H1 2022 — ESG Trends and Expectations

Skadden

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Introduction

Environmental, social and governance (ESG) considerations continued to play a key role in the first six months of 2022, with geopolitical circumstances resulting in a reexamination of a number of ESG beliefs. In our 11 February 2022 client alert "ESG: 2021 Trends and Expectations for 2022," we set out our predictions for 2022, some of which have come to fruition but a number of which have been sidelined by unforeseen events. In this article, we discuss the ESG matters that we predicted would be key themes this year, such as new legislation in the U.K., the U.S. and Europe, criticism of ESG data, executive remuneration, and the role of ESG in the tech/cyber space, and also those ESG matters we did not expect to see, ranging from the impact of the Ukraine invasion, increased regulatory scrutiny and some impactful U.S. Supreme Court decisions. We also highlight two key topics we believe will prove central to ESG discussions in the coming months: the green energy transition and the role of sustainability advice and consulting.

Unexpected Developments

Impact of Politics and the Invasion of Ukraine[1]

Russia's invasion of Ukraine has significantly impacted ESG trends and performance in the first six months of the year. Some have viewed the effects as a setback for the ESG movement, as oil and gas prices soared and ESG-focused funds underperformed, while others believe this could be a turning point as nations are forced to consider green energy and shift reliance on oil and gas from Russia.

Despite the long-standing avoidance of the defense industry by ESG investors, rising tensions in Eastern Europe at the start of 2022 resulted in a stakeholders' debate over whether to consider defense investments as "pro-ESG." The Latvian deputy prime minister criticized Scandinavian banks for refusing to grant loans on ESG grounds, asking, "Is national defence not ethical?" Following the invasion of Ukraine, others in the banking industry seem more willing to agree. In March 2022, the EU published a report in which it recognized the need for greater strategic autonomy in its military capabilities, and suggested that the labeling of the defense industry as socially harmful should be reserved for those companies that produce, use and deploy weapons for purposes that contravene international conventions.

Even before the stock price of oil and gas producers jumped in response to the invasion of Ukraine, those stock prices were rising. In January 2022, a U.S. government agency predicted that U.S. oil production would break pre-pandemic records in the next year, in stark contrast to its levels during the pandemic. By early February 2022, strong appetite for oil and gas investments had returned as energy prices recovered, which could indicate that investors were simply avoiding the industry due to its perceived underperformance

[1] *Financial Times*, "Companies trying to exit Russia have to 'dance with the devil'" (30 April 2022); *Financial Times*, "Russia-exposed asset managers to shut funds permanently" (9 May 2022); CNET, "Companies That Have Left Russia: The List Across Tech, Entertainment, Finance, Sports" (8 June 2022); *Financial Times*, "Companies should follow through on pledges to leave Russia" (4 July 2022); *Financial Times*, "SAAB chief defends ESG credentials of defence industry" (11 February 2022); *Financial Times*, "Are defence stocks now ESG?" (4 March 2022); *Financial Times*, "Ukraine war prompts investor rethink of ESG and the defence sector" (9 March 2022); *Financial Times*, "US oil production set to eclipse previous record despite climate push" (11 January 2022); *Financial Times*, "Investors rush to US oil and gas bonds as energy prices boost finances" (13 February 2022); *The Guardian*, "Oil and gas companies are looking at a bonanza from the Ukraine war" (10 March 2022); *Financial Times*, "EU accepts it will burn more coal in move away from Russian gas" (18 May 2022); *Financial Times*, "Majority of planned ETFs in Europe to have ESG tilt, PwC says" (1 February 2022); *Forbes Advisor*, "It's not easy being green: why is ESG underperforming in 2022" (17 February 2022); *Financial Times*, "Surging oil prices add to ESG fund performance woes" (23 February 2022); *Financial Times*, "Investors 'keep faith with ESG funds'" (24 June 2022).

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rather than due to ESG principles. The impact of the war on the supply of oil and gas has led to a further rise in prices, as countries have been forced to confront their reliance on Russian supplies. The EU acknowledged it will need to burn more coal over the next decade as it tries to end the use of Russian natural gas by 2027. Despite this, EU officials have reiterated that the bloc will still achieve its targets to cut emissions by 55% of 1990 levels by 2030. As we move into the second half of the year, current trends show that the shares of the world's biggest energy companies are now outperforming other sectors.

