

Shaping the Sustainable Organization

How responsible leaders create lasting value and equitable impact for all stakeholders



In collaboration with the
World Economic Forum

Decoding Sustainability DNA to deliver value and impact for all stakeholders

Business leaders are under intense pressure to deliver financial value along with sustainable and equitable impact. The COVID-19 pandemic has intensified their challenge, setting back progress against the UN's Sustainable Development Goals (SDGs).¹ It has also increased scrutiny—from consumers, employees and investors alike—on the role of business in addressing the world's most pressing problems.

But the scale of the social and economic upheaval precipitated by the crisis also offers a strong impetus for change. We have already seen unprecedented government and business action.

Of 1,122 CEOs surveyed by the UN Global Compact in 2021, 79% said the pandemic has highlighted the need to transition to more sustainable business models.²

Now is the time to shape the sustainable organization, building on this momentum to accelerate progress, with the SDGs acting as the North Star.

The vision, ambition and commitment of those at the helm of organizations are crucial in this endeavor. In "[Seeking New Leadership](#)," our first report in this series, we identified the qualities critical to leadership teams seeking to deliver on the promise of stakeholder capitalism. In this report, Accenture and the World Economic Forum explore how to build more sustainable and equitable organizations—specifically, how leaders can convert their responsible goals and values into stakeholder-centric behavioral change at all levels.

Our analysis shows that leadership teams that build sustainability into the DNA of their organizations are better able to deliver financial value and wider stakeholder impact. In fact, those with the most deeply embedded sustainability management practices outperform peers by 21% on both profitability and positive environmental and societal outcomes.

¹ Accenture, 2021. "[Delivering on the promise of sustainability](#)";

² UN Global Compact, 2021. [UNGC-Accenture survey](#) of 1,122 CEOs across 113 countries and 21 industries;

The report [Shaping the Sustainable Organization](#) marks the next stage of the collaboration between Accenture and the World Economic Forum's Young Global Leaders and Global Shapers communities, which aims to create a new and lasting framework for leaders to build sustainable organizations. Robust yet flexible, this framework will adapt as the next generation of leaders comes to the fore with evolving priorities and values. We invite readers to shape sustainable organizations that deliver lasting value and equitable impact for all.

"The sudden and all-encompassing impact of COVID-19 made us understand that we can't continue with an economic system driven by selfish values, such as short-term profit maximization, the avoidance of tax and regulation or the externalizing of environmental harm."

Klaus Schwab

Founder and Executive Chairman, World Economic Forum

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Executive summary

Leaders are often shaped by crises. And COVID-19 certainly raised the bar for leadership teams; many have broken with old practices to reconcile what were perceived to be competing stakeholder priorities and achieve in weeks what previously took years. This willingness to drive rapid organizational change for the benefit of all stakeholders embodies responsible leadership.

But can organizations harness these recent breakthroughs in leadership and innovation to realize the full potential of their organizations more broadly and permanently? As employees, customers, investors and wider society press their legitimate demands, how can leadership teams build sustainable organizations that consistently deliver greater financial value and social and environmental impact? And how can they start helping their own people to thrive and engage in purpose-driven behavior?


Business leaders are alert to the challenge. In a 2020 study by Accenture, for example, **73% of executives said that becoming a “truly sustainable and responsible business” was a top priority for their organization over the next three years.**³ Fulfilling these ambitions requires significant organizational transformation, including reimagining business models, operating models and talent strategies.

The success of such change rests upon a tangible commitment to stakeholder-centricity. However, **the intentions and values of leadership teams often outrun the capacity of their organizations** because they lack the relationships, insights and widespread organizational support to reconcile the diverse needs of employees, customers, investors and others.

To meet this challenge, [our previous report in this series](#) presented a particular set of qualities and values that high-performance leadership teams draw on—what we call the “five elements” of responsible leadership. But transforming these noble principles into pervasive and lasting change requires new behavioral and decision-making capabilities.

[This report](#) explores the foundations of these stakeholder-centric organizations: a set of management practices, systems and mindsets—spanning process, people and culture—that we call “Sustainability DNA” (see Figure 2).

Crucially, our analysis shows organizations with stronger Sustainability DNA tend to deliver higher financial value and greater environmental and societal impact.



Sustainable organizations are purpose-led businesses which inspire their people and partners to deliver lasting financial performance, equitable impact and societal value that earns and retains the trust of all stakeholders.

The inflection point of change

Our research suggests that Sustainability DNA drives three key behavioral changes:

- 01 First, it fosters **“human connections”** by sensing and championing the values and needs of diverse and often unheard stakeholders across the business ecosystem.
- 02 Second, it boosts **“collective intelligence”** by developing decision-making processes focused on diverse stakeholders.
- 03 And finally, it helps to build **“accountability at all levels,”** so that delivering broad-based stakeholder value becomes the responsibility of all employees.

