

# Briefing on key *trends for 2024*

WBCSD Knowledge & Insights



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# Table *of contents*

*01.* Introduction  
*about this briefing*

*02.* Analysis of trends  
*shaping the sustainable business agenda in 2024*

*03.* Key sources  
*selected reports and articles informing  
this analysis*

# *01.* Introduction *about this briefing*

# Introduction:

## *About this document*

WBCSD has compiled this briefing document synthesizing some of the key trends shaping sustainability in 2024 to support our members and partners in navigating some of the headwinds and tailwinds that look set to affect our collective efforts to realize transformation this year.

Content for this briefing has been drawn from a review of more than 50 articles, reports and interviews that have emerged in the first weeks of 2024 (both with a focus on corporate sustainability and also on the broader socio-economic environment).

This briefing extrapolates ten key cross-cutting themes from this analysis. The trends identified in this report are not exhaustive, nor do they reflect an institutional position by WBCSD that these are necessarily the most impactful areas of focus. Rather they seek to hold up a mirror to the discourse around sustainability that has kicked off the year so far.

The briefing also contains a list of a selection of key sources that have informed this analysis, as well as links to the materials in question.

For more details on any of the themes explored please feel free to contact us via the contact point below:

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## 02. Analysis of trends

*shaping the sustainable  
business agenda in 2024*

# Analysis of trends

## *shaping the sustainable business agenda in 2024*

Analysis of a wide range of literature regarding the outlook for sustainable development in 2024 has identified ten key trends that will shape this agenda during the year ahead. This list is not exhaustive but holds a mirror up to key discussions and debates playing out among diverse stakeholders as 2024 gets underway.



01

Delivering transformation in a volatile and fragmented world



02

Navigating politics everywhere all at once



03

Reaching a tipping point on accountability



04

Supply chains under more scrutiny than ever before



05

Time for innovation



06

Sustainable by nature



07

The urgent need for adaptation and resilience



08

Answering tough questions on social justice



09

Closing the sustainability skills gap



10

AI: savior or supervillain for sustainable development?

# 01 Delivering transformation *in a volatile and fragmented world*

Efforts to deliver sustainable development in 2024 will be conducted against a backdrop of continued and emerging geopolitical tensions and conflicts, as well as an uncertain and predominantly gloomy economic outlook.

## **Continuing and emerging conflict**

The war in Ukraine is expected to continue, with the Ukrainian authorities needing to unlock significant new sources of finance to avoid territorial losses. Diminishing financial support could lead Kyiv to take more substantial military risks, including strikes on targets inside Russia, which in turn could escalate unprecedented levels of Russian response.

At the same time the conflict in Gaza is predicted to continue in 2024, with several potential pathways for escalation into a broader regional war also a reality.

Meanwhile, a number of hitherto cold wars in other regions also have the potential to heat up with US-China tensions a particular area of focus for many commentators.

## **Economic outlook – uncertainty is certain**

Although Western economies generally showed more resilience in 2023 than many were expecting, the year ahead does not look set to be plain sailing.

European Central Bank President Christine Lagarde has stated that she does not expect a return to economic “normality” in 2024 – indeed volatility looks set to further consolidate its position as the new normal.

Although inflation has started to ebb, a number of significant pressures will continue to generate an

economic drag. Ongoing conflicts will fan inflationary flames, with fighting in Ukraine keeping commodity prices high and volatile, and tensions in the Middle East likely to drive up freight costs and disrupt global supply chains

At the same time, extreme weather events augmented by El Nino will threaten agricultural production, leading to potentially severe disruptions in food supplies.

Against this backdrop, many commentators predict interest rates will remain high, presenting strong headwinds and causing both households and businesses to retrench.

According to PwC's [Annual CEO survey](#), more CEOs expect the global economy to contract in the coming year than expect it to improve. They are also less confident than last year in their own company's prospects for revenue growth over the next 12 months.

