

The Road to Sustainability: Drivers and Hurdles for Companies

**SDG Forum
19/10/2023**

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Our mission

Make sustainability self-evident by bringing economy and ecology together.

How?

1

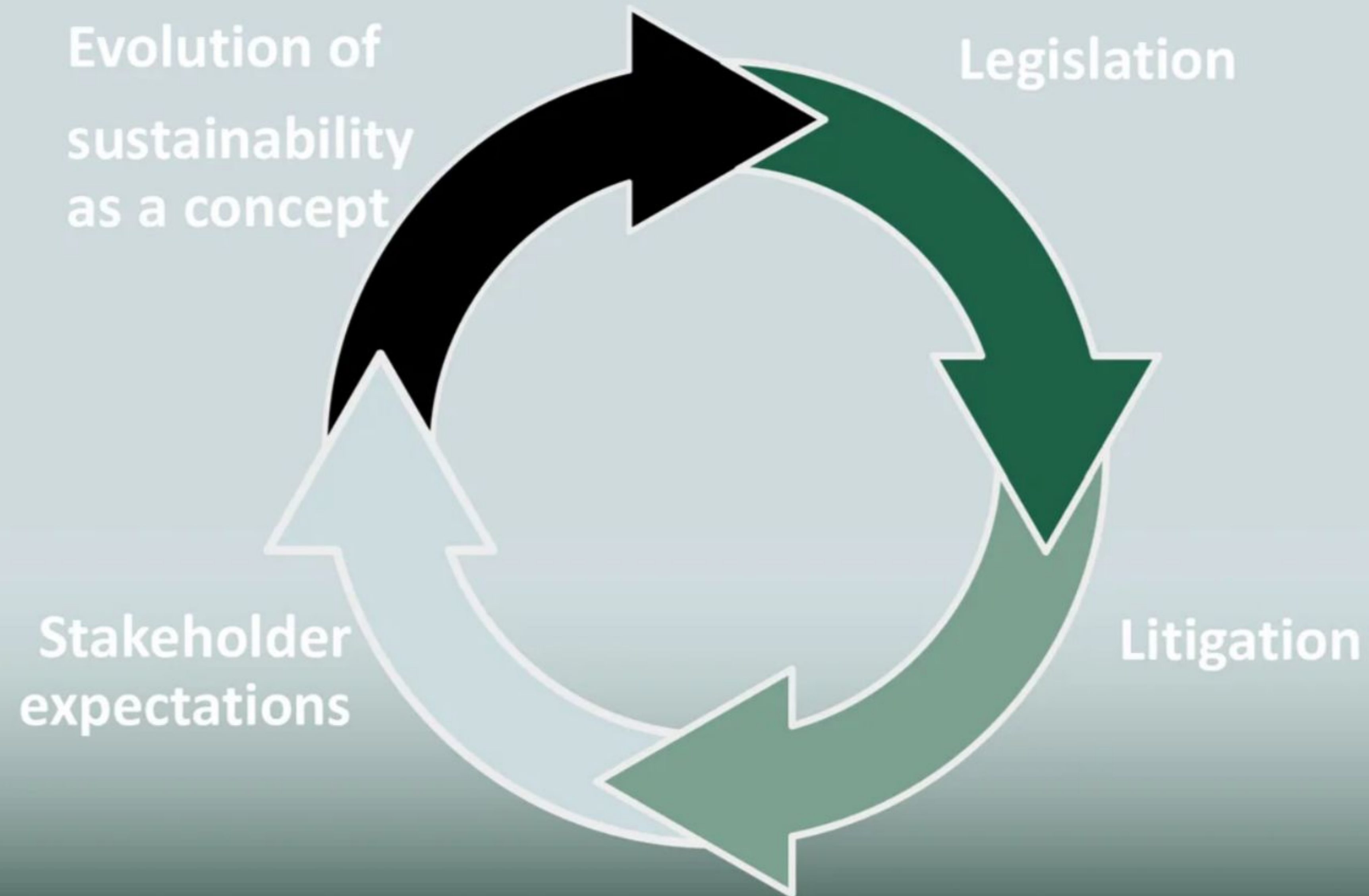
We help your organisation **become sustainable** by guiding and supporting you in the change and transition.

2

We help scale the impact of your sustainable solution through **commercial growth**.

Sustainability



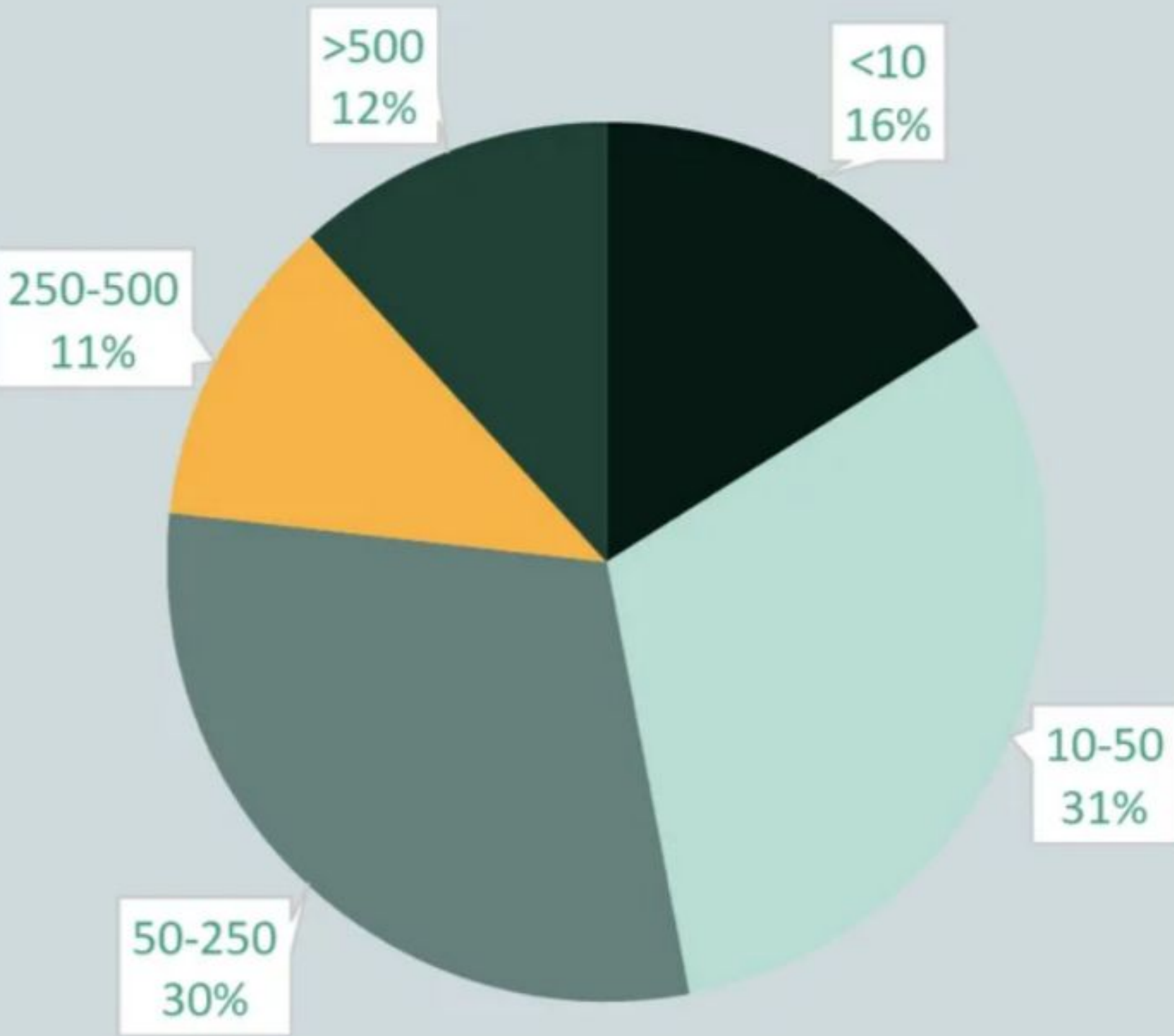


**Market context
of our research**

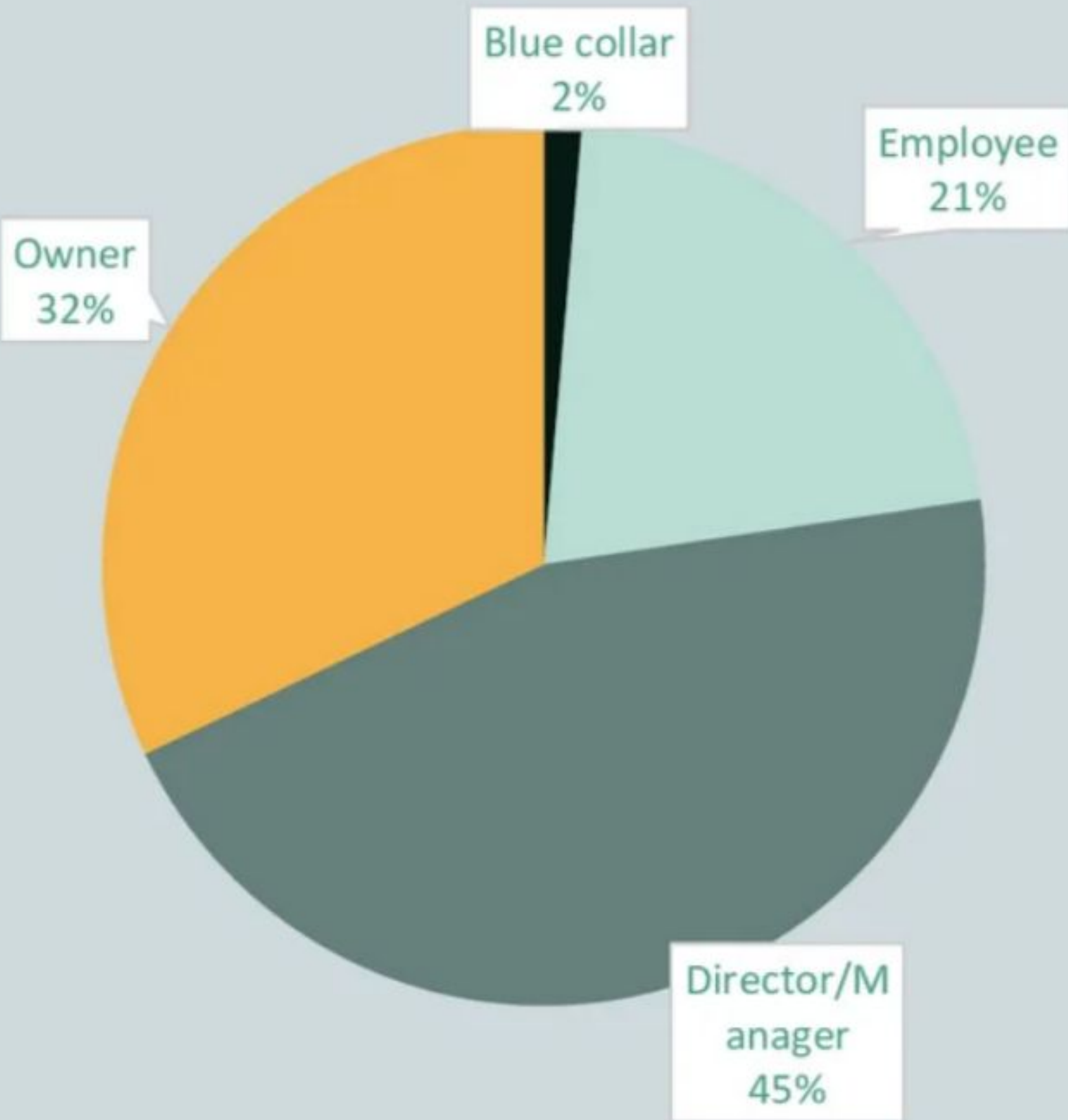
**The WHY of sustainability
is clear for most companies,
the HOW and WHAT much less.**

