

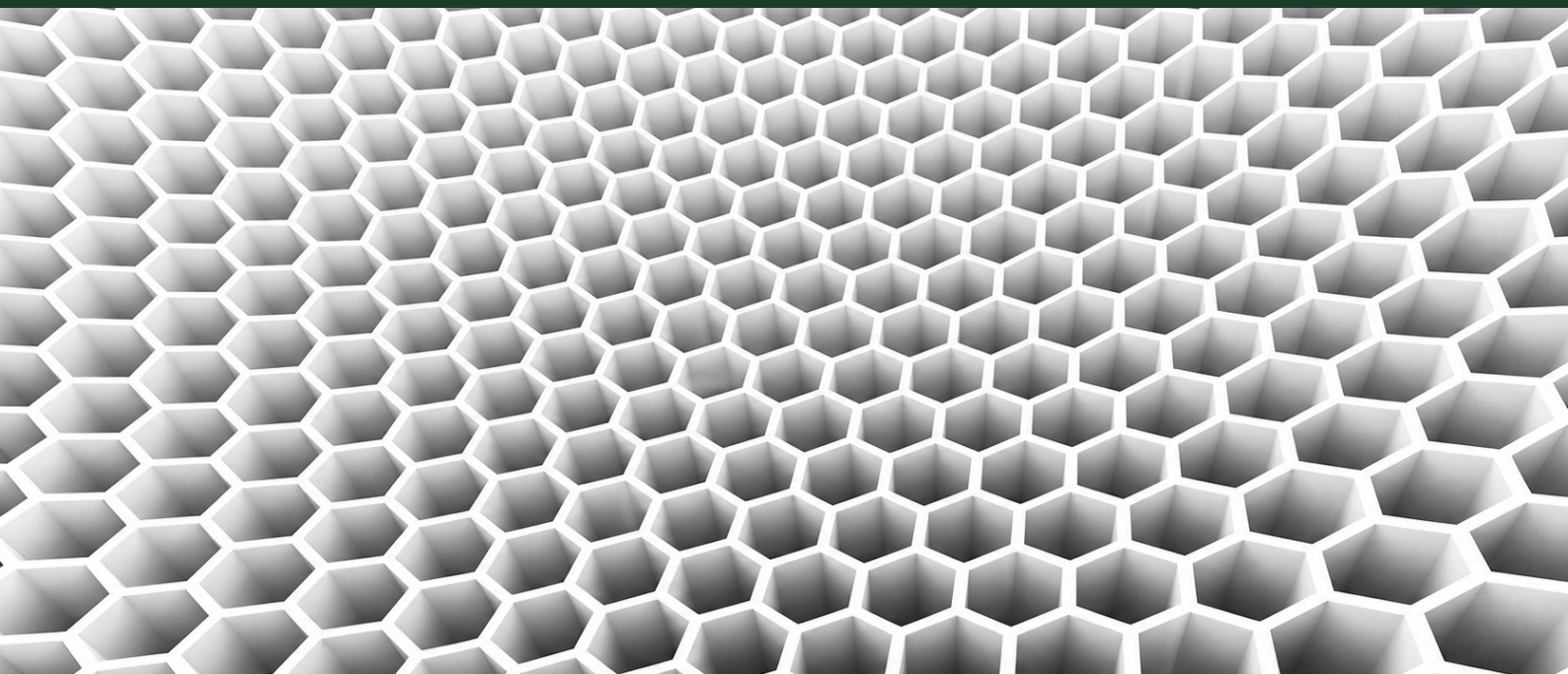
BEYOND THE COMPLIANCE TICK

Sustainability as Transformation Driver — Why ESG Programmes Are Exposing the Limits of Traditional Programme Management

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A Practitioner's Perspective on the Emergence of ESG-Led Transformation
and What It Demands of Programme Disciplines

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Sustainability as Transformation Driver — Why ESG Programmes Are Exposing the Limits of Traditional Programme Management

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“The programme disciplines that served organisations well for technology-led transformation are proving insufficient for ESG, because sustainability does not respect the boundaries that traditional programme structures depend upon.”

