

Mainstreaming Sustainable Leadership

the next horizon for the world of work

Project Report



**SUSTAINABLE
LEADERS**

CEC

EUROPEAN MANAGERS

Mainstreaming Sustainable Leadership Report 2022

by CEC European Managers

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**SUSTAINABLE
LEADERS**

www.sustainableleaders.eu and www.sustainableleaders.ch

Sustainable Leadership for a world in transition



www.cec-managers.org

CEC European Managers

The voice of European Managers



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Foreword by Torkild Justesen

Secretary General of CEC European Managers



Our world is under pressure and we need to change direction now if we are to preserve hope for a sustainable future and avoid disaster for future generations. Climate, environment, health, gender equality and education are just a few of the issues we face. That's why **we need leaders who are capable of acting**, leaders who dare and who set a sustainable direction without hesitation.

This report is covering the conclusions and recommendations of the "**Sustainable Leadership Project**" led by CEC European Managers and co-funded by the European Commission. We explore why and how social partners, including CEC European Managers and its project partner Eurocadres, have piloted a pilot programme on Sustainable Leadership.

Every day, EU leaders in the public and private sector make millions of decisions that set the direction for our society and the lives of the citizens of the EU member states and beyond. Therefore, we must remember that **leadership makes a world of difference** and that leadership is one of the key elements in reaching the Sustainable Development Goals.

The model on Sustainable Leadership sets the necessary framework for what sustainable leadership is. It addresses how to turn good intentions into concrete actions and **develop sustainable leadership skills**. Furthermore, we highlight how the EU can step up on mainstreaming sustainability skills, as a precondition for making the EU Green Deal work.

We need new green competencies throughout the European workforce and we need to work hard at upskilling labour in all jobs. But as the report shows it is essential to **train all EU managers** to make sure that they have a natural understanding of how to integrate sustainable leadership in the managerial discipline. It is an ongoing

process involving vision, values, relationships, people, organization and society to make sure that all leaders have the tools and framework required to exercise sustainable leadership.

This report represents an important milestone on Sustainable Leadership. It has been a successful first step and sets a direction for more and new initiatives for the years to come. We need to change direction, need to change our mindset and in this way keep on developing the essential tools for a **sound foundation** of sustainable leadership within all EU member states and beyond.

We need to change direction, need to change our mindset and lay sound foundations for sustainable leadership in Europe.

It's time for Sustainable Leadership

Introduction

Leaders face unprecedented and interconnected challenges. From supply chain disruptions to geopolitical conflicts, from the biodiversity crisis to a global pandemic, from speculative finance to an economy in turmoil.

Paradoxically, the times are also full of opportunity. People want more sustainable lives. That's why thousands of companies have started their sustainability journey. We have a **green business boom**. Also sustainability measurement and impact reporting are taking off.

In politics, the EU Green Deal has shifted priorities. Yet today, the gap between what is needed and what is done is widening. Emissions keep growing, the sixth planetary boundary¹ has been crossed and our global economy is only 8.6% circular. The consequences of inaction become visible.

The downward trends are accelerating

Clearly: leadership-as-usual has failed to deliver. It is too often engaged in power struggles, problem denial and silo-thinking. Growing job insecurities, **high levels of stress and burnout** among managers and workers may contribute to maintaining this harmful status-quo.

Science says² we need radical transformation. And indeed, to protect present and future generations, we have to step into unknown territory. The challenge is nothing short of creating an economy and organisations that are designed to operate within planetary boundaries while being aligned to social needs.

A new leadership standard

At a time of disruption and chaos, we need a leadership that gives orientation, restores trust and drives positive action for a net-positive future. We need courageous leaders who understand challenges systemically, but also **walk the talk and deliver** – personally and professionally. Leaders who promote the management capabilities of teams to improve economic, social and ecological sustainability performance.

¹ The planetary boundaries concept has been developed by Johan Rockström and a group of 28 internationally renowned scientists. Crossing one of these 9 boundaries increases the risk of generating large-scale abrupt or irreversible environmental changes.

² The IPCC report 2022 highlighted the urgency for transformative change: "The scientific evidence is unequivocal: climate change is a threat to human well-being and the health of the planet. Any further delay in concerted global action will miss a brief and rapidly closing window to secure a liveable future."

Mainstreaming transition know-how

We need for-benefit businesses, trade unions co-shaping corporate strategy and new types of ecosystems that bring ecology, well-being and economic action together. We need the courage to experiment with new and diverse ways of leading, learning and organising.

That requires **building the necessary transition know-how** in the private, and also public and civil society sector. The challenge is nothing short of empowering the transition by mainstreaming sustainable leadership in the world of work.

Getting leaders and managers on board

There are roughly 10 million managers in the EU alone after Brexit. If we can get them on board to navigate the sustainability journey, the transition would benefit from **sustainability influencers on investors, policy-makers, strategic business development and staff**.

“Mainstreaming Sustainable Leadership” is dedicated to those leaders who want to move towards net positive impact on the economic, ecologic and social dimensions of sustainability – through sustainable leadership and governance.

It provides resources to understand the issues at stake, tackle key barriers and get inspiration from a **new leadership standard**. The report covers the conclusions and recommendations from the “Sustainable Leadership Project”, co-funded by the European Commission, and developed as “Sustainable Leaders” under the leadership of CEC European Managers together with its partners in the EU (Eurocadres, Lederne, ULA, MAS) and Switzerland (Swiss Leaders) and its working group on Sustainable Leadership.

“

The greatest danger in times of turbulence is not the turbulence. It is to act with yesterday's logic.

Peter Drucker

”



1 New Times

Leadership between urgency and opportunity

There is no doubt: a new compass is needed. More than ever, it's about thinking our complex challenges and opportunities together.

By building on our strengths, the EU has the potential to become a global leader in quality of life, sustainable production, and innovation for future generations. For that, we need to overcome the current leadership gap that prevents us from translating ambition into reality. And move to a new leadership standard to shape the transition.

