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RESPONSIBLE BUSINESS

Companies across the globe face a variety of stakeholder expectations on responsible business conduct. While each company's particular focus areas are unique, climate, forced labour and supply chain risk, as well as emerging regulatory requirements, are commonly included in responsible business programmes across a wide range of industries. Companies are also taking steps to link their programmes to financial factors, to ensure they increase value, mitigate risk and support business strategies and objectives. ■



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Heather Gagen has a broad commercial litigation practice advising corporates, multinational organisations, banks, financial institutions and asset managers. Her work covers the spectrum of high-value and complex disputes and investigations, notably large scale group litigation, novel tortious claims and parent company liability claims. Her work also involves international and foreign law elements. Her experience includes environmental, social and governance-related disputes, including environmental damage and human rights claims.

FW: WHAT ARE THE MAIN FACTORS DRIVING COMPANIES TO ADOPT AND STRENGTHEN RESPONSIBLE BUSINESS STRATEGIES ACROSS THEIR ORGANISATIONS? WHAT TYPES OF RESPONSIBLE BUSINESS PROGRAMMES ARE BEING IMPLEMENTED – AND HOW EFFECTIVE ARE THEY?

IRELAND

Shaw: In March 2025, we published an environmental, social and governance (ESG) research report which surveyed over 100 corporate representatives. Reputation, opportunities and risk management emerged as the top three drivers of surveyed businesses' sustainability efforts. Interestingly, compliance was not identified as a key driver of such

efforts. The types of initiatives that businesses are focused on vary depending on the sector they are in and the specific legislative and policy developments that are relevant to their operations. Decarbonisation and circularity are two key areas of focus alongside sustainability reporting and due diligence. Successful implementation of responsible business programmes is dependent on a number of factors, including commitment from leadership, alignment with the corporate strategy, and successful stakeholder engagement and buy-in.

UNITED ARAB EMIRATES

El-Bakry: Companies in the United Arab Emirates (UAE) are largely driven by government initiatives and the culture of

care championed by the nation's leadership. This has encouraged major entities such as Emirates NBD and others to commit to impactful programmes in health, education and environmental sustainability. The government has also established dedicated platforms, including the CSR UAE Fund and the Dubai Chamber's Centre for Responsible Business, to reinforce and scale these efforts. These initiatives reflect a broader national strategy to align corporate responsibility with long-term development goals, encouraging the private sector to play an active role in building a more inclusive and sustainable future.

UNITED KINGDOM

Gagen: In the UK, there remains an active consumer focus on

responsible business and this is important to many organisations. Even though we are living in much more polarised times, stakeholder demand in the UK for proper governance and accountability remains strong, not least because there is a clear relationship to value creation and maintenance. In addition, regulatory focus on responsible business behaviours endures in the UK and, importantly, an active and well-funded litigation market is also driving innovative sustainability-related claims which seek to impose liability on UK-domiciled businesses for alleged harms in their global organisations and value chains. This is a material expansion of corporate risk. Companies that understand this well are focusing proactively on robust governance frameworks, which are designed to identify and deal with ESG and other business risks. They understand how important this is for maintaining investor and customer confidence.

GERMANY

Dütsch: Companies are primarily motivated to introduce and continuously strengthen responsible business strategies by the rising demand from customers and investors for sustainable practices. In addition, increasing regulatory requirements compel companies to meet sustainability goals and report on them transparently. At the same time, many companies recognise that sustainability is a key factor for long-term business success and

fosters resilient, futureproof business models. Sustainability efforts also provide opportunities to differentiate in the market, tap into innovative growth potential and manage risks in a targeted manner. Lastly, aligning with global net zero and sustainability frameworks helps companies secure competitiveness and meet the expectations of all relevant stakeholders.

SOUTH AFRICA

King: There are three key drivers of responsible business: legal requirements, internal policy and market demands. In the legal sector in South Africa, compliance includes mandatory annual community service hours and alignment with the Legal Sector Code under broad-based black economic empowerment (B-BBEE), which encourages black ownership and representation. However, many firms go beyond compliance, adopting global standards like the United Nations' sustainable development goals and aligning strategies with their purpose, people and clients. A full responsible business strategy is built on five pillars: diversity, equity and inclusion (DEI), pro bono, community investment, climate change, and wellbeing. Community investment is especially vital in South Africa, where inequality remains high. As a firm, for example, we support youth empowerment through initiatives like The Sir Ramabitsa Saturday School and the Through Music Foundation, which

enhance literacy, numeracy and opportunity.

