

An introduction to Q5's Sustainability capabilities



A background image showing three people in a meeting. On the left, a man with a beard is seen in profile, looking towards the right. In the center, a man with dark hair is looking down at something in his hands. On the right, a man with glasses and a beard is smiling and looking towards the center. They are all seated at a table, and the background shows a modern office interior with large windows.

Q5

Q5. The art and science of organisational health.

Whatever the situation, be it a strategic conundrum, a market opportunity, or an operational gripe, we combine the art and science of organisational health to help our clients improve and excel.

The shift of focus for businesses to reduce their negative impact on the environment and societies and be a force for good is driving a different way of operating. Healthy organisations can only exist in healthy environment

An **award-winning**, global consulting firm focused on organisational health.

Over the last ten years, we've partnered closely with business leaders from over

324

of the most **prestigious** brands and companies globally to support them in defining and improving their **organisational health**.

Visit us [here](#) to find out more.



What do our clients use us for?

When they need to come up with an operational strategy, an execution plan, roll out change through the business, change a leadership teams skills and mindsets, help their business be "change ready".

"Should I **set up a sustainability team** and what skills would they need?"

"How do I **influence my supply chain**, lead the industry and work in collaboration with my competitors?"

"How do I really **transform my organisation** to be truly sustainable and take advantage of the opportunities rather than just tackling surface issues like recycling and waste"

"I **don't know where to start**, what does good look like in this space?"

"We don't have the **leadership mindset** to be able to really embed this"

"I **can't galvanise my board** into action"

"I have a strategy but I **don't know how to drive it through the organisation**"

"I have a strategy, a sustainability team, funding and a plan, but it's just **not delivering what we need**"

"We've got big plans, but we **don't know how to get them done**"

"I have a sustainability team but we're **not being as effective as we could be**"

"We really enjoyed working with Q5. The depth and quality of the research and the practicality of the outputs - giving us pointers to things we could action now - were a critical input to both our thinking and the formation of our sustainability strategy".

Chief People Officer - Cazoo

"I have worked now a few months with Q5 and so far I have seen very high quality people. Good mixture of bringing theory and best practice, but also getting things done."

Senior Vice President, Commercial Trading Operations - Shell

No two of our clients are in the same place on the sustainability agenda. We have a wide range of capabilities to support the m.

We solve these specific client challenges with 5 offerings:

<div>1</div> <div>Purpose & Ambition</div>	<p>Most organisations already have a purpose. We work with leadership teams to re-clarify that purpose and ambition and set the thresholds through which the organisation can operate. This then unleashes capability in teams to make decisions faster, find additional meaning in their work and also shape the organisation's external voice on the topic.</p>	
<div>2</div> <div>Organising for sustainability</div>	<p>We help organisations and Heads of Sustainability set up their teams understanding what skill sets, roles, accountabilities and governance need to be present and how those roles engage with the rest of the organisation.</p>	
<div>3</div> <div>Leadership & Culture</div>	<p>The skills, values and behaviours of a leadership team in a truly sustainable organisation differ to those in a traditional "shareholder value" focused one. We help people and teams develop their leadership mindset and behaviours so that they and their organisations can achieve more. This shift in behaviour needs to permeate through the organisation to breed a culture where all employees are supported in helping the organisation thrive.</p>	
<div>4</div> <div>Embedding Sustainability</div>	<p>Strategies, plans, behaviours and mindsets are all critically important however, effective change execution is critical to transforming the organisation. We help organisations both set up for and deliver change by thinking about people, culture, delivery methodologies, change structure and governance and knowledge sharing through the transition.</p>	
<div>5</div> <div>SUSTAINX</div>	<p>No organisation operates in a vacuum. SUSTAINX provides a platform to bring together suppliers and other industry players to solve common challenges together. It provides topics, solutions, expert knowledge, and collaboration sessions to trial new products and approaches.</p>	

We think about sustainability change holistically....

