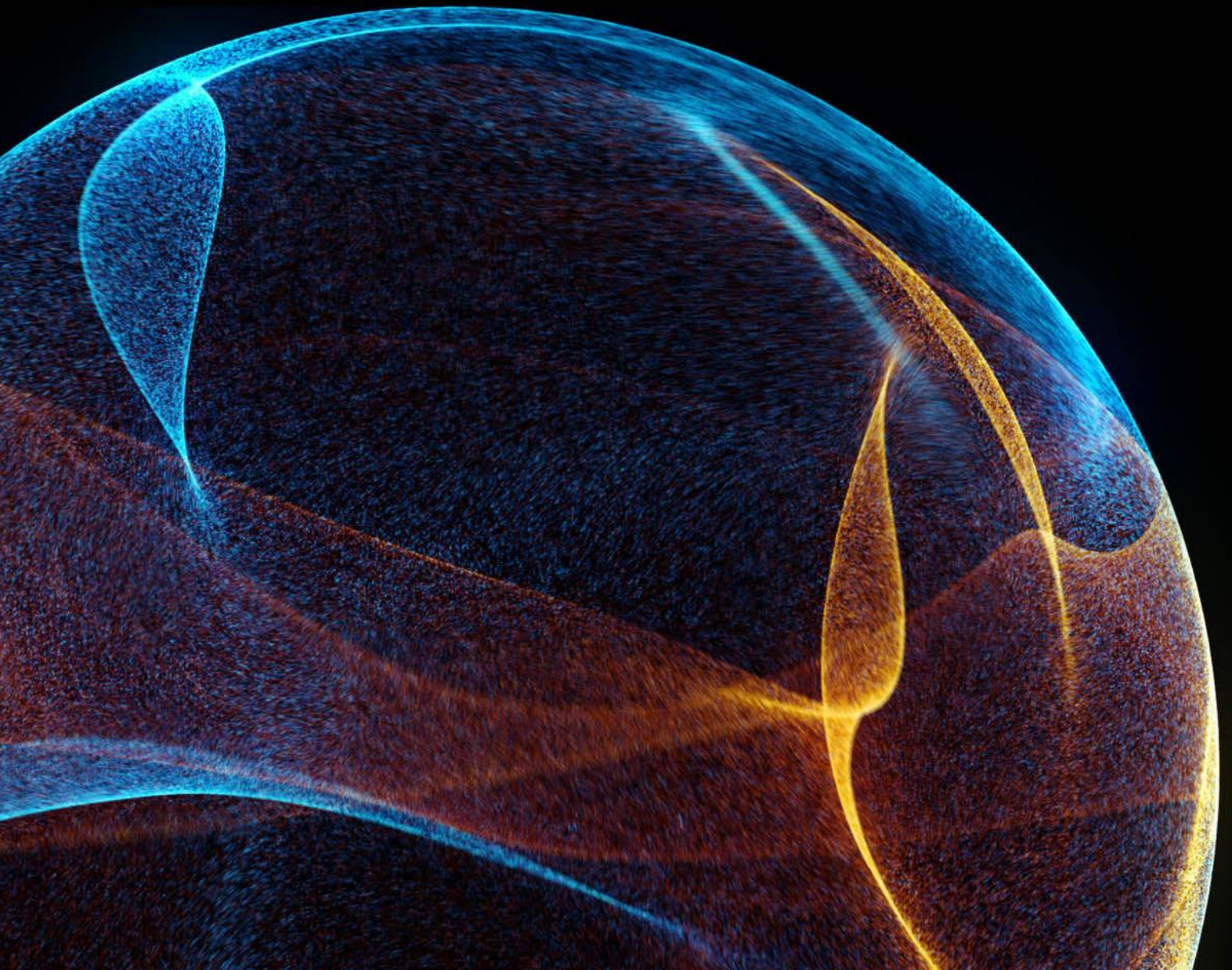


The Elephant in the Sustainability Room

Addressing the Tension between Growth and Environmental Goals in Corporate Business Strategies

MAY 2024 | REPORT



About This Report

After a decade of setting environmental commitments, companies are increasingly moving to action. This implementation phase is proving challenging: despite some progress, for example on energy efficiency or decarbonizing their own operations, many companies find they are progressing at a slower pace than expected. While the lack of a supporting policy environment certainly contributes to these challenges, in many cases they are also a result of business models being at odds with sustainability targets.

