

# The Chief Sustainability Officer 10 Years Later

The rise of ESG in the C-suite



2021



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# Introduction:

# CSOs Meet the Moment

2020 marked the most disruptive year in generations. Not only did the COVID-19 pandemic kill more than a half million people in the United States, it laid bare and heightened existing crises, including systemic racism and police violence, climate change, and an ever-widening political and economic divide.

As we enter 2021, the country has begun a period of reckoning, repair, and rebuilding that requires leadership from every arena—government, civil society, and, of course, business. Within business, the primary person responsible for understanding and defining how a company will respond to these pressing social and environmental issues is the chief sustainability officer (CSO).

Who are these CSOs, what are they responsible for, and which issues do they think will take hold as we look to the future of sustainable business? Most critically, do they have the required skills and authority to solve our most wicked problems? This report—an update to the Weinreb Group's seminal CSO Back Story published 10 years ago—answers these questions, providing an in-depth look at CSOs<sup>1</sup> today and their powerful role in business.

Since our pioneering paper was published a decade ago, the world of sustainability has changed significantly. Today there are:

- More CSOs who have more influence, with investors driving environmental, social, and governance (ESG) integration: The field has grown by more than 228%, from just 29 CSOs in 2011 to 95 CSOs in 2021. Perhaps because of the ever-growing and changing social and environmental risks, opportunities, and stakeholder demands, approximately one third of these CSOs assumed their position as their company's first CSO in 2020. But even before 2020, the rising investor interest in sustainability issues was driving the expansion of the field, as well as the integration of ESG priorities into business.
- More women, but little racial diversity: Who occupies the CSO job has also changed. Our research reveals that the percentage of women in this post almost doubled. Women now hold 54% of CSO positions, up from 28% in 2011. Despite the movement toward gender balance, there remains very little racial diversity. The CSO position, as well as the sustainability profession as a whole, remains predominantly white.

· Larger, more dispersed teams and embedded functions: In the past 10 years, the CSO leadership role and team composition have also changed. In the corporate leadership hierarchy, CSOs are not quite as close as they once were to the CEO. Still, nearly 70% of CSOs told us they meet with their CEO fairly regularly, once a month or once a week. Moreover, sustainability teams are expanding, with the average team size increasing from 5 in 2011 to 15 today. We also found embedded sustainability practitioners in other functions outside of sustainability.

The primary data in this report came from a survey Weinreb Group sent to the CSOs on our list; 33 people responded. In addition to the quantitative data, we received qualitative responses from many CSOs about what has changed over the past decade, and what we can expect in the next 10 years.

As a sustainability recruiting firm, Weinreb Group's aim is to support the hiring of sustainability leaders in corporate sustainability positions. To that end, the purpose of this report is twofold: We hope that by sharing information about who these people are, what they do, and what makes them successful, sustainability managers will be better able to chart their career paths. We also hope that these insights help the growing number of companies that are appointing CSOs understand how best to position this role and find the best person for the job.

By the numbers and issues, it is clear that the CSO role is having its moment. These are the people defining a vision of a sustainable future, developing strategies and targets to meet that vision, and leading business to make progress on the crises of 2020—and the social and environmental challenges yet to come.



Ellen Weinreb is the founder of Weinreb Group. She has 24 years of experience working in ESG, CSR, and sustainability, with deep expertise helping leading global companies find the best professionals to fill environmental, social, and governance roles in nearly every business function.





<sup>1</sup> In both 2011 and 2021, we identified and surveyed people holding the exact title "chief sustainability officer" who are based in the U.S. at a U.S. publicly traded company.



# Complex, Interconnected, Volatile:

# The Evolving, Expanding Role of the CSO

In 2004, DuPont became the first publicly traded U.S. company to appoint a CSO: Linda Fisher. Three years later, the <u>New York Times</u> took note of the emerging CSO, describing the "swelling" C-suite that began to grow with new titles like chief marketing officer and chief technology officer. The Times article featured a picture of Owens Corning CSO Frank O'Brien-Bernini, who was appointed in 2007 and now holds the badge of "longest-running CSO" today, describing CSOs as "environmental chiefs helping companies profit from the push to go green."

Today, that line sounds quaint, as a CSO's remit can cover everything from defining the company's zero-emissions climate targets to leading the board's sustainability committee to championing the company's work on environmental justice. Broadly speaking, a CSO's role is to manage the company's relationship with society and the planet by maximizing the good and minimizing the bad.

