



S·HUB

Sustainability Hub
Norway

STATE OF SUSTAINABILITY IN NORWAY 2017

Based on a Master's thesis by Pia Lefevre, written in
collaboration with Sustainability Hub at The Norwegian
University of Science and Technology (NTNU)



Report delivered by Leidar
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Introduction

There is a worldwide shift towards sustainable development in business and society, recently also articulated in the UN Sustainable Development Goals (SDGs). Norway is one of the wealthiest countries in the world. Our natural resources have made us wealthy. We have an opportunity and an obligation to play a leading role in shaping the world we want to see in the future, both globally and nationally. Current Norwegian Prime Minister, Erna Solberg, is setting a positive example by focusing on the Sustainable Development Goals in the long term. We believe that Norway has the potential to be a leading player in the global field of sustainability.

In your hands you are holding the first report in a line of annual reports on the “State of Sustainability” in Norway. This first report is based on the Master’s thesis of Pia Lefevre, written in collaboration with Sustainability Hub at The Norwegian University of Science and Technology (NTNU). With both quantitative and qualitative data, she has mapped and analysed the current challenges and

opportunities in sustainability work in Norwegian businesses.

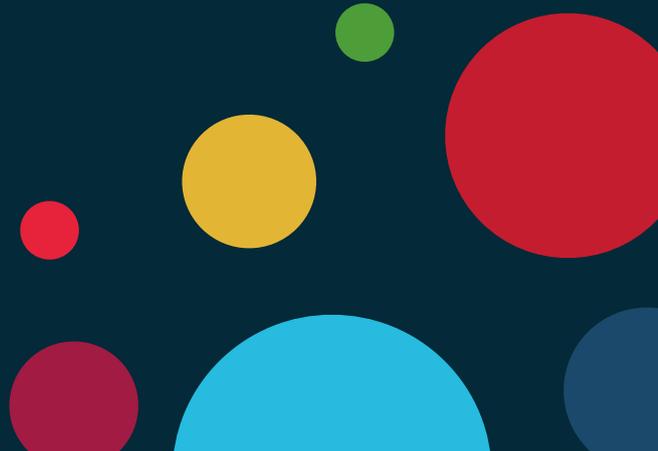
At Sustainability Hub (S-HUB) we have three goals: increase knowledge, build a strong community and encourage more action. We aim to empower people and organizations with the relationships, information and tools they need to create actionable change and excel at sustainable leadership. The State of Sustainability report will be an important step towards achieving our goals.

Check out www.sustainabilityhub.no for more information about what we do and how we work. Want to become a S-Hub member? Please feel free to contact membership@sustainabilityhub.no.

Andreas Friis
Co-Founder and Managing Director
of Sustainability Hub

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About this report

The findings in this report are from a qualitative survey with 130 respondents with 250 variables identifying practices and challenges. The study was conducted from March to May in 2017. The respondents were chosen by convenience sampling, and most of them were employed in one of Norway's 500 biggest companies. The survey was sent to the highest ranking sustainability employee/ manager in the organisation where such a position was established. When the company did not have a designated sustainability employee, someone working closely with sustainability or who had in-depth knowledge about

the company's sustainability work responded to the survey. The respondents will hereby be referred to as the sustainability employee. To complement the findings of the survey, in-depth interviews were conducted with four of the respondents.

In this report, the word "sustainability" is used interchangeably as the umbrella term for CSR, environment, shared value etc., given that the various respondents used different terminology related to their sustainability work.

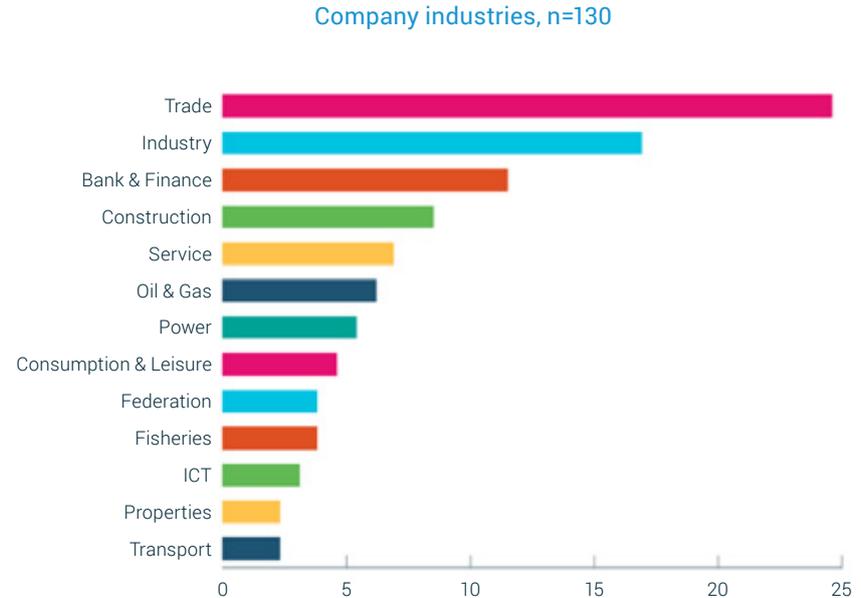
This study attempts to fill that gap of knowledge by assessing the practices and challenges of how Norwegian companies are incorporating sustainability into their business. The overall objective is to allow sustainability to develop and impact the business sector by obtaining a deeper understanding of current efforts and approaches to sustainability in Norway.