No company seriously committed to sustainable action wants to be in a situation in which it fails to deliver on the sustainability ambition it has worked so hard for, over so many years.

Therefore, where tension exists between business growth and sustainability, it is important to understand it and take commensurate action to create value for the business and society in the long term.

This working paper intends to examine this tension and its key drivers to encourage acknowledgement and critical discussions within companies. The paper then explores alternative theories that offer potential solutions to this tension at the macroeconomic level, and it provides an initial exploration of how those concepts could be leveraged by companies to credibly deliver on long-term environmental commitments. This working paper is not meant to be an exhaustive list of solutions, but a step toward envisioning businesses fit-for-purpose and thriving within just and safe planetary boundaries.

This working paper is the result of an extensive research process, including interviews conducted with leading practitioners within and outside of BSR, insights from BSR's [Beyond Growth event series in 2023](#), as well as a literature review of important publications from business, academic, and NGO thought leaders. The authors also drew on lessons from more than three decades of BSR insights and experience working with business to tackle complex sustainability challenges. BSR sees this paper as a starting point in our work on this topic, and we plan to expand on it with further research in 2024.

Acknowledgments

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A Profound Crisis Needs a Transformational Response

Our Planet's Health Is Declining

Pressure on the environment is increasing at alarming rates. Despite greater global efforts than ever to curtail our impacts on society and the environment, the world is on track to exit the safe operating space, otherwise known as [planetary boundaries—a set of nine boundaries “within which humanity can continue to develop and thrive for generations to come.”](#) As of 2024, we have already crossed [six of the nine planetary boundaries](#), with evidence suggesting that we are approaching seven critical climate [tipping points](#) by the end of the century. Humans have contributed to the destruction of a [third of the world's forests](#) and are responsible for the [sixth mass extinction, with biodiversity disappearing a thousand times faster than before humans came along](#). In 2024, environmental-related risks ranked fourth in [WEF's Global Risks Report](#) for their severity over a 10-year period.

On climate, the 2015 Paris Agreement marked a global effort to keep GHG concentrations within a safe threshold and achieve a global state of net-zero before mid-century. The last years were marked by significant progress: the [likelihood of global warming of >4°C has decreased](#), [renewables are now the cheapest source of energy](#), fossil fuels are [projected to peak this decade](#), and the COP28 outcome delivered [an agreement to transition away from fossil fuels, marking an important step forward](#). Despite this progress, global emissions significantly [increased in the 2010s](#) and [reached an all-time high](#) in 2023. Indeed, 2023 was declared the hottest year on record, [with temperatures reaching 1.35°C above pre-industrial global averages](#), leaving [over 3 billion people highly vulnerable to climate change](#)—including many who have contributed the least to it. Additionally, several [climate impacts are now considered irreversible](#), and [a near 3°C global rise in temperatures](#) is expected [by the end of the century](#). With each passing year, the gap between current emissions levels and those needed to keep the planet within safe limits is widening.

Understanding how and why we got to the current situation is critical to define potential pathways that could lead us away from this dire trajectory and allow society and the economy to thrive within Earth system boundaries.

Multiple (and connected) factors are responsible for the current state and continue to hinder efforts to sufficiently address this global crisis. The failure of governments to act is one critical component: national plans (such as nationally determined contributions, or NDCs, on climate) [lack the ambition commensurate to the goals they set, have failed to act consistently to achieve those goals, and have failed](#) to transition away from fossil fuels fast enough. A second factor is the failure to see interconnection: we (governments, corporates, citizens) still fail to see how much of our society, economy, and ecosystem are deeply interlinked, and how narrowly focusing on one issue (e.g., GHG emissions) without considering others (e.g., human rights, biodiversity, or water issues) will fail to keep us within Earth system boundaries. Lastly, our existing economic system is a major barrier that we must confront.

