TECH NATION | CLIMATE TECH

Empowering Sustainability Leaders To Drive Lasting Change

In partnership with

Edelman

Contents.

Introduction.

In an era of mounting environmental challenges and escalating calls for corporate accountability, the demand for empowered sustainability leadership has never been more urgent.

Businesses must recognise the vital importance of sustainability leadership and the evolution of the role of the Chief Sustainability Officer (CSO) in guiding organisations towards a sustainable future.

Yet many CSOs lack the necessary access, resources, and authority to effectively champion sustainability initiatives.

While the presence of CSOs on executive committees is increasing, it is still not yet the norm. According to a 2022 survey by PwC, roughly half of all CSOs find themselves two hierarchy layers or more below the C-Suite.

This disconnect restricts CSOs' ability to influence strategic decision-making and effectively champion sustainability initiatives.

Empowering CSOs and senior sustainability leaders is not merely a matter of granting them a seat at the decision-making table; it is about recognising their expertise and providing them with the resources and authority required to drive sustainable transformation.

In response to this pressing need, **Climate Tech** and **Tech Nation** held the inaugural CSO & Sustainability Leadership Breakfast, ahead of COP28 Dubai. Its findings aim to empower sustainability leaders through the sharing of collective knowledge and shared insights.

A unifying thread centres on collective action to drive systemic transformation.

With our new event and content series we hope to provide a forum that fosters a collaborative approach that empowers authentic leadership and drives real change.

37%

of CSOs have a seat on their company's executive committee.

69%

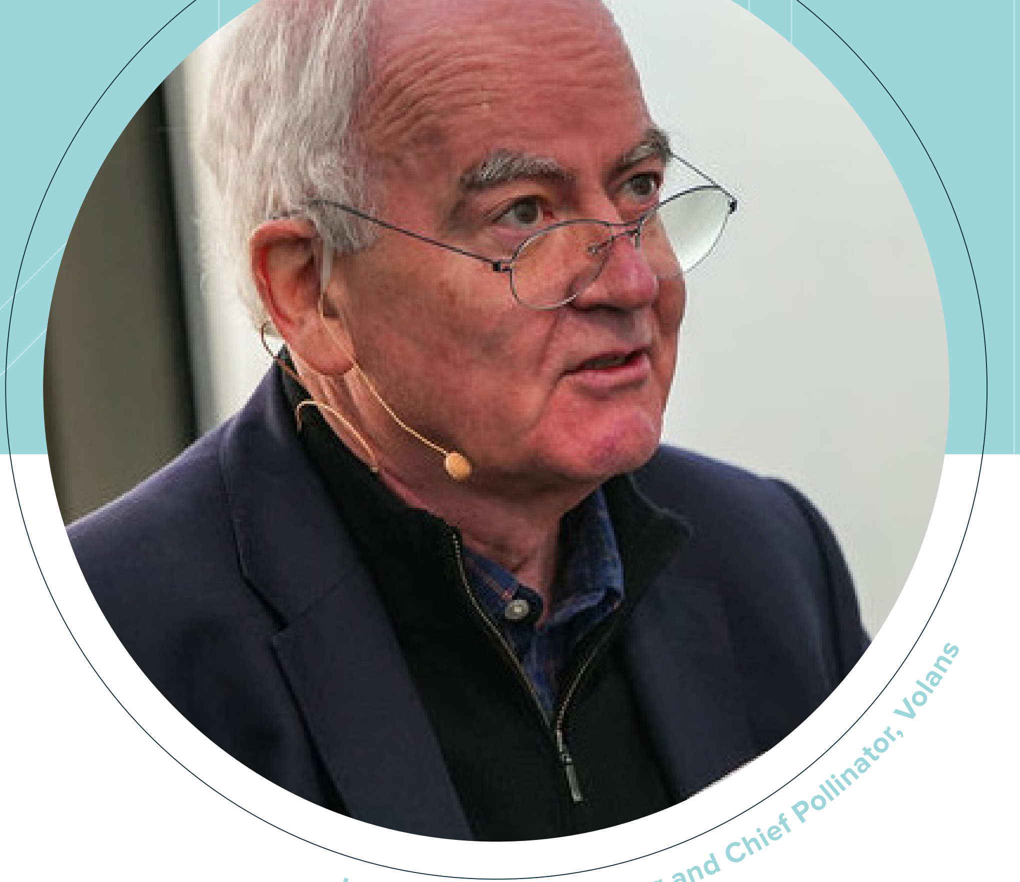
of companies expect to have a CSO on their executive committee within the next five years.