This section takes a look at key trends of our time, while offering perspectives on today's leadership opportunities and the potential of sustainable leadership and work.

key chapters

NEW TIMES

NEW CHALLENGES

NEW LEADERSHIP

1.1. A planet at the tipping point

From global warming to a mental health pandemic – many leading sustainability indicators point in the wrong direction. Within only a few months, two additional critical life-system thresholds have been crossed in 2022. New data is showing that chemical pollution levels and water stress are far beyond safe limits for human and planetary health³.

On the economic side, the systematic externalisation of costs has started coming back to bite us in the form of climate risks, supply chain disruptions, zoonotic diseases and financial instability. It is becoming clear that business survival will be about creating value within profoundly new frameworks and conditions, shaped by ecological and social health and humanity's long-term economic needs.

The trends directly affect leadership across areas, including strategy, procurement or HR. Understanding how your professional activity impacts and is being impacted by economic, social and environmental factors is key to becoming future-fit. The resilience of business, wider society and natural environment are intertwined.

Six planetary boundaries crossed

Chemical pollution and green water levels have gone beyond safe limits for humanity in 2022

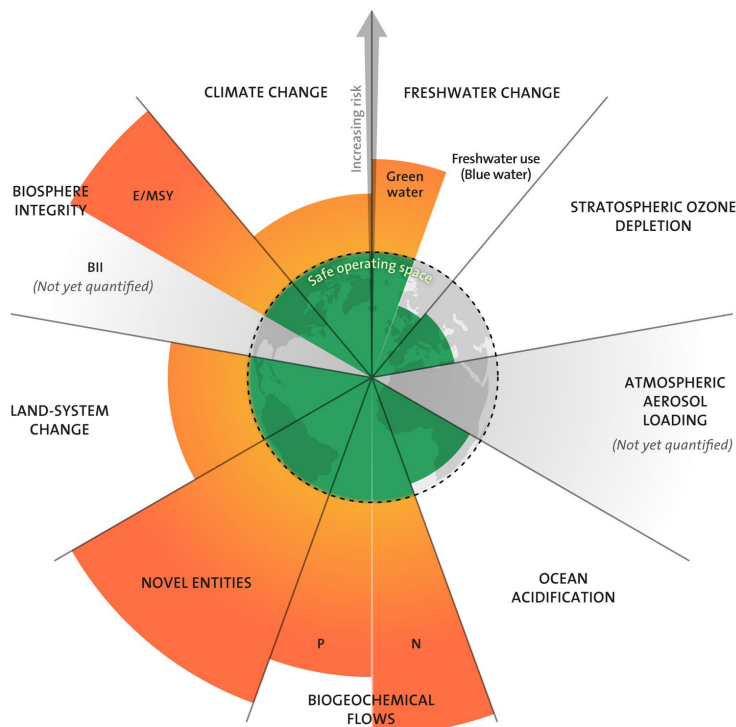


Figure 1: Planetary boundaries
Stockholm Resilience Centre April 2022

³ Sources: Stockholm Resilience Centre 2022
Chemical pollution - SRC January 2022
Green water stress - SRC April 2022



Leading indicators point in wrong direction

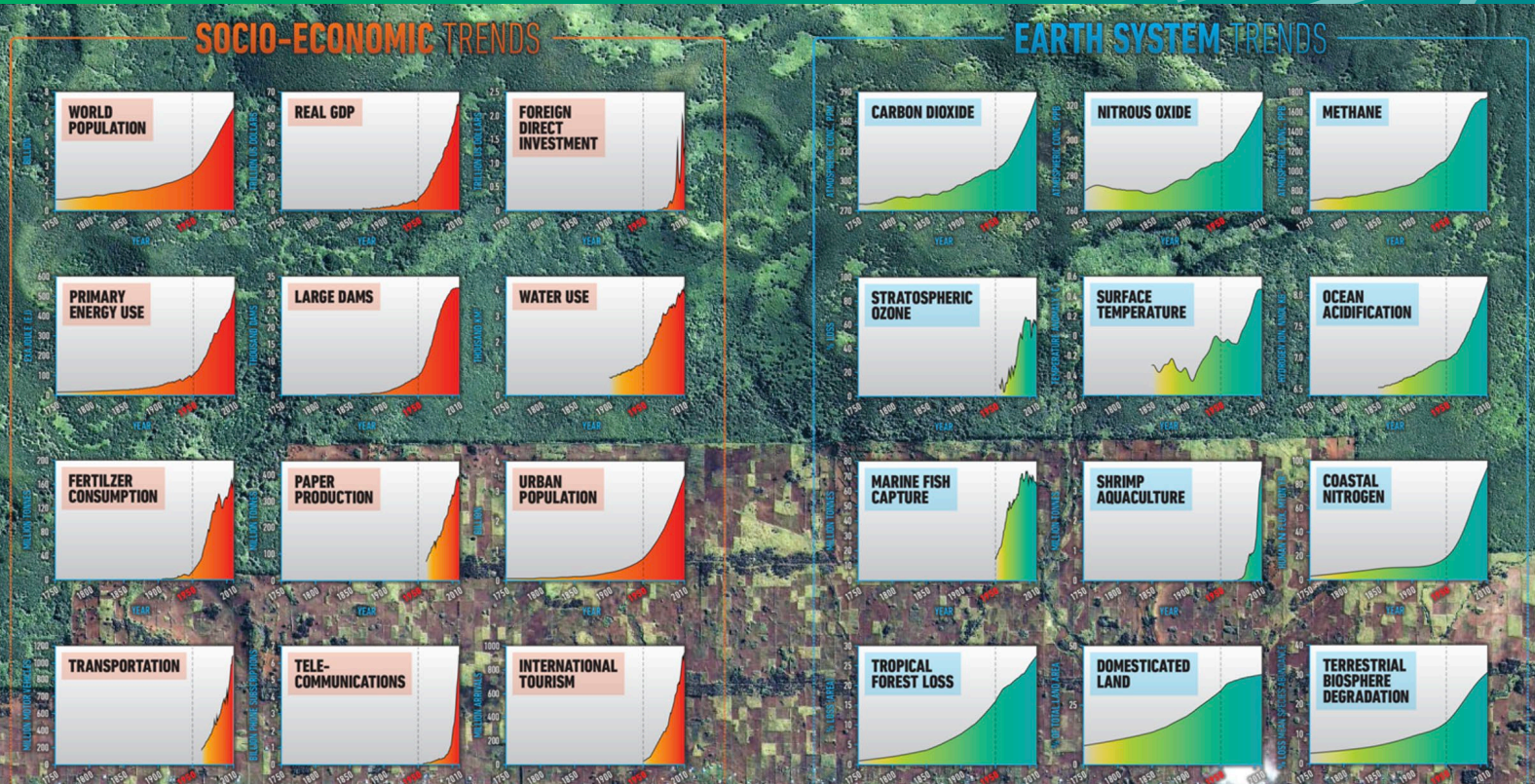
The planet has reached critical ecological, social and economic thresholds.

