Hidden opportunities: Creating value through climate action

Explore four sources of untapped potential

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How will you create value from sustainability?

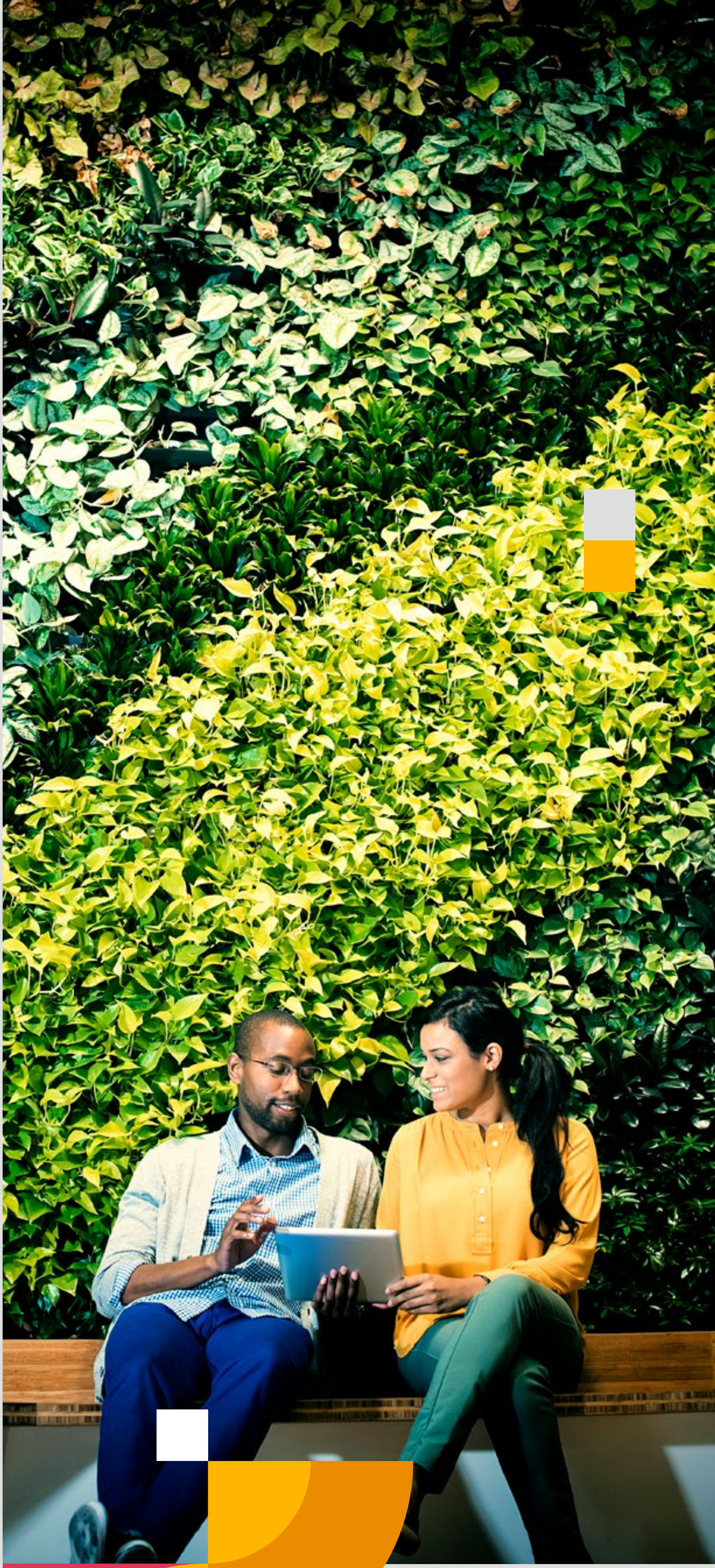
Put that question to a roomful of business leaders in Australia, and you'll hear a wide variety of answers, touching on setting net-zero targets and decarbonisation pathways, preparing for mandatory disclosures, or working through impacts on their supply chain. Only a few leaders would mention making bold strategic moves to align their business's portfolio, offerings and capabilities with the opportunities that the sustainability agenda will create.

With new corporate reporting being introduced in Australia, there is a risk of overly focusing on compliance, treating sustainability merely as a cost and missing the commercial opportunities that come with change.