The following pages provide details on who the CSOs are, what kind of leadership influence they have, and their team structures. But what are the attributes of CSOs? We know that 25% of CSOs have J.D. degrees and 31% have MBAs. Based on more than 20 years working in ESG, CSR, and sustainability, Weinreb Group Founder Ellen Weinreb has a top five list of key attributes for CSO success:

- **O1 Influences through collaborative action:** The sustainability function is relatively new and the team size is still relatively small compared to other functions. Yet the CSO sits at the helm of the company's sustainability journey. Cultivating collaboration and buy-in throughout the corporation is less about exercising top-down authority and more about influencing through inspiration, demonstrable outcomes, and competitive analysis.
- **O2** Succeeds despite ambiguity: The issues dominating the CSO agenda are complex, interconnected, and volatile. CSOs effectively cope with ambiguity by knowing when and how to shift gears, motivating others during times of uncertainty, working without complete direction, and imagining what's possible in an uncertain and ever-changing future.
- **O3 Translates the complex:** Sustainability issues are big and complex and sustainability leaders need to help their companies—and even individual business units—contextualize why the issues matter and how to address them. In a previous Weinreb Group report, Beth Shiroishi, then vice president of sustainability at AT&T, said it best: "I think of myself and my team as chameleons. Being able to think and communicate in the same fashion as a business unit we're working with is, for me, the most important skill set needed to be successful."<sup>2</sup>
- **04** Embraces risk and innovation: There's a reason leading companies pair sustainability with innovation. Both of these functions require a certain stomach for risk-taking. CSOs are often charged with creating new goals for complex problems. They must be willing to experiment, learn, and iterate.
- **O5 Demonstrates humility:** CSOs are not in this role for an ego boost. Rather, they are the consummate collaborators—the people who are most likely to champion others, praise generously, and inspire others to support a vision for the future that benefits all.

# **Longest Running CSOs**

The following CSOs were on our inaugural CSO list 10 years ago



Frank O'Brien-Bernini Owens Corning



Charlene Lake



Mike Kelley YRC Worldwide



James Gowen Verizon



Paul Gilman Covanta Energy

We know that 25% of CSOs have J.D. degrees and 31% have MBAs.



# Investors—and Demands for Social Justice—Drive the ESG Agenda

In our 2021 survey, we asked what has changed most over the past 10 years, and almost every one of the more than two dozen CSOs who responded to that question pointed to a new player shaping the field of sustainability: the investor. Investor interest is influencing the issues companies focus on, how they address the issues, and how sustainability is governed within companies. Our findings underscore <u>earlier research</u> by GreenBiz and BSR/GlobeScan that also highlights the rise of investor interest.

Emilio Tenuta, senior vice president and CSO of Ecolab, described the "surge in ESG investor growth and stakeholder capitalism." AT&T CSO Charlene Lake told us: "Nothing has fed the growing sophistication of the discipline and the awakening of corporate executives than the interest from institutional investors in how environmental and social issues present risk and opportunity to the corporate world."

Our survey respondents highlighted three main ways investors are changing the sustainability landscape:

**ESG framing expands the definition of a sustainability issue:** BlackRock CEO Larry Fink's annual CEO letters show the range of sustainability issues investors expect companies to address, from economic inequality to racial justice to climate risk. Kellogg Company CSO Amy Senter captured the shared sentiment among CSOs we polled about the expansion of issues under the CSO remit: "There is a broader mandate to address environmental, social, and governance issues beyond the historical bounds of 'sustainability.'" Respondents said the biggest issues today are climate, equity, environmental justice, and social justice. One CSO also noted the importance of "intersectional thinking and planning" over a focus on single issue areas.

Companies integrate ESG into core business functions: Several respondents said that because investors are now driving the issues, sustainability has become core business and basic table stakes. Jennifer Jenkins, Enviva's CSO, pointed out that more people are referring to sustainability as "built-in," not a "bolt-on." As a result, companies are integrating sustainability into more functions, recognizing sustainability as a business opportunity, not just a risk to manage. Colgate-Palmolive CSO Ann Tracy said this is a positive development, helping companies establish new opportunities for business collaboration and building a strong talent pipeline: "Stakeholder engagement has broadened (e.g., ESG focus for investors has broadened). Pre-competitive collaboration is more established and accepted. Purpose-driven companies are creating the sustainability culture across companies. The rise of new talent is demanding purpose and sustainability from the companies they work for."

Governance as the 'G' in ESG is getting more attention: As sustainability has become more important to investors and more critical to business, companies are enhancing their sustainability governance—with accountability that goes up to the board level. As Starbucks CSO Michael Kobori put it: "Sustainability has been recognized in board rooms, Wall Street, and Main Street as a core responsibility of business." AppHarvest CSO Jackie Roberts also noted that CSOs' governance responsibilities have increased, including supporting the sustainability board committee, tracking metrics and ESG KPIs, and providing language for 10-K filings. This focus on governance has resulted in demands for deeper, more sophisticated reporting tailored to specific stakeholders. Owens Corning Vice President and CSO Frank O'Brien-Bernini said investor interest in these issues is now at "a much more granular level."

"There is a broader mandate to address environmental, social, and governance issues beyond the historical bounds of 'sustainability."

> - Amy Senter Kellogg Company

"Sustainability has been recognized in board rooms, Wall Street, and Main Street as a core responsibility of business."

- Michael Kobori Starbucks



# **CSO List**

Below is our list of publicly traded U.S. companies with heads of sustainability based in the U.S. with "Chief Sustainability Officer" included in their title as of March 2021.