- Since 2020, the **technosphere*** outweighs the biosphere in total mass - [Nature Magazine 2022](#)
- **1 million species** are under threat of extinction - [UNEP 2019](#)
- The world economy is only **8.6% circular** - [Circularity Gap Report 2021](#)
- **80% of natural habitats** in the EU are in poor or bad condition - [European Environment Agency 2020](#)
- **22 - 50% of Europeans** feel **depressed** - [Eurofound 2021](#)
- 5 of the 10 most severe global risks are **environmental risks** - [Global Risks Report 2022](#)

*total mass of human-made matter (asphalt, concrete, metals, plastics etc.) compared with biomass (animals, plants, fungi, microorganisms)



Rethinking success systemically



source: anthropocene.info

The lack of sustainable action is mirrored by the Leadership Gap in Sustainability

Evidence on the gap in knowledge, skills, values and behaviours on sustainability among EU managers.*

***Source:** [Sustainable Leadership in Europe Report, Pastore 2020](#)
(unless stated otherwise)

FACTS

- **35% of businesses and 43% of managers share sustainable values**
(quality of life, ecological sensibility, human solidarity)
- **31% of managers recognize governance dimension** of sustainability
- **4% of managers** say they integrate economic and governance sustainability into **everyday management**
- **30 - 35% of managers are familiar** with key sustainability concepts, frameworks and legislation (e.g. materiality assessments, sustainability reporting or sustainable business models)
- **17% of managers have been trained** or educated on sustainability
source: [Managers in Europe Report 2019*](#)

*based on 2019 survey of CEC European Managers among 800 managers in Europe

1.2. Leadership gap between ambition and reality

Despite awareness about climate risks and the limits to growth for the last 50 years, many trends keep deteriorating. To understand this mismatch, in 2020, CEC European Managers commissioned the “Sustainable Leadership in Europe” study among EU managers. The representative study has been conducted by Professor Alberto Pastore and his team from Sapienza University among **1500 managers from 6 EU countries**.

As top income earners, the managerial population is the greatest producer of emissions among all occupational groups. The top 1% income earners in the EU produce 10 times more CO₂ per capita than the bottom half. As influencers on the workforce and (co-) decision-makers on investments, the impact of this group is however even larger in indirect terms. In total, there are around 10 million managers in the EU alone. There is a strong responsibility for managers to lead the transition by example, personally and professionally. **Bringing managers on board of the sustainability transition can unleash great potential.**

Overall, the study has demonstrated that systemic sustainability challenges are insufficiently reflected in the daily work of managers. A majority of leaders and managers in the EU are today ill-equipped to transform organisations and the world of work to deliver sustainable impact. **There is a lack of knowledge on sustainability, as well as low levels of crucial skills like context understanding and systems thinking.** Although managers think sustainability is very important, they also found that only a third of businesses share sustainable values like ecological sensibility. The use of outdated leadership development and management models, as well as a siloed approach to managing sustainability in many organisations may be behind the findings of the study (see facts on p. 9).

Similar starting position

Surveyed managers from the EU countries Germany, France, Italy, Spain, Poland and Denmark share similar sustainability challenges with small country differences.



Top income earners in the EU have top carbon footprint

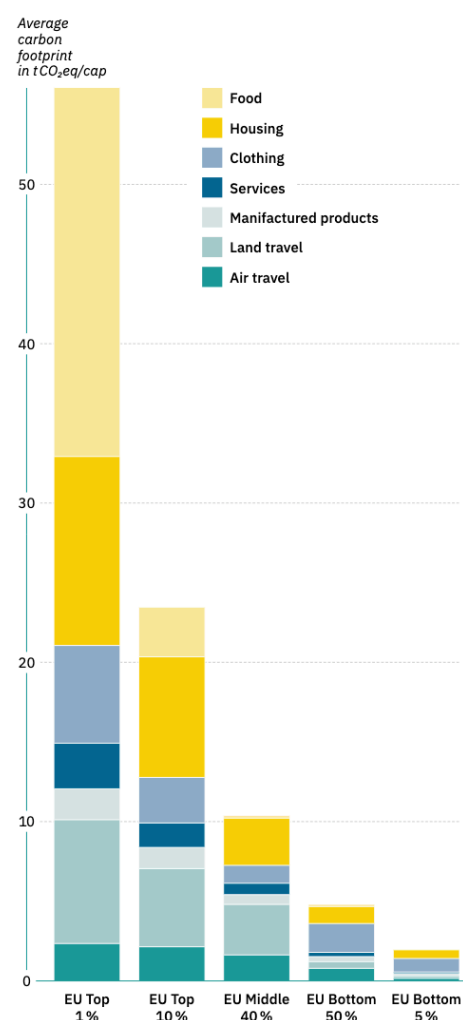


Figure 5: Average carbon footprint (CF) distribution by consumption category in the European Union (Ivanova et al., 2017)