Source: PwC

Sir David King, Chair of Climate Crisis Advisory Group (CCAG) and previously UK Government Chief Scientific Officer

Sustainability in the C-Suite

Philippine de T'Serclaes, Chief Sustainability Officer, Dassault Systèmes



John Elkington, Founder and Chief Pollinator, Volans

Boardroom Education

Educating board members on climate change and sustainability poses a significant challenge, as historically these topics have been absent from executive careers and education.

Bridging this knowledge gap requires concise, impactful and educational approaches that integrate sustainability into board discussions, without appearing didactic.

Incorporating real-life case studies that demonstrate the tangible impacts of sustainable initiatives – and present both the financial and non-financial benefits – can illustrate the business case for sustainability, encouraging board members to prioritise these issues in their decision-making processes.

Plus, creating a space for open dialogue where board members can express their concerns and ask questions can foster a more inclusive approach to integrating sustainability into boardroom discussions.

TAKEAWAYS:

Knowledge Gap
Most boards lack adequate climate change expertise due to the absence of sustainability in executive careers and education.

Sustainable Dialogue
Boardroom discussions should embrace sustainability principles without feeling overly educational.

Tim Lord, Head of Climate Change, HSBC UK

Influencing the board

There is a growing need to invite sustainability experts, including experts on nature, onto the board to guide strategic discussions and decisions.

This is particularly important with the emergence of new regulation, which will be touched upon. It will allow the board to be better informed on sustainability matters directly relevant to the business and of the solutions required, filling the void created by the historical absence of sustainability in boardrooms.

TAKEAWAYS:

Influence Gap
Nearly 50% of CSOs operate below the C-Suite, limiting their strategic impact despite growing prominence.

Sustainability leadership
There is a growing need for sustainability experts to access, inform and influence the board.

Elisa Moscolin, Executive Vice President, Sustainability, Sage

Adam Read, Chief Sustainability Officer, Suez

Jo Tilley, Sustainability Director, Crown Commercial Service

Shifting CFO Mindset

Traditionally focused on financial metrics, CFOs are increasingly being drawn into sustainability matters due to evolving reporting standards and stakeholder expectations.

Sustainability metrics often extend beyond traditional financial reporting, incorporating environmental and social impacts that are more nuanced and qualitative in nature. This creates a challenge for CFOs striving to present precise, measurable data to meet reporting standards.

This highlights the need for a broader understanding of responsibilities beyond traditional financial aspects and a more holistic approach to sustainability in financial reporting.

Over time, CFOs will change. A generational shift is expected with people moving into the role with a broader sense of what their responsibilities might be, embracing the intrinsic value of non-financial sustainability metrics.

Engaging CFOs in discussions that bridge the gap between financial and sustainability goals can foster a broader understanding of their responsibilities and impact, potentially driving strategic decisions that align financial success with sustainable practices.

TAKEAWAYS:

Evolving Values
CFOs should incorporate the intrinsic value of non-financial sustainability metrics.

Generational shift
Over the coming years CFO roles are expected to evolve, embracing a broader set of responsibilities beyond traditional financial reporting.

94%
of CFOs feel pressure to prioritise ESG

Source: CFO Magazine

Julia Zanghieri, Associate Director, Imperial College


Mikela Druckman, CEO and Co-Founder, Greyparrot

Navigating Policy


Catherine Barber, Assistant Director, Environment and Energy, Greater London Authority

Richard Roberts, Inquiry Lead, Volans

The Language of Lobbying

While policy engagement is critical for meeting sustainability commitments, it feels risky due to politicisation of these issues and potential backlash. Commonly known as 'Greenhushing', there is a tension between the imperative for companies to advocate for sustainability-enabling policies, and the danger of these subjects being drawn into partisan debates.

