State of Sustainable Business Survey

Comparing Perceptions of Current and Future Sustainability Leaders

November 2014

Overview

- The annual BSR/GlobeScan State of Sustainable Business Survey (now in its sixth year) gleans insights on emerging trends and priorities faced by corporate sustainability professionals.

- This year, for the first time, some of the survey questions were extended to undergraduate and MBA members of Net Impact. The goal was to measure the ways that current and future sustainability leaders view these issues.

- This report compares the perspectives of more than 700 experienced professionals in the BSR network to almost 500 undergraduate and graduate student members of Net Impact.

- Research was conducted online with both audiences over the summer of 2014.

- Note: All figures presented in charts are percentages unless otherwise noted.

BSR
The Business of a Better World

NET IMPACT

GLOBESCAN

Executive Summary (1)

Overall, there is remarkable alignment between the perspectives of current business professionals (BSR members) and future leaders (Net Impact student members) on the state of sustainable business. While the results suggest that future leaders are fairly realistic about the challenges that current sustainability professionals face, there are some key differences in views on transparency and priorities for sustainable business.

- **Progress on Sustainability:** Both audiences are aligned on how much they believe business has made progress over the past five years and how much progress business will continue to make over the next five years. While few in both audiences believe that <u>very</u> significant progress *has* and *will* be made, they both largely agree that progress is being made.

- **Integrating Sustainability:** Both current and future sustainability leaders believe the most significant leadership challenge facing business today is the integration of sustainability into core business operations. BSR respondents have ranked this topic as the top challenge for business since 2011. Net Impact respondents agree, ranking integration as the most important business leadership challenge.

Executive Summary (2)

- **Transparency:** Both BSR and Net Impact respondents highlight transparency as a major leadership challenge, with few from either group rating businesses highly on transparency. Indeed, Net Impact respondents tend to rate businesses lower in transparency than BSR respondents, indicating that business as a whole has work to do in this area.

- **Priorities for Business' Sustainability Efforts:** This is the area of greatest divergence between the two audiences. For the sixth consecutive year, when asked to rate *actual* company prioritization of a list of issues over the next 12 months, BSR respondents identify human rights, workers' rights, and climate change as the highest priority issues.

  Conversely, when asked to rate how much priority business *should* be placing on the same list of issues, Net Impact respondents indicate that sustainable consumption, climate change, and water are the highest priority issues. Furthermore, they believe business should be placing high priority on nearly all of the social and environmental issues included in the survey. These differences show the contrast between the realities that BSR members experience based on their business roles, versus the expectations of Net Impact students.

Both current and future professionals largely agree about the level of progress being made by business on sustainability