The World Bank [predicts](#) GDP growth will slow for a third straight year - from an estimated 2.7 per cent in 2023 to 2.4 per cent in 2024. While the risk of a global recession is thought to be low, individual countries dipping into recession remains a distinct possibility.

## **International trade losing steam**

Trade in 2024 will be impacted by a raft of protectionist measures that stand to reshape supply chains and contribute further to price volatility. As governments worldwide continue their efforts to reduce dependencies on other states in the name of “de-risking,” the prospect of ongoing trade interventions remains high.



# 02 Navigating politics *everywhere all at once*

More people will be going to the polls in 2024 than at any other time in modern history with national elections scheduled to be held in countries that are home to 4.2 billion people.

This election “*super-year*” will generate regulatory and policy uncertainty, bringing added volatility to the global operating environment and presenting the business community with challenges when it comes to long-term strategic planning.

This highly politicized environment is likely to see ESG increasingly leveraged as a partizan issue, as popularist candidates both stoke and tap into an unfolding backlash when it comes to policies relating to a range of issues from climate change to social justice.

This will be particularly true in the US as the looming presidential election deepens the country’s political division. 2024 will test American democracy in ways that are unprecedented in modern times, challenging the country’s social fabric and international standing in the process. In terms of calling a winner, the Economist gives Donald Trump a one-in-three chance of regaining the presidency – a result that would have long-term global implications for industrial strategies and climate policies.

As ESG and sustainability more broadly become increasingly politicized in certain geographies, companies and their CEOs will have to tread cautiously in terms of public positioning and may become more hesitant to take robust positions in the face of reputational and indeed legal risk.

At the same time, however, it will be crucial for business to stand up and protect the democratic process, while also continuing to show sustainability leadership in the face of mounting volatility.

## Elections planned for 2024

Country	Population	Election date
India	1.44B	Apr - May
European Union	448M	Jun 6-9
US	341M	Nov 5
Indonesia	279M	Feb 14
Pakistan	243M	Feb 08
Bangladesh	174M	Jan 07
Russian Federation	144M	Mar 15-17
Mexico	129M	Jun 02
Iran	89.5M	Mar 01
United Kingdom	67.9M	Late 2024
South Africa	60.7M	May - Aug
South Korea	51.8M	Apr 10
Algeria	46M	Dec
Ukraine	37.4M	Mar 31
Uzbekistan	35.4M	Dec 07
Mozambique	34.4M	Oct 09
Madagascar	30.7M	May
Venezuela	29.1M	Dec
North Korea	26.2M	Apr 10
Taiwan	23.9M	Jan 13
Syrian Arab Republic	23.8M	TBC
Mali	23.6M	TBC
Sri Lanka	21.9M	TBC
Romania	19.7M	Nov - Dec
Chad	18.6M	Oct
Senegal	18.0M	Feb 25
Cambodia	17.0M	Feb 25
Rwanda	14.3M	Jul 15
Tunisia	12.5M	Autumn
Belgium	11.7M	Jun 09
Dominican Republic	11.4M	May 19
Jordan	11.4M	Nov

Country	Population	Election date
South Sudan	11.2M	Dec
Azerbaijan	10.4M	Feb 07
Portugal	10.2M	Mar 10
Belarus	9.5M	Feb 25
Togo	9.2M	Early 2024
Austria	9.0M	Sep 29
El Salvador	6.4M	Feb 04
Slovakia	5.7M	Mar - Apr
Finland	5.5M	Jan 28
Mauritania	4.9M	Jun 22
Panama	4.5M	May 05
Croatia	4.0M	TBC
Georgia	3.7M	Oct 26
Mongolia	3.5M	Jun
Uruguay	3.4M	Oct 27
Moldova	3.4M	Nov
Lithuania	2.7M	Oct 13
Botswana	2.7M	Oct
Namibia	2.6M	TBC
Guinea Bissau	2.2M	TBC
North Macedonia	2.1M	May 08
Mauritius	1.3M	Nov 30
Comoros	0.86M	Jan 14
Bhutan	0.79M	Jan 09
Solomon Islands	0.75M	Apr
Maldives	0.52M	Mar - May
Iceland	0.38M	Jun 01
Kiribati	0.14M	TBC
San Marino	0.03M	Dec
Palau	0.02M	Nov 12
Tuvalu	0.01M	Jan 26

Source: Time Magazine, Dec 23



# 03 Reaching a tipping point on accountability

2024 is being billed by many as “the year of ESG reporting” and looks set to usher in what ISSB Chair Emmanuel Faber has referred to as a “tipping point” on corporate accountability on environmental and social sustainability issues.

