Embedding Project

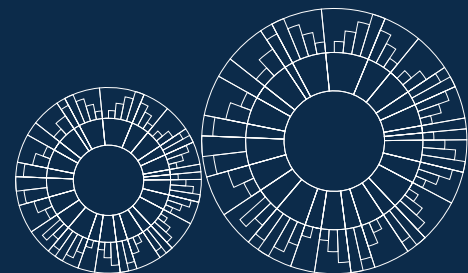# Embedded Strategies for the Sustainability Transition

Setting Priorities and Goals Aligned with Systems Resilience

EXECUTIVE SUMMARY

Introduction

Embedded strategies respond to the growing calls for businesses to articulate their purpose and their strategy in alignment with a rapid climate transition, reducing systemic inequality, preserving biodiversity, and the elimination of waste. This document is a summary of concepts and tools outlined more fully in our Embedded Strategies for the Sustainability Transition guide, and is a result of over a decade of research and experience working with companies worldwide alongside over 300 interviews with senior executives, CEOs, and corporate directors. Our guide was designed to support companies as they shift to an embedded view of strategy that harnesses the generative potential of business to contribute to resilient communities and societies.

Why context and systems resilience matter

Recent events have highlighted the need for companies to view their operations as part of a nested system, bounded by, and embedded within, the environmental, social, and economic systems in which they operate – a systems view.
The three key benefits to adopting an embedded approach include:

1. Managing disruptive risk and the potential opportunities that arise from it;
2. Enhancing social acceptance by articulating a credible social purpose and a credible response; and
3. Setting credible limits to your involvement, prioritising where is makes the most sense to allocate your resources.
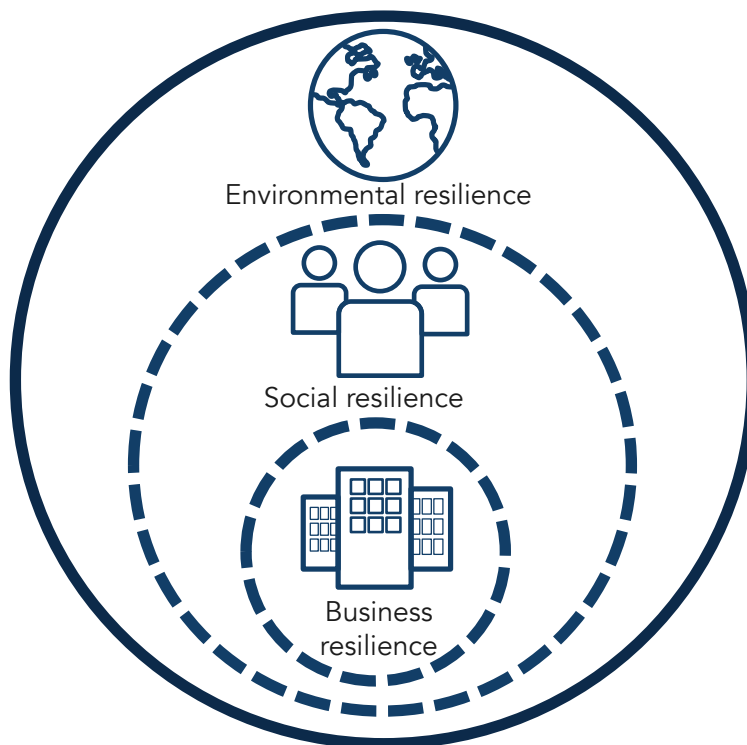

Environmental resilience

Social resilience

Business resilience

Figure 1: Embedded strategies

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Developing credible embedded strategies and contextual goals

When supporting companies as they explore embedded strategies, we found it helpful to focus on five iterative steps:

SCAN: Gather data on relevant political, economic, social, technological, legal, and environmental forces, their underlying systemic drivers, and the interactions between them. Explore key systems thresholds to identify a set of issues that may be particularly relevant to your company, including those that require urgent action and those that should be monitored on an ongoing basis.

Rights & Well-being at Work	Rights & Resilience in Communities	Governance & Ethics	Pollutants
Materials & Waste	Ecosystems	Water	Climate

Figure 2: Eight issue categories to support scanning

UNDERSTAND: Consult with employees, communities, stakeholders, rights holders, subject matter experts, and organisations in your value network to deepen your understanding of:

• How particular issues may impact your business strategy;
• How your activities may directly or indirectly impact relevant environmental, social, and economic systems; and
• What role your business could play in positively influencing system outcomes.