...and in addition to our 5 core offerings, we are able to solve for some broader challenges around the wheel

The Sustainability Transformation Wheel



The organisational purpose and ambition:

Serves as the heart of our model – organisations should look at their ambition here - do they want to simply be **compliant, competitive, market-leading, or purpose driven leading across multiple sectors and acting to improve wellbeing for all?**



Five core “Sustainability Fundamentals” – the “HOW”

The middle layer of the model is the **steps an organisation must undergo to ensure a successful transformation** by understanding risks, setting a clear strategy and targets, engaging all stakeholders, innovating to find solutions and aligning the whole organisation behind a system-wide transformation. These steps are not necessarily chronological, but must **be constantly addressed and iterated.**



The 12 focus areas – the “WHAT”.

Extending beyond the fundamentals, the focus areas provide a further layer of detail on **the organisational levers which must be addressed** to ensure a holistic transformation. Targeted interventions can then be provided for “problem areas” or those parts of the organisation requiring **“sustainability uplift”**



Underpinned by Leadership

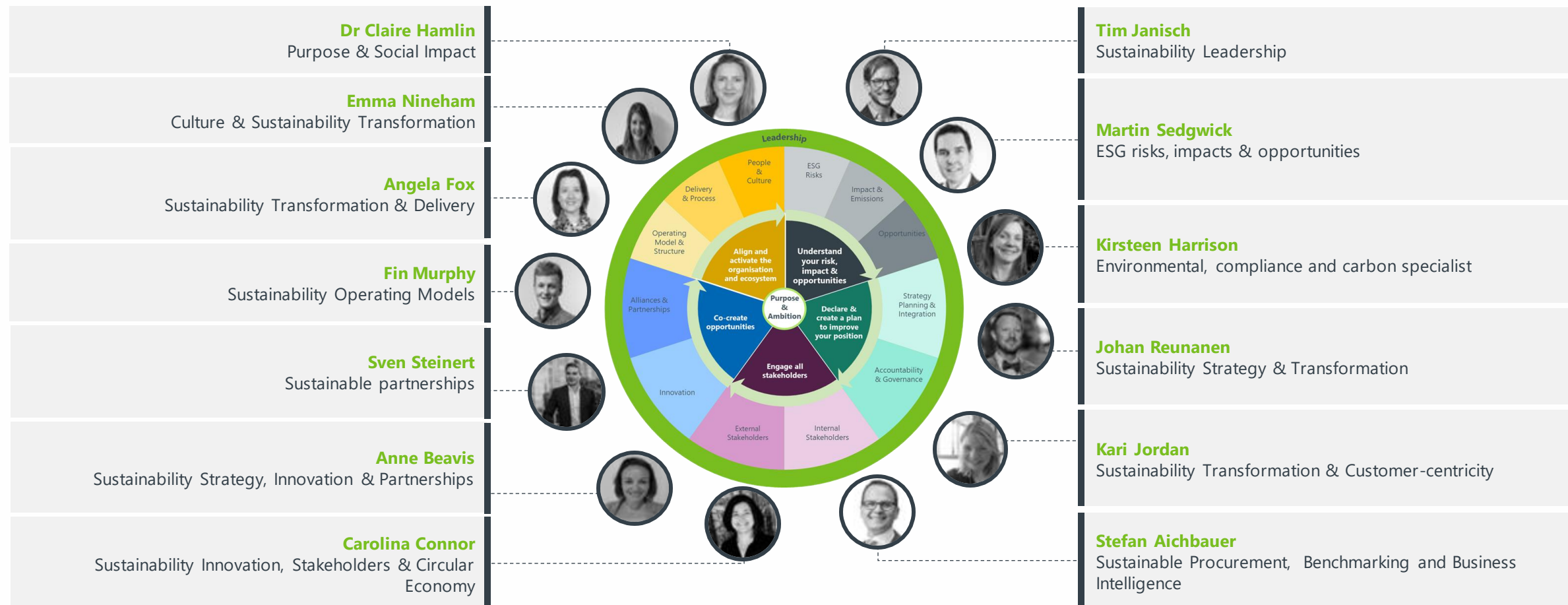
The foundation of any transformation is strong leadership. Leaders who have **the skills and mindset for sustainability**, who **promote long term decision making** and lead **purpose-led organisations** will be those who can drive the most successful sustainability transformations



By focusing on these areas and activities, a sustainable transformation can be achieved.



