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# Holding the Line

## A Playbook for ESG Leadership in Hostile Terrain

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# Contents

The terrain has shifted	03
10 things to do now	04
10 things not to do	06
7 questions to ask	08
7 things only you can answer	10
When the noise fades, what will remain	12
Additional resources	14



# The terrain has shifted



Not long ago, ESG was ascendant. It had momentum, institutional alignment, and a growing public presence. Capital flowed, teams expanded, disclosure frameworks multiplied. For a time, it seemed that sustainability had crossed a threshold—from marginal to mainstream, from optional to strategic.

But the ground has shifted. ESG is now a target: politicised, polarised, and, in many cases, strategically downplayed. Companies are relabelling or retreating. Regulatory efforts are being contested or diluted. And within firms, the leaders once tasked with driving sustainability are encountering growing doubt hesitation—from boards, from peers, and even from themselves.

This playbook is for them. For the ESG professionals, sustainability strategists, and corporate leaders trying to do the work in an increasingly hostile climate. You are still in the room—but the air has changed. Conversations are more cautious. Language is under scrutiny. And your leadership, once encouraged, now comes with risk. The spotlight has narrowed. The applause has faded. Yet the responsibilities remain.

This is not a guide to reputation management. It is a tool for re-asserting values and not caving in when political and cultural winds shift. A tool for navigating this moment with long-term strategic clarity and personal integrity. A way to reflect, recalibrate, and hold the line—not ideologically, but structurally. Not defensively, but deliberately. It draws from the insights and realities of the current ESG reckoning—where the real challenge is no longer about whether sustainability matters, but what we are willing to do when it becomes inconvenient to say so.

The terrain has shifted. The question is no longer how loud we speak—but whether we are still standing when the noise subsides.

# 10 things to do now

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## **1. Use ESG as a lens for strategic foresight—not as a reputational cover.**

Sustainability should help you anticipate systemic disruption—not obscure it with language. Reframing ESG as “resilience” or “purpose” only matters if the underlying commitments deepen. This is not about what you call it. It’s about what it prepares you for.

## **2. Keep a long memory.**

The backlash is loud, but it’s not permanent. Climate change, inequality, regulatory volatility—these aren’t trends, they’re constraints. ESG is about staying relevant over decades, not quarters.

## **3. Build governance literacy at the top.**

If your board doesn’t understand sustainability as a strategic concern, you have a structural vulnerability. Move beyond slide decks—equip directors to ask better questions, interpret non-financial signals, and engage with trade-offs.

## **4. Strengthen your internal alliances.**

Sustainability cannot succeed as a silo. It needs legal to own compliance risk, finance to own capital reallocation, operations to own execution. Map your internal champions—and cultivate them.

## **5. Align incentives.**

Tie sustainability to decision-making power. If ESG shows up in reporting but not in performance reviews, capital approvals, or executive compensation, it’s not real. Integration starts with what gets rewarded.

# 10 things to do now

## **6. Anchor sustainability in capital allocation.**

Nothing says strategic priority like funding. ESG priorities must inform where capital is deployed, which projects get greenlit, and how trade-offs are resolved at the portfolio level.

## **7. Make your trade-offs explicit.**

Be honest about what you can and cannot do. Acknowledge when progress comes at a cost. This builds internal credibility and avoids future accusations of overreach or greenwashing.

## **8. Pay attention to who is folding—and who is still holding the line.**

This moment is revealing. Watch carefully. Which companies are quietly backing away, and which are staying the course without

fanfare? Who's rebranding without substance—and who's quietly doubling down? These patterns will shape the next phase of the field. Know where you stand, and with whom.

## **9. Stay grounded in the business.**

Sustainability should inform core strategy, not orbit it. Whether you're in healthcare, finance, manufacturing or tech—connect ESG to your value proposition, operating model, and sector-specific risks.

## **10. Say less, mean more.**

In a volatile environment, credibility matters more than visibility. Don't announce what you haven't built. Let action lead language—and let the results speak when the noise subsides.



# 10 things not to do

## **1. Don't confuse communication with commitment.**

Sustainability isn't a narrative—it's a set of decisions. Announcing intentions is easy. Following through under pressure is not. If your ESG efforts are louder than they are embedded, they will collapse under scrutiny.

## **3. Don't bolt ESG onto a legacy model.**

You can't retrofit integrity. If your value creation depends on externalising harm, no amount of ESG overlay will make the strategy sustainable. Fix the engine—not just the dashboard.

