

# The Responsible Business Trends Report 2018

**THE ETHICAL CORPORATION  
GLOBAL RESPONSIBLE BUSINESS  
BENCHMARK REPORT**

Outlining the global trends,  
opportunities and focus for  
sustainable business in 2018

## ACKNOWLEDGEMENTS

We would like to thank the 1,542 business professionals within the Ethical Corp community that took the time to share their experiences and outlooks in our survey.

A special acknowledgement goes out to those individuals who gave generously of their time and expertise in the contributing further insight to this report: David Grayson, Louise Scott and Holy Ranaivozanany

## ABOUT ETHICAL CORPORATION

Our mission is to help businesses around the globe do the right thing by their customers and the world. We believe this is not only how to guarantee a future for all, but makes good business sense. We serve CSR, communications, finance, supply chain, compliance, risk and governance communities with topical and insightful business intelligence and meeting places.

We provide business intelligence to more than 3,000 multinational companies every year. Our customers are also NGOs, think-tanks, academia, governments and consultancies. We publish the leading responsible business magazine, website, and research reports. Our conferences are widely recognised as the best in the field. We're a part of FC Business Intelligence Ltd, an independently owned company based in London.



For more information, visit: [www.ethicalcorp.com](http://www.ethicalcorp.com)  
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# ABOUT THE RESPONSIBLE BUSINESS TRENDS REPORT

Ethical Corporation’s *Responsible Business Trends 2018* report provides unique insights into current trends, investments and foci of sustainable business professionals from across the globe. Throughout the report there will be comparisons made against our past three annual reports dating back to 2015. On average, across the 4-year period, the report has featured feedback from 1,900 business executives. Exclusively driven by primary data from the Ethical Corporation global community, the report can serve as a benchmark for organisations to understand how sustainable and responsible business is evolving and being operationalised around the globe.

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### INTRODUCTION

## INTRODUCTION

Welcome to Ethical Corporation's fourth iteration of the Responsible Business Trends report. The report features insight and feedback from over 1,500 senior practitioners from across the globe. The trends report builds on previous editions to showcase how sustainability strategy is being adopted across the globe, areas of business it's impacting and how the SDGs and Paris Agreement are impacting business strategy.

In the past 12 months there has been many global developments that have impacted the environment, society and business. One occurrence that caused great concern was President Trump's decision to withdraw the US from the Paris Accord. But that concern has mostly been replaced with *great* hope and determination. Encouragingly, no country has followed the US in withdrawing from the agreement. In contrast, should the US leave as promised, it would be the only country in the world outside of the agreement (Syria and Nicaragua both signed the agreement in late 2017).

The President's announcement served as a catalyst to Cities, States and Corporations throughout the US which resulted in the #WeAreStillIn movement – a culmination of 2,500 signatories all committed to helping deliver the targets set in Paris in 2015. This year's report highlights the foci of corporates around the globe with regards to the SDGs and Paris Agreement. And in future reports, we will build on this analysis to identify further trends and movements with regards to these two targets. It is critical for companies to set business targets that are in line with the SDGs and Paris Agreement. This will allow businesses to showcase their actual impact against the Goals. Unfortunately, this year's report finds that less than half of our Corporate-Brand respondents have these targets in place – one expects to see this rise in the coming years.

The Global Goals coupled with the increasing environmental pressures is accelerating the need for businesses to transform their operations and outputs. And there's signs that businesses are embracing this change, from [Larry Fink's letter](#) to corporate CEOs and [Mars' \\$1bn sustainability pledge](#) to transform its supply chain and outputs to the increasing [global adoption Electric Vehicles](#) (driven by the likes of Norway, China and the US) and [recent announcements from Total and Shell](#) to expand focus into lower-carbon energy systems. There's evidence from across the globe that sustainable and responsible business is the future of business.

However, to have a chance of curbing and reversing our impacts, a lot more needs to be done and quickly. This sentiment is echoed by 71% of our global respondents that have stated there hasn't been the right level of action since the Paris Agreement in 2015 – an increase of 7% from last year's report. Our respondents see Governments as being the most influential force in ensuring the Agreement is met. But nearly 7 in 10 respondents agree that they expect their company to take a lead in helping meet the Paris Agreement. With the increasing volatility in politics and focus on other non-environmental issues, one could foresee corporates increasingly becoming the driving force.

At our recent [Responsible Business Summit New York](#), attended by nearly 350 CEOs and leading professionals, speakers and attendees all shared the common goal and ambition to transform their business to pioneer a new way of working that helps deliver against the Global Goals. And we expect this sentiment to be echoed at our flagship [17th Annual Responsible Business Summit Europe](#), taking place 13-14 June 2018 – Europe's leading business conference focussed on shaping the future of responsible and sustainable business.





This year's report aims to highlight trends and foci from our global community. Areas of focus include:

- ▶ **Integrating sustainability into mainstream strategy.** What parts of the business does the sustainability strategy directly impact, the role of sustainability teams, does it receive top-level buy-in?
- ▶ **Measuring the impact and ROI.** Do sustainability initiatives drive revenue and savings for the business, are respondents accurately measuring the impact of their initiatives, does sustainability deliver ROI?
- ▶ **The SDGs and Paris Agreement.** Are the SDGs being integrated into business strategy, which SDGs are the main focus for business, what are the challenges of incorporating the SDGs into business strategy, what is the role of business in helping meet the Paris Agreement?
- ▶ **Future prospects.** How will sustainability evolve in the year ahead, what's important and not important for businesses and which companies are pioneering the way for transformational change?

The responses from those who participated in our survey backed up and built on those that we had received last year: that organisations and businesses are increasingly seeing the value of being both responsible and sustainable in the way that they conduct their business.

As much as this report highlights the ways in which CSR and sustainability are becoming increasingly ingrained in mainstream business, there's also evidence that there's a long way to go: Just like last year, the majority of the respondents in this year's report are still struggling to accurately measure the ROI of sustainability activities.

And finally, we hope you find this report of value. We hope it helps you get a sense of how responsible business is evolving across the globe, and also that it serves as a way to benchmark what you're doing against your peers. If you are interested in being involved in the 2019 Trends report then please do get in touch.

Happy reading!

Liam

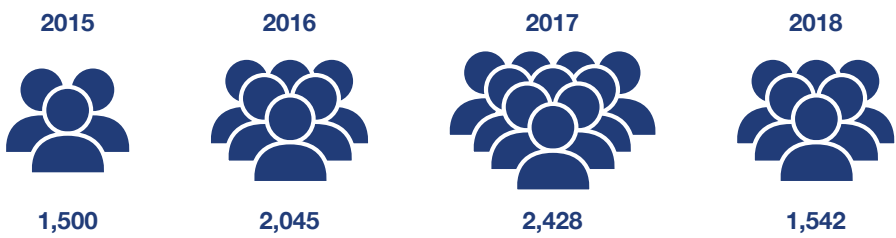


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# CHAPTER 1 OUR RESPONDENTS

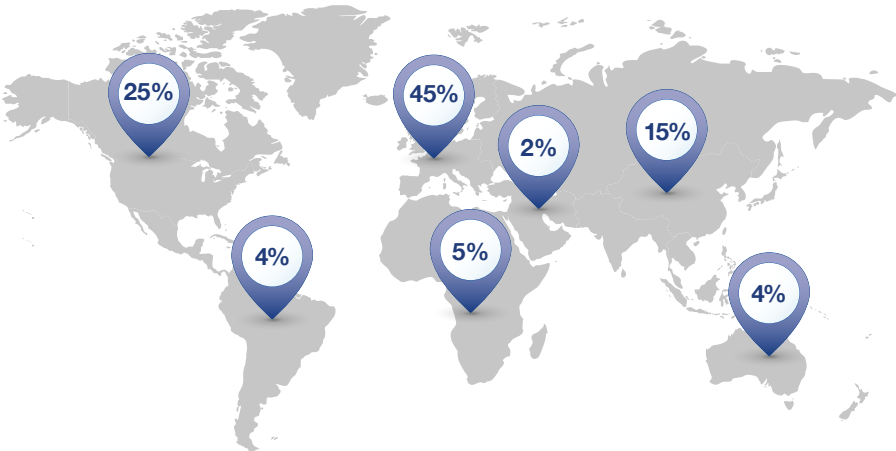
Ethical Corporation’s Responsible Business Trends 2018 report features feedback from 1,542 business professionals from across the globe. The survey was conducted between 11 December 2017 – 29 January 2018. The entire dataset can be [accessed here](#)

## NUMBER OF RESPONDENTS



## GLOBAL SCOPE

As with our previous reports, the Responsible Business Trends 2018 report offers a truly global perspective, with representation from all regions:



## CHAPTER 1 OUR RESPONDENTS

### SECTOR INSIGHTS

Feedback was sourced from the following sectors:



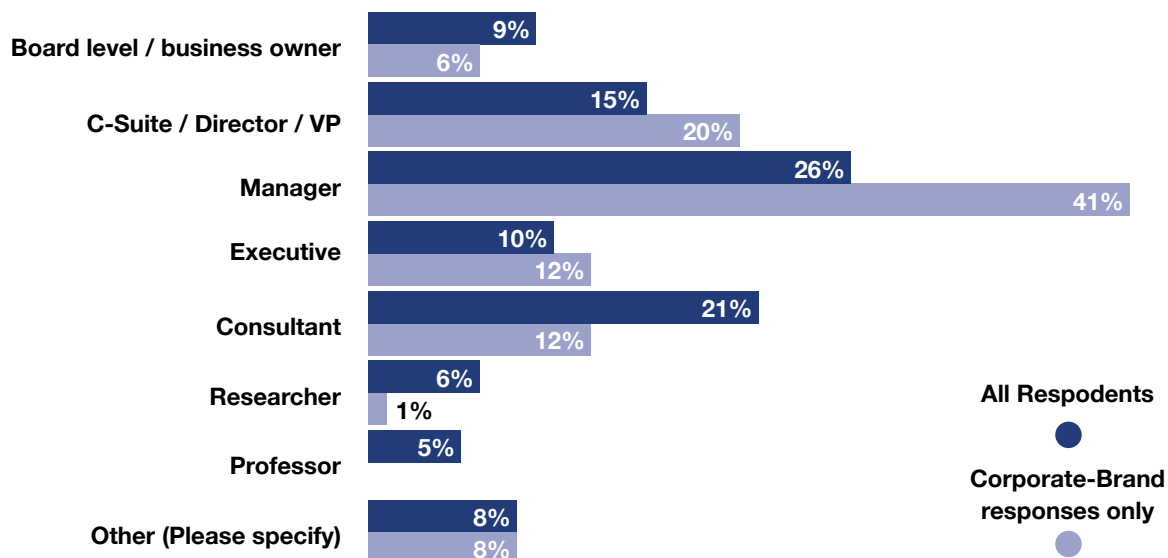
### PRIMARY FOCUS

Types of business that respondents do their primary business with:



### SENIORITY

Identifying the role that respondents hold in their respective organisations:





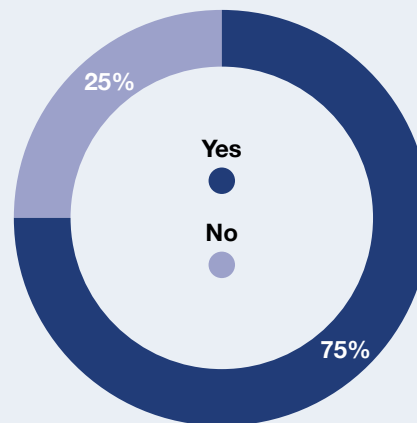
## CHAPTER 2 SUSTAINABILITY DRIVING MAINSTREAM STRATEGY

### ROLE OF SUSTAINABILITY TEAMS

To move to a more sustainable and responsible way of doing business it's vital that sustainability impacts all functions of a business. This year's survey found that, among the Corporate-Brand respondents, sustainability is having a direct impact on structures and responsibilities in 75% of businesses. This is a fall of 7% on last year's report, but still a rise of 2% from the original report in 2015.