Sample description

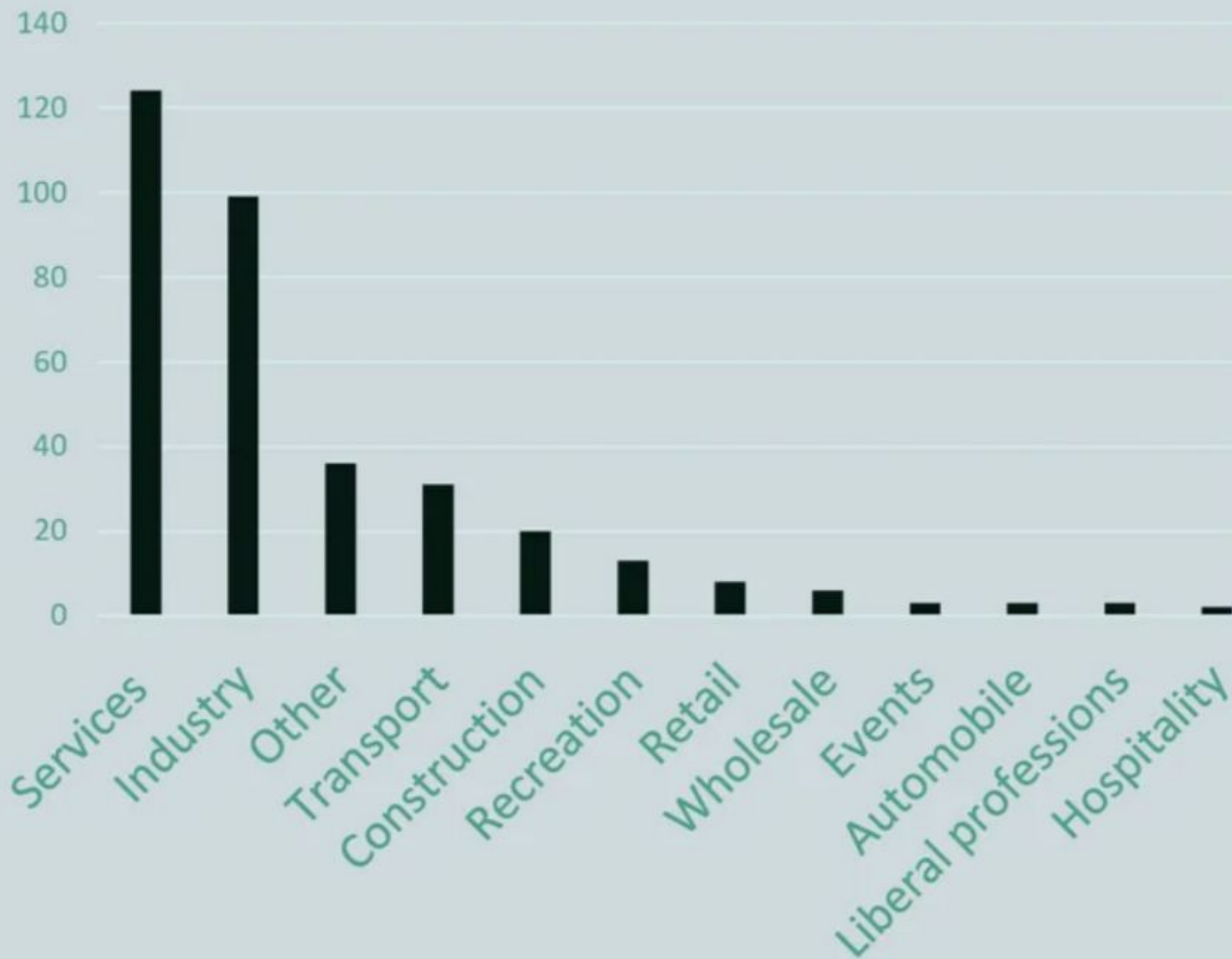
Size distribution



Respondent's function



Industry distribution



N = 352



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Your vision on sustainability



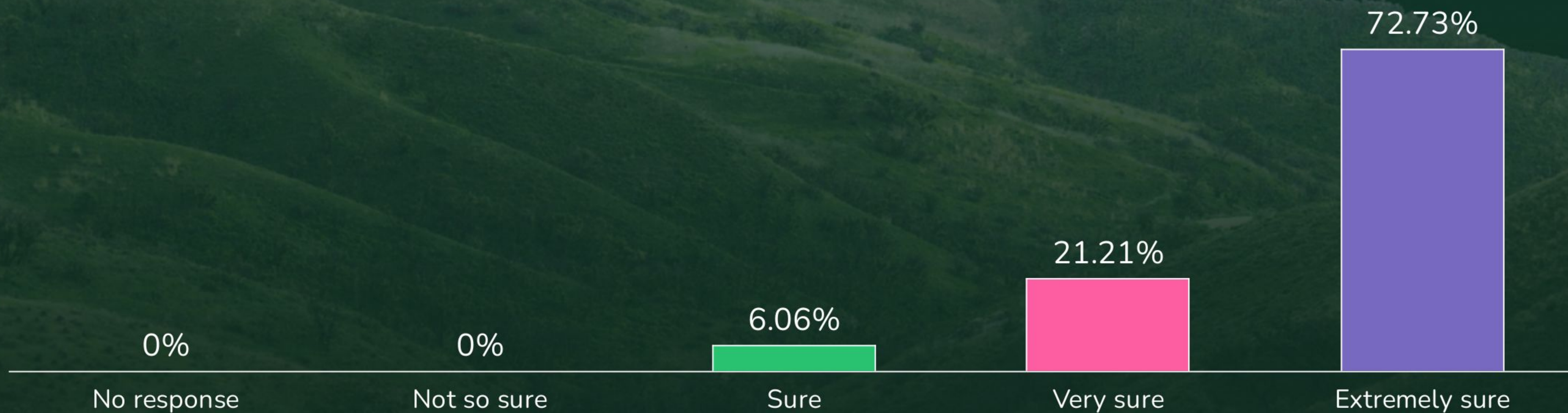


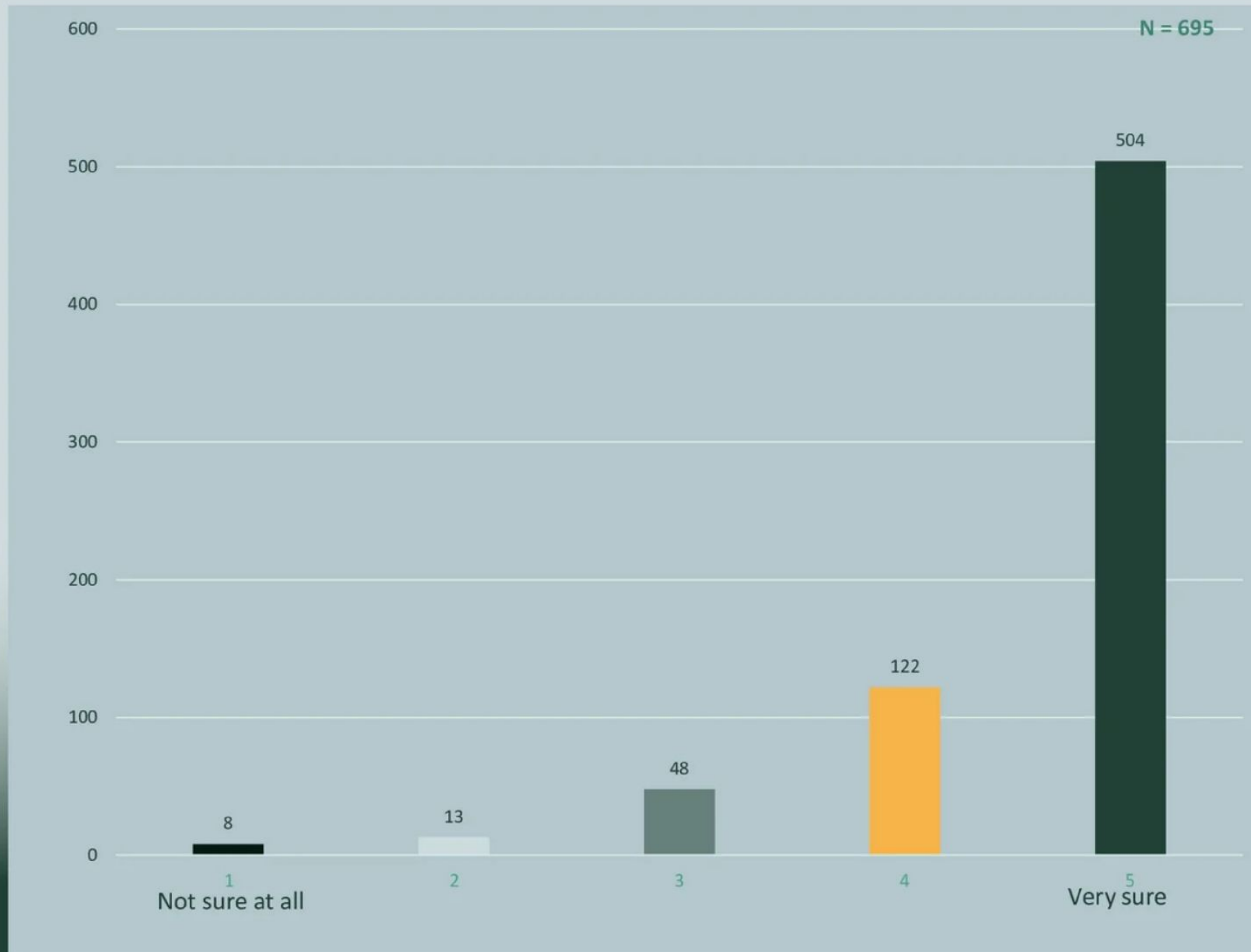
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How sure are you global warming is happening?





**How sure are you
that global
warming is
happening?**



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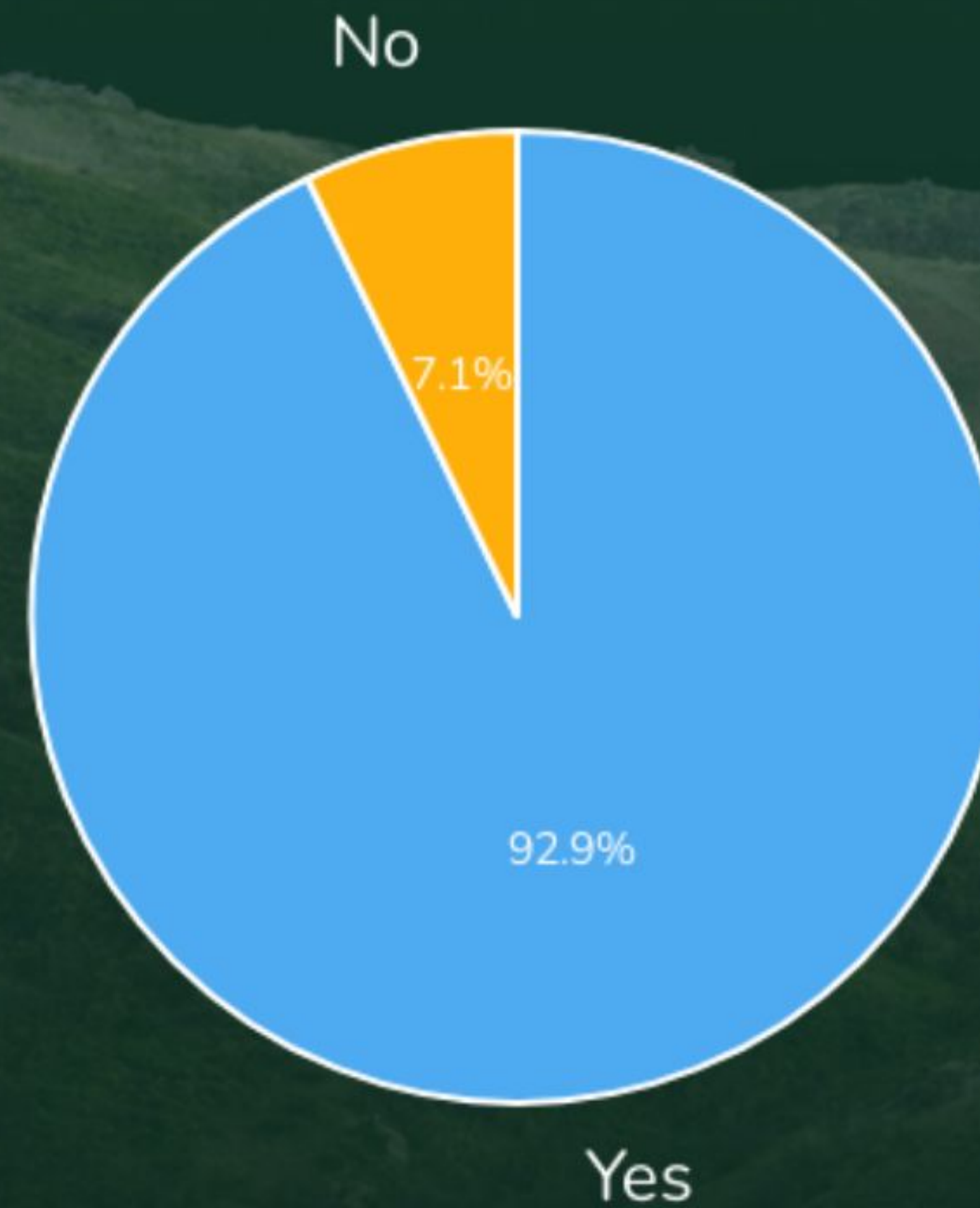
 AhaSlides

The road to sustainability: drivers and hurdles for companies

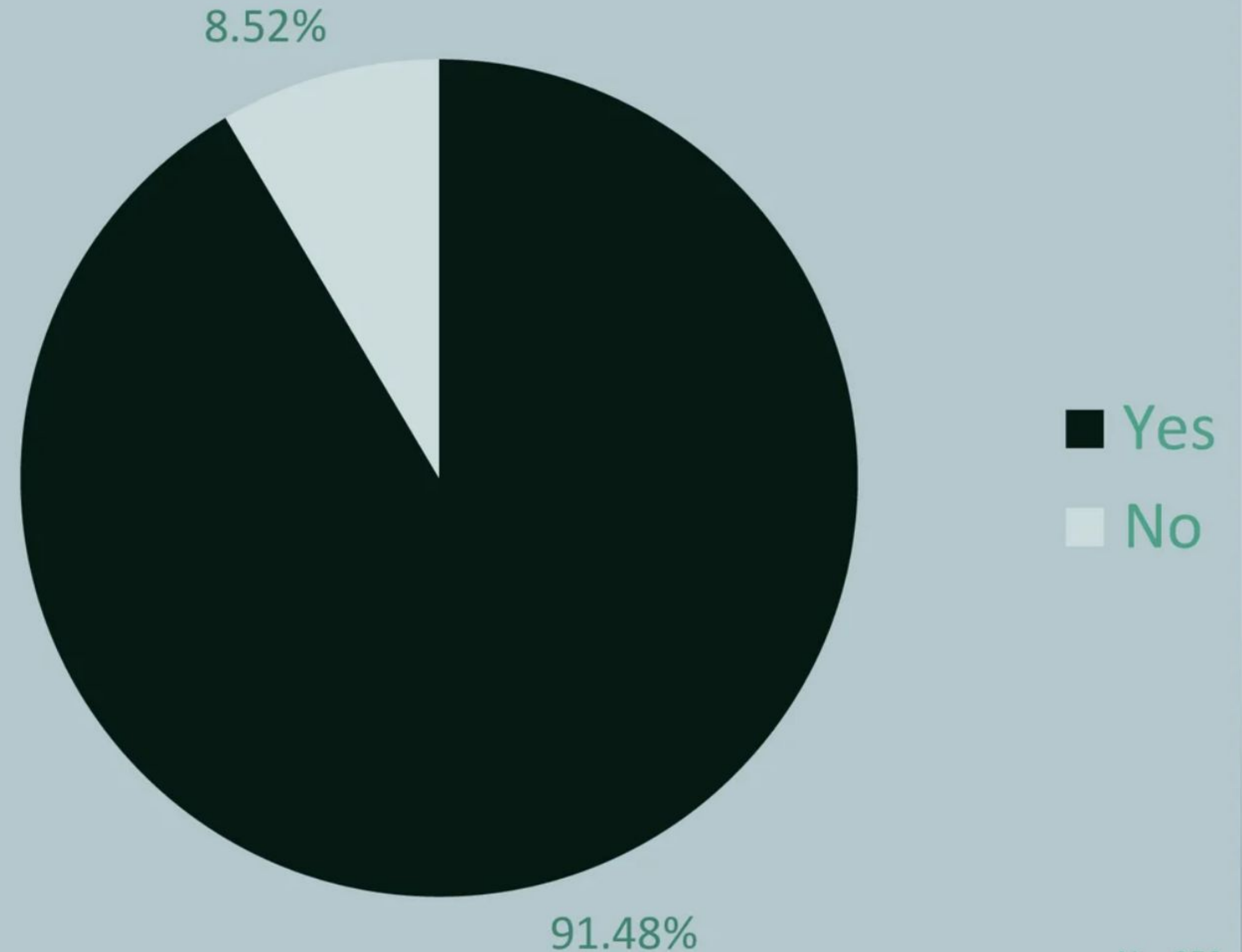
Compare your organisation with 352 others



Has your organization already taken steps regarding ecological, social or governance sustainability themes?