Figure 2: income-related carbon footprints per capita

Source: ZOE Insitute 2021

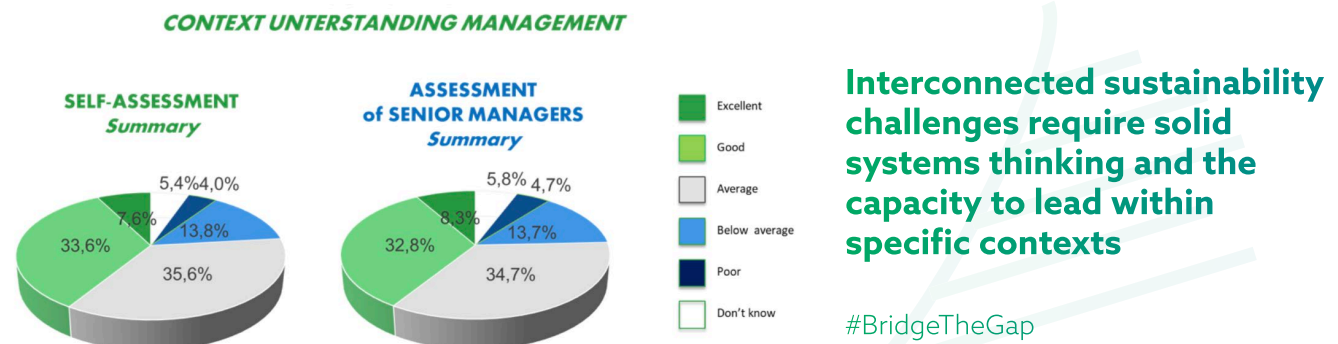
Zoom on context: a scarce understanding in today's sustainability landscape

The finding that systems thinking and context understanding (see figure 3) are particularly poorly performing is consistent with previous research. Already the IBM CEO study 2010 found³ that 79% of CEOs expected a high level of complexity but less than half felt prepared for it. Our study found the gap to be even larger today.

Lacking complexity management is reflected in the way sustainability is being tackled by leaders in a variety of areas. In finance, **ESG is mostly reflecting the impacts of sustainability risks on businesses** (single materiality), while the corporate impact on economy, society and environment are not included. Also the developments concerning the **EU taxonomy on Sustainable Finance do not reflect all dimensions of sustainability**, while coming under criticism by scientists for lacking scientific foundations⁴.

Generally, there is a **lack of coherent and context-based sustainability principles in sustainability measurement, accounting and reporting**. In this regard, the first ever set of thresholds and allocations-based Sustainability Performance Indicators⁵ by the UN Research Institute UNRISD promises to bridge this gap. Future-fit measures of success will account for the impact on planetary boundaries, for delivering on social needs and for long-term business prosperity.

Figure 3: Context understanding skills are underdeveloped



Source: "Sustainable Leadership in Europe" 2020

Without developing the leadership capability to manage the shift of business models, work patterns and the wider economy, the European Union is likely to fail the ambitions of the EU Green Deal. Indeed, less than a third of managers surveyed associated leadership and governance with sustainability.

A massive up- and reskilling of the managerial and non-managerial workforce is needed to develop the transition know-how. Leaders, as influencers and facilitators, need the capability to create new sustainable jobs, adopt existing ones, and empower team learning to deliver positive impact and move to circular value creation.

1.3. Leading to unleash unprecedented opportunities

The opportunities are enormous: from the creation of sustainable jobs to better life quality for citizens. The EU is in a good position to become a global sustainability leader by **pioneering new business, leadership and policy-making models**. It can base itself on a tradition with strong stakeholder orientation, powerful regions and innovative minds. The sooner we build the capacity to lead this transition, the better we will be prepared for the risks and opportunities in the coming decades.

Furthermore, new generations entering the labour market put a great emphasis on purpose, transparency and the common good. Many studies have underlined⁶ a **shift in generational values and consumption behaviour**. Besides ensuring decent living conditions, leaders who want to attract talent now need to provide space for professional development and meaningful job profiles around sustainability.

As management consultant and author Peter Drucker said, "The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic." And indeed, to build a sustainable, circular and fair European economy, **we need to rethink the way we live, work and create value**. The fundamental question is how we can solve multiple sustainability challenges together by adopting new forms of value creation, while rethinking our business models, organisational models and ways of working to deliver positive impact.

⁶ e.g. [Accenture 2021](#)

Facts: sustainability equals market opportunities

- **83% of EU consumers find the product's impact on the environment** an important element when choosing products - [Eurobarometer 2019](#)
- **58% of EU consumers take sustainable action** in Food and Nutrition choices - [Global Survey on Sustainability and the SDGs*](#)
- More than **40% of UK consumers** choose brands that **reduce waste and carbon emissions**, promote sustainable packaging and ethical working practices - [Deloitte 2021](#)
- For **63% of people from Gen Z and Gen Y**, **sourcing materials and services ethically** is the first company fidelity factor - [Accenture 2021](#)
- **12 trillion USD in market opportunities*** by 2030 - [Business & Sustainable Development Commission, 2017](#)
* Market opportunities in savings and revenue
- **380 million new jobs** by 2030 - [Business & Sustainable Development Commission, 2017](#)
- **38 billion EUR yearly health cost savings** by 2050 for EU member states - [European Commission 2020](#)
- **250 billion EUR lower climate change adaptation costs** per year by 2050 in EU - [European Commission 2015](#)

*please note that this survey is not representative



2 New Challenges

Empowering leadership impact

In the EU, the Green Deal has been proclaimed as the new growth strategy that sets the blueprint for transformational change. A great emphasis has been put on changes in production and consumption patterns with many legislative and non-legislative measures taken.

From a policy point of view, sustainability frameworks can create a fair level-playing field that incentivizes sustainable behaviours in the private and public sector. Yet, the challenge now is to translate words into action to bridge the EU's leadership gap on the ground.

This section takes a look at the contribution that sustainable leadership, sustainable work and sustainability skills play in achieving the objectives on climate, the Sustainable Development Goals and EU Green Deal.

key chapters

NEW TIMES

NEW CHALLENGES

NEW LEADERSHIP

2.1. Rethinking the role of leadership

While many ambitions of the EU Green Deal are robust and fit-for-purpose, the challenge today is to mobilise resources for change to happen on the ground. That's a leadership challenge. And indeed, as found by the Sustainable Leadership Project's work, the leadership and governance dimension of the transition has been too low on the agenda – from the company level to the European one. To accompany the leadership transition, the EU initiative on corporate sustainable due diligence⁷ proposes that company boards should identify actual or potential adverse human rights and environmental impacts.