**Does the sustainability strategy have an impact on internal structures, departmental organisation and responsibilities?**

*Corporate-Brands only*



## UPCOMING EVENTS

### LONDON



**17th Annual Responsible Business Summit Europe 2018**  
500+ CEOs and senior execs discuss how to transform business to deliver the SDGs  
[www.ethicalcorp.com/rbs](http://www.ethicalcorp.com/rbs)

### LONDON



**4th Annual Compliance and Conduct Risk in Financial Services Forum 2018**  
Embed Compliance at the heart of The Business - Accountability, Systems and Incentivization  
[www.ethicalcorp.com/compliance-conduct](http://www.ethicalcorp.com/compliance-conduct)

### LONDON



**9th Annual Responsible Business Awards 2018**  
250+ attendees celebrate the leading sustainable strategies from across the globe  
[www.ethicalcorp.com/awards](http://www.ethicalcorp.com/awards)

### LONDON



**12th Annual Sustainability Reporting and Communications Summit**  
250+ professionals debate how to promote full disclosure, impacts and demonstrate future resilience through reporting activities  
[www.ethicalcorp.com/reporting](http://www.ethicalcorp.com/reporting)

### LONDON



**13th Annual Responsible Supply Chain Summit 2018**  
200+ attendees debate how to drive transparency and minimize impacts across the supply chain  
[www.ethicalcorp.com/supplychain](http://www.ethicalcorp.com/supplychain)

### SAN DIEGO

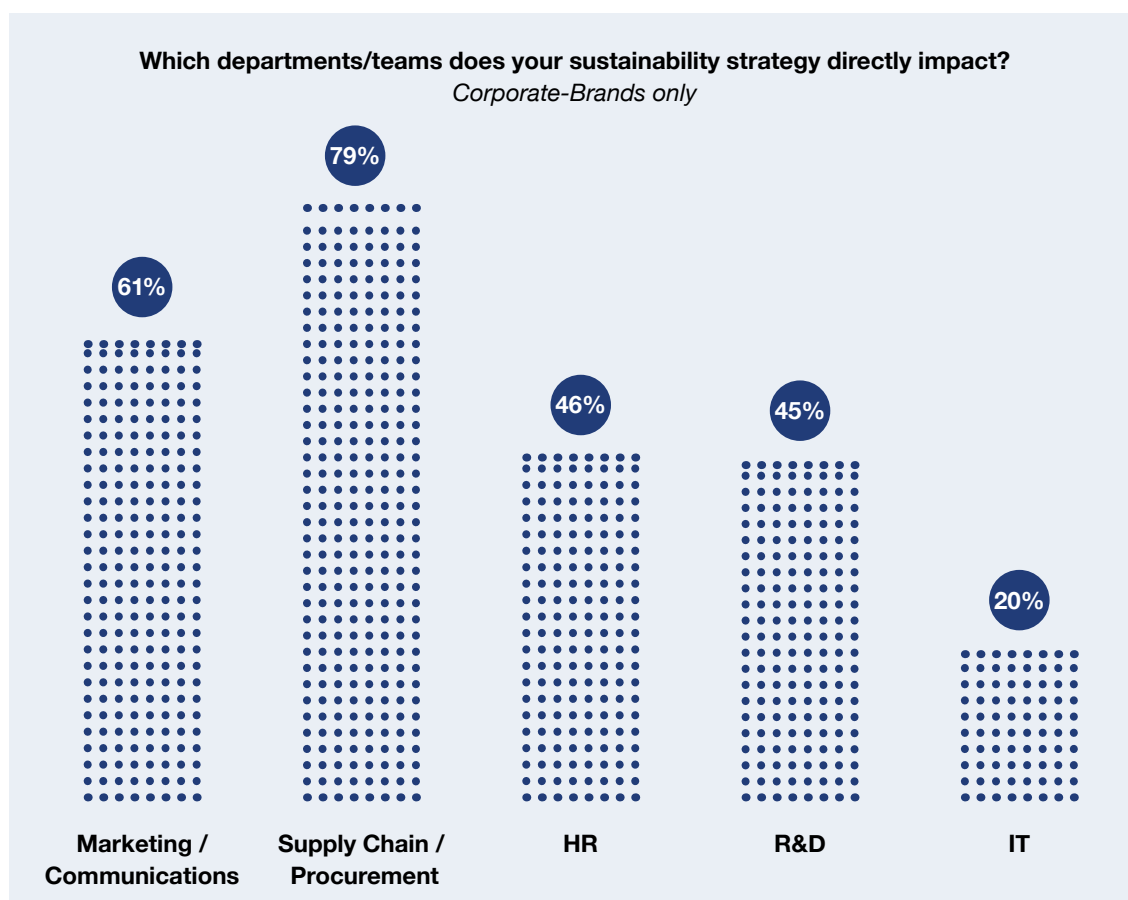


**2nd Annual Responsible Business Summit West**  
300+ attendees to discuss the future impacts of digital-driven business; data, privacy, climate impacts, social inclusion and purpose  
[www.ethicalcorp.com/rbs-west](http://www.ethicalcorp.com/rbs-west)



### INTEGRATING SUSTAINABILITY ACROSS THE BUSINESS

Nearly 8 in 10 respondents stated that sustainability is integrated into the strategy and outputs from Supply Chain and Procurement. Encouragingly, nearly a half of the respondents state that sustainability is integrated across R&D. This should result in increasing sustainable innovations and new product developments (NPDs) that align to the Global Goals.



## SHOWCASE THOUGHT-LEADERSHIP AT UPCOMING ETHICAL CORP EVENTS

### KEY BENEFITS INCLUDE

- Create stakeholder trust and be seen as a thought leader in front of Ethical Corporation's 1000+ global community of CEOs, Heads of Business, Sustainability and Communications
- Leverage your brand reputation as part of Ethical Corporation's independent platform spanning a 17 year history leading the way in responsible business practices.
- Connect with the most senior corporate, investor, NGO and Government decision makers driving the transition to a future responsible business world

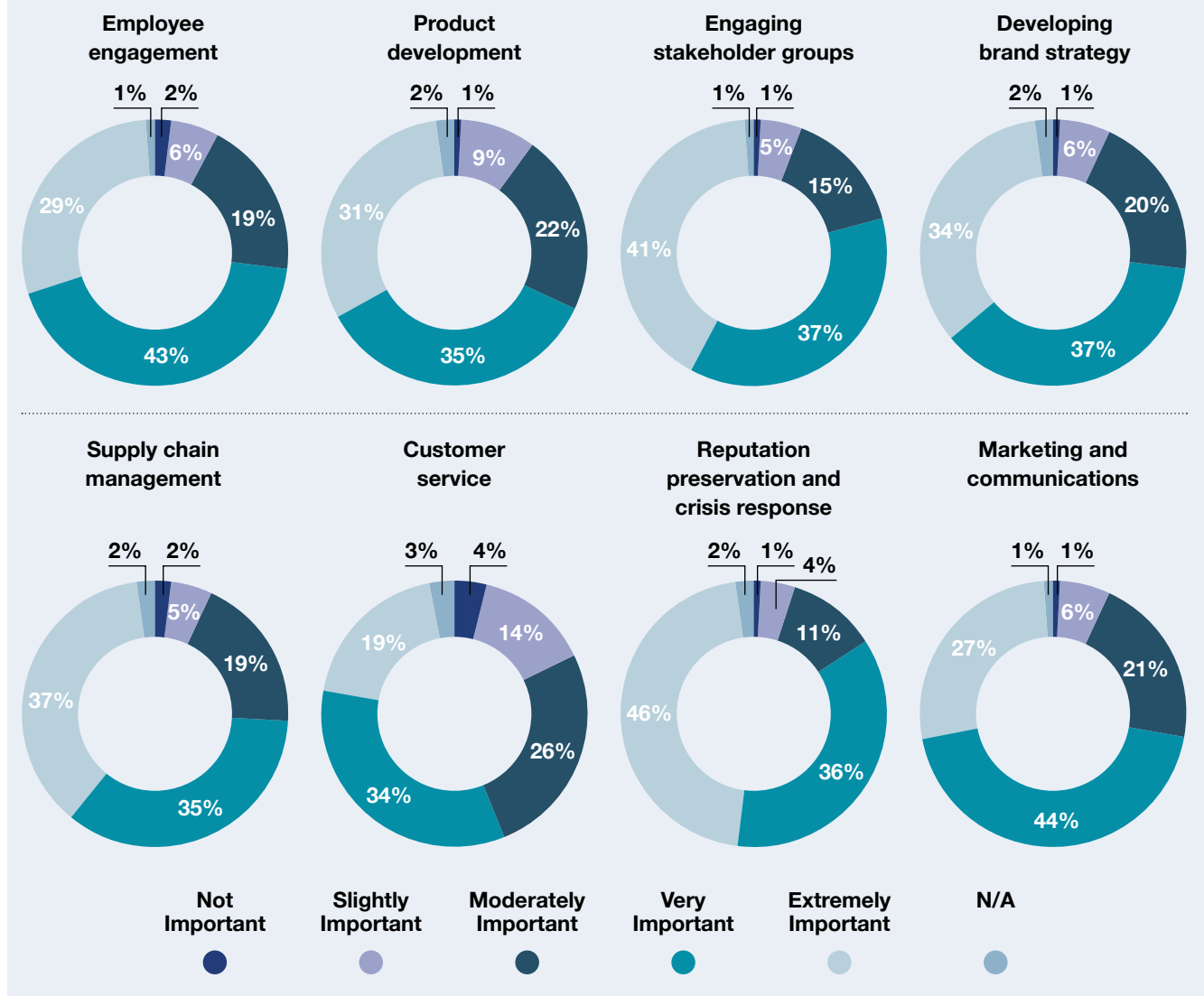
Contact [matt.buckingham@ethicalcorp.com](mailto:matt.buckingham@ethicalcorp.com) for further information

CHAPTER 2 SUSTAINABILITY DRIVING MAINSTREAM STRATEGY

SUSTAINABILITY AND ITS IMPORTANCE IN...

The role of sustainability in “reputation preservation and crisis response” is deemed of high importance (either very or extremely important) to 82% of our Corporate-Brand respondents. “Engaging stakeholder groups” (78%), “employee engagement” (72%) and “supply chain management” (72%) are other areas of the business where sustainability is deemed of high importance to business. All four are crucial to the business and its future success. However, if businesses are to undergo the required transformation as identified by research for the upcoming [17th Annual Responsible Business Summit](#), sustainability needs to play an increasing role in NPD.