Policies Enable Progress

Most CSOs recognise that a large portion of their organisations' net zero and sustainability transition plans rely on significant future policy changes that are out of their direct control.

Companies are confident of attaining their near-term targets, as they are within their control and do not require policy changes to achieve.

However, there was seen to be an important shift when looking out towards ambitious targets beyond 2040. Leaders were in agreement that without significant policy change, they would not deliver their own sustainability plans and targets.

> "We do policy engagement or advocacy, but we don't like calling it lobbying."

> "Everyone hates the term lobbying."

Lobbying Language Needs Reframing

There is a reluctance among many sustainability leaders to use the term 'lobbying' due to negative associations, even though they engage in advocacy and policy engagement. This presents linguistic and perceptual hurdles.

There was a recognition that companies should work collaboratively to bring about change within their respective industries. Having a shared narrative increases the likelihood of achieving that change. There is an opportunity for companies to be more transparent about their dependency on regulation.

Trade Associations Influence

Certain trade associations present a misalignment with companies having limited visibility into associations' lobbying. They often advocate against climate policies on behalf of member companies, contradicting the sustainability commitments of those more progressive members. More strategic policy engagement requires overcoming these barriers.

Insiya Jafferjee, CEO and Co-Founder, Shellworks

TAKEAWAYS:

Progress Hinges on Policy
CSOs recognise that their respective sustainability targets rely significantly on future policy changes which are out of their control.

Lobbying Carries Baggage
The term 'lobbying' carries negative associations despite similar policy engagement by CSOs.

Greenhushing
Leaders stated that policy engagement feels risky due to the potential backlash and politicisation of sustainability issues.

Trade body membership alignment
Trade bodies and member organisations should be consistently aligned to ensure they do not represent diverging views.

Navigating The Green Tape

Policies, frameworks, and reporting requirements aimed at steering businesses towards more sustainable practices are constantly evolving.

With the emergence of these regulations, CSOs are uniquely positioned to guide organisations through this complex regulatory environment and disclosure expectations.

However, the regulatory environment is also dense and difficult to navigate – a sea of confusing acronyms and jargon. In order to enhance wider stakeholder and public understanding, there is a growing consensus that regulation should be simplified.

TAKEAWAYS:

Complexity Hurdle
Simplifying the intricate regulatory system is vital not only for business but for wider stakeholders and public comprehension and engagement.

Lack of Clarity
Absence of consistent standards hinders action.

Enabling Accessibility
Transparent, simplified advice fosters accountability.

Sarah Mackintosh, Director, Cleantech for UK

Fenella Barber, Global Deveopment Lead, Extreme

Key standards and regulations

CSRD – EU Corporate Sustainability Reporting Directive requires robust public disclosures across double materiality dimensions on sustainability strategy, targets, governance and performance.

EUDR – The Environmental Product Declaration is an international standard for communicating the environmental performance of products throughout their life cycle.

CSDDD – If adopted, the Corporate Sustainability Due Diligence Directive would introduce requirements for companies to identify and prevent, bring to an end, or mitigate the actual and potential impacts of their activities on the environment and on human rights abuses.

EUGT – The EU Green Taxonomy provides technical screening criteria and reporting rules on business activities substantially contributing to environmental objectives.

TNFD – Taskforce on Nature-Related Financial Disclosures is an initiative to catalyse corporate transparency and risk management around biodiversity and natural capital impacts.

TCFD – The Task Force on Climate-Related Financial Disclosures develops recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks—risks related to climate change.

GRI – The Global Reporting Initiative is a voluntary international standard for sustainability reporting focused on economic, environmental and social impacts.

GCD – The Green Claims Directive is a proposed piece of legislation by the European Commission that aims to establish common rules for substantiating and communicating environmental claims made by companies about their products.