Pia Lefevre (2017)

Background

130 respondents
250 variables
92 questions
4 interviews
115 companies
12 industries

Companies represented in the report

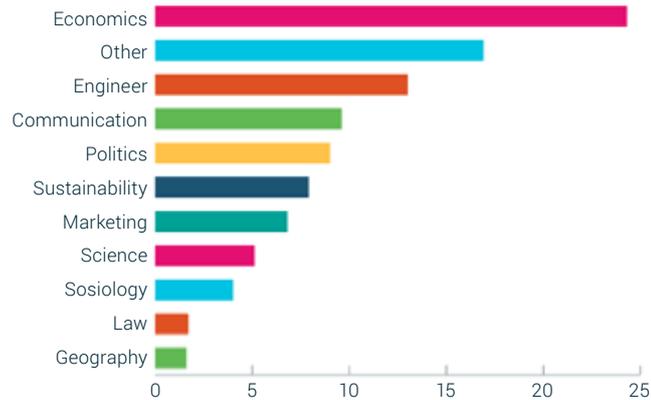


Respondents in the survey were mainly working in big companies ranked on Kapital's list of the 500 biggest companies in Norway in 2017. 23.8% of the respondents were from companies under a multinational parent company, and 5.6% from small or medium companies. The 130 respondents represented 115 different companies.

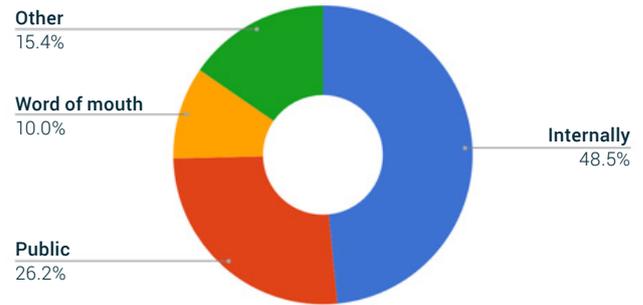
The trade industry was largely represented, accounting for 24.6% of the respondents. The second largest category was industry, followed by banking and finance, and construction. These findings do not necessarily mean that these industries have the greatest focus on sustainability, but indicate which type of industries and companies the respondents represented. This is important to keep in mind when analysing the report. Different sectors and company structures may produce different results.

The sustainability employee

Respondents' educational background in percentage, n=177



Employee's recruitment method to sustainability work within company, n=130



Average survey respondent
(130 respondents in total)

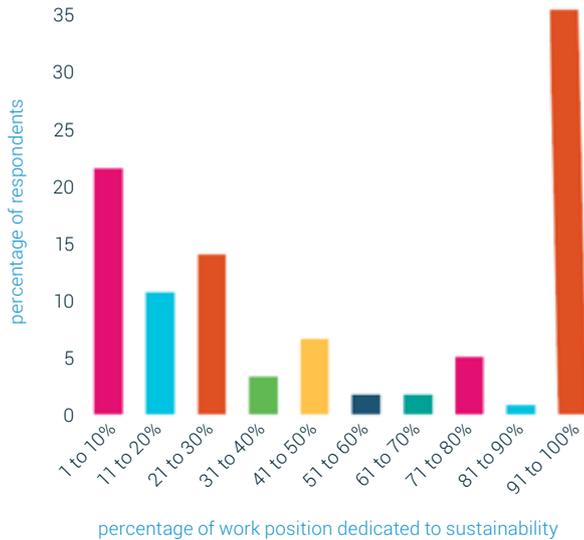


Out of the 130 respondents in the survey, 34% were full-time sustainability employees, working in positions such as Chief Sustainability Officer, Director Sustainability, CSR Manager and Sustainability Manager. An interesting find is that most sustainability employees did not have a formal educational background in sustainability. In fact, the most common educational background was economics and engineering. 48.5% of them were also recruited to their position internally, which indicates that companies might add sustainability work to other role descriptions rather than hiring a new resource.

