

Leading the Pathway to Net Zero

Transforming management and
leadership for a sustainable future

November 2025



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Foreword



Ann Francke OBE, CMgr CCMi
CEO, Chartered Management Institute

The transition to a net zero economy is both one of the biggest challenges we face and one of the greatest opportunities. It will reshape the labour market and change the way we all work, and at the heart of that change will be managers and leaders. This report sets out the scale of the challenge ahead, drawing on the experiences of employers across the UK and new research into the growing skills gaps that risk slowing our progress.

We've seen awareness of sustainability grow, but there's still a persistent "say-do" gap between ambition and delivery. Closing that gap requires a real shift in how organisations are led and managed.

We know that when we invest in management and leadership skills, the results are tangible: on average, organisations see a 23% boost in performance. That's not just good for meeting our net zero goals; it's good for productivity, competitiveness, and resilience.

Managers are the crucial bridge between strategy and delivery, but too many are being asked to deliver on sustainability targets without the clarity, resources, or training to make it happen.

To change that, organisations need to give their managers clear mandates, dedicated resources, and practical support. And by professionalising management, for example through Chartered Manager accreditation, we can build the confidence and capability needed at scale.

Part of that confidence-building includes the need to move away from the tired example of so-called 'green jobs' being confined to vague ideas of turning gas engineers into heat pump technicians. When it comes to managers and leaders, sustainability and green management skills are integral to the end goal. These leaders will be the driving force in implementation. They will develop the metrics that will keep organisations on track to success, turn policy decisions into concrete steps and ask the right questions of colleagues and of suppliers. They will also ensure the collective goals are communicated effectively to diverse stakeholders, from employees to shareholders to customers. These are not 'nice to haves' but lie at the heart of the UK's ability to deliver to its international commitments. It is not an exaggeration to say that our labour market is being profoundly reshaped by this transition, including the role of managers and leaders.

I hope the findings and recommendations in this report prove useful in informing your own strategy and help to identify the green management skills gaps among your teams, while offering both immediate and longer term solutions. For our part, we will continue to evolve our thinking on sustainability best practice for managers, including the role that AI is increasingly playing in how organisations operate and the pivotal role that leadership plays in getting this right.

Executive summary

The aim of this report is to support organisations to meet ambitious net zero targets. The UK's 2050 net zero commitment is not notional, it is legally-binding and employers across the country are already responding with robust, actionable plans to get there. Underlying the legal requirements are increasing stakeholder and employee expectations and a tightening regulatory environment. Senior leaders are also acutely aware of counter-pressures from external influences, including current US policy towards green energy initiatives, and the realities of a UK political environment in which priorities can, and often do, shift with the electoral cycle.

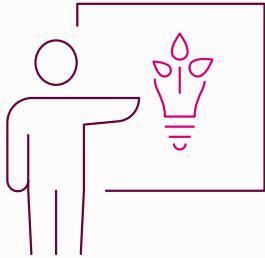
But not to be overlooked are the immense opportunities of the green economy to deliver growth and innovation, not least for their ability to bring high-value employment to the UK's former industrial heartlands. To achieve these ambitions requires managers and leaders equipped to deliver a generational shift, one that comes with a firm deadline. CMI has responded with its long-standing ingrained commitment to sustainability, as reflected in our core Professional Standard, and has augmented the support we offer to employers through new qualifications for managing sustainability that are designed to enhance management training at each key career stage.

This ambition also requires close collaboration with the UK's training and education ecosystem including higher education institutions, further education colleges, and independent training providers, many of which already deliver high-quality sustainability qualifications. Embedding management and leadership-specific training within these offers will ensure that graduates and employees alike are not only technically skilled but also equipped to lead change. This collaborative approach, linking providers with local employers - including SMEs - and government, is critical to meeting local and national skills needs for the net zero transition.

This report presents new research on the burgeoning roles in the so-called green economy and the complementary management skills required for it to grow further and succeed. But it also makes a compelling case for those working across the wider economy to be equipped with the management and leadership skills needed to help them to navigate their organisation's path to net zero. You do not need to be a green economy practitioner to need the skills and behaviours to play your professional part in achieving the UK's ambitious goals.



Key findings



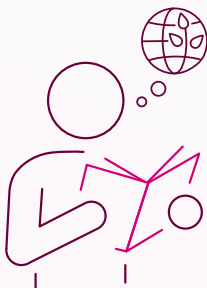
The green skills demand surge is already happening

The total number of management jobs incorporating green skills rose by 69% between 2015 and 2024.