In this report, we reveal four hidden opportunities to turn sustainability to your advantage. We examine the importance of shifting from a sustainability strategy to a sustainable corporate strategy to capture untapped financial value. We look at how sustainability reporting can be a genuine asset rather than a burden. We show how smart energy management can generate new revenue lines and lastly, how supply chain adaptation is critical to sustain growth.

With great change, comes great opportunity

This report is a practical guide for leaders. Each opportunity includes 'how' sustainability can drive value — from entry to new markets, access to capital to cost savings — supported by successful business examples and suggested actions.



The operating environment at a glance

Australia's regulatory setting

Australia is taking significant steps towards its climate goals and companies are now facing the biggest change to corporate reporting and disclosures in a generation.

- Our nation is committed to achieving net zero emissions by 2050 and will reduce greenhouse gas emissions by 43% below 2005 levels by 2030.[1]
- New mandatory climate-related financial disclosure standards have been introduced and will be in full force by 2025. These new regulations require companies to disclose detailed information on climate risks, opportunities and their impact on financial performance.
- Disclosure standards, in Australia and beyond, may soon expand to require disclosure of how businesses interact with nature. With half of the world's GDP dependent on natural resources, the risks associated with nature loss are significant. Companies need to proactively assess the potential threats to their revenue streams posed by the depletion of critical raw materials.

Global regulatory setting

Globally, there is a strong push toward standardised climate-related financial reporting, spurred by initiatives like the Task Force on Climate-related Financial Disclosures (TCFD) and the International Sustainability Standards Board (ISSB).

- The Corporate Sustainability Reporting Directive (CSRD), effective from 2024, mandates that companies operating in the EU disclose detailed information on sustainability issues, including biodiversity, pollution and climate change, necessitating greater transparency and accountability.
- The Carbon Border Adjustment Mechanism (CBAM), slated to be fully operational by 2026, will impose carbon tariffs on certain imported goods into the EU. Australian exporters of goods with a high carbon footprint will face additional costs unless they can demonstrate compliance with EU-equivalent carbon pricing mechanisms.
- The U.S. Securities and Exchange Commission adopted new climate-related disclosure rules in 2024. This is prompting Australian companies operating in the US to enhance their sustainability practices and improve the quality and transparency of their reporting.

The ripple effects of these international regulations are significant for Australian organisations. Companies with global operations must navigate and comply with different sets of regulations across regions, increasing the complexity and cost of doing business.

1 Net Zero - DCCEEW

What's on investors' minds?

How a company manages its sustainability-related risks and opportunities is now vital to investor decision-making.

- 42% of investors in PwC's Global Investor Survey 2023 said they had divested their stakes in companies that hadn't demonstrated sufficient action on sustainability
- 69% of investors in the same survey said they would increase their level of investment in, or recommendation of, companies that successfully manage sustainability issues relevant to the business's performance and prospects.

What's on consumers' minds?

Consumer expectations of value continue to shift and businesses that pay attention can tap into greater rewards.

- More than 68% of people in Australia who responded to PwC's Voice of the Consumer Survey 2024 say they are willing to pay more for a product that has a lower carbon footprint.
- 76% of local responses in the same survey say they are prepared to pay more for products that are locally sourced.
- Around 70% of consumers would pay more if products were made from recycled, sustainable eco-friendly materials.
- And 69% were prepared to pay more for products produced by a company with a reputation for ethical practices.

Hidden opportunity 01

Transition to a sustainable corporate strategy for untapped financial value

Does your organisation have a standalone Sustainability Strategy? What if we said you could discard it?

Just like ‘digital’ or ‘mergers and acquisitions’ were once standalone initiatives, so too is sustainability for most companies today. Flip that thinking and you’ll be one step ahead.

In fact, the best sustainability strategy is a corporate strategy that advances sustainability — in chorus with your purpose, objectives and targets. Why? The compliance-led mindset behind sustainability strategies of old, unconnected to broader, more meaningful change, will not create the value you need. Let alone the societal benefits you seek to achieve.

If your corporate strategy defines ‘value’ and your sustainability strategy defines ‘sustainability,’ then consolidating the two ensures sustainability equals value.

By fundamentally integrating sustainability into decision-making processes like capital allocation and investments, outcomes are not treated as add-ons but as essential components of an organisation’s long-term vision. This vision will concentrate action on sources of value. Perhaps it’s the adoption of a circular business model? Innovating with alternative, more sustainable materials? Fostering biodiversity? All of these can create new market opportunities and lead to competitive advantage.