UNITED STATES

Farmer: Many companies are continuing to invest in their responsible business strategies due to evolving expectations from their customers and employees, as well as emerging regulatory requirements and litigation and enforcement risk. While each company's particular focus areas are unique, climate risk and increasingly forced labour and supply chain risk are commonly included in responsible business programmes across a wide range of industries. Companies are also taking steps to link their programmes to financial factors, to ensure they increase value, mitigate risk, and support the company's business strategies and objectives.

CANADA

Marsh: Canadian companies face a variety of stakeholder expectations on sustainability and responsible business conduct. While local and global regulations are a key driver of transparency, building trust with stakeholders – including investors, customers, employees and local communities – requires a thoughtful approach. Companies are considering the sector-specific issues that matter most to their success in the short, medium and long term. While greenhouse gas emissions are now table stakes for most Canadian companies to measure and manage, we are seeing a growing focus on social

issues, including affordable housing, responsible artificial intelligence (AI), and Indigenous truth and reconciliation. The interconnectivity of environmental and social issues is a key component of effective sustainability programmes. Canadian companies are evolving their sustainability approaches to consider how their environmental and social impacts, risks and opportunities can generate long-term value for the organisation.

AUSTRALIA

Dobson: Climate and sustainability continue to be important factors in Australian companies' business strategies and are relevant to a wide range of stakeholders. In 2025, climate-related financial disclosure requirements were mandated for tier one large businesses and financial institutions, aligning with the International Sustainability Standards Board (ISSB). By 2027, groups two and three will also report on climate-related risks and opportunities. Australia is among the first jurisdictions to mandate climate reporting and assurance, as part of the Sustainable Finance Roadmap which also includes the Australian Sustainable Finance Taxonomy, transition planning guidance and greater regulator focus on greenwashing. Boards and the C-suite have added climate reporting effectiveness to role expectations, and chief financial officers (CFOs) are stepping up on financial impacts, reporting, processes and controls.

Acting as a responsible organisation in a turbulent world is much more likely to maintain the trust and confidence of your commercial partners and consumers – it is just good business sense.

UNITED KINGDOM HEATHER GAGEN
TRAVERS SMITH LLP

Leading organisations are using sustainability strategies and reporting to influence investment and wider stakeholder decisions beyond minimum compliance. Nature-related risks are also gaining attention, guided by the Taskforce on Nature-related Financial Disclosures.

FW: WHEN EMBEDDING RESPONSIBLE BUSINESS PRINCIPLES INTO EXISTING FRAMEWORKS AND OPERATIONS, WHAT KEY CONSIDERATIONS SHOULD BE TAKEN INTO ACCOUNT?

UNITED ARAB EMIRATES

El-Bakry: Embedding responsible business strategies requires building a brand that genuinely prioritises people and the environment. Organisations should align their values with

long-term societal benefit while ensuring sustainable profitability. It is essential to evaluate the return on these initiatives not only financially but also in terms of reputation, stakeholder trust and employee engagement. Such actions often strengthen customer loyalty, improve talent retention and boost investor confidence. Measuring these outcomes helps justify continued investment and ensures that the business case for responsibility remains clear. Ultimately, companies that integrate purpose with performance are better positioned for resilience and relevance in a rapidly evolving global landscape.

UNITED KINGDOM

Gagen: Our watchword is pragmatism. Responsible business principles often already feature in particular sectoral regimes. This means that an organisation might

already have good embedded principles and processes given the nature of its business, albeit ones which might need enhancing in some areas. So ensuring that existing governance and compliance frameworks are mapped and utilised is key, so that there is a strong operational anchor for responsible business initiatives, while also ensuring that costs are kept proportionate. This is all important in maintaining institutional support and deliverability. It is also then much easier to identify where the gaps are and where improvements can be made in a targeted fashion. This approach is especially important for businesses with substantial cross-border interests. For example, a UK business may not be directly caught by some of the more comprehensive European Union (EU) sustainability regimes, but nevertheless it may have good commercial reasons for complying with aspects of them

– including because its supply chains is in scope. Being pragmatic and targeted means that these businesses can ensure that their responsible business strategies also make commercial sense.