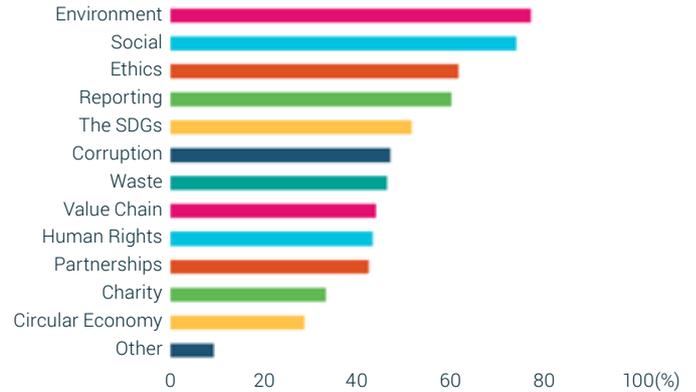
The majority of the respondents had been working 0-5 years with sustainability in the company (68.8%), with 56% working with sustainability for the first time. This indicates that many of the sustainability employees in Norway today are new in field, and that this in many cases is quite a new job role. On the other end of the scale, several of the respondents had been working with environmental issues and CSR in general for decades, causing the average work experience within sustainability to be 11.2 years.

Sustainability work

What percentage of your work position is attributed to sustainability? n=121



Which areas of sustainability are you working on? n=130



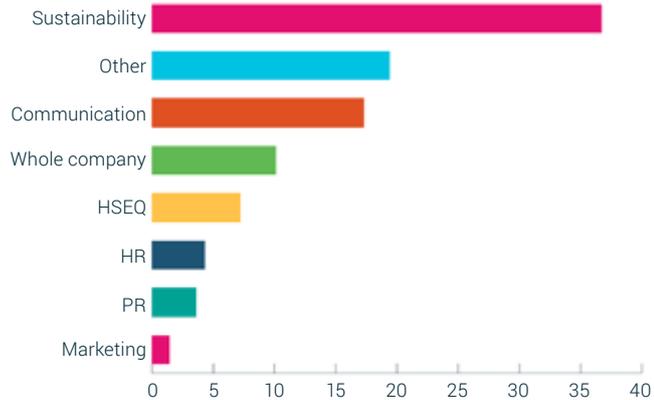
Out of the respondents, 34.7% answered that their role was 91-100% dedicated to sustainability, and 21.5% answered between 1 and 10%. The two most common areas of sustainability work were environmental work and social work, followed by ethics, reporting and activities focused on the SDGs.

Sustainability departments

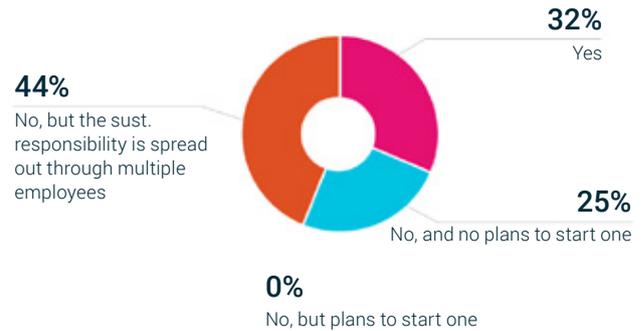
115 companies were represented in this survey, of which 32% had their own sustainability department. The other respondents were either part of the communications team, HSEQ, HR, PR, Marketing or other. None of the companies without an existing department had plans to start one. Several of the respondents did mention, however, that sustainability is part of the core strategy and is being implemented across business functions.

When asked which areas the company worked on the most, the most popular answered categories were environmental work, social responsibility and sustainability strategy.

