

## SUSTAINABILITY STRATEGIES IN 2025

- IT'S ALL ABOUT PEOPLE

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We've all heard that the term "sustainability" is somewhere between confusing and meaningless these days. I understand this view, but I also think part of the cause of the frustration is that we expect sustainability to be one thing. A <u>recent article</u> addressing how organizations can set sustainability strategies in 2025 came across my desk. What caught my eye was the section defining <u>six archetypes</u> for how companies approach sustainability.

## 6 archetypes — akin to personality profiles — that shape how leaders and employees define the purpose and role of sustainability in their company:

- 1. Box checker: Uses sustainability to meet minimum-to-basic level expectations.
- 2. <u>Brand and reputation driven:</u> Uses sustainability to differentiate the company and its brand with key audiences and stakeholders.
- 3. <u>Immediate return driven:</u> Uses sustainability to improve financial performance and competitive advantage.
- 4. Impact and purpose focused: Uses sustainability to express the company's purpose and values.
- 5. <u>Innovation driven:</u> Uses sustainability to innovate new business model(s), solutions, and processes to drive returns.
- 6. Risk reduction driven: Uses sustainability to mitigate risks.



As I read through this list, I appreciated the strategic advantages and potential disadvantages of each of these six approaches. In other words, even if each of us may have one (or a few) from the list that we most closely relate to and value as the "right approach", there are many pathways to sustainability.

These 6 archetypes can easily be applied to the past 50 years of innovation in sustainability in the forest and wood products sector in the US. The sector includes highly efficient companies that focus on consistently meeting the requirements and measuring the returns. These programs signal where we have established proven and effective sustainability practices. These practices often have direct economic benefits and support the business-case for sustainability. The sector also has major brands that work to build and differentiate their reputations as leaders, and there are forest land managers and forest product companies for whom sustainability expresses their purpose and values. Increasingly, there are organizations in the forest and wood products sector that are leveraging ground-breaking technologies and innovations for their operations and sustainability goals complement these cultures as well.

And last but not least, risk reduction strategies have been key to the sector adopting environmental sustainability, including the opportunity to fend off regulatory solutions when voluntary best management practices (BMPs) are consistently followed and monitored for effectiveness and compliance.

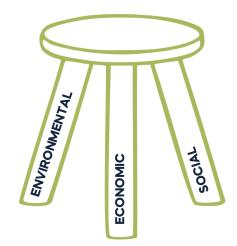


As a multi-generational sector, with forest lands and companies having rich and personal histories, there is no shortage of forest and wood product sector leaders who have embraced environmental sustainability because their company cultures are impact and purpose focused. Forest product companies have demonstrated their innovative drive by finding ways to keep going through thick and thin and as trends and markets change from one generation to the next. Many companies in this sector have over 150 years of history and, although we may not jump on every new bandwagon, we've also been around long enough to know a good thing when we see it and to recognize the value of emerging opportunities.

The forest and wood products sector has done an incredible job adopting strategies that address economic and environmental sustainability. These efforts include robust inventory and monitoring systems, cutting-edge modeling and planning tools, collaborative research, third-party certification, public reporting, and much more. The benefits of these systems are even more amazing when one considers that the sector is primarily reliant on the independent decisions of private landowners — nearly 90% of the timber harvested in the US each year comes from private forests. The continuous effort of the public and private partners throughout the forest products supply chain to engage and serve family forest owners in sustainable forestry is likely the greatest conservation story in American history.

So how do we keep pushing higher? What is the next chapter for sustainability in this sector? For today's sustainability leadership in the forest and wood products sector we need to set our sights on the third leg of the stool: Social Sustainability.

For companies throughout the sector, social sustainability might be any number of actions and engagements. Social sustainability might be most connected to a company's workforce needs, an organization's engagement with landowners, leadership's community presence and partnership, or succession planning.



How do we apply the 6 archetypes of sustainability leadership to the people-side of the forest and wood products sector? As with economic and environmental sustainability strategies, the answers will differ from one organization to another, but the impact and benefits will be felt throughout the sector as leaders set their course. This stretch of the sustainability path is all about people, and, as with the other work that has already been done, this is work the forest and wood products sector can undertake in ways that will serve the forest and our communities for generations to come.