The rise in fossil fuel stocks has also affected the performance of ESG funds that were previously predicted to surge in 2022, suggesting that investors' enthusiasm for climate-friendly companies may be starting to wane. At the start of 2022, PricewaterhouseCoopers (PwC) reported that a majority of exchange-traded funds (ETF) intended to be launched in Europe in 2022 would use an ESG focus for their construction due to rising investor demand and regulations. However, ETF funds already appeared to be underperforming by mid-February as a result of rising energy prices and the Federal Reserve's counterinflation policy (whereby the U.S. banking system raised interest rates, affecting fast-growing tech companies that tend to feature heavily in ESG-focused funds).

Many investors believe that this underperformance is temporary and will not lead to a deterioration in longer-term support for sustainability trends, as investors remain committed to net zero emissions goals and to holding companies accountable for their ESG values. Global ESG indices are functioning relatively well and ESG-labeled companies still have higher-than-average price/earnings ratios, suggesting that investors are expecting growth in the future. Ben Palmer, the head of responsible investment at wealth manager Brooks Macdonald, emphasized that while the war in Ukraine has led to soaring oil and gas prices, it has also prompted a reckoning for global policymakers to commit to the acceleration of renewable energy development and energy independence.

Increased Scrutiny From Authorities/Regulators[2]

Regulators and authorities on both sides of the Atlantic have shown over the first six months of the year increasing interest in curbing greenwashing.

In January 2022, the U.K.'s Competition and Markets Authority (CMA) announced that it would review environmental claims made by companies in the fashion retail sector (such as the labeling of clothing as "sustainable" and the use of "recycled materials" in new clothes). The CMA will also investigate how products and services that companies claim are environmentally friendly are being marketed to consumers. The CMA considers this sector as particularly important for review as, according to its estimates, U.K. consumers spend £54 billion every year on fashion and the sector is responsible for 2%-8% of all global carbon emissions. This action builds on the "Green Claims Code" published by the CMA in October 2021, which set out guidance for businesses on making environmental claims when advertising goods and services in the U.K. Following its review, the CMA may take several measures, including publishing a list of companies exhibiting poor environmental practices and requiring companies to take appropriate actions to improve compliance, online advertising of breaches that could damage companies' reputations or "enhanced consumer measures" such as payment of compensation to customers. The CMA is likely to subsequently investigate other potentially vulnerable sectors, such as the packaged food industry.

In May 2022, the German financial regulatory authority (BaFin) and the *Bundeskriminalamt* took further steps to gather evidence from the fund manager DWS as part of a greenwashing investigation, ultimately resulting in the resignation of DWS's chief executive. The investigation of DWS began in September 2021 when a former U.S. executive claimed the firm was overstating its green investment credentials. DWS confirmed its ESG commitments at its June 2022 annual general meeting, but the intervention of the German regulators sets an example for other enforcement agencies to take more aggressive action against alleged greenwashing going forward.

In the U.S., the Securities and Exchange Commission (SEC) has started its campaign to address and prevent greenwashing and, in particular, misleading claims by fund managers touting their funds' ESG credentials. In May 2022, the SEC issued its first fine relating to the misstating and omitting of information about ESG investment considerations by mutual funds and the agency indicated its intent to continue to investigate greenwashing and fine funds found to be misleading investors. In its first ESG-related enforcement action against a public company, the SEC charged Vale S.A., a Brazilian mining company and one of the world's largest iron ore producers, with violating antifraud and reporting provisions of federal securities laws for making false and misleading claims about the safety of one of its dams that collapsed in January 2019. The SEC alleged that Vale manipulated dam safety audits and documents and, through its ESG disclosures in SEC filings and sustainability reports, misled local governments, communities and investors about the safety of the dam.

[2] *Financial Times*, "Watchdogs tackle the murky world of greenwash" (23 May 2022); U.K. Fashion and Textile Association, "Greenwashing: CMA starts review of environmental claims in fashion retail" (18 January 2022); *The Guardian*, "Greenwashing UK fashion firms to be named and shamed by watchdog" (11 March 2022); *Financial Times*, "ESG: the next mis-selling scandal" (21 February 2022); *Wall Street Journal*, "Fired executive says Deutsche Bank's DWS overstated sustainable-investing efforts" (1 August 2021); *Financial Times*, "German police raid DWS and Deutsche Bank over greenwashing allegations" (31 May 2022); SEC press release, "SEC Charges Brazilian Mining Company with Misleading Investors about Safety Prior to Deadly Dam Collapse" (28 April 2022).