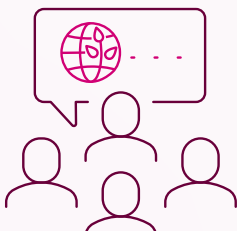
While net zero is deemed a priority, there is a pervasive 'say-do' gap

Three-quarters of managers (74%) state their organisation places at least a moderate priority on net zero and sustainability, but a third (33%) say they lack confidence in their organisation's readiness to make the necessary changes.



Net zero strategies are not translating into operational reality

Over half of managers (57%) in organisations with a net zero plan say they lack clarity on what they are expected to do in their role.



Management training on net zero is required

(80%) 8 in 10 managers agreed that they would benefit from having training on net zero and sustainability.

Key recommendations

 Employers need to invest in supporting and training their managers in core aspects of sustainability management.	 Government needs to go further and lead from the front, adapting procurement processes to require businesses bidding for work to demonstrate that credible net zero strategies are in place.
 SMEs should be given targeted support to build sustainability leadership capacity, including funded access to accredited training and tailored guidance.	 Regional skills strategies need to prioritise funding and investment to upskill managers and leaders at every level.
 Organisations need to measure progress towards net zero targets and ensure it is captured in both departmental and individual key performance indicators (KPIs).	 Organisations should use recognised frameworks and standards to accurately map their routes to net zero and ensure consistency.



CMI sustainability leadership qualifications

Sustainability is at the heart of future leadership. The CMI Sustainability Leadership Qualifications empower managers and leaders, at all levels, with the critical skills needed to address sustainability challenges in the workplace.

Find out more [here](#).

1. Why net zero matters: sustainability and leadership

The imperative to transition to a net zero economy is no longer a peripheral concern but a central strategic challenge. While ambitions are rising and are enshrined in UK law, evidence repeatedly shows that the leadership capacity to deliver them often lags behind. This goes beyond voluntary action; the shift increasingly involves formal planning and reporting. Transition plans are becoming a vital tool to demonstrate a credible path to decarbonisation, driven by pressure from investors and policymakers.

For many, this is already a requirement. Carbon Reduction Plans (CRPs) are mandatory for public sector contracts over £5 million, a clear example of how government procurement can drive change, though more could be done to ensure suppliers have skilled managers capable of implementation. Managers must also navigate a complex landscape of mandatory and voluntary standards, including the Energy Savings Opportunity Scheme (ESOS), Streamlined Energy and Carbon Reporting (SECR), and for those with European operations, the EU's Corporate Sustainability Reporting Directive (CSRD).

This growing pressure highlights a critical “say-do” gap. This report finds that while three-quarters of managers (74%) state their organisation places at least a moderate priority on net zero, a third (33%) lack confidence in their

organisation's readiness to make the necessary changes to achieve net zero.

This disconnect stems from a failure to translate high-level strategy into operational reality. Key challenges include the fundamental lack of clarity among managers about what “green skills” are and how they apply to their roles. Over half of managers (57%) in organisations with a net zero plan say they lack clarity on what they are expected to do, and 51% feel that they have not received enough support from their employer to integrate sustainability into their role. These worrying findings come at a time when green jobs, including vital management roles, are proving to be among the most resilient pockets of the labour market.

To unlock real progress, we must invest in building the sustainability capabilities of leaders at all levels, ensuring they are equipped to turn climate commitments into meaningful action. Effective leadership on sustainability now requires it to be treated as a core business strategy, reframing the conversation to link it with purpose. Incorporating leadership skills into existing sustainability programmes delivered through higher education, further education, and independent training providers routes would further strengthen the ability of managers to deliver against these requirements.



2. The rise in green management jobs: the data

The strong and resilient growth in demand for skilled people to fill green management jobs across the UK is defying the downturn affecting many other sectors and represents a transformative moment. The green sector is demonstrating robust growth, higher productivity and increased job creation. It is also more evenly spread across the UK, including in regions that have suffered long-term industrial decline, a trend reinforced by PwC's Green Jobs Barometer, which shows green job creation accelerating fastest in areas historically hit hardest by industrial change. This is supported by CMI research which found the total number of green jobs in the UK has grown consistently, increasing by 19% from 343,520 in 2015 to 409,595 in 2024.

Within this context, the demand for management expertise is particularly striking. The total number of management jobs specifically incorporating green skills rose by 69% between 2015 and 2024. This underscores the evolving nature of management roles, where sustainability is becoming integral to strategic planning.

It highlights a critical shift: sustainability is no longer a peripheral concern but is becoming a core management function requiring dedicated leadership.

This upward trajectory also indicates a deepening integration of leadership roles within the green economy, as organisations increasingly recognise the need for strategic management to drive their sustainability agendas effectively. The absolute number of green jobs requiring management skills of some description has also surged by 37% over the decade, reaching 186,300 in 2024 from 136,155 in 2015, as well as more precisely defined green management jobs, surging to 116,332 in 2024 from 98,274 in 2015, further emphasising this demand for skilled management to navigate complex environmental and business challenges.