Company	CSO	Year Appointed
3M	Gayle Schueller	2018
AIG	Jennifer Waldner Grant	2019
Allstate	Susan L. Lees	2020
Amyris	Beth Baker Bannerman	2020
AppHarvest	Jackie Roberts	2020
Aramark	Ash Hanson	2020
Archer Daniel Midlands	Alison Taylor	2017
AT&T	Charlene Lake	2009
Ball Corporation	Kathleen Pitre	2019
Berkshire Hathaway	Amanda Smith	2012
BlackRock	Alexis Rosenblum	2019
Blackstone	Don Anderson	2011
Boeing	Christopher Raymond	2020
Brighthouse Financial	David Ward	2020
Bunge	Robert Coviello	2019
Capri Holdings Limited	Krista Ann McDonough	2016
Citigroup	Val Smith	2019
Cognizant	Sophia Mendelsohn	2020
Colgate Palmolive	Ann Tracy	2020
Comcast Corporation	Susan Jin Davis	2016
Corteva Agriscience	Anne Alonzo	2020
Covanta Energy	Paul Gilman	2008
CVS Health	Eileen Howard Boone	2013
Dana Incorporated	Douglas Liedberg	2017
DaniMer Scientific	Scott Tuten	2020
DICK'S Sporting Goods	Peter Land	2020
Dow	Mary Draves	2019
Duke Energy	Katherine Neebe	2020
DuPont	Alexa Dembek	2019
еВау	Renee Morin	2020
Ecolab	Emilio Tenuta	2019
Emerson	Michael Train	2021
Enviva	Jennifer Jenkins	2016
Essential Utilities	Chris Crockett	2020



Company	cso	Year Appointed
Exelon	Chris Gould	2010
Extreme Networks	Katy Motiey	2020
FedEx	Mitch Jackson	2017
FMC Corporation	Karen Totland	2020
Ford Motor Company	Bob Holycross	2019
Fresh Del Monte Produce	Hans Sauter	2020
Gap Inc.	Julie Gruber	2020
General Mills	Mary Jane Melendez	2019
General Motors	Dane Parker	2020
Hewlett Packard Enterprise	Brian Tippens	2021
Home Depot	Ron Jarvis	2020
Honeywell	D. Evan van Hook	2021
НР	Ellen Jackowski	2020
Insulet Corporation	Lisa Brady	2020
Interface	Erin Meezan	2016
International Flavors & Fragrances	Gregory Yep	2016
International Paper	Sophie Beckham	2020
J.B. Hunt Transport Services	Craig Harper	2020
Johnson & Johnson	Paulette Frank	2021
Kellogg	Amy Senter	2018
Keurig Dr Pepper	Monique Oxender	2014
Koppers	Leslie Hyde	2020
Las Vegas Sands	Norbert Riezler	2012
Levi Strauss & CO	Jeff Hogue	2020
Marrone Bio Innovations	Keith Pitts	2016
Mastercard	Kristina Kloberdanz	2018
McDonald's	Jenny McColloch	2021
MGM	Jyoti Chopra	2019
Morgan Stanley	Audrey Choi	2017
Newmont Corporation	Stephen Gottesfeld	2019
Nike	Noel Kinder	2018
Norfolk Southern Corporation	Josh Raglin	2020
Oracle	Jon S. Chorley	2011
Oshkosh Corporation	Kevin Tubbs	2018
Owens Corning	Frank O'Brien-Bernini	2007
PepsiCo	Jim Andrew	2020
Pfizer	Caroline Roan	2020
PG&E	Jessica Hogle	2019
PVH Corp.	Marissa McGowan	2021
Ralph Lauren	Halide Alagöz	2018



Company	cso	Year Appointed
Ranpak	David David Murgio	2019
Schnitzer Steel Industries	Brian Lewallen	2019
Sempra Energy	Lisa Larroque Alexander	2020
Smithfield Foods Inc.	Stewart Leeth	2016
Starbucks	Michael Kobori	2020
The Travelers Companies, Inc.	Yafit Cohn	2019
Tiffany & Co.	Anisa Kamadoli Costa	2014
Tronox	Missy Zona	2019
Tyson Foods	John Tyson	2019
Under Armour	Michael Levine	2016
Verizon	James Gowen	2009
Visa	Douglas Sabo	2020
Vistra Energy	Molly Sorg	2019
W. R. Grace & Co.	Keith Cole	2020
Walmart	Kathleen McLaughlin	2013
Wells Fargo	Nate Hurst	2020
WestRock	Brandi Colander	2020
Wynn Resorts	Erik Hansen	2018
Xylem Inc.	Claudia Toussaint	2020
YRC Worldwide	Mike Kelley	2008
YUM Brands	Jon Hixson	2020

# **Today's CSOs:**

# CSO Trends: More Women, Few People of Color—and a 2020 Surge

Since publishing our first report 10 years ago, the biggest development in this field is the continued expansion, with more companies assigning a CSO. In 2011, there were just 29 CSOs, and today there are 95—31 of whom were hired in 2020 as their company's first-ever CSO. As a result of mass hiring in 2020, most of the CSOs on our list this year are in an inaugural role at their company.