Companies subject to SEC oversight should consider this type of enforcement action in preparing their public disclosures and maintaining controls over preparation of their ESG information and sustainability reports.

Recent US Supreme Court Decisions Impacting ESG Matters

In June 2022, the U.S. Supreme Court issued two significant decisions that may have a significant impact on ESG considerations throughout the U.S.

On June 24, 2022, the Supreme Court issued its decision in *Dobbs v. Jackson Women's Health Organization*, overruling *Roe v. Wade* and holding that there is no U.S. constitutionally protected right to obtain an abortion. With U.S. federal legislation unlikely, the result will be an evolving patchwork of varying state laws either restricting or protecting access to abortion. In addition, the Biden administration has announced certain efforts to preserve abortion access. Litigation in federal and state courts relating to abortion access will inevitably multiply.

In the weeks leading up to the Supreme Court decision (due to an unprecedented leak of a draft opinion foreshadowing the outcome), several major U.S. corporations announced policies to cover the travel costs of their employees located in states restricting abortion access who need to travel to another state to obtain an abortion. Since the release of the *Dobbs* decision, a number of U.S. companies have continued to release statements reaffirming support for their employees' access to reproductive care. Companies with operations and employees in the U.S. will have to remain nimble to address an ever-changing legal landscape and to assess their legal compliance and the interests of their employees, customers, investors and other stakeholders.

Less than a week later, on June 30, 2022, the Supreme Court issued a ruling in *West Virginia v. Environmental Protection Agency* (EPA) that limits the EPA's authority under a provision of the Clean Air Act to regulate greenhouse gas emissions for power plants. This decision could significantly impact the ability of U.S. regulatory agencies, including the SEC, to enact climate-related rules without a clear Congressional mandate. In particular, the ruling increases the likelihood that SEC rules to mandate climate-related disclosure, if adopted, will face court challenge.

Despite this ruling, states and the federal government have other tools to regulate climate change. Also, some investors and other stakeholders have advocated for companies to voluntarily establish climate reduction goals and targets, and the private sector's calls for action are anticipated to continue.

Expected Developments

New Legislation in the US, the UK and Europe and Its Implications[3]

A number of new rules and regulations relating to ESG in the U.S., the U.K. and Europe were introduced and proposed so far in 2022.

In the U.S., as we predicted in our articles at the start of this year, the SEC has proposed a number of new rules, impacting both listed companies and funds and investment advisers. In March 2022, the SEC voted 3-1 to propose long-anticipated rules mandating climate related disclosures in companies' annual reports and registration statements. These rules would add extensive and prescriptive disclosure requirements for companies, including foreign private issuers, relating to climate-related risks and greenhouse gas emissions, as detailed in our 24 March 2022 SEC Reporting & Compliance alert "SEC Proposed New Rules for Climate-Related Disclosures." The SEC also proposed comprehensive rule amendments in May 2022 seeking to categorize ESG strategies and impose requirements on funds and investment advisers to provide specific disclosures in their published materials in relation to the ESG strategies they pursue. Both proposals have undergone public comment and are likely to face some legal challenges, but if adopted, the implications of these changes will appear as soon as 2023.

Europe has also continued to develop its ESG regulatory framework for both asset managers and companies over the past six months. In April 2022, the European Commission adopted the regulatory technical standards to supplement the Sustainable Finance Disclosure Regulation and the EU Taxonomy Regulation, as discussed in our 3 May 2022 client alert "Final SFDR Regulatory Technical Standards Provide Private Fund Managers With Clarity, but Add Obligations." Meanwhile, the European Financial Reporting Advisory Group published a consultation in May 2022 on the draft EU sustainability reporting standards (ESRS) it is developing. The European Commission's proposed Corporate Sustainability Reporting Directive (CSRD) has identified the ESRS as the standards that will support the reporting requirements under the new CSRD, which is intended to come into force on 1 January 2024 for the 2023 financial year. As a result, following the closing of the consultation in August this year, we expect to see a number of updates to the CSRD.