Table 1: Active management job postings with defined green skills by UK region, 2015-2024

	United Kingdom	Countries				Regions								
		England	Scotland	Wales	Northern Ireland	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West
2015	47,952	29,329	3,082	846	744	661	2,751	2,036	2,129	3,209	2,944	8,776	4,173	2,650
2024	81,027	56,483	5,837	1,977	1,341	2,324	6,945	5,026	5,237	7,068	5,285	10,990	8,071	5,537
10 year change (no.)	33,075	27,154	2,755	1,131	597	1,663	4,194	2,990	3,108	3,859	2,341	2,214	3,898	2,887
10 year change (%)	68.98%	92.58%	89.39%	133.69%	80.24%	251.59%	152.45%	146.86%	145.98%	120.26%	79.52%	25.23%	93.41%	108.94%

Table 2: Active green job postings with management skills by UK region, 2015-2024

	United Kingdom	Countries				Regions								
		England	Scotland	Wales	Northern Ireland	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West
2015	136,155	96,175	8,505	2,204	1,935	1,542	8,446	5,699	8,101	9,472	7,521	36,709	10,787	7,898
2024	186,300	135,642	12,001	3,689	2,603	4,589	16,611	11,174	10,845	14,702	12,670	30,893	20,130	14,028
10 year change (no.)	50,145	39,467	3,496	1,485	668	3,047	8,165	5,475	2,744	5,230	5,149	-5,816	9,343	6,130
10 year change (%)	36.83%	41.04%	41.11%	67.38%	34.52%	197.60%	96.67%	96.07%	33.87%	55.22%	68.46%	-15.84%	86.61%	77.61%

Table 3: Active green management job postings by UK region, 2015-2024

	United Kingdom	Countries				Regions								
		England	Scotland	Wales	Northern Ireland	North East	North West	Yorkshire and The Humber	East Midlands	West Midlands	East of England	London	South East	South West
2015	98,274	69,283	5,539	1,539	1,137	1,399	6,048	3,827	6,067	7,957	5,843	25,182	7,959	5,001
2024	116,332	84,807	7,306	2,181	1,562	2,895	10,205	7,011	6,934	9,633	7,836	19,972	12,325	7,996
10 year change (no.)	18,058	15,524	1,767	642	425	1,496	4,157	3,184	867	1,676	1,993	-5,210	4,366	2,995
10 year change (%)	18.38%	22.41%	31.90%	41.72%	37.38%	106.93%	68.73%	83.20%	14.29%	21.06%	34.11%	-20.69%	54.86%	59.89%

This growing demand is unfolding within a shifting geopolitical landscape. Even as political winds shift, as seen in the US, the green transition is becoming an entrenched feature of the UK's labour market, driven by opportunity and demand. Generational attitudes are also decisively moving away from fossil fuels, creating a cultural as well as economic foundation for long-term change. Governments, regardless of their political leaning, will be reluctant to dismantle initiatives that are creating high-quality, future-proof jobs that are bringing prosperity to regions that have been in long-term decline.

This data also serves as a fundamental reminder of the importance of sustainability leadership within each region of the UK. While not entirely decoupled from major economic shocks, underlying growth is strong with a sustained demand for management jobs with green skills, green jobs with management skills, and green management jobs.

The data suggests that investing in sustainability leadership and green management skills is not just a response to current policy, but a strategic necessity for long-term organisational and regional resilience as the UK transitions to a net zero economy.

It further highlights the value of sustainability qualifications that combine technical expertise with leadership capabilities.

- ✓ **Sustainability is a structural driver:**
The growth in green management roles is driven by a long-term, structural shift towards a net zero economy, rather than short-term economic cycles.
- ✓ **Management is key to the green transition:**
The consistent demand for managers with green skills demonstrates that effective leadership is crucial for translating net zero policies and strategies into practical action across all sectors.
- ✓ **Regional variation matters:**
The data reveals regional differences which highlight the importance of tailored strategies, such as Local Skills Improvement Plans (LSIPs), in delivering the right sustainability leadership skills where they are needed most.

3. The management skills gap: from strategy to reality

Despite the growing prioritisation of net zero, a significant gap exists between organisational ambition and managerial capability.