Business Progress on Sustainability

All Respondents, 2014*

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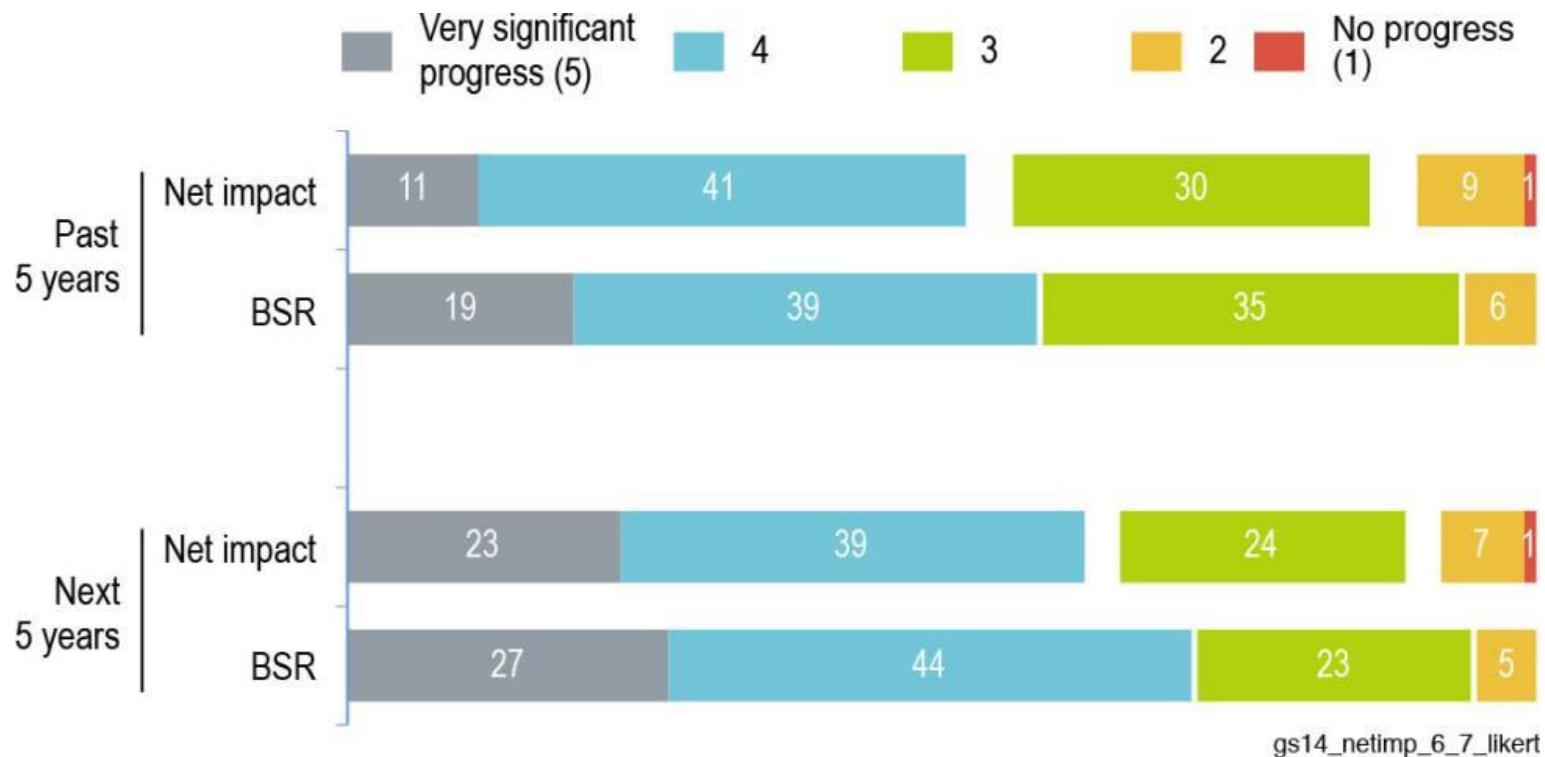
Q. Over the past 5 years, how much progress, if any, has business made on CSR/sustainability? Please use a 5-point scale where 1 is "no progress at all" and 5 is "very significant progress."
