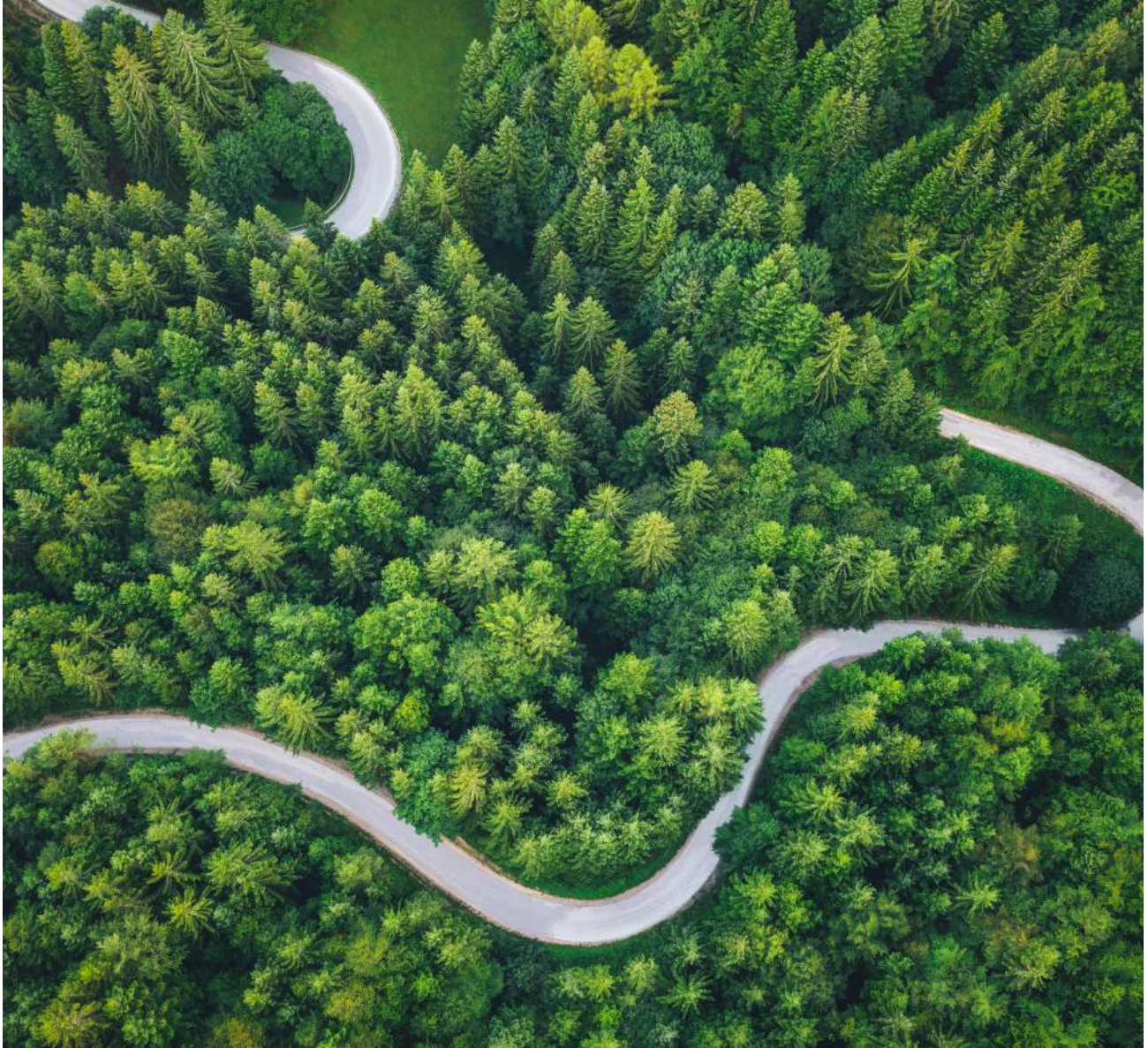