[3] European Financial Reporting Advisory Group, "Public consultation on the first set of Draft ESRS"; *Financial Times*, "Ministers delay plans to force UK corporate environmental disclosure" (12 May 2022); U.K. Financial Conduct Authority (FCA), "FCA finalises proposals to boost disclosure of diversity on listed company boards and executive committees" (20 April 2022).

In comparison, the U.K. government dropped plans to develop the U.K.'s own sustainability disclosure rules from a new financial services bill to be brought before the U.K. Parliament. Despite this reversal, the U.K. Treasury said it "remained committed to implementing sustainability disclosure requirements and will proceed with the necessary legislation in due course."

Although sustainability disclosure rules in the U.K. may not be imminent, the U.K. introduced of a number of other key legislative and regulatory changes. The Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022 were adopted on 6 April 2022. (See our 19 April 2022 client alert "Q&A: New Climate-Related Disclosure Regulations for UK Companies and LLPs" for a discussion of the implications for companies and LLPs.) Also, the FCA introduced another ESG-related amendment to the Listing Rules to encourage greater board diversity. The new rules are based on the February 2022 Alexander-Hampton Review that assessed gender balance on boards and the March 2022 Parker Review that assessed ethnic diversity on boards. For financial years started on or after 1 April 2022, premium and standard listed companies will need to disclose progress toward a number of diversity targets on a comply-or-explain basis, including the appointment of a woman to at least one of the chair, CEO, senior independent director or CFO roles and inclusion of at least one nonwhite ethnic minority member of the board. The second target is not new: The Parker Review established the same target for all boards of companies listed on the Financial Times Stock Exchange 100 Index (FTSE 100), and by December 2021, 94 of the FTSE 100 companies reported compliance.

Additionally, the FCA and the U.K. Department for Business, Energy and Industrial Action (BEIS) both released publications addressing ESG matters in June 2022. BEIS closed its Call for Evidence consultation for the U.K. government's Green Finance Strategy update and is expected to publish those results soon, while the FCA published its feedback to the consultation paper "ESG integration in UK capital markets." The feedback presented further detail on the recommended approach to ESG-labeled debt instruments, such as the need for issuers to meet their advertising obligations, consider voluntary adoption of existing industry standards and manage oversight afforded to third-party verifiers. The FCA agreed with the feedback received, acknowledging a clear rationale for regulatory oversight of certain ESG data and rating providers given the impact of these providers in modern capital markets.

Complexities and Concerns Surrounding ESG Data[4]

As an increasing number of banks, investors and companies look to incorporate ESG considerations into their practices, the need for standardized and effective ESG data has become a priority for a broad range of stakeholders. As cash is increasingly directed into ESG funds, the industry of ESG rating providers has flourished. However, with each provider using different methods and approaches to produce their ratings, investors encounter difficulty in drawing meaning from the ratings. A study published by researchers at Massachusetts Institute of Technology's Sloan School of Management and London Business School in 2021 highlighted the vast discrepancies in ESG measurements as well as issues with data quality and assessments against financial performance. Additionally, many funds have pointed out that they require rich and granular data rather than top-level details on everything from diversity, equity and inclusion efforts to climate-change exposure in order to better scrutinize ESG factors within companies. Executives have therefore been frustrated by some of the larger rating providers that use "black box" algorithms to produce their results and do not provide customers with the background data used to compile these ratings.

Regulators have also started to focus on the uncertainty and variety in ESG data, with the European Securities and Markets Authority currently commencing the initial stages of a public consultation on the issue of how large rating providers use ESG indicators. As ESG continues to rise on the agenda, companies must take care in navigating the minefield of ESG reporting, thoughtfully choosing the correct framework within which to report, following the robust reporting guidelines and ensuring that any data used is reliable and verifiable.

Executive Remuneration[5]

Analysis by PwC of the first 50 FTSE 100 companies to publish their 2021 remuneration reports found that the median total remuneration for chief executives increased 34% from 2020 as a result of a post-COVID growth in certain sectors, including financial services and construction. The travel, hospitality and retail industries have not yet recovered to the same degree.

[4] *Financial Times*, "Boom in ESG ratings leave trail of confusion" (19 March 2022); *Bloomberg*, "Lack of uniformity in ESG ratings system poses risks, opportunities" (16 May 2022); *Financial Times*, "'Do-good' measures don't do at all" (23 May 2022).

