

The importance of stakeholder collaboration in bolstering corporate sustainability

As the world grapples with the adverse impacts of climate change, businesses are increasingly finding themselves under scrutiny for their environmental and social sustainability.

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However, navigating the complexities of sustainability planning and compliance can be daunting, especially amidst evolving regulations and heightened consumer expectations.

To encourage businesses to do better, climate reporting regulations such as the Carbon Reduction Plan (CRP), Corporate Sustainability Reporting Directive (CSRD), and Task Force on Climate-Related Financial Disclosures (TCFD) have been put in place. However, a recent study by Mitie revealed that businesses are feeling overwhelmed by the volume of climate legislation, and struggling to prepare for even stricter regulations expected in the near future.

The gaps in sustainability strategy

Despite growing awareness, many businesses struggle to integrate sustainability into their core planning processes, sometimes hindered by short-term profit priorities. This is where the role of a Chief Sustainability Officer (CSO) becomes crucial. Although, while the appointment of CSOs has seen a notable uptick in recent years – a recent PwC study found that global organisations hired nearly as many CSOs in 2020 and 2021 as they

did in the previous eight years – their effectiveness in driving sustainability targets can be hampered by organisational hierarchies and reporting structures. PwC research also finds that about half of CSOs sit two or more levels below the C-suite.

At Everflow, we recognise that achieving sustainability should not be the sole responsibility of a single stakeholder. Rather, it requires a collective effort involving all internal and external stakeholders. This includes employees, customers, partners, shareholders, and suppliers. By fostering open lines of communication and collaboration, businesses can embed sustainability into their core strategies and maximise their positive environmental and social impact.

The importance of stakeholder collaboration

A key aspect of stakeholder collaboration lies in reducing scope 1, 2 and 3 greenhouse gas emissions, including both direct and indirect emissions sources across the entire value chain. By engaging with stakeholders at every level, businesses can identify opportunities to streamline their supply chains, reduce emissions, and improve the transparency of their sustainability reporting.

Take, for example, Everflow's approach to stakeholder engagement. Through open communication channels and transparent reporting practices, we can account for the environmental impact of all our operations - and encourage similar practices among our customers. This collaborative effort not only strengthens our sustainability credentials, but also fosters trust and loyalty among our stakeholders.

The role of employees

Employees also have an important role in driving sustainability initiatives. They can contribute ideas, participate in sustainability training,

implement sustainable practices in their daily work and advocate for the organisation's sustainability authentically.

The benefits of a collaborative approach to sustainability

Having sustainability at the core of your business strategy means that every business decision must be made while keeping environmental and social impact in mind. This can only be achieved if sustainability is embedded within the core values of the business, which includes bringing everyone associated with the business together to bolster positive environmental and social impact across every department, team, and supply chain level. This will not only help businesses create a streamlined mindset for achieving sustainability but also maximise impact.

Collaborating with stakeholders will also allow businesses to go above and beyond in sustainability reporting, especially Scope 3. According to CDP, only 37% of Scope 3 emissions are addressed by corporate decarbonisation measures. But having close contact with the entire value chain and thinking about improving supply chain management – such as how suppliers can be more sustainable, where middlemen could be removed, and whether they are committed to becoming more sustainable – can make supply chains more streamlined and reduce associated emissions.

Next steps

Businesses must prioritise stakeholder engagement as a cornerstone of their sustainability strategies. By involving key stakeholders in decision-making processes, fostering a culture of transparency and collaboration, and leveraging feedback to drive continuous improvement, companies can navigate the complexities of sustainability with confidence and drive

positive environmental change.

With sustainability being such a vast topic, there cannot be just one entity responsible for creating a widespread positive impact. Bringing all stakeholders together to create an embedded core strategy driven by sustainability will help businesses stay ahead of the curve when it comes to ever-changing climate legislation.

For more information about Everflow, visit <https://everflowutilities.com/>

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