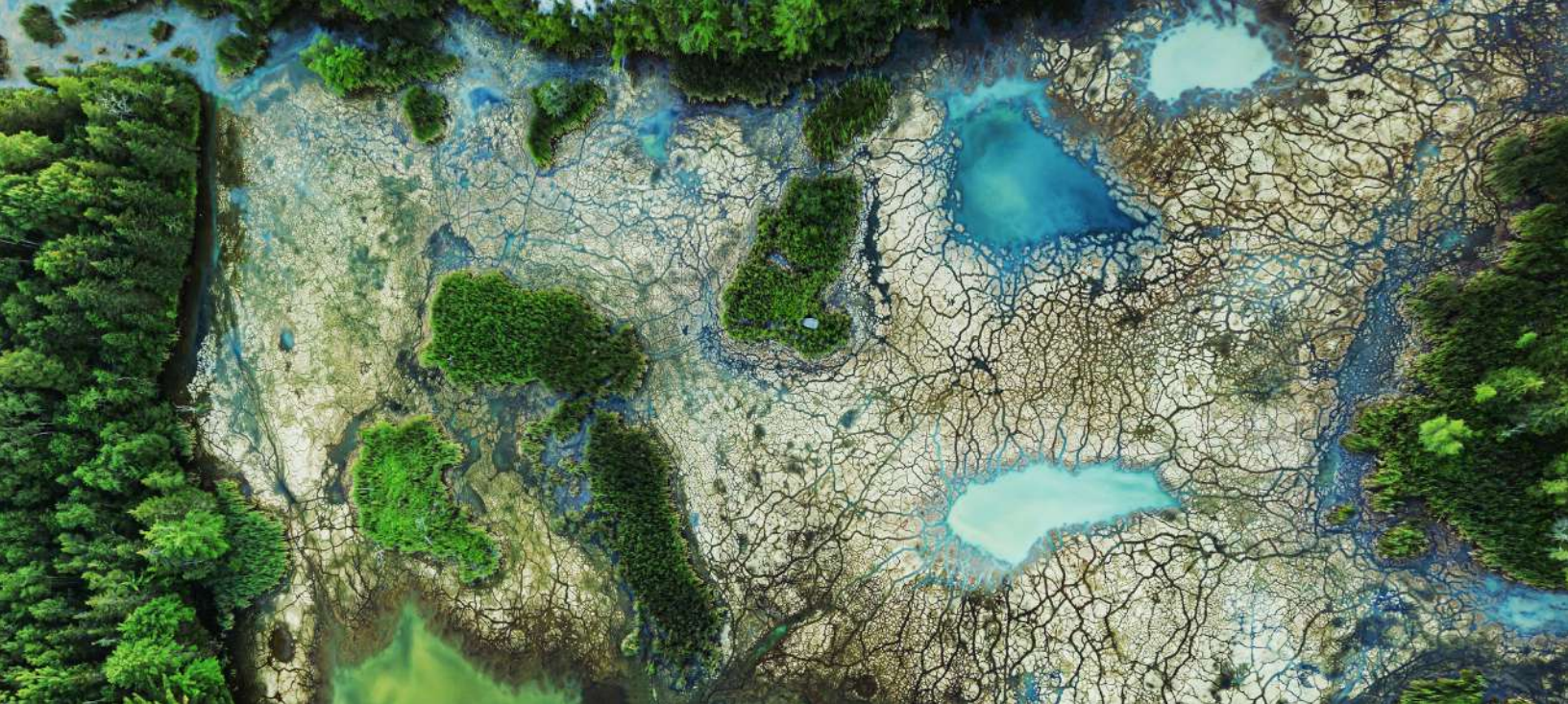