The core problem is not just a lack of technical knowledge, but a deficit in core management competencies applied to sustainability. CMI's polling carried out two years apart, in 2023 and 2025, reveals a consistent pattern of both ambiguity and a lack of support. Nearly half of managers (48%) in the 2023 poll responded with "don't know" when asked if they were expected to apply green skills. By 2025, even with sustainability enjoying a much higher profile, half of managers (51%) in organisations with a net zero plan still felt they had not received enough support or guidance to integrate sustainability into their role. It is perhaps not surprising that this widespread uncertainty has created a strong demand for skills development, with 8 in 10 managers (80%) stating they would benefit from practical sustainability leadership training.

A comparison between CMI's earlier sustainability research in 2009 and this 2025 research reveals persistent challenges. In 2009, a key message was that managers recognised the importance of cutting emissions, but too few were taking action. The 2025 findings expose a similar "say-do" gap. While high-level commitment has grown, the challenge of translating strategy into tangible action for managers persists. This represents a long-standing missed opportunity.

The core problem is not just a lack of technical knowledge, but a deficit in elemental management competencies applied to sustainability.

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Lots of people don't know there's a problem, and don't understand the urgency - climate education and literacy are important.

Phil Korbel,
Co-Founder & Director for External Relations,
Carbon Literacy Project

“

Collaboration is key - internally and externally.

Katie Kelly,
Associate Partner, Argon & Co

✓ **Systems thinking and a long-term view:**

Experts identify "systems thinking" as an essential skill for leaders to grasp the interconnected nature of sustainability challenges. Leaders also face challenges in envisioning a sustainable future, often viewing it primarily as a cost.

✓ **Carbon literacy and strategic integration:**

There is a fundamental knowledge gap, with 42% of managers admitting they lack a clear understanding of how net zero relates to their position. For many, "green skills" are associated with personal or individual actions rather than strategic responsibilities.

✓ **Change leadership and communication:**

Successfully delivering the transition requires embedding new technologies, including AI, and sustainability mindsets through clear communication and workforce engagement. Leaders need to tell a compelling story that makes good business sense. As Lord Deben, former Chair of the Climate Change Committee, observed:

"The way we talk about climate change will make a difference to how others act. There's no success in being right if we aren't being understood."

✓ **Cross-sector collaboration and stakeholder engagement:**

Experts emphasise that collaboration is essential. A government report on clean energy found that employers repeatedly flagged a shortage in stakeholder engagement skills and stressed the need for collaborative leadership.

By building leadership training into the sustainability training already offered, the skills gap between technical understanding and organisational change could be narrowed, ensuring managers are ready to turn strategies into reality.

4. The solution: making sustainability core to management

The solution is not just to create a siloed class of sustainability specialists, but to embed sustainability as a core management function.

Organisations that are having the most success are those where every leader is equipped and empowered to drive the green agenda.

This requires a shift from viewing sustainability as a compliance issue to that of being a driver of innovation, reputation and long-term value.

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Leadership ambition and clarity is important but there is work to be done to embed [sustainability] in policies, systems and culture.

Katie Clegg,
Director of Sustainability, Leeds Trinity University

Leading firms such as BT, Unilever and Sage embed sustainability into their operational DNA. This includes integrating sustainability metrics into Key Performance Indicators (KPIs) and shifting behaviours and performance expectations to align with green goals. A key insight from CMI's roundtable with industry experts is that “everyone within the organisation is responsible for sustainability”. This requires leadership that not only sets the strategy but also fosters a culture where sustainability is a shared value. Indeed, 49% of respondents in a CMI LinkedIn poll in 2025 agreed that a leader's key task to driving sustainability efforts is to empower others to act.

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Leaders are uniquely positioned to articulate why sustainability matters to the organisation, what it looks like in practice and how it aligns with overall business goals. This vision must be clear, compelling and integrated... to prevent fragmented, unfocused efforts that lack direction.

Norhaniza A.,
Manager Research and Postgraduate Studies, Sunway Business School, Sunway University, Malaysia

Sustainability is most effectively embedded when leadership principles are part of the learning journey, whether through formal qualifications, modular training, or work-based learning. Incorporating these elements into existing provision would give learners the dual benefit of technical competence and the confidence to influence and lead change.

The following case studies provide practical examples of this principle in action.



Case studies: green leadership in action

1. Case study: Patagonia

Patagonia, the outdoor clothing and gear company founded by Yvon Chouinard, is a good example of how a business can integrate deep environmental commitment with commercial success. For over fifty years, Patagonia has cultivated a reputation for being both politically outspoken and profoundly dedicated to protecting the planet. Patagonia's approach to sustainability leadership is rooted in several core principles and actions:

- ✓ **Transparency**
The company is notable for its open sharing of supply chain details, even disclosing challenges and controversies within its operations. This commitment to honesty builds trust and sets a high standard for corporate accountability.
- ✓ **Environmental commitment**
Patagonia consistently donates 1% of its sales to environmental groups. Their advocacy extends to challenging political decisions that threaten the environment, as exemplified by their lawsuit against a former US President to protect public lands.
- ✓ **Employee empowerment & activism**
Leadership actively encourages and supports employee involvement in environmental activism, fostering a culture where staff are empowered to contribute to the broader mission.
- ✓ **Reimagining ownership**
In a landmark move, Yvon Chouinard effectively gave away ownership of the entire company to a trust and non-profit, dedicating all future profits to combating environmental crises and protecting wilderness. This decision demonstrates a commitment beyond traditional shareholder returns.