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PRIORITISE: Transparently determine where you will direct your efforts based on the strategic relevance of particular issues to your business, where your organisation has the greatest operational or value chain impacts, and where you are best positioned to positively influence the underlying systems.

We created a comprehensive, rigorous, and systematic Prioritisation Radar tool to support companies as they explore emerging sustainability issues and to help them to prioritise among them.
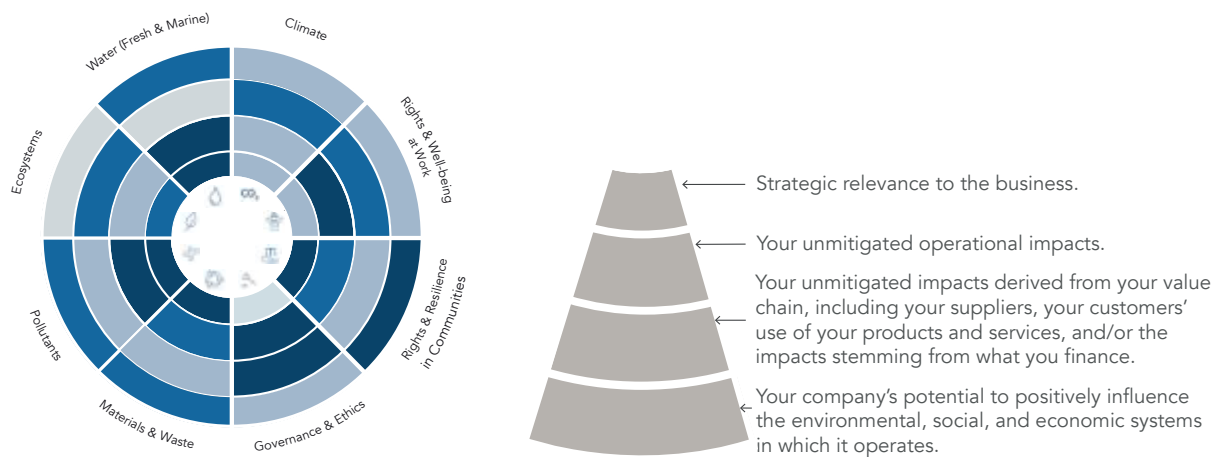

Strategic relevance to the business.

Your unmitigated operational impacts.

Your unmitigated impacts derived from your value chain, including your suppliers, your customers' use of your products and services, and/or the impacts stemming from what you finance.

Your company's potential to positively influence the environmental, social, and economic systems in which it operates.

Figure 3: Embedding Project Prioritisation Radar

ACKNOWLEDGE: Articulate a clear, contextually grounded position with respect to your most relevant environmental, social, economic, and governance issues.

EXPLAIN THE ISSUE

LINK THE ISSUE TO YOUR STRATEGY

CLARIFY YOUR COMMITMENTS

KEEP IT SHORT AND ACTIONABLE

Figure 4: Creating a credible position statement

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SET GOALS AND INTERIM TARGETS: Set goals aligned with doing your part to contribute to systems resilience. These goals should signal the action required; clearly outline the timeframe; and include realistic interim targets for how you will get there.

Figure 5: Setting credible goals and intermim targets

Benchmarking performance

To support companies in articulating a credible public position and setting contextual goals, we have assembled two publicly available databases. You can search for positions or goals based on issue, sector, SDG target, company, or using your own search terms. For each position or goal included in the databases, we note our criteria for assessment and provide a link to the supporting evidence that we used in assessing it.

Going forward

Detailed directions for achieving each of the iterative steps can be found in the full version of the Embedded Strategies for the Sustainability Transition guide.[1] We hope this guidance will help your company to shift your strategy process in a way that takes your environmental and social context into account and aligns your strategy with contributing to systems resilience.

We also hope that this process will help you to articulate a clear narrative of where you are directing your efforts and why, including your decision to prioritise actions where you can have the greatest potential for positive systems impact, whether it be within your direct operational control, by supporting changes in your value chain, or through your broader systems influence. Clarity about this internal and external narrative is a crucial part of 'living your purpose'.

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[1]Embedding Project, Embedded Strategies for the Sustainability Transition.
http://www.eproj.org/strategies

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