2021 SNAPSHOT OF  
**SUSTAINABILITY MATURITY**





## INTRODUCTION

Our world is in a state of profound transformation. Not long ago, millions of people around the world took to the streets to call for stricter climate measures, triggering tectonic shifts in the approach to sustainability by both governments and businesses. The European Union answered the call just weeks later and passed the European Green Deal, which set a 30-year deadline for climate neutrality on the continent. Last year, major players in Asia, including China, Japan and South Korea, followed suit. Now, more than 100 countries have set targets to achieve climate neutrality over the next several decades. In the private sector, companies like BP and Microsoft are setting their own emissions targets. Shell CEO Ben van Beurden declared 2019 the year of peak oil production, marking the dawn of a post-oil world.

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The general sense of urgency to address climate change is intensifying. For businesses, this means sustainability is no longer just a marketing bonus. Sustainable practices are table stakes to create long-term value and compete in the global economy.

But what does this mean in practical terms? What are companies doing today to set themselves up for a greener tomorrow? To get a snapshot of the state of sustainability in business, Sphera surveyed 133 leaders from companies across industries, including manufacturing, construction, education, au-

tomotive, oil & gas, technology and health-care. Conducted from September-November 2020, the Sphera Sustainability Maturity Survey helps establish a global benchmark for sustainability maturity in terms of commitment, strategy, implementation, measurement and reporting.

The findings, which were first shared at Sphera's Virtual Sustainability Summit, show companies around the world are prioritizing sustainability, but in many cases, implementation lags behind commitment.

# KEY FINDINGS

## FOUR IMPORTANT INSIGHTS FOR BUSINESS LEADERS IN 2021:

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### 1. Organizations are optimistic about early progress in sustainability.

While we are witnessing a newfound acknowledgement of the critical risks of climate change, the idea of corporate sustainability certainly isn't new. In fact, many respondents considered their organizations relatively far along on their journey to sustainability. This widespread confidence indicates companies are engaging in the transformation across industries, which is promising. Yet with climate targets still decades away, we are early in the game. Businesses may find the path to sustainability is not as straightforward as it appears.

### 2. Sustainable practices lag behind commitments.

As businesses embrace the long-term strategic benefits of corporate sustainability, we have seen a surge in public commitments to climate goals. The survey underscores this trend with encouraging findings that show most companies are discussing climate commitments internally at both the strategic and product development levels. However, responses also indicate there is still work to be done. Many companies are poised for the next step: **Putting those commitments into action.**

### 3. Transparency is a top priority.

Sustainability efforts have historically lacked a standardized, evidence-based framework for climate goals, which has made it difficult for businesses to set meaningful incremental targets and gauge progress. Our survey suggests the tides are turning on this issue, with most companies already reporting publicly on sustainability and many engaging with science-based emissions reduction targets to help convey progress.

### 4. The window of opportunity to digitalize sustainability efforts has opened.

The pandemic has accelerated digital transformation across the value chain. However, when it comes to sustainability, digital technology is nascent at best for most companies. This strains transparency efforts, limits investment leverage and slows strategic agility going forward. It's clear digitalization of sustainability processes will be one of the first major thresholds for success in sustainability.



# RESULTS

## COMPANIES ARE OPTIMISTIC ABOUT PROGRESS IN SUSTAINABILITY TO DATE.

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When we asked business leaders to gauge the maturity of their organization's sustainability efforts, most considered their firms relatively mature, despite that the general consensus for climate action in the private sector is still recent. Nearly half of respondents (**44%**) saw their companies as leaders in this area, with sustainability fully integrated into business DNA, and their organizations poised to shape the future and transform their industries. Another third of respondents (**34%**) reported sustainability efforts were helping optimize processes, boost innovation, increase productivity, improve value chain efficiency, and build brand value.

Fewer respondents felt their organizations were in the early stages of the sustainability journey. Just one tenth of respondents said that their organizations are involved in sustainability efforts insofar as to remain compliant with legal and policy requirements. One-sixth of respondents characterized their organizations as just beyond the compliance stage, beginning to leverage sustainability to help bring down costs and reduce risk. We consider these results a positive indicator that most companies are now pursuing sustainability in earnest as a core part of corporate strategy.