Mark McGinn, Executive Director, Sustainability and Social Impact, Edelman

Jennie Colville, Head of Sustainability, Landsec

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A Shift to Trust and Optimism

Anthony Baker, Co-Founder & CEO, Satellite Vu

George Roffey, Chief Sustainability Officer at Centrus

Bridging the Trust Gap

Trust in institutions to develop climate solutions is declining. When we lose trust, we lose optimism. To succeed, we need global institutions to transition from mere reporters to outright advocates.

Distributing good news through well-trusted media sources is critical. People believe there needs to be a bigger focus on reporting solutions – and even pessimists want to hear good news.

Communicating success stories, demonstrating tangible impacts, and engaging stakeholders through inclusive dialogue can bridge the trust gap and inspire action towards sustainability.

TAKEAWAYS:

Trust Deficit
Declining trust in institutions affects public confidence in the potential success of climate solutions.

Source Credibility
Scientists and experts remain the most trusted voices.

The need for Authenticity
Businesses must commit transparently and honestly to rebuild trust and confidence.

Optimism Fuels Action

Optimism is a catalyst for action and advocacy.

Optimism promotes a sense of agency, encouraging individuals to advocate for change, and influence their communities positively. It creates an environment where individuals feel empowered to contribute to a better future, fostering a sense of hope that fuels sustained action towards addressing climate challenges.

However, striking a balance between realism and optimism is crucial. Acknowledging the challenges while presenting viable solutions and showcasing success stories can help to motivate collective action.

TAKEAWAYS:

Fueling Action
Optimism catalyses climate solution engagement and advocacy.

Positive News
People want to hear more good news about climate solutions.

Counters Inaction
Lack of optimism leads to fatalism and inaction which hampers sustainability efforts.

Gunnlaurgur Erlendsson, CEO of ENSO

Tessa Clarke, Co-Founder and CEO, Olio

Abby Chicken, Head of Sustainability, Openreach

Communicating Optimism

Relatable Voices

Building sustainability messaging around trusted messengers that the mainstream public finds relatable (e.g. chefs, architects, fashion icons) rather than traditional 'activist' voices generally resonates better and drives higher engagement. Tapping relatable voices from diverse industries with large social reach offers fresh and accessible perspectives that counter climate fatigue.

Localised Messaging

Translating global and complex climate challenges into personalised local impacts, livelihood and community resilience solutions fosters greater relatability, actionability and motivation.

Cautious Optimism

Despite risks of greenwashing criticism, setting ambitious greenhouse gas reduction commitments and transparently showcasing incremental progress is crucial to build corporate credibility and sustainability momentum into the future.

Anuradha Bajaj, Director at The Earthshot Prize

Balancing Challenge and Support

The sustainability movement requires both optimistic celebration of achievements and constructive criticism pushing for ever-higher standards and urgency. However, critique should be balanced with encouragement to drive wider business adoption. Support fuels innovation just as pressure raises the bar.

Creating consumer optimism

Developing data comparison tools, content and incentives highlighting the growing accessibility and micro-benefits of sustainable lifestyle changes is pivotal to foster consumer optimism and counter paralysing problem scale. Showcasing solution viability shifts focus to progress opportunities.

TAKEAWAYS:

Relatable Voices Matter
Tapping trusted messengers beyond traditional activists to communicate sustainability fosters wider engagement.

Localise Messaging's Impact
Translating climate challenges into localised community impacts drives relatability and action.

Balance Critique with Support
Criticism that pushes for higher sustainability standards should be balanced with encouragement for business adoption.

Mark Hodsgon, Founder and CEO, Earthbase

A word from Edelman:
Trust and Climate change

The 2023 Edelman Trust Barometer surveyed over 40,000 people globally for their Special Report: Trust and Climate Change, which reveals a trust deficit across key institutions – media, business, government, NGOs – regarding climate solutions.