GERMANY

Dütsch: Integrating responsible business principles requires coordination across all functions to maintain consistency with governance, strategy and operations. Important factors include connecting sustainability efforts to both short and long term business goals, prioritising initiatives that demonstrate clear returns on investment, and developing organisational capabilities and incentives to support accountability. Flexibility to adapt to emerging risks and opportunities, alongside cross-functional collaboration, is also crucial. This alignment not only supports execution but also

balances near-term financial outcomes with long-term resilience, positioning sustainability as a driver of value creation.

SOUTH AFRICA

King: Responsible business strategies often build on existing frameworks, requiring refinement rather than reinvention. While many organisations have long addressed gender equity, other areas – such as carbon emissions, disability, wellness and social mobility – may need greater focus. In South Africa, the B-BBEE Act significantly shapes business models, with rankings based on black participation, which in turn influences access to government contracts. These legal frameworks compel businesses to adapt, reinforcing the need for a clear purpose. A meaningful ESG strategy must be rooted in that purpose and shaped through inclusive consultation across employees, suppliers, clients and partners. This inclusive approach ensures the strategy reflects the values and needs of all stakeholders involved.

UNITED STATES

Farmer: Companies should consider the governance and other systems, such as contractual and legal tools, that are necessary to put their principles and goals into practice. Also, whether companies design their own responsible business principles or leverage widely-recognised sustainability frameworks, such as the General Requirements for Disclosure of



Highlighting tangible progress and value creation, supported by transparent reporting, interactive dialogue and credible third-party endorsements, fosters trust.

GERMANY GUNTHER DÜTSCH
PWC GERMANY



Sustainability-related Financial Information (IFRS S1) and Climate-related Disclosures (IFRS S2) developed by the ISSB, the Global Reporting Initiative (GRI) Standards or the recommendations of the Task Force on Climate-Related Financial Disclosures, they may need to collect data – including from suppliers, customers and partners – to evaluate success, identify potential improvements and help ensure their sustainability reporting is accurate, reliable and credible.

Financial materiality is a key consideration for companies to embed sustainability principles into existing frameworks and operations.

CANADA SARAH MARSH

PWC CANADA

CANADA

Marsh: Financial materiality is a key consideration for companies to embed sustainability principles into existing frameworks and operations. The ability to understand the financial impacts, risks and opportunities of sustainability factors is a key driver for management and boards to allocate resources to addressing these issues. Increasingly, Canadian companies are leveraging ISSB standards as the key reporting framework for their sustainability initiatives, given the focus on communicating to providers of capital on their most financially material sustainability issues. The global convergence on ISSB standards enables a ‘no regrets’ baseline for companies to embed sustainability into corporate reporting.

AUSTRALIA

Dobson: It is important for companies to integrate climate and sustainability into their business

strategy, and to not treat them as separate streams of work or tactics. They need to identify the most material issues for stakeholders, particularly investors, and embed them into strategic planning, investment frameworks and reporting processes – leveraging existing processes as much as possible to add value. This is a strategic change management effort led by the CFO alongside other C-suite leaders, cascading across day to day operations. Also important is to build technology and data foundations, define data needs, embed requirements in transformation programmes, make data accessible and use mandatory climate reporting as an impetus to create tech-enabled business as usual. Companies should invest in capability building and upskilling, and set a balanced leadership narrative about upcoming changes and the purpose for the industry.

IRELAND

Shaw: Understanding matters that are material to a company enables management to focus on embedding principles that are likely to have the greatest positive impact – both on and for the business. Companies are increasingly under pressure to not only understand the impacts their activities and those of their supply chain have on sustainability related matters, but also to take action to eliminate or mitigate any adverse impacts, particularly relating to human rights and the environment. With this pressure coming from investors, legislative requirements, regulatory expectations, employees and other stakeholders, businesses should be transparent in terms of the steps they are taking to embed sustainability into existing frameworks and operations, ideally setting clear and measurable targets.

FW: WHICH METRICS CAN ORGANISATIONS USE TO ASSESS THE EFFECTIVENESS OF THEIR RESPONSIBLE BUSINESS INITIATIVES? HOW MIGHT THE METHODS USED TO CAPTURE AND REPORT PERFORMANCE IMPACT A COMPANY'S CREDIBILITY, ESPECIALLY GIVEN THE INCREASING DEMAND FOR TRANSPARENCY AND AUTHENTICITY?