Meet some of our people



We would love to work with you

Q5

Let's chat

Our team would be delighted to work with you



Angela Fox

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Follow **q5partners** on any of the channels below to stay up to date with our insights.



Our capabilities in more detail

Purpose & Ambition – Defining the future

Sustainability is a nebulous topic. To understand how to drive it through an organisation it's important to understand how an organisation sees its purpose and the ambitions it has around the topic.

Most organisations already have a Purpose statement. It's focused around what they do today. However, new thinking around purpose driven by the PAS808 BSI standard suggests that entities should re-think this in light of the global challenges we face and consider what they can do to help solve for the long-term well-being of people and planet - **defining why they exist for the future, as much as for today.**

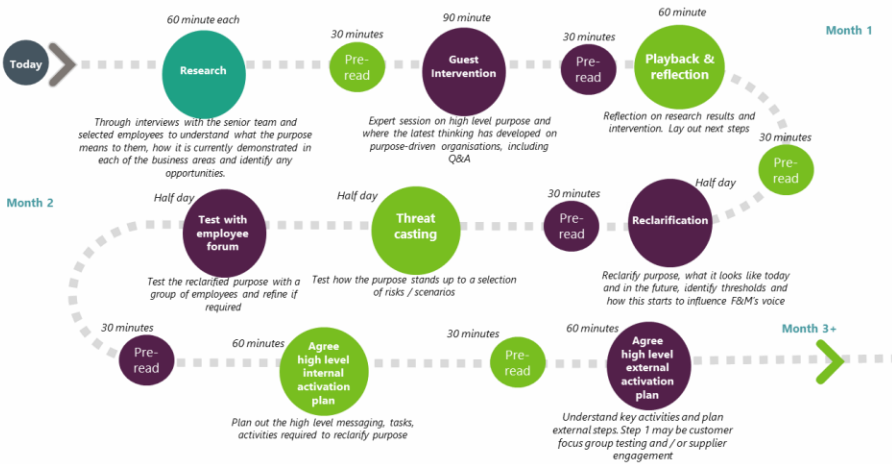


Our approach to purpose and ambition enables a leadership team to re-clarify it's purpose and ambition and set the thresholds through which the organisation can operate. This then unleashes capability in teams to make decisions faster, find additional meaning in their work and also shape the organisation's external voice on the topic.

Our work here can be as fast or slow as an organisation requires. However, we would recommend a 2-3 month period to allow time for reflection and learning in between more formal sessions.

When considering where an organisation is on this scale, it's important to consider it's current maturity on the topic, it's leadership mindset, and the requirements of it's stakeholder groups.

Some organisations merely strive to be compliant; others choose to lead.

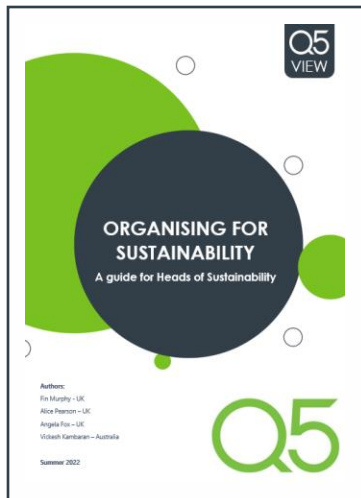


Organising for Sustainability – designing for success

Sustainability is all about **balance – balancing an organisation’s financial performance alongside its social and environmental performance** to create value for all stakeholders. At Q5 we are passionate about Organisational Health – supporting our clients to tackle immediate problems and drive long term performance improvements, and **having this balance is a critical component of a healthy organisation.**

We are increasingly being asked by clients how sustainability will affect their organisational health and how to galvanise around it – **how to internally set up for sustainability success**. 87% of organisations report that they will be more committed to sustainability in 2022 than 2021¹, and consequently we are seeing senior level sustainability roles becoming common place.