³ Accenture Survey of 4,051 CXOs in 13 markets; conducted in October 2020

Sustainable organizations deliver value and impact

Working with Arabesque S-Ray, an environmental, social and governance (ESG) data provider, we built an index to assess the apparent strength of the Sustainability DNA of almost 4,000 companies. Subsequent analysis shows that top quartile companies outperform those in the bottom quartile by more than a fifth on both average EBITDA margin and sustainability performance (see Figure 1). An in-depth analysis of how leadership teams around the world—including both Young Global Leaders⁴ and Global Shapers⁵—tackle specific challenges confirms the strength of this correlation:

Sustainability DNA is central to companies' ability to operate both profitably and mindfully.

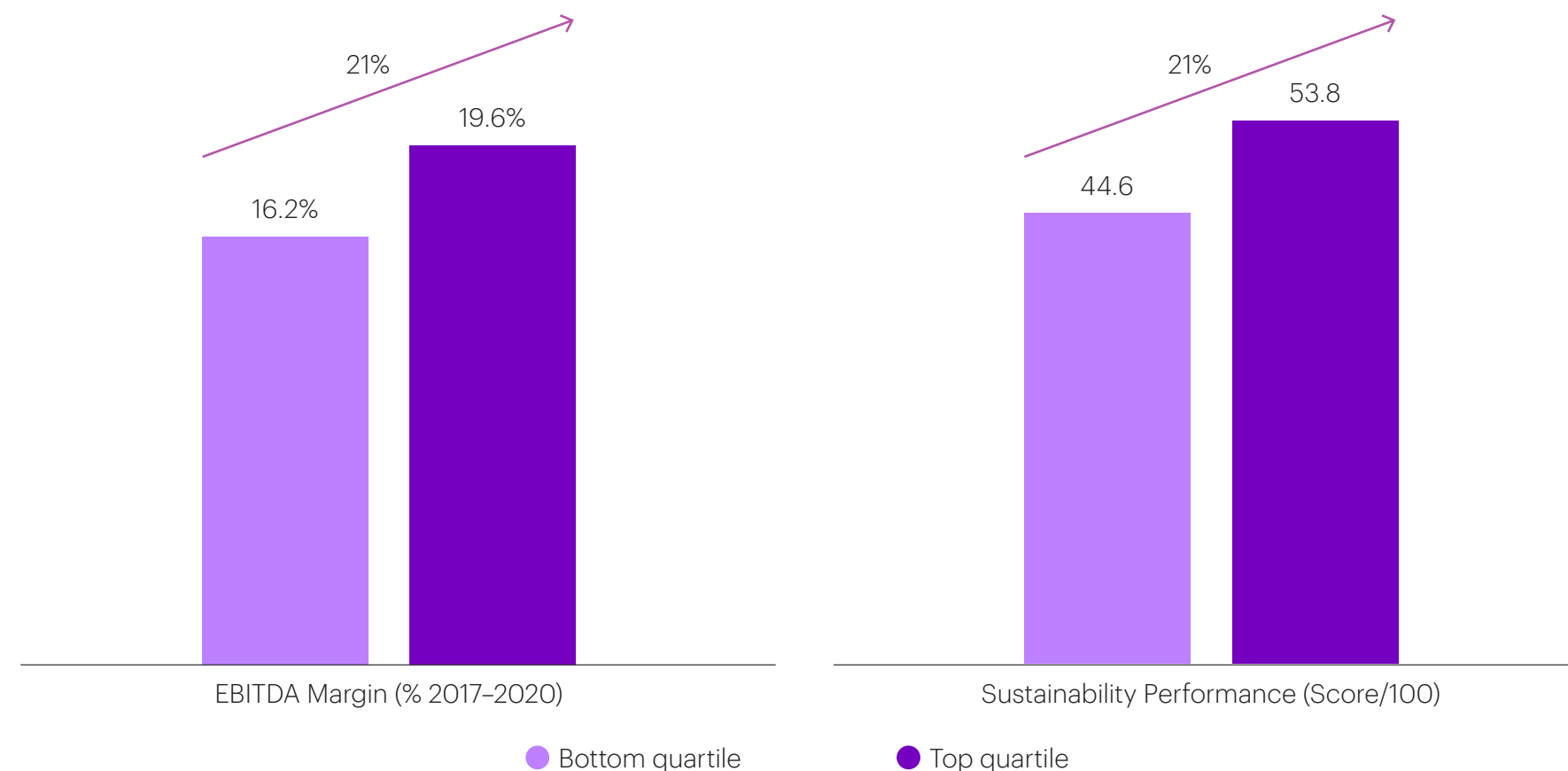
However, **the Sustainability DNA of many organizations remains relatively weak.** The average score, globally, is 52 (out of 100), highlighting the opportunity for leadership teams looking to drive value and impact. Overall, companies are stronger at driving human connections, reflecting their ability to engage stakeholders. But they are weaker at building collective intelligence, suggesting a struggle to embed stakeholder perspectives in decision-making processes.