UNITED KINGDOM

Gagen: Clearly, appropriate metrics will depend on the nature of the initiative. While for climate change, a reduction in absolute carbon emissions has become shorthand for 'good' performance, an arguably better approach considers how the company performs against robust, evidence-based interim targets that it sets for itself to demonstrate that its trajectory is aligned with longer-

term goals. If the UK proceeds with the introduction of mandatory climate transition plans, companies will need to ensure that goals are ambitious but achievable. For social indicators, there can be more flexibility around metrics but the company may need to work harder to ensure that the chosen metrics clearly demonstrate progress. The likely introduction of mandatory reporting under the UK's planned Sustainability Reporting Standards will drive transparency and scrutiny of companies' sustainability initiatives. Companies may find it helpful to refer to the metric-heavy Sustainability Accounting Standards Board (SASB) industry-based standards, which are likely to see greater uptake thanks to the UK SRS.

GERMANY

Dütsch: Organisations can assess responsible business initiatives through metrics like emissions

reductions such as scopes 1, 2 and 3, supplier sustainability compliance, customer engagement and impact valuation methods like those developed by the Value Balancing Alliance. Using science-based targets and verified data strengthens assessments, while transparent, standardised reporting and third-party verification build credibility. AI and digital platforms enhance data accuracy and accessibility. Clear communication of both achievements and challenges is key to meeting stakeholder demands for reliable and consistent sustainability disclosures.

SOUTH AFRICA

King: Responsible business initiatives must be implemented with measurable impact, not just symbolic policies. Organisations should assess existing systems for capturing, measuring and reporting outcomes, ideally using social value metrics to quantify the impact of initiatives like pro bono work and climate action. Key performance indicators guide strategy and reinforce accountability. Companies should also leverage AI to advance ESG goals. Broader metrics include International Organization for Standardization standards, net-zero targets and carbon emissions tracking. In South Africa, ESG reporting will become mandatory for larger companies under the Climate Change Act and proposed Companies Act amendments, aligning with global standards like IFRS S1 and IFRS S2, and



Responsible business strategies often build on existing frameworks, requiring refinement rather than reinvention.

SOUTH AFRICA THOMAS KING
PINSENT MASONS

Johannesburg Stock Exchange guidance. These frameworks ensure transparency and drive meaningful, sustainable change.

UNITED STATES

Farmer: Sustainability reporting is increasingly a multidisciplinary effort requiring coordination of finance, legal, compliance, procurement and other departments in addition to the sustainability team, in order to effectively balance the desire for transparency and authenticity with legal and compliance risk. Many companies are seeking to understand how their reporting, including the metrics they use to measure effectiveness, can be streamlined to support reporting across multiple jurisdictions and voluntary frameworks. They are also grappling with how to determine when data is important or complex enough to require third-party verification or assurance.

CANADA

Marsh: Due to the anti-greenwashing bill C-59, Canadian companies are increasingly looking to internationally recognised standards such as ISSB standards – including SASB standards for sector-specific issues – to determine which metrics to disclose to their investors and other providers of capital. As part of this exercise, they are increasingly adopting sustainability technology platforms to streamline their data collection, validation and reporting. Increasingly, companies are looking at their data governance

Certain responsible business topics are poised to gain prominence on the corporate agenda, including forced labour, responsible AI, and deforestation and plastics.

UNITED STATES ALEXANDRA FARMER
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over sustainability metrics to ensure a clear audit trail and ensure accuracy in the data used for internal reporting for decision making and external reporting to stakeholders. A key component of this is preparing for third-party assurance over sustainability metrics to further build trust and credibility in their data and reporting.

IRELAND

Shaw: While the types of metrics that can be used will be dependent on the specific initiatives being implemented, the introduction of mandatory sustainability reporting requirements in the EU can help businesses to focus on the sustainability initiatives they are undertaking and to evaluate if these efforts are delivering as intended. The types of information being relied on will have an impact on a company's credibility – for

example, overuse of estimates when actual data is available. Companies that are in scope of the Corporate Sustainability Reporting Directive (CSRD) are required to have their sustainability reports audited by an independent third party. This requirement to obtain third-party assurance gives credibility to the data being disclosed and the process being undertaken. Outside of the CSRD reporting framework, independent assurance is also being sought on specific metrics such as greenhouse gas emissions data and water usage.

