

Information paper – 32

Corporate attitudes to sustainability

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WHAT COLOUR is YOUR BUILDING?

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This information paper is one of a series of papers written during the preparation of the book **What Colour is Your Building?** (www.whatcolourisyourbuilding.com). The papers do not form part of the book and have not been peer reviewed. They provide further technical detail, analysis and information to support statements made in the book. All of the papers can be downloaded from www.wholecarbonfootprint.com.

Corporate attitudes to sustainability

This information paper provides extracts from various reports on corporate attitudes to sustainability, which were summarised in Appendix L. There can sometimes be a big difference between attitude and action – this paper makes no comment on this. For further discussion on corporate sustainability refer to *Full Product Transparency – cutting the fluff out of sustainability* by Ramon Arratia, Dō Sustainability, 2012.

1. PRICEWATERHOUSECOOPERS, 2010

The report *Appetite for change: Global business perspectives on tax and regulation for a low carbon economy*¹ by PricewaterhouseCoopers (2010) examined attitudes in the international business community towards environmental regulation, legislation and taxes based on almost 700 interviews. Key findings include:

- In the battle against climate change, government leadership is indispensable.
- The business community is ready for, and supportive of, government action.
- Business leaders around the world recognise the need for meaningful emissions targets.
- Carbon taxes, emissions trading and incentives have widespread support in the business community.
- Businesses generally believe that existing environmental taxes, regulations and incentives are ineffective, inconsistent and unclear.
- Businesses want clear long-term investment signals, and input into the formulation of direction and derivative policies.
- Certainty and simplicity are the biggest challenges for carbon trading; for carbon taxes, the key issues are flexibility and the availability of incentives.
- Executives prefer the hypothecation of carbon and other environmental taxes, i.e. the use of taxes to fund environmental and low carbon programmes.
- Government action on climate change will increase the importance of regulatory compliance, reputation management and stakeholder relations.
- Corporate climate change strategies will affect operations, key performance indicators and innovations, around new products and services.
- A growing number of businesses are developing strategies to manage the uncertainty surrounding climate change, but they remain hopeful that governments and business can work together to create consistent policies that halt global warming.

2. ACCENTURE, 2010

The report *A New Era of Sustainability: UN Global Compact-Accenture CEO Study 2010*² mentioned in Chapter 10 of the book, made it clear that CEOs are convinced of the need to embed environmental, social and corporate governance issues within core business. They also note that the imperative to act has shifted from a moral to a business case, and recognise that good performance on sustainability amounts to good business overall. These findings are broadly in agreement with various other studies on business leaders attitudes to sustainability.

3. ERNST & YOUNG, 2010

The paper *Action amid uncertainty: the business response to climate change*³ by Ernst & Young (2010) summarises the results of a survey of 300 global executives, representing companies with revenues of more than US\$1b annually. Some of the responses were:

- 90% indicate that climate change governance rests with C-suite executives or board members.
- 40% indicate they are climate change leaders in their industry and a further 43% state they have a pragmatic approach to investing.
- 92% consider energy costs to be a very important or important driver.
- 82% planned to invest in energy efficiency within 12 months (top of the list of climate change initiatives).
- 64% provide transparent reporting of their greenhouse gas (GHG) emissions data in an annual corporate social responsibility (CSR) report or a sustainability report.
- Nearly two-thirds of those who do report have their data verified by an independent third party.

4. ECO-BUSINESS, 2012

The report *Corporate Attitudes toward Sustainability/CSR in Asia*⁴ by Eco-Business (2012) described a survey of almost 600 professionals, located mainly in Asia Pacific, to seek their views on the level of involvement of top managers in developing CSR strategies, the perceived relevance of sustainability to a company's operations, progress on implementing CSR policies and barriers to such progress. The key findings were:

- Industry captains and business managers in the Asia Pacific place sustainability and corporate social responsibility (CSR) high on their firm's priority list, but this is not necessarily translating into action, with many citing cost as the biggest obstacle.
- Almost nine out of ten said it was important for their organisation to embrace CSR.

- 42% said their company had an environmental management system in place.
- 45% said their organisation had a dedicated ‘green team’ to integrate CSR throughout the firm’s operations.
- The main obstacles to putting CSR plans into action were cost (45%), lack of employee involvement (24%) and lack of leadership (22%).

Notes

All websites were accessed on 20 July 2013 unless noted otherwise.

1. www.pwc.co.uk/sustainability-climate-change/publications/appetite-for-change-publication.jhtml
2. www.unglobalcompact.org/docs/news_events/8.1/UNGC_Accenture_CEO_Study_2010.pdf
3. www.ey.com/GL/en/Services/Specialty-Services/Climate-Change-and-Sustainability-Services/Action-amid-uncertainty--the-business-response-to-climate-change
4. www.eco-business.com/research/corporate-attitudes-toward-sustainabilitycsr-in-asia-pacific/

The inevitable legal bit

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