**Has your organization
already taken steps
regarding ecological,
social or governance
sustainability
themes?**



N = 352

What does sustainability mean to you?





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What does
sustainability mean
to you?

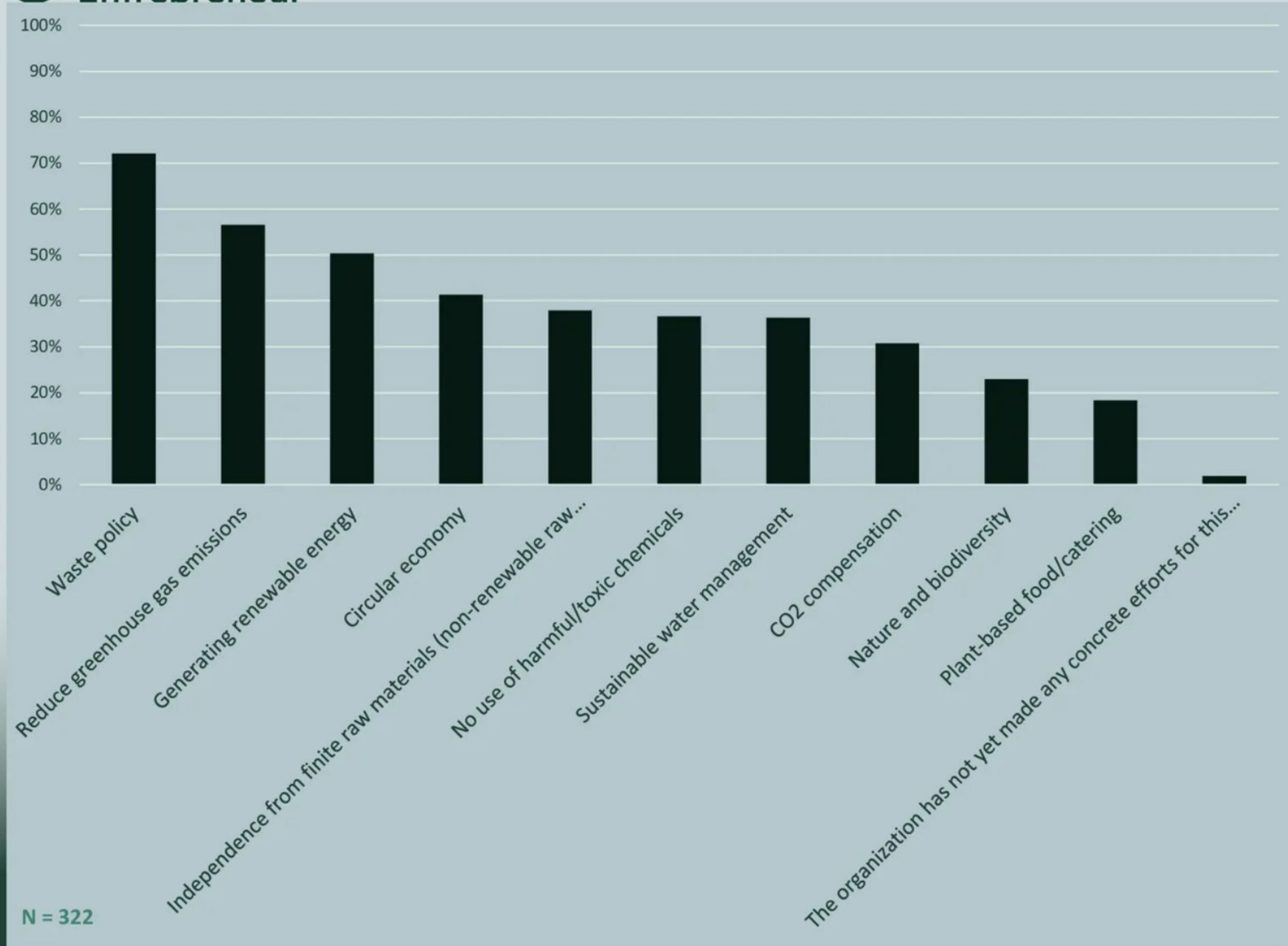


Sustainability – ESRS approach

| Cross-cutting standards | Topical sector-agnostic standards | | |
|---|--|---------------------------------------|-----------------------------|
| ESRS 1 General principles | Environment | Social | Governance |
| ESRS 2 General, strategy, governance and materiality assessment disclosure requirements | ESRS E1 Climate change | ESRS S1 Own workers | ESRS G1 Business conduct |
| | ESRS E2 Pollution | ESRS S2 Workers in the value chain | |
| | ESRS E3 Water & marine resources | ESRS S3 Affected communities | |
| | ESRS E4 Biodiversity & ecosystems | ESRS S4 Consumers & end-users | |
| | ESRS E5 Resource use & circular economy | | |

On which ecological sustainability themes has your organization already made concrete efforts?

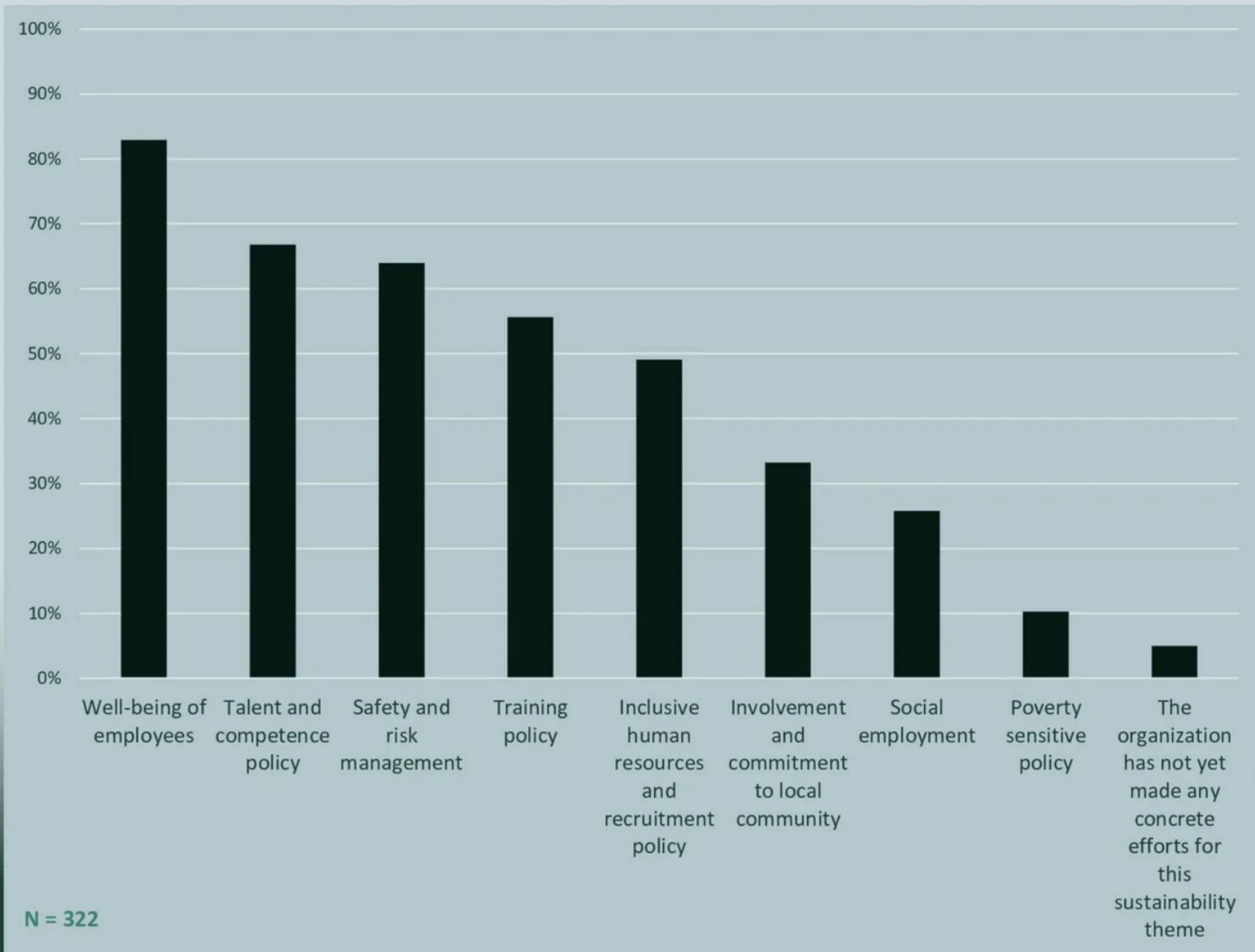




On which ecological sustainability themes has your organization already made concrete efforts?

On which social sustainability themes has your organization already made concrete efforts?

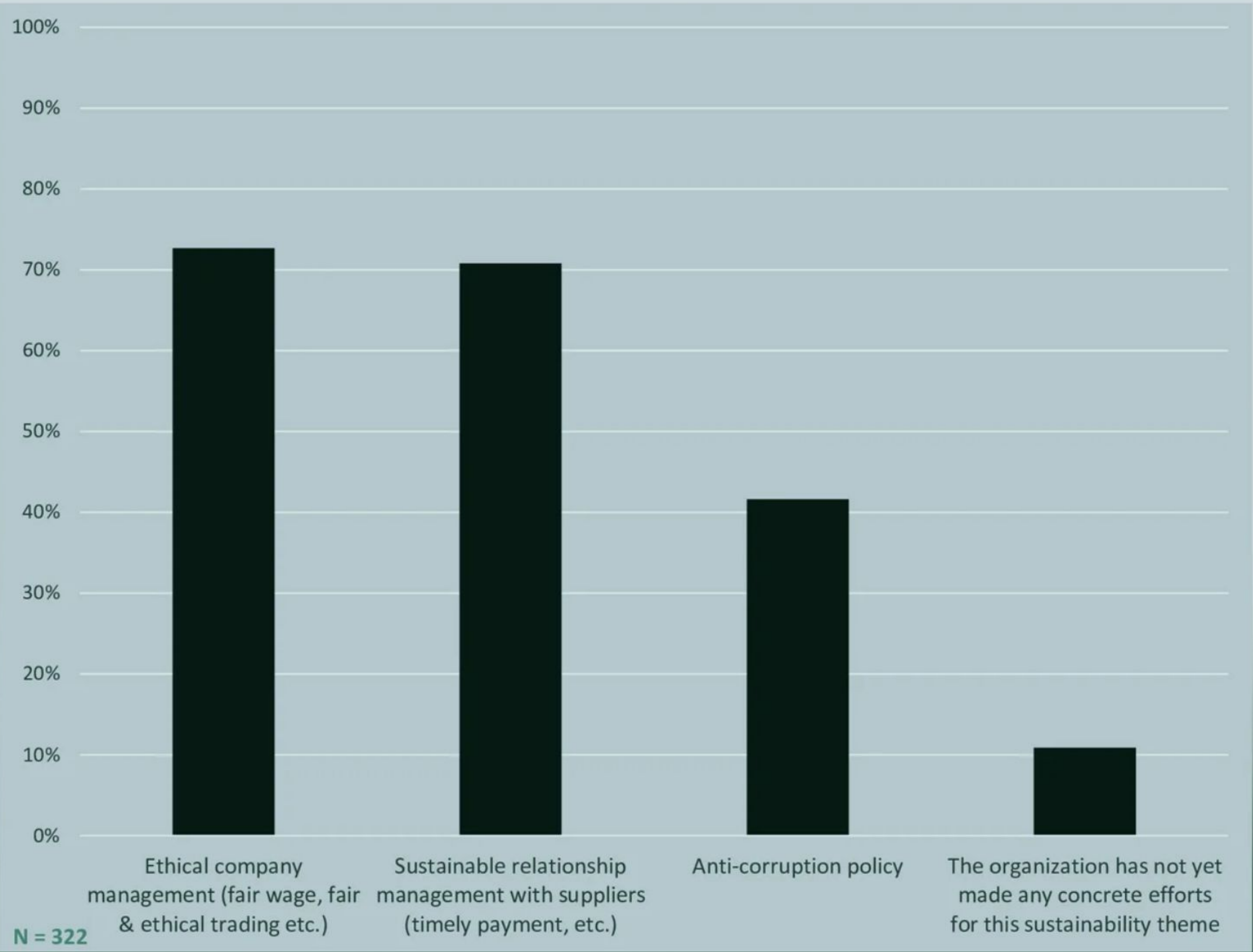




On which social sustainability themes has your organization already made concrete efforts?