Patagonia's journey also demonstrates managers and leaders can be powerful agents for positive change, even if it means challenging conventional norms. Their leadership highlights crucial lessons:

- The importance of clearly communicating the inherent value of sustainable products and practices.
- The necessity of honesty about environmental and social challenges faced by the business.
- The critical role of measuring success not just in financial terms, but also by environmental and social impact.
- The power of empowering employees to actively participate in and contribute to a larger, purpose-driven mission.

Read the full case study [here](#).



2. Case study: Schneider Electric – powering sustainable transformation

Schneider Electric, the global French energy management and automation firm, is recognised as a leader in corporate sustainability, consistently ranking among the most sustainable companies worldwide. Their journey offers crucial insights into how large organisations can successfully embed sustainability at their core, driving significant environmental and business benefits.

Schneider Electric's sustainable transformation is guided by deliberate leadership and concrete actions:



Integrated sustainability

A fundamental principle is the complete integration of sustainability into every aspect of their business. Sustainability is not a separate initiative but the driving force behind all corporate decision-making, including strategy, operations, investment, innovation, and employee engagement. This commitment originated from dedicated board-level leadership two decades ago.



Transparent monitoring and reporting

Since 2005, Schneider Electric has employed its Schneider Sustainability Impact (SSI) barometer to transparently monitor and report progress. This tool emphasises their view of sustainability as a continuous journey, prompting regular goal reviews and the setting of ambitious new targets.



Scope 3 emission focus and collaboration

Recognising the broader impact, Schneider Electric actively addresses not only their direct emissions (Scope 1 and 2) but critically, also those within their wider value chain (Scope 3). They proactively engage their top suppliers and partners, using a collaborative approach to sustainability across their ecosystem.

Schneider Electric's success story demonstrates that a deep, unwavering commitment to sustainability stemming from its leadership, combined with robust transparent reporting and a collaborative value chain approach, yields substantial environmental improvements alongside strategic business advantages. It serves as a blueprint for organisations seeking to lead their own sustainable transformations.

Read the full case study [here](#).



3. Case study: turning point, a trip to Cape Town

This case study looks at how a trip to Cape Town completely changed Tony Stonebridge's view on his role as a Chartered Manager. As a lead subject matter expert at Wickes, Tony's experience shows how a direct, personal encounter with sustainability can be a turning point, inspiring a manager to become a powerful force for change back home.

The experience

During an MBA trip, Tony met Michelle Korevaar, the founder of the non-profit ChangeMakersHub. Michelle introduced him to the “eco-brick” concept: a simple idea where plastic waste is repurposed into building materials for the local community. This initiative showed Tony a powerful connection between solving an environmental problem (plastic pollution) and a social one (providing building resources). It was a grassroots, community-driven solution that had a huge emotional impact on him.

Key leadership lessons

This experience moved Tony from just understanding sustainability in theory to feeling a personal commitment to act. His story offers a vital lesson for all managers:

Tony's story is a great reminder that managers don't just have to implement strategies from the top down. They can also create a culture of purpose and empowerment, inspired by real-world solutions that hit home.

Read the full case study [here](#).



✓ Emotional connection drives action

While data and strategy are important, a personal, heartfelt connection to a cause can be the biggest motivator. Seeing the eco-brick project in action gave him a tangible and inspiring reason to lead change.

✓ Empowerment is everything

The project showed him that big change can start small, by empowering individuals with a simple tool and a clear goal. This insight has motivated Tony to use his own leadership position at Wickes to empower his colleagues, applying what he learned to inspire similar grassroots change in his own workplace.

4. Case study: Stephanie Palmer's net zero journey – small wins and the long game

Stephanie Palmer, a young Chartered Manager, took on a leadership role at Wienerberger, the world's largest brickmaking company, at a pivotal time. Faced with the challenge of helping an energy and carbon-intensive industry player transition towards sustainability, her approach is built on a foundation of communication, storytelling, and celebrating small wins to inspire change over the long term.

