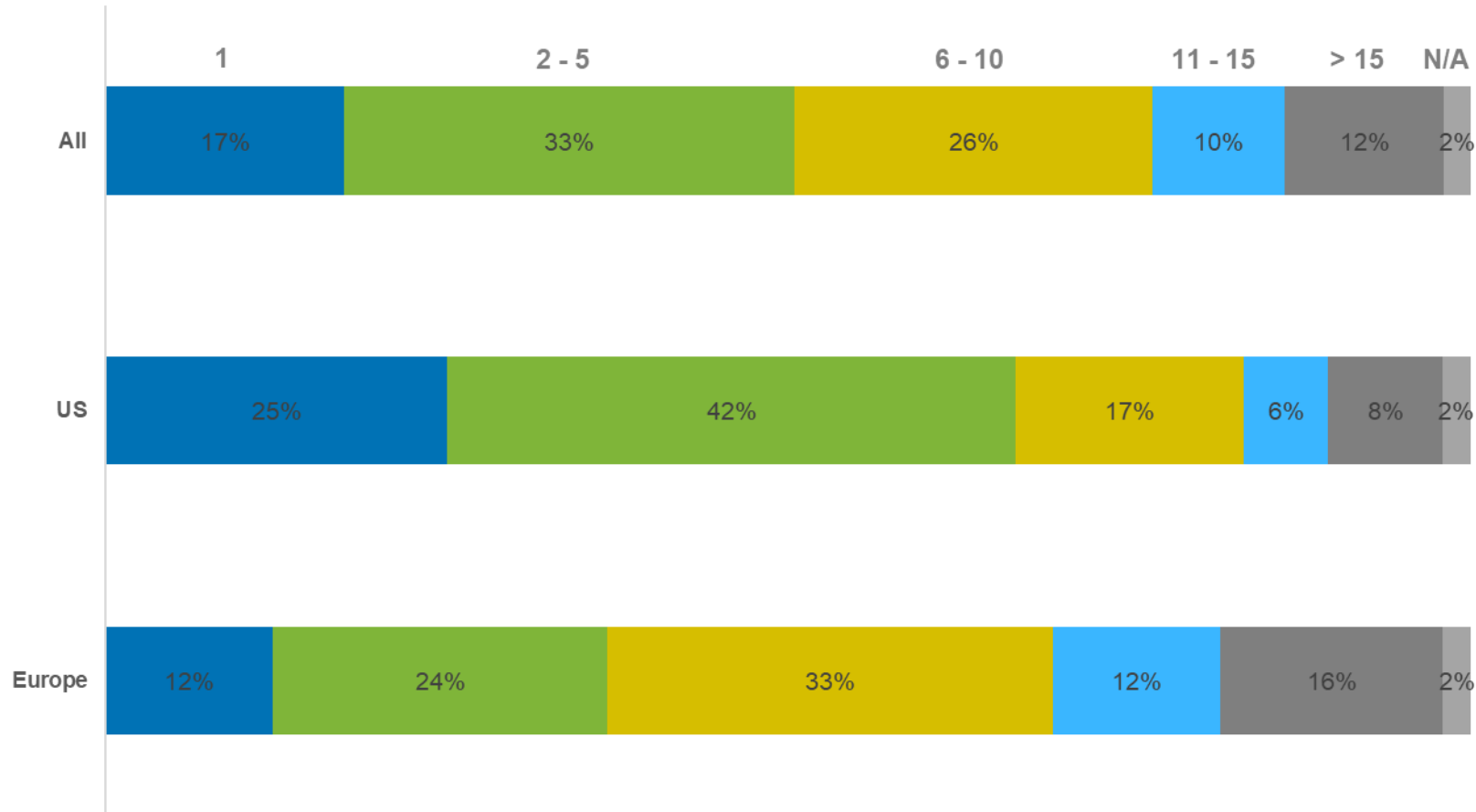


# Size of sustainability teams



# One in four US companies have central sustainability teams composed of a single individual

How many FTEs are part of the central sustainability function?