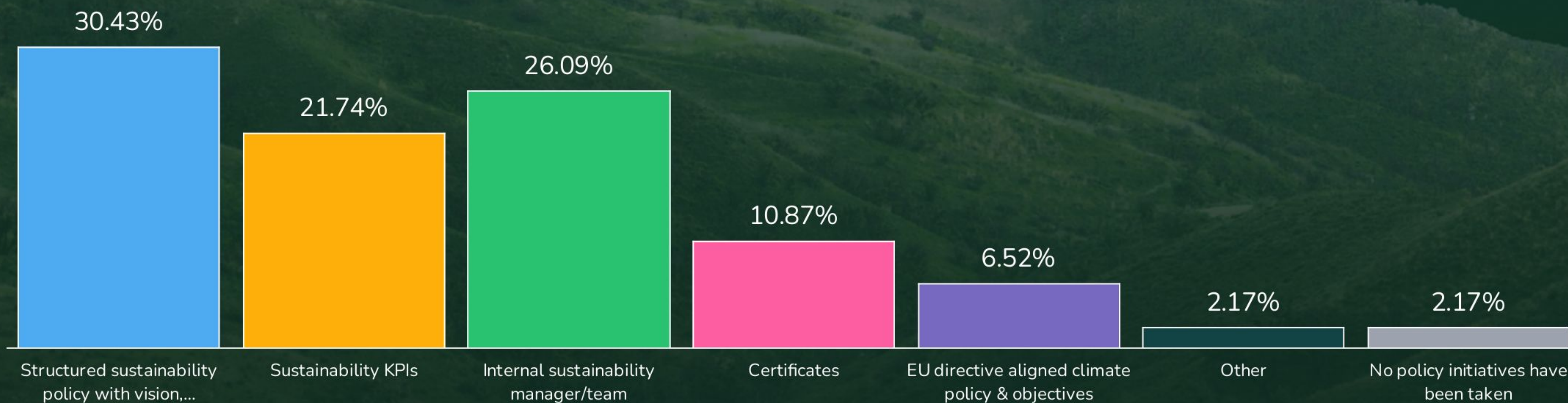
On which governance sustainability themes has your organization already made concrete efforts?

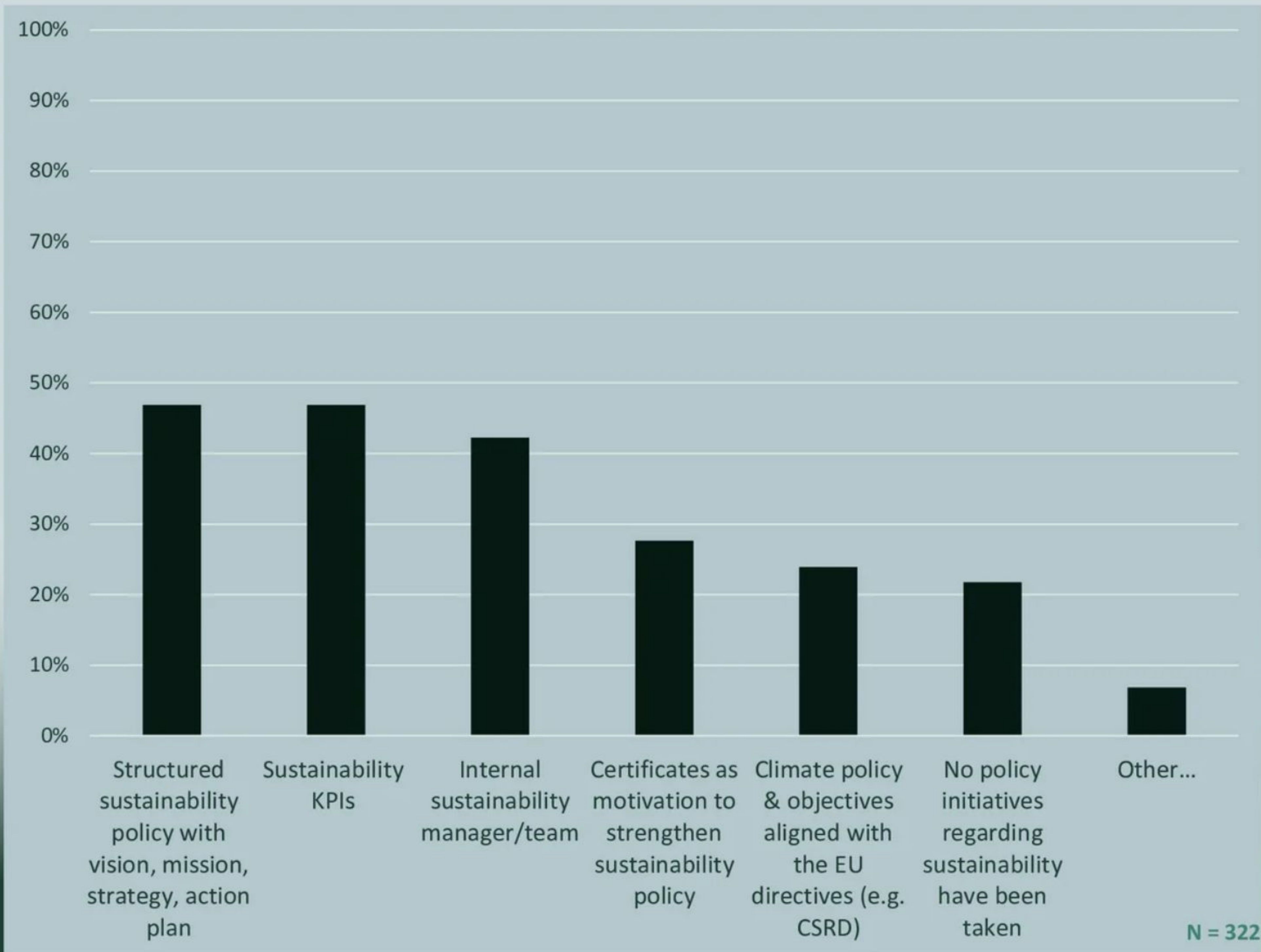




On which governance sustainability themes has your organization already made concrete efforts?

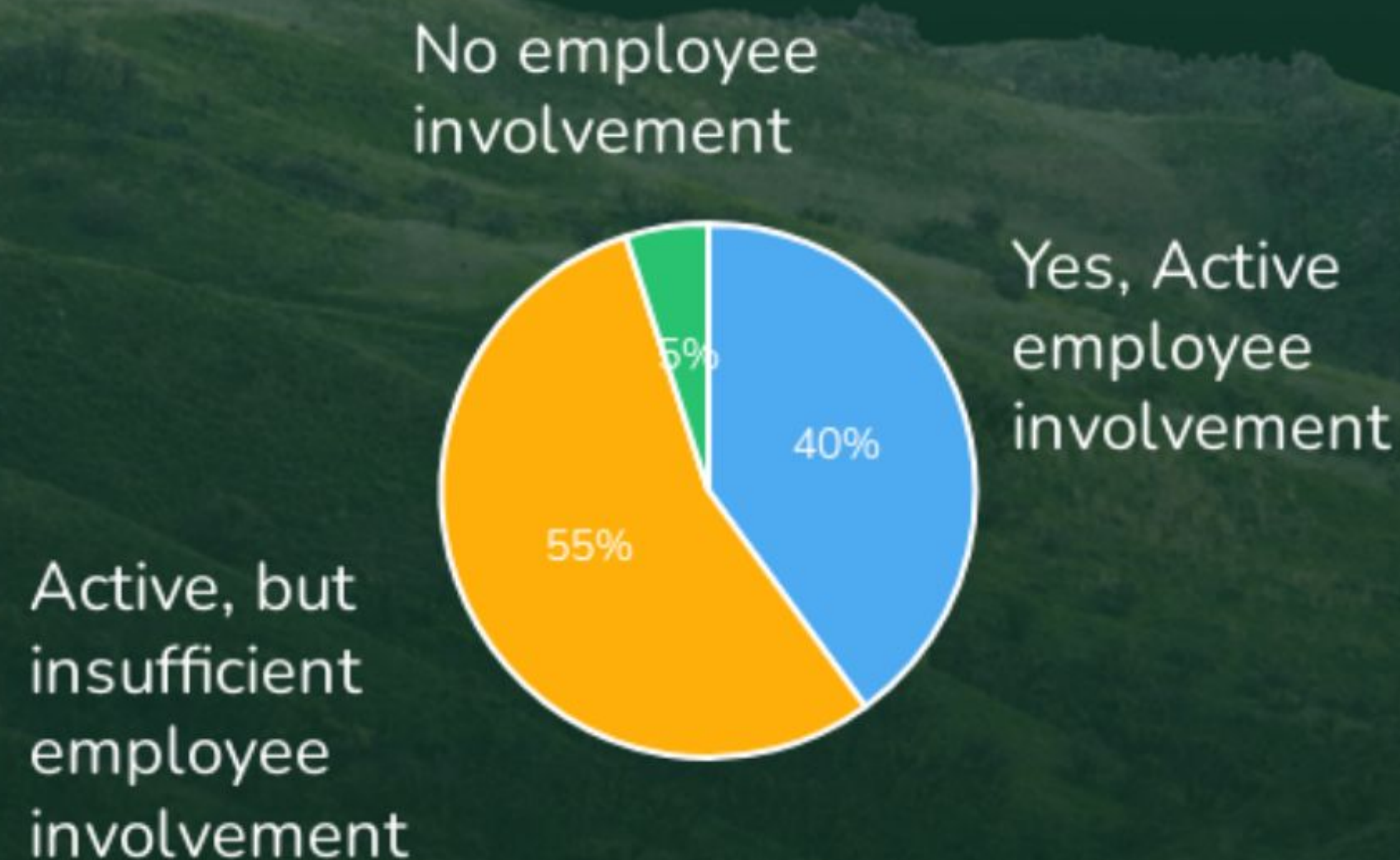
Which of the following policy initiatives regarding sustainability are in place?



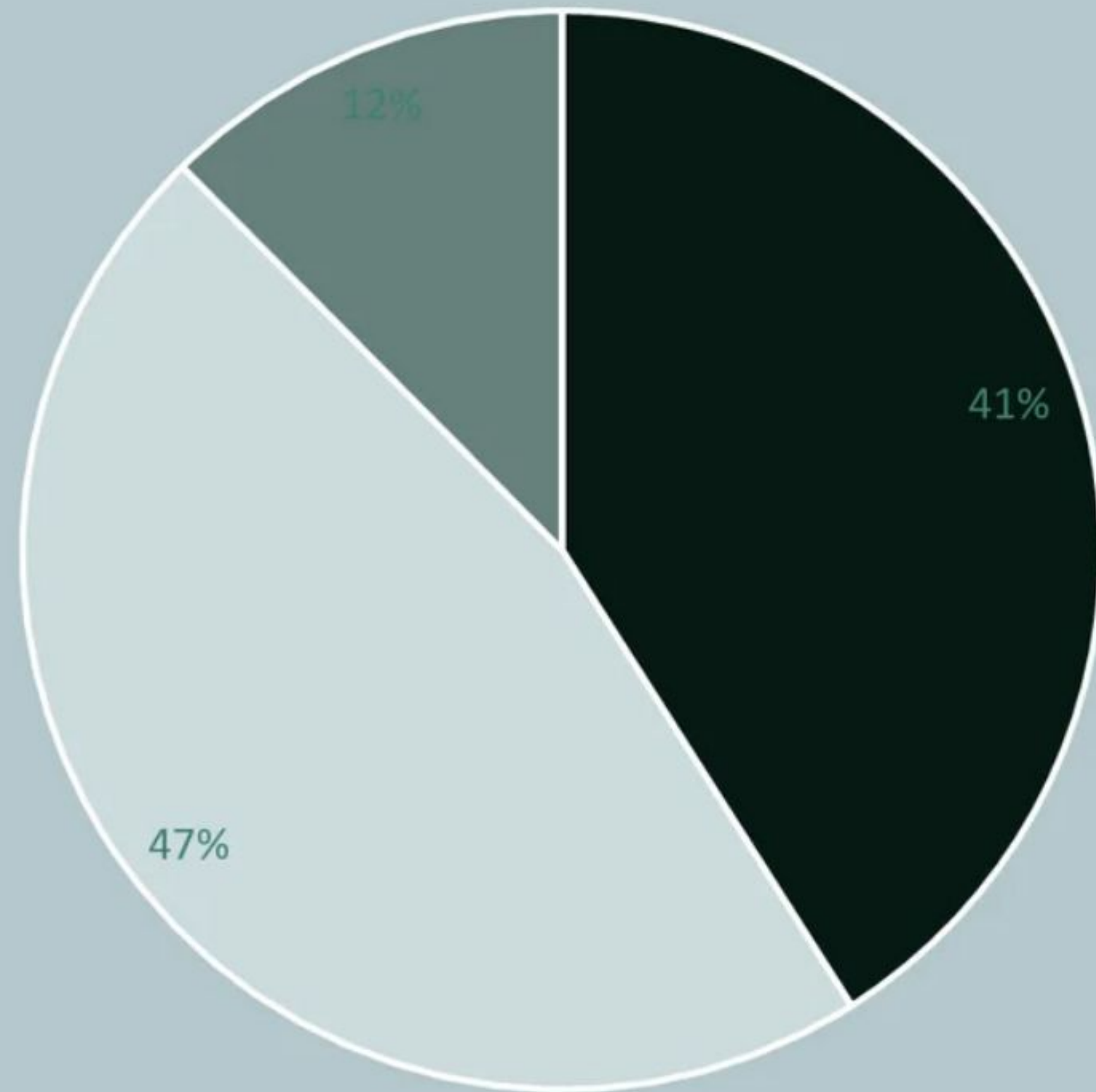


Which of the following policy initiatives regarding sustainability are already actively included within your organization ?