Respondents' department in company, n=139

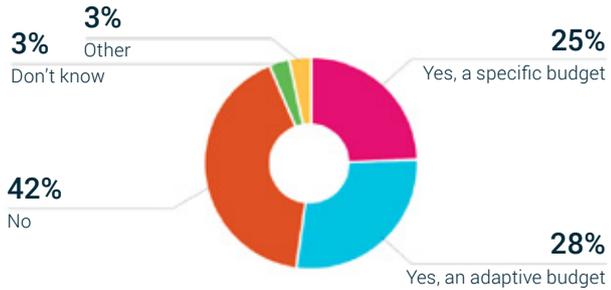


Does the company have its own department for sustainability? n=130



Sustainability budgets

Does the company have a defined budget for sustainability? n=130



Who defines the budget for sustainability? n=130



Only 9% of the survey respondents answered that they had full control of the sustainability budgets, but 37% of them had influence over budgets in cooperation with management. In 47% of the responses, management had sole control of sustainability budgets. These findings become even more significant when considering that 42% of the respondents replied that they do not have a defined budget for sustainability, and an astounding 64% believe that current budgets are already sufficient.

Having a defined sustainability budget and the autonomy and trust to control it is vital to making sustainability an integral part of the business, regardless of whether or not the company has a separate unit for sustainability or is incorporating it across business functions.

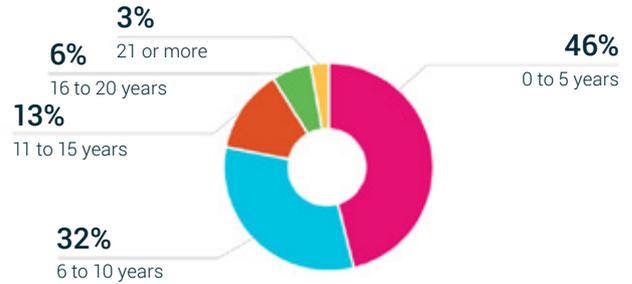
Cilia Holmes Indahl
Co-Founder and Member of the Executive Board, S-Hub

Sustainability reporting

How long has the company worked with sustainability? n=106



How long has the company reported on sustainability? n=78



When the respondents were asked if they worked with sustainability, where “sustainability” was left open and undefined, 17% indicated that their company has been working with sustainability in one form or another for more than 21 years, 30% for 11-20 years, and 36% from 6-10 years. This shows that many Norwegian companies already have a sense of ownership of the sustainability concept.

70% of the respondents answered that they report on sustainability annually, and that it is categorised as one of the respondents' most time-consuming tasks. Yet, only 2% had been reporting on sustainability for more than 21 years, and 28% only within the last five years. This gap between working with sustainability and reporting on sustainability indicates a growing trend to formalise the sustainability work that many companies already are conducting.



UN Sustainable Development Goals

Which of the SDGs is the company focusing directly or indirectly on?

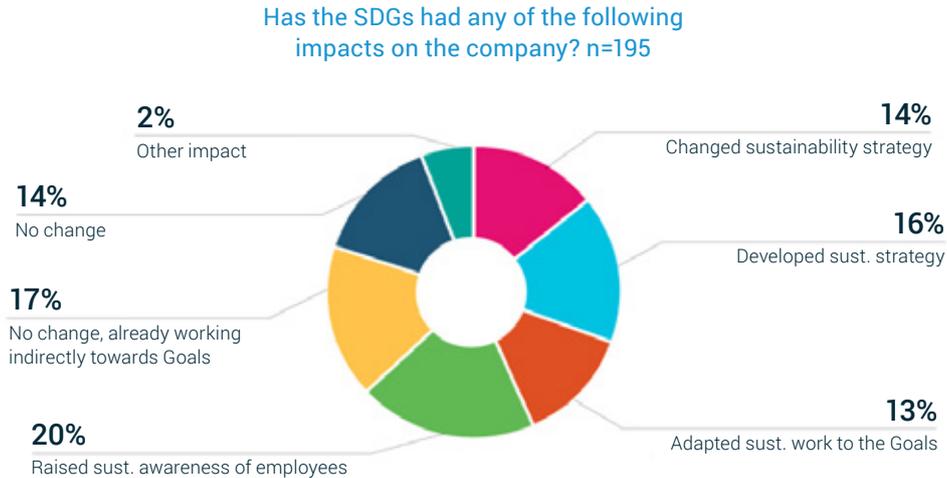
SDGs most ranked with “Most focus”



SDGs most ranked with “No focus”



