



For Companies, Sustainability Must Be a Team Sport Led From the Top

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By Pablo Isla

In recent years,

sustainability has become an important principle in how the world conducts its business, with a flurry of environmental initiatives aimed at conserving natural resources and stemming climate change. While that's laudable, these sustainability efforts can't be sustained unless companies consciously build an environmentally minded corporate culture.

The business world, as the globe's economic engine, has tremendous potential to curb climate change and create a brighter environmental future — but only if each company's entire organization is committed to the cause.

Based on my two decades of experience running multinational retail businesses, most recently

as Chairman and CEO of the global fashion conglomerate Inditex, I've concluded that good corporate sustainability begins with a genuine commitment at the top. That means the chief executive and the core management team must actually believe that the environmental crisis is real and that it is our responsibility to do what we can to solve it.

Members of an organization clearly perceive whether its leaders are being honest, or whether they're paying lip service to investors or social pressure. If your employees know you really think focusing on sustainability is the right thing to do, and if you back it up with actions — with emphasis, commitment and resources — you will gain the full support of the company behind you.

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Engaging the Entire Workforce

One key to creating and scaling this kind of culture is to embed sustainability in everything you do. Of course, it's necessary to set overall corporate goals but achieving them means setting targets for all of your operations, including the commercial divisions. For example, if your company makes products, sustainability must be a priority — from sourcing raw materials to selling finished goods.

At Inditex, which I led for 17 years, we had a series of five-year sustainability plans. Our first one, which ran from 2006 to 2010 and involved making our stores — for

brands like Zara and Massimo Dutti — more eco-efficient by reducing energy and water consumption and using greener materials in their construction. Eventually, we introduced elements specific to products, like eliminating single-use plastics; restricting hazardous substances in manufacturing; and increasing the use of more eco-friendly fabrics, whether organic, sustainable or recycled.

Such an approach not only builds credibility but improves engagement because everyone is involved in the project. If you have a 1,000-person company but only a 10-person sustainability

team, they'll have trouble getting much done because the other 990 employees aren't engaged. Happily, it seems that most people these days want to work for companies that make real contributions to stemming climate change. And, in my experience, that's true across generational lines. It's no longer just the young — I now see people in their 50s and 60s wanting to join organizations that take concerted action on behalf of the environment. Even my parents, who are 85 and 88, are extremely conscious about sustainability, and do what they can.

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Setting Targets That Matter

How you set your goals and align them with internal incentives is crucial in creating and scaling a successful culture around sustainability. First, the goals must be ambitious, but realistic. Don't set targets that are impossible to meet, whether because the technology to achieve them doesn't yet exist at a reasonable cost or scale.

Second, set long-term goals — what you want to achieve in the coming decades — along with shorter-term, intermediate goals and the calendar for when you aim to reach them. Keep in mind: many aspects of sustainability take a significant number of years to chart real progress. You won't change things from one day to the next, or even from one month to another.

And finally, align the targets using key performance indicators with both short- and long-term bonuses and

incentives for your team members. It helps to build credibility and engagement among your people and to reinforce the company's values through rewards. Those rewards, however, extend beyond bonuses and promotions. The satisfaction that comes from helping transform whole sectors can be a huge incentive.

Several years ago, Inditex made a list of chemical substances that could be used in manufacturing its products and a list of those that were now forbidden. We worked with the chemical companies to eliminate contaminants, establishing a standard for the industry that became known as "The List by Inditex." We were proud to play a positive role in eliminating harmful substances for manufacturers industry-wide, not just those we worked with. When you are a leading

company, you have the power to influence entire sectors and play a positive role in factories and businesses all over the world — whether that's eliminating certain chemicals from manufacturing, improving working conditions in the supply chain, or lowering greenhouse gas emissions.

Of course, companies cannot forget their main missions. They're not NGOs, and they have to serve their employees and customers, make a profit and create value for their shareholders or they'll go out of business. But companies, especially big ones, have a social responsibility to contribute something positive to the world. Their collective action can be a powerful force for the greater good. And when you're doing the right thing, your teams will support you and commit to those efforts. ●



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