The Current Economic System Fuels the Environmental Crisis

The current economic system is linear, extractive, and built around the imperatives of economic growth and short-term financial returns. Its premise is that natural resources are available to use, at no cost. As such, value is extracted from ecosystems to generate outputs such as products and eventually waste, therefore creating a significant waste problem with profound environmental impacts. This system facilitates perpetual production, consumption, and resource use—no matter *what* is produced, consumed, or used—and often at a rate and scale that render efforts to green economic activity only marginally significant. The imperative of short-term returns is a significant barrier to the long-term thinking required to reach global sustainability goals.

So far, the predominant policy response to the environmental crisis has been the pursuit of “green growth,” whose premise is that the economy and ecology can develop without compromising each other. Green growth is built on the concept of environmental “decoupling,” which posits that it is possible to grow economic value while simultaneously minimizing environmental impacts (e.g., GHG). Decoupling can be relative, meaning that economic value grows more than environmental impact, or absolute, meaning that economic value grows while environmental impact shrinks.

While some examples of decoupling exist, there is [still limited evidence](#) that absolute decoupling of growth from environmental and social impacts is achievable, or sufficient to keep humanity within the safe limit of planetary boundaries. On GHG alone, a [2023 study](#) on high-income countries showed that the current pace of emissions decoupling is too slow and that changing this trajectory would require different policies, as well as demand-reduction strategies.

This highlights the challenge in relying solely on greening growth to keep the world on track to meet global sustainability goals. We need to put all the tools on the table. In fact, [2023 research](#) shows that the climate policy community is increasingly reckoning with the idea that green growth will not suffice to keep us within safe and just planetary boundaries.

Keeping within these boundaries will require a big mindset shift, but it is paramount for every person, business, and country and must be reflected in the economic and political choices pursued today—starting with the developed countries.

Alternative Economic Models Are an Underexplored Solution

With the window of opportunity to halt and reverse today's social and environmental crises narrowing, it's important that we accelerate efforts toward a future within [Safe and Just Earth Systems Boundaries](#).

If our current economic system is a structural barrier to this vision, then we need to question its assumptions. The latest report from the [IPCC calls](#) on us to “prioritize human well-being and the environment over economic growth.” In fact, this entails rethinking the purpose of the economic system by, for example, moving beyond economic growth (measured by GDP) as the only goal and indicator of economic progress and development.

Beyond Growth Economic Theories Can Expand Our Toolkit

The exploration of alternative economic models is not new. For decades, scientists, economists, and academic scholars have explored alternative macroeconomic models that seek to move “beyond growth.” The many different models theorized share a similar vision: expand the purpose of the economy beyond maximizing GDP, and to reach well-being and prosperity for all within the limits of what the planet can provide. The table below provides an overview of the main beyond growth theories that offer a blueprint for the economy and society at large to operate within just and fair planetary boundaries.

Well-Being Economy

The Well-Being Economy advocates for measuring and promoting well-being and happiness rather than focusing solely on economic indicators like GDP. It relies on [three principles](#): (1) Restoring a harmonious relationship between society and nature, (2) Ensuring a fair distribution of resources to address economic inequality, and (3) Supporting healthy and resilient individuals and communities. The model is similar to the "[Economy of the Common Good](#)," which aims to serve the common good using principles such as alternative indicators and sovereign democracy.

Ranking among the Social Progress Index's top performers, Costa Rica is an example of a country that is working toward a Well-Being Economy.

Economy of the Commons

Derived from Elinor Ostrom's institutional theory of the commons, this alternative economic model advocates for a decentralized and collective approach to managing common goods, such as natural resources and cultural heritage. Ostrom highlights the potential of local communities to manage common resources sustainably and proposes [eight principles and recommendations](#) for designing appropriate governance systems that promote cooperation, adaptation, and sustainability of common resources.

In [Nepal](#), irrigation systems used to water crops are collectively managed and controlled by farmers themselves, rather than being managed by a central authority or government agency.

Doughnut Economics

Kate Raworth's [Doughnut Economics](#) is a visual representation of the safe and just space in which humanity can thrive. The Doughnut consists of two circles: the outer circle shows the nine planetary boundaries that we must not exceed, and the inner circle represents twelve social foundations that we must ensure everyone has access to, including food, water, and housing. This framework aims to guide policymakers in creating an economy that meets the needs of all people while staying within the planet's limits. It has already been piloted at various scales, such as in the context of cities and local businesses.