⁴Young Global Leaders

⁵Global Shapers

Companies with stronger Sustainability DNA are more likely to deliver financial value and a lasting positive impact on society and the environment

The EBITDA margin of top quartile companies on our Sustainable Organization Index is 21% higher (+3.4 percentage points) compared with the bottom quartile. Their sustainability performance is also 21% higher (+9.2 index points).



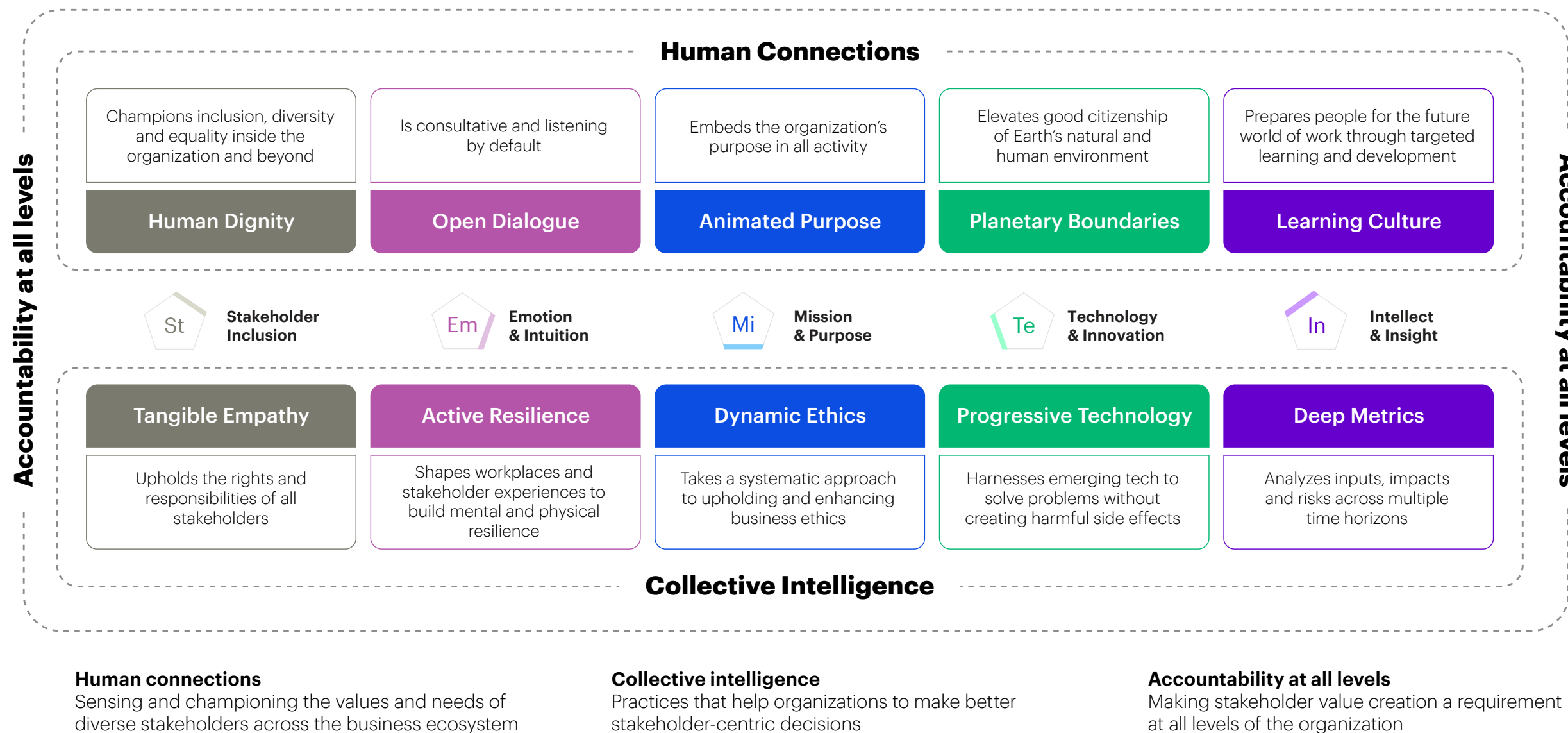
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Figure 1

Source: Accenture analysis; Arabesque S-Ray; S&P Capital IQ

It's all in your Sustainability DNA

Sustainability DNA is underpinned by 10 enablers that drive human connections, collective intelligence and accountability at all levels.



Operating sustainably and equitably is not an option—it's a business imperative

In this report, we show how leadership teams can strengthen and embed Sustainability DNA through a three-step process of rigorous behavioral change management and development.

We have also developed a data-driven diagnostic tool that provides a starting point to build sustainable organizations and realize the promise of stakeholder capitalism.

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To read the full report and access the Sustainable Organization diagnostic scan the QR code

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