1. Executive Summary

Something unfamiliar is happening inside enterprise programme structures. Alongside the technology-led transformation programmes that have dominated the portfolio for the past decade, a new category of work is emerging — one driven not by system replacement or digital capability but by environmental, social, and governance commitments. ESG programmes are arriving on the books, and they are arriving fast.

What makes this significant for programme practitioners is not the subject matter itself — sustainability is a domain specialism, and programme managers have always worked across unfamiliar domains. It is that ESG-driven transformation exposes structural assumptions in how we design, govern, and measure programmes that have gone largely unchallenged because previous transformation types did not test them. ESG programmes cross organisational boundaries in ways that technology programmes rarely do. Their benefits are harder to quantify, longer to materialise, and more politically contested. Their stakeholder landscapes are broader and more volatile. And the regulatory environment shaping them is itself in motion.

This essay argues that ESG is not simply a new topic for the existing programme management playbook. It is a stress test of that playbook — and one that is already revealing where the discipline needs to evolve.

2. The Arrival of ESG on the Programme Register

The shift has been rapid. Eighteen months ago, sustainability appeared on most organisations' programme registers as a compliance workstream — a set of reporting

obligations to be met, typically housed within finance or corporate affairs. Today, in a growing number of organisations, it has migrated from compliance workstream to strategic programme, with dedicated sponsorship, cross-functional governance, and capital allocation that competes directly with technology and operational transformation.

Several forces have driven this migration. Investor pressure has moved from rhetorical to material: institutional investors are making allocation decisions based on ESG performance, and the cost of capital is beginning to differentiate between organisations that can demonstrate credible sustainability strategies and those that cannot. Regulatory momentum across the European Union and the United Kingdom has created a compliance landscape that is both expanding and accelerating — the Sustainable Finance Disclosure Regulation, the EU Taxonomy, and the expected trajectory of UK regulatory alignment are creating obligations that require operational change, not just disclosure. And customer and employee expectations have shifted in ways that make sustainability a factor in commercial and talent strategies.

The result is that organisations are standing up ESG programmes that are genuinely transformational in scope. They touch supply chains, operations, product design, data infrastructure, reporting systems, governance structures, and organisational culture. They require multi-year investment. And they are being asked to deliver outcomes that are simultaneously commercially valuable, regulatorily compliant, and socially credible.

3. Why ESG Programmes Are Different — and Why It Matters

Programme management as a discipline has evolved primarily in the service of technology-led and operationally-led transformation. Its governance models, its measurement frameworks, its stage-gate structures, and its benefits realisation practices all carry the imprint of that heritage. For a technology platform replacement, an operating model redesign, or a regulatory compliance programme with well-defined requirements, these structures work. The programme has a defined scope, identifiable deliverables, measurable benefits, and a stakeholder community that, while complex, is bounded.

ESG programmes challenge each of these assumptions.

Scope that resists definition. A technology programme replaces a system or builds a capability. An ESG programme must change how an organisation operates across multiple dimensions simultaneously — energy consumption, supply chain practices, workforce diversity, governance transparency, data collection, reporting accuracy. The scope is not a set of deliverables; it is a direction of travel with no natural boundary. In my experience, the first challenge most ESG programme directors face is not delivery but scoping: deciding what is in the programme versus what is an ongoing operational responsibility, and defending that boundary against the gravitational pull of everything sustainability-adjacent.

Benefits that defy traditional measurement. Programme benefits frameworks are designed to capture value in terms that finance functions can validate: cost savings, revenue growth, risk reduction, efficiency gains. ESG benefits include all of these, but they also include outcomes that are harder to monetise — reduced carbon emissions,

improved community relations, enhanced employer brand, strengthened supply chain resilience, regulatory optionality. The programme that cannot express its benefits in the language of the finance function struggles for investment; the programme that reduces its benefits to only what finance can measure loses the strategic rationale for its existence.

The benefits realisation challenge in ESG programmes is not that the benefits are unclear — it is that the measurement frameworks we have inherited were not designed for benefits that are simultaneously financial, reputational, regulatory, and ethical.