[Amsterdam](#) is an example of a city that has adopted the doughnut model as a compass for informing citywide strategies and developments that support social needs without putting additional pressure on the environment.

Post-Growth

Working from the foundational assumption that extractive economies cannot grow infinitely on a planet with finite resources, post-growth is an agnostic stance on economic growth that suggests moving away from the dominant focus on economic growth to achieve human well-being. It instead emphasizes the need to consider a more [well-rounded vision](#) of economic and social progress and adopt a systems perspective that embodies social and environmental goals. In contrast to other alternative models, post-growth advocates encourage building from existing ideas, technologies, and actions, instead of starting from scratch. Post-growth approaches and policy recommendations [include](#) universal public services such as health, education and housing, job guarantees, working-time reductions, and a fairer distribution of income.

[Bhutan's Gross National Happiness indicator, which measures the satisfaction of the country's citizens, is an example of a post-growth approach.](#)

Degrowth

[Degrowth](#) is “a planned reduction of energy and resource use designed to bring the economy back into balance with the living world in a way that reduces inequality and improves human well-being.” It is achieved through a planned reduction in material consumption—the equitable downscaling of throughput, primarily in wealthy economies that have exceeded their share of planetary boundaries. Degrowth advocates see it as a necessary phase for countries in the Global North to reach a post-growth economy. Degrowth-minded approaches call for more sustainable product and service design throughout the entire lifecycle, such as prohibiting planned obsolescence, stopping single-use plastics, and introducing the right to repair. Unlike a recession, degrowth is [not accidental](#) and general but an intentional and controlled process. Examples of supporting policies include adopting a four-day workweek, stopping the extraction and consumption of fossil fuels, imposing limits on advertising, and reducing unnecessary production in a planned and democratic way.

[Multiple cities are increasingly implementing degrowth-aligned policies, such as \[Grenoble\]\(#\) and \[São Paulo\]\(#\), where advertising is banned on public streets.](#)

Regenerative Economy

A regenerative economy not only seeks to avoid harming the planet by operating within planetary boundaries but also actively works to restore and enhance natural systems. A regenerative economy is [net positive](#) in all aspects—climate, nature, society, and the economy. In a [regenerative economy](#), nature’s laws and patterns of systemic health, self-organization, and self-renewal are applied to socioeconomic systems. Some of the [principles](#) that govern the regenerative economy include empowered participation, local economies and communities, circularity and sufficiency, and cooperation.

Many cities are incorporating [regenerative practices](#) in urban development and architecture planning, such as urban tree planting and farming, transforming buildings into carbon sinks with bioengineered materials, or developing wildlife corridors.

Sufficiency

In the scientific literature, [sufficiency](#) refers to a moderation in consumption levels, determining what levels of production and consumption are necessary to stay within ecological limits and ensure basic needs are met. The [IPCC’s Sixth Assessment report](#) defines sufficiency as “a set of policy measures and daily practices that avoid demand for energy, materials, land, and water while delivering human well-being for all within planetary boundaries.”

[France](#) has made energy sufficiency one of the three pillars of its decarbonization strategy, and sufficiency has also been presented as a business strategy for sustainable consumption.

A review of these theories makes it very clear that staying within environmental boundaries is far more than an environmental issue; it is also a matter of equality and social well-being.

Limitations to Consider

While deep feasibility analysis is outside of the scope of this paper, it is important to acknowledge that each of the alternative models discussed comes with limitations.

Firstly, many of these concepts have been proposed in a Global North context, drawing on the reflection that climate change and resource extraction are being driven primarily by

the [cumulative historical consumption](#) of high-income countries, most often in the Global North. Indeed, it is largely in high-income countries that resource and energy use exceed sustainable levels. Hence, low-income countries (many of which are in the Global South) have a very different path toward a post-growth economy, as they need to reach a certain level of economic growth to achieve well-being. Nevertheless, actors in these countries should be part of the discussion to enable the systemic change needed to achieve such global goals.