**44%**

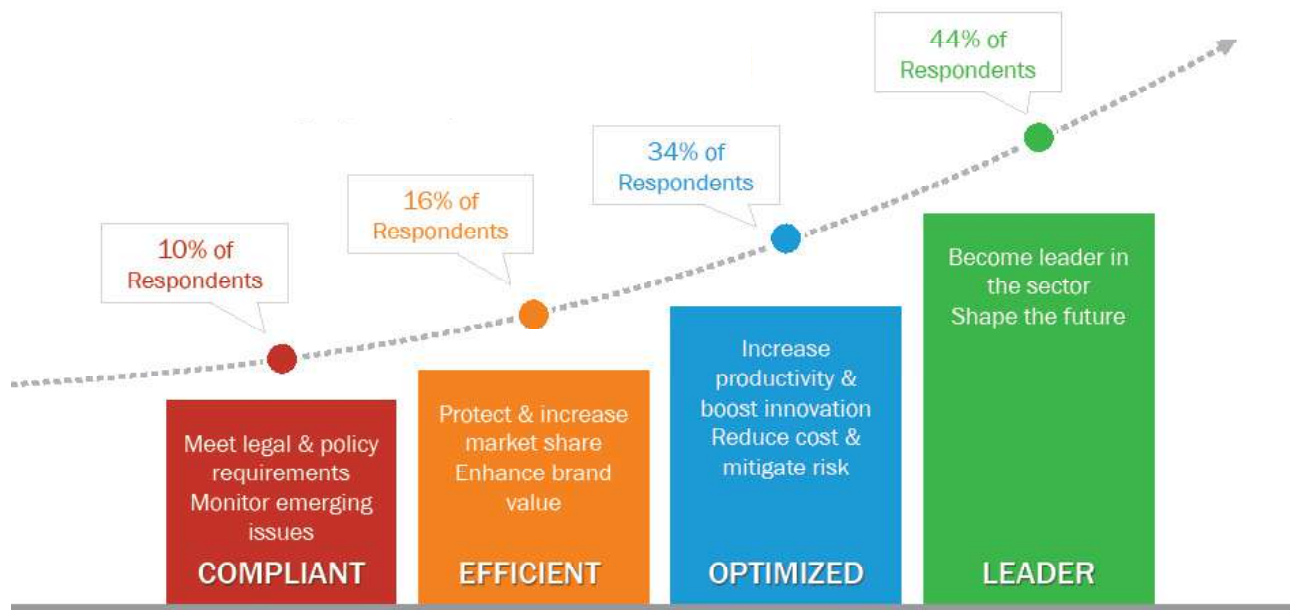
saw their companies as leaders in this area, with sustainability fully integrated into business DNA, and their organizations poised to shape the future and transform their industries.

**34%**

reported sustainability efforts were helping optimize processes, boost innovation, increase productivity, improve value chain efficiency, and build brand value.



## Q1: HOW FAR ALONG IS YOUR COMPANY IN THE SUSTAINABILITY JOURNEY?



\*n = 133

# BUSINESS PRACTICES ARE STILL CATCHING UP TO COMMITMENTS.

Many companies have put a stake in the ground and declared sustainability a priority, but not all organizations have followed up yet with operational change. Most respondents (**87%**) said senior leaders had made strategic commitments to sustainability, yet just **53%** of respondents confirmed that a strategic sustainability plan existed. A similar pattern emerged in product development. Seventy-one percent of respondents said leadership had committed to integrating sustainability into product development, but only **59%** said their companies had incorporated this perspective into the product innovation stage.

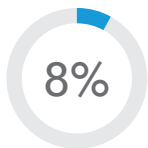
This discrepancy could be explained in part by organizations with new climate commitments. At least some of the gap between pledge and practice is likely to close as those companies begin to map their sustainability journeys and take action. However, this gap does highlight one of the core challenges of corporate sustainability efforts – translating commitments into practical actions that drive results.