Who these CSOs are is also changing...somewhat: Since 2011, the percent of women who hold the CSO position has nearly doubled. Meanwhile, racial diversity, which has long been lacking in the sustainable business field, appears largely unchanged, according to Greenbiz State of the Profession survey data.

Our 2021 survey also revealed that companies are slightly less likely to have hired their current CSO from within the company than they were in 2011. Still, 77% of CSOs had been working at their company prior to being tapped. Of those who were hired internally, they had been at their company for an average of 12 years (as opposed to 16 years in 2011) before their CSO appointment.

31 companies hired their first-ever CSO in 2020.

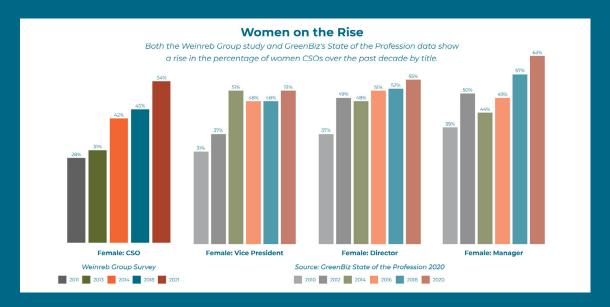
The percentage of female CSOs has nearly doubled, from 28% in 2011 to 54% in 2021—a 94% increase.

Only 16% of U.S.based sustainability professionals today identify as a race other than white.

# Women on the Rise

Along with the jump in companies that have appointed CSOs, there's been a large increase in women who hold this position: The percentage of female CSOs has nearly doubled, from 28% in 2011 to 54% in 2021—a 94% increase.

A significant reason for this trend is a pipeline of talent with an increasing percentage of women across the board, from manager to C-level. The 2020 GreenBiz State of the Profession report that the Weinreb Group sponsors found that since 2010, the percentage of women holding any sustainability position has been steadily rising. GreenBiz data also show that in 2020, women held 51% of vice president positions, 55% of director positions, and 63% of manager positions.



Another reason for this trend may be that hiring managers see women as strong sustainability leaders, and that women themselves are more attracted to these roles. Research has shown that women have leadership competencies that complement sustainability leadership attributes, and that women are motivated to work on social and environmental issues.

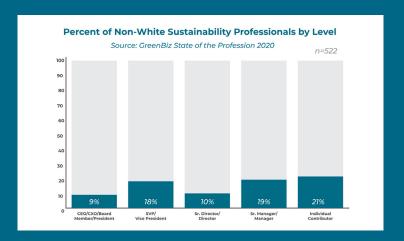
As a recruiting firm, we have noticed some nuances indicating that gender equality in these roles is not even across the board. Depending on the industry or function, there's more of a gender divide in sustainability roles beneath the CSO position. Anecdotally, we have seen that men are more likely to apply for roles in manufacturing industries or jobs requiring engineering skills, and women are more likely to apply for positions in communications, marketing, and corporate affairs. Ultimately, however, we believe there is a greater opportunity for women to advance in the field of sustainable business than in business more broadly.



# **Striving for Equity, Lacking Diversity**

While gender diversity has grown significantly since 2011, racial diversity has not increased as much, and the field of sustainable business remains largely white. We did not have a enough respondents in our CSO survey to come up with reliable data on racial diversity in this role. However, the GreenBiz State of the Profession survey of 522 sustainability professionals who hold manager- to C-suite-level positions in the U.S. provides a picture showing a lack of racial diversity in this field as a whole.

The data indicate that 16% of U.S.-based sustainability professionals today identify as a race other than white. GreenBiz found that at the vice president and senior vice president levels (which is typically the CSO level), 18% of respondents identified as non-white, while at the C-suite level, only 9% identified as non-white.



Based on this data, it appears that racial diversity in the field of sustainable business is lagging, as it is in business more broadly. According to a 2020 Stanford study looking at Fortune 100 senior executives, 16% of C-suite executives are non-white. The authors of that paper described this state of diversity as "dismal." This is relative to the U.S. population, which is 24% non-white.

It is incumbent on leaders in the field of sustainable business, including Weinreb Group, to understand the roots of systemic racism in this field and invest in solutions that dismantle white supremacy. The Black Lives Matter movement has elevated this discussion in important ways, and recently a new organization, Diversity and Sustainability, formed with a mission to "equip current and future Black, Indigenous, and People of Color (BIPOC) sustainability leaders with the skills, networks, and resources to accelerate the transition to a sustainable and just future." As a recruiting firm, Weinreb Group has received an increase in inquiries from clients expressing a desire to diversify their teams.

These are all positive developments, and we have a clear mandate to do much more. Representation matters in every function and at every level of business, and it's particularly relevant as the sustainability field takes on intersectional issues such as racial justice, environmental justice, diversity and inclusion, and racial equity. It matters that the people making the decisions and implementing strategies and solutions come from the communities that are most impacted by these issues.



# Why Did So Many Companies Appoint Their First CSO in 2020?

In 2020, 31 companies hired their first CSO. To find out why, we asked some of the CSOs who took on that role. To be clear, not all of these CSOs are new to the position; rather, the role is new to their current company.