## **4. Don't let disclosure replace decision-making.**

Publishing a report is not the same as shifting priorities. Metrics may satisfy compliance, but they don't automatically drive change. If reporting becomes a ritual rather than a reckoning, the organisation learns to perform rather than transform.

## **2. Don't outsource conviction.**

If ESG lives only in a specialist team or a slide deck, it won't survive contact with the core business. Ownership must be distributed, especially at the top. Delegated belief is belief deferred.

## **5. Don't bury trade-offs.**

Progress isn't always win-win. Real ESG strategy requires choosing what to protect—and what to leave behind. If you're constantly smoothing tension, you're avoiding strategy.

## **6. Don't reduce ESG to risk avoidance.**

Caution has its place, but if your main concern is litigation or backlash, you're not leading—you're insulating. ESG should expand your vision, not shrink it to reputational calculus.

# 10 things not to do

## **7. Don't reposition to escape pressure.**

Swapping “ESG” for “resilience” or “responsible business” might ease stakeholder tension, but if the underlying commitments stay the same—or quietly weaken—it’s not adaptation, it’s retreat. The political climate may be volatile, but strategy requires holding shape under pressure, not bending to sentiment. Don’t let headlines write your agenda. Relevance requires clarity—and staying power.

## **8. Don't mistake internal consensus for alignment.**

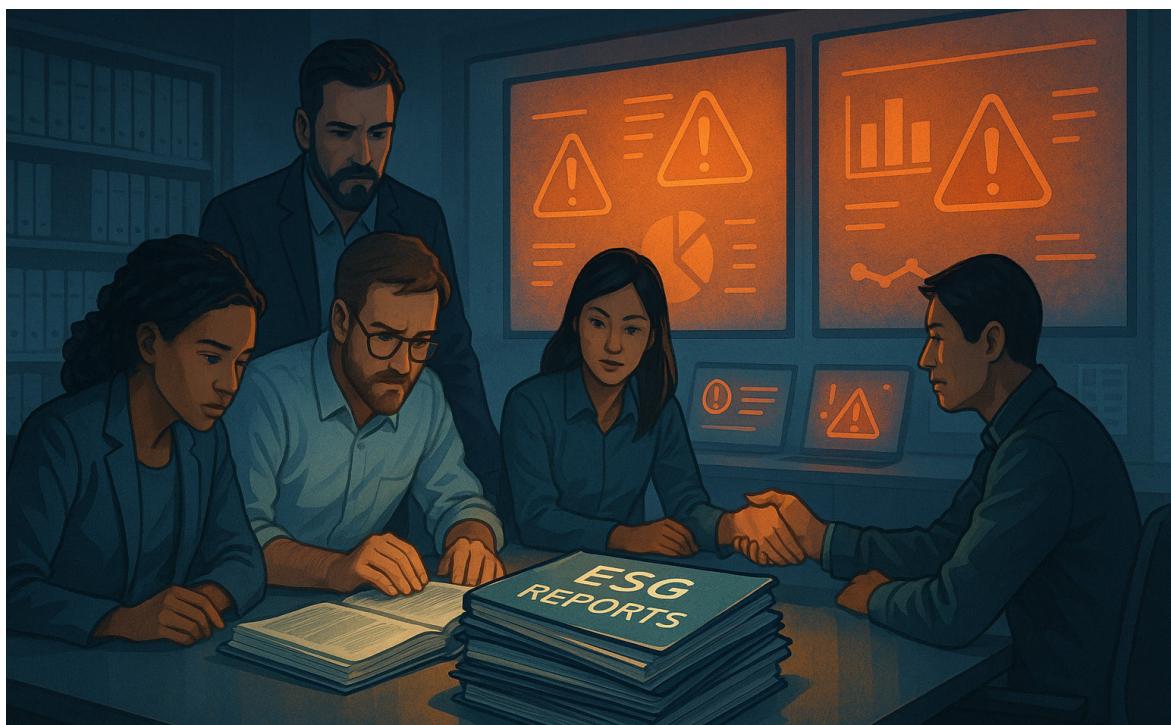
Agreement is easy when everything stays abstract. But when decisions get hard—when costs emerge, when pace matters—does the agreement hold? If not, you don’t have alignment. You have avoidance.

## **9. Don't over-own the work.**

If the ESG agenda depends entirely on your presence to persist, it’s more fragile than you think. Build continuity. Distribute accountability. This isn’t about legacy—it’s about resilience.

## **10. Don't confuse retreat with adaptation.**

Pulling back may feel prudent but retreat often leaves you unprepared for what’s next. ESG is not going away—it’s evolving. If you abandon the work now, you may find yourself rebuilding it later, under worse conditions.



