

## Redesigning Corporate Sustainability Amid Global Chaos

**Author:** *Jalal*

**Profile:** *Co-founder, A+ CSR Indonesia*

*Supervisory Board Member - Institute of Certified Sustainability Practitioners (ICSP)*

**ICSP Member ID:** 10262064



Thirty years that I have followed feel like a lifetime in the world of modern business sustainability. The shifts that have occurred are truly extraordinary. In the mid-1990s when the Berlin Wall had fallen, the internet had just been born, and I had just graduated and plunged into this world, business leaders began building something ambitious, something that felt like a global blueprint for corporate sustainability. They believed that with the right frameworks, clear commitments, and cross-sector collaboration, companies could address the climate crisis, economic inequality, and human rights violations while still delivering returns for their shareholders.

Now, that blueprint feels like an artifact from an obsolete era. It is as if I am looking at an old map for a territory that has fundamentally changed. Geopolitical fragmentation has replaced globalization. Polarization is eroding trust in institutions. Climate change is no longer a future threat, it is today's reality, disrupting supply

chains and destroying communities. Artificial intelligence is transforming jobs faster than ever, threatening both old and new workforces. And amid all of this, sustainability commitments are being attacked from all sides seen as too expensive, too political, or insufficiently profitable.

Yet it is precisely in the midst of this chaos that sustainability becomes more urgent, not less relevant, for companies. Companies that loosen their sustainability commitments now are only increasing their own risks. Those who are able to redesign their approach by linking sustainability to core strategic priorities, building resilience against shocks, and generating real impact will hold a competitive advantage in an increasingly unpredictable economy. The question, therefore, is not whether sustainability still matters, but how to redesign strategy for a world that has fundamentally changed.

### **The Anatomy of Change: What Has Shifted and Why**

The recent BSR report *Redesigning Sustainable Business Amid Global Realignment*, written by David Korngold and Aron Cramer and published on February 3, 2026, offers a deep diagnosis of why the foundations of modern business sustainability are cracking. For three decades, the architecture of sustainability was built on certain assumptions: integrated markets, strong international cooperation, trustworthy flows of information, and a shared belief that the private sector plays a key role in solving social and environmental problems. These assumptions created a favorable environment for voluntary standards, global norms, multi-stakeholder platforms, and ESG disclosure.

Now, as anyone working in corporate sustainability-related fields surely feels those foundations are shifting dramatically. Korngold and Cramer identify six long-term transformations that are changing the operating context for sustainable business.

**First**, radical technological change is creating unprecedented uncertainty. Generative artificial intelligence, autonomous vehicles, and low-cost solar energy are transforming industries far faster than government policy can respond. These

technologies also bring new opportunities and risks alike from the environmental impact of AI to mobility transformations that reshape infrastructure and employment.

**Second**, the world of work, the workforce, and mobility are clearly undergoing a total overhaul. AI and automation are changing job structures and productivity. Demographic shifts, aging populations, and migration restrictions are creating talent scarcity. Meanwhile, social polarization seeps into workplaces, eroding cohesion and trust. Companies face new pressure to strengthen workforce resilience, create opportunities, and maintain productivity amid such disruptions.

**Third**, market order and financial systems are being reorganized. Trade barriers are rising particularly due to Donald Trump, whose erratic "policies" are upending the trade order the world had come to know. The cost of capital is rising. Industrial policy and reshoring are changing old assumptions about economic openness. The role of the United States in global finance is shifting, with increasingly heated debate about the future of the dollar as a reserve currency and the retreat of multilateralism. This uncertainty makes long-term investment increasingly difficult and sustainability, which is almost always long-term in nature, faces added challenges.

**Fourth**, legitimacy, institutional norms, and reputational alignment are eroding. Trust in governments, science, academia, media, and civil society is declining. The information ecosystem is in crisis due to disinformation, extreme partisan information flows, and distortions increasingly driven by AI development. Companies struggle to act effectively and credibly, and to build lasting partnerships when trust in institutions has collapsed.

**Fifth**, global cooperation is fragmenting. The cohesive operating environment that once enabled shared frameworks and cross-sector action has given way to a landscape of divergent regulatory, political, and stakeholder dynamics. This increases risk, cost, and uncertainty, while weakening the collective capacity to address systemic issues like climate change and public health.

**Sixth**, climate and nature impacts are now immediate and worsening. Climate change and biodiversity loss are no longer future issues. Extreme weather, supply chain disruptions, and rising adaptation costs are already affecting operations, markets, and communities today. In these conditions, the global framework for climate action is actually weakening again, primarily due to the behavior of the US Government under Donald Trump.



**Figure 1 – Six Shifting Foundations of Business Sustainability**

Source: BSR Report <https://www.bsr.org/en/reports/redesigning-sustainable-business-amid-global-realignment>

In this changing context, Korngold and Cramer argue that sustainability strategies designed for a previous era require fundamental renewal. They offer five new approaches to strategic business sustainability.