The entry into force of the EU’s [Corporate Sustainability Reporting Directive](#) (CSRD) means that almost 50,000 companies will be subject to mandatory reporting in the 2024 financial year around topics such as climate and human rights. Similarly, on the other side of the Atlantic, the SEC in the US is also set to release its own set of rules later in the year. California meanwhile has decided not to wait for the SEC and has forged ahead with its own [California Climate Corporate Data Accountability Act](#).

The establishment of the first global standard for sustainability reporting by the International Sustainability Standards Board (ISSB) has also been hailed as a watershed moment and has been accompanied by multiple jurisdictions announcing plans to implement ISSB aligned reporting rules in the next 12-24 months.

Amid this proliferation of regulations and standards, divergence and eventual convergence of financial and double materiality standards is also expected to play out throughout the year.

New reporting requirements will foster collaboration between corporate sustainability and financial functions and drive demand for improved tools for data collection, measurement and reporting.

Some commentators have warned of unintended consequences when it comes to this boom in

regulatory requirements – highlighting the dangers of compliance potentially overshadowing performance and innovation in particular.

It will be important for businesses to ensure that they are not just reporting for the sake of it, but rather that they are using reporting to aid better decision-making as they work to enhance performance. WBCSD’s efforts to provide the missing link between the financial system and business transformation to tackle climate change through the Climate-related [Corporate Performance and Accountability System](#) (CPAS) will be key to supporting these efforts.

At the same time, WBCSD’s work on the [Preparer Forum for Sustainability Disclosures](#) will also support member companies in navigating the increasingly complex reporting landscape.

Escalating emphasis on accountability looks set to spell the beginning of the end for greenwashing, with companies increasingly having to back up sustainability ambitions with data.

Regulators are also fixing greenwashing in their sights. The Financial Conduct Authority in the UK has published strict new rules on green claims, while the Federal Trade Commission in the US is likely to follow suit later this year. The European Parliament meanwhile has also proposed a new [Green Claims Directive](#) which suggests fines of up to 4% of total revenue for any company found to be engaging in greenwashing and sets out much more stringent control on environmental claims and product labelling. Member states look set to sign off the Directive later this year.

As a result, many companies will be making moves to significantly evolve their sustainability marketing strategies.



# 04 Supply chains under more scrutiny *than ever before*

New disclosure requirements coming into force in 2024 will put global supply chains under the spotlight like never before.

Legislation – such as the EU’s Corporate Sustainability Reporting Directive and the California Climate Corporate Data Accountability Act – is driving companies to sharpen their focus on sustainability performance throughout the supply chain.

Companies are being mandated to disclose not only Scope 3 carbon emissions data but also details relating to the due diligence processes they are rolling out to ensure respect for human rights across the value chain.

The [EU’s anti-deforestation law](#) is another example of lawmaking that will compel companies to prove the origin of sourced commodities, necessitating significant improvements in traceability.

The risk of operational disruption, reputational damage, and financial penalties is also motivating investors to scrutinize companies’ efforts to identify and address environmental and social impacts throughout the value chain more keenly.

Taking action to adequately understand, monitor and engage with suppliers at different tiers will require enhanced levels of collaboration as well as a variety of innovative technological solutions.

Indeed, 2024 will be a year where emphasis is placed on mutually beneficial partnerships to address complex challenges. Collaborative platforms such as WBCSD’s Partnership for Carbon

Transparency ([PACT](#)) – which provides a forum for a wide range of stakeholders to pool their efforts around transparency on emissions in the value chain – will be integral to companies’ efforts.