Impact of the SDGs

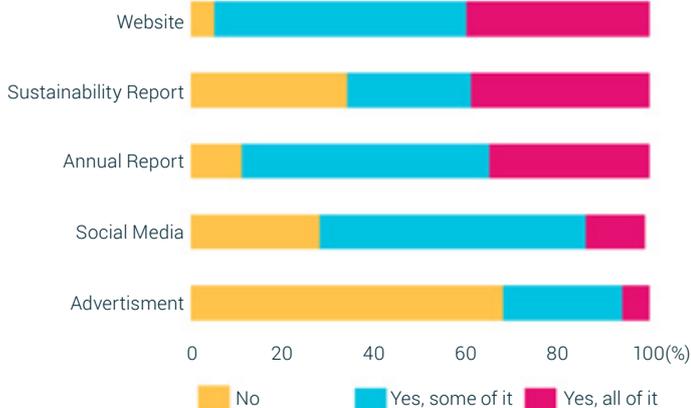


The launch of the Sustainable Development Goals (SDGs) in 2015 gave politicians, companies and individuals a common language to discuss the most pressing issues of our time. 20% of the respondents answered that the SDGs have

helped raise the sustainability awareness of employees. 16% developed a sustainability strategy based on the SDGs and 27% had either changed or adapted existing strategy to suit the goals.

Communicating sustainability

Does the company communicate their sustainability work through any of the following platforms? n=130



As 70% of the companies represented in the survey reported on sustainability annually, one can assume that there is a desire to communicate sustainability efforts. Most of the sustainability work is communicated through the company's website, followed by annual reports, social media, sustainability reports and lastly advertisements.

Most of the respondents believed that communicating sustainability efforts is part of best practice and generated positive impact for the company.

It's important to strategically and actively communicate the company's sustainability progress, not perfection. This creates internal understanding, builds pride and inspires action.

Ingrid Helsingen Warner
Co-Founder and Member of the Executive Board, S-Hub



Challenges

#1 Capacity

51% of the respondents ranked “Capacity – time and/or employees” as a big or very big challenge.

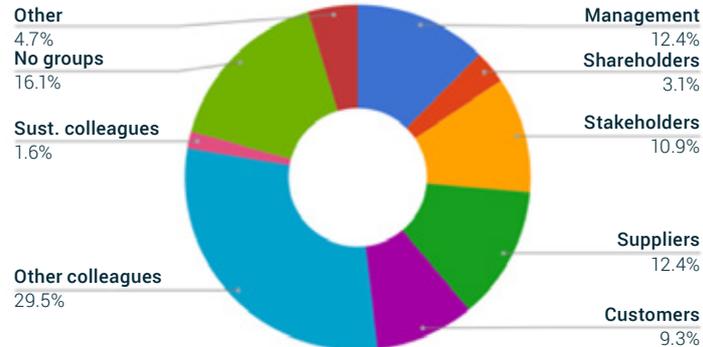
#2 Knowledge

24% of the respondents ranked “Sustainability knowledge” as a big or very big challenge.

#3 Colleagues

21% of the respondents ranked “Sustainability training of colleagues” as a big or very big challenge.

Challenging groups for employee’s sustainability work, n=193



An interesting find was that the majority of the respondents answered “capacity” as their biggest challenge in their sustainability work, and as we saw earlier, reporting is one of their most time-consuming tasks. 21% of the respondents mentioned training colleagues on sustainability was a big or very big challenge and 29.5% mentioned other colleagues as the most challenging group for their work. This might indicate that there is a lot of internal resistance for implementing sustainability across all organisational functions, with little time to remedy the issue with training due to capacity constraints. Lack of capacity also resulted in the majority of the respondents having hired external sustainability help.

The challenges companies face today are important to consider when moving forward. In the next few years it will be interesting to see how sustainability work develops. Will we see an increase in employees and departments, or perhaps a growing trend of sustainability consultancies?

Andreas Friis
Co-Founder and Managing Director, S-Hub

Tools

#1 The SDGs

77% of the respondents have used them
82% of those found it "Useful" or "Very useful"

#2 UN Global Compact*

58% of the respondents have used it
79% of those found it "Useful" or "Very useful"

#3 GRI G4**

42% of the respondents have used it
80% of those found it "Useful" or "Very useful"

*UN Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals.

**GRI G4 is a set of universal, voluntary reporting guidelines for reporting on sustainability. Please note that the G4 Guidelines have been superseded by the GRI Standards.