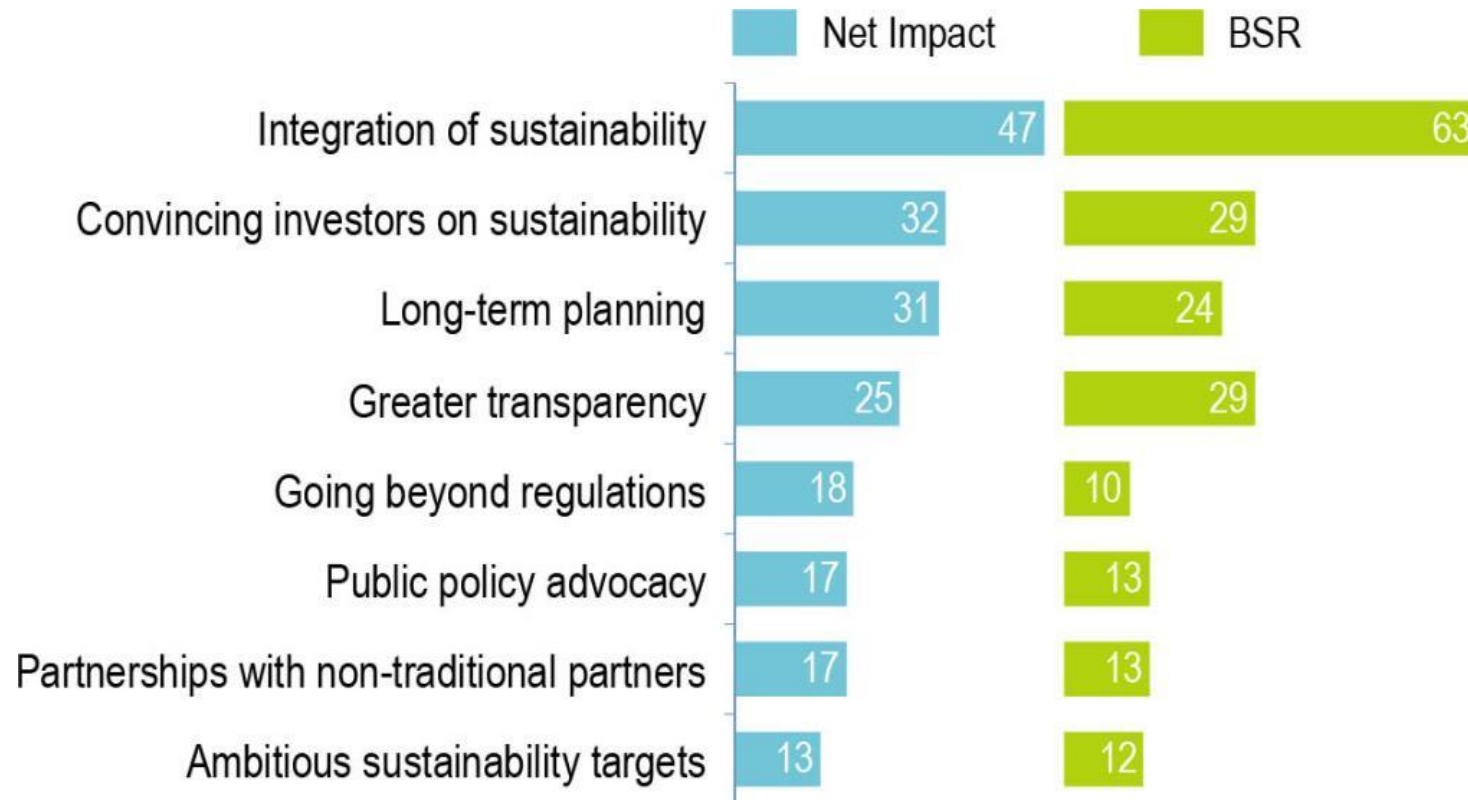
Q. How much confidence, if any, do you have that business will make significant progress on CSR/sustainability over the next 5 years? Please use a 5-point scale where 1 is "no confidence at all" and 5 is "a great deal of confidence."