How important is the role of sustainability in the following? (Corporate-Brands only)



### TOP-LEVEL BUY-IN...

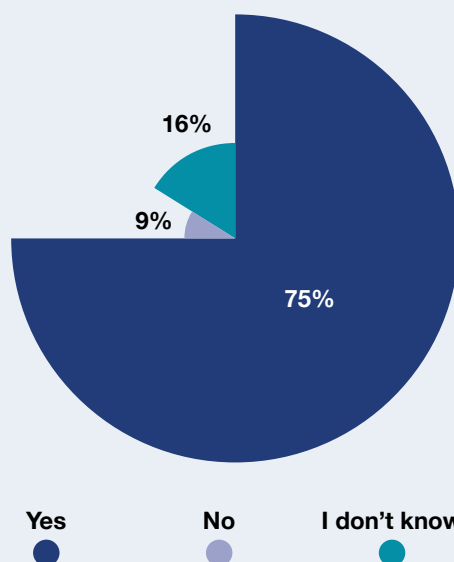
Over the past four years the Responsible Business Trends report has tracked and commented on how sustainability is being embedded into businesses and its potential impact on key outputs of the business.

The tone from the top can serve as a serious indicator as to whether sustainable business is a core part of the business strategy. Encouragingly, there's increasing importance being placed on sustainability by CEOs – as perceived by the respondents. This year 75% of respondents stated their CEO is convinced of the value of sustainability – a 1% rise on last year's report and a 6% rise on the 2015 Trends Report. Another encouraging trend is that in 2016, 22% of respondents stated they were unsure if their CEO saw the value in sustainability, this fell to 19% last year and experienced another decline to 15% in this year's report. An indication that CEOs and the business has improved both their actions and communications around the importance of sustainability to the future of the business.



*This year 75% of respondents stated their CEO is convinced of the value of sustainability – a 1% rise on last year's report and a 6% rise on the 2015 Trends Report*

**Is your CEO convinced of the value of sustainability?**  
(Corporate-Brands only)



# Coalitions that drive transformative impacts and growth

**Lise Kingo**  
CEO and Executive Director



**Thérèse Coffey MP**  
Parliamentary Under Secretary of State for the Environment



**Martino Scabbia Guerrini**  
President EMEA



**Jürgen Gerke**  
CEO ACP



**Gitte Pugholm Aabo**  
CEO and President



**Saker Nusseibeh**  
CEO



**Jorge Laguna-Celis**  
Director, Governance Affairs Office



**Jennifer Morgan**  
Executive Director



**Calvin St Juste**  
Executive Director



**Geoff Skingsley**  
Chairman UK & Ireland



**BUSINESS MUST CHANGE:**  
Drive transformational change to meet the Global Goals

**NEW THINKING, NEW MODELS, NEW SKILLS:**  
Activate sustainability, secure approval and utilise technology to deliver this long-term shift

**YOU CAN'T DO IT ALONE:**  
Successfully engage Employees, Investors, Governments, Suppliers, Competitors and others to deliver ambitious impacts

**RESPONSIBLY COMMUNICATE YOUR VISION IN A DIGITALISED WORLD:** Agile, transparent, proactive and purpose-driven

**PLUS EXCLUSIVE INSIGHT FROM 100+ RESPONSIBLE BUSINESS LEADERS:**



► **Join 500+ peers** Click here to confirm your place today!

## CHAPTER 3 QUANTIFYING THE IMPACTS OF SUSTAINABILITY

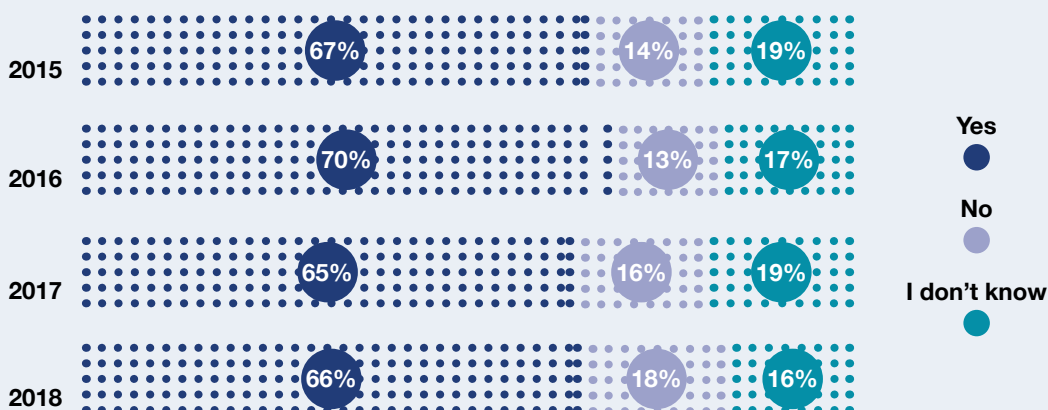
### DRIVING BUSINESS VALUE

Proving the value and return of sustainability activities with empirical justification and metrics will ensure it becomes a central consideration in business. The focus of the recent [Sustainability Reporting and Communications Summit](#) was this challenging aspect of business. This year's Trends report has found that sustainability is delivering revenue for 56% of respondents (54% in 2017) – a total rise of 7% from 2015's report. Respondents are more likely to identify savings from sustainability activities, with 66% reporting yes (65% in 2017). However, over 15% of respondents don't know if sustainability initiatives are driving revenue or savings for the business. Both response groups, as with previous years, highlight the need for improved metrics and tracking of sustainability. For sustainability to be seen as a future driver of business success it crucial that practitioners are able to showcase its impact on the business bottom line.

#### Does sustainability drive revenue for your business? (Corporate-Brands only)



#### Does sustainability drive savings for your business? (Corporate-Brands only)

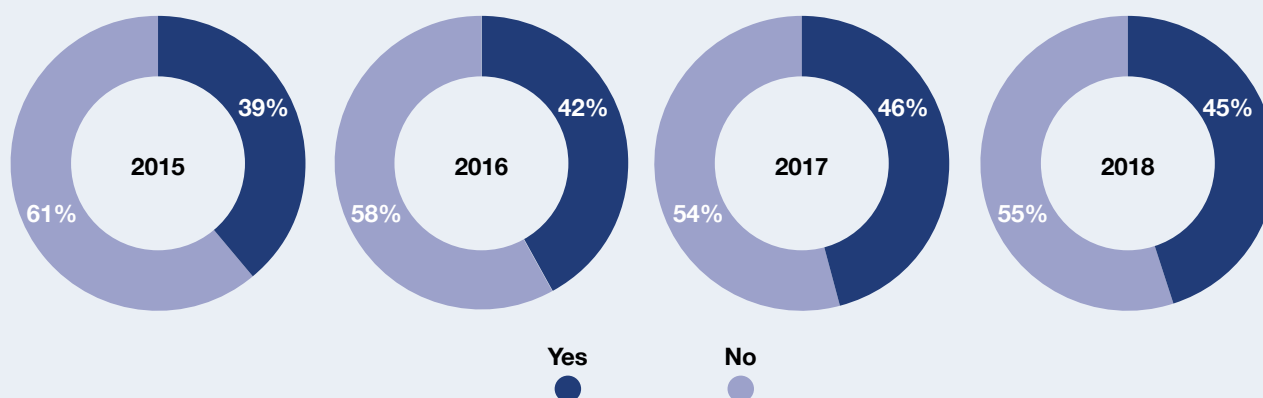


## CHAPTER 3 QUANTIFYING THE IMPACTS OF SUSTAINABILITY

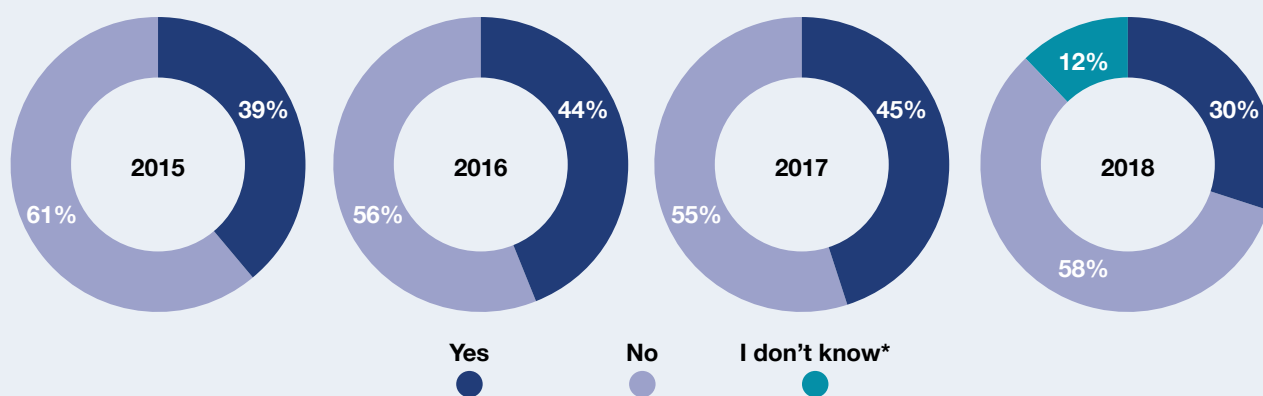
## MEASURING IMPACT

To further support the findings on the previous page, less than half (45%) of the respondents feel confident that they are accurately measuring the impact of their sustainability activity. When looking specifically at the ROI of sustainability activities, only 30% stated yes, they are measuring the ROI from sustainable outputs. Disconcertingly just over 1 in 10 (12%) of respondents don't know if they're measuring the ROI of their sustainability initiatives.

**Do you feel confident that you're accurately measuring the impact of your sustainability activity?**  
(Corporate-Brands only)



**Do you measure the ROI of your sustainability initiatives?**  
(Corporate-Brands only)



\*I don't know was only introduced for the 2018 survey



*Less than half (45%) of the respondents feel confident that they are accurately measuring the impact of their sustainability activity*