How a Sustainable Corporate Strategy can drive value

Innovation and market opportunities

Sustainability can drive innovation by encouraging the development of new products and services that meet the growing demand for sustainable solutions. This can lead to competitive advantage.

Example: Nike created the US$1bn+ FlyKnit line when it embedded sustainability into its innovation process. It also reduced waste by 80%.[2]

Access to capital

Strong sustainability credentials are more attractive to investors. This can lead to better access to capital and lower financing costs.

Key statistic: 69% of investors globally said they would increase their level of investment in, or recommendation of, companies that successfully manage sustainability issues relevant to the business's performance and prospects.

Risk management and compliance

By staying ahead of regulatory requirements, organisations avoid fines and legal issues. It also prepares them to manage risks associated with environmental changes and resource scarcity.

Enhanced brand reputation and trust

By aligning with sustainability principles, organisations can build trust among customers, employees and investors, who increasingly prioritise sustainability in their decision-making processes. This can enhance brand reputation and loyalty.

Key statistic: Companies that prioritise sustainability "significantly outperform their peers in the long run" according to a study by the Harvard and London Business Schools.[3]

> If a company fails to demonstrate how their corporate strategy addresses climate change, this will show in their disclosures, and affect their relationships — with customers, employees and investors.

Varya Davidson
Partner, PwC Australia

> Ask yourself: How can I grow, not just sell more. How can I grow but not waste more? There are many ways.

Gyanam Sadananda
Partner, PwC Australia

2 Harvard Business Review: The Comprehensive Business Case for Sustainability
3 Harvard Business School: The Impact of Corporate Sustainability on Organizational Processes and Performance

Seven actions organisations can take

Organisations can take a number of practical steps to realise the benefits of a Sustainable Corporate Strategy:

01 **Flip your company's conventional thinking on sustainability.** It can be challenging for many stakeholders to see sustainability as a strategic driver rather than just another compliance requirement. Led by the CEO, leadership must shift from a compliance mindset to a growth potential ethos. The following steps will help.

02 **Articulate the business case for sustainability using the Shared Value model.** First introduced by Harvard professors Porter and Kramer in the Harvard Business Review, 'Shared Value' has since been adopted by many in the global business community.[4] It highlights how businesses can solve social issues profitably. Ask yourself: Are there social or environmental issues that directly impact our industry, operations, or products? How can addressing these issues help us open new markets, improve productivity, or enhance our supply chain? In Australia, one of the peak bodies is the Shared Value Project.[5] There are opportunities to generate economic returns while combating such problems.

03 **Tap your broader ecosystem to inform your 'True North'.** Find out what is important to your stakeholders. What do your customers, shareholders, supply chain partners and investors prioritise? Work with them to drive transformative change. This collaboration cannot be a one-time event but an iterative process that extends into the fabric of how your organisation delivers. Your True North provides guidance for decision-making when navigating through a fast-changing and complex future.

For example, if one company has access to cheap renewable energy and capital at a low rate, they can work with their supply chain to deliver cheaper energy through bulk buying and installation of local generation (e.g., solar) therefore lowering costs whilst also creating resilience and greening the entire supply chain.

04 **Reimagine the role of the CFO.** If companies are to find the right balance between fulfilling short-term performance requirements and capturing longer-term opportunities related to sustainability, the CFO's leadership is indispensable. Breaking the dynamics of sustainability into concrete business considerations, embedding sustainability knowledge in regular processes and procedures, and sharing financial and nonfinancial data and insights within the company and with its stakeholders builds transparency, momentum and trust.

05 **Balance short-term and long-term wins.** Many businesses are wrestling with how to design and execute a plan. Like any strategic, high-profile company-wide move, this takes bold strategic thinking that balances short-term wins with the foresight to drive large-scale transformation.

06 **Embrace the difficult conversations.** Whether it's shutting down carbon-intensive operations or re-evaluating who you do business with and where, moving from ambition to action on sustainability and net zero involves making challenging decisions. With your business about to come under the spotlight like never before, it's time to take control of the agenda and make the tough calls.

07 **Use comprehensive sustainability reporting as a feedback loop.** Leaders need to improve the quality and transparency of sustainability reports to meet investor, customer and other stakeholder demands for reliable sustainability data. However, the added benefit is that this can then inform ongoing sustainability efforts and operational improvements. This feedback loop allows you to identify areas for improvement and adapt strategies accordingly, ensuring sustainability remains a core focus of operations and business model.