# 7 questions to ask

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## **1. Who really holds the power to approve, delay, or veto sustainability decisions—and why?**

You may carry the responsibility for targets, disclosures, and initiatives—but do you have the authority to shape outcomes? Trace the actual decision-making pathways. Who can say no to an ESG investment? Who needs to say yes before a shift in product design, or capital deployment takes place? If those answers lie outside your reach, then your task isn't just execution—it's organisational change. And that requires knowing where power lives.

## **2. When ESG goals collide with short-term business pressures, how are trade-offs surfaced—and who decides how to resolve them?**

Every organisation faces moments when long-term commitments meet short-term demands. The real question is whether those tensions are surfaced transparently and resolved deliberately—or quietly buried. If trade-offs are softened to preserve consensus, ESG loses its grip. Durable strategy depends on making hard choices visible.

## **3. How directly does sustainability shape your company's core strategic choices?**

Does ESG influence which products are developed, which markets are entered, which technologies are funded—or is it confined to operational fine-tuning and external reporting? If your organisation's strategy looks the same with or without ESG, then the integration is surface-level. Your job is to ask: are we using sustainability to redefine the business we're in—or simply to polish the one we already are?

## **4. What would your operating model look like if ESG were genuinely internalised?**

Don't just imagine a sustainability report—imagine the company itself. Would core processes change? Would incentives shift? Would procurement, hiring, or supplier relationships look different? The gap between your current model and this imagined version reveals where work remains. And the deeper the change, the more strategic your role becomes.

# 7 questions to ask

## **5. At what point in our capital allocation process does ESG come in—and what weight does it carry?**

Do ESG criteria shape which projects are prioritised? Do they influence capital intensity decisions, payback assumptions, or risk premiums? Or are they simply reviewed after the financial case is already closed? You can't integrate what doesn't influence resource flow. If ESG lives only at the end of the process, it's not a decision input—it's a reputational check.

## **6. If our company went silent on ESG for a year, what would still be true?**

Imagine a year with no sustainability updates, no press releases, no keynote appearances. What would continue to operate differently because of ESG? If your credibility depends on constant communication, the substance may be too thin. True integration leaves behind operational evidence. Your challenge is to make sure the work stands on its own, even when the story pauses.

## **7. What part of our ESG agenda would we still stand by if the external pressure completely disappeared?**

Strip away ratings, rankings, stakeholder scrutiny, and media visibility. What would your organisation still choose to uphold? That's your strategic core. Everything else is conditional. As an ESG leader, this is your north star—your guide in moments when risk-avoidance threatens to replace leadership.



# 7 things only you can answer

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## **1. What have I learned to live with that I once said I wouldn't?**

The longer you stay inside a system that resists change, the more you adapt to its rhythms—sometimes without noticing. Small concessions add up. Expectations recalibrate. Lines blur. But it's worth asking: what behaviours, norms, or compromises have you come to accept that once felt unacceptable? This isn't about moral purity. It's about recovering the clarity you started with—and deciding what's still worth protecting.

## **2. What conversations am I avoiding, and what story do I tell myself about?**

Silence can be strategic, even wise. But over time, it becomes habit. Certain truths get pushed down. Certain rooms feel off-limits. You justify the delay: wrong timing, not my job, too much risk. But underneath those reasons, there's usually something more honest—fear, fatigue, or the quiet knowledge that speaking up might isolate you. That's the real story to examine. Because knowing why you've gone quiet is the first step toward deciding if it's time to speak.

## **3. When I speak about ESG, am I saying what I believe—or what I think they can hear?**

Language is tactical, especially in contested terrain. You shape your message to fit the room. You soften edges to hold attention. But over time, translation can become distortion. You may start leaving out the hard parts—the systemic challenges, the real stakes. If your words no longer reflect your convictions, you're not just adapting to power—you're adjusting your truth. And that adjustment always comes at a cost.

## **4. What part of the ESG agenda depends entirely on me to stay alive?**

It's tempting to carry it all—to be the custodian of the one initiative, policy, or principle that no one else will hold. But if the work you've led would vanish the moment you walk away, it's more fragile than it appears. This is not about overreach—it's about succession. What would it take to embed your efforts beyond yourself? And what would you need to let go of in order to do that?

# 7 things only you can answer

## **5. Who do I trust inside this system—and who do I perform for?**

Progress often depends on alliances. But not every ally shares your purpose. Some offer genuine support. Others offer access, cover, or comfort—but at the price of caution or self-censorship. The difference matters. Who are the people who help you act more clearly, more boldly? And who makes you shrink your convictions just enough to keep the peace?