Does your organization involve its employees in its sustainability efforts?

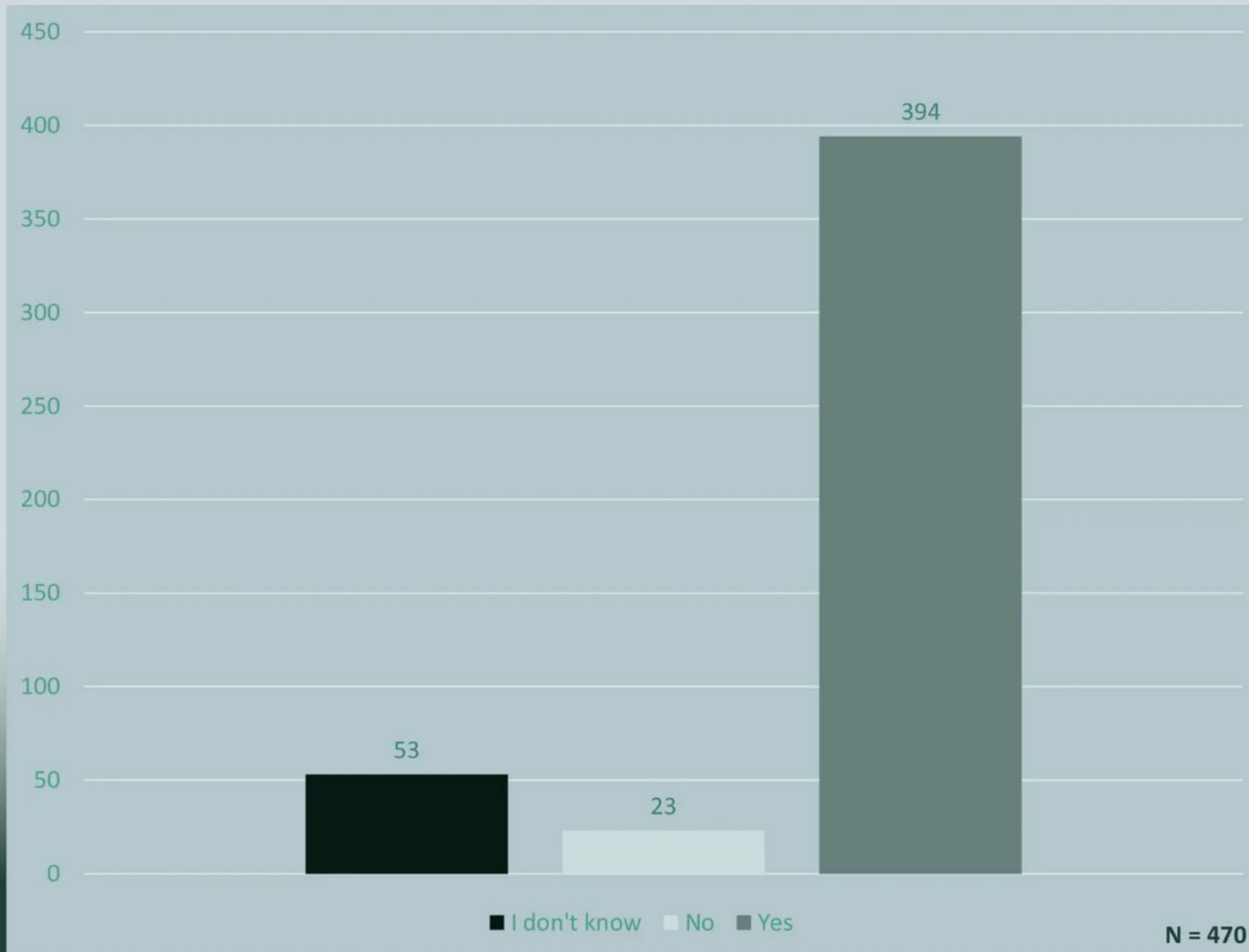


- Active employee involvement
- Active but insufficient employee involvement
- No employee involvement



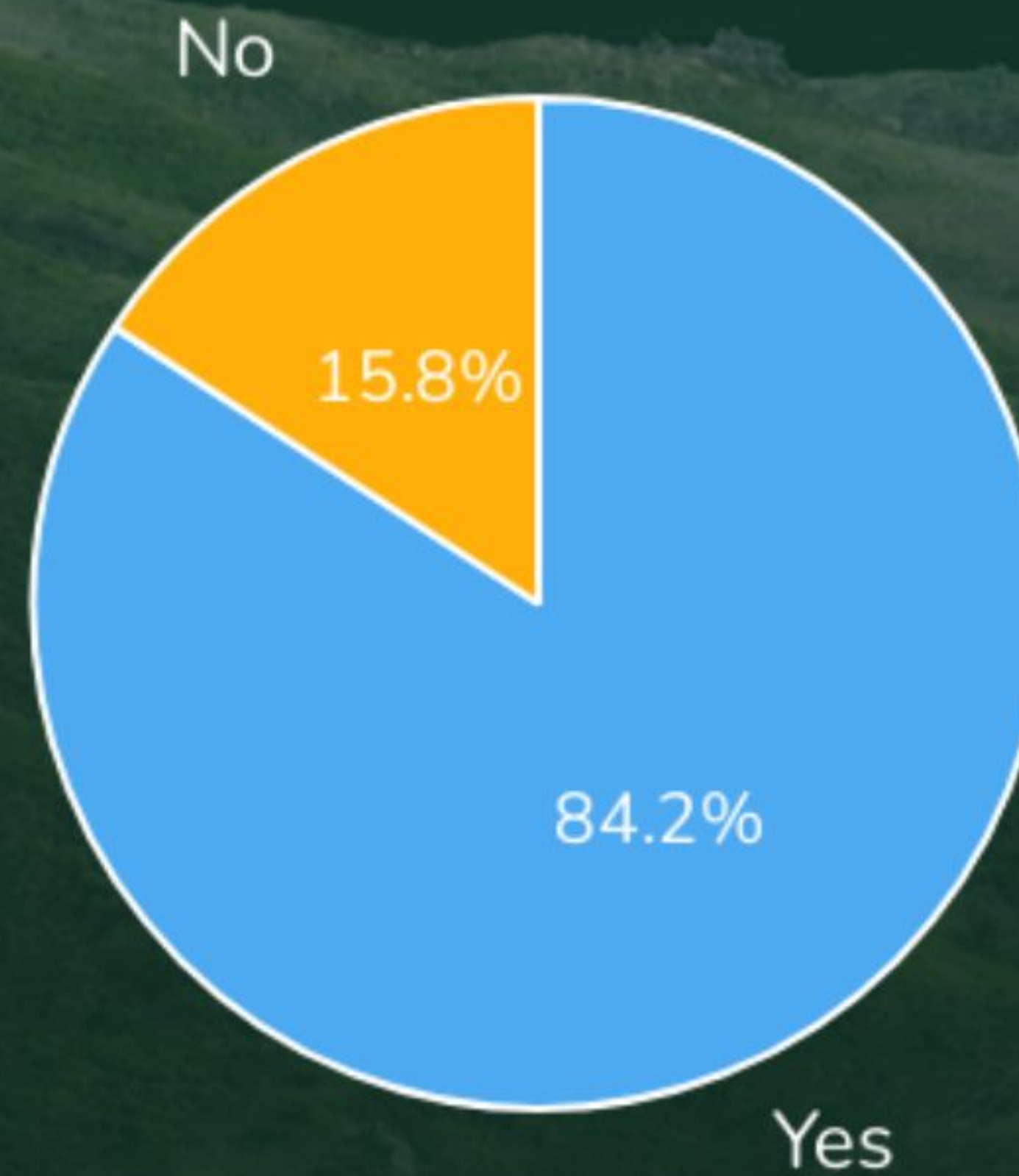
N = 322

Does your organization involve its employees in its sustainability efforts?

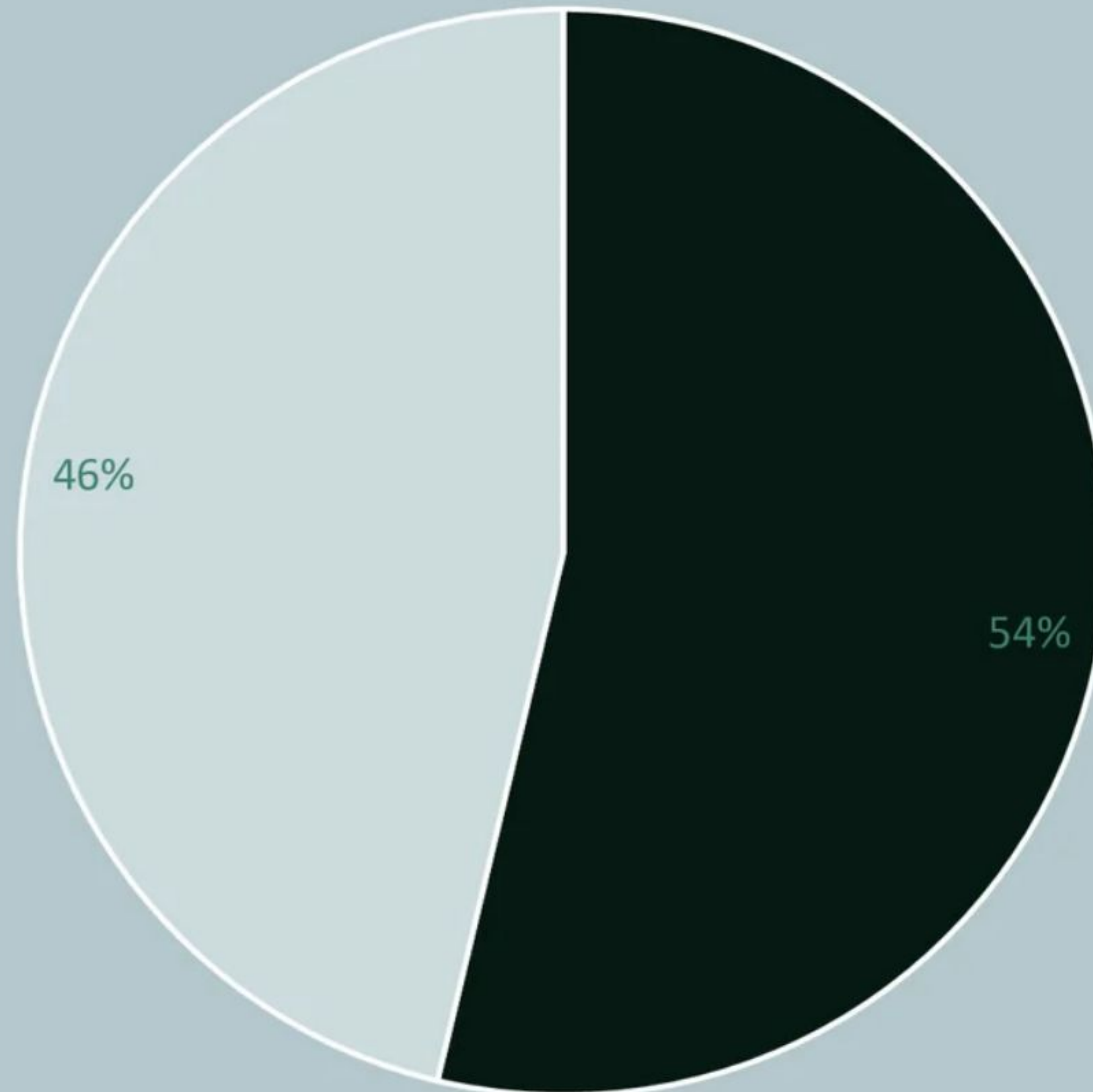


Do you think it is important for employees to be sensitized to the sustainability transition an organization is going through?

Does your organization involve its external stakeholders in its sustainability efforts?



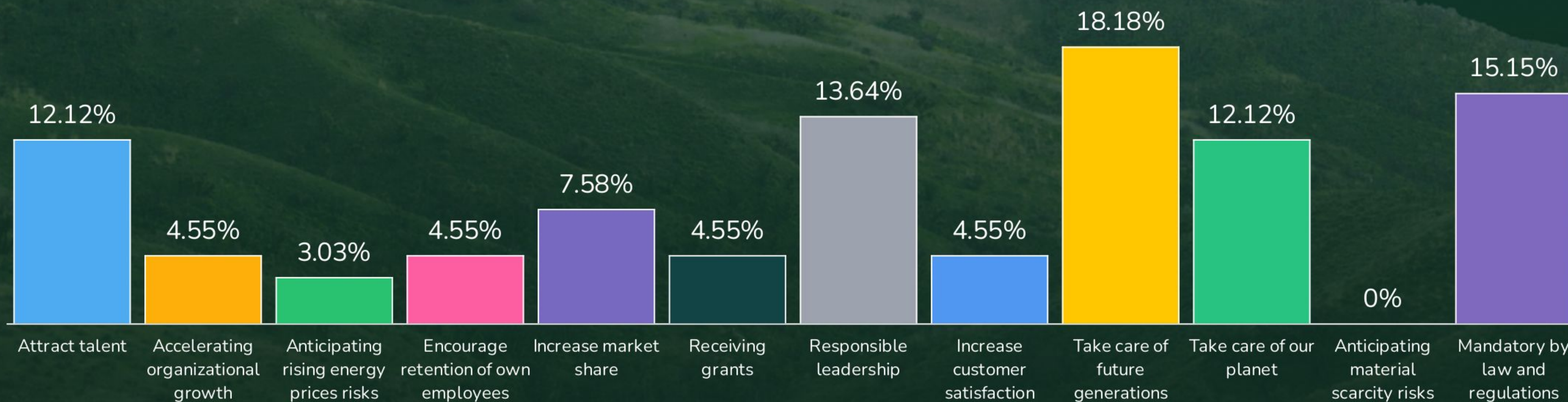
■ Active external stakeholder involvement □ No external stakeholder involvement



N=322

Does your organization involve its external stakeholders in its sustainability efforts?