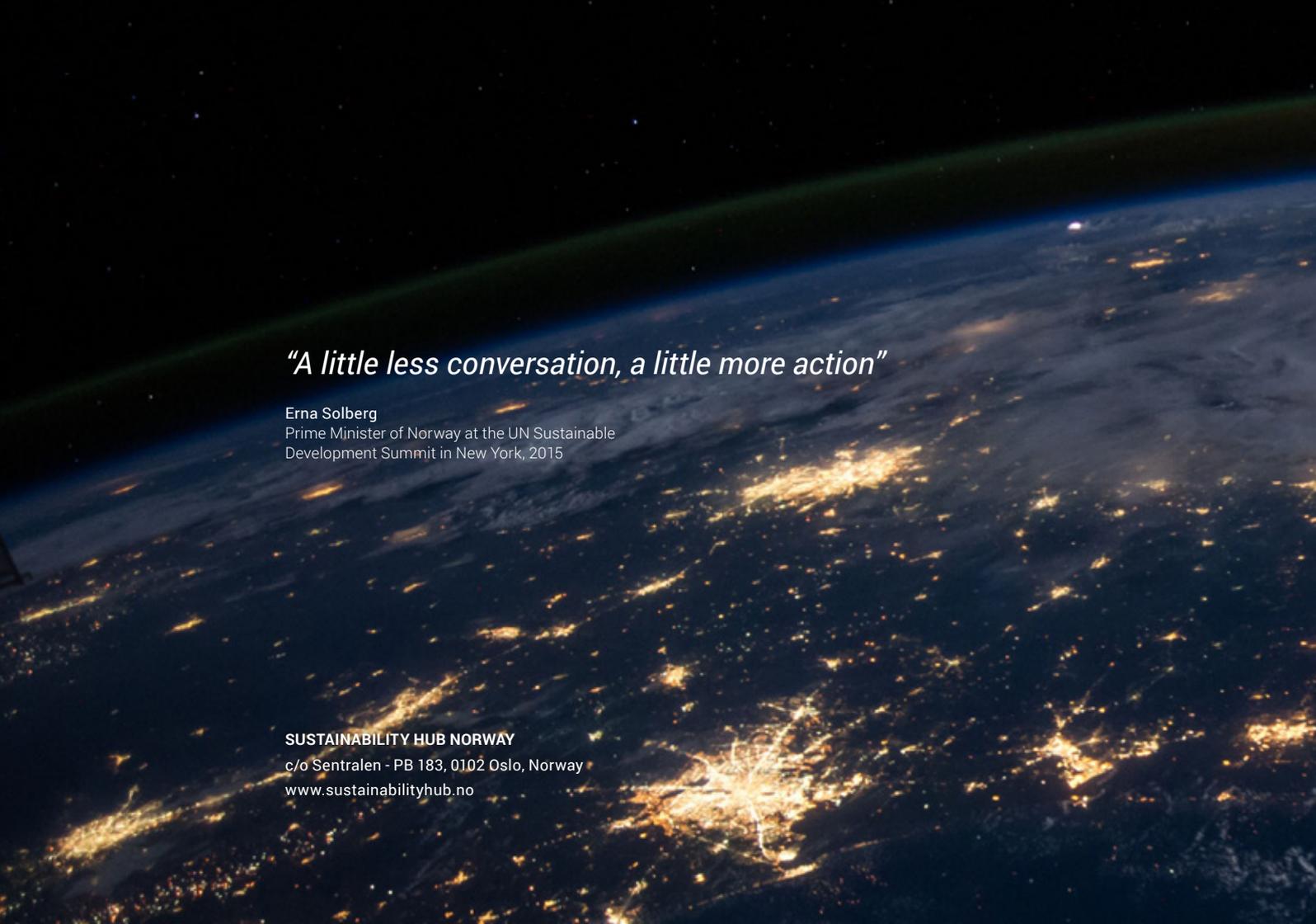
Summary

Throughout this report we have learned that the typical Norwegian sustainability employee does not usually have a formal education in sustainability, does not usually have budgetary decision-making power, are often internally recruited and experiences work capacity within their team and resistance from colleagues as their biggest sustainability challenges.

Although we now understand the average sustainability employee a bit better and hopefully increased our knowledge about the challenges and opportunities in sustainability work, there is still more to learn. At

Sustainability Hub, we have therefore committed to continuing this survey annually. Going forwards, we will ensure that we track true indicators of sustainability efforts and gradually gain a fuller picture of what is done, and needs to be done, within Norway's state of sustainability.

If it were up to us, the State of Sustainability survey would be filled out by every company, in all Norwegian sectors. We have the methodology and tools, so now all we need are respondents. Perhaps this is you, or someone you know? If so, please get in touch with us at info@sustainabilityhub.no.



“A little less conversation, a little more action”

Erna Solberg
Prime Minister of Norway at the UN Sustainable
Development Summit in New York, 2015

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