⁷ [European Commission 2022](#)

OECD Due Diligence Guidance for Responsible Business Conduct

The proposed EU directive on corporate sustainability due diligence incorporates the OECD's six steps for responsible business conduct:

1) integrating due diligence into policies and management systems,
 (2) identifying and assessing adverse human rights and environmental impacts,

(3) preventing, ceasing or minimising actual and potential adverse human rights, and environmental impacts,
 (4) assessing the effectiveness of measures,
 (5) communicating,
 (6) providing remediation.

Source: [OECD](#)



While clear obligations are needed to avoid harmful impacts of large companies on society, the economy and the natural environment, it is important to actively **accompany the necessary leadership change to ensure business action becomes sustainable, rather than only compliant. Otherwise, greenwashing or corporate avoidance strategies risk undermining sustainability progress.**

A new leadership standard is necessary to ensure leaders move from a business-as-usual approach to one that incorporates sustainability principles in day-to-day operations. For that, fertile framework conditions are needed in policies, finance and business ecosystems. Maybe more importantly, it requires leaders to incorporate a new Sustainable Leadership that creates value under new conditions. This has direct implications for the design of policies, training programmes, awareness-raising activities or communities of sustainability practitioners.

Such new orientation compass on what leadership means in this time of transition is needed. Our Sustainable Leadership Model provides individual leaders with that compass. Essentially, it is about moving from a "command-and-control" logic **towards a developmental purpose of leadership: by orienting, coaching, facilitating and empowering people to shape the transition** (see examples in chapter 3). Empowering such a leadership shift will require, among others, reviewing training policy, leadership incentives, as well as labour market policies to meet the needs of the transition. In short: we need to subscribe to an **ambitious sustainable work agenda** (see Annex for details) and strive to provide broad access to sustainability skills for all European managers and workers.

Petra Juvančič

Executive Director of the
Management Association of Slovenia



At the Managers' Association of Slovenia, we believe sustainability is more than a buzzword. It is an attitude that will determine what our lives and, above all, what the lives of our descendants will be like in the future. Radical and rapid changes towards responsibility require a broader mutual understanding and the connection, cooperation and encouragement of all stakeholders.

We are aware that the economy represents an essential driver of sustainable change and that managers have a key role to play in this change, as they act as unifiers of ideas, people and processes through their professional activities. We now need to create a supportive environment that accelerates these changes. In order to steer companies on a sustainable path and carry out sustainable transformation properly, specific new competences need to be developed.

That's why we put developing sustainable leaders at the forefront of our work - it is one of the three strategic priorities of our association, it is the subject of our mentoring programs, and we enable young talented managers to gain access to top educational programs in the field of sustainability and sustainable leadership at business schools across the world. We strongly believe sustainability is the only way.



2.2. Sustainable work and social dialogue

The interconnected challenges organisations face are closely related to the evolutions in the world of work. In which direction they will move will depend a lot on leadership shown within businesses, among policy-makers and social partners, as well as through up-skilling and reskilling. In the framework of the EU Green Deal, many promising initiatives have been launched. **Legislative developments such as on Corporate Sustainability Reporting, Sustainability Due Diligence or the EU taxonomy can provide a better framework to incentivize sustainable behaviours** in a professional context. However, all these measures need to consider how they are being implemented on the ground. That requires Sustainable Leadership competences, the design of systemic solutions, and actors able to cater to the specific context in which they operate.

To bridge the leadership gap (chapter 1.2), more attention has to be devoted to promoting a Sustainable Leadership practice that seizes sustainability opportunities rather than just complying with ever more complex regulation. Therefore, measures should ensure that managerial staff is in the position to deliver, from a legal, financial and skill perspective. This could for instance include tax incentives to ensure upskilling on sustainability for workers and managers or conditioning subsidies to a high share of employees having benefited from sustainability trainings. To push for the uptake of sustainability at different levels, **the governance of the transition has to be rethought by bringing top-down and bottom-up elements together**. That could be an opportunity for developing social dialogue among workers, employers, managers and other stakeholders.

Social Dialogue Plus: getting people on board

Social dialogue among workers, managerial staff and employers is an important institution ensuring economic and social wellbeing. Traditionally, it has contributed predominantly to the social, and to some degree economic, dimension of sustainability. **Social dialogue has proven to increase the resilience of employment** towards economic shocks, especially where principles of co-determination, autonomy and mutual trust are incorporated. **Companies that practise social dialogue tend to perform better than others** by incorporating a wider set of views and considerations than those which don't. Rather than setting universal standards through national-level policy-making, social partners are better able to respond to specific (context-dependent) challenges they face – from the company level and sectors to EU social dialogue. In this regard, its approach is very aligned to the inherently context-dependent notion of sustainability.



Check out our Annex to dive deeper into sustainable work, sustainability skills and EU legal action on sustainability.

ANNEX

A Sustainable Work Agenda
Mainstreaming sustainability skills
and leadership in the world of work

Annex to "Mainstreaming Sustainable Leadership"
Project Report

Today however, social dialogue, just like other policy-making mechanisms, faces a series of interconnected sustainability challenges. Its success story is threatened on multiple fronts, including: its binary structure, social dumping, trends of political centralisation or low coverage in some regions. With the growth in popularity of multi-stakeholder approaches and other, newer democratic mechanisms, social dialogue also faces a legitimacy challenge.

A promising perspective for social partners could be to extend social dialogue to a Social Dialogue Plus. Such a constellation could actively involve other stakeholders relevant to operations, like local environmental NGOs or even competitors that are relevant to the sustainability issue at stake. This would allow it to build on existing structures, while extending the scope of prerogatives. With environmental questions traditionally being left out of social dialogue, this dimension of sustainability could also be a new cornerstone of a renewed social dialogue: **a social, environmental and economic dialogue** (see best practice in chapter 3.2.).

Who are the European Social Partners today?

These six intersectoral European social partner organisations represent the majority of European employers and employees. They are recognised by the European Commission and act as EU co-legislators on employment and social affairs. A key part of their common work programme is also dedicated to the green transition, besides upskilling and other areas relevant to the SDGs.