[5] *Financial Times*, "FTSE 100 chief executive pay recovers to pre-pandemic levels" (18 April 2022); *The Guardian*, "Most Britons back curbs on bosses' pay, survey finds" (3 May 2022); Deloitte Executive Compensation Report (2020); *The Guardian*, "Shell boss faces investor rebellion over £13.5m pay package" (19 May 2022); *Bloomberg*, "Executive pay tied to ESG goals grows as investors demand action" (14 March 2022); Tesco Annual Report 2022.

The rise in some executive pay has run counter to perceived public opinion. Surveys have found that most of the U.K. workforce believes that CEOs should not earn more than 10 times the lowest wage in a company. The same research found that only 3% of respondents believed it is appropriate for senior executives to be paid more than 50 times' the average pay. In reality, executives of the 350 biggest U.K.-listed companies are paid 53 times the median employee salary. In fact, the median employee to FTSE 100 executive pay ratio was calculated to be 1:81 in 2021, compared to 1:59 in 2020 and 1:75 in 2019.

Deloitte reported fewer investor revolts challenging directors' remuneration reports so far in 2022 than in recent years, with a drop from 13% in 2021 to 6% in 2022 of investor votes where less than 80% of those voting approve the report. However, in light of clear public pressure and recent cost-of-living challenges generally, investors are bound to feel incentives to once more vote against pay packages that are deemed excessive. For example, Shell is facing some investor criticism in connection with the recently announced £13.5 million pay package for its chief executive.

Regardless of investor action, the structure of executive remuneration is evolving to consistently incorporate the practice linking bonuses and long-term incentive plans to ESG metrics. Companies including Chipotle and McDonalds have tied their executive pay to ESG goals and, as of 2021, a quarter of U.S. companies included an environmental or social metric in executive evaluations. Tesco announced that 25% of its performance share plan for the fiscal year 2022/23 fiscal year would be linked to ESG metrics, specifically carbon reduction, food waste reduction and diversity and inclusion increases (comparing the percentage of female and ethnically diverse top global leaders to a baseline percentage in fiscal year 2021/22). Institutional investors have shown support for this movement but also raised concerns about such metrics being nebulous and too capable of being engineered to warrant high payouts.

ESG in the Data/Tech Sector[6]

As discussed in our February 2022 article, the relationship between ESG factors and the data and tech industry continues to evolve in a number of ways. Legislation regulating large tech companies and antitrust challenges to dominant tech platforms increased in the beginning of 2022. In the U.S., two antitrust bills moved through the Senate's judiciary committee intended to protect innovative start-ups operating alongside established, key companies. In contrast, in April 2022 the U.K. announced a less aggressive approach to regulating large tech companies. Following arguments from several large tech firms and start-ups that too rigorous an approach to merger control would hamper investment, the Digital Markets Unit within the CMA will have some restrictions on its powers to block takeovers.

The effects of ESG considerations on the tech industry extend beyond legislation, with many companies feeling the impact of inflation and rising investor activism. Tech companies that benefitted from a pandemic-related rise in demand for their products and services are beginning to see this interest decline. Peloton and Cameo, for example, announced that the decrease in consumer demand has resulted in staff reductions. Additionally, large tech firms are experiencing a rise in ESG-related activist investor proposals, particularly in relation to employee welfare and remuneration.

Also, the collapse of the cryptocurrency market has disproportionately impacted Black American investors. Minority investors reported interest in cryptocurrencies due to the product's lack of investment minimums (which are common for other investment vehicles, such as mutual funds) and a perception that the blockchain distributed ledger is more transparent than big banks. According to a survey by Ariel Investments and Charles Schwab, 25% of Black American investors versus 15% of white investors owned cryptocurrencies at the start of the year, meaning that the widespread losses caused by the cryptocurrency crash are broader among Black investors. The higher exposure of Black Americans to cryptocurrencies has left them more vulnerable to the financial downturn in this market.

Looking Forward

Green Energy Transition[7]

As nations continue to grapple with the impact of Russian sanctions and energy supply issues in the second half of the year, we expect to see bigger steps taken to develop and use green energy. According to Mark Carney, the former governor at the Bank of England and current head of transition investing at Brookfield Asset Management, current investment in clean energy is at a

[6] *Financial Times*, "The techlash is the first step to restoring a fair US economy" (15 February 2022); *Bloomberg*, "UK ministers to soften clampdown on tech deals" (19 April 2022); *Financial Times*, "How bad is the Big Tech's hiring freeze" (10 June 2022); S&P Global, "Big Tech activist shareholders deliver mixed results" (27 May 2022); *Financial Times*, "Crypto collapse reverberates widely among black American investors" (5 July 2022).