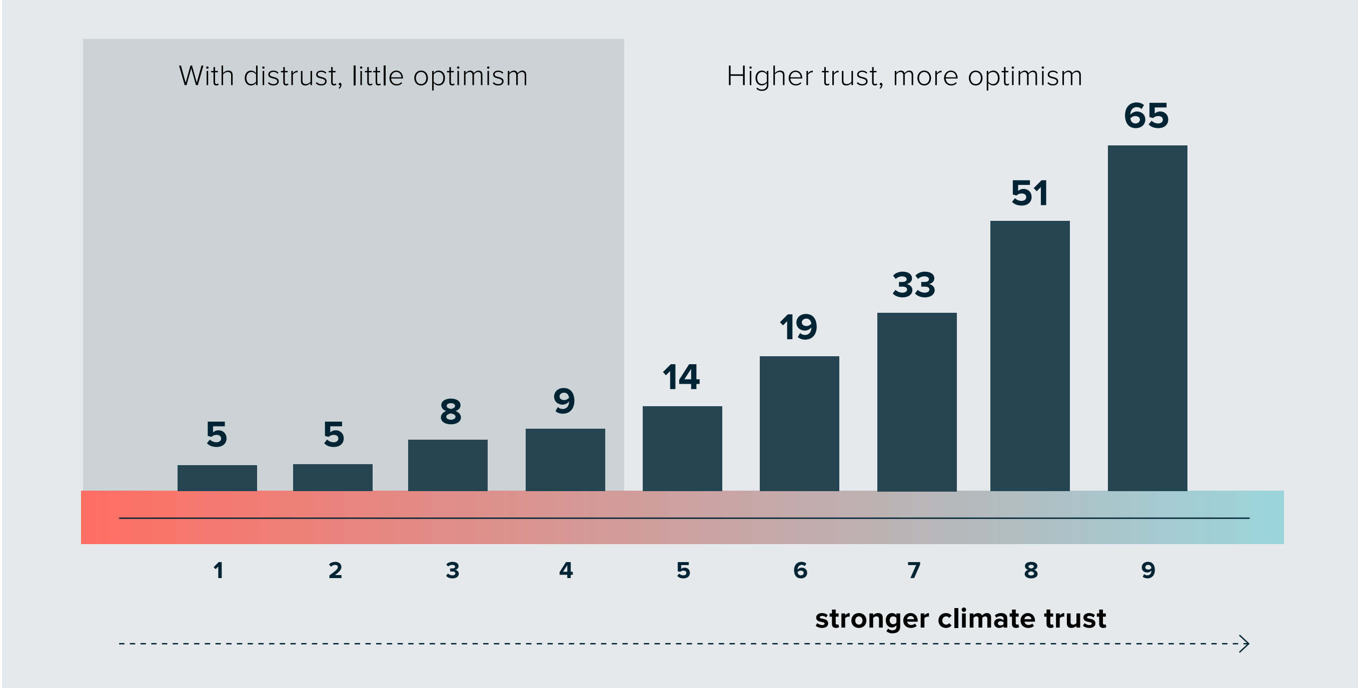
The trust deficit precipitates widespread pessimism and fatalism, hindering climate action, and there is a strong correlation between declining institutional trust and pessimism.

New research from the Edelman Trust Institute finds that optimism is the key to action, and optimism hinges on trust.

Reestablishing confidence is vital to restore optimism fueling public mobilisation and policy pressure around shared climate goals.

77% of people are worried about climate change

55%	22%	23%
Climate Pessimist *I am worried about climate change and I am not hopeful we can overcome its challenges*	**Climate Optimist** *I am worried about climate change but hopeful we can overcome its challenges*	Not worried about climate change



Source: Edelman

Businesses especially suffer from a credibility gap, thought to prioritise profits over sustainability despite lofty commitments. More transparency, vulnerability and delivering on ambitious decarbonisation targets is required to rebuild corporate legitimacy.

Governments and NGOs also scored lower on the issue of climate than they do more generally, indicating the need for bolder initiatives benefiting local communities.

Inconsistencies in certifications and actionable guidance must be addressed through unified multi-stakeholder efforts. Closing gaps between sustainable aspirations and actual consumer lifestyles via incentives, infrastructure and compelling messaging is equally essential.