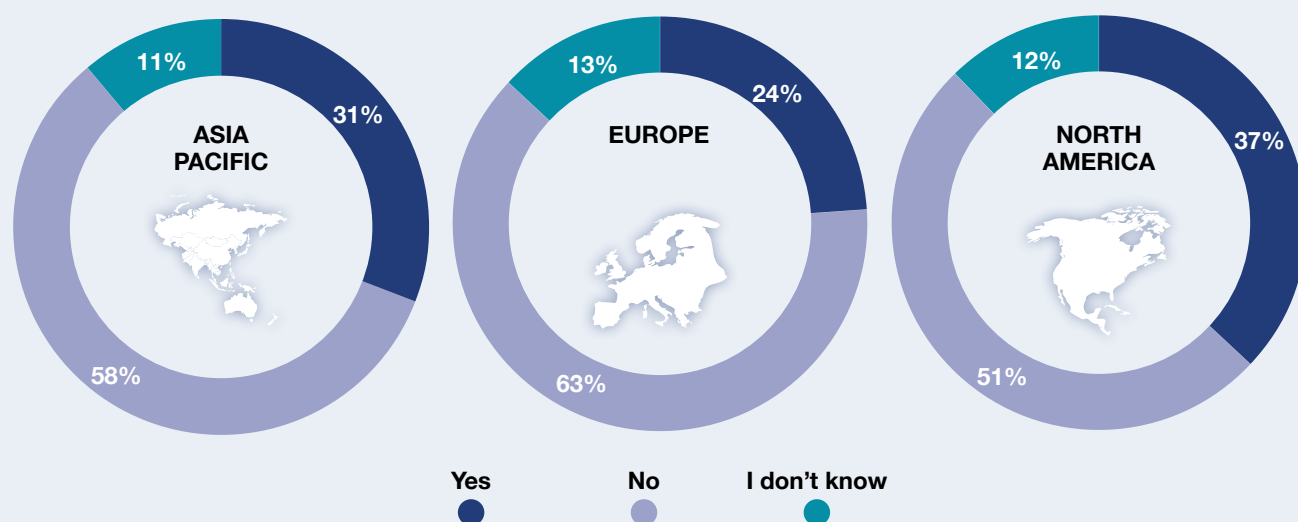


## CHAPTER 3 QUANTIFYING THE IMPACTS OF SUSTAINABILITY

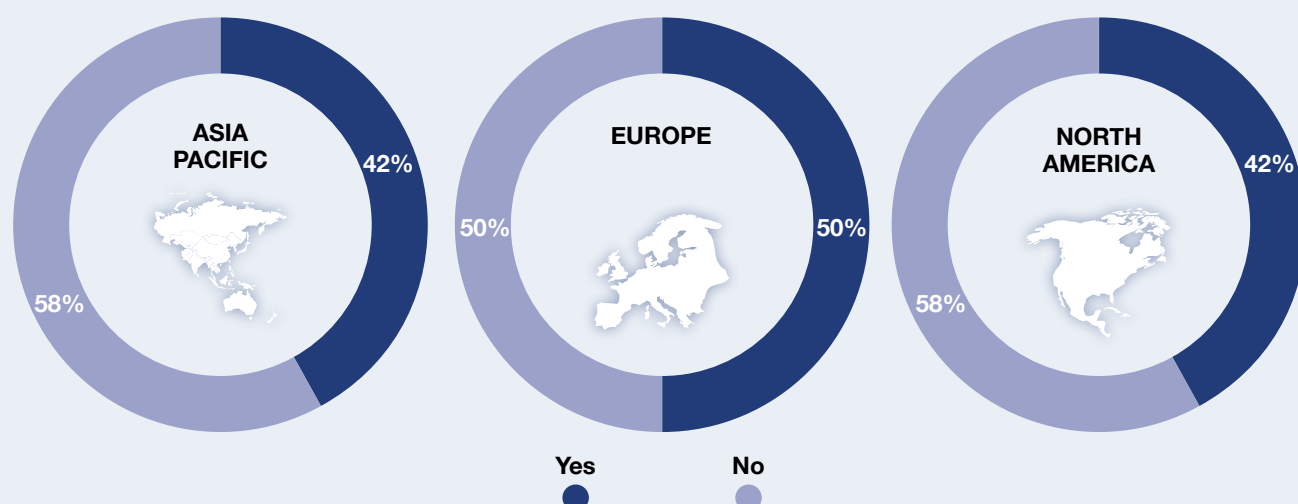
## A GREATER FOCUS ON ROI IN NORTH AMERICA

When focussing on the three regional groups, 37% of the respondents based in North America state their company is measuring the ROI of their sustainability activities. This is 6% higher than in Asia/Pacific and 13% higher than respondents based in Europe. Another finding is that European corporate practitioners are more confident in the measurement of their impacts – 50% reporting yes. Whereas this falls to 42% when focussing on their North American and Asia/Pacific counterparts.

Do you measure the ROI of your sustainability initiatives? - By region (Corporate-Brands only)



Do you feel confident that you're accurately measuring the impact of your sustainability activity? - By region (Corporate-Brands only)





## CHAPTER 4 SDGS DRIVING FUTURE BUSINESS STRATEGY

It is increasingly evident that the United Nations Sustainable Development Goals (SDGs) are serving as a strategic signpost for businesses around the globe.

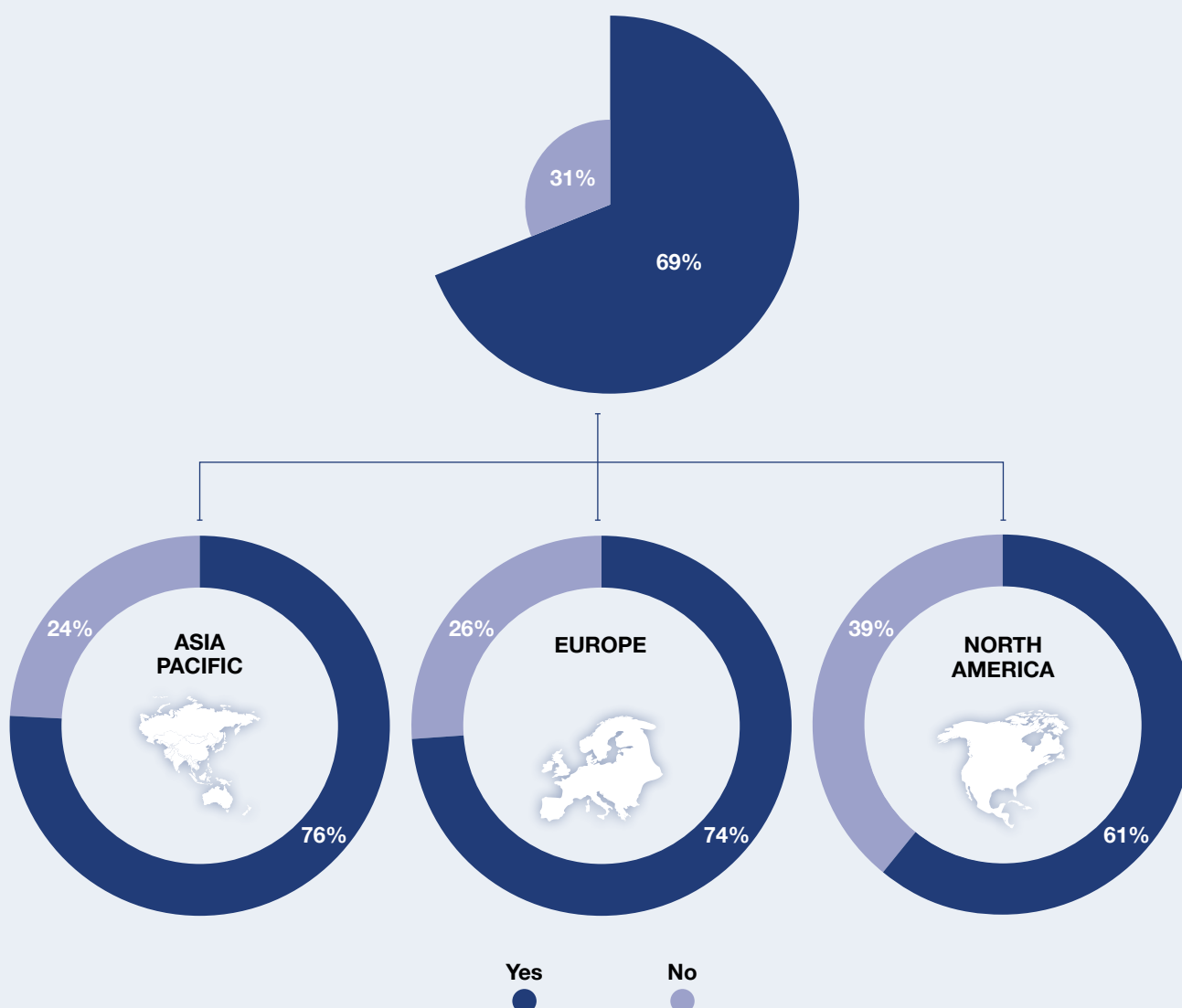
More companies are aligning their sustainability goals and business strategies with these global commitments. This section will highlight how these Goals are being adopted and tracked against.

### INTEGRATING THE SDGS INTO BUSINESS STRATEGY

The SDGs are increasingly being used as a way of developing strategy, new products and services for businesses. This year 69% of the global Corporate-Brand respondents stated their business is integrating the SDGs into the business strategy – an increase of 9% on last year's study and a 23% increase on the 2016 report. From the 31% that said no they're not integrating the SDGs into business strategy, 51% said they are looking to do this in the future, whilst 49% said they don't know.

The region where there's the highest level of integration within business strategies is Asia/Pacific 76% (66% in 2017) followed by Europe 74% (59% in 2017), and finally North America 61% (56% in 2017).

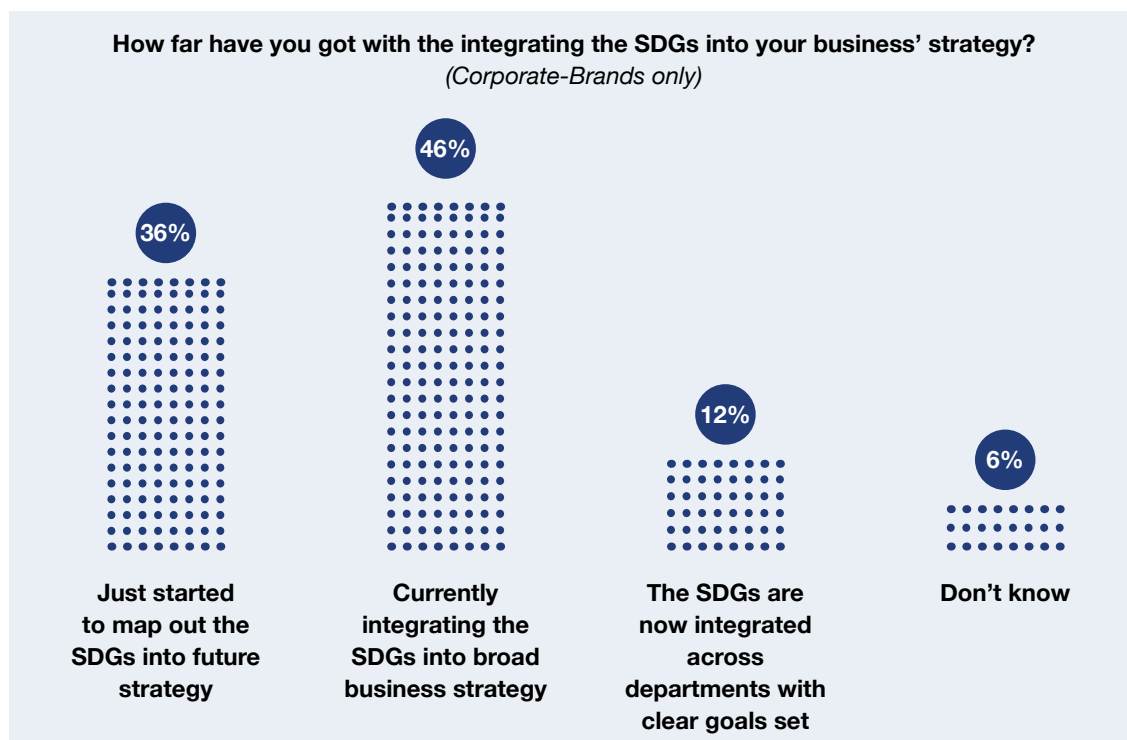
Is your organisation integrating the SDGs into the business strategy? (Corporate-Brands only)



CHAPTER 4 SDGS DRIVING FUTURE BUSINESS STRATEGY

INTEGRATING THE SDGS INTO BUSINESS STRATEGY CONTINUED

In terms of where companies are in integrating the SDGs into corporate strategy, 82% of respondents stated their business is either mapping or currently integrating the SDGs into business strategy.