One respondent told us that the events of 2020, particularly the social justice movements and COVID-19 health crisis, catalyzed an "ESG movement by companies." This individual believes companies hired a CSO for the first time as a way to define sustainability leadership so that their companies can make a positive impact on these issues.

Another CSO echoed that sentiment: "[My company] recognized that our future strategy included bold actions, which required a dedicated leader to embrace and embed this strategy across the organization, as well as to represent our company externally with all key stakeholders."

Another CSO said the decision had to do with ensuring the company's new sustainability vision had the "proper focus and leadership." Yet another said the appointment of a CSO for the first time was the result of momentum built over a long period of time. "Sustainability is a key value proposition," this CSO said. The other CSO said the reason for their company's decision was similar: It was "the next step in our continuing progress."



# What's in a Title?

As the remit of the CSO has grown, we have noticed that some CSOs wear more than one hat and, in some cases, they wear two or three. Of the CSOs surveyed this year, 48% have the standalone CSO title; 49% have two titles, and 3% have three titles. Of those holding multiple tiles, nearly a quarter have a second title of "\_\_\_\_\_\_ affairs": corporate, government, environmental, or community. Sixteen percent of CSOs also wear a legal hat, 14% have "foundation" in their title, and 4% are also the corporate secretary.

# **CSOs versus Multi-Titled CSOs**



Titles can also indicate general sustainability trends. Currently, 4% of CSOs also wear an ESG hat, a title we believe will become more common in the next decade as investors continue to drive sustainability, and CSOs must engage more deeply with the investor audience. Another 4% of CSOs also have a diversity role, which speaks to the rise of diversity, equity, inclusion, and belonging as issues that are now considered relevant to sustainability. Will this trend last, with more CSOs taking on additional, related roles? Or will those CSOs with multiple titles find themselves spread thin? We'll be watching how this trend affects CSO responsibilities and leadership attributes in the years to come.

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# **CSO Leadership and Influence**

CSO leadership is a tale of two stories. On one hand, our data show that CSOs are not as close to the CEO as they once were. In 2011, 35% of CSOs reported that they were only one step away from the CEO. In 2021, only 21% of CSOs reported being that close to the CEO. Moreover, the number of CSOs who say that they are more than two steps away from their CEO has gone up by 14 percentage points.

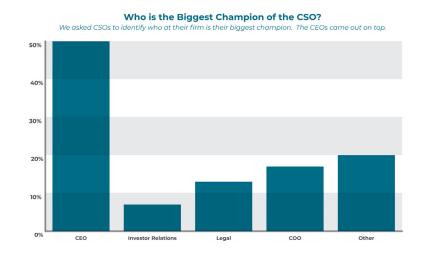
On the other hand, we know that CSOs have more influence than ever, as sustainability has become a business imperative. So what they lack in reporting lines, they make up for in sway and access. The majority of CSOs say they meet with their CEO at least once a month. Half of respondents told us their CEO is their biggest champion.

# Steps Between CEO and CSO While the majority of CSOs report to someone who reports to the CEO, there has been a shift away from those reporting directly to the CEO. 2011 vs 2021 35% 21% How many steps to CEO- Direct - 1 55% 2- reports to someone who reports to CEO 10% 24% More than 2

What can explain the gap between CSO reporting lines and influence? We believe that as sustainability has grown in importance, more companies are integrating sustainability accountability into broader work streams that are owned by someone in the C-suite—perhaps the general counsel, chief marketing officer, or even chief operating officer. So while it may appear that the CSO is being demoted, it's more likely that sustainability is being promoted above the CSO. It's also possible that companies are simply becoming comfortable giving the "chief" title to employees who don't report directly to the CEO but who are nonetheless the senior-most sustainability leaders at their company.

If CSOs are not reporting to the CEO, then to whom are they reporting? In the past decade, many companies have strengthened their sustainability governance structures. Many employers have put sustainability accountability into the hands of the board of directors, and some companies have tied executive compensation to sustainability performance. It also pays to look at who is influencing CEOs: As noted earlier, much has been reported on the role of investors in driving CEO-level sustainability commitments. When someone like BlackRock CEO Larry Fink calls for global, ambitious action on crises from climate change to economic inequality to racial justic, CEOs listen—which empowers CSOs to take the lead in developing the vision and strategies for action.







# The Sustainability Team:

# A Vehicle for Building Internal Consensus

As the sustainability function has grown in importance within companies, team structures have changed, becoming more dispersed so that ownership of sustainability is spread across functions and geographies. Although we didn't ask for this information in our 2011 survey, anecdotal reports show that a growing number of sustainability practitioners are embedded in departments outside the core team.

This year's data reveal that CSOs have an average of six direct reports, about 15 people work in the sustainability function in total, about 6.5 embedded employees have a dotted line into the CSO, and the average company has about 35 sustainability staff. Most embedded staff work in environment, health, and safety (EHS); corporate social responsibility (CSR); marketing/communications; supply chain; procurement; philanthropy; and community relations.

This embedded structure positions sustainability as a strategic lynchpin. More companies view sustainability as a value-creation proposition that can help different functions meet their goals.