*White space in graph indicates 'DK/Don't Know' responses

Both current and future professionals agree that the most important leadership challenge is integrating sustainability into the core of the business

Most Important Leadership Challenges for Business

Total Mentions, All Respondents, 2014

	Net Impact	BSR
Integration of sustainability	47	63
Convincing investors on sustainability	32	29
Long-term planning	31	24
Greater transparency	25	29
Going beyond regulations	18	10
Public policy advocacy	17	13
Partnerships with non-traditional partners	17	13
Ambitious sustainability targets	13	12

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Q. In your opinion, which two of the following stand out as the MOST important leadership challenges for businesses today?

While both current and future professionals generally rate business as low on transparency, future leaders tend to rate business lower in transparency than current professionals

Business Transparency on CSR/Sustainability

All Respondents, 2014*

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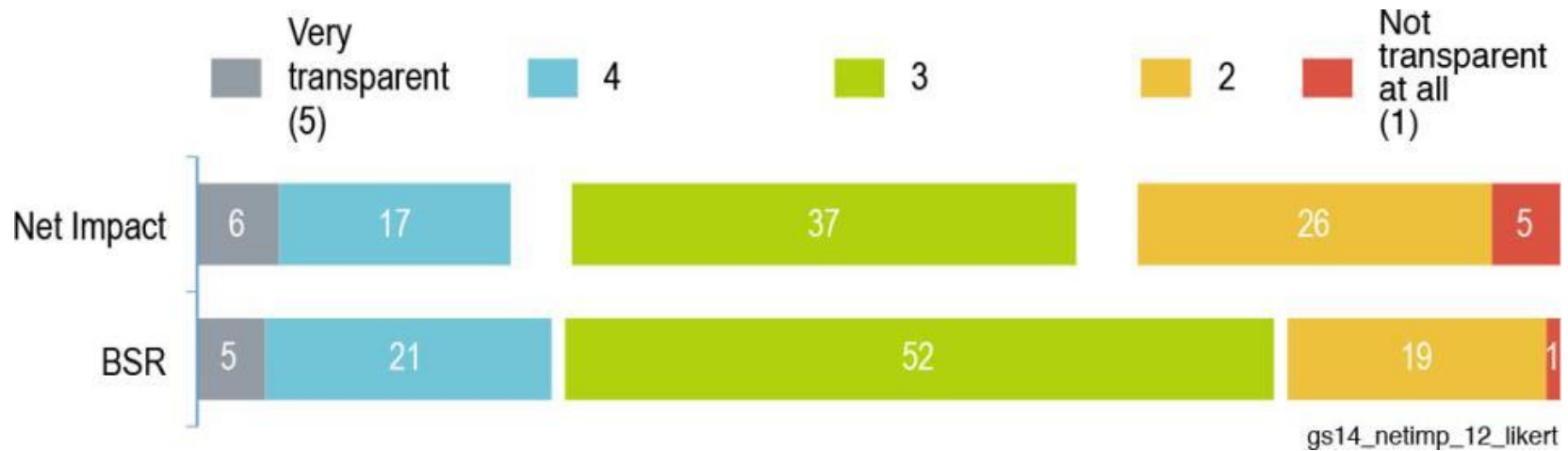
While Net Impact respondents are only slightly less likely than BSR respondents to say that business is transparent on CSR (23% vs. 26%) they are significantly less likely to take a middle position (37% vs. 52%), and notably more likely to say that business is characterized by a lack of transparency (31% vs. 20%).

Q. In general, how transparent, if at all, is business on CSR/sustainability issues? *Please use a 5-point scale where 1 is "not transparent at all" and 5 is "very transparent."*
*White space in graph indicates 'DK/Don't Know' responses

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Current and future sustainability leaders recognize the importance of collaboration between businesses, with civil society and with government