The challenge

The construction sector is a major contributor to global carbon emissions, and Wienerberger UK & Ireland, a division of a 200-year-old industry giant, was emitting the same amount of carbon as a small nation. Stephanie recognised that to achieve real transformation, she needed to go beyond compliance and get over a thousand colleagues to buy into a new vision. She had to learn to “speak their language” to move from being simply heard to driving action.

Key leadership principles & actions

Stephanie's success lies in her strategic and collaborative approach to sustainability leadership:

- ✓ **Tailoring the message**
She understands that different departments and individuals are motivated by different things. She tailors her communication to show how sustainability aligns with their specific interests, whether it's attracting talent in HR or addressing business risks for managers.
- ✓ **Storytelling for impact**
Stephanie uses powerful, relatable stories to connect colleagues to the company's impact. For example, she used the striking comparison of the UK operation's carbon emissions to the nation of Dominica. She also plans to use camera traps to monitor the return of wildlife to the company's quarries, turning a biodiversity agenda into a compelling, visual narrative of success.

- ✓ **Focusing on small wins**
Acknowledging that the net zero journey is a “tough and long slog”, Stephanie champions the celebration of small, tangible victories. These small wins, such as the return of bees to a restored habitat or a measurable reduction in emissions from an improvement project, help maintain momentum and keep people motivated throughout the long game.

Impact and outcome

Through her leadership, Stephanie has helped craft a new sustainability strategy for the division called “Let's Build Beyond”. This strategy includes a 2030 roadmap and firm commitments across the supply chain. Her work demonstrates that a fresh, bold approach - rooted in strategic communication, storytelling, and celebrating progress - can activate people and drive significant change even within a long-established, carbon-intensive industry.

Read the full case study [here](#).



5. The need for systems thinking, frameworks and standards

To address the skills gap around “systems thinking”, organisations need a structured and consistent approach. This is where recognised frameworks and standards become essential. They provide the common language and methodology needed to translate complex, interconnected sustainability goals into a coherent plan. Systems thinking was an important theme when CMI spoke to sector experts during concept testing for its recently-introduced sustainability leadership qualifications.

A systems-thinking mindset encourages leaders to address sustainability challenges at their source rather than focusing solely on visible symptoms. By mapping the relationships between operational processes, resources and societal impacts, leaders can identify where interventions deliver the greatest long-term benefit. This approach also helps to anticipate potential unintended consequences and understand how strategic decisions impact the wider system over time.

Leaders adopting systems thinking work across organisational boundaries, engaging partners, supply chains, policymakers, and communities to co-create solutions to shared challenges. At the same time, understanding the vulnerabilities and dependencies within the system equips organisations to adapt to disruptions, embed climate resilience, and align business performance with sustainable outcomes.

In order to accurately map their routes to net zero, organisations can use recognised frameworks such as Science Based Targets, the Global Reporting Initiative, CDP and BSI Standards to ensure consistency and quality. Adopting such standards provides businesses with a structured and credible framework for embedding environmental and social responsibility into their operations. Recognised globally, they signal a verified commitment to sustainability, building trust with stakeholders.

Adopting standards also helps to de-risk the transition by providing a clear, verifiable pathway for action. It moves sustainability from an abstract concept to a manageable process, enabling leaders to build robust systems for tracking, reporting, and improving performance.

This systematic approach is crucial for building stakeholder trust and demonstrating credible progress.





6. A framework for action: building sustainable leadership capacity

a. Routes to building green management competencies

Successfully delivering net zero is a leadership challenge, not just a technical one. This section outlines ways to close the green skills gap by detailing key pathways for success: developing new competencies through education, ensuring organisational systems are aligned to support net zero, and providing targeted support for SMEs.

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[Sustainability] should be a core competency for every member of the C-suite, especially financial directors - it allows them to see sustainability through the lens of their specialism.

Phil Korbel,
Co-Founder & Director for External Relations,
Carbon Literacy Project

Investing in core management and leadership is a critical driver of organisational success. CMI research shows it yields significant returns, including an average 23% increase in organisational performance and a 32% increase in people performance. Conversely, poor management contributes significantly to the UK's productivity gap, as evidenced in previous CMI research.

This leadership deficit is particularly acute for the green transition, with reports from WorldSkills UK and Economist Impact emphasising that management skills are just as crucial as technical ones. For example, 6 in 10 UK manufacturers say that management skills are required to manufacture goods and products in a more sustainable way. Nearly all soft skills including leadership are also found lacking in the IT sector in emerging economies. The demand from managers themselves is clear: 80% believe they would benefit from training, and there is a broad consensus (82%) that an understanding of sustainability will be a requirement for all managers within five years.

“

Everyone should be doing their bit - everyone can be a leader for sustainability. Managers and leaders can create agency in their workforce.