The movement to embed sustainability across the organization has also elevated its visibility. Beyond building the sustainability team, many CSOs are enlisting employees from related departments such as marketing, HR, and supply chain to participate in the company's CSR and sustainability goals. A number of companies have also used sustainability as an employee engagement tool, inviting people across the company to learn more about the company's goals and work, and encouraging employees to take their own actions through campaigns centered around sustainability priorities ranging from climate, to water, to gender equality. These team structures and coordinated efforts create a sea change of support throughout the corporation.

A number of companies have also used sustainability as an employee engagement tool, inviting people across the company to learn more about the company's goals and work, and encouraging employees to take their own actions through campaigns centered around sustainability priorities.





# The CSO Career Path

# -and What Comes Next

When we published our seminal report 10 years ago, the CSO role was an emerging position, and the question of what CSOs do when they leave their job wasn't on the table. A decade later, that question is relevant because CSOs carry a strong vision for a sustainable future, as well as valuable skills and experience they can apply in different domains.

Our 2021 research revealed that when CSOs leave their job, more than half of them also leave their company. Some leave to take up a CSO role at another company. Only three from our lists over the past decade have held the CSO title at different companies: Nate Hurst, who went from HP to assume the CSO role at Wells Fargo; Sophia Leonora Mendelsohn, who went from JetBlue to assume the CSO role at Cognizant; and Jackie Roberts, who went from The Carlyle Group to assume the CSO role at AppHarvest.

Others leave to take on a different or expanded role at another company, or they move to government or civil society, giving them a chance to bring business experience into a sector that works with business on social and environmental challenges.

About a quarter of CSOs remain at the company but in a different role. Sometimes they are promoted, taking on more strategic responsibilities that may also include sustainability. It is relatively common for a company to reorganize, and for the CSO to take a different role elsewhere in the company.

Approximately 20% of CSOs leave to retire, although many never really retire, choosing instead to mentor young people, teach, consult, write, or even start their own business. Veteran CSOs have found the <u>transition to retirement can be difficult</u> because of how much they associate their identities with purpose-focused work. However, those who find new ways to deploy their skills and experience while appreciating their time off are <u>flipping the script on retirement</u>, viewing it as an opportunity to live their values, enjoy life, and share their wisdom when called upon to do so.

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In following the career path of CSOs over the past decade, we have seen a trend in some companies deciding to eliminate the CSO position—a somewhat contradictory trend to the uptick in companies hiring their first-ever CSO in recent years.



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Of the 29 original CSOs we profiled in 2011, five are still at the helm, and 24 have left their post. Of the companies where the CSOs left their post, 33% did not replace the CSO.

While we didn't ask companies why they elected not to maintain their CSO position, several different possibilities could explain this trend. First, it's possible that the former CSO was promoted into a position of higher responsibility that included sustainability as well as other roles, obviating the need for the CSO position. This is in line with the insights we gained from CSOs who told us that sustainability has risen in importance within business broadly.

Another possibility is that the company deemed the CSO role no longer necessary. Perhaps the CSO was a "builder," responsible for assembling the program and defining the issue areas and programs, and now companies believe only implementation and maintenance are needed. This may be especially true if sustainability is more deeply embedded into the company, and other senior company officials own leadership of these issues. The last possibility is the appointment of a new CEO, whose priorities may differ when it comes to sustainability.



# What Will the Next 10 Years Hold?

If 2020 taught us anything, it's to expect the unexpected. In that spirit, we asked CSOs to tell us which issues they think will become dominant over the next 10 years. Nearly 30 CSOs responded. Here are the issues they identified on the horizon:

Climate and environmental justice: Many CSOs see the link between the worsening effects of climate change and environmental justice, which seeks to focus on the people most vulnerable to environmental impacts, including low-income communities and people of color. Ecolab CSO Emilio Tenuta noted the "convergence of climate and social issues," and Colgate-Palmolive CSO Ann Tracy added that "more vocal climate activism" will hold sway. Other CSOs identified the need for decarbonization and more robust climate action plans, particularly around Scope 3 value chain emissions and plans to achieve net zero or even zero carbon targets.

Racial justice, equity, and inclusion: In addition to noting the importance of environmental justice, a number of respondents identified racial justice, equity, and inclusion as focus areas. As noted earlier, given the lack of racial diversity in this field, it is important for sustainability leaders and recruiters—including the Weinreb Group—to prioritize racial diversity, racial justice, and equity.

**Circular economy:** CSOs believe the circular economy, which works toward zero waste, particularly around plastics, will gain more momentum. Levi Strauss & Co. CSO Jeff Hogue said that his company is already integrating circular economy principles into business systems: "Circular economy is an important part of our overarching sustainability strategy—where the concepts have been integrated into how we design products to ensure they can be used more; are made to be made again; and are made from safe, recycled, and renewable inputs." Owens Corning CSO Frank O'Brien-Bernini added that the circular economy more broadly is key to "creating market pull for sustainable solutions and innovating new business models that will drive scale."