Being a ‘Head of Sustainability’ or ‘Chief Sustainability Officer’ is now a highly prominent and business-critical position, and many are asking themselves similar questions around how to set up their teams and **organise for sustainability**. These questions include...



1 Which area of the business should be accountable for a Sustainability team?

2 What skills do my team and I need?

3 How should we work with the business?

4 How should I structure my team?

5 Where should I start to drive real change across the business?

Answering these questions will help your organisation...

- ✓ Drive sustainability progress in a coordinated, holistic manner
- ✓ Align sustainability goals to business goals
- ✓ Build ownership for change from the business
- ✓ Support the business with flexible, expert resources

Building on our extensive experience of organisation design, we help guide clients through these questions, co-creating solutions that are fit-for-purpose and tailored to each organisation’s context and ambition. To read more, see our Point of View on Organising for Sustainability [here](#).

¹edie, 2022. Sustainable Business Leadership Report 2022. [online] Available at: <<https://www.edie.net/sustainable-business-leadership-report-2022/>>

Leadership and Culture – translating the purpose into people

The skills, values and behaviours of a leadership team in a truly sustainable organisation differ to those in a traditional “shareholder value” focused one. We want to help people and teams develop their leadership mindset and behaviours so that they and their organisations can achieve more. Additionally, this shift in behaviour needs to permeate through the organisation to breed a culture where all employees have clarity of purpose and are supported in helping the organisation achieve that purpose.

What’s different about the new leadership paradigm?

- 1. **Longer term focus** – quarterly reporting goals are no longer the driver, and a leader may not still be in role when impacts of their decisions are realised
 - 2. **Multiple stakeholders** – shareholder value is no longer the only driver of success
 - 3. **Fast moving and new topic areas** – leaders and their teams are having to do while they learn and be comfortable with failure or direction changes as new information comes to light.
 - 4. **Collaboration** – not just within the organisation but with industry bodies, suppliers, and even competitors in order to solve some wicked problems
 - 5. **Openness, authenticity, and honesty** – the challenges faced by leaders and organisations today are new and changing. No one leader or team have the right answers however, being open and honest about process and progress is crucial in maintaining trust amongst stakeholders.
- In order for leadership to thrive, at all organisation levels, a healthy culture must be in place. We believe the 5 tenants of a healthy culture are:

- 1 **Psychologically safe** - Where your people are encouraged to speak up with ideas, questions, concerns or mistakes
- 2 **Growth mindset** - Creating the conditions for your people to challenge, innovate, learn and grow
- 3 **Resilient** - Where the culture builds your ability to deal positively with challenge and set backs
- 4 **Adaptable** - Where you can stay true to your strategic aims whilst responding with agility to environmental factors
- 5 **Inclusive** - Where the culture creates a sense of belonging for all driving engagement, performance and high psychological wellbeing

“Everyone deserves to be led well within a healthy and sustainable culture”



Embedding Sustainability – rolling change through the organisation

Many organisations focus their attention and resources on setting the ambition, creating plans and defining roles – all critically important ingredients in any sustainability journey. But, many risk missing the impact they want to achieve by not preparing to properly embed sustainability across the organisation through the people, processes and structures that will catalyse the change

From our experience, there are three key areas that are critical in aligning and embedding sustainability. Below we capture the critical questions to answer in order to effectively embed sustainability.

People and Culture	<ul style="list-style-type: none">Is this the right time to be driving change in our organisation? Are people ready to receive the change?Are employees aligned on what to do differently and why, and equipped with the right skills and behaviours for the new ways of working?How are we supporting our people through this period of change?
Delivery & Process	<ul style="list-style-type: none">Do we have a method to deliver change and actively manage the transition from our current state to what we have defined to be a sustainable organisation?How will we know if the change is going to plan and where to course correct?How will we communicate the change and win hearts and minds across the organisation?
Operating Model and Structure.	<ul style="list-style-type: none">How is sustainability weaved into our operating model?Is the organisation structured and set-up to be able to deliver on this new agenda?Has success been defined, and are metrics in place to measure progress?Is the appropriate accountability set up, and decision making processes defined and embedded?