David Chapman,
Climate Reality Leader

The solution lies in a blended approach, utilising both general management qualifications and specific sustainability training. Development routes should span a spectrum of needs:

- ✓ **Accredited qualifications:**
Such as CMI's suite of sustainability management and leadership qualifications, designed to build practical skills for junior, middle and senior managers.
- ✓ **Chartered status:**
Achieving a professional benchmark like Chartered Manager (CMgr) not only validates and enhances a manager's core capabilities but also gives them the recognised competence and confidence required to lead complex sustainability transitions effectively.
- ✓ **Masters programme:**
For deep, strategic immersion in sustainable business transformation.

Underpinning these development routes, the CMI Professional Standard provides a robust framework for the core competencies required. Its key pillars align directly with sustainability needs, defining what a capable leader must do: be strategic (leading with purpose and vision), be technical (effective planning and resource management), and be relational (fostering collaboration and empowering people).

The goal must be to equip every manager with the right level of competence for their role, making sustainability a core pillar of professional development. Strong partnerships between employers and education providers can enable sustainability leadership skills to be developed at pace. This could be achieved by weaving leadership modules or standards into current sustainability qualifications delivered by education providers, ensuring alignment with workplace needs without duplicating provision.

b. Aligning competencies and systems

Progress stalls when skilled people are constrained by inadequate systems. Building management competency is only half the solution; it must be aligned with the implementation of robust standards and internal processes.

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Managers and leaders need to be supportive of workforce training and allowing people to enact change.

Suzanna Jones,
Sustainability Manager, One Stop

Organisations must ensure that as they invest in training their managers, they are also embedding sustainability into their operational DNA. This means translating high-level commitments into departmental and individual KPIs. It requires amending auditing processes to identify skills gaps that are stalling progress and creating clear support structures for managers. When the development of people is directly aligned with the systems they operate within - such as those guided by BSI Standards - organisations can turn strategic ambition into measurable reality.

c. The importance of measuring impact and progress

As the saying goes, “What gets measured gets managed”. A critical component of successful sustainability leadership is the commitment to measuring impact and tracking progress towards net zero. This goes beyond mandatory carbon reporting.

Leading organisations, as seen with Schneider Electric's Sustainability Impact (SSI) barometer, use transparent monitoring to drive continuous improvement and set ambitious new targets. Patagonia's model shows the importance of measuring success not just in financial terms, but also by environmental and social impact. By establishing clear metrics and reporting on them openly, leaders can demonstrate accountability, maintain momentum, and build trust with stakeholders. Measurement turns abstract goals into tangible evidence of progress.

d. Supporting SMEs

Small and medium-sized enterprises (SMEs) are central to achieving net zero targets, representing over 99% of the UK business population.

However, they face unique and substantial hurdles. While the carbon footprint of an individual SME might seem small, their collective impact is significant. They are responsible for between 43% and 53% of all UK business greenhouse gas emissions, according to the British Business Bank.

This means that the UK simply cannot achieve its legally-binding net zero targets without their active participation. Recent research from CBI Economics confirms that 94% of businesses identified as employers in the UK's net zero economy are small and medium-sized enterprises (SMEs), highlighting their central role in the transition.

The Federation of Small Businesses (FSB) Net Zero report found that while half of small businesses prioritise sustainability, major barriers exist. These include a lack of capital, the complexity of understanding their carbon footprint and challenges for businesses in rented premises. Only 26% of small firms feel adequately knowledgeable about the transition, and a mere 14% believe they have the necessary time to engage.

Unlike large corporations with dedicated compliance teams, small businesses often lack the time and resources to understand legislation and navigate complex application processes for funding or support schemes. Simplifying these policies, by using clear language and streamlined processes, directly lowers this barrier and allows managers to allocate their limited time and resources to implementing sustainability initiatives rather than administrative tasks.

When policies are confusing and change frequently, it creates a climate of uncertainty. This makes it difficult for a small business to make long-term investments, such as implementing energy efficiency measures or investing in electric vehicles. These are often costly decisions with a return on investment that can take years to materialise. A clear, stable, and simplified policy environment gives business leaders the confidence they need to commit to these projects. This allows smaller, innovative companies to compete and thrive, accelerating the overall pace of the net zero transition by enabling a broader range of businesses to participate.

Targeted support is therefore essential. SME-focused management upskilling, funded access to accredited training, and simplified guidance are needed to empower smaller businesses to cut both carbon and costs. This training could be delivered by local universities, colleges, or independent providers, incorporating leadership units to help business owners and managers translate sustainability goals into day-to-day operational practice. Regional skills strategies, such as LSIPs, must prioritise this support to ensure SMEs can lead and deliver on net zero goals. An example of where this is currently happening is in the West Midlands, where there is a goal in the updated West Midlands and Warwickshire Local Skills Improvement Plan to offer green skills leadership training to businesses across the region, working with the Combined Authority to align sustainability leadership skills provision with regional employer needs.