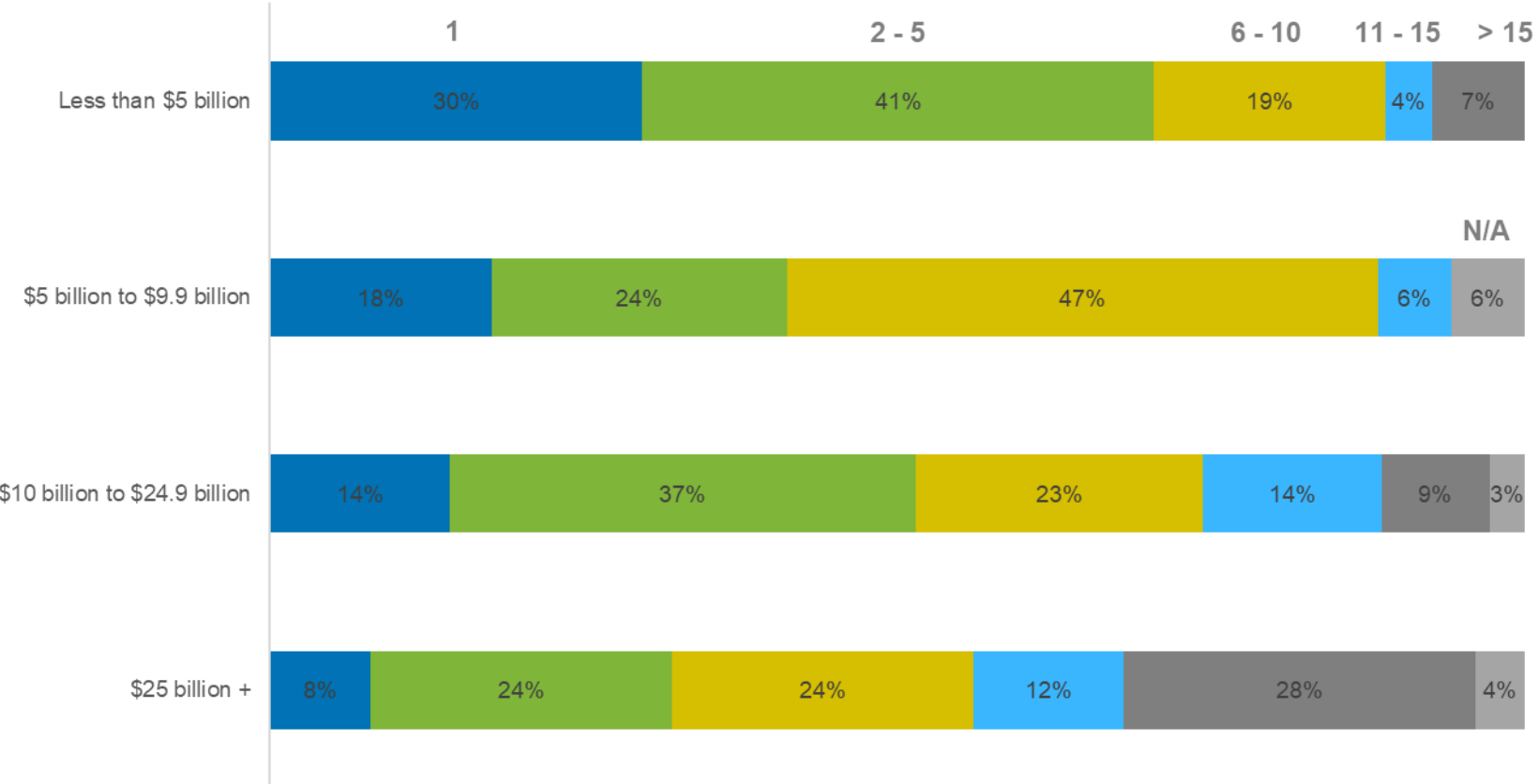
- Two thirds of US sustainability teams are composed of five or fewer FTEs.
- Compared to European companies, twice as many US companies have single-person teams.
- The plurality of European sustainability teams have six to ten FTEs. Based on roundtable polling, this is the size of team that most US sustainability executives think they need.

N=103. Source: The Conference Board, 2021.



# Even at the largest companies, one third of sustainability teams are made up of a handful or fewer FTEs

How many FTEs are part of the central sustainability function?  
(by company revenue)



- Almost one-third of the smallest companies have single-person teams.
- While more than a fourth of the largest companies have sustainability teams larger than 15 FTEs, one in three have teams of 5 or fewer.

