



# 10 INSIGHTS ON THE FUTURE OF ESG

TAKEAWAYS FROM THE  
ASPEN ESG SUMMIT **2024**

**BUSINESS  
& SOCIETY**  
aspen institute



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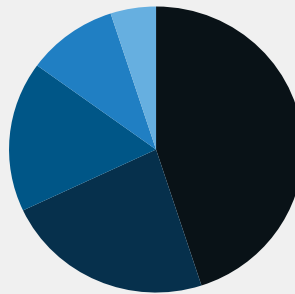


## ABOUT THE SUMMIT

The Aspen ESG Summit 2024 assembled nearly 200 leaders across the ESG ecosystem including business innovators from diverse industries, long-term investors, climate and employee advocates, regulators, and business scholars. The event was designed to help participants think deeply about competing demands at the root of systemic change.

The Aspen ESG Summit is supported by a range of organizations championing a long-term, stakeholder orientation in business, and defining the future of the field:

### 2024 PARTICIPANTS



**45% CORPORATE LEADERS**  
**23% INVESTORS**  
**17% NGO/GOV'T**  
**10% ADVISORS**  
**5% SCHOLARS**



WACHTELL, LIPTON, ROSEN & KATZ







## 10 INSIGHTS ON THE FUTURE OF ESG

The Aspen ESG Summit engages corporate leaders, financiers, subject matter experts, and influential decision-makers to elevate cutting-edge thinking about the biggest questions facing business today. Here are the ideas and challenges that animated the conversation.

### **1. The pushback on “ESG” has been challenging, but also clarifying.**

The anti-ESG rhetoric of the last two years has generated intense headwinds, with many organizations hesitating to discuss their sustainability and social impact work or facing public scrutiny over it. In response, efforts to establish clear linkages between this work and long-term business value have led to better defined commitments, more focused priorities and demonstrable results. The resilience of leaders to retool their efforts has strengthened the field and fostered a sense of quiet optimism about the road ahead.

### **2. The role of the CSO is taking on new depth and prominence, along with an increased burden.**

The work of sustainability professionals is becoming more intense as they provide leadership support to a wide range of functions and embed their work in core strategic endeavors. This intensification of the role has left many struggling to drive deep change, making “resilient leadership” a top attended session at the event. Participants were encouraged to step back and consider the support and resources they would need to drive this next phase of change, to recharge for the road ahead.

### **3. Growing ESG compliance requirements are bringing sustainability into the CFO’s office.**

As the regulatory requirements and reputational risks of ESG reporting hit home, major new responsibilities for finance and legal functions have followed. On one hand, many participants worry that this compliance mindset threatens to stifle the firm’s ambition to innovate and drive business value with sustainability. On the other hand, deep strategic integration between ESG and finance functions opens the opportunity to mobilize the balance sheet for sustainable innovation—if CSOs can learn to speak the language of CFOs.



#### **4. Driving sustainable innovation requires different leadership skills than change management.**

As the business landscape evolves rapidly, new leadership models and mindsets are urgently needed. Keynote speaker Dr. Linda Hill of Harvard calls these efforts ‘collective genius’ and makes an important distinction that driving innovation is quite different from change management, with its pre-determined end point. By contrast, sustainable innovation is an ongoing process to invent solutions that don’t exist yet. Innovation requires listening, learning and humility, to harness the efforts of everyone across the firm—not just leadership—to generate new solutions, test them out and scale the results. ([Watch Dr Linda Hill’s TED talk here](#))

#### **5. Trust, inclusion and innovation go hand in hand.**

Bringing more voices into decisions, and considering who should have voice—employees, communities, advocates—helps to create trust, drive equitable outcomes and unlock innovation. Organizations accustomed to top-down approaches must now be open to including a wide array of stakeholders and their values in decision making, as they consider the firm’s impact on workers and society. The insights of those with a clear stake in the outcome can alert to risks—and opportunities—that might otherwise be missed.