Committing resources	Staff engagement	Country political situation	Convincing management
Monitoring and evaluation	Demonstrating the business opportunity	Aligning goals with business model and metrics	Inadequate level of management support
Aligning the existing strategy with the new SDGs	Setting targets	Measuring impact	Education
Engaging employees on SDGs	Changing Government policy	Aligning SDGs with Materiality Index	Integrating into R&D

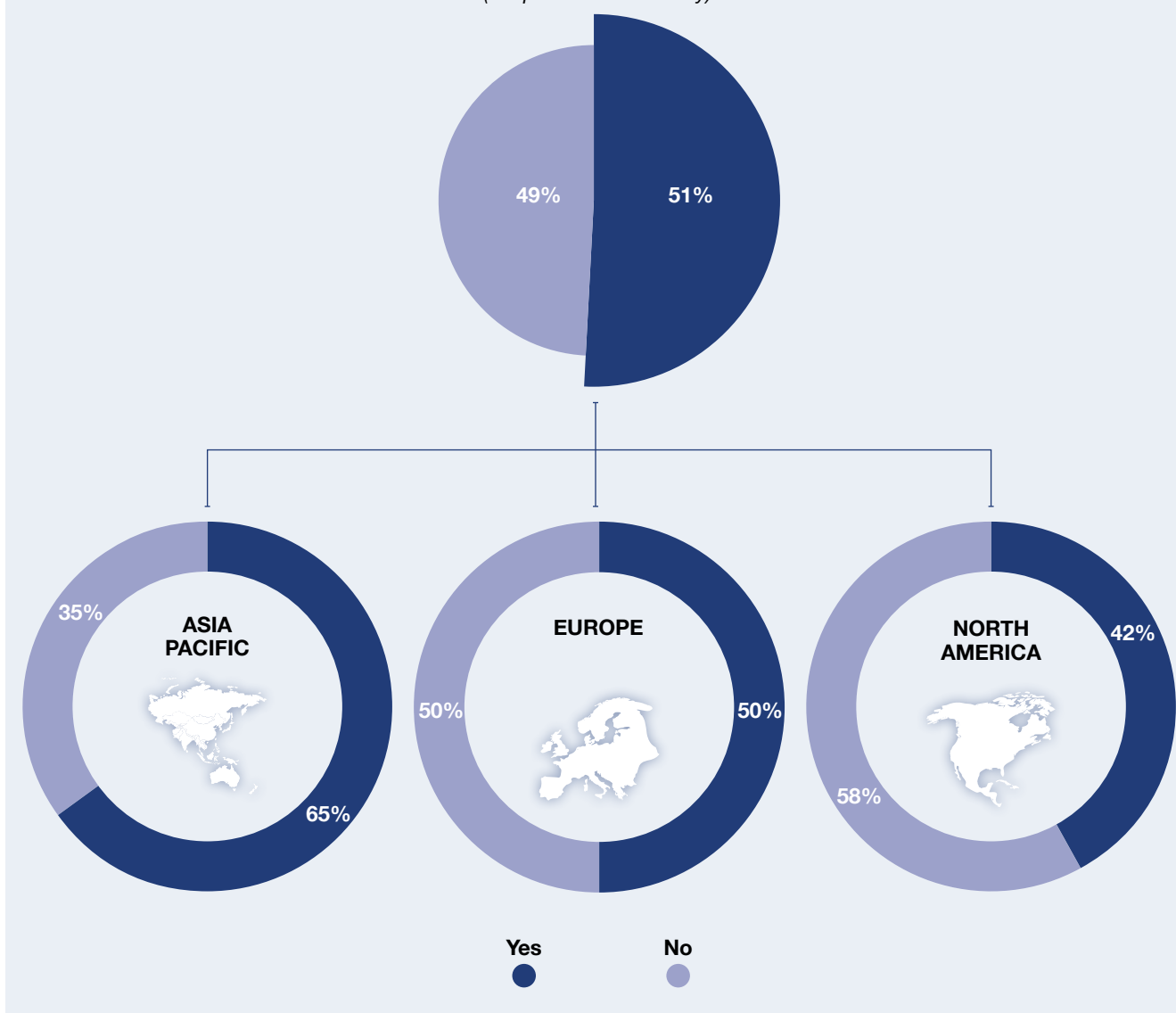
Understanding the challenges and areas of difficulties in integrating the SDGs into business can highlight where more work is required across different stakeholder groups. The respondents were asked what has been the most challenging aspect of integrating the SDGs into business strategy. This word graph highlights some of the most common sighted issues.

## SDG MEASUREMENT, REPORTING AND COMMUNICATION

SDG measurement, reporting and communication

There's been increasing focus and discussion at [Ethical Corporation events](#) about using the SDGs as a framework to report and communicate sustainability impacts. Just over half of all global Corporate-Brand respondents stated their company is using the SDGs as a reporting and communications framework

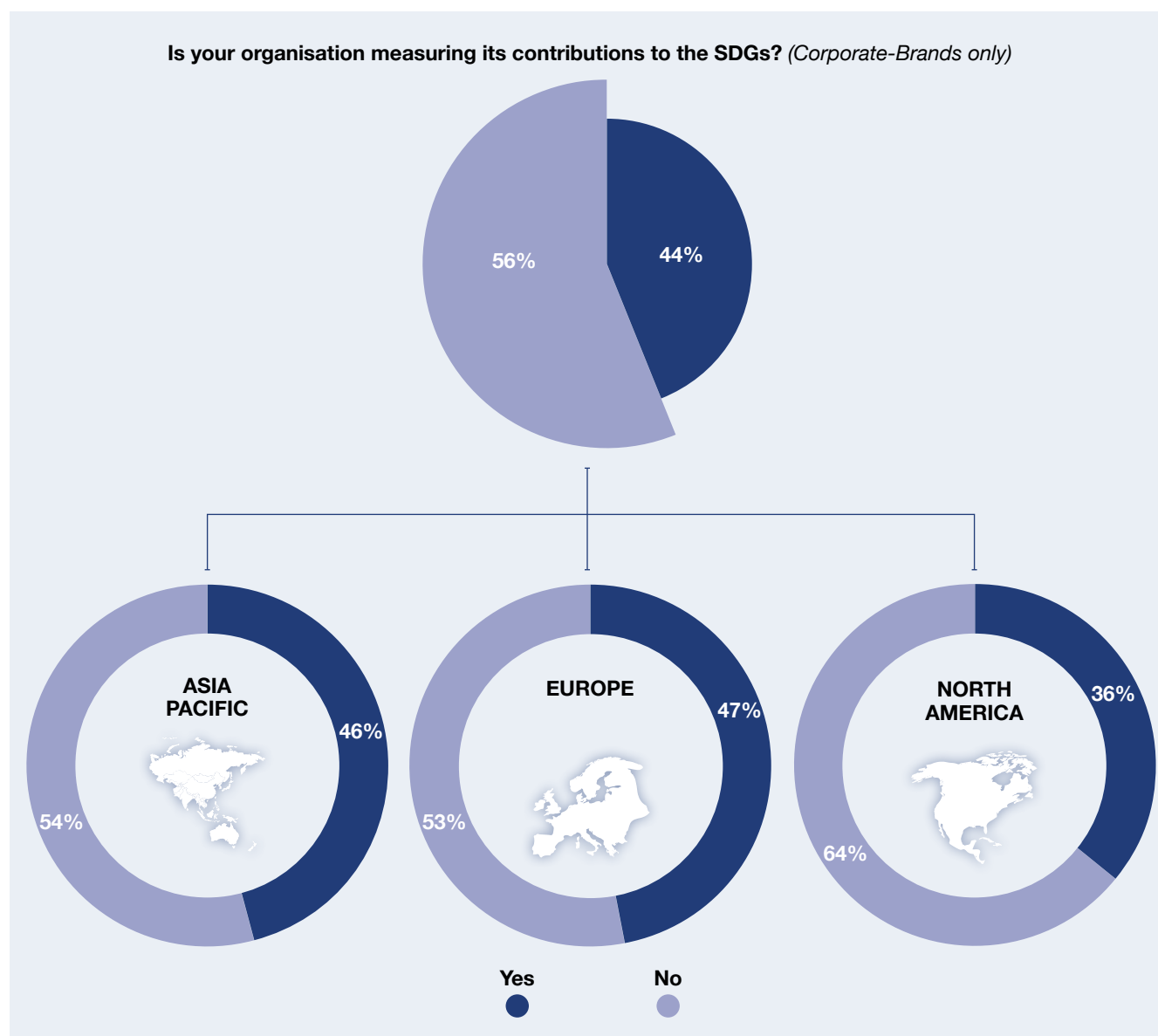
**Are you using SDGs as a framework to report and communicate your sustainability impacts?**  
(Corporate-Brands only)



SDG MEASUREMENT, REPORTING AND COMMUNICATION CONTINUED

There is a risk that companies use the SDGs as a communication tool without much actual adaption to strategy or measurement of their impact towards the Goals. Over half of the respondents (56%) stated that their company isn't measuring its contribution to the SDGs. North American respondents stated the lowest level of measured targets against the SDGs (36%),

followed by Asia/Pacific (46%) and finally Europe (47%). These findings link with recent studies by [KPMG](#) and [WBCSD](#) that both found that whilst a large majority of companies refer to the SDGs in their reporting, less than 10% actually have targets that measure their contribution to the SDGs.



*All 1,542 respondents (including NGOs, Investors, Consultants...) were asked whether Business will be the driving force in ensuring the SDGs are met. A resounding 85% of the 1,149 that answered this question stated Yes.*

CHAPTER 4 SDGS DRIVING FUTURE BUSINESS STRATEGY

SDG FOCUS ACROSS THE GLOBE

To ascertain any differences in SDG focus and adoption around the globe respondents were asked to highlight the SDGs that their business is engaging in. *Goal 13: Climate action* came out on top, with 65% (62% in 2017) already engaging on meeting this SDG. *Goal 8: Decent work and economic growth* with 60% (58% in 2017) and *Goal 3: Good health and well-being* with 57% (60% in 2017) were the second and third most cited goals.