Some of our tried and tested tools and techniques:

We recommend completing a change impact and readiness assessment to ensure the embedding processes focuses on the right things for your unique organisation.

VISION		
STRATEGY		
GOALS & PRIORITIES		
STRUCTURE	PEOPLE	VALUES
TECHNOLOGY	PROCESS	RELATIONSHIPS
INFRASTRUCTURE	CAPABILITY	DECISION MAKING
MEASURES		

Example output

Start with a compelling narrative – why change? We recommend learning from some of the best storytellers in the world, Pixar, with their framework shown here.

We can't stay where we are because.....

And so our path is....

Along the way.....

So that finally.....

And from then on.....

Complete a learning and communication needs analysis – understanding who in the organisation needs to know what.

Which groups need a basic understanding & how will we deliver this?

Who requires deeper learning to deliver on the new requirements of their role?

Breadth vs depth

SUSTAINX - driving cutting edge decisions for our clients

SUSTAINX solves challenges for clients by **bringing together knowledge, innovation, experts and clients** for collaboration.

Solutions

Database with over 1,500...

- Concrete solutions
- Innovations
- Best practices
- ... on over 20 sustainability topics.

Topicality

Continuous updates on a wide range of...

- Sustainability topics/focus areas
- New solutions & innovations
- Latest initiatives

Expert Knowledge

Access to curated subject matter through...

- Expert guest speakers
- In-depth studies and reports
- 'On demand' research

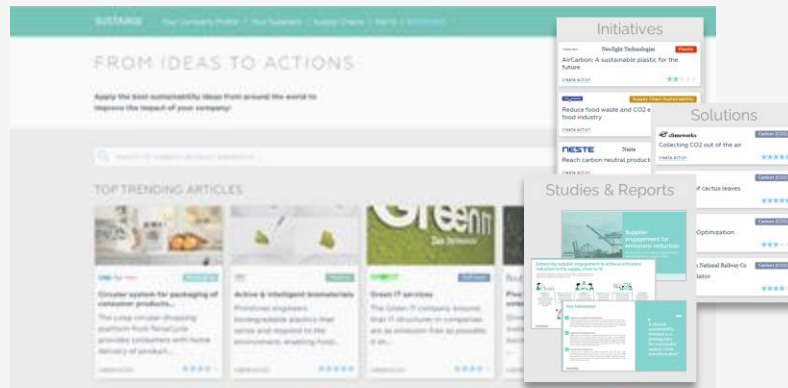
Collaboration

Elaboration and co-development of current 'best in class' solutions reapplied and scaled for relevant sustainability topics.

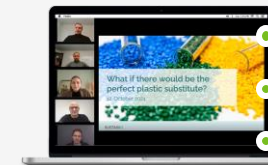
SUSTAINX



Platform



Roundtables & Working Groups



Potential solutions

Guest speakers

Expert discussion

Identifying *your* challenges

SUSTAINX will find answers

Tailoring solutions to *your* needs



Case Study

Case Study - Organising for Sustainability

The challenge

The bank had set out its ambition to be a market leader in sustainable investment and finance, with Net Zero financed emissions by 2050. This requires mainstreaming Sustainability across the bank, including deep subject matter expertise, impactful external engagement and capacity to drive internal execution of sustainability strategy, policy, governance and risk management.

The Sustainability function, historically focused on philanthropic initiatives, needed to build the capacity, capability and enablers to help drive this bank-wide sustainability transformation. A new Target Operating Model for sustainability across the bank was to be developed, with a Centre of Excellence within the Sustainability Function. Q&S were brought in to create the organisation design for the Sustainability Function in light of the new target operating model, to make recommendations on the future role and set up of philanthropy within the bank, and to design a new ESG commitments governance approach.