Private sector employers **Public sector employers**



Employers

Workers

Managers

(employed managerial staff)



Employees

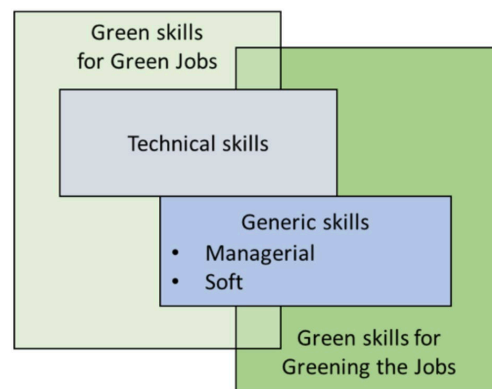


2.3. Mainstreaming sustainability skills

Increasingly, leaders will need to become influencers, trainers and facilitators for the sustainable transformation of their organisations. To accompany them, training on sustainable leadership should be mainstreamed in executive education. Public authorities, training providers and social partners should also ensure to integrate Sustainable Leadership into existing training programmes. **Every manager should have a basic education on Sustainable Leadership** with some going further on specific sustainability issues, including positions such as a CSR, ESG or Environmental Manager. With Erasmus+ being the most popular EU programme, an extension to cover broader funding of VET on sustainability should be promoted, including transnational best practice sharing.

A great number of leaders practising Sustainable Leadership will be needed to **promote organisational (action) learning, upskilling and reskilling and the creation of new sustainable jobs**. As highlighted by Professor Alberto Pastore, author of the “Sustainable Leadership in Europe” study, both skills for Green Jobs as well as skills for greening the jobs are crucial to make the transition work. This involves technical sustainability skills, as well as generic managerial skills and soft skills. These have been covered by the Sustainable Leaders’ Training Programme for managers.

Greening managers’ skills



Source: [“Sustainable Leadership in Europe”, Pastore 2020](#)

Sustainable Leadership Training Programme

Many of the shifts in the approach to upskilling and reskilling European managers were reflected in the pilot training programme by CEC European Managers with the support of New Angles consultancy that has co-designed and facilitated the programme. The “Sustainable Leaders Training Programme” was delivered to 60 managers from May 2021 to January 2022 in three EU countries, with the cooperation of the Slovenian, Danish and German national management associations. With the sustainability challenges of managers in Europe were found to be similar in the study, and intercultural learning having proven benefits, a European training design has been chosen.

Managers from across Europe participating in the training programme said:

“The training should be mandatory in all workplaces.”

“Motivational - confidence boost - successful - inspirational - helpful - sparking the change - great facilitation - positive energy - beyond expectations.”

“A perfect seminar that had it all, I wish all EU leaders had the opportunity to take part in it.”

The pilot Sustainable Leaders programme was structured around **a new model of what is missing from conventional leadership and managerial development** programmes in most companies and sectors. This model was informed by the research findings of the Sustainable Leadership study previously referred to in this report and was co-designed by New Angles, CEC European Managers and the Sustainable Leadership Project steering committee. It does not reinvent the fundamentals of good leadership, which remain valid for all change work, but describes **five levels of complementary competencies** needed by managers wanting to lead the integration of sustainability in their organisation's activity. Each level is broken down into specific concrete competencies and illustrated by mini-case examples from real life.

Sustainable Leadership Model by Sustainable Leaders

5 levels for transition know-how: from purpose to action



The development journey for each volunteer participant in the pilot programme was divided into 3 phases:

- 1. Awareness and knowledge** of the keys to the leadership model, to business sustainability, and to organisational change (via three 3-hr webinars)
- 2. Training:** co-development of each participant's capacity to lead change in their own organisation (via a 3-day in-presence workshop in each country)
- 3. Community of practice:** support participants' ongoing engagement with the change process (via on-line facilitated community touchpoints).

The programme was delivered in English, which continues to be the language used in international Sustainable Leaders gatherings, events and community activities. The intention is to develop the Sustainable Leaders community in local languages at national level in all countries of the EU, working with CEC European Managers' own network and with other Management Association partners and using local training partners and facilitators. For instance, A media platform on Sustainable Leadership, as well as new training programmes and a Master Programme on Sustainable Leadership have for instance been launched by (CEC affiliate) Lederne in Denmark.

The Sustainable Leadership Model, the training and community development have proven to support leaders and managers in their pioneering work to mainstream sustainable leadership to leverage impact on sustainability performance. **Participants in average rated programme "very good" and found the learnings to be useful in a professional context.**



3 New Leaders

Reinventing the world of work

Initiating the sustainable transformation of organisations, the world of work and the wider economy requires courage, competence and creativity. New leadership pioneers are demonstrating how to create win-win-win situations for people, planet and prosperity.

As the anthropologist Margaret Mead had concluded in her groundbreaking work, "Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

A growing number of individuals, organisations and ecosystems are experimenting with new ways of leading. This section's collection of best practices provides an overview with examples on how to lead sustainability transformations across scales.

key chapters

NEW TIMES

NEW CHALLENGES

NEW LEADERSHIP

3.1. People



Christina Figueres at the Global Climate Action Summit 2018

credits: Nikki Ritcher Photography, CC 2.0

The transition towards a fair and green economy requires people building it. Indeed, creating momentum for change has more to do with the human side than just applying available technologies and tools. More and more pioneers are demonstrating how to leverage sustainability impact through leadership. While individual pathways may be unique, **sustainable leaders share deep convictions, courage and a creative approach to bringing people on board** of the transformation journey. Learning to become a sustainable leader, is also learning to see new opportunities from linking various sustainability challenges, bringing stakeholders together or creating communities.

Christina Figueres

Noone believed that a global climate agreement could ever be possible, nor did Christina Figueres. She was the Executive Secretary of the United Nations Framework Convention on Climate Change (UNFCCC) from 2010 to 2016 with an impossible task. She helped rebuild the global climate change negotiating process. On 12 December 2015 in Paris, 195 governments came together to unanimously decide to change the course of the global economy through the legally binding agreement.