**First**, ensure sustainability becomes a company priority. Rather than starting with a list of sustainability topics and trying to connect them to business value, companies should start with their business *purpose* and design a sustainability approach that enables the achievement of that purpose. This roots sustainability in executive goals,

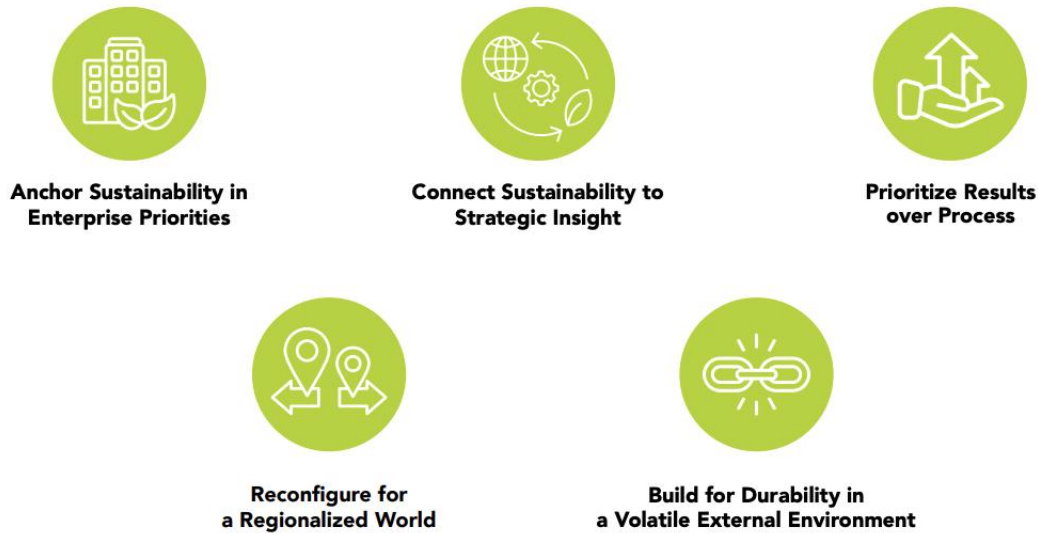
focuses attention on the most important issues, and strengthens support during periods of transition.

**Second**, link sustainability to strategic foresight. Sustainability teams need to use forecasting tools to distinguish short-term shocks from lasting transformations, and to position sustainability as a lens for navigating volatility. This, of course, involves partnering with risk and corporate strategy teams to identify emerging issues, test assumptions, and understand long-term uncertainties.

**Third**, prioritize outcomes over process. Business sustainability has too often focused on frameworks, disclosures, and transparency rather than real performance improvements for people and the environment. Companies can achieve greater value by concentrating on a handful of transformative opportunities that deliver demonstrable performance for the good of and the solving of problems facing people and the environment, which will ultimately also be good for business.

**Fourth**, focus on regional-level configuration. Rather than a one-size-fits-all global approach, companies now need to develop sustainability strategies, policies, and governance that reflect different geographic and jurisdictional dynamics. This requires strengthening regional capacity, improving global-regional coordination, and tailoring approaches to local dynamics.

**Fifth**, build resilience in a volatile external environment. Companies need to go beyond generic stakeholder relationship management and build credible, lasting strategies centered on business value, corporate values, and positive impact for all stakeholders. Companies truly need to see stakeholders not just as an audience but as implementation partners to support genuine progress.



**Figure 2 – Five New Approaches to Business Sustainability**

Source: BSR Report <https://www.bsr.org/en/reports/redesigning-sustainable-business-amid-global-realignment>

The report also includes a crucial third section on how to ensure the preservation of the fundamentals of a truly functional economy. Korngold and Cramer warn that the basic conditions for an open, legitimate, and predictable market economy are under pressure. Declining democracy and the rule of law, an eroding rules-based global trade system, shifts in public spending priorities, regulatory uncertainty, and declining public support for market economies all affect economic and corporate sustainability conditions. Businesses can no longer assume that the operating environment will remain stable without playing a role in upholding these foundations.

## A Critical Evaluation

This report, published by Business for Social Responsibility (BSR), has several significant strengths in my view. The most notable is its intellectual courage in acknowledging that the old sustainability blueprint no longer works. Too much sustainability literature tries to patch a system that has fundamentally broken down with incremental solutions. Korngold and Cramer, by contrast, offer an honest diagnosis of why the foundations are shifting and what that means for strategy.

The second strength is its focus on outcomes over process. For years, corporate sustainability has become increasingly bureaucratic too many standards and frameworks, too many disclosure requirements, but too little real impact. The report's call to prioritize transformative opportunities that produce demonstrable results is a necessary correction to the process-fetishism that has eroded sustainability's credibility.