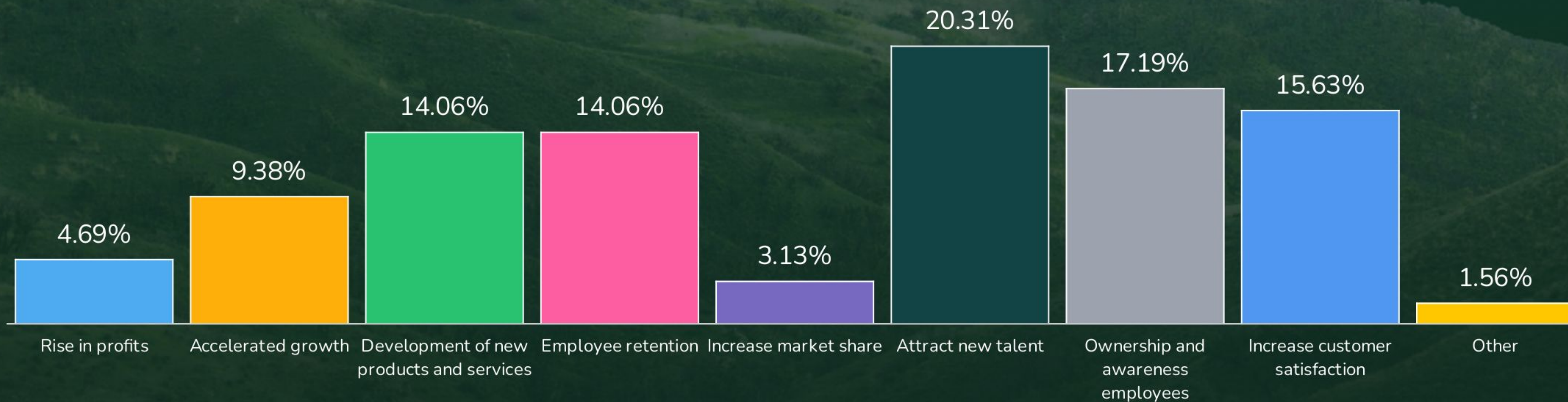
What are the main drivers for your company to become more sustainable? (Choose max. 3)

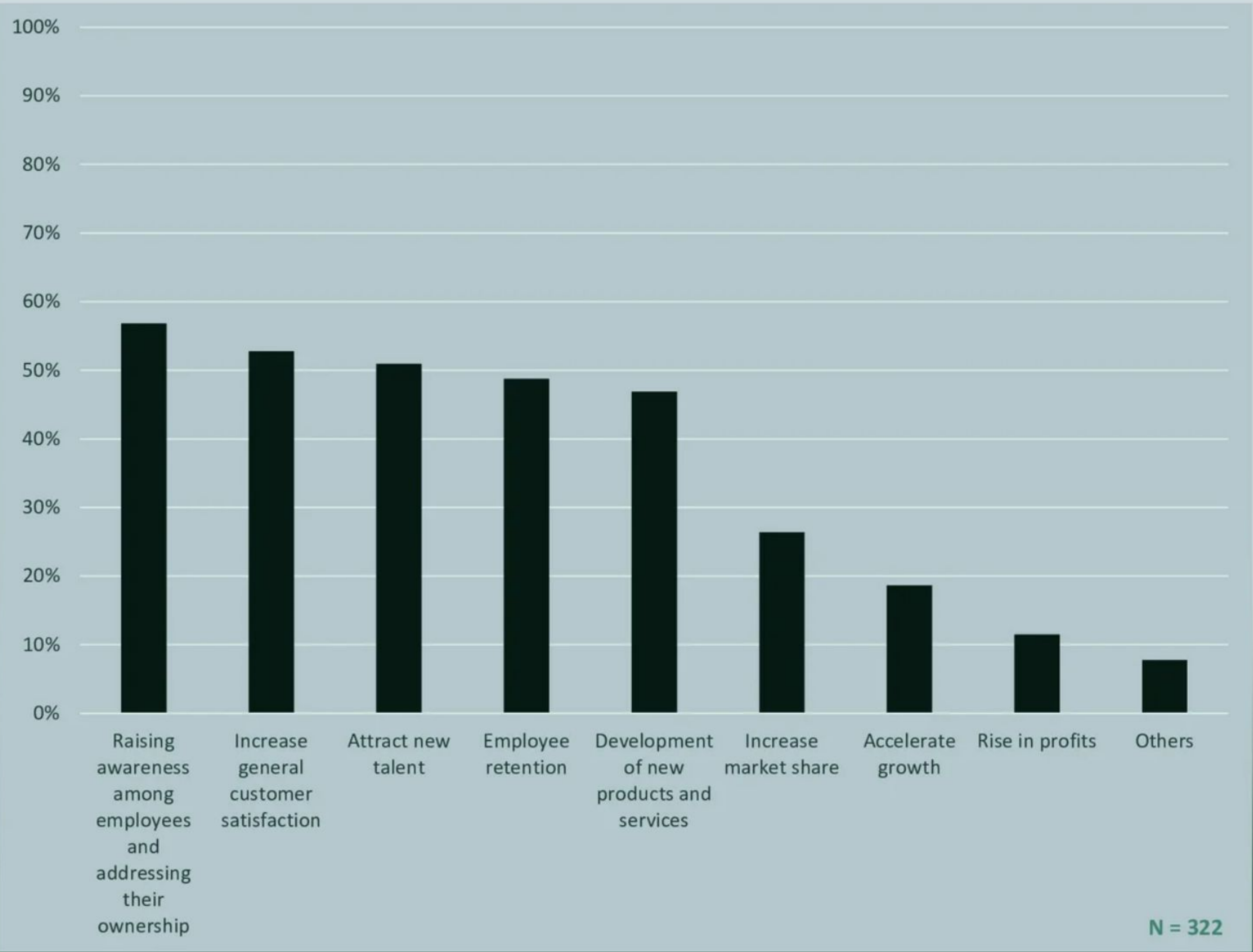




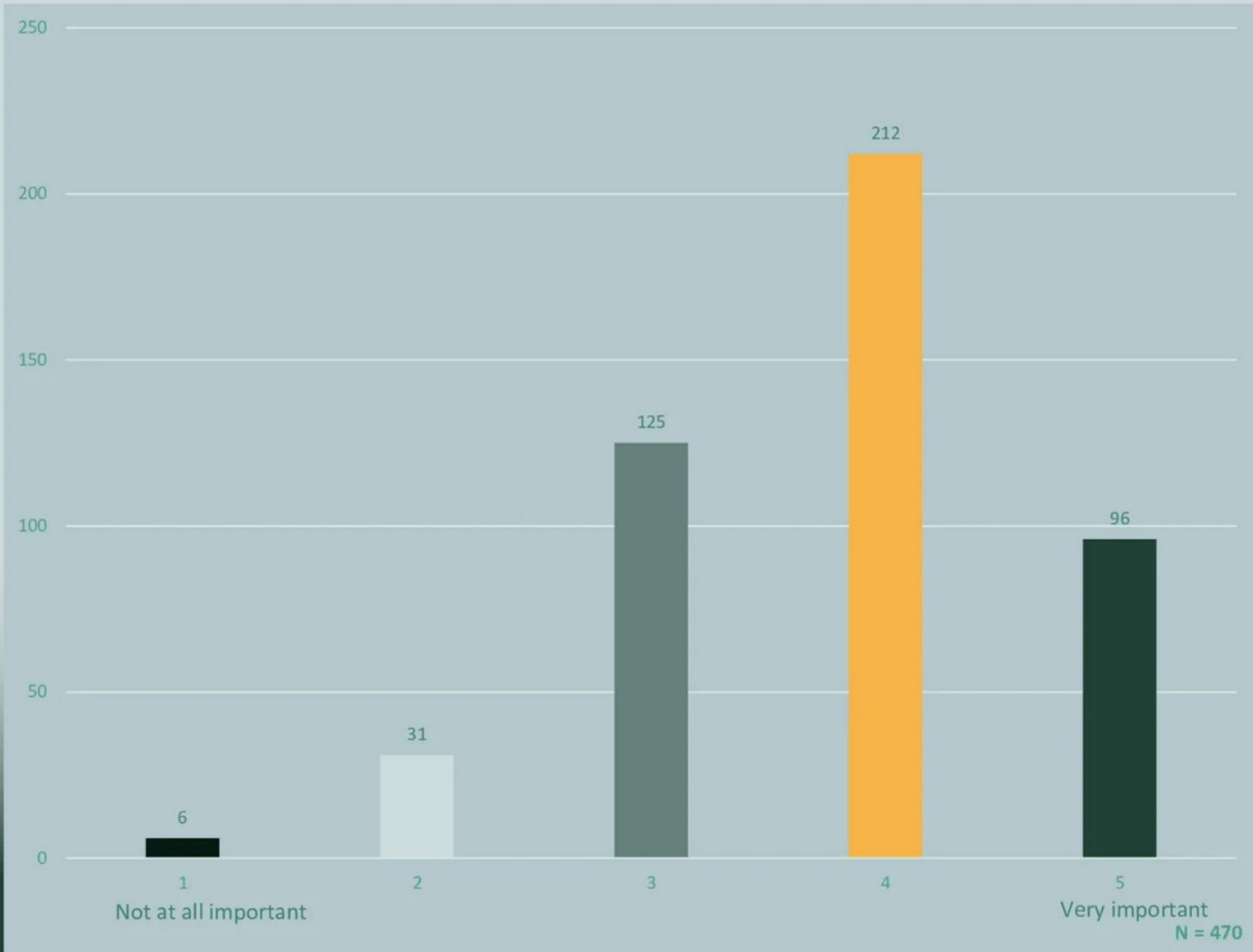
What are the important drivers to implement sustainable measures?

What are the experienced benefits of sustainability in your organization?

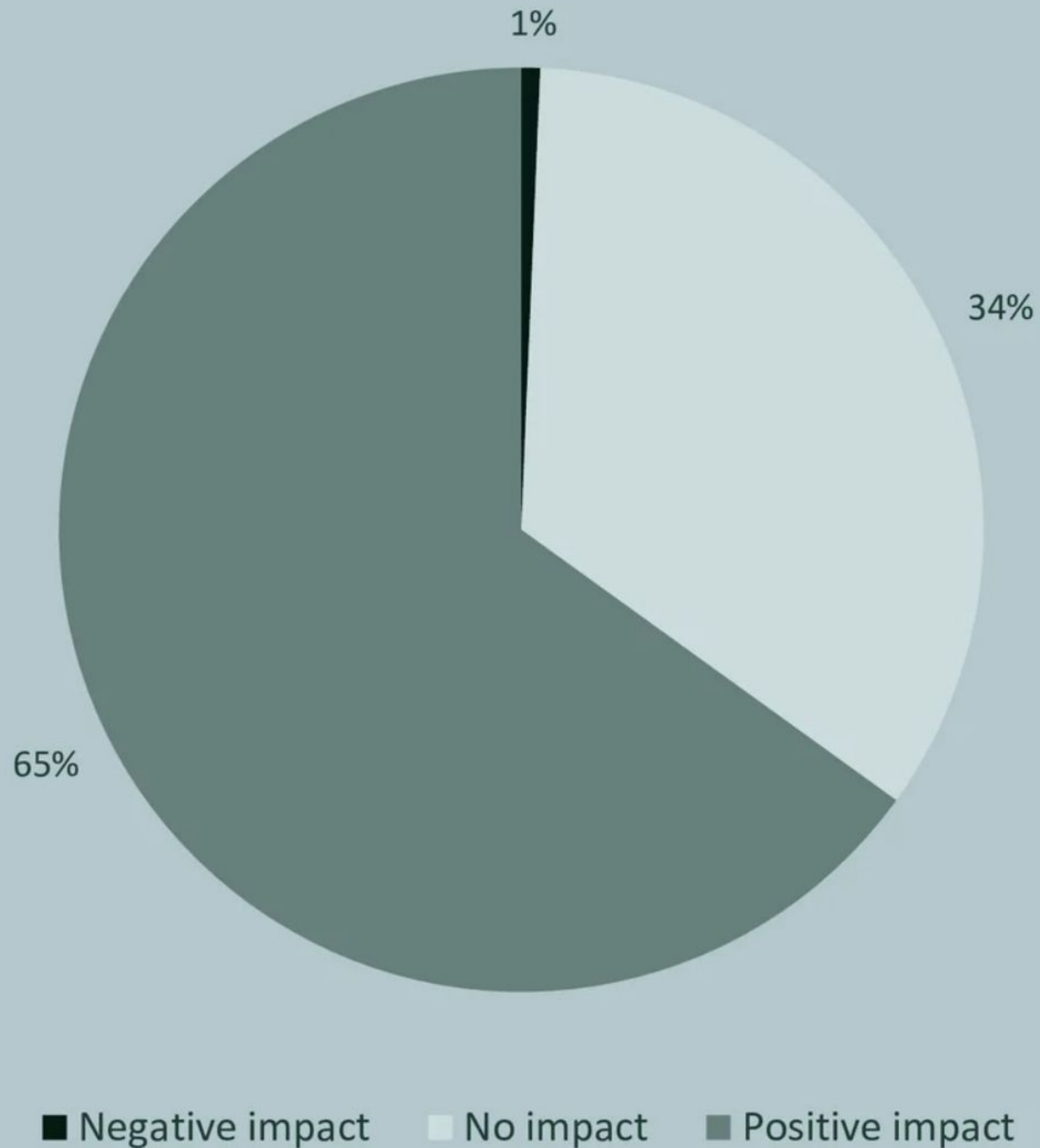




What are the experienced benefits of sustainable business ?