With stakes rising and clocks ticking, facts must underpin communications, but they must be led by optimism; spotlighting solutions, convening diverse perspectives and making complex topics relatable. Achieving hopeful mindsets centred on health, family and the future is what ultimately empowers cooperative ambition for systems change benefiting business and world.

TAKEAWAYS:

- **Restore Trust in Climate Institutions** People lack trust in key institutions to address climate change despite recognising risks, hindering collective optimism and action.
- **Counter Climate Solution Pessimism** 55% concerned about climate change are fundamentally pessimistic about solutions - optimism is key to driving advocacy and system-level action.
- **Satisfy Desire for Climate Progress** Despite worries, people want more exposure to climate solutions success stories which inspire hope and personal lifestyle changes.

Jamie Rowles, Founding Partner, Planet Fund

Jo Ennion, Head of Climate Change, Sainsburys

Time for Collaboration

Nathan Bonnisseau, Co-Founder of Plan A

Sam Laakkonen, Cambridge Institute for Sustainability Leadership

Innovation through Collaboration

Collaboration between climate tech startups and corporations is essential for driving innovation towards sustainability. Joint ventures can provide viable solutions, but require mutually beneficial relationships to ensure scalability.

Corporates' reliance on global supply chains presents an opportunity for innovation.

Startups can identify and address sustainability challenges within corporate supply chains, improving efficiency, reducing environmental impact, and enhancing social responsibility.

It's important for corporations to be educated on climate solutions, understand the nature of the market and the technology readiness level and cost parity of key climate technologies, compared with fossil fuel based alternatives.

Encouraging startups to integrate innovations into corporate value chains while maintaining their identity and fostering innovation is also pivotal for technological advancements. Balancing the dynamics between corporations and startups to ensure fairness, transparency, shared value creation and shortened integration timelines is crucial for fostering a culture of innovation and sustainability.

Creating a working symbiosis between climate tech companies and large organisations is one of the key critical levers to accelerate emissions reduction among corporates.

Startups may find their brand identity and messaging overshadowed by the corporate partner's influence, hindering their ability to establish a distinct presence in the market. Protecting intellectual property and competitive advantage is crucial for startups. So, carefully safeguarding IP is required to ensure that their competitive edge is not compromised in these partnerships. sustainability into boardroom discussions.

TAKEAWAYS:

Driving down costs
By adopting key solutions, large organisations create a cascading effect, lowering cost curves and making these technologies more accessible to a broader market.

Resistance to change
Large organisations must streamline procurement processes to make climate tech adoption easier and move beyond 'business-as-usual.'

Raising awareness
Supporting corporates understand the climate tech market and the readily available solutions are essential to enable mass adoption.

Rachel Cox-Reynolds, Director of Own Brand, Technical and Sustainability, Ocado Retail

Ashok Sinha, CEO, Ashden and Chair, London Sustainable Development Commission

Decarbonising Supply Chains

Addressing challenges in multinational supply chains presents a considerable hurdle in decarbonisation efforts. A lack of trust, difficulties in data transparency, and the complexity of international supply chains necessitate concerted efforts and incentives to prompt meaningful changes.

Collaboration across supply chain networks to address challenges such as emissions tracking, traceability, and the adoption of sustainable practices is essential. Encouraging accountability and fostering a culture of sustainability throughout supply chains are also key steps towards achieving targets.

TAKEAWAYS:

Transparency Pitfalls
Inconsistent emissions reporting and traceability issues plague complex supply chains.

Incentivising the supply chain
Motivating supply chain partners to adopt sustainability practice is vital.

Competitiveness to collaboration
With large organisations often sharing parts of the supply chain, collaboration and transparency between large organisations is crucial.

The Role of SMEs

Small and medium-sized enterprises (SMEs) are pivotal in global economies, representing a substantial portion of businesses and employment.

