



2022 SUSTAINABILITY FUNCTION BENCHMARKING SURVEY

EXECUTIVE SUMMARY

Any company serious about competing in the climate-conscious economy must have an effective sustainability function. Yet The Climate Board's members and research network consistently report great uncertainty about the resources, responsibilities, and relationships that function should have.

We conducted a survey to understand how companies around the world are addressing these unresolved questions.

Our analysis reveals that sustainability functions have wind in their sails when it comes to funding patterns and executive attention. **Budgets are growing** and sustainability often works closely with top leadership.

At the same time, it lays bare a dangerous disconnect between stated goals and concrete action, especially when it comes to climate. **Ambitious goals are more than twice as common as meaningful action.**

Finally, it suggests that sustainability functions, when **properly resourced and integrated, can help to bridge that gap.**

Leaders aiming to conform to (or to outperform) a well-established standard will be disappointed that even similar companies often have wildly different conceptions of the sustainability function. But those seeking insight into drivers of success and failure should appreciate that variety. The results of our survey are intended to inform wiser and more confident decisions that lead to more effective sustainability functions and more robust climate action.

The full report contains question-by-question detail on survey outcomes, 11 of our findings on structure, resourcing, leadership, and scope for sustainability departments across organizations, and The Climate Board's take on these findings.

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11 Findings from the 2022 Sustainability Function Benchmarking Survey

Roles, responsibilities, and challenges

- 1 Motivating internal change and defining ROI are common challenges—and they aren't unrelated.
- 2 Sustainability functions tend to have direct responsibility for goalsetting and communication tasks, while advising others on implementation.

Funding, staffing, and supporting resources

- 3 Larger companies don't necessarily spend more on their sustainability functions, but those that do feel more confident.
- 4 Larger companies tend to have larger sustainability teams, and team size is correlated with self-reported success.
- 5 Most companies are allocating more resources to the sustainability function over time—and often substantially.
- 6 Sustainability teams often have access to supporting resources, including resources funded by other functions.

Sustainability leadership

- 7 While a slight majority of companies are entrusting sustainability leadership to relatively junior staff, VP or C-suite titles are almost as common.
- 8 Companies are most often betting on ESG expertise when choosing sustainability leaders. Other kinds of expertise critical to success may be less well represented.

Archetypes of organizational structure

- 9 Internally-facing functions drive practical change but are potentially under-resourced.
- 10 Externally-facing functions are relatively well-equipped, at least for measuring and reporting.
- 11 CEO-reporting functions are small, potentially siloed, but brimming with confidence.