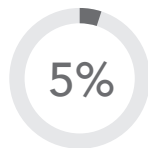
**Q2:** IS THERE A COMMITMENT FROM SENIOR MANAGEMENT TO INTEGRATE SUSTAINABILITY INTO THE COMPANY STRATEGY?



**YES**

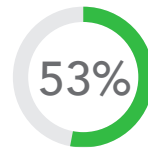


**NO**

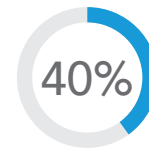


**DON'T KNOW**

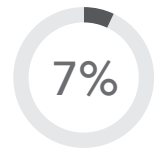
**Q3:** DO YOU HAVE A STRATEGIC SUSTAINABILITY PLAN THAT'S CLEARLY COMMUNICATED WITHIN THE COMPANY?



**YES**

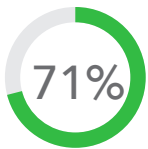


**NO**

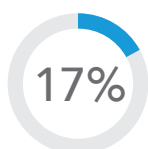


**DON'T KNOW**

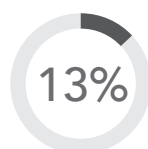
**Q4:** IS THERE A COMMITMENT FROM SENIOR MANAGEMENT TO INTEGRATE SUSTAINABILITY IN PRODUCT DEVELOPMENT?



**YES**



**NO**

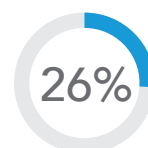


**DON'T KNOW**

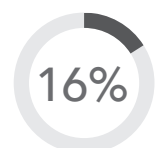
**Q5:** DO YOU USE A SUSTAINABILITY PERSPECTIVE IN THE PRODUCT INNOVATION PROCESS?



**YES**



**NO**



**DON'T KNOW**

# TRANSPARENCY IS QUICKLY BECOMING A STANDARD FOR COMPANIES SERIOUS ABOUT SUSTAINABILITY.

Our survey shows most companies **(70%)** already report sustainability information publicly. This indicates senior leaders recognize the need to put some skin in the game. While public reporting comes with the risks of accountability, it also creates an avenue to share successes with potential partners, customers, investors and talent.

To support transparency efforts, many companies have already started setting goals. Most respondents **(62%)** said their organizations had set and communicated sustainability targets. More than half **(52%)** of respondents said their companies

have submitted, or are in the process of setting, Science-Based Targets, which are reviewed against the latest climate science and standards of the Paris Agreement for validation from CDP, the United Nations Global Compact, World Resources Institute and the World Wide Fund for Nature. The Science-Based Target initiative gives companies a framework and platform to gauge, track and share progress with other companies that have signed on. Whether organizations choose to join this initiative or not, setting realistic, ambitious targets is the first step toward charting an actionable path to a greener future.

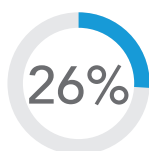




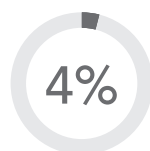
**Q6:** DO YOU COMMUNICATE SUSTAINABILITY INFORMATION PUBLICLY IN A SUSTAINABILITY REPORT?



**YES**

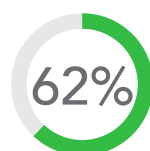


**NO**

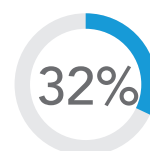


**DON'T KNOW**

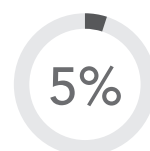
**Q7:** HAS YOUR COMPANY SET AND COMMUNICATED SUSTAINABILITY TARGETS?



**YES**

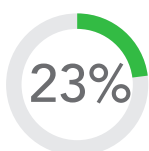


**NO**



**DON'T KNOW**

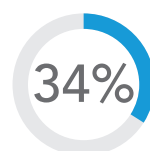
**Q8:** ARE YOU CONSIDERING SETTING A SCIENCE-BASED TARGET?