Stakeholder landscapes that extend beyond the organisation. Technology programmes engage internal stakeholders and, occasionally, customers and suppliers. ESG programmes engage regulators, investors, rating agencies, NGOs, community groups, industry bodies, and the media — each with different expectations, different definitions of success, and different timelines. Managing this stakeholder complexity requires capabilities that traditional programme management training does not develop: the ability to navigate contested narratives, to engage with stakeholders whose objectives may be fundamentally misaligned with the organisation's, and to maintain programme coherence when the external environment is itself unstable.

A regulatory environment in motion. Most regulatory compliance programmes work to a fixed target: a regulation is enacted, requirements are defined, a deadline is set, and the programme delivers to that deadline. ESG regulation in 2021 does not work this way. The regulatory landscape is evolving rapidly, with new requirements emerging, existing requirements being refined, and the interplay between jurisdictions creating complexity that cannot be resolved at the point of programme design. ESG programmes must be designed to adapt to regulatory change that will occur during delivery — a requirement that challenges the stage-gate structures most organisations rely on.

4. The Data Problem at the Heart of ESG

Of all the challenges ESG programmes face, the data challenge is perhaps the most underestimated and the most consequential. Credible ESG performance requires credible ESG data, and most organisations do not have it.

The data required for ESG reporting and decision-making spans the entire value chain. Scope 1 and Scope 2 emissions data requires metering, monitoring, and calculation infrastructure that many organisations have not invested in. Scope 3 emissions — those embedded in the supply chain — require data from suppliers who may not have the capability or incentive to provide it. Social metrics require workforce data at a granularity that HR systems were not designed to capture. Governance metrics require transparency into decision-making processes that organisations have historically treated as confidential.

The pattern I have observed is that organisations typically discover the scale of their ESG data gap only after committing to ESG reporting obligations. The initial assumption — that the data exists somewhere in the organisation and simply needs to be aggregated —

gives way to the recognition that much of the required data does not exist, that what does exist is inconsistent across business units, and that the systems required to capture, validate, and report it at the required quality will themselves be a significant programme of work.

This creates a nested programme challenge: the ESG programme depends on a data programme that was not in the original scope, and the data programme requires technology, process, and capability investments that compete with the ESG programme's own deliverables for funding and attention.

5. The Governance Design Challenge

How an ESG programme is governed tells you a great deal about how seriously the organisation takes it. The pattern I have seen most frequently is one where ESG governance is grafted onto existing structures — an ESG committee is added to the board calendar, an ESG workstream is added to the transformation portfolio, an ESG lead is appointed within an existing function. This approach has the virtue of speed and minimal disruption. It has the vice of treating ESG as an addition to the existing operating model rather than a challenge to it.

The governance challenge is genuinely novel. ESG programmes must navigate trade-offs that do not arise in technology or operational transformation:

- The tension between short-term financial performance and long-term sustainability investment, in a context where investor expectations may pull in both directions simultaneously.
- The tension between global commitments and local operational realities, where a net-zero target set at the corporate level may require fundamentally different interventions in different geographies.
- The tension between transparency and competitive advantage, where the disclosure required for ESG credibility may expose operational vulnerabilities that the organisation would prefer to address before revealing.
- The tension between ambition and achievability, where the targets that are credible with external stakeholders may not be deliverable within the constraints that internal stakeholders face.

Governance structures that can hold these tensions — that can make decisions in the presence of genuine value conflicts rather than simply optimising within agreed parameters — require a sophistication that most programme governance frameworks do not possess.

The governance challenge in ESG is not accountability — it is the ability to make decisions when the criteria for a good decision are themselves contested.

6. The Talent and Capability Gap

ESG programmes require a blend of capabilities that is unusually difficult to assemble. Domain expertise in sustainability — carbon accounting, environmental science, social impact assessment, regulatory interpretation — is scarce and in high demand. Programme management capability is more widely available but rarely combined with sustainability literacy. And the ability to operate at the intersection of these domains — to translate sustainability requirements into programme deliverables and programme disciplines into sustainability outcomes — is rarer still.

The result is that most ESG programmes are staffed through one of two compromises: sustainability specialists who lack programme management discipline, or programme managers who lack sustainability understanding. Neither compromise is satisfactory, and the failure modes are predictable. Sustainability-led programmes tend to be long on ambition and short on deliverable structure; programme-led ESG initiatives tend to be rigorous in their planning but disconnected from the substantive challenges of sustainability transformation.