However, their participation in sustainability initiatives can vary due to a range of challenges (such as limited resources, lack of expertise and supply chain complexity). Therefore, tailored strategies are essential to sustainability conversations and achieving overarching net-zero goals.

Collaborative initiatives that provide guidance, incentives, and support for integrating sustainability into SME operations can yield substantial results.

Engaging SMEs through educational programs, partnerships with larger corporations, or government-led initiatives can enhance their understanding of sustainability's benefits and encourage their active participation.

Plus, incentivising sustainable practices through grants, tax incentives, or access to markets can further stimulate SME involvement in sustainable initiatives.

50%

of employment worldwide is represented by SMEs

Source: World Bank

TAKEAWAYS:

Outsized Impact
SMEs make up most of global businesses and employment, yielding substantial collective impact.

SME Engagement
Achieving net-zero relies on active SME participation in sustainability.

Tailored Strategies
Support initiatives must consider SMEs' unique capacities and challenges.

Ben Kellard, Cambridge Institute for Sustainability Leadershership

Concluding Remarks

This report underlines critical levers to spur climate action. From a top-down perspective, sustainability leaders and specialists must be able to influence the board level. CSOs being part of the Executive Committee would enable increased awareness and action from the highest echelon of business.

The emergence of pro-climate regulations is welcomed, but success hinges on being able to translate them into meaningful action. The current regulatory landscape is a labyrinth of jargon and acronym heavy language, which creates disconnect among wider stakeholders.

Associated with this is how reporting requirements are driving CFOs to become more involved in sustainability issues. CFOs must be mindful of the intrinsic value of qualitative and non-financial sustainability metrics, to ensure sustainability doesn't become a reporting exercise and to drive meaningful action.

Edelman's Trust and Climate Change Report found that people are losing trust in institutions to do what is right on climate change, and the majority are pessimistic about developing climate solutions. To succeed, we need global institutions to transition from mere reporters to outright advocates.

We need to be propelled from a world of reporting to one where stakeholders are compelled by impact and where corporates are measured on tangible action, not target setting. This will help to spur trust and optimism in the future.

Finally, it is clear we need to transition from corporate competitiveness to collaboration.

Corporate decarbonisation plans should be transparent and open-source to invite diverse perspectives, share best practices and find innovative solutions, helping to rebuild trust with stakeholders and to hold business to account for their public commitments.

Encouraging businesses to learn from and collaborate with each other across the supply chain, can inadvertently help to bring down the cost curves of climate solutions.

By unifying these complementing threads, we can fuel optimism, progress and climate action.

Key action points for change:

- **Bring sustainability experts into the boardroom and onto the Executive Committee**
- **CFOs must embrace broader sustainability metrics**
- **Simplify climate regulation**
- **Turn institutions into climate advocates**
- **Transparent and solutions-focused organisations build public trust**
- **Transition from corporate competitiveness to collaboration**

Powered by:

Special thanks to our roundtable partners for our CSO & Sustainability Leadership Breakfast: Cambridge Institute for Sustainable Leadership (CISL), Earthbase, Founders Factory, Planet Fund, and Volans.

Get in touch

Climate Tech is a leading global network and forum that unites the world's leading founders, innovators, investors, policymakers and thought leaders who are building a sustainable economy and accelerating the drive to a net-zero future. A partnership between Founders Forum and Informa Tech; our unique approach is centred on innovative founders, and we produce a year-round schedule of exclusive summits, VIP roundtables and thought leadership reports.

Our focus is on the free exchange of ideas and collaboration to explore how tech can contribute to bringing answers to climate change challenges, whilst inspiring other founders and entrepreneurs to develop new sustainable products and solutions.

Tech Nation is the independent voice of the tech ecosystem, providing scaling tech companies with the support they need to unlock growth and impact, with a core focus on sustainability. We believe in the power of the network and forge meaningful connections between investors, corporates, policy makers and founders for the good of the ecosystem.

More than a third of all tech unicorns created in the UK have gone through a Tech Nation programme, collectively raising over £28bn so far in venture capital and capital markets.

Interested in learning more about our climate initiatives? Contact:

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