N=103. Source: The Conference Board, 2021.



# How sustainability teams interact with the business



# Sustainability teams interact most with the business units and the communications and investor relations functions

Which of the following functions does your sustainability team spend the most amount of time interacting with? (Select the top 5)

	All n=104	US n=48	Europe n=49
Business units	<b>70%</b>	<b>63%</b>	<b>73%</b>
Communications	<b>59</b>	<b>58</b>	<b>59</b>
Investor relations	<b>52</b>	<b>58</b>	47
Supply chain / procurement	43	<b>50</b>	35
R&D / product development / engineering	38	35	37
Human resources	34	33	33
Public affairs / government relations	33	25	45
Legal	30	<b>42</b>	22
CEO	29	21	39
Strategy	28	<b>17</b>	39
Finance	20	<b>10</b>	29
Marketing	17	25	<b>8</b>
Other	14	19	10
Country/region leadership	13	6	20

- European sustainability teams interact significantly more with the strategy function, public affairs, finance, and the CEO than in the US.
- By contrast, US sustainability teams spend more time with legal. This is in part because US sustainability teams are often looking to disclose publicly more information than is legally required.
- Notably, US teams spend relatively little time interacting with the finance function, and European teams spend little time interacting with the marketing function.

Source: The Conference Board, 2021.

Note: Figures shown are the percentage of respondents who selected each function. Bold indicates at least half of respondents selected that function. "All" column also includes responses from Asia-Pacific which are not shown.