A number of commentators also speculate that emerging technologies such as carbon management software platforms powered by artificial intelligence, are set to be a game-changer for supply chain transparency in 2024.

Regulations around Scope 3 disclosure will also bring sustainability reporting more squarely into focus for private firms around the world. While many of these privately owned entities may have been able to fly under the radar previously, firms of all sizes that supply to major public corporations will likely need to initiate or improve their greenhouse gas accounting methods in 2024.



# 05 Time for *innovation*

As the dust settles on COP 28, calls abound for public and private sector representatives to follow through on their climate action commitments with a bold innovation and implementation agenda for 2024.

A number of commentators observe that recent years have perhaps seen too much business focus on “managerial sustainability” with a priority placed on ensuring compliance with various reporting frameworks and building out the infrastructure needed to capture data and deliver regular sustainability disclosure accordingly.

There are predictions however that, as these management structures become more mature and as sustainability becomes further mainstreamed into corporate strategy, 2024 will see a substantial shift towards a more entrepreneurial mindset when it comes to corporate action on sustainability.

More and more companies are realizing that sustainability is not just about achieving their own net-zero targets but that solving challenges for other organizations also has huge potential to be a driver of long-term value creation.

Recent efforts by Chinese industry to innovate and commit to sustainability are held up by several sources as an emerging success story. Progress in the Chinese market is predicted to continue apace in 2024 as the government there pursues its ambitious 2060 carbon-neutralization targets.

In order to fully realize their potential for innovation, organizations will have to embrace disruption as a necessary part of realizing the transformation that is needed in support of sustainable development.

It will also be critical for companies to be adequately rewarded for their innovation efforts and enhanced sustainability performance by financial markets – as part of a robust Corporate Performance and Accountability System.



# Sustainable *by nature*

Sustainability trends reports for 2024 are largely unanimous in sharing the view that nature will be a critical topic for business in 2024.

A wide variety of commentators share the view that nature-positivity will become increasingly central to conversations around sustainable business in 2024 and that more and more companies will start to respond to stakeholder expectations for them to set nature-related targets and disclose their progress – particularly in the lead-up to UN nature talks at COP16 in Colombia in October.

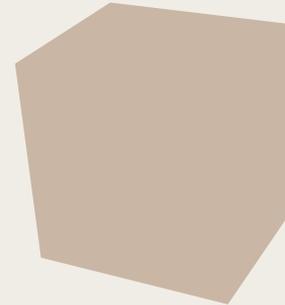
The launch of the [Taskforce on Nature-related Financial Disclosures](#) (TNFD) in 2023 has significantly accelerated this agenda, and business' performance in this regard will continue to attract greater scrutiny as governments embrace the TNFD recommendations and as investment funds that focus on biodiversity become more widespread.

As momentum for nature-positive strategies grows, "*nature intelligence*" is also predicted to become a key area of focus as companies strive to acquire the right nature-related insights and data to inform their decision-making. It is predicted that a range of new technologies such as artificial intelligence, environmental DNA, earth observation, and acoustic and imaging technology, will emerge as viable solutions in this space.

However, despite broad consensus that companies will increasingly realize the importance of nature, many commentators predict that it will take time for companies to fully understand what it means to be "*nature positive*" and that 2024 will just be the start of the process.

PwC's Annual CEO Survey underlines the fledgling nature of many companies' nature work programs. Out of nearly 5,000 CEOs of global multinationals surveyed, more than half conceded that they have not yet started to take action on nature-based solutions or have no plans to do so in the future.

2024 will be a key year when it comes to raising awareness and galvanizing nature action. Against this backdrop WBCSD's Nature Action imperative will be working to support member companies in taking credible and impactful nature-positive action in accordance with our [2023 Roadmaps](#).



# 07 The urgent need for *adaptation and resilience*

Climate change is here, and it is hurting. As policymakers and businesses alike continue efforts to mitigate climate impacts through emissions reduction, 2024 will see the urgency of adapting to the unfolding physical risks of the climate crisis come into much sharper focus.