#### **6. Language matters. Focused, targeted communication about ESG is the path forward.**

In a polarized environment, how we talk about the work of sustainability and social impact is critical—and there is a cost to staying quiet. Not only do employees and customers expect companies to stand up for issues vital to long-term competitiveness, silence can lead media and policymakers to make up their own narratives. The annual sustainability report is a poor fit for this challenge, as it conveys the same comprehensive story to a wide audience. Instead, leaders should craft targeted messages that align with each audience’s language, values, and preferred channels to engage effectively with different groups.



## **7. Healthy democracy is the best enabling environment for business.**

Corporations are examining their role in supporting a healthy democracy, beyond ensuring time off for workers to vote. Given increasing political divisiveness and whipsawing in the regulatory environment, companies are considering their role in stabilizing the larger U.S. political system. While there isn't an established playbook, leading firms are examining their lobbying dollars and trade association memberships, and recognizing the importance of coherence between what they are supporting with their public voice and these political ties.

## **8. Artificial intelligence will have a pronounced effect on business operations and the sustainability profession, making thoughtful governance paramount.**

AI is at once over-hyped and under-hyped; chatbots supported by large language models may enhance some professions, but are diluting quality outputs in others. However, the potential for tailored AI models to automate entire business processes is real, with sustainability reporting likely to be largely automated within 2-3 years. Organizations who invest time and resources to learn how AI works best in their companies, govern the outcomes for fairness and environmental impact, and embrace radical innovation will outpace those who adopt a wait-and-see approach.

## **9. Scaling sustainability requires looking beyond the company with an ecosystem mindset.**

As the world looks to business and markets to transform our energy systems, raise the living standard of billions and adapt to the unprecedented challenges of climate change, significant questions remain on scaling innovation at the speed we need. Collaborating with those who advise, oversee and regulate the firm—including policymakers, trade associations, financiers, competitors and traditional collaborators—is necessary to driving change within the entire ecosystem in which business operates and competes.

## **10. The "S" still seeks a unifying core metric.**

The ability to support stable incomes and upward mobility for employees and communities is crucial to increasing long-term corporate competitiveness. Summit participants focused on the importance of bringing greater consensus around a leading metric to measure the impact of these investments, so that the field could have a north star. However, opinions differed on whether the most useful yardstick would be living wages, career pathways, community health, or another measure.

## **BONUS: Leading firms are setting themselves apart by more holistically integrating the "E" and "S".**

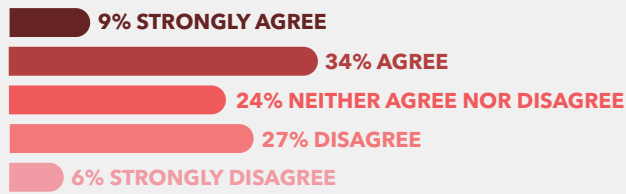
The framework of "ESG" has led many companies to look at each letter in isolation, while tomorrow's challenges demand a more integrated view. Participants recognized that in many issue areas, we can't separate the impact on livelihoods and human health from environmental goals. Additionally, while carbon emissions are currently getting the lion's share of the CSO's attention, establishing more human-centered goals better captures the energy and imagination needed to drive deep and holistic change.



# THE PULSE OF THE FIELD

The Aspen ESG Summit 2024 kicked off with a **series of polls** to get a pulse of the industry.

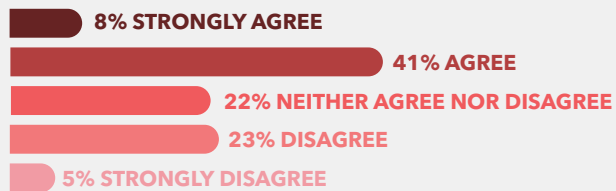
It has become easier for me to advance my work over the past year.



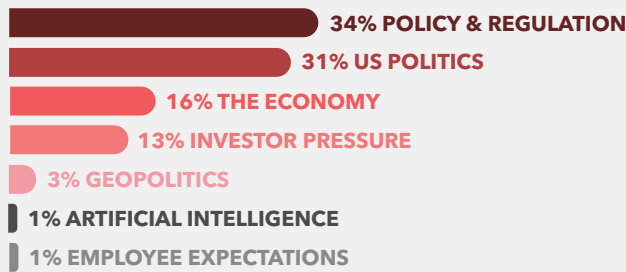
**Positive sentiment** topped our polling with **43% of participants either agreeing or strongly agreeing that their work had gotten easier in the last year**, defying headlines and last year's results.