[7] *Financial Times*, "Clean power groups call for slicker process on UK planning and permits" (4 April 2022); *Bloomberg*, "Carney says clean energy investments at third of the pace needed" (21 April 2022); *Financial Times*, "Ukraine war creates new tensions for ESG investors" (23 May 2022); *Financial Times*, "Energy shock shows need to rethink green transition, Aramco chief says" (23 May 2022); *The Guardian*, "EU plans 'massive' increase in green energy to help end reliance on Russa" (18 May 2022); *Financial Times*, "Race to cut carbon emissions fuels climate tech boom" (5 May 2022).

third of the pace required to meet climate goals. He therefore sees the war in Ukraine as a timely reminder for the U.K., Canada and other European nations to accelerate investment in clean energy in the medium term, even if the short-term impact of this investment is a rise in fossil fuel consumption.

In line with this focus, the European Commission outlined a plan in May 2022 for a "massive" increase in the EU's use of solar and wind power alongside a short-term increase in coal use in order to discontinue the need for Russian energy supplies. Among the many targets proposed, the EU plans to acquire 40% of its energy from renewable sources by 2030, marking an upgrade from the current target of 32%. In comparison, the U.K. government stated in its British Energy Security Strategy published in April 2022 that by 2030, 95% of British electricity could be low-carbon and by the end of 2023, the U.K.'s renewable capacity is set to increase by 15%. Clean power advocacy groups have also used current discussions as an opportunity to call for a simplification of the process of U.K. planning and permits for clean energy systems: Although the U.K. government has pledged to make the U.K. more self-reliant and green, investors have bemoaned bureaucratic delays, "inflexible" regimes and connections to the power grid. For example, the CEO of ScottishPower has cited two wind farms off the Suffolk coast that finally received planning permission in April 2022, 12 years after their original conception. The pace of the U.K.'s development in clean energy resources in the coming months will depend on how much the government is willing to invest in the efficiency of its processes.

The tech industry is also ready to seize the opportunities that increasing interest in clean energy may generate. A new breed of climate-focused technology start-ups have emerged to serve businesses aiming to transition to more sustainable business models. Companies that have committed to sustainability targets recognize that they cannot simply rely on carbon offsets and need to seriously consider alternative means of energy. Climate tech offerings could be particularly impactful in the shipping industry and the food sector, and the adoption of sustainability models could in turn fuel interest in funding "clean tech" in the next six months. At the same time, some investors have highlighted the need to prepare for future disruptions to the oil and gas industry. The chief executive of Saudi Aramco echoed that sentiment, pointing out that the impact of the war in Ukraine on global energy supplies has shown the need to maintain investment in oil and gas production in order to ensure energy security and price stability until such time as renewable power is able to fully replace hydrocarbons.

Rise in Companies Seeking Sustainability Advice/Consultancies[8]

With the rise in legislation, regulation and stakeholder engagement related to ESG matters, companies are increasingly seeking to improve their ESG credentials and keep pace with the evolving landscape by hiring consultants and employees. A review by PwC of the role and impact of chief sustainability officers (CSOs) found that companies with CSOs have better ESG performance and that almost all companies that scored an A-rating maintain an executive with at least some sustainability responsibility. Unsurprisingly, the number of CSO positions is growing rapidly, with as many CSOs appointed in fiscal year 2020/21 as in the prior eight years combined.

Despite this surge, consulting firms are themselves struggling to develop the skills needed to meet the rising demand from clients seeking sustainability advice. Helping clients meet net zero goals — to cut their greenhouse emissions to levels in line with the Paris climate accord and offset those they cannot eliminate — requires a wide range of advisory expertise and technical support of sustainability specialists, which is currently in short supply and high demand. How the ESG consulting industry develops in the coming months will play a key role in the successful assessment of companies and the implementation of effective and attainable ESG targets.

[8] Strategy&, "Empowered Chief Sustainability Officers" (May 2022); *Financial Times*, "Consultants face sustainability skills gap as net zero pressure rises" (28 January 2022).

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