Secondly, these concepts have mostly been studied in macro contexts. Just as the concept of planetary limits needs [translation at corporate and city levels](#), so do the macroeconomic theories above. As an example, implementing “degrowth” concepts in a large multinational business is not straightforward, and merits further exploration. In the latter part of this working paper, we start to explore emerging ideas and business models that help envision beyond growth businesses operating within Earth systems boundaries. BSR aims to continue such exploration in the coming months.

Lastly, achieving such change requires collaboration. No single group of actors, company, or government will have the capacity to navigate this complex transition. Policymakers, the financial sector, businesses, and citizens all are integral components in this collective pursuit, shaping both the regulatory web and the patterns of production and consumption that can reduce the social and environmental impacts related to today’s economy. Businesses cannot achieve this transformation alone, but they certainly have a critical responsibility in contributing to this change.

How Can Business Address the Tension between Growth and Sustainability Targets?

Companies Accelerate Sustainability Focus, but Struggle to Deliver on Their Environmental Goals

Over the last decade, corporate sustainability commitments have risen exponentially. On climate, the [Science-Based Targets initiative](#) didn't exist until 2015, and the number of [companies with validated SBTi targets is now over 4,000, with more validated targets in a year \(2022\) than the previous seven years combined](#). On nature, there is strong momentum following a historic COP15 agreement. Science-Based Targets for Nature (SBTN) emerged in 2023 and its target-setting methods for nature are drawing strong interest, along with the Taskforce on Nature-Related Financial Disclosures (TNFD). Capital investment has followed these developments, highlighted by the [record-breaking US\\$358 billion](#) of investments in renewable energy in the first half of 2023 and [US\\$160 billion of private investments in plastics circularity from 2018 to 2023](#), among others.

Despite such acceleration, there is still a clear disconnect between ambition and action as it relates to social and environmental goals. Recent analysis of companies with long-term environmental commitments shows that [only 18 percent are on track to reach net-zero targets](#) in their operations by 2050. [Signatories to the Ellen MacArthur Foundation's Global Commitment, which include more than 250 businesses and financial institutions that have committed to mitigate plastic pollution, are likely to miss key 2025 targets, and](#) despite ambitious pledges, corporate efforts to end [deforestation](#) are lagging.

Many companies have made progress, in varying degrees, at decarbonizing their own operations (Scope 1 and 2) and enhancing process efficiency and productivity, and have made similar progress in their supply chain, for example through supplier engagement approaches. But staying within planetary boundaries and achieving long-term corporate sustainability targets entail a much larger transformation which, at times, involves questioning the current business model and working systemically to address what and how we produce and consume.

A siloed approach to sustainability is a clear barrier to achieving long-term sustainability goals.

Business Growth as Usual: A Barrier to Reaching Long-Term Sustainability Targets

The tension between growth-at-all-costs and sustainability is materializing in business strategies, and it is proving a key barrier to truly achieving long-term corporate sustainability goals. The climate or environmental impact of a business is often in linear relation to the amount of, for example, products or services produced or sold. It is therefore clear that even a company with strong sustainability plans to reduce the impact of their activities can feel this tension: while

sustainability action and investment goes up, so do emissions and negative environmental impacts.