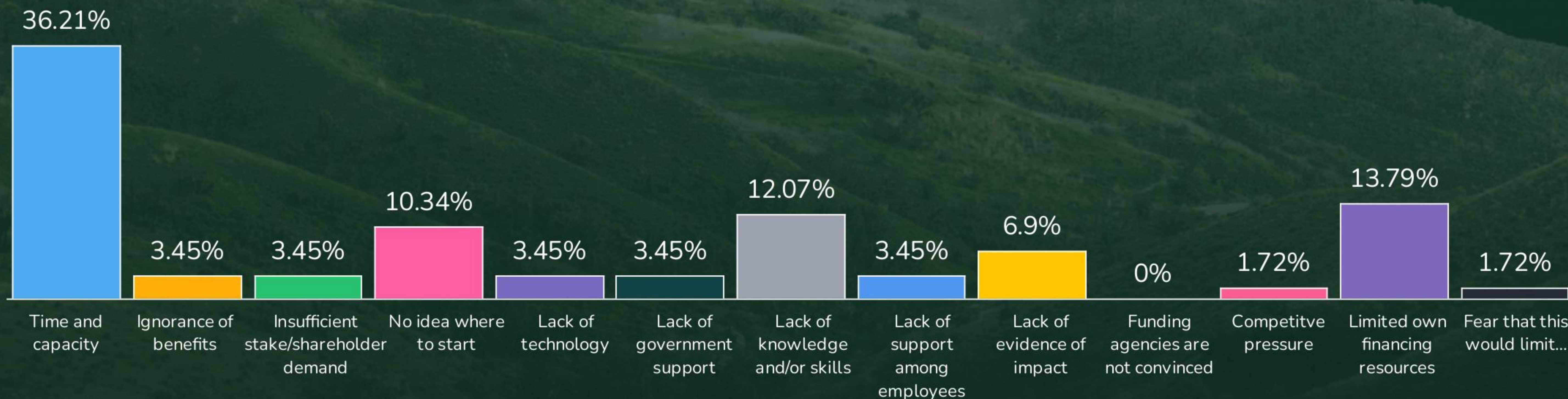


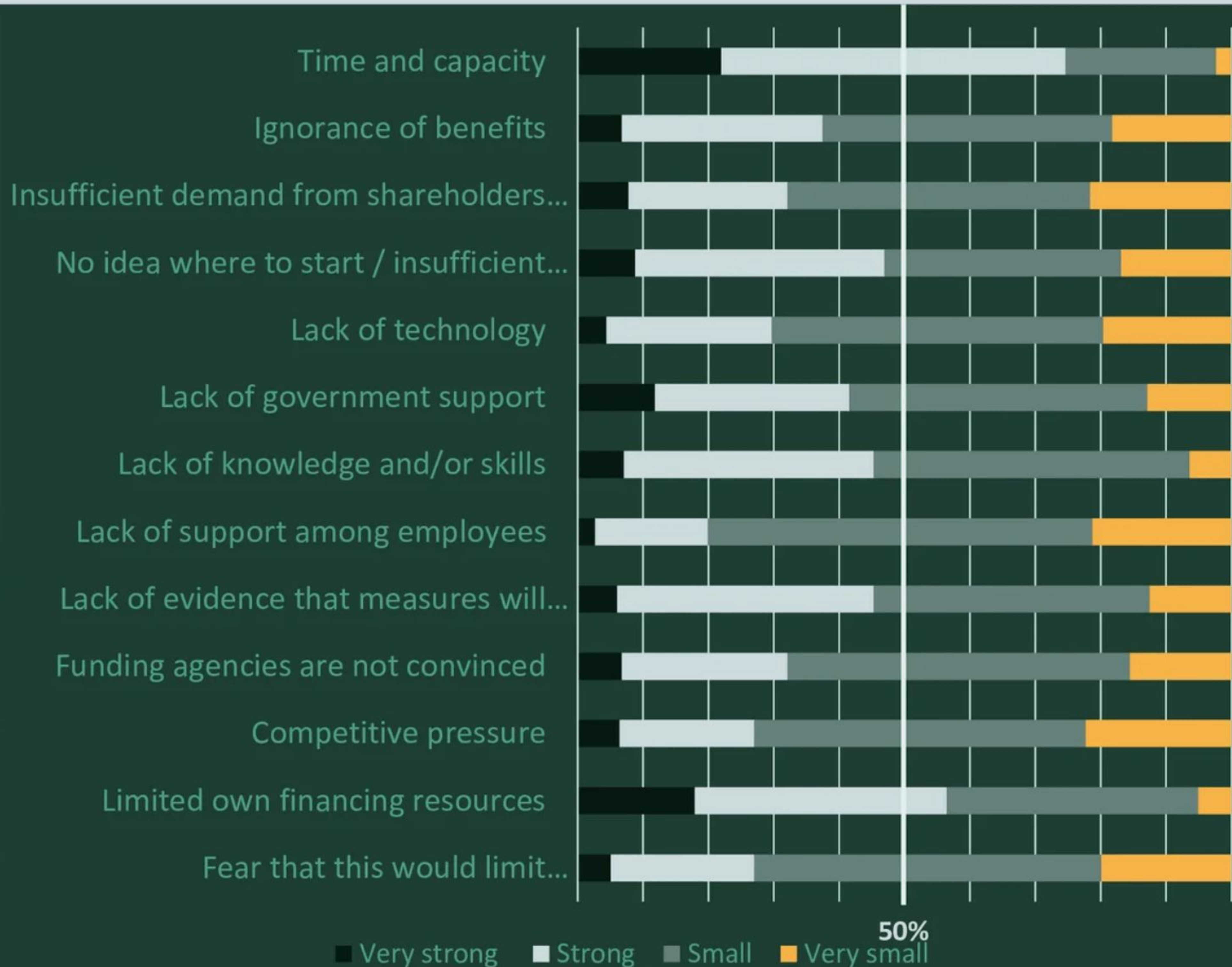
**How important is
it to you that the
organization you
work for is
sustainable?**



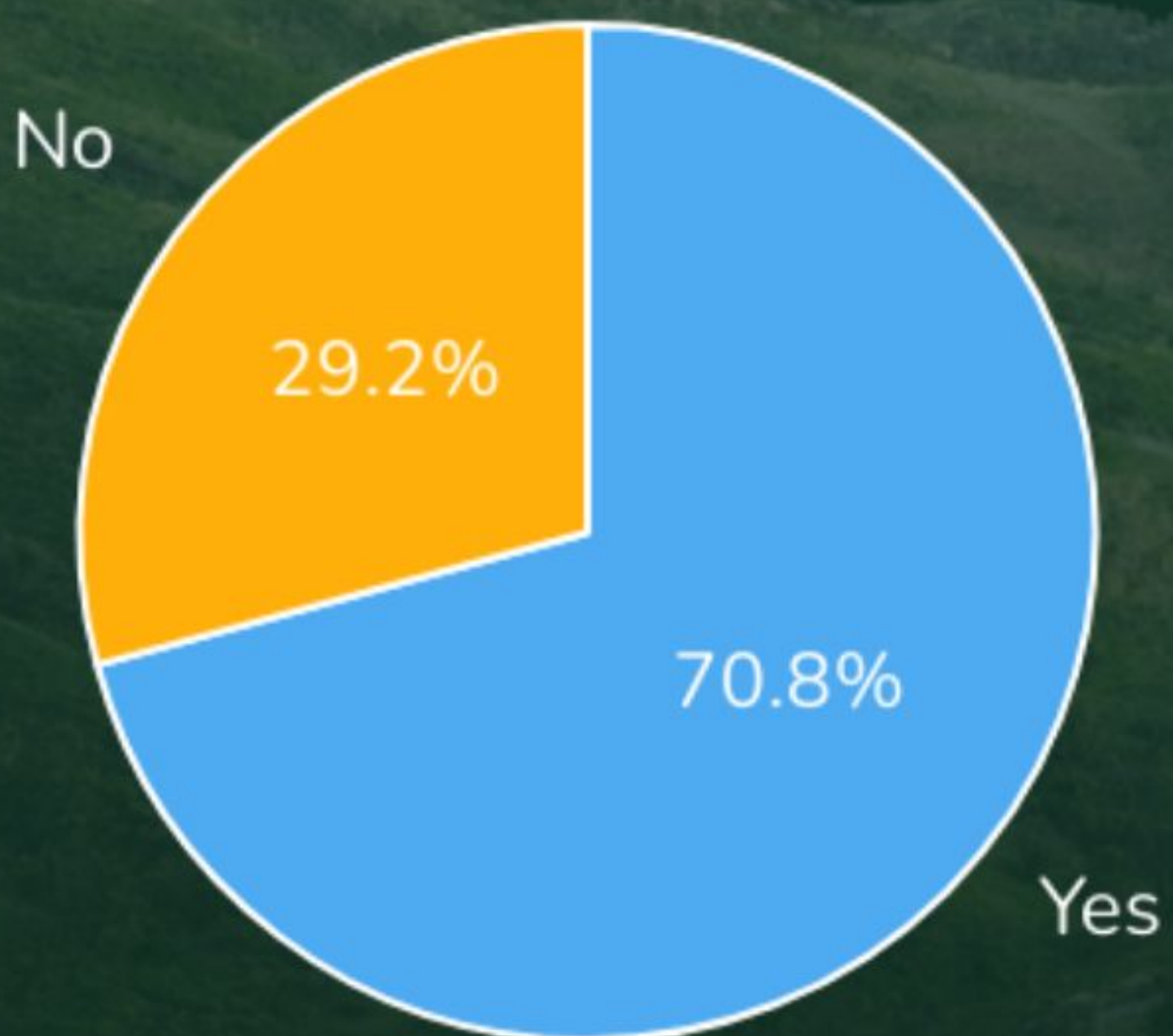
What impact would actively transforming the organization more sustainable have on your job satisfaction?

What are the biggest barriers that prevent your company from becoming more sustainable? (Choose max. 3)

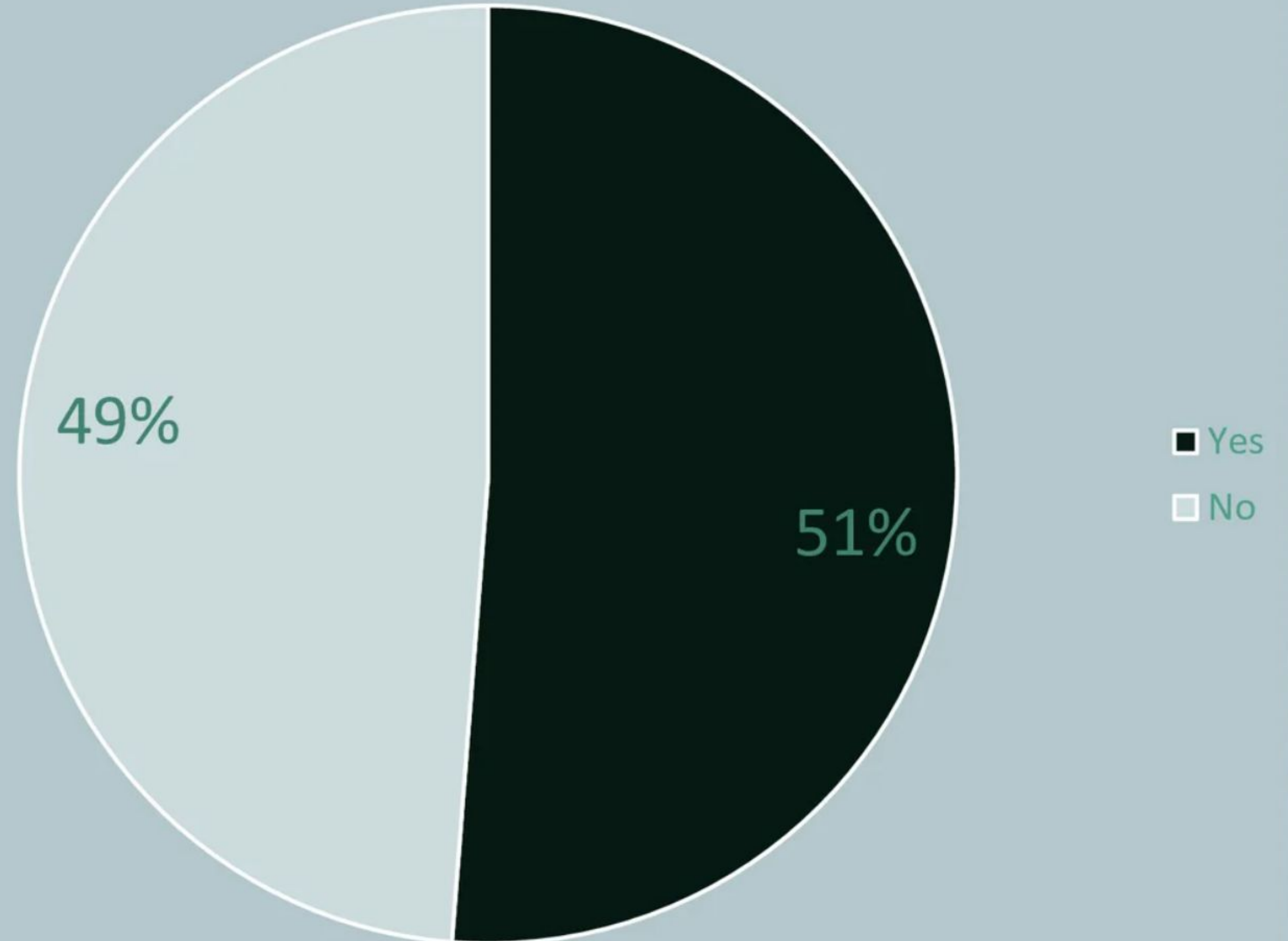





Are you familiar with the Corporate Sustainability Reporting Directive (CSRD)?