65% of the global audience are engaging on SDG13: Climate Action

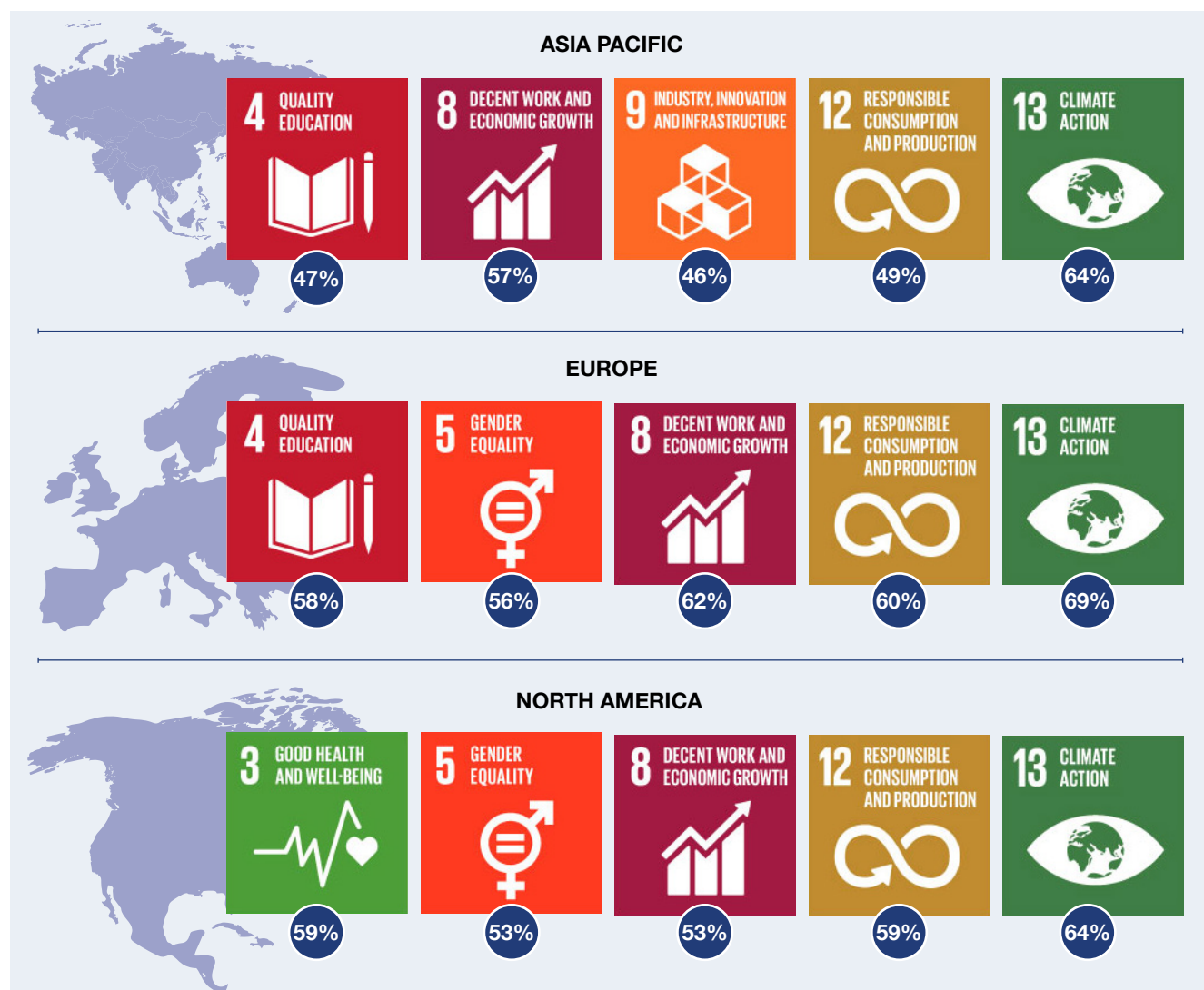
## CHAPTER 4 SDGS DRIVING FUTURE BUSINESS STRATEGY

### SDG FOCUS ACROSS THE GLOBE CONTINUED

When looking at responses from different geographical regions, those in Asia/Pacific chose *Goal 13: Climate action* (64%), *Goal 8: Decent work and economic growth* (57%) and *Goal 12: Responsible consumption and production* (49%) as the SDGs their engaging in.

In Europe, respondents stated *Goal 13: Climate action* (69%) as the goal they would be engaging in most, followed by *Goal 8: Decent work and economic growth* (62%) and *Goal 12: Responsible consumption and production* (60%).

In North America, respondents indicated *Goal 13: Climate action* (64%), *Goal 3: Good health and well-being* (59%) and *Goal 12: Responsible consumption and production* (59%) as the top three SDGs that they're engaging in.

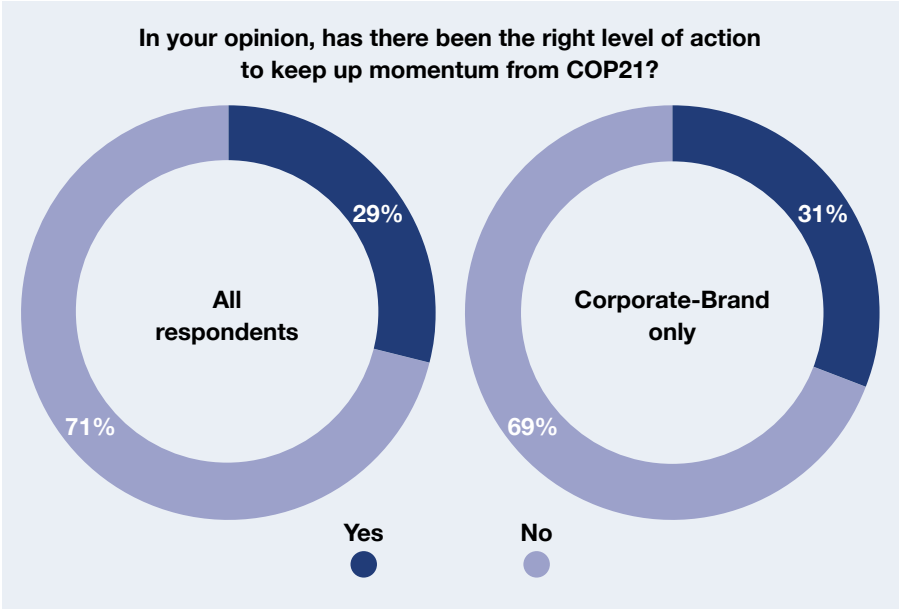




CHAPTER 5  
BUSINESS AND THE  
PARIS AGREEMENT

A LACK OF FOCUS ON THE AGREEMENT

It's been over two years since the landmark Paris Agreement and 71% of 1,143 global respondents stated there hasn't been the right level of action to keep up momentum since the 2015 Summit. This is a concerning finding and one that's compounded further when comparing to last year's report where 64% stated there hadn't been the right level of action. It is clear Governments, Business, NGOs, Investors and others have to work even harder to ensure the Agreement remains a key focus amongst the noise of trade wars, nationalism, Brexit, protectionism and other things.





### CHAPTER 5 BUSINESS AND THE PARIS AGREEMENT

#### GOVERNMENTS WILL BE THE DRIVING FORCE

Nearly a half of all respondents (44%) stated that Government will be most influential in ensuring the Paris Agreement is met. Interestingly, 34% of all respondents feel Companies will be most influential.

##### GOVERNMENT



44%

##### CORPORATE



34%

##### INVESTOR



14%

##### ACADEMIC



1%

##### OTHER



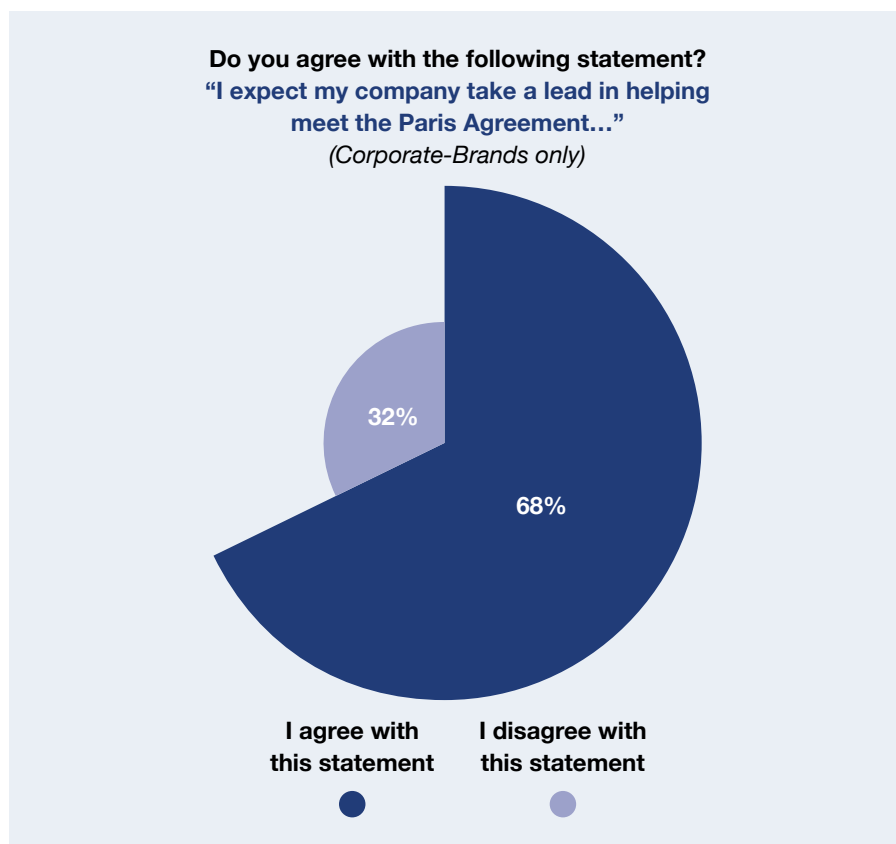
7%



*Nearly a half of all respondents (44%) stated that Government will be most influential in ensuring the Paris Agreement is met*

#### THE EXPECTATION ON BUSINESS

Focussing on the Corporate-Brand respondents 68% stated they agreed with the statement “I expect my company to take a lead in helping meet the Paris Agreement”. When delved deeper, only 25% of these respondents stated that their company has set and adopted, or are finalising Science-Based targets in line with the 2C target. A further 29% stated that their business is considering this, but there is a stark disconnect with expectation and current action.



*68% of business professionals expect their company to take a lead in helping meet the Paris Agreement*

## CHAPTER 6

### THE RESPONSIBLE BUSINESS HORIZON

Since this reports inception four years ago there's been great strides made in terms of sustainability becoming a critical factor in future ambitions. This desire to deliver a more responsible and sustainable world received a monumental injection two years ago. It's now time for businesses to build strategies and investments around these future goals. This chapter will highlight where respondents are focussing their efforts.