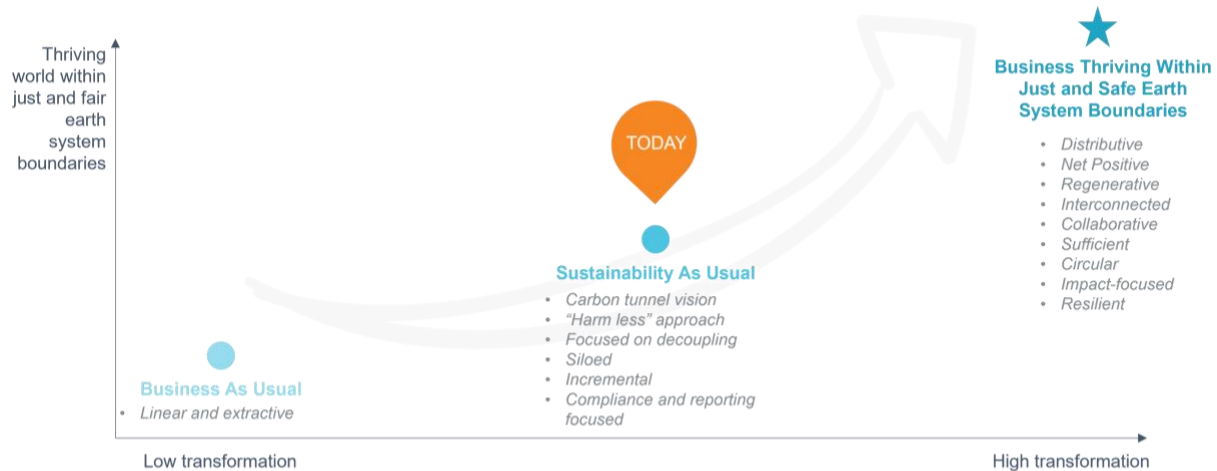
BSR has been observing signs of acknowledgement of this tension from early-mover companies. It has become evident that most existing business models and enterprise designs, built for objectives that are expressly different than those we need today, may no longer be fit-for-purpose. Achieving long-term sustainability goals that stay within the planetary boundaries and ensure human well-being requires us to rethink and reframe the way businesses operate today, raising a set of questions related to *what we grow and produce, how, and why*.

Reconciling Business with Earth System Boundaries

Averting the worst of the climate and biodiversity crises requires the private sector to rapidly move beyond commitment and incremental change to credible and ambitious action. Given the urgency of the situation, all tools need to be on the table, including exploring different, innovative new business models.

As discussed, alternative macroeconomic concepts have been emerging from academia for decades. Such concepts are not only relevant for the larger economy, but also can be adapted and leveraged in a corporate context to contribute to thriving, resilient businesses fit-for-purpose to create a just and safe future.

Reconciling business with Earth System Boundaries is a crucial aspect and might be the single most important challenge to incorporate in future sustainable development strategies. As we approach 2030, we must dedicate effort to creating and moving toward alternative business models with greater potential for transformative change than today's incremental approaches.



Businesses fit-for-purpose in the 21st century will move beyond traditional, incremental methods to tackle the sustainability elephant in the room: growing tension between economic growth and sustainability goals.

What Prevents Businesses from Being Transformative?

Businesses do not operate in a vacuum. Besides the willingness to “do the right thing,” they are influenced by a wide array of stakeholders and pressures—from regulatory requirements to capital markets, and the mindset and culture of the industry itself. These pressures can make true business transformation cumbersome and challenging. Some of the most common external barriers to transformative business models we see are:

- 1. Competitive and Market Pressures:** The fear of losing competitiveness is an obstacle to embedding sustainability holistically into the types of products and services companies develop and offer due to their cost implications. Despite a growing consciousness around sustainability, most consumers today are not willing or able to absorb price premiums associated with sustainable products, which discourages companies from developing such products and services. In a heavily regulated and competitive market, companies that offer cheaper products that meet only minimum sustainability criteria prevail. So far, companies are often unwilling to bear first-mover risk.

2. **Lack of Enabling Environment:** The current economic system, including regulatory frameworks, doesn't provide companies with the supportive conditions and infrastructure necessary for successful transformative initiatives, reinforcing their unwillingness to bear the first-mover risk.
3. **Short-Term Mindset and Competition for Limited Financial Resources:** With a strong focus on maximizing shareholder value in the short term to meet investor and Board expectations, companies may be unwilling to make long-term investments required for transformation. The adoption of transformative business models often requires intensive upfront investment in capital, which would negatively impact financial performance indicators and ultimately the company's short-term profitability.
4. **Resistance to Change:** Many organizations face resistance from internal stakeholders who are comfortable with the status quo; additionally, internal legacy systems and processes may appear difficult to replace or upgrade. Transformative changes in business models might threaten certain internal stakeholders' jobs or skillsets, further increasing their resistance to change.
5. **Willingness to Have Clarity on Successful Examples:** Companies are often wary of allocating significant resources to transformative initiatives without clear evidence of success—but such appetite for innovation is needed to reach long-term sustainability goals. As an example, the [Ellen MacArthur Foundation's Global Commitment 2023 Progress Report](#) states that many companies have tested reuse models since 2018 with limited progress at scale. The absence of scalable examples can create doubts about the potential return on investment and hinder commitment to transformative projects.