The World Economic Forum identifies extreme weather as the top risk most likely to present a material crisis on a global scale in 2024.

A powerful El Niño climate pattern will return after a four-year absence and persist through the first half of the year. This will drive extreme weather events at a potentially unprecedented scale, affecting much of the world but hitting Latin America, the Indo-Pacific and Southern Africa the hardest.

These extreme weather events will cause food insecurity, increase water stress, spread disease, threaten lives and livelihoods, and fuel migration. Early estimates suggest that the number of internally displaced people due to weather hazards in 2024 may exceed the almost 32 million displaced in 2022. As ever, it will be the most vulnerable in our society that suffer the most.

Climate impacts also represent a significant risk to business continuity in 2024, disrupting operations, supply chains and logistics all over the world. In response, many companies are now looking to drive forward efforts to enhance supply chain resilience and better manage the physical risks associated with climate change. 47% of CEOs surveyed by PwC are either in the process of, or have already implemented, initiatives to protect their assets and/or workforce from climate risk.

While a number of governments have made commitments to invest in adaptation efforts in 2024 following the global stock-take of adaptation efforts in 2023, government spending is likely to be hampered by the political uncertainty and volatility that is in play this year as half the world goes to the polls. In many cases it will fall on business to lead the charge when it comes to investing in adaptation efforts.



# 08 Answering tough questions *on social justice*

The topic of inequality continues to dominate headlines and is likely to swing further into focus in a year set to be punctuated by over 50 elections, a sluggish global economy, and potentially unprecedented climate impacts.

As is now tradition, Oxfam released its latest analysis of the state of inequality globally at this year's World Economic Forum Annual Meeting in Davos. The report titled *Inequality Inc.* highlights that the wealth of the world's five richest billionaires has more than doubled since the beginning of the decade, while 4.8 billion people are now poorer than they were in 2019.

Perhaps more tellingly, Oxfam's research also underlines that the richest people are not only the biggest beneficiaries of the global economy but also exercise the most control over it. The richest 1% own 43% of all global financial assets, and seven out of the ten biggest publicly listed corporates in the world have a billionaire as CEO or as principal shareholder. Oxfam asserts that billionaire owners are using this control to ensure that corporate power is constantly growing and that this power is in turn focused on providing ever-greater returns to them, the shareholders, at the expense of everyone else.

Oxfam's report kicks off a year that is likely to see businesses facing a series of tough and potentially uncomfortable questions around social justice. As the need to address inequality as a systemic risk becomes increasingly compelling, it will not be enough for businesses to fall back on discretionary social impact initiatives. Instead, companies will more and more be asked to explain their approaches to topics such as

worker wages, employment rights, unionization, tax practices and supply chain labor.

Furthermore, as discussions around the development of a [Taskforce on Inequality and Social-related Financial Disclosures](#) (TISFD) continue to crystalize during the course of the year, the prospect of businesses being held accountable on their performance in these areas grows more likely.

2024 also represents something of a watershed moment for diversity, equity and inclusion (DEI). There has been a growing trend of companies dialing back on their investments and communication around DEI initiatives, unveiling a lack of authenticity and depth around previous commitments as well as a tepid appetite to stand by DEI commitments in the face of mounting ESG backlash.

Investors meanwhile still seem keen to see strong corporate performance in this space. A study conducted by EY underlines that 38 percent of leading institutional investors say they plan to engage companies on workforce or board diversity in 2024.

The business action needed to address the increasingly urgent systemic risk posed by mounting inequality will continue to be a priority focus area for WBCSD and its members in 2024 through the efforts of the [Business Commission to Tackle Inequality](#).



# 09 Closing the sustainability skills gap

There is growing consensus among a broad group of stakeholders that the outer transformation that we need to see across global industry in support of sustainable development will only be possible if it is also supported by inner transformation - the purposeful and persistent development of skills and qualities at the individual level.