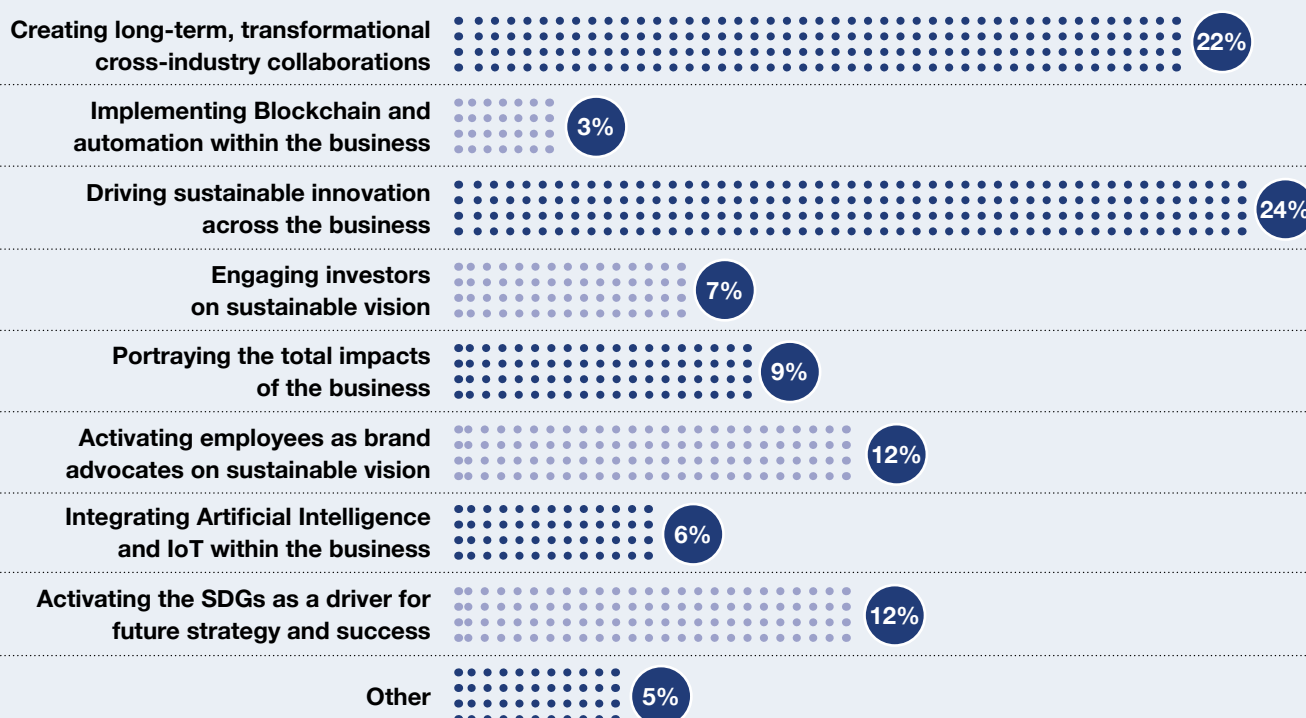
#### FUTURE OPPORTUNITIES

For companies to stay at the forefront of their industries, it's imperative they understand the opportunities available to them and also the key opportunities as identified by their peers.

Corporate-Brand respondents see *Driving sustainable innovation across the business* (24%) as the most exciting opportunity for their business in the next 12 months. *Creating long-term, transformational cross-industry collaborations* was the second most cited opportunity (22%). When focussing on the geographic regions the "Top Two" held true.

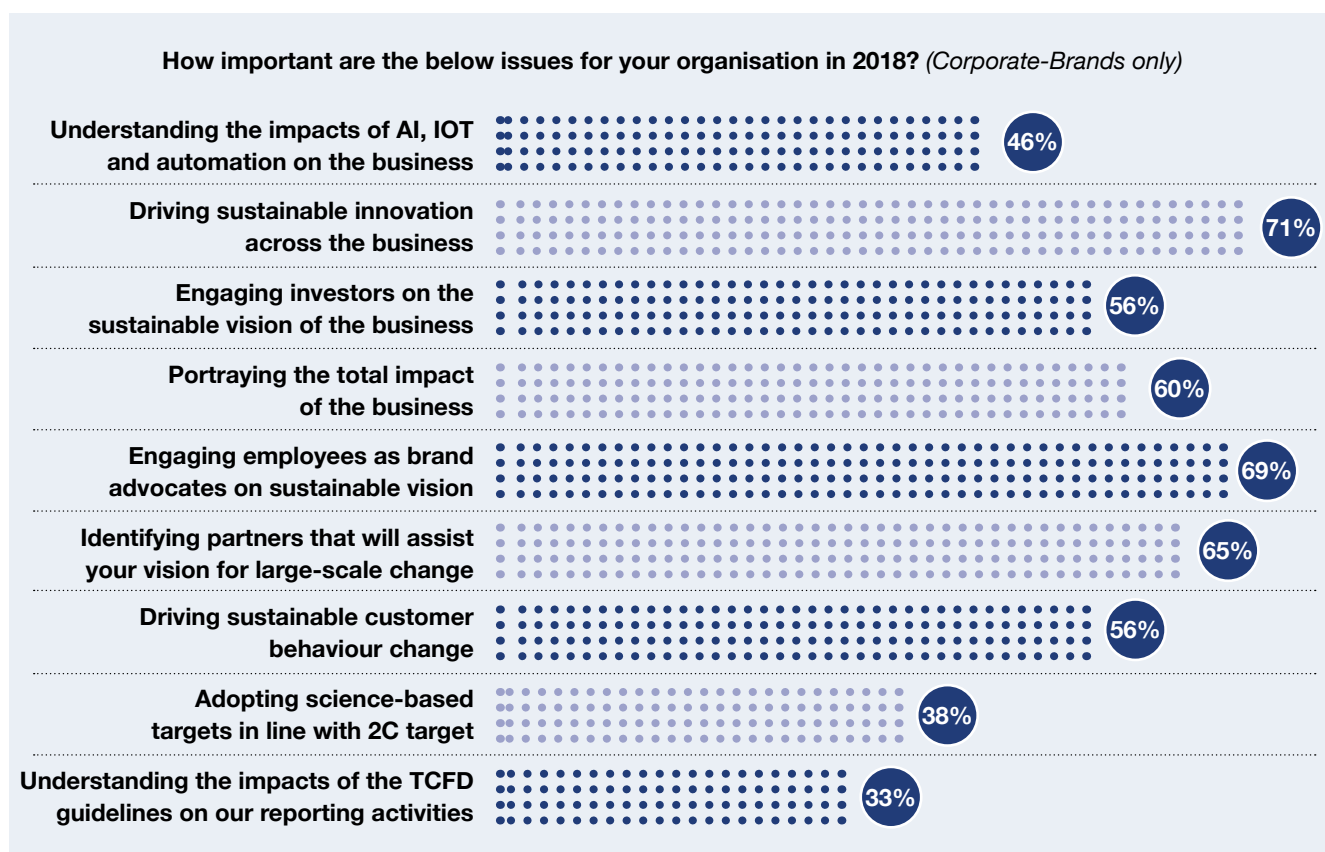
From this, one can deduce that businesses are looking to drive innovative new strategies across their businesses and are keen to locate partners that can help accelerate this change. This represents a great opportunity for new models, technologies and ways of doing business to arise in the coming months and years.

Which one area holds the single most exciting opportunity for your organisation in 2018? (Corporate-Brands only)



## WHAT'S IMPORTANT IN 2018

From a list of suggested sustainability issues, respondents were asked to rate on a scale their level of importance – ranging from “no importance” to “extremely important”. *Driving sustainable innovation across the business* is deemed of being most important and *Engaging employees as brand advocates on sustainable vision* as the second most important issues in 2018 with 71% and 69% of Corporate-Brand respondents respectively indicating it as being either “very important” or “extremely important” to their organisation. This was closely followed by *Identifying partners that will assist your vision for large-scale change* with 65% of respondents stating it as being of high importance to the business.



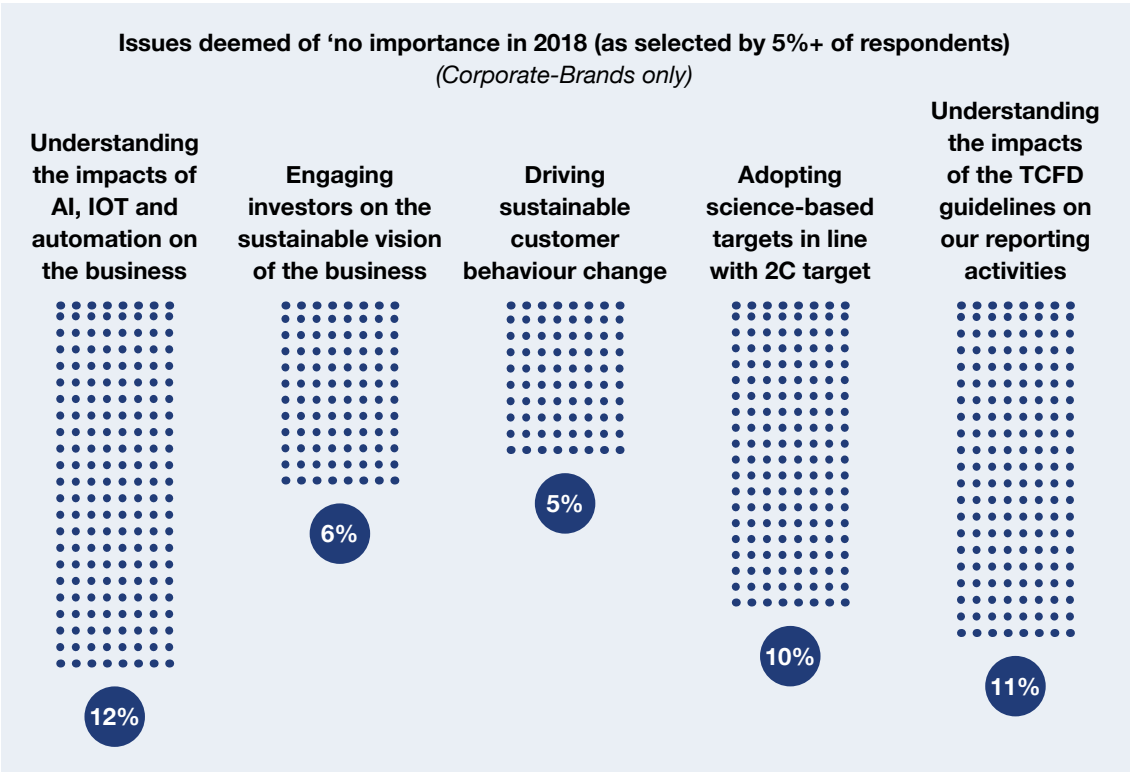
In all three regions the same three foci were deemed as being most important issues in 2018. In Europe the most important issue is Engaging employees as brand advocates on sustainable vision (73%) and in both the US (69%) and Asia/Pacific (70%) Driving sustainable innovation across the business were stated as the most important issues in 2018.

CHAPTER 6 THE RESPONSIBLE BUSINESS HORIZON

WHAT'S NOT IMPORTANT IN 2018

Sometimes it can prove more insightful when focussing on what's deemed not important. *Understanding the impacts of AI, IOT and automation* is the least important issue for Corporate-Brand respondents with 12% highlighting it as 'Not Important' in the next 12 months. This is rather surprising and concerning considering the impacts and opportunities these new technologies will have across all industries in the coming years. *Understanding the impacts of the TCFD guidelines on our reporting activities* (11%) and *Adopting science-based targets in line with 2C target* (10%) were identified as being the 2nd and 3rd least important issues in 2018. As with the previous page, the same three issues were the most highlighted when focussing on regional responses.











The chart below highlights issues where 5%+ of the global corporate community perceived them as being of "no importance" to their organisation in 2018.




### THOSE THAT ARE LEADING THE WAY

Increasingly, companies are looking to drive the transformational change that's required to meet the SDGs, Paris Agreement and create a more sustainable and responsible future for all. The global Ethical Corporation community were asked to highlight the company and person's they feel are leading the way in delivering a new sustainable business climate. Echoing findings from the 2016 and 2017 Trends reports, Unilever is most the most mentioned company and likewise its CEO Paul Polman emerged as the individual that's driving the required change.