What Can Push Business to Be Transformative?

Transformative business models that keep within planetary boundaries not only align with societal and environmental imperatives, but can also offer tangible benefits, including:

1. **Mitigating Environmental Risks:** Climate change, resource depletion, and ecosystem degradation pose risks to supply chains, operations, and overall business stability. By being

proactive and reinventing their business model, companies will minimize their environmental footprint and risk exposure in a world with finite resources.

- 2. Maintaining Ecosystem Services for Long-Term Resilience:** To ensure the continued availability of resources critical to business operations, companies must plan to reduce their dependence on finite resources and invest in maintaining the health and resilience of natural systems on which they depend.
- 3. Capturing Opportunities in a Changing Market:** Sustainable transformation of business models toward service-based offerings can unlock access to the markets and customer segments of the future. For instance, implementing service models, such as rental or subscription services, can appeal to environmentally conscious consumers, including those with limited disposable income. Some consumers may not be able to purchase an expensive sustainable product, but they can afford to rent it for a month at a fraction of the cost. This shift not only drives demand from niche markets but also increases resilience against economic headwinds.
- 4. Increased Innovation, Differentiation, and Brand Reputation:** Pursuing a truly sustainable business model will spark innovation and creativity within organizations. Companies that innovate with sustainable solutions are able to develop unique products, services, and business models that set them apart from competitors.

Business Transformation is Essential to Thrive within Planetary Boundaries

Business model innovation is a key lever to address the tension between traditional growth-based models and sustainability goals. It requires a mindset shift beyond solely considering sustainability at the product level. Instead, it requires integrating sustainability into the core ethos of the entire enterprise, including aligning the company's purpose with sustainability goals and values.

Promising Business Models

Businesses can and should explore innovative strategies, building off the previously cited academic research on alternative models, and scale alternative business models that are being

piloted across business sectors. While further exploration is needed, promising business models paving the way forward are emerging, as laid out below.

Business Models	Purpose	Key Characteristics	Limitations
Circularity emphasizes sustainability and resource efficiency by minimizing waste and maximizing the continual use of resources.	Minimize environmental impact and resource extraction through a shift from linear take-make-waste to a circular model	<ul style="list-style-type: none"> Product design for longevity Closed-loop systems focused on reuse, repair, and recycling Resource efficiency to limit resource use 	<ul style="list-style-type: none"> Considerations regarding volume are often missing Product design is not systematically considered in circularity approaches
Sufficiency-based models reduces absolute material throughput and energy consumption associated with provision of goods and services by moderating end-user consumption.	Reduce material throughput and consumption	<ul style="list-style-type: none"> Conscious sales and marketing Full life-cycle sufficiency Product longevity Production caps Service-based models (leasing / product as a service) 	<ul style="list-style-type: none"> Rebound effect Considerations around slower growth in competitive markets Considerations around new income sources/implications of continuously seeking new customers due to reduction in sales cycle and market demand (since products are long-lasting)
Regenerative businesses are focused on creating net positive impacts on the environment, society, and the economy.	Restore and enhance natural and social systems in a systemic manner	<ul style="list-style-type: none"> Net positive impact (socio-ecological) Ecosystem restoration Social well-being Holistic thinking around environment, society, and the economy 	<ul style="list-style-type: none"> Relevant to businesses heavily relying on nature Risk of regen-washing Potentially combined with traditional growth mindset and conducted along degenerative practices
Impact Businesses/Social Enterprises are designed to create positive social or environmental impact, alongside financial sustainability.	Address social or environmental issues through the core activities of the business	<ul style="list-style-type: none"> Dual impact Revenues serving impact creation Customer/end-user centric Hybrid legal structure 	<ul style="list-style-type: none"> Need for higher upfront costs to meet social and environmental commitments Potential conflict in juggling social or environmental impact with financial sustainability

Other Key Factors for Business Transformation

Such profound transformation is deeply challenging. Transforming a business model to thrive within planetary boundaries will require companies to activate/mobilize multiple enablers in parallel to support that transformation.