**Transparency:** Several CSOs said they expect the proliferation of disclosure standards and the demands for more disclosure, particularly from investors around ESG issues, to continue over the next 10 years. One CSO said expectations were rising around supply chain transparency. This dovetails with climate change as an issue area, and the rising demand for transparency around Scope 3 emissions.

AT&T's Charlene Lake captured the challenge everyone in the field may feel trying to predict the future: "How I wish it was only one issue that would dominate the discipline! I think the challenge is that multitudes of social and environmental issues will flare over the next decade. Corporations will continue to angst over how and where to draw the line of engagement—if it can be drawn at all—continuing the tug-of-war between the art and science of the discipline."

Circular economy is an important part of our overarching sustainability strategy—where the concepts have been integrated into how we design products to ensure they can be used more; are made to be made again; and are made from safe, recycled, and renewable inputs."

- Jeff Hogue Levi Strauss & Co. CSO



# Methodology

- · Our current list of CSOs was compiled using searches on LinkedIn, Google, and Google News.
- We followed these criteria: The company is publicly traded in the U.S., the executive's title includes chief sustainability officer, and the executive is based in the U.S.
- We sent surveys to 95 identified CSOs during January-March 2021 and received 33 responses.
- · Note that numbers are current as of March 2021.



# **Appendix**

# CSO Job Description Samples

This appendix includes two sample CSO job descriptions. The first position, is broad and covers building out the sustainability strategy, embedding it through the business, engaging with investors and managing a team. The second position is the more senior of the two and highlights the opportunity a CSO has to influence change by inspiring a sustainability evolution within a company. We want to thank Coro Strandberg for helping us put this section together.

# **CSO Sample Job Description 1**

### **ABOUT THE POSITION**

The chief sustainability officer is responsible for leading the company's sustainability efforts, driving long-term company and stakeholder value creation and protection. The CSO builds effective stakeholder relationships to scale sustainability innovations that strengthen our supply chain and attract resources, capital, and partnerships. The position leverages sustainability data to build investor relationships, inform risk management and corporate strategy, and innovate new value propositions. The role equips leaders, functions, and employees to contribute to long-term growth and efficiency, and drive results through sustainability knowledge, expertise, and innovation.

### **RESPONSIBILITIES INCLUDE**

### Sustainability Strategy

- Lead the development and implementation of the company's enterprise-wide sustainability strategy, which includes a short-term business plan and a long-term sustainability vision and goals, targets, and metrics.
- Support the board and CEO to understand the emerging ESG trends, risks, and opportunities to inform the corporate strategy and demonstrate how the company is responding, where its gaps are, and opportunities to leverage the company's position for sustainable and responsible growth.
- Ensure strategic acquisitions help deliver on the company's long-term sustainability targets and ambitions and align on its strategic sustainability direction.
- Through scenario analysis and other foresight approaches, assess trends, risks, opportunities and best practices, engage internal and external stakeholders, and determine strategic direction.
- · Coordinate and implement a corporate-wide plan, and design programs and budgets to achieve sustainability goals.
- Contribute sustainability expertise and insights in leader strategy discussions and collaborate with corporate leaders for sustainability strategy implementation.
- · Coordinate a VP-level cross-functional sustainability committee reporting to the executive leadership team.
- Maintain a portfolio of sustainability innovations, collaborations, and projects as test-sites for future sustainability strategy—e.g., biodiversity, regeneration, and circular roadmaps; leverage prototypes, investments, and collaborations that drive efficiencies, long-term growth, and investment capital into future strategy iterations.
- Develop resiliency strategies to inform risk governance, enterprise risk management, and corporate strategy so that the organization can respond to changing conditions for the long term, such as climate change. Identify and address emerging ESG trends that can affect future business performance.

### Internal Sustainability Transformation

- Lead best practice employee and functional/departmental engagement program and initiatives to embed sustainability innovation in the culture, motivate employees, and realize cost avoidance and savings.
- Lead programs, initiatives, and communications to transition the company to become a sustainability-integrated and aligned
  organization to attract, retain, and engage employees and generate innovation.
- Provide strategic leadership and expert knowledge in embedding sustainability across the organization, including functional, business unit, and departmental-level strategies and mandates.

## Investor Engagement and Sustainability Data & Disclosure Management

• Develop world-leading investor ESG value proposition leveraging data, innovation, performance, and ratings to engage investors on the company's carbon-led business model transformation.



- Lead the company's sustainability data intelligence program to inform decision-making; enterprise risk management; scenario analysis and modelling; and business planning, forecasting and back-casting, and capital expenditures.
- Steward the company's approach to integrated reporting and demonstration of how it creates value for all of its stakeholders and leverages its capital and assets for sustainability and low-carbon solutions.
- Lead the development of innovative metrics that enable the company to steer and report on its business model and value creation transformation, such as science-based and context-based metrics; impact valuation; and natural, social, and human capital accounting systems.
- Lead the publication of sustainability disclosures aligned with international standards and global best practices that continue to position the company as a leader in sustainability disclosures.