AUSTRALIA

Dobson: Mandatory climate disclosure includes metrics such as total emissions and the amount or number of assets vulnerable to climate risks. Capture data efficiently and use it to add value – for example, by collecting emissions at asset level and linking

to square-metreage or asset-level revenue to benchmark and improve efficiency. For non-mandatory metrics, link them clearly to material issues and business strategy, and keep a core focused set. Any targets should be set with transparent methodologies, assumptions and dependencies made clear. Use established frameworks for consistency – SASB industry metrics and the GRI are good reference points – and when developing transition plans, align them with the global Transition Plan Taskforce guidance. Scope 3 is integral to transition plans, and plans should set out credible assumptions, detailed actions and robust tracking.

UNITED ARAB EMIRATES

El-Bakry: Organisations can assess the effectiveness of their responsible business initiatives using both quantitative and qualitative metrics. Quantitative

measures may include financial returns, cost savings from sustainability efforts and improvements in operational efficiency. Qualitative metrics, such as stakeholder feedback, employee engagement, brand reputation and community impact, provide deeper insights into social value. Tracking progress against ESG benchmarks or global frameworks enhances credibility. Regular reporting and transparent communication are essential, particularly given rising expectations for authenticity. A balanced evaluation approach enables organisations to refine their strategies, demonstrate accountability, and build long-term trust with stakeholders while aligning purpose with performance.

FW: WHAT STEPS SHOULD COMPANIES TAKE TO INVOLVE STAKEHOLDERS SUCH AS INVESTORS, EMPLOYEES,

CUSTOMERS AND LOCAL COMMUNITIES IN THE IMPLEMENTATION OF THEIR RESPONSIBLE BUSINESS STRATEGIES, AND HOW SHOULD THOSE STRATEGIES BE COMMUNICATED?

GERMANY

Dütsch: Companies should communicate their responsible business strategies with clear, consistent messaging tailored to investors, employees, customers and local communities. Highlighting tangible progress and value creation, supported by transparent reporting, interactive dialogue and credible third-party endorsements, fosters trust. Potential risks include overpromising, greenwashing and misalignment between claims and actual performance, which can erode reputation and stakeholder confidence. To mitigate these risks, companies should ensure communications are backed by verified data, address setbacks transparently, and remain prepared for evolving regulatory and public scrutiny.

AUSTRALIA

Dobson: Companies need to identify key stakeholder groups early and ask what climate and sustainability issues matter to them, sorting responses into themes and articulating them clearly. They should integrate these material issues into the business strategy and establish regular engagement and communication channels on actions and progress. Investors and



Embedding responsible business strategies requires building a brand that genuinely prioritises people and the environment.

UNITED ARAB EMIRATES OSAMA EL-BAKRY
GRANT THORNTON UAE

shareholders are the key audience for mandatory climate disclosures and will focus on financial impacts with the formal annual report to help meet these needs. Also important is to use additional channels – voluntary sustainability reports, investor snapshots and ESG data repositories on websites – to share information with other stakeholders. Companies should ensure data, commitments and claims are accurate, with clear methodologies and assumptions to mitigate greenwashing risk. The days of loose language and vague commitments without detail are over.

CANADA

Marsh: As reporting is still voluntary in Canada, it is essential for Canadian companies to engage their internal and external stakeholders to determine which sustainability risks and opportunities are most relevant to their business and most impactful to their stakeholders. Materiality assessments are a meaningful exercise to demonstrate trust and build credibility with stakeholders. By engaging investors, employees, customers and local communities to inform companies' sustainability priorities, they are simultaneously communicating the importance of these issues throughout the process by dedicating time and resources to this exercise. The results of materiality assessments help to inform their sustainability reporting to stakeholders to demonstrate progress on these priority topics,

while also integrating the findings of these assessments into their corporate strategies.

UNITED ARAB EMIRATES

El-Bakry: To effectively engage stakeholders, investors, employees, customers and local communities in responsible business strategies, organisations should first identify and prioritise them based on each initiative's relevance. Early engagement through consultations and collaborative committees helps ensure alignment and shared ownership. Strategies must be communicated clearly across multiple channels, including digital platforms, internal briefings and public reports. Creating a continuous feedback loop enables timely adjustments and reinforces transparency. Regularly reporting progress and outcomes not only builds trust but also demonstrates accountability. This inclusive

approach strengthens stakeholder relationships and enhances the credibility and impact of the organisation's responsible business agenda.