4 Harvard Business Review: Creating Shared Value
5 Shared Value Project: About

Hidden opportunity 02

Re-evaluating sustainability reporting so it becomes an asset, not a burden

The recent passing into law of the Australian Sustainability Reporting Standards will not be a surprise to leaders, but it may feel unsettling. This is not the last mandate we'll see in our country, with a growing demand for data on nature-related dependencies, impacts, risks and opportunities.

From 2025, Australia's companies will have to prepare climate disclosures as part of their annual report. This represents the biggest change to corporate reporting and disclosures in a generation. Although reporting *may* show how an organisation is falling behind, it *will* provide a ladder up to value creation. Your carbon emissions data will tell a story of how and where your business is impacting the climate. It will uncover where your business needs to transform and the tactical changes needed.

Reports will equip investors with more transparent, consistent and comparable data. We expect many will use this data to value companies, rewarding those that articulate a compelling narrative about how they will compete amid sustainability-driven market forces.

So, rather than viewing this new requirement as a burden, why not look further to the benefits it will bring. Ask yourself: how can our business use climate reporting to spur innovation and open up new market opportunities? Help build trust and attract new customers? Attract favourable finance? This is all possible while contributing positively to the environment and society.

A precedent has already been set. Europe was quick off the blocks with its Corporate Sustainability Reporting Directive (CSRD) and businesses are starting to see the upside. Around one-third of survey participants of our Global CSRD Survey 2024 expect CSRD implementation to lead directly to revenue growth and cost savings.

> **Leaders can use Australia's new reporting mandate to bring sustainability into the heart of corporate strategy — and uncover opportunities for value creation.**

Caroline Mara
Sustainability Reporting and
Assurance Leader, PwC Australia

How sustainability reporting can drive value

Competitive advantage

A strong sustainability profile can be a unique selling proposition in competitive markets.

By disclosing sustainability data, organisations can demonstrate their commitment to sustainability and ethical practices, which can help build trust with stakeholders and customers. This can lead to a positive and differentiated brand reputation and increased customer loyalty.

Innovation and market differentiation

The same tech systems that enable investor-grade sustainability reporting can also provide decision-makers with data to uncover and pursue growth opportunities.

This can spur innovation in products, services and processes, and open new market opportunities.

Operational efficiency

Reporting often highlights areas for improvement in resource usage and waste generation, leading to cost savings and more efficient operations.

By addressing these issues, businesses can reduce their environmental impact *and* save money.

Risk management

Regular assessments help identify and mitigate potential risks related to environmental, social and governance (ESG) factors.

Key statistic: US$58tn of global GDP — 55% — is highly or moderately dependent on nature.

Proactive management of nature-related risks such as ecological changes or policy shifts, can prevent costly disruptions and ensure business continuity.

Attracting investment

Investors are increasingly looking for companies with strong sustainability practices. Transparent reporting can attract socially responsible investors and potentially lead to better financing terms.

Key statistic: 70% of investors continue to advocate for the integration of ESG factors into corporate strategy. 69% of investors said they would increase their level of investment in, or recommendation of, companies that successfully manage sustainability issues relevant to the business's performance and prospects.

> Disclosure is simply telling the story of the work you have done. It's important to demonstrate a compelling understanding of climate change and how your company is responding to it, to satisfy stakeholders.

Caroline Mara
Sustainability Reporting and Assurance Leader, PwC Australia

> Exposure is real. With the emergence of AI, it will be easy for anyone (analysts, investors, media, competitors) to track reporting and progress, compare against competitors and assign value accordingly.

Jon Chadwick
PwC Australia Climate Lead and Global PwC Energy Transition Lead

Five actions organisations can take

Organisations can take a number of practical steps to realise the benefits of sustainability reporting:

01 **Establish ownership of reporting.** There's a trend towards the CFO driving sustainability reporting. After all, many CFOs are already fielding questions from investors, and companies can expect to face a barrage of reporting and compliance requirements in the coming years. The CFO also already knows what good looks like when it comes to robust reporting making them best placed to bring systems and controls for sustainability data up to the same standard (e.g. move over spreadsheets!)

02 **Mobilise a cross-functional working group, dispense with jargon and don't underestimate the volume and complexity of work required.** A major cross-functional effort is needed to address the broad scope and complexity of sustainability reporting. The CFO will bring knowledge of how the company manages information and makes decisions, the CIO how to install enabling data systems and software. The CSO will provide sustainability expertise while a supervisory board and audit committee will provide the oversight. The combination of these skills is crucial for meeting compliance requirements and integrating sustainability into the company's operations and business model discussions.