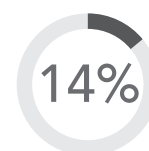
**YES, WE HAVE SUBMITTED A TARGET ALREADY**



**YES, WE ARE IN THE PROCESS OF SETTING A TARGET**



**NO, WE ARE CURRENTLY NOT PLANNING TO SET A SCIENCE-BASED TARGET**



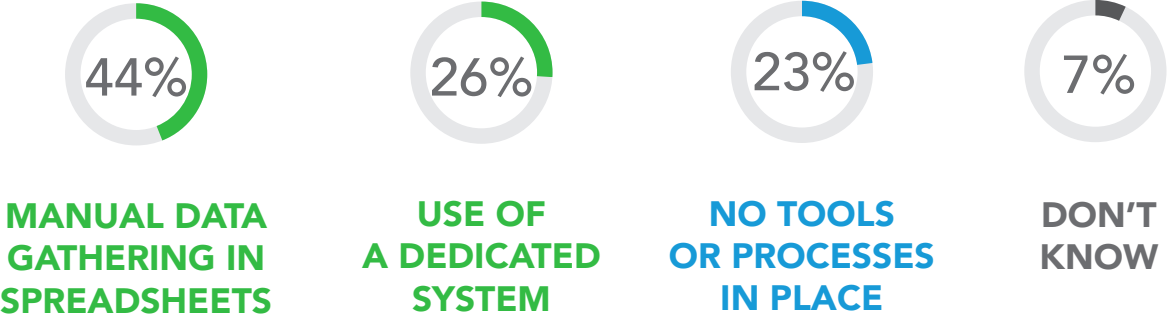
**DON'T KNOW**

# SUSTAINABILITY IS READY FOR A DIGITAL TRANSFORMATION.

Our survey shows businesses have largely not invested in technology to support sustainability efforts. About a quarter (26%) of respondents said their organizations use dedicated systems to manage sustainability performance. Instead, most are managing this work by manually entering data into spreadsheets, or most concerning, without any tools or processes in place.

Knowing the momentum behind this transformation, this gap between theoretical dedication and the practical implementation of digital tools was surprising and could become a major vulnerability for businesses planning to scale sustainability efforts in the future.