IRELAND

Shaw: Under the CSRD, stakeholder engagement is an important part of the sustainability reporting process. How companies will engage with stakeholders should differ based on the stakeholder type. For example, a materiality assessment should be informed by dialogue with stakeholders who are affected or could be affected either positively or negatively by a company's activities. Companies should begin by mapping stakeholder groups and engaging with key groups as part of the creation of the strategy as well as during its implementation. Establishing feedback mechanisms for stakeholders, considering

Companies should ensure data, commitments and claims are accurate, with clear methodologies and assumptions to mitigate greenwashing risk.

AUSTRALIA PAUL DOBSON
DELOITTE

the feedback received through stakeholder engagements and any actions that should be taken based on this feedback, and actively communicating with stakeholders as part of these mechanisms, are key steps that can be taken to involve key stakeholders in the implementation of responsible business strategies. Publication of an annual report is another way that such strategies can be communicated to stakeholders more broadly.

UNITED STATES

Farmer: In the current political and economic environment, many companies are reassessing their stakeholder engagement strategies and balancing new risks associated with over-disclosure as well as under-disclosure. For example, companies are balancing the risk of novel greenwashing claims being brought by activists and regulators, with a need to adequately disclose

to their investors the extent of the potential impact of sustainability regulatory requirements or commitments on their business. This is a rapidly evolving area and companies should be frequently revisiting their stakeholder engagement strategies and communication plans.

SOUTH AFRICA

King: Effective responsible business strategies require active stakeholder engagement. Collaboration with clients across responsible business initiatives strengthens impact and promotes inclusive dialogue. Internally, employees should be engaged through induction sessions, ESG objectives and team-specific action plans, empowering local responsiveness. External partnerships with non-profits and communities amplify reach and credibility, supporting goals from sustainability to

social justice. Governance is essential with non-executive ESG committee roles becoming more and more commonplace at board level, ensuring oversight and strategic alignment. Transparent communication is also key – annual ESG reports, social media and videos make initiatives visible and relatable. Together, these elements foster accountability, inclusivity and systemic change.

UNITED KINGDOM

Gagen: Careful and proactive communication is vital in implementing responsible business strategies – whether through internal town halls, training, corporate reporting, investor engagement or media. It is also important to be aware of and compliant with any requirements for stakeholder engagement which are increasingly part of supply chain regulations. Communications need to be consistent, and well supported by evidence. Community consultation can also be important in building long term and resilient relationships, particularly in industries with heavy operational footprints. Do not lose sight of internal stakeholders – a risk area in the UK, as in other jurisdictions, is whistleblowing, if employees feel that the company is not living up in reality to its externally communicated values. There has also been increasing scrutiny in the UK of board-level decision making around sustainability, as seen in recent unsuccessful but high profile derivative action claims, underlining



Under the CSRD, stakeholder engagement is an important part of the sustainability reporting process.

IRELAND JILL SHAW

A&L GOODBODY LLP

the importance of strategies which are clearly articulated and well implemented from the top down.

FW: DO YOU ANTICIPATE RESPONSIBLE BUSINESS STRATEGIES WILL CONTINUE TO GAIN PROMINENCE ON THE CORPORATE AGENDA? HOW MIGHT THESE PRIORITIES EVOLVE IN THE COMING MONTHS AND YEARS?

CANADA

Marsh: In the current geopolitical environment, Canadian companies are re-evaluating their current sustainability strategies and evolving them to tie into corporate priorities and long-term value creation. Management teams and boards of directors are increasingly focusing on the financial materiality of sustainability risks and opportunities to demonstrate the critical link to business strategy. This shift toward financial materiality will further embed responsible business practices into the DNA of the organisation, tying it back to the company's mission, vision, values and growth priorities. The key trend we are seeing in Canada is on the integration of sustainability throughout the entire business operations and value chain – embedding it as a core facet of the organisation, rather than as a silo. This will take time for organisations to achieve, and we expect this to be a continued focus of Canadian companies in the coming months and years.

