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What drives and what holds back sustainable change?

ESG





Key insights

- ESG is becoming more and more present among all stakeholders, and demand among companies is noticeably increasing, according to the top managers.
- The increase in demand regarding ESG transparency is particularly strong among companies with more than US\$ 1 billion in sales, as they are particularly affected by new compliance and reporting regulations.
- Environmental and climate aspects are most relevant for top female managers in the next three years.
- ESG is perceived by the majority as a positive factor for business performance.
- Adverse to ESG transformation could be the various economic and geopolitical dislocations, as they require immediate attention.
- Also challenging is the identification of appropriate ESG metrics as well as metrics that enable coherent action steering.

Key takeaways from this chapter

- Those who neglect ESG components accept significant competitive disadvantages. This is because social change is advancing, and the pressure to do business sustainably is increasing.
- Increasing ESG transparency and measurability is a key driver of sustainable change in business, say top managers. Which KPIs make sense? Who reports what? And how can high-quality data be ensured? These are the pressing questions for many. Consequently it is even more important to put in place comprehensive governance and accountability frameworks.

67%

see increased demand for ESG reporting and transparency from their stakeholders.

39%

want to focus on the "E" over the next three years: "Environment".

47%

expect ESG to have a positive effect on corporate growth.