Participants suggested that after two years of politicization, **the "hype curve" of ESG has settled**, with **new disclosure requirements reducing uncertainty** and **fostering greater integration into corporate decision-making**.

Leaders of my organization can anticipate risks, see opportunity, and prioritize what matters most when it comes to ESG.



What will have the greatest influence on your company's ability to advance its ESG priorities in the year ahead?



According to participants, the **political landscape will crucially shape companies' abilities to advance their priorities** in the year ahead.



## HEARD AROUND THE EVENT

Each year, the Summit offers participants the chance to step back and think deeply about the competing demands and barriers to systemic change—and the opportunity for business to contribute meaningfully to social and environmental progress.

The event convenes under Chatham House rule to allow for an open exchange of ideas, so the insights shared here are unattributed.

“”

**The energy transition can't mean that everyone pays more for everything.** How do we design markets and investments so they are cost neutral for the end consumer?

“”

**"I can't invest in free."** We keep saying water is the next big crisis but in most watersheds this resource is effectively free. That means investors can't reward companies and give back more than they take.

“”

While the slow down of fund flows has been widely reported, **"tales of ESG's death have been greatly exaggerated"**. Sustainable markets are alive and well—many have had their best quarters yet and globally markets continue to grow.

“”

AI is consuming huge amounts of data which has the same quality and bias problems that we've always had. **Creating useful products and services with AI—that people trust and operate fairly—is not going to be so easy.**

“”

**The word 'transition' often gets lost.** Zero emissions technology is still being invented. We have to move from heavy emitting technologies to those that have less impact—and not let perfect be the enemy of the better.

“”

**The DEI backlash has separated those firms that were serious from those paying lip service.** In response to new legal scrutiny, firms are either upping their game significantly or dropping off completely. Employees will vote with their feet.

“”

Global investment is now powered by the pension funds and retirement savings of everyday people. And what they want is a positive future—with a clean environment where workers and communities prosper as companies prosper. **This is a new era in global markets.**

“”

**Eroding land productivity means that we are asking farmers to "go green" while they are "living in the red"**. We need to initiate a mass transformation in how food is produced and enable farmers to transition at scale.

“”

Investors use ESG data for different reasons—to find returns, to reduce risk, to align with client values. **ESG isn't a style of investing, rather it's a critical input into the investment process.**



## ABOUT THE BUSINESS & SOCIETY PROGRAM

The Aspen Institute Business & Society Program works with business executives and scholars to align business decisions and investments with the long-term health of society and the planet. Through carefully designed networks, working groups and focused dialogue, the Business & Society Program identifies and inspires thought leaders and intrapreneurs to challenge conventional ideas about capitalism and markets, to test new measures of business success, and to connect scholarship theory with business practice.

The Business & Society Program convenes year-round, including these 2024-2025 projects:



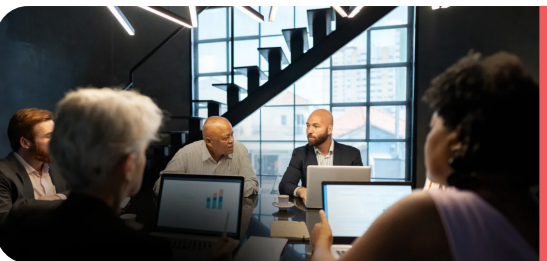
Since 2009, the **First Movers Fellowship** has equipped change-makers within large corporations to drive innovation that increases business value and makes the world a better place.



The **Economic Mobility Fellowship**, now in its second year, develops leaders and accelerates enterprise projects that enhance financial security for frontline and low-wage workers.



The **Aspen Leaders Forum** is a network of senior sustainability strategists at large global firms, convening to share insights on driving change in complex organizations.



The **Agenda for the Prepared Board** is a set of 7 principles to help boards play offense in connecting ESG to long-term value creation and corporate purpose.



The **Aspen Private Capital Forum** convenes sustainability leaders inside private equity and private credit firms, to enable their unique ability to drive impact at speed and scale.