Corporate Governance, A Key Success Factor for Business Model Transformation

Corporate governance structure plays a pivotal role in facilitating and guiding the transformation of a company's business model. It needs to be flexible and adaptable to respond to changing circumstances and emerging challenges. The governance structure serves as a guiding force for companies. It provides the strategic oversight and ethical leadership needed to transform, as well as the definition of the long-term vision and mission, all of which are crucial elements for successful and sustainable transformations.

Much of the post-growth literature advocates for alternative corporate governance structures that are [democratic, inclusive, collaborative, decentralized, networked, and adaptive](#). As highlighted by the [Doughnut Economics Action Lab \(DEAL\)](#), the governance structure must be in service of purpose and have an innovative design, such as multi-stakeholder boards that give voice to nature.

Advocating for an Enabling Environment: Policy and Financial Sector Engagement

Policies have the capacity to impact costs and redefine markets and their rules. Policymakers must play a role in creating a conducive environment for businesses to operate within planetary boundaries by implementing legal frameworks that incentivize virtuous practices while penalizing harmful ones, thereby creating the best conditions for alternative business models to thrive.

Companies will also need the partnership of the financial sector because their transformation will require massive investments. The financial sector, including the capital markets, must play a key role in de-risking investment, as well as promoting and scaling new business models. On their end, the financial sector can rely on this disruption to unlock new attractive investment opportunities for the whole sector (individual and institutional investors, banks, and asset managers).

Collaborative Action and Partnerships

Collaboration and partnerships are a powerful enabler for companies seeking to transform their businesses while making a meaningful impact. Businesses cannot transform in isolation; they must engage with stakeholders across the value chain and beyond to drive meaningful change. A collaborative mindset and openness to unique partnerships are crucial to moving away from business as usual.

Supporting a Global Shift of Mindset

A precondition for systemic change is the recognition by all stakeholders that there is a failure in the way our current economic system operates. Only then can agents start acting toward improving that system—starting with how citizens and consumers make consumption and overall lifestyle choices. Such mindset shift is complex and takes time, but it is a necessary endeavor to ensure large-scale systemic change. For that to happen, there must be business, citizen, but also political, will. Policymakers have a critical role to play in ensuring public education and awareness around climate change and the science behind it, starting in school, and influencing how citizens envision their lifestyle and redefining notions of prosperity and success beyond mere material accumulation. Consumers can play a fundamental role in defining the types of products and services that companies offer by being more responsible and conscious in their consumption choices. At the same time, businesses can support this mindset shift and drive consumers toward better products by embedding sustainability into them and, critically, by informing the public of their social and environmental implications.

Conclusion and Next Steps

- Our planet faces profound crises fueled by the current economic system. Incremental change is insufficient—we need transformational response.
- Alternative economic models, particularly Beyond Growth theories, hold promise for addressing current shortcomings and creating a new economic model for the 21st century.

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- Despite efforts to accelerate their focus on sustainability, many companies still struggle to effectively deliver on their environmental goals. The perpetuation of business growth as usual poses a significant barrier to achieving long-term sustainability targets.
 - Businesses play a pivotal role in driving transformation to thrive within planetary boundaries. While planetary boundaries refer to environmental matters, people need to be at the core of the transformation. Embracing innovative and transformative business models has the potential to reconcile these tensions.
 - In examining various business models and complementary transformational levers, the report outlines pathways for businesses to operate within Earth system boundaries. So far, there is no miracle recipe or single model; each company will need to chart its own path with its specificities, values, aspirations, and ecosystem. Collaboration will be key.
 - This report is a first, foundational piece of BSR's intended work on this topic. Our next step will be to further unpack some of these theoretical concepts and turn them into strategic levers to advance corporate sustainability goals. In the following months, BSR will keep nurturing this conversation and supporting companies in their transformative journey to address the elephant in the sustainability room.

About BSR

BSR is a sustainable business network and consultancy focused on creating a world in which all people can thrive on a healthy planet. With offices in Asia, Europe, and North America, BSR provides its 300+ member companies with insight, advice, and collaborative initiatives to help them see a changing world more clearly, create long-term value, and scale impact.

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