When assigned her new role in the global negotiations, she realised the enormity of her task. Thinking about the prospects for the lives of future generations, she was horrified. "After all, what would you do if you were told your job was to save the planet" she explained. "But then I realised that the impossible is not a fact, it's an attitude."⁹ She decided to change her attitude and help the world change its attitude on climate change. History certainly knows many examples of stubborn optimists that make innovations that matter.

In her "Inside Story"¹⁰, she explains what she means by changing attitude: "we have got to reinterpret the zero sum mentality. We were all trained to believe there are always winners and losers. And that your loss is my gain. Well, now that we're in a world in which we have reached planetary boundaries, we are not just so interconnected, but increasingly interdependent on each other. **Your loss is no longer my gain. Now, we're either all losers or we can be all winners. But we are going to have to decide between zero and sum. Between zero benefit for all. Or living life as the sum of all of us.**"

^{9,10}[TED Talk 2016](#)

Paul Polman former CEO of Unilever

On his first day of office in 2009, the new CEO of Unilever Paul Polman courageously set the tone on sustainability for the years to come. He told shareholders that the company will **end quarterly reporting** and switch to an annual rhythm to be more aligned to longer-term objectives. He even invited them to invest elsewhere if they don't "buy into this long-term value-creation model, which is equitable, which is shared, which is sustainable."¹¹

Instead, he highlighted the importance of catering to the company's diversity of stakeholders, including workers, consumers in the developing world and climate-change activists. The 10-year **Unilever Sustainable Living Plan** that followed aimed at decoupling the company's growth from its environmental footprint. The goal was to double Unilever's revenue while reducing Greenhouse Gas Emissions by 50% and sourcing 100% of raw materials sustainably.

When asked if he expected to reach these ambitious targets, he replied: "We won't. And I knew that." His main intention was to help bring about a "shift in people's mindsets."¹² Today, Paul Polman is member of board of the UN Global Compact and promotes his co-authored book entitled "**Net Positive: How Courageous Companies Thrive by Giving More Than They Take**".

Sonja Klopčič founder of AEIOU Leadership Sustainable Leaders' Ambassador

Through her experience as general manager of an IT company, chair of the board and crisis manager of a furniture company, Sonja Klopčič observed how harmful unsustainable business models can be to people and planet. She realised that if we want to bequeath a planet with decent living conditions to our descendants, we need to drastically transform the way we do business. "I wanted to support this kind of awareness, so I engaged in leadership development. Innovator by heart, I developed the **AEIOU leadership model**, based on the indigenous wisdom from five continents: aroha, eb, ikigai, oikos, ubuntu." Sonja explains.

Translating intentions into impact requires collaboration and co-creation in the company as well in wider business ecosystems. "When we step together and connect not just with our minds but also with our hearts, then breakthroughs happen. To support this I have initiated an ecosystem of AEIOU leaders from all walks of life, who are committed to co-create for complete set of 5P's: profit, people, planet, purpose, prosperity."

Members of the **AEIOU leadership community** support each other and share the new approaches that they have successfully implemented in their businesses. This includes examples from corporate change towards a circular economy model, i.e. how a young manager transforms an over 100 years old and rather rigid company into an agile, sustainable trend setter company. Or how a wise senior manager decides to promote his successor because of the trust he is able to build with his fellow co-workers. "We embrace ecosystemic thinking through dialogues with different stakeholders and from this emerge many innovative solutions, as for example in HR or the education sector."

^{11, 12}[Forbes 2015](#)

3.2. Organisations

New types of organisations are pioneering Sustainable Leadership by rethinking what governance, organisational success, people and product development means. B Corps for instance have clear governance and performance standards from financial to Triple Bottom Line sustainability performance. Also organisations that are supporting leaders are reinventing themselves to deliver. In this section we present inspiring examples on how organisations are promoting sustainable leadership.

best practice

Sustainable Leaders Switzerland

With the launch of the Sustainable Leadership EU Project by CEC European Managers, Swiss Leaders has decided to create a sister project in Switzerland. In 2020, the partner organisation has launched an ambitious project to promote Sustainable Leadership in Switzerland's private sector.

Swiss Leaders has launched a Sustainable Leaders Charter, launched a series of webinars and trainings and has established partnerships with media, business and universities. With a great selection of best practice cases on Sustainable Leadership, they provide leaders with concrete examples and inspiration on how to transition their organisation's leadership culture for positive impact.

To discuss the future of leadership, Swiss decision-makers from the world of politics, business and academia gather at the annual Sustainable Leaders Forum.

www.sustainableleaders.ch

SWISS LEADERS

EVENTS

- Webinars
- Sustainable Leaders Forum
- Sustainable Leaders Academy
- Workshop

MEDIA

- Sustainable Leaders guide (with PME Magazine Handelszeitung)
- Editorial content
- Best practices
- Studies
- Public Relations



best practice

CFE-CGC: innovating managers' unions to deliver on sustainability



CFE-CGC, which gathers 130 000 managers and is affiliated to CEC European Managers, is committed to the sustainable transformation of the economy. The union is convinced that social well-being and the quality of life at work are key to making the transition work. It was the first social partner in France to join the UN Global Compact and has actively contributed to strengthening the involvement of managers in accompanying sustainability change processes.

On the French Climate Law, **CFE-CGC has advocated for obligatory sustainability trainings for works councils and the creation of environmental committees.** Through its strong national, regional and sectoral presence, the organisation provides concrete support to managers on the ground with information and trainings on sustainability regulation, sustainable leadership and trade union action on sustainability.

Maddy Gilbert, Head of Sustainable Development of CFE-CGC highlights that managers can "identify, inspire and implement new sustainability strategies in their companies, among others by: reorienting finance and accounting, monitoring activities and developing activities that are conforming with principles of sustainability. **More than ever, it's indispensable to be in the position to measure and identify those actions that produce positive sustainability impact.** As a manager union, we want to support our managers in achieving that in the workplace and through social dialogue."