As the notion of sustainable development continues to cement itself in the mainstream, and as companies across all sectors make bold commitments to fundamentally transform the way their business gets done, many organizations are identifying an urgent corresponding need to develop reskilled leaders and practitioners, trained and equipped to raise ambition, drive action and sharpen accountability around sustainability goals. Indeed, according to the World Economic Forum, “Sustainability Specialist” was the second fastest growing job in 2023.

But it's not just upskilling around certain specialized roles like climate managers or human rights officers that is needed. If genuine transformation is to be realized, virtually all workers will need to have fluency in sustainable development and to be equipped with the right skills to support its realization.

This will be essential not only for the long-term success of the business, but also to ensure that the workforces of today and tomorrow are empowered to thrive in the evolving world of work.

As more and more companies seek to close the sustainability skills gap in 2024, “green skills” will start to become as integral as digital skills have been over recent decades. Increasingly, developing

competencies in this field will be recognized as unlocking a range of professional and financial opportunities. According to LinkedIn, the hiring salary for workers with at least one green skill is already 29% higher than the workforce average.

WBCSD's work around education represents an important opportunity to help meet burgeoning business demand for support in developing the knowledge and skills needed to advance sustainable development. Meanwhile, our emerging Chief People Officer Network will provide an important forum to explore the critical role of people and culture leaders in charting a course towards a net-zero, nature positive and more equitable future.



# 10 AI – savior or supervillain *for sustainable development?*

AI was central to conversations at the World Economic Forum Annual Meeting this year and looks set to be a permanent source of debate throughout 2024. But what does it mean in the context of efforts to realize sustainable development?

As with all things AI, there is not an easy answer.

On the one hand, AI looks like it may have the potential to play an important part in turbo-charging efforts to mitigate climate change. Carbon management software platforms powered by artificial intelligence will help businesses cut through the complexity associated with carbon accounting, while AI also has a potentially game-changing role to play in facilitating sustainability innovation across a variety of sectors.

Research by Google and BCG published in late 2023 finds that 5% to 10% of global greenhouse gas emissions could be mitigated through the application of existing AI solutions – a percentage that could grow exponentially should AI also facilitate other breakthrough innovations.

AI-powered solutions could also support critical adaptation and resilience efforts - aiding in forecasting climate related hazards and developing plans to address them.

On the flip side, AI also carries its own environmental impacts in terms of emissions, water use, and waste which will have to be managed carefully as solutions continue to emerge and scale.

However, it is the social impacts of AI that have provoked the most scrutiny to date. Debates continue