UNITED ARAB EMIRATES

El-Bakry: Responsible business strategies are increasingly becoming central to organisational agendas. The momentum behind sustainability and social impact initiatives is expected to accelerate, driven by evolving government regulations and global ESG standards. Companies are recognising that transparency and accountability are no longer optional, and customers increasingly favour brands with clear, responsible practices. Similarly, talent acquisition is being shaped by candidates seeking purpose-driven employers who prioritise ethics, inclusion and environmental stewardship. As stakeholder expectations rise, businesses must embed responsibility into their core strategy to stay competitive, build trust and ensure resilience in a rapidly evolving global landscape.

IRELAND

Shaw: From an EU perspective, an increased focus on competitiveness and simplification has resulted in proposed amendments being introduced to key pieces of sustainability related legislation including the CSRD and the Corporate Sustainability Due Diligence Directive. The impact this could have on the continued implementation of responsible business strategies remains to be seen. However, there is a concern that this could impact on the progress that has been made to date in bringing sustainability to the

forefront of the corporate agenda. Interestingly, the publication of the 'Clean Industrial Deal' on the same day as these proposed amendments were introduced highlights that sustainability topics such as decarbonisation and circularity remain key areas of focus from a legislative and policy perspective. Companies need to be clear on what legislation applies to their business, the potential impacts on their operations and whether any updates to their strategies will be needed to reflect such developments.

UNITED STATES

Farmer: Certain responsible business topics are poised to gain prominence on the corporate agenda, including forced labour, responsible AI, and deforestation and plastics. But the speed at which they do so will likely be dependent on macroeconomic and geopolitical factors, as well as evolving regulation and litigation trends. For example, in the US, we are waiting to see whether states beyond California will adopt their own climate disclosure laws, which will likely be influenced by the outcome of the litigation challenging such laws.

SOUTH AFRICA

King: Responsible business and ESG are increasingly central to client expectations, with tender proposals now scoring heavily on these criteria. ESG has become a board-level priority, reframed as 'business critical' rather than

optional, especially with growing formal reporting obligations from regulators, stock exchanges and governments. Companies must also factor in geopolitical shifts and the impact of AI to ensure their strategies remain socially responsible. Support is available and climate and DEI consultancies are widespread, advising on futureproofing policies and staying ahead of emerging trends. This proactive approach helps businesses align with evolving standards and stakeholder expectations.

UNITED KINGDOM

Gagen: While the political environment is currently polarised around the concept of ‘responsible business’, there is no evidence of a universal row-back and stakeholder focus on it is undiminished in many quarters. There are good questions to be asked about how to find a sensible and cost-effective route to robust corporate governance and good social and environmental outcomes. But that does not mean that companies will abandon their commitments toward positive impacts in their sectors and communities, particularly against the backdrop of activist litigation risk. I firmly believe that businesses which are able to operate better and more sustainably in a world where natural resource is scarcer, value chains more scrutinised and complex, and geopolitical events much more unpredictable, will be more commercially resilient. Acting as a responsible organisation in a

turbulent world is much more likely to maintain the trust and confidence of your commercial partners and consumers – it is just good business sense.

AUSTRALIA

Dobson: Despite competing issues including AI and global political volatility, climate and sustainability continue to be prominent on Australia’s corporate agenda. Policy direction is clear: the Sustainable Finance Roadmap aims by 2027 to launch a labelling regime clarifying and standardising sustainable financial product labels, alongside mandatory reporting. In the context of 2035, some within the corporate sector agitated for a 75 percent emissions-reduction target – through the ‘Business for 75%’ campaign. It cited our research indicators that a 75 versus a 65 percent target could lift gross domestic product by \$227bn by 2035 and add 40,000 jobs a year on average. And while the Australian government in September set the reduction target on 2005 levels at between 62-70 percent, big business will drive harder for climate outcomes within their control. Over the coming years, progress is likely to be more integrated and balanced across financial, social and environmental aspects, consistent with our long-running Gen Z and millennials survey themes.

GERMANY

Dütsch: Looking ahead, I expect responsible business strategies

to become even more central on the corporate agenda. This shift is being driven by materialising climate-related risks, heightened societal expectations and evolving regulatory landscapes, at least in some parts of the world. Investors are seeking out futureproof business models and increasingly prioritising companies with robust sustainability and social equity commitments. Additionally, we anticipate that the focus will broaden to encompass not only emissions reductions but also climate resilience, circular economy models and transparent governance practices. Advances in technology, particularly AI, will play a crucial role in enhancing sustainability performance. Ultimately, companies integrating these elements strategically will secure competitive advantages, while those that delay risk facing significant challenges. ■

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