CFE-CGC publications on sustainability



Charter of Sustainable Development

[Read more](#)
(French)



CSR Guide

[Read more](#)
(French)



Guide on environmental dialogue in companies

[Read more](#) (French)

best practice

B Corps: sustainable innovation and impact management for next generation business

B Corps are a global movement of for-profit businesses that are united around the idea to change business for good. They incorporate new governance and impact standards to deliver on economic, social and environmental sustainability. Over 150,000 businesses have undergone the B Impact Assessment. It is a digital tool that can help measure, manage, and improve positive impact performance for the environment, communities, customers, suppliers, employees, and shareholders. To be awarded with a B Corp Certification, companies must receive a minimum verified score of 80/100 points in the assessment demonstrating a high sustainability performance.

They are legally committed to changing their corporate governance structure to be accountable to all stakeholders, not just shareholders, and achieve benefit corporation status if available in their jurisdiction. B Corps are also transparent, as their performance scores are made publicly available by B Lab. This allows investors, customers and other stakeholders to compare company performance and incentivize more sustainable business conduct.

B Labs are a nonprofit network of organisations that support the development of the B Corp movement by providing the certification standard, management tools, best practices, trainings and networking opportunities. B Labs are convinced that their "standards and certification process, our network leads economic systems change to support our collective vision of an inclusive, equitable, and regenerative economy."

More information

bcorporation.eu

Certified

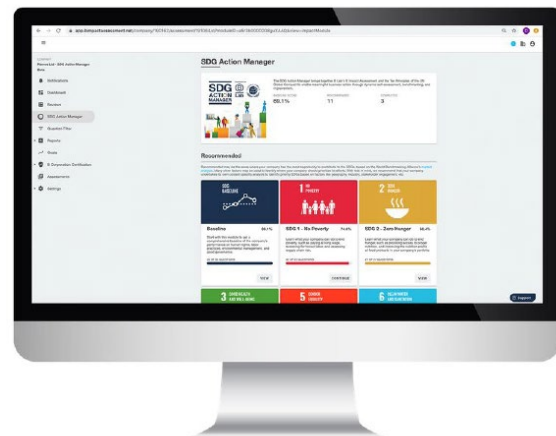


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SDG Action Manager

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Check out the tool!



3.3. Ecosystems

Changing regions and sectors sustainably requires new ecosystems of change. By bringing multiple stakeholders, including governments, social partners and civil society together, new ways of dealing with specific sustainability issues can be found. This requires however the leadership capacity to mobilise ideas, people and processes. New types of learning offers, industry ecosystems and communities are seeing the light to transform business and society beyond traditional silos.

best practice

Bio-based industries: new jobs with impact

Today more than ever the EU must reduce its dependency on imports of fossil raw materials, protein, and phosphates. The current unstable and highly competitive context make it even so relevant for the EU to rely solely on a sustainable, inclusive, and strong bioeconomy strategy. Against that background, the **bioeconomy and its sub-sector, the bio-based industries, are accelerating the progress towards a low-carbon and circular economy**. They are contributing to the development of a fairer society in many ways, including the creation of green jobs and new value chains¹³.

With the objective to modernize industries and agriculture while protecting biodiversity, the European Union is investing into partnerships for the development of the bio-based industries. For instance, the **Circular Bio-Based Europe Joint Undertaking (CBE JU), a €2 billion partnership** between the European Commission and the Bio-Based Industries Consortium, funds a wide variety of projects that advance the circular bio-based industries. The production of renewable bio-based products and materials, extracted from biomass or waste through sustainable and circular processes, help achieve the climate neutrality target by 2050. (Concretely, the bio-based industries use recycled, renewable, and locally sourced feedstock to produce biodegradable and recyclable products¹⁴.

Another important factor is the human one. The bio-based industries aim to bring people together as they favorize simpler and shorter circuits. From farmers to consumers and scientist to industrials, all are cooperating in effective ways without any superficial interface. Moreover, bio-based industries boost rural regions they need locally sourced materials from agriculture, forestry, and fishery sectors sometimes only available in specific areas. On another hand, innovation poles and SMEs can develop around a biorefineries which simulates the area and the local economic growth. **Bio-based industries so far have created around 3 million jobs across the EU**.^{15, 16}

¹³ [EU Bioeconomy Strategy 2018](#)

¹⁴ [Circular Bio-based Europe Joint Undertaking](#)

¹⁵ [Biobased industries consortium 2018](#)

¹⁶ [Frontiers in Bioengineering and Biotechnology, 2021](#)



best practice

Extrapreneurs: promoting action learning for sectoral innovation

Extrapreneurs was founded to help businesses that lack the capacity to innovate. Up to 60% of companies would not manage to innovate internally with challenging consequences to future competitiveness. Against that background, Wise Holding, the initiators, offers a learning journey that brings together entrepreneurial citizens, businesses with an innovation challenge, as well as public authorities. The programme is co-developed by the Belgian VUB university.

Besides a theoretical introduction to the "systemic economy", the Extrapreneur's programme particularly focuses on action learning. Coaches and experts support the teams in their research, prototyping and partnership development. The 9 week course trains participants on co-entrepreneurship, sustainable business model innovation and project management applied to circular economy challenges and other sustainability issues.



More information

[Syllabus on Business Models and Leadership in Times of Transition \(Extrapreneurs 6\)](#)

www.extrapreneurs.org

best practice

ManagersForFuture: pioneering new leadership

ManagersForFuture is a global movement of leaders, executives and management students that promote the principles of sustainable and regenerative leadership for positive impact. Launched in 2019 as a communication campaign by CEC European Managers, it has become a community developing proposals, tools, events, leadership development and concrete support to sustainable leaders.

By creating spaces of dialogue between the ForFuture movements (grandparents, doctors etc.) and managers, ManagersForFuture contribute to building bridges towards a common future. Furthermore, the movement advocates specifically for the needs of managers in the sustainability transition: it is about giving a voice to those that pioneer new leadership and to provide orientation in an increasingly complex sustainability jungle.

Their report "unleashing new leadership: building a sustainable and regenerative economy" has provided a blueprint on how to move to a new leadership practice that delivers. Besides phasing out fossil fuels, the movement calls for better and more sustainable framework conditions in law and finance.

More information

[Read ManagersForFuture's "Unleashing new leadership" report](#)





**new times,
new challenges,
new leadership.**

#SustainableLeadership

www.sustainableleaders.eu



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