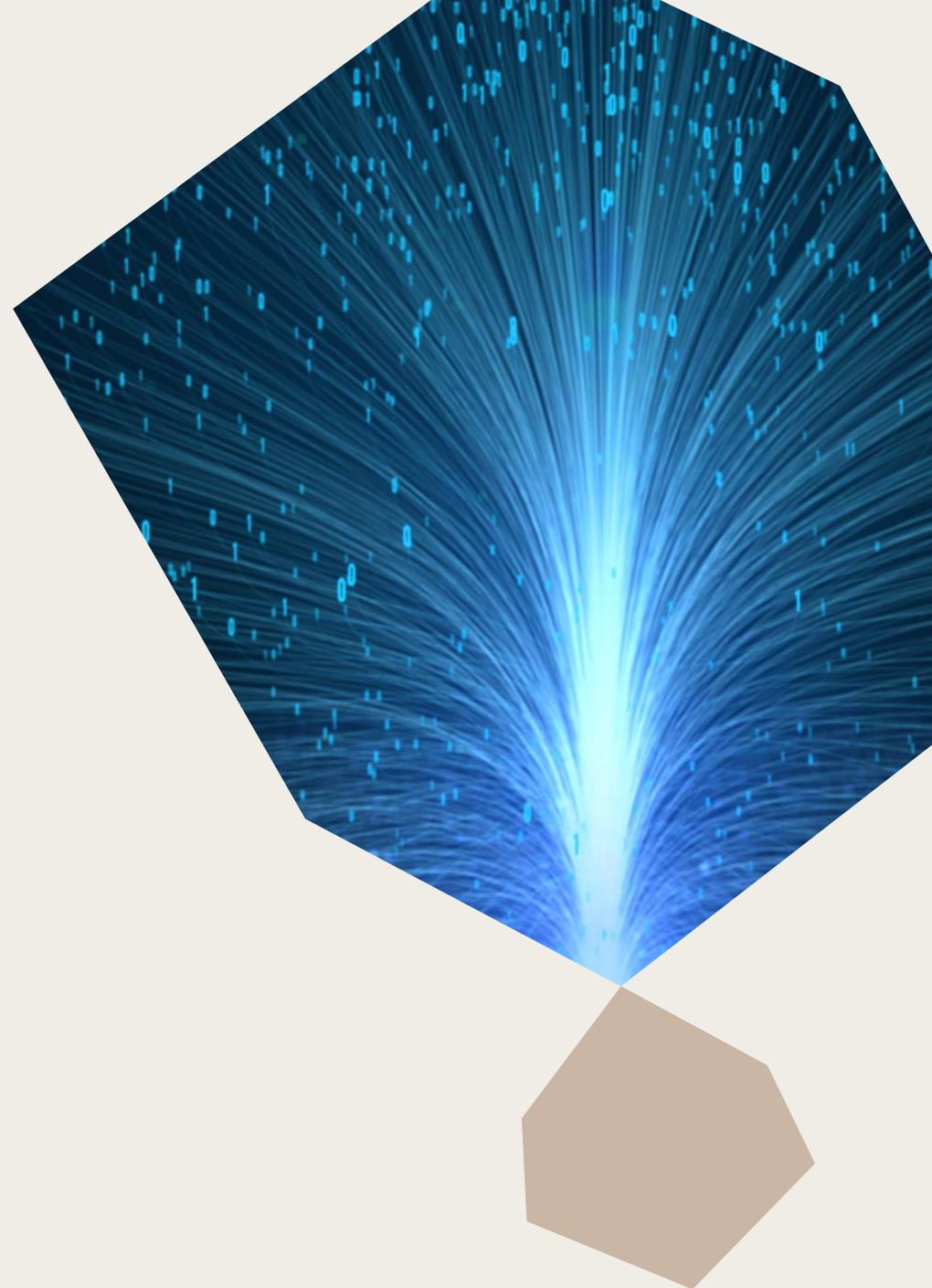
to rage on the impact that AI will have on the global labor market.

McKinsey estimates that at least 14% of employees globally could need to change their jobs by 2030 as a result of AI. Conversations are now turning to how we can ensure a “just transition” in the context of the shift to an increasingly AI-dependent economy.

AI also brings with it a number of other human rights related concerns particularly around topics such as privacy and cyberterrorism. However, the most heated debates around AI thus far have tended to focus on its potential to drive misinformation. Indeed, misinformation and disinformation (with a particular focus AI) emerged as the most severe global risk anticipated over the next two years in the World Economic Forum’s [2024 Global Risks Report](#).

As well as contributing to polarization and fragmentation there are also fears around how misinformation could undermine efforts to address the climate crisis. The Stockholm Resilience Centre has expressed concerns that AI could create a perfect storm of climate misinformation.

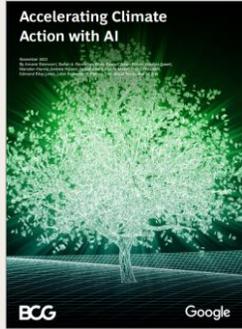
For now, the only thing that is certain is that AI will continue to be adopted, improved and potentially regulated throughout 2024. New ground-breaking uses (and abuses) are no doubt just around the corner.