## Q9: HOW DO YOU MANAGE YOUR COMPANY'S SUSTAINABILITY PERFORMANCE?



# CONCLUSION

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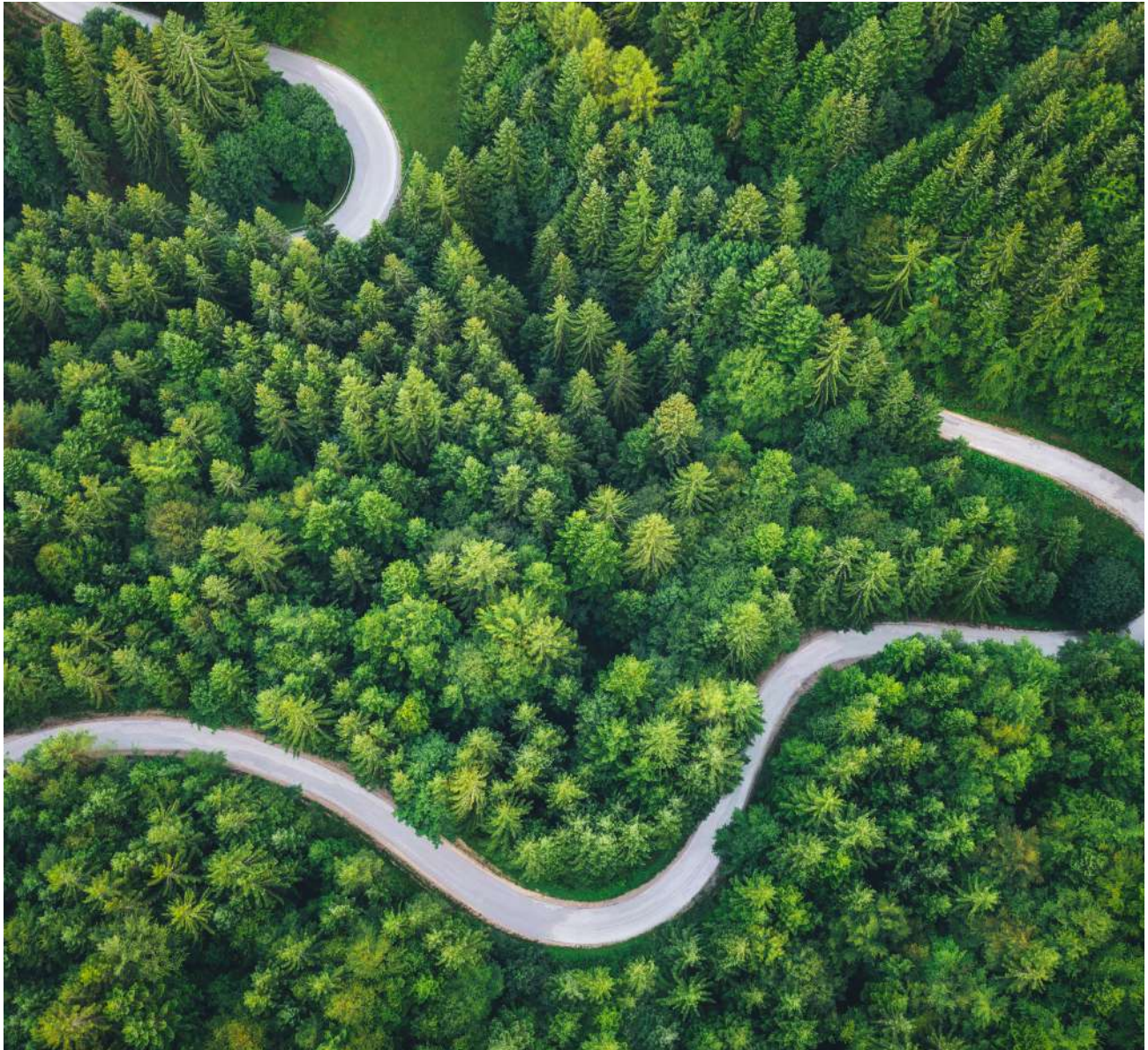
The Sphera Sustainability Maturity Survey confirms that the private sector truly recognizes the critical risks of climate change today and is committed to making a change at all levels. It shows us that companies understand the importance of setting targets and sharing their performance with shareholders, customers and the public. Still, it is clear opportunity exists to put more sustainable practices into action at both the strategic and product levels, and implement enterprise-level tools and processes to support these ongoing efforts. We found that despite widespread digital transformation in other areas of business, most companies are still relying on manual systems or scattered processes to manage sustainability performance.

**At Sphera, we believe the future of our climate is too important an issue to leave siloed in spreadsheets. Now is the time to accelerate sustainability efforts with digital tools that support automated data collection and transparent metrics, so businesses can quickly identify strategic performance opportunities and efficiently deploy resources toward their goals. With more accurate information and better insights, innovation is within reach.**



## About Sphera

Sphera creates a safer, more sustainable and productive world. Our innovative cloud-based risk management platform connects an unprecedented amount of information that leads to deeper insights across an enterprise. We operationalize, scale and optimize Integrated Risk Management strategies to help customers identify, manage and mitigate risk in the areas of Environment, Health, Safety & Sustainability (EHS&S), Operational Risk Management and Product Stewardship.



[www.sphera.com](http://www.sphera.com)

For more information contact us at:  
[sphera.com/contact-us](http://sphera.com/contact-us)

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