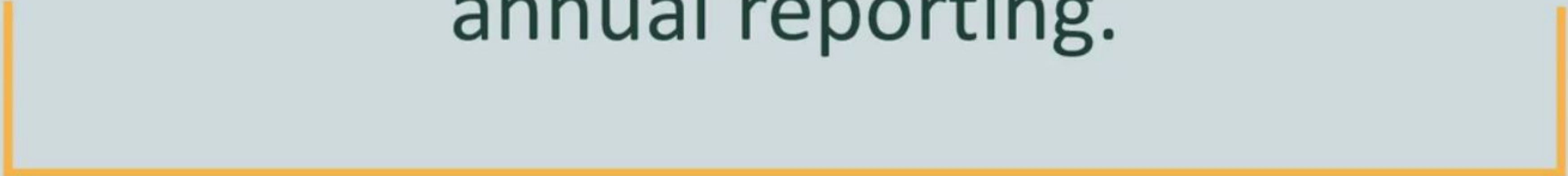
**Are you familiar
with the Corporate
Sustainability
Reporting Directive
(CSRD)?**



N=283

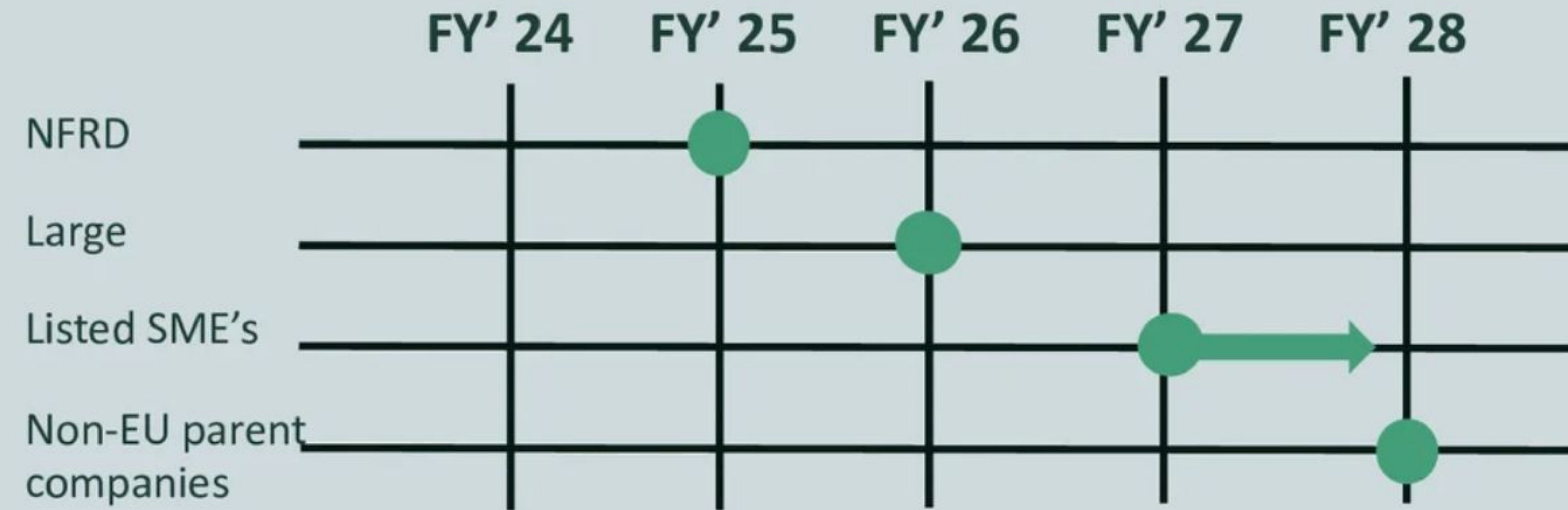


The Corporate Sustainability Reporting Directive (CSRD) is a European directive, effective 2023, that requires companies to provide more detailed information on their sustainability performance and impact in their annual reporting.



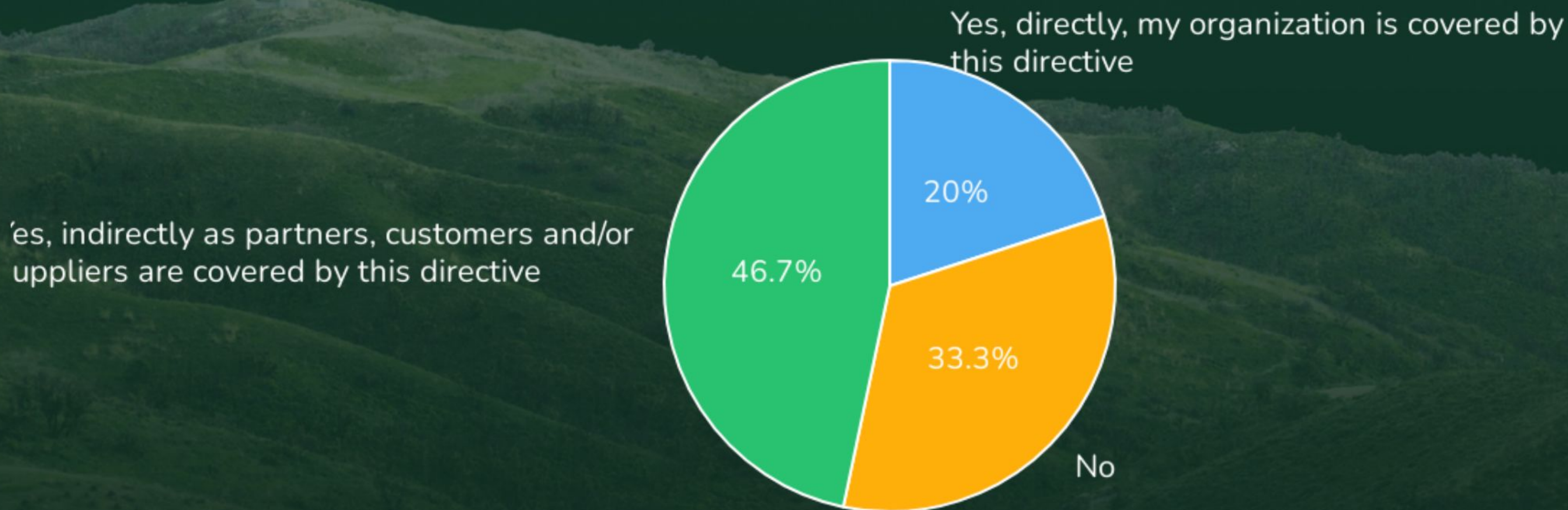
Who does it affect when?

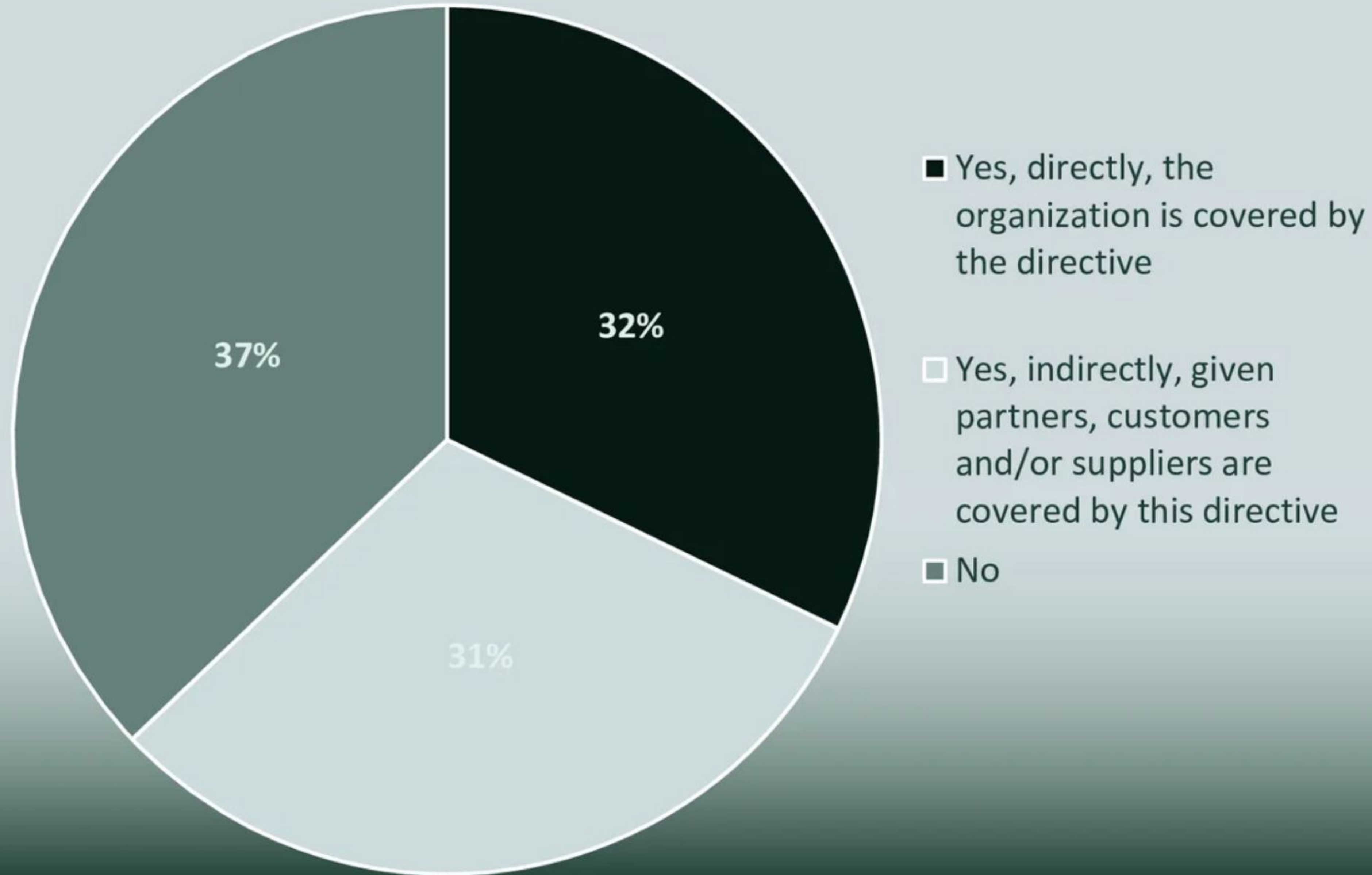
- NFRD companies (Companies already impacted by NFRD)
 - + 500 employees
- Large companies defined as: (2 out of 3 criteria need to apply)
 - + 250 employees
 - + 40M€ turnover
 - + 20M€ assets
- Listed SME's
 - All listed SME's in Europe except micro-undertakings, which are defined as less than 700.000€ in turnover, or 10 employees (including subsidiaries)
- Third-country companies with a 'large' activity in the European Union
 - Large defined as + 150M€ turnover



- Reporting in line with financial reporting and same legal liabilities, to publish at the same moment.

Is your organization impacted by the CSRD?






Is your organization impacted by the CSRD?

Main Conclusions


- **92%** of responding companies have taken **concrete steps towards sustainability**
- They mainly do so because of intrinsic motivations:
“**Responsible leadership**”, “**Taking care of the planet**” are important, alongside “**Customer Satisfaction**”
- However, this doesn’t always translate to an integrated sustainability approach:
22% of the companies has no policy initiative

Main Conclusions

- What's holding companies back from taking their sustainability efforts to the next level?
 - Time & Capacity
 - Lack of own financial resources
 - Not knowing where to start
 - Lack of knowledge and/or skills
- Only ½ of the respondents are familiar with the **CSRD**, despite it's immense direct and indirect impact



**These conclusions are in line with last year's results.
Will this change in 2024 as CSRD goes into effect?**





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Where to start?



Where to start?

- CSRD will directly impact **large companies**, obliging them to report on sustainability, following a clear set of standards on 'what' and 'how'
- **What to do?**
 - Set-up an internal project team (following the ESRS 1 / 2 & G1)
 - Engage stakeholders
 - Define material topics
 - Analyse double materiality

Where to start?

- For companies not directly impacted, CSRD will become an **economic reality, when selling to a large companies.**
- **What to do?**
 - Develop a clear sustainability strategy, with a 3-5 year action plan, building on:
 - Analysis of your **carbon emissions S1-2-3**
 - Survey of your **stakeholders** (internal and external)
 - Analysis of **strengths & weaknesses in your valuechain** regarding ESG
 - (Development of) Diversity & **inclusivity framework**
 - **Data-structure** and digital system to measure, improve and follow up all of the above

Our approach



Do you want to know more?

Scan the QR-code to receive our full report



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Ready to get started?

Contact The Ecological Entrepreneur

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