The third particularly compelling strength is the recognition of regionalization. For too long, global-level sustainability ideas have preached a one-size-fits-all approach and frankly, those standards were almost entirely set in the United States and the European Union, with the US now seemingly abandoning the very environmental and social sustainability it once preached. The widening regional divergence clearly requires companies to move away from a single global approach and toward strategies that reflect differing regional, national, and local dynamics.

However, I also see some room for improvement in this report.

**First**, while the diagnosis and principles are strong, specific implementation guidance is relatively limited. How does a company actually make sustainability a corporate priority in practice? What can sustainability teams which are often under-resourced actually do to forecast long-term global and regional conditions? Concrete examples and case studies, if provided, would strengthen the report's practical value.

**Second**, the report largely focuses on large multinationals. There is little discussion of how small and medium enterprises which are actually the majority in the global economy can apply these recommendations. The challenges and opportunities for SMEs in redesigning sustainability are clearly very different from those of companies on the Fortune 500 list. When SMEs are part of the supply chains of giant corporations, they typically either comply with requirements or get replaced. If we truly want to achieve global sustainability, how SMEs transform their sustainability strategies clearly needs special attention.

**Third**, while the report calls for greater attention to East Asia, the Gulf States, and the Global South in general, the report's own perspective still feels largely of the Global North both in its framing and its references. More diverse voices, including from sustainability leaders in developing countries who are increasingly numerous, could enrich the analysis and make it more globally relevant.

Finally, I have questions about timing. This report was published at a moment when skepticism toward ESG is high, especially in the United States. While Korngold and Cramer acknowledge these brutal attacks, they perhaps need to more directly address how companies navigate political resistance to sustainability while continuing to advance agendas that genuinely matter for society and the environment. How can companies maintain sustainability commitments when sustainability and ESG have become political weapons of the Right, wielded by those who fundamentally oppose them?

These limitations, however, do not diminish the report's important contribution. This is, after all, one of the most honest and comprehensive analyses of the crisis facing modern corporate sustainability that I have ever read one that works toward a sensible roadmap for redesigning what we all want to see.

## Why This Report Matters for Indonesia

For Indonesian companies, this BSR report is not only important and interesting reading it is urgent and highly relevant. Indonesia sits at the intersection of nearly every trend identified by Korngold and Cramer.

**First**, Indonesia is an integral part of the global supply chains now being reorganized. As multinational companies engage in reshoring and friend-shoring, Indonesia actually has an opportunity to position itself as a reliable manufacturing and resource hub but only if Indonesian companies can demonstrate strong sustainability standards as a form of competitiveness among other Asia-Pacific countries eyeing the same opportunities.

**Second**, Indonesia is highly vulnerable to climate impacts, as stated in the latest IPCC reports. Rising sea levels threaten coastal cities. Extreme weather disrupts agriculture. Natural disasters will occur more frequently. Indonesian companies can no longer treat climate as a future issue it is already an operational risk today that demands concrete resilience strategies.

**Third**, digital and AI transformation will also dramatically reshape Indonesia's workforce. With a young population and a rapidly growing economy, Indonesia has the opportunity to lead in the jobs of the future but only if companies here invest in retraining, job transitions, and responsible AI deployment, starting from the educational institutions that produce the next generation of workers.

My recommendations for Indonesian companies reading this report: first, do not try to adopt sustainability standards and frameworks without regional, national, and local contextualization. Use the principles in this report to design strategies that reflect the Indonesian context which clearly means companies need to consider Indonesia's development priorities, existing governance challenges, and sustainability opportunities connected to the regional economy. Second, focus on concrete performance outcomes, not mere box-ticking. Identifying two or three priorities where a company can generate measurable impact for society, the

environment, and business is far more valuable than treating sustainability standards and frameworks as forms to fill out. Third, build capacity in regional networking. Global sustainability is no longer controlled from New York or Brussels. In Southeast Asia, there is clearly room for sustainability leadership from Jakarta if all of this is seen as a strategic opportunity rather than a compliance burden.

Companies that redesign sustainability for a changing world will hold a competitive advantage in the coming decade. The world is changing rapidly, and the old blueprint for sustainability is no longer adequate. But as this BSR report shows, now is not the time for companies to be nostalgic for a calmer past, or to simply curse the shocks that will keep on coming. Now is the time to redesign business with resilience and sustainability as the guide. Indonesian companies that embrace this challenge will help shape a sustainable and even regenerative business future, rather than simply being tossed about in the chaos.

*This article was originally published on Hijauku.com on 14 February 2026. Republished on the ICSP website, 14 April 2026, with the author's permission. Read the original article at: <https://hijauku.com/2026/02/14/merancang-ulang-keberlanjutan-perusahaan-di-tengah-kekacauan-global/>*

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