7. Future-looking: the circular economy

Looking beyond immediate emissions reduction, the next frontier for sustainability leadership is the circular economy. This represents a fundamental shift from the traditional “take-make-dispose” model to one that designs out waste, keeps materials in use, and regenerates natural systems.

Embracing the circular economy will require an even deeper application of the skills outlined in this report: systems thinking to redesign entire value chains, innovation to create new business models, and collaboration across sectors. For managers and leaders, this is the next step in sustainable thinking - transforming a linear, extractive mindset into a cyclical, regenerative one. It is about actively creating positive environmental and economic value. This is the long-term direction that will help to define the more resilient organisations of the future.

Ultimately, leading a circular economy transition is an exercise in change management and strategic leadership. It requires managers and leaders to be strong communicators, able to articulate a purpose that goes beyond short-term profit and inspires employees to embrace a new way of working. For many managers and leaders this will mean they will have to challenge established norms and invest in new technologies and processes, while simultaneously measuring success through a new lens that values material longevity and resource efficiency.

“

Managers and leaders will need to demonstrate how sustainability drives innovation, resilience, brand trust and access to future markets.

Andrew McKenzie,
Sustainability Business Guide, The Growth Hub

8. Recommendations

To empower and support effective leadership with the capabilities to accelerate the transition to a net zero economy, the following actions are recommended:

For government and policymakers

- ✓ Provide grants or matched funding for SMEs and mid-sized companies to invest in management training linked to implementing carbon reduction plans.
- ✓ Explicitly integrate the development of management and leadership capabilities into all national and regional green skills strategies and funding programmes, acknowledging that management is as critical as technical expertise.
- ✓ Reduce policy complexity, especially for SMEs, to lower barriers and encourage greater resource allocation to green initiatives.
- ✓ Work with LSIPs and education providers to identify priority skills gaps in each region and promote uptake of sustainability management training among local employers.

For education providers

- ✓ Ensure training programmes move beyond individual actions and equip managers with the strategic skills to drive business-focused sustainability initiatives related to innovation, efficiency, and competitive advantage.
- ✓ Build professional management accreditation into existing sustainability qualifications, working in partnership across higher education, further education and with independent training providers, accrediting sustainability leaders with professional Chartered status.
- ✓ Integrate the CMI sustainability leadership qualifications into training pathways to ensure managers at every level gain the knowledge and skills required to translate net zero ambition into operational reality.

For organisations



Embed net zero and sustainability metrics into manager performance objectives, incentive structures, and KPIs.



Translate high-level strategic plans into clear, actionable expectations for managers, providing them with the guidance and support needed to integrate sustainability into their daily responsibilities.



Develop and champion an organisational culture where sustainability is a shared value, and leaders act as visible role models for change.



Invest in attracting and retaining talent by promoting purposeful employment opportunities aligned with sustainability goals.



For more information about CMI Sustainability Leadership Qualifications, [click here](#).



Appendices

Appendix 1: methodology

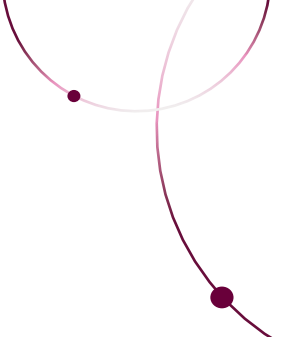
This report builds upon the findings of the 2009 CMI report, *Lean and Green Leadership for the Low-Carbon Future*, which surveyed 1,500 UK managers. To provide a current perspective, this report incorporates new primary and secondary research, including:

- CMI poll of 1,041 managers working across the UK economy (February to March 2025);
- CMI poll of 1,189 managers working across the UK economy (September 2023);
- CMI in-depth interviews with managers and education providers (September 2024 to April 2025);
- CMI sustainability roundtable with industry experts (July 2025);
- CMI concept testing of its sustainability leadership qualifications (November 2024 to March 2025);
- CMI analysis of labour market data on green jobs and management jobs (February 2025);
- A review of recent UK Government reports and regional strategies related to skills and the net zero transition.

Appendix 2: references

Based on the provided document, the following reports, organisations, and data sources were cited:

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- CBI Economics (2025), [The Future is Green: The economic opportunities brought by the UK's net zero economy](#)
- Federation of Small Businesses (2025), [New Growth: How to support small businesses to cut carbon and costs on the road to net zero](#)



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