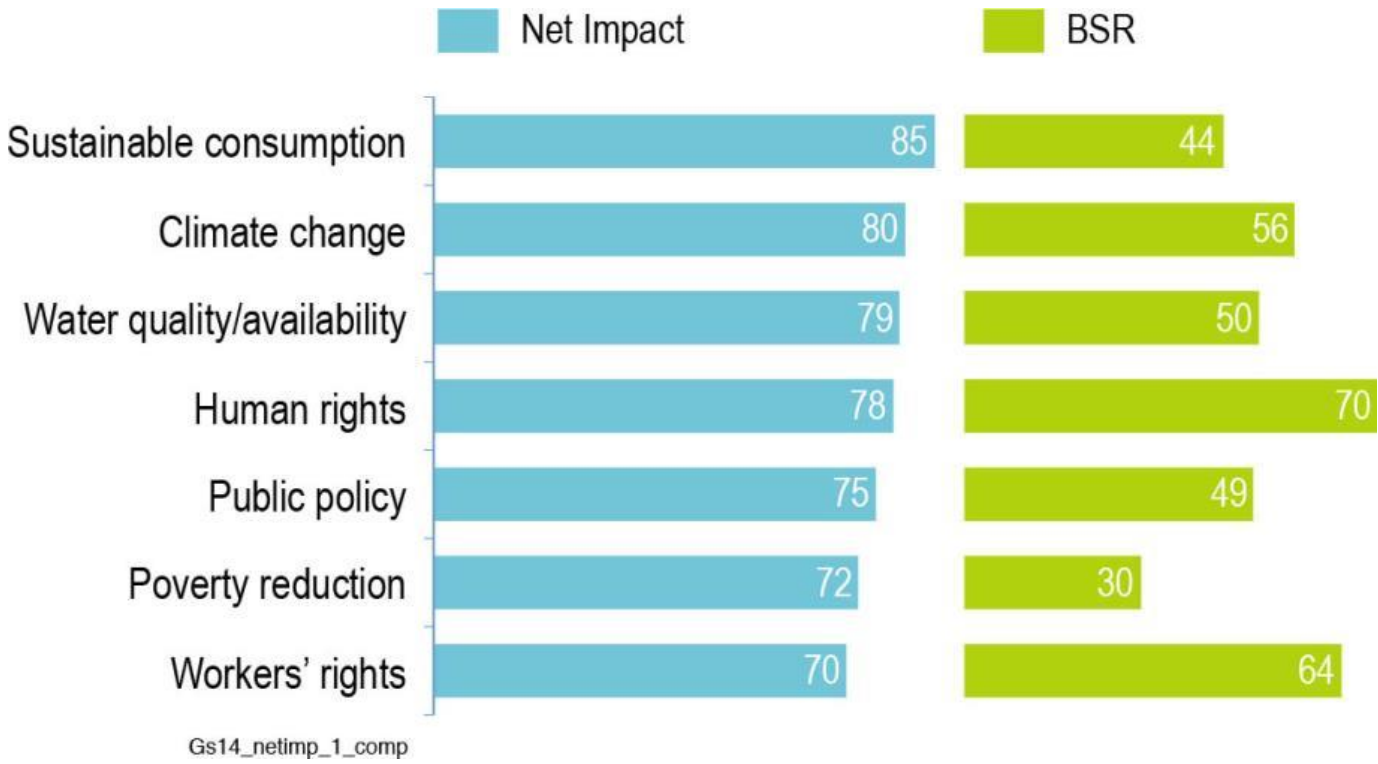Most Important Partner for Progress on CSR/Sustainability