Our approach

OD for the Sustainability Function

- Engaged in the development of the Target Operation Model, providing organisational and people considerations into the process
- Defined the sustainability value chain and activities, ensuring the bank would have the ability to activate commercial opportunities through deep expertise, as well as the right internal capabilities to execute against sustainability commitments
- Translated a bank-wide operating model into clear designs for a market-leading CoE and distinct philanthropy vertical
- Detailed design including role profiles, interfaces with the business and ways of working
- Created a change impact assessment & implementation plan to mitigate key barriers to success, including people risks and legacy issues

The Future of Philanthropy

- Combining detailed interviews with stakeholders across the bank and market research on leading corporate philanthropy, we explored a range of models for how philanthropy should be delivered and where it should sit within the bank, assessing them against the bank's strategy and priorities to ensure it would deliver the greatest impact

ESG Commitments Governance Approach

- Worked with key senior stakeholders to conduct an as-is review which informed the definition of an appropriate governance framework, with clearly delineated roles & responsibilities, a detailed process design and supporting artefacts

Major Global Full-Service Bank

The results

OD for the Sustainability Function & Philanthropy

The redesign of the function, covering:

- Creation of a Sustainability Centre of Excellence – to activate commercial opportunities through deep expertise that can be agilely deployed across multiple businesses, creating the right internal capabilities and delivering the sustainability target operating model
- Recommendations to create a high-impact, strategically aligned and operationally efficient Philanthropy and Internal Corporate Responsibility vertical
- Identification of and plans to mitigate key risks associated with the scale of change underway in the function
- External challenge and expertise brought to critical challenges within the design, providing structured answers, alignment across the design and implementable outcomes

ESG Commitments Governance Approach

- New process agreed and socialised for how ESG commitments decisions are made and escalated, with supporting process map, template and guidance
- Commitments governance principles defined that can be scaled to broader ESG oversight

Activating Purpose

The challenge

M&S is an iconic British retailer and brand, made up of c70,000 employees in the UK, and with a solid global presence

To support the wider internal business transformation programme aimed at aligning the business plans across the "Accountable Businesses" (e.g. Food, Clothing & Home etc), the M&S ExCo identified the need for a unifying group purpose to act as a north star for the Group as a whole and to give clarity around the business's focus and direction

In early 2021, the ExCo (supported by Q5) came up with a compelling new company Purpose, accompanied by four strategic priorities

Following on from this Purpose definition work, M&S needed support in both launching the new purpose to all colleagues, as well as activating it through their processes, plans and people

Our approach

We continued to support the CEO and wider ExCo through the development and finalisation of the detailed strategic content and Purpose narrative, ensuring that feedback from stakeholders was captured and incorporated into the strategic priorities and wording

We worked closely with the Programme Lead to set up the activation programme, establish the programme governance, and identify the key workstreams, through which the programme objectives could be delivered

We worked closely with workstream leads – including the Head of Sustainability; People Directors; Head of Comms & Engagement and Head of Strategy – to help them to create their individual short term and long term activation plans, ensuring that approaches were adapted to different audiences across M&S

We provided specific support to the areas of Sustainability and People to develop their transformation plans and align their thinking with the new Group Purpose

To support the cascade through the business, we established and regularly engaged with a group of 'Purpose Leads' who acted as change champions

We created the content for and supported the CEO to engage with leaders through c 12 leadership events

For launching the project management capability to support the successful launch events to both leaders and colleagues, plus the onwards national cascade. This involved developing content and scripts, ensuring all logistics and cascade materials working with external production companies and regularly



The results

- Engaged with over 130 LT members prior to the launch, providing them with the opportunity to hear from the CEO and challenge/provide feedback on the Purpose and plan to activate
- Reflections and feedback from across the organization were captured and fed into the workstreams, to be reflected in the activation plans
- Core 'Purpose Leads' kept close to the content and development throughout the programme, enabling them to act as champions within their teams going forward and role model the new behaviours
- Successful launch events (27th and 29th September) delivered, plus onwards cascade to Team Managers around the country, creating excitement and providing clarity on the overall strategic direction for M&S
- Detailed roadmap for embedding the Purpose through processes, collateral and wider People transformation programmes