### Management

- Plan, direct, and coordinate operations of the sustainability group, including building the team and overseeing the selection and development of highly skilled, effective, and engaged staff and consultants for optimum performance.
- · Manage an annual operating budget and capital budget.
- · Design and execute a team management and matrix model, and plan and budget across the organization to achieve results.

### **EXPERIENCE**

- · Minimum 15 years of sustainability strategy development, implementation, and performance reporting or disclosure experience.
- 15 years experience in sustainability strategy development and ESG disclosures; understanding of emerging regulations and evolving stakeholder expectations.
- · Embedding sustainability in organizational culture and linking sustainability to financial performance.
- · Initiating and leading carbon transition innovation processes and projects.
- · Mobilizing internal and external stakeholders and resources on collaborative sustainability innovations.
- · Leading industry transformation and business model transition.
- Experience with government relations, marketing and sales, public affairs, communications, operations, facilities, community relations, human resources, procurement, risk management, finance, accounting, and investor relations.

### Education/Certification/Designation

· Master's degree in business administration (MBA), sustainability management, or equivalent.

# **CSO Sample Job Description 2**

### **ABOUT THE POSITION**

We are looking for someone to ensure we lead the industry in social and environmental sustainability, in a way that advances our goals, brand reputation, and values. The chief sustainability officer (CSO) will lead achievement of our environmental vision, promoting it across all departments and into our culture, acting as catalyst, guide, and influencer with leadership. You are directly responsible for ensuring Company X leads in supply chain, social, and environmental sustainability, from raw materials to consumer use.

**Reporting lines:** Reporting to directly to the CEO, the CSO leads Company X's entire sustainability evolution from compliance and efficiency to innovation. You will lead a team of 2-5 direct reports at the VP level who oversee an extended team of up to 50 people across the company. As sustainability touches every area of the business, strong influencing skills are required to be successful in this role.

**Governance and ESG:** Serving as part of Company X's executive leadership team, you will also run the ESG committee of the board of directors and serve as the in-house expert on sustainability reporting and ESG strategy as it relates to investor calls and disclosure strategy.

**Sustainability Focus:** You will oversee enterprise-wide environmental sustainability strategy development and embed environmental sustainability into business and departments; oversee overall supply chain strategy and implementation; advise senior management; represent the company with external partners, including representing the company on external organizations and serving as spokesperson with media on social and environmental sustainability issues.



**Corporate Citizen Focus:** As a global company, we expect you to drive corporate citizenship efforts, including charitable giving through our corporate foundation, employee engagement, and by committing brand funds to tackle issues that align with the causes we care about.

### **RESPONSIBILITIES INCLUDE**

### Internal:

- You will develop and implement the strategy of outstanding supply chain social and environmental sustainability standards and programs from farm to consumer.
- · Design and execute global strategic and annual business and financial plans for supply chain social and environmental sustainability.
- Oversee a large corporate citizenship program, including philanthropic grants, employee engagement, and committing brand funds to support nonprofit partners. You will raise awareness through marketing and engaging employees to take action in their own communities.
- · Assess competitive landscape to ensure our programs are leading.
- Represent sustainability function on internal executive leadership team, influencing on social and environmental sustainability and ensuring alignment with each team's goals.
- Set targets, measure, and assess global and regional performance, partnering with leadership team to ensure mutual goals
  are achieved.
- · Manage labor, environment, health, and safety risks within supply chain.
- · Create Company X's environmental vision with all teams.
- Advise business leaders on strategy and priorities, supporting them to embed into their business plans, initially focused on sustainable product, retail, and corporate footprint.
- · Influence adoption of leading sustainability practices throughout the company through research and development.
- · Guide staff function in how to best help develop sustainability culture and infrastructure (HR, IT, finance, corporate affairs, etc.).
- · Advise internal leaders, including the CEO, on overall environmental sustainability vision.
- · Provide regular updates to the ESG committee of the board of directors.

## External:

- · Always assess competitive landscape to ensure relevance of environmental vision and strategies.
- Develop coalition and influence important partners (companies, NGOs, labor, or governments) to support our programs and interests on sustainability.
- · Advise corporate affairs on sustainability issues.
- · Be the spokesperson on sustainability issues with media, partners as needed.

### REQUIREMENTS

- 10+ or more years of senior-level experience leading corporate social responsibility/code of conduct/environmental health and safety in a multinational company, NGO government, or multilateral organization.
- · International work/living experience suggested.
- · Experience managing complex organizations and projects with people of diverse functional and cultural backgrounds.
- Global leadership experience; knowledge of and work experience in other cultures; strategic planning, organizational development, and financial management experience.
- Deep knowledge of social and environmental sustainability, including environmental issues, human rights, code of conduct implementation, industrial health and safety, corporate social responsibility, external relations, and NGOs.
- · Ability to conceive and accomplish strategies and influence senior executives in a global corporation.
- · An advanced degree in public policy, law, business, or relevant discipline.

Company X is an Equal Opportunity Employer and is committed to diversity in its most inclusive sense.



We are a boutique retained executive search firm recruiting corporate sustainability leaders, Chief Sustainability Officers, Chief Climate Officers and ESG professionals.

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