All Respondents, 2014
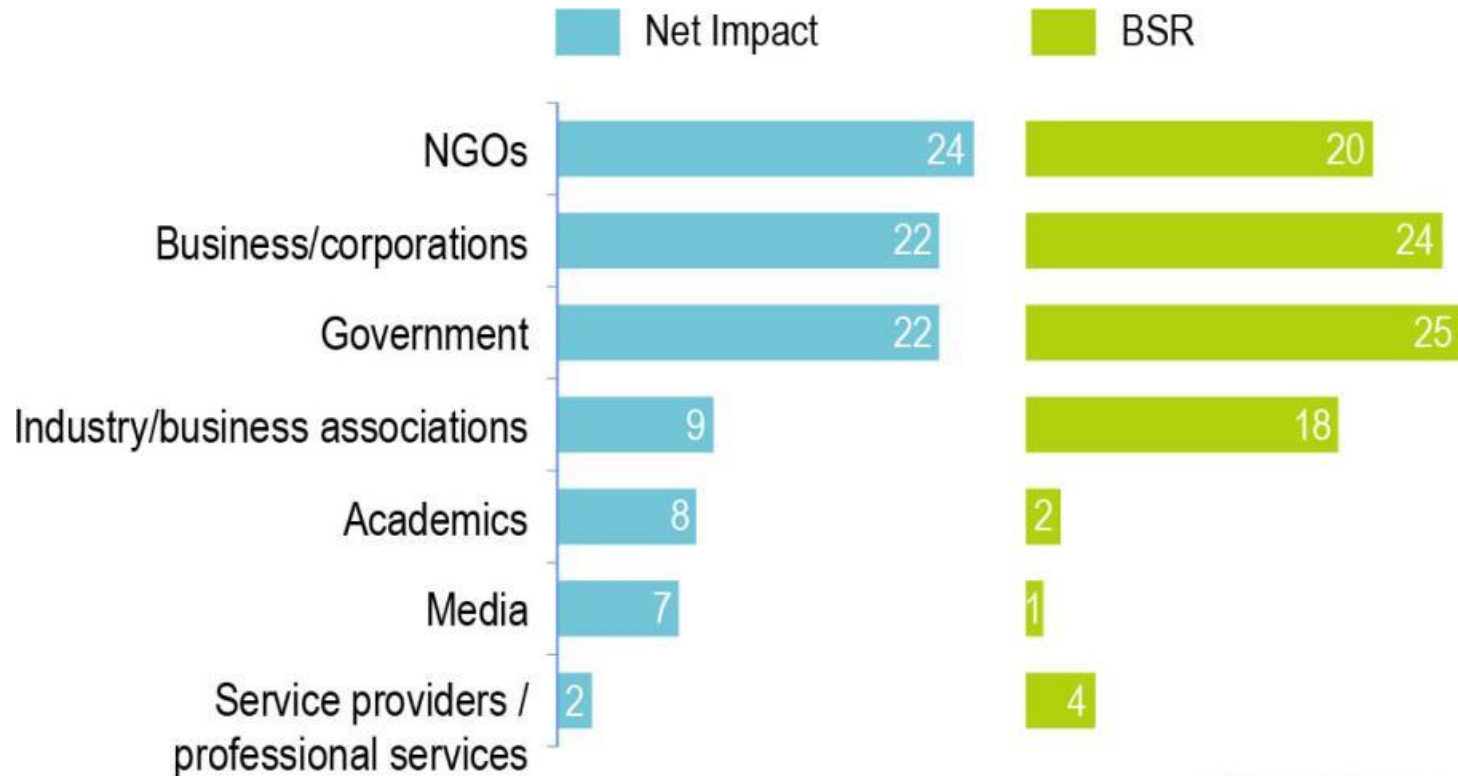
Q. Which one of the following do you think is generally the most important for business to collaborate with in order to make substantial progress on a CSR/sustainability issue?

The highest sustainability priorities for future leaders differ from the actual business priorities of current leaders

Focus of CSR/Sustainability In Next 12 Months
"High Priority" (4+5), All Respondents, 2014

Legend: Net Impact (blue), BSR (green)

	Net Impact	BSR
Sustainable consumption	85	44
Climate change	80	56
Water quality/availability	79	50
Human rights	78	70
Public policy	75	49
Poverty reduction	72	30
Workers' rights	70	64

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The difference between what the respondents to the Net Impact survey think *should* be the priorities for business over the next 12 months, and what respondents from BSR member organizations state will be the focus is significant.

Net Impact members place a higher priority on most issues, especially sustainable consumption, climate change, and water. In reality the key focus for business is on human and workers rights, as well as on climate change.

- Q (BSR) When you think about the focus of your company's [organization's] corporate social responsibility (CSR)/sustainability efforts in the next 12 months, how much of a priority are each of the following issues?
- Q (Net Impact) Over the next 12 months, how much should companies prioritize the following corporate social responsibility (CSR)/sustainability issues?

Please use a 5-point scale where 1 is "not at all a priority" and 5 is "a very significant priority."

About BSR

BSR is a global nonprofit organization that works with its network of more than 250 member companies to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. Visit www.bsr.org for more information about BSR's more than 20 years of leadership in sustainability.

About Net Impact

Net Impact is a leading nonprofit that supports a new generation to work within and beyond business for a sustainable future. With more than 60,000 student and professional members and nearly 300 chapters worldwide, we make a net impact that transforms our lives, our organizations, and the world. Visit www.netimpact.org.

About GlobeScan

GlobeScan helps companies, multilateral organizations and NGOs measure and build valuable relationships with their stakeholders. Uniquely placed at the nexus of reputation, brand, and sustainability, GlobeScan partners with clients to build trust, drive engagement, and inspire innovation within, around, and beyond their organizations. To learn more, please visit www.globescan.com.