The organisations making most progress are those investing in building this hybrid capability internally — developing sustainability literacy within their programme management community while embedding programme discipline within their sustainability teams. This is a medium-term investment, and most organisations have not yet made it.

7. What Programme Management Needs to Learn from ESG

The argument of this essay is not that ESG programmes are impossible under current programme management disciplines, but that they are a catalyst for the discipline's evolution. Several specific adaptations are emerging as necessary:

Adaptive scoping over fixed scope. ESG programmes cannot be fully scoped at initiation because the regulatory, market, and stakeholder environment will change during delivery. Programme management needs to develop more sophisticated approaches to scope management that allow for adaptation without losing coherence — holding a stable strategic direction while allowing tactical scope to flex.

Plural benefits frameworks. The insistence on reducing all programme benefits to a single financial metric is a limitation that ESG makes visible but that has always constrained how organisations think about transformation value. Programmes that can articulate and track benefits across multiple dimensions — financial, environmental, social, reputational, regulatory — without collapsing them into a single number will be better positioned to maintain investment and demonstrate value.

Extended stakeholder governance. Programme governance that treats external stakeholders as a communications audience rather than a governance input will fail in an ESG context. The discipline needs to develop governance models that can incorporate external perspectives without ceding decision-making authority — a balance that requires both structural design and interpersonal skill.

Longer time horizons. Technology programmes typically operate on two-to-four-year horizons. ESG commitments — net-zero targets, supply chain transformation, circular

economy transitions — operate on ten-to-thirty-year horizons. Programme management needs frameworks that can maintain strategic coherence across timeframes that exceed any individual programme's duration, connecting near-term deliverables to long-term commitments without losing either the urgency of the near term or the ambition of the long term.

8. The Greenwashing Risk — and the Programme Manager's Role

There is a risk in the current ESG landscape that deserves explicit attention. The gap between ESG commitment and ESG delivery creates a greenwashing risk that is both reputational and, increasingly, regulatory. Organisations that make public sustainability commitments without credible delivery plans, robust data, or genuine operational change are exposed — to activist scrutiny, media criticism, investor scepticism, and potentially regulatory sanction.

The programme manager's role in mitigating this risk is underappreciated. A well-governed programme with honest reporting, validated benefits, and transparent progress tracking is the best defence against greenwashing — not because it guarantees success, but because it ensures that the organisation knows and can demonstrate what it has actually achieved versus what it has merely promised. The programme disciplines of baseline measurement, progress tracking, exception reporting, and benefits validation are precisely the disciplines that make the difference between credible sustainability and performative sustainability.

Challenge	Technology Programme Response	ESG Programme Requirement
Scope definition	Fixed at initiation, change-controlled	Adaptive, directionally stable but tactically flexible
Benefits measurement	Financial ROI, validated by finance	Plural framework spanning financial, environmental, social, regulatory
Stakeholder governance	Internal hierarchy, external communications	Extended model incorporating external stakeholders as governance inputs
Regulatory environment	Fixed target, defined requirements	Moving target, evolving requirements during delivery
Time horizon	Two to four years	Ten to thirty years, with near-term milestones
Data requirements	System-generated, internally controlled	Cross-value-chain, partially external, often non-existent at outset

9. The Opportunity Beneath the Challenge

The challenges are real, but so is the opportunity. ESG-driven transformation is forcing programme management to evolve in ways that will make it a more sophisticated, more adaptable, and ultimately more valuable discipline. The adaptations that ESG demands —

adaptive scoping, plural benefits, extended stakeholder governance, longer time horizons — are not ESG-specific. They are capabilities that would improve programme management across every domain.

The organisations that recognise ESG as a catalyst for programme management evolution, rather than merely a new topic for the existing approach, will build capabilities that serve them well beyond sustainability. The programme management discipline has been refining the same fundamental model for two decades. ESG may be the force that drives its next significant development.

“Sustainability is not the hardest programme we have ever been asked to deliver. It is the first programme that has demanded we change how we deliver.”