# 03. Key sources

*Selected reports and articles  
informing this analysis*

# Key sources: *Sustainability trends reports and articles*



Accelerating Climate Action with AI  
*(Google & BCG)*



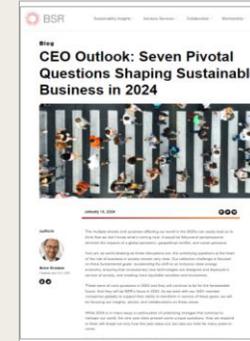
Five Big Sustainability Prophecies for 2024  
*(Solitaire Townsend in Forbes)*



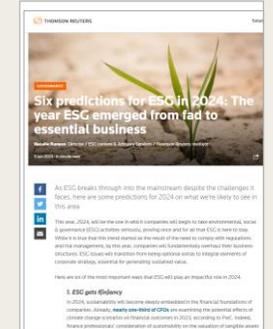
Four Trends Shaping Sustainable Finance  
*(Corporate Knights)*



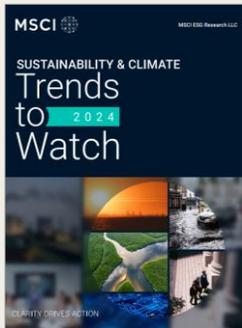
Inequality Inc.  
*(Oxfam)*



Seven Pivotal Questions for 2024  
*(Aron Kramer, BSR)*



Six Predictions for ESG in 2024  
*(Thomson Reuters)*



Sustainability and Climate Trends to Watch 2024  
*(MSCI)*



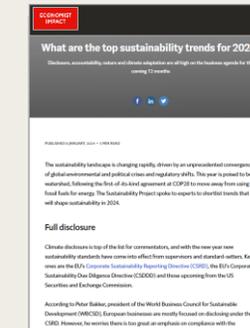
Sustainability Trends Shaping Corporate Priorities in 2024  
*(IMD)*



The Next Steps for Sustainable Business  
*(ERM)*



Top 10 Business and Human Rights Issues 2024  
*(Institute for Human Rights & Business)*



What are the Top Sustainability Trends for 2024?  
*(Economist impact)*



What to Expect from Sustainability and Social Impact in 2024  
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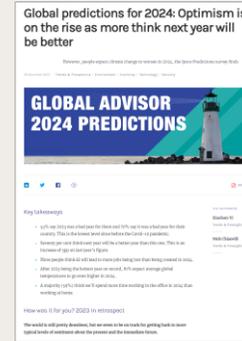
2024 Edelman Trust Barometer  
*(Edelman)*



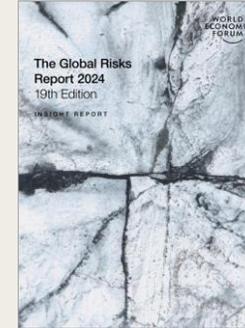
2024 Geostrategic Outlook  
*(EY)*



Annual Global CEO Survey  
*(PwC)*



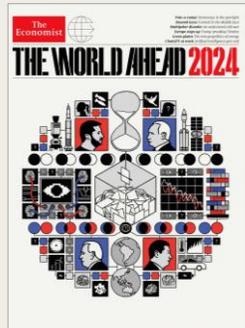
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*(Ipsos)*



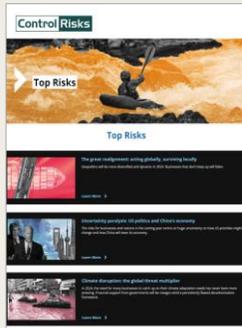
The Global Risks Report 2024  
*(World Economic Forum)*



Prospects for Children - 2024  
*(Unicef)*



Ten Trends to Watch in 2024  
*(The Economist)*



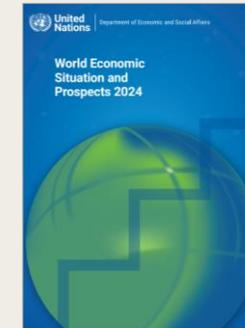
Top Risks 2024  
*(Control Risks)*



Top Risks 2024  
*(Eurasia Group)*



What Directors Need to Know about the 2024 Proxy Season  
*(EY)*



World Economic Situation & Prospects  
*(UN Department of Economics & Social Affairs)*



World Employment and Social Outlook  
*(International Labour Organisation)*

# Thank *You*

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