#### WHICH COMPANIES ARE LEADING THE WAY IN TERMS OF SUSTAINABLE INNOVATION?

1	Unilever		-
2	Patagonia		↑ 1
3	Tesla		↓ 1
4	Marks & Spencer		↑ 7
5	IKEA		↓ 1
6	Google		↓ 1
7	Interface		↓ 1
8	Apple		↑ 4
9	Siemens		↑ 5
10	Nestlé		↓ 3

#### WHICH INDIVIDUAL EXECUTIVES ARE LEADING THE WAY IN SUSTAINABILITY?

 Paul Polman Unilever	1	Paul Polman	-
	2	Elon Musk	-
	3	Rose Macario	↑ 20+*
 Elon Musk Tesla	4	Bill Gates	-
	5	Richard Branson	-
	6	Mike Barry	↑ 7
 Yvon Chouinard Patagonia	7	Yves Chouinard	↓ 4
	8	Emmanuel Faber	↑ 11
	9	Michael Bloomberg	↑ 4
	10	Feike Siebesma	↑ 1

\*was not in 2017's top 20

### CHAPTER 7 KEY TAKEAWAYS

## CHAPTER 7 KEY TAKEAWAYS

The Responsible Business Trends 2018 report builds on previous iterations to highlight current foci and trends. Featuring feedback from 1,542 global business professionals this report offers a unique overview of commonalities and differences from different regions from around the world.

### HIGHLIGHTS

Among the many findings within this report, some of the headline takeaways include:

- ▶ **Increasing number of CEOs convinced by the value of sustainability:** 75% of Corporate-Brand respondents state that their CEO is convinced of the value of sustainability – up 1% on 2017 and 6% on 2015's report.
- ▶ **A lack of accurate impact measurement:** Just 45% of Corporate-Brand respondents feel they are accurately measuring the impact of their sustainability activity. This falls to 30% when asking if they are measuring the ROI from their sustainability outputs.
- ▶ **SDG integration:** Nearly 7 in 10 corporate respondents stated that their company is integrating the SDGs into business strategy. However, only 44% of companies are measuring their contributions to the SDGs.
- ▶ **A focus on Climate Action:** Corporate-Brand respondents stated that SDG 13: Climate Action is the top Goal that they're engaging in (65%). Goal 8: Decent work and economic growth (60%) and Goal 3: Good health and well-being (57%) were the 2nd and 3rd most cited Goals.
- ▶ **Taking a lead on the Paris Agreement:** 44% of all respondents feel that Government will be most influential in ensuring the Paris Agreement is met. 34% stated that companies will be most influential. When focussing on Corporate-Brand respondents, 68% agreed that they expect their company to take a lead in helping meet the Paris Agreement.
- ▶ **Driving sustainable innovation across the business is number one opportunity in 2018:** 24% of all Corporate-Brand respondents see this as the most exciting opportunity for their business over the next 12 months. Creating long-term transformational cross-industry collaborations was the second most cited (22%).

Ethical Corporation will continue to monitor these trends, both through discussions at the global events and analysis published in the monthly magazine.



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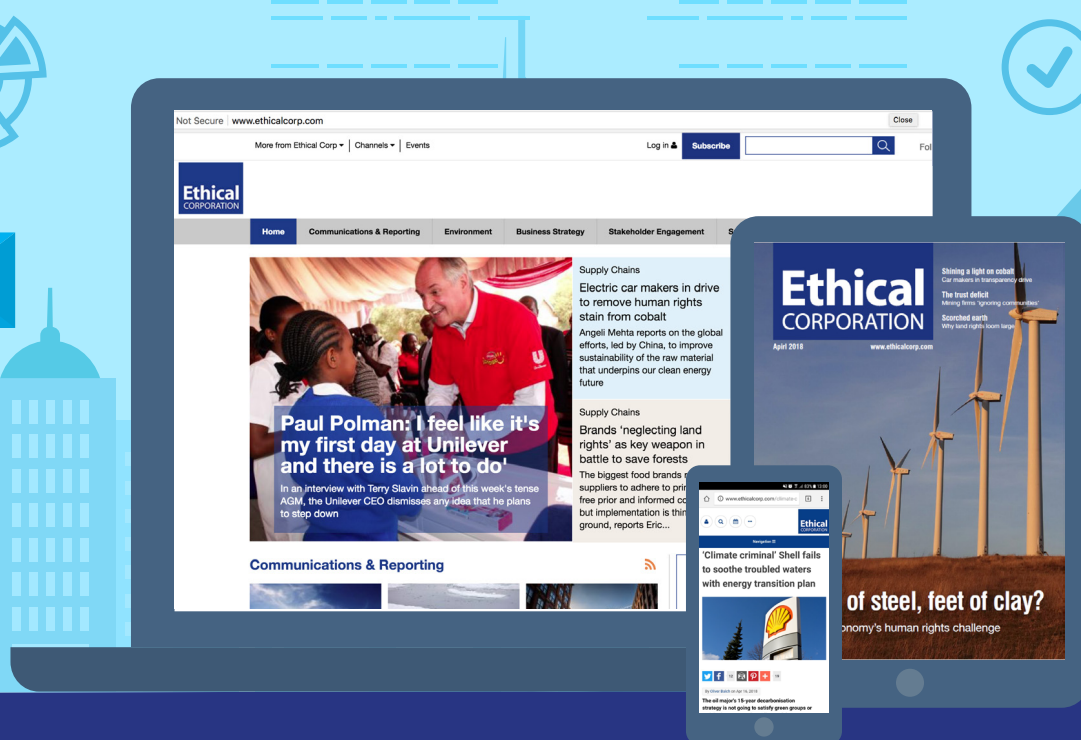
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## CHAPTER 8 WHAT EXPERTS HAD TO SAY ABOUT OUR REPORT



**DAVID GRAYSON**

**Emeritus Professor**

Cranfield School of Management

[@DavidGrayson\\_](https://twitter.com/DavidGrayson_)



There are many different definitions of Corporate Responsibility. I have long used the European Commission version: the responsibility that an enterprise has for its social, environmental and economic impacts. Increasingly though, I tend to combine this, with the definition developed by the American academic Archie Carroll almost forty years ago: the expectations that society has of business, **at a given point in time.**

My added emphasis. Society's expectations of big business especially, are clearly growing, whether on corporate tax strategy, executive and gender pay equity or tackling Climate Change. Performance that a decade ago might have constituted leadership, may today count as just enough for a licence to operate.

Rising expectations require radically improved performance. Businesses cannot be half-hearted or semi-engaged. To take just two examples: businesses now need to be setting science or evidence-based targets; and aligning corporate strategy with the Sustainable Development Goals.

Businesses need to go All In for corporate sustainability as Chris Coulter, Mark Lee and I argue in our new book about the future of business leadership. Yet if the evidence of this Ethical Corporation Trends Report is representative, even many of the businesses sufficiently interested in sustainability to subscribe to EthicalCorp are currently lagging.

*David Grayson is an independent commentator on Responsible Business and Emeritus Professor of Corporate Responsibility at Cranfield School of Management. His new book with Chris Coulter and Mark Lee is published by Routledge.*



**LOUISE SCOTT**

**Director Global Sustainability**

PwC



It is great to see further evidence of what we are seeing in the market - that increasingly sustainability is driving mainstream strategy, which is reflective of the increase in the number of businesses that are aligning to the SDGs, together with another improvement in the proportion of CEOs that are convinced of the value of sustainability. Respondents recognise the role of business as a key driving force for ensuring the goals are met - and so this combination is critical for the success of the SDGs.



**HOLY RANAIVOZANANY**  
**Head of Corporate Social**  
**Responsibility**  
Huawei Technologies



The expectations raised by our stakeholders and the global ecosystem in which we operate were the main drivers that encourage us to embed sustainability principles into our core business. By working hand in hand with our customers, we were able to set up processes and a solid management system that allowed us to define our priorities, engage with our stakeholders and leverage our expertise to contribute to sustainable development. Engaging with international organizations was very important to understand the current global challenges and trends, and helped identify other organizations that shared similar priorities and approaches to learn from each other. Key roles are then played by Supply Chain / Procurement / R&D / Business Groups / Communications and Marketing.

As technology is at the core of our business and our sustainability strategy, we are convinced about the links between business performance and sustainability. Through practice, we realize that fulfilling sustainability will help our company maintain long-term stability and our strong foothold in the global market, increase competitiveness, and achieve sustainable development as well as healthy and balanced development. For instance, as part of our commitment in bridging the digital divide, we aim at decreasing network costs through technological innovations and providing customized solutions to help carriers successfully operate in outlying areas. As part of our commitment in promoting environmental sustainability, we implemented green base stations that helped us reduce our power consumption. Therefore, we believe that engaging in sustainability may bring competitive advantage thanks to cost reductions for ourselves and for our customers.

The most significant sustainable issue that we are facing is about our supply chain. As an integral part of a company's value chain, a risk to a supplier is also a risk to our company and our customers. We believe a supply chain is only as strong as its weakest link. That is why we require our suppliers to cascade our requirements down through the entire supply chain, with particular focus in the areas of ethics, the environment, health and safety, and labor conditions. With a global supply chain, with almost 80% of our suppliers being out of China, it is important to have a collaborative mechanism between peers from the industry, governments, and other stakeholders to address the various issues within the supply chain.

Continuous commitment is key from leaders of sustainable business. The ability to walk the talk and talk the walk, to maintain the momentum internally and externally and to federate around common objectives are important skills to contribute significantly to the sustainability agenda. Corporate sustainability leadership needs to move from individual action to collective empowerment. The SDGs agenda is very ambitious and the sum of individual initiatives will not be enough to achieve the goals. The leadership needs to be even stronger, crossing industries and geographies, to truly embrace the goals, the challenges they entail and the collective thinking and resources they require. Sustainability Leadership needs to be out of the box, borderless and bold enough to make the changes needed to achieve the 2030 agenda.

# UPCOMING EVENTS

Over 1,500 CEOs and senior business executives will attend our events in 2018 to share ideas on how to collaborate and drive transformative impacts and sustainable growth. Our conferences offer a unique platform for organisations to share their pioneering initiatives with global stakeholders, whilst also offering intimate break-out sessions that drive frank and honest discussions. Be part of the movement, join one of our events in 2018



**LONDON**

**17th Annual Responsible Business Summit Europe 2018**

500+ CEOs and senior execs discuss how to transform business to deliver the SDGs

[www.ethicalcorp.com/rbs](http://www.ethicalcorp.com/rbs)



**LONDON**

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**9th Annual Responsible Business Awards 2018**

250+ attendees celebrate the leading sustainable strategies from across the globe

[www.ethicalcorp.com/awards](http://www.ethicalcorp.com/awards)



**LONDON**

**12th Annual Sustainability Reporting and Communications Summit**

250+ professionals debate how to promote full disclosure, impacts and demonstrate future resilience through reporting activities

[www.ethicalcorp.com/reporting](http://www.ethicalcorp.com/reporting)



**LONDON**

**13th Annual Responsible Supply Chain Summit 2018**

200+ attendees debate how to drive transparency and minimize impacts across the supply chain

[www.ethicalcorp.com/supplychain](http://www.ethicalcorp.com/supplychain)



**SAN DIEGO**

**2nd Annual Responsible Business Summit West**

300+ attendees to discuss the future impacts of digital-driven business; data, privacy, climate impacts, social inclusion and purpose

[www.ethicalcorp.com/rbs-west](http://www.ethicalcorp.com/rbs-west)