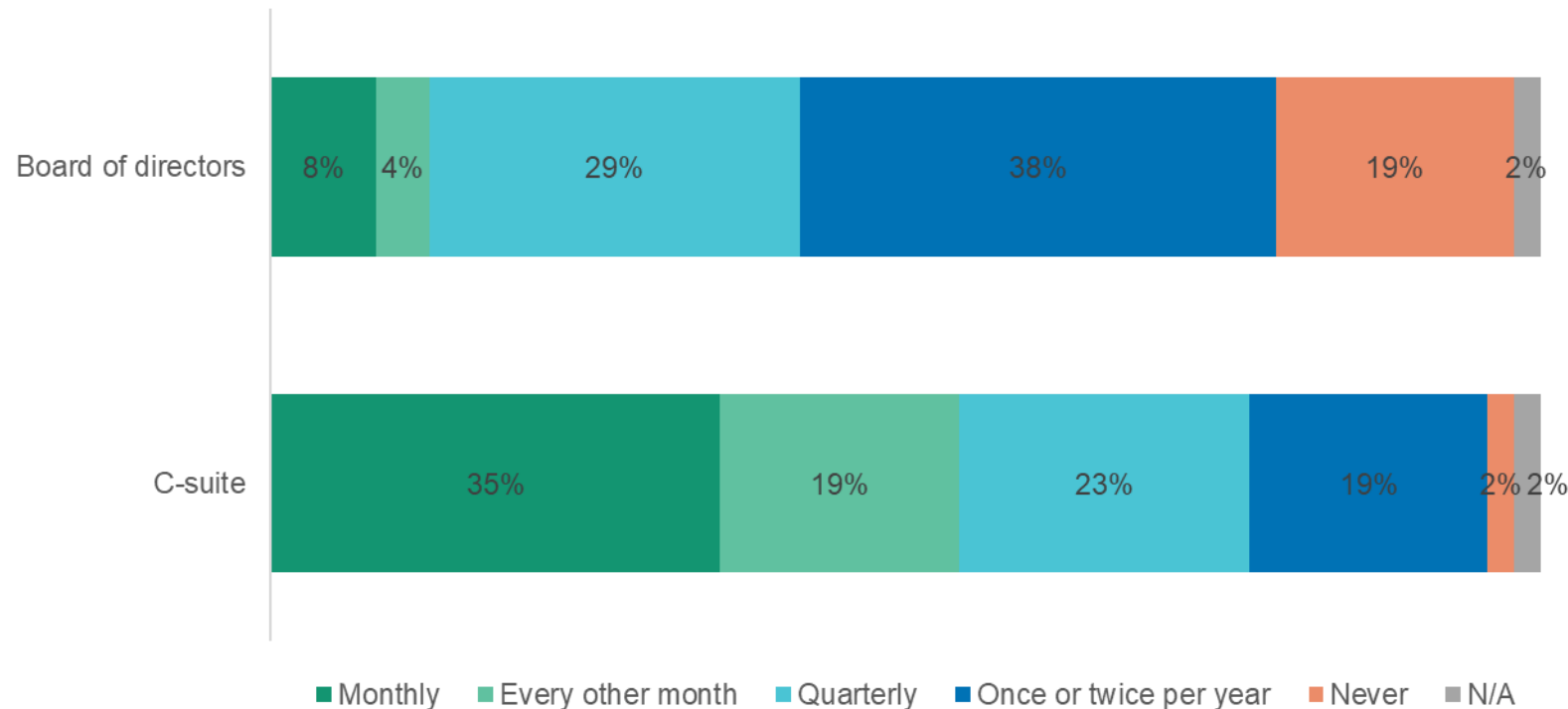


# Interactions with the board



# While most US heads of sustainability interact with the C-suite regularly, one in five never meet with the board

How often does the head of sustainability meet with:  
(US respondents only)



- 79% of respondents indicate the head of sustainability meets with the board (or committee) at least once per year.
- 54% indicate the head of sustainability meets with the C-suite at least every other month.

N=48. Source: The Conference Board, 2021.



# Additional Resources

## [Telling Your Sustainability Story: Overview](#) (publication)

The Conference Board convened a working group of over 300 executives from more than 150 companies who met over the span of 10 months to focus on how companies can tell their sustainability stories authentically, reliably, and effectively to multiple constituencies. This report captures the key insights from the working group sessions as well as the survey results. More detailed guidance can be found in the four accompanying practical guides coming in August 2021.

## [Sustainability Practices 2020](#) (publication)

This edition of *Sustainability Practices* summarizes the key findings from sustainability disclosure data on 92 environmental and social practices tracked by Bloomberg for more than 6,000 companies across North America, Europe, and Asia-Pacific. The analysis reveals some notable increases compared to last year, such as in disclosure of climate-related business risks and water stress exposure. The representation of women on corporate boards has also increased, as has the number of companies linking executive compensation to sustainability metrics.

## [Five Ways a Sustainability Strategy Provides Clarity in a Time of Crisis](#) (publication)

This essay highlights how companies with robust sustainability programs are more likely to perform well during a downturn and discusses why a fully developed sustainability program—a defined corporate purpose, a clear view of what is material (and what is not), an awareness of broader societal challenges, a robust level of engagement and transparency with stakeholders, and a collaborative culture—should improve a company's ability to prosper in the long run.

## [How to Talk to Your Finance Team about Sustainability](#) (webcast)

The integration of sustainability and finance remains a challenge for many organizations. In this webcast, leaders from Autodesk, Equinix, Starbucks, and The Prince's Accounting for Sustainability Project (A4S) discuss how companies' sustainability and finance functions can work together more effectively.



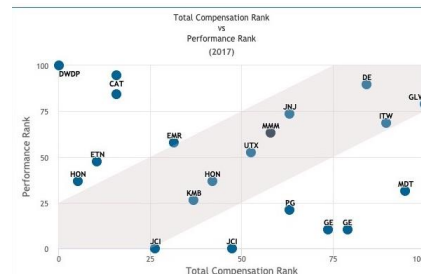
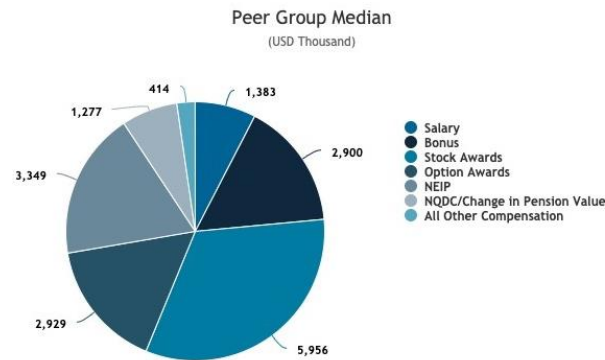


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