

## Evolving Role of Chief Sustainability officer in Corporate Sector

Environmental, Social and Governance issues, once considered a bit part in a Company's core strategy and operations now dominate discussions about how business stays relevant in the years ahead. The number of companies appointing a Chief Sustainability Officer (CSO) has grown significantly over the last few years.

A CSO deals with matters concerning to both internal and external stakeholders. The internal stakeholders encompass of business units, employees and corporate functions. The external stakeholders include customers, suppliers, investors, competitors and society.

It is to be noted that with CSO gaining grounds, its roles and responsibilities are still being defined or evolving. It's critical for executives and boards to ensure that the CSO's role is balanced among all three elements of ESG. In this regard, it is of substantial academic interest to refer the article titled, "The 8 Responsibilities of Chief Sustainability Officers" published in Harvard Business Review<sup>1</sup> focusing on responsibilities of a CSO. The eight responsibilities are as under:

1. **Ensuring regulatory compliance:** The CSO anticipates regulatory trends and their implications and establish adherence to the sustainability laws and regulations that apply to each industry, process, and type of business. Assess risk management. He/she also enacts internal policies.
2. **ESG monitoring and reporting.:** Collect data and metrics following the reporting standards. Benchmark with industry peers. Prepare the completion and communications of company ESG report.
3. **Overseeing the portfolio of sustainability projects:** The CSO acts as a project management officer and undertakes planning, coordinating, reviewing progress, and tracking results to coordinate various operational efforts.
4. **Managing stakeholders' relationships:** To promote ongoing dialogue with internal and external stakeholders in order to develop constructive, transparent relationships.
5. **Building organizational capabilities:** The role of CSO is to identify gaps and adopt appropriate educational initiatives for upskilling and/or sourcing the missing capabilities and identify innovative ways to scale the new capabilities. Post, identification share and disseminate knowledge and best practices.
6. **Fostering cultural change:** The CSO help to define and communicate purpose to drive the

transformation, Champion cultural change across the entire organization through education. Promote mindset shifts based on concrete behaviors. Establish routines to reinforce the change, for a credible "walk the talk" from leaders.

7. **Scouting and experimenting:** To Promote openness toward the external innovation ecosystem. Explore emerging sustainability technologies, solutions, and practices. Test the applicability and learn from experiments. Scale up adoption in the broader organization.
8. **Embedding sustainability into processes and decision making:** Revise key processes and related criteria/metrics/tools for decisions. Coach decision makers to manage complex trade-offs.

### Examples of Indian Companies that have appointed CSO:

**Mahindra Group** has appointed the Group Chief Sustainability Officer which has been instrumental in shaping the group's refreshed 'Planet Positive' sustainability strategy.<sup>2</sup>

**Tata Sons** have a Group Chief Sustainability Officer possessing expertise and a proven track record in sustainable business practices.<sup>3</sup>

**Aditya Group** has appointed Chief Sustainability Officer for Aditya Birla Group that helps to build sustainable businesses energises and to translate it into actionable goals.<sup>4</sup>

**ArcelorMittal Nippon Steel India**, a joint venture between ArcelorMittal and Nippon Steel, two of the world's leading steelmakers has appointed Chief Sustainability Officer.<sup>5</sup>

**Waaree Energies Limited** have appointed as Chief Sustainability Officer to drive Environmental, Social and Governance Practice.<sup>6</sup>

1. Farri Elisa, Cervini Paolo and Rosani Gabriele (2023). "The 8 Responsibilities of Chief Sustainability Officer", Harvard Business Review, access from <https://hbr.org/2023/03/the-8-responsibilities-of-chief-sustainability-officers>
2. <https://www.mahindra.com/news-room/press-release/en/mahindra-group-announces-appointment-of-ankit-todi-as-group-chief-sustainability-officer>
3. <https://www.tatasustainability.com/AboutUs/MeetTheTSGTeam>
4. <https://www.adityabirla.com/our-story/leadership/women-leadership/>
5. <https://www.amns.in/press-releases/arcelormittal-nippon-steel-india-appoints-dr-arvind-bodhankar-as-chief-sustainability-officer>
6. <https://waaree.com/blog/news/waaree-energies-limited-appoints-prabhun-narayan-singh-as-chief-sustainability-officer-to-drive-environmental-social-and-governance-practices/>