## **6. What am I still willing to lose for this work?**

There's a cost to leading from within. Sometimes it's reputational. Sometimes it's relational. Sometimes it's professional momentum. And your threshold changes over time—especially

in moments of exhaustion or disappointment. Revisiting this question helps you stay honest about your limits. But it also helps you remember what made the risk feel worth taking in the first place.

## **7. Am I proud of the version of myself this work is shaping?**

You are always becoming someone—through what you tolerate, challenge, defend, or stay silent about. The decisions may be small, but their direction is not. Over time, they define your posture, your integrity, your name. Step back. In this moment, in this climate, in this organisation—are you becoming someone you'd respect?



# When the noise fades, what will remain?

## **Sustaining Courage Without Illusion**

The ESG backlash has made one thing clear: this was never going to be easy. The noise may have changed, but the underlying risks have not. Climate volatility, social fragmentation, political disruption—these remain as real and immediate as ever. What has changed is our willingness to talk about them. And yet, for those doing the work from within, this moment can also be clarifying. It separates symbolism from substance. It reveals which commitments were built for momentum—and which were built for resistance. Courage now means acting without guarantees, persisting without fanfare, and building for a future that may not applaud you for trying.

## **Reframing ESG as Strategic Leadership**

The idea that ESG is a communications exercise or compliance burden was never accurate—but it is especially dangerous now. Sustainability is not a side agenda. It is a lens through which to understand operational fragility, systemic risk, and long-term value creation. ESG professionals are not support staff. They are architects of institutional resilience—connecting environmental reality, social legitimacy, and governance capacity into the strategic core of the business. And while the work often begins inside the organisation, it cannot remain there. The legitimacy of ESG will not be restored through metrics alone. It will be rebuilt through relevance—by linking corporate strategy to the social conditions and communities it ultimately depends on.

# When the noise fades, what will remain?

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## **Inviting Quiet Leadership**

Not all leadership is visible. Often, the most meaningful actions happen without spotlight or applause. Holding the line is not about drama—it's about discipline. It's the quiet choice to keep asking better questions, surfacing harder truths, and protecting more than your own position. The ESG professionals who endure will not be those who chase headlines or court favour. They will be the ones who stay the course when attention fades, who build what others abandon, and who define leadership not by proximity to power—but by fidelity to purpose.

## **What Will You Be Able to Say?**

Picture yourself five or ten years from now. The political noise will have faded or turned into something else. The science will be harder to contest. The consequences—social, environmental, economic—will be more visible, more personal, and more widely felt. In that moment, what will you be able to say? What decisions will you have made that aged well? What actions will stand up to the scrutiny of hindsight? What evidence will you leave—not in language, but in structure, in priorities, in choices made when no one was clapping?

That's the horizon to lead from. Not today's turbulence, but tomorrow's account. Because when the noise fades, what will remain is what you chose to build when it was hardest to try.

# Additional Resources by Prof. Ioannis Ioannou

## Sustainability Leadership and Corporate Responsibility

LBS 6-week Online Course by Prof. Ioannou: [www.london.edu/SLCR](http://www.london.edu/SLCR)

This course was awarded the 2025 FT Responsible Business Education Award

## Forbes Articles

- Financial Market Misalignment With Reality Is The Real Problem Not ESG
- Markets At A Crossroads: Orderly Or Chaotic Transition?
- What The ESG Backlash Reveals—and What Comes Next

## HBR Articles

- How Leaders Can Create a Purpose-Driven Culture
- How Some Companies Avoid Accusations of Greenwashing
- How Greenwashing Affects the Bottom Line
- Yes, Sustainability Can Be a Strategy
- How VCs Can Help Startups Set (and Meet) ESG Goals
- Save or Invest? How Companies Should Navigate Recessions

## LinkedIn Articles

- Who Owns Sustainability? The Emerging Power Struggle Inside the Corporation
- The ESG Reckoning: What Happens When Markets Turn Against Sustainability?
- No Left, No Right—Just Forward with ESG
- Sustainability Without the Politics: Five Lessons from Southeast Asia
- The Second Act: When the Work Becomes the Legacy

## Podcasts and Interviews

- Interview with Egon Zehnder: It's Time to Pay the Sustainability Bill
- Podcast interview with The Impact Equation
- Podcast with Conversations on Climate
- Podcast with One Step Ahead: The Courage to Continue
- Podcast interview with Carbon Sessions
- Interview: Taking Stock of the Sustainability Disruption
- Podcast interview with Frontiers

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