03 **Perform a gap analysis.** One thing that we can learn from our European peers who are tackling the CSRD is that data availability and quality are the biggest obstacles to implementation. Much of the information required by the Australian Sustainability Reporting Standards does not exist today in companies' enterprise resource planning (ERP) and other central source systems. It will likely be tracked down manually from spreadsheets and original documents (e.g., invoices) that are distributed across the business. This is a recipe for inefficient and error-prone processes. Companies need to pay close attention to the fundamentals of data strategy — how sustainability data is defined, sourced, governed and processed.

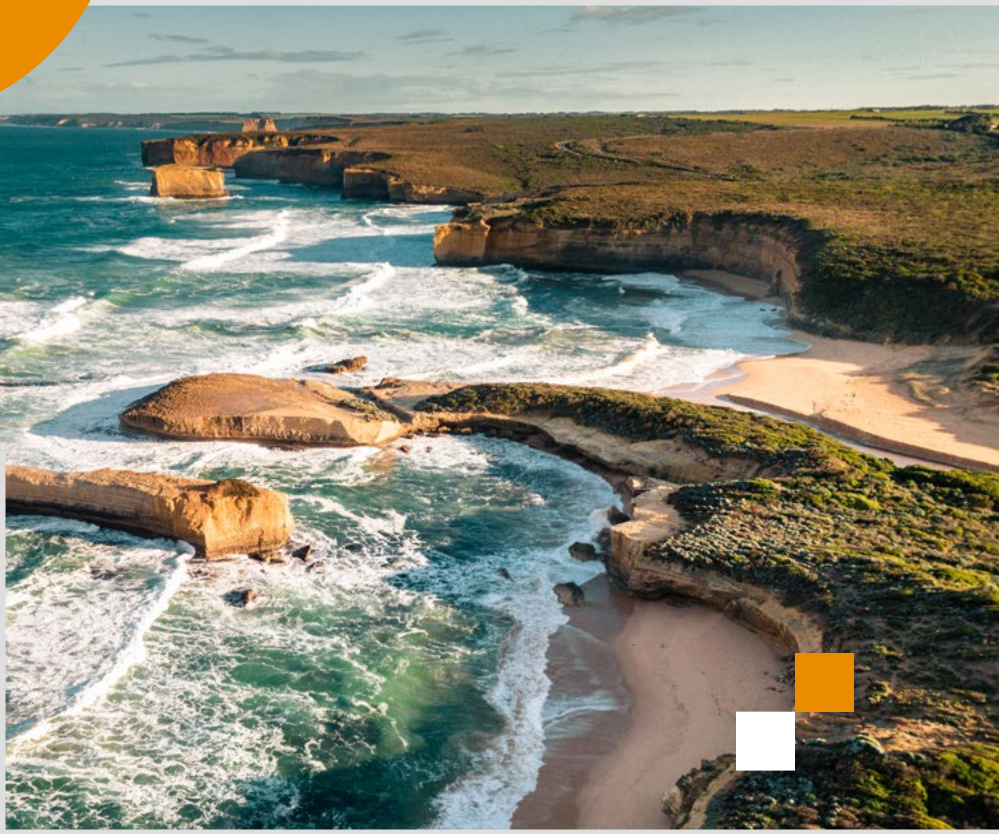
04 **Use technology wisely.** Sustainability information must be available, accurate and audit-ready. Targeted technology investment, building on existing financial, ERP and other systems and leveraging AI, is essential for achieving efficient ongoing reporting. This also ensures data is integrated into decision-making processes across the organisation.

Look for technology products that:

- Allow seamless data extraction from varied sources
- Turn data into insights - converts raw data into emission profiles, from activity data and emission factors to final emissions outcome
- Have a friendly user interface that can be shared with any stakeholder
- Leverage AI to cut down on manual processes and improve quick access to insights
- Include forecasting and simulation for strategy and planning
- Plan and monitor performance against the targets

Discover more here

05 **Build a 'value creation' roadmap with public-facing outcomes and embed within strategy.** Align priorities, update systems and identify necessary capabilities. Then set milestones, workstreams and resources for seamless implementation. Agree on auditor engagement and 'readiness' activities in line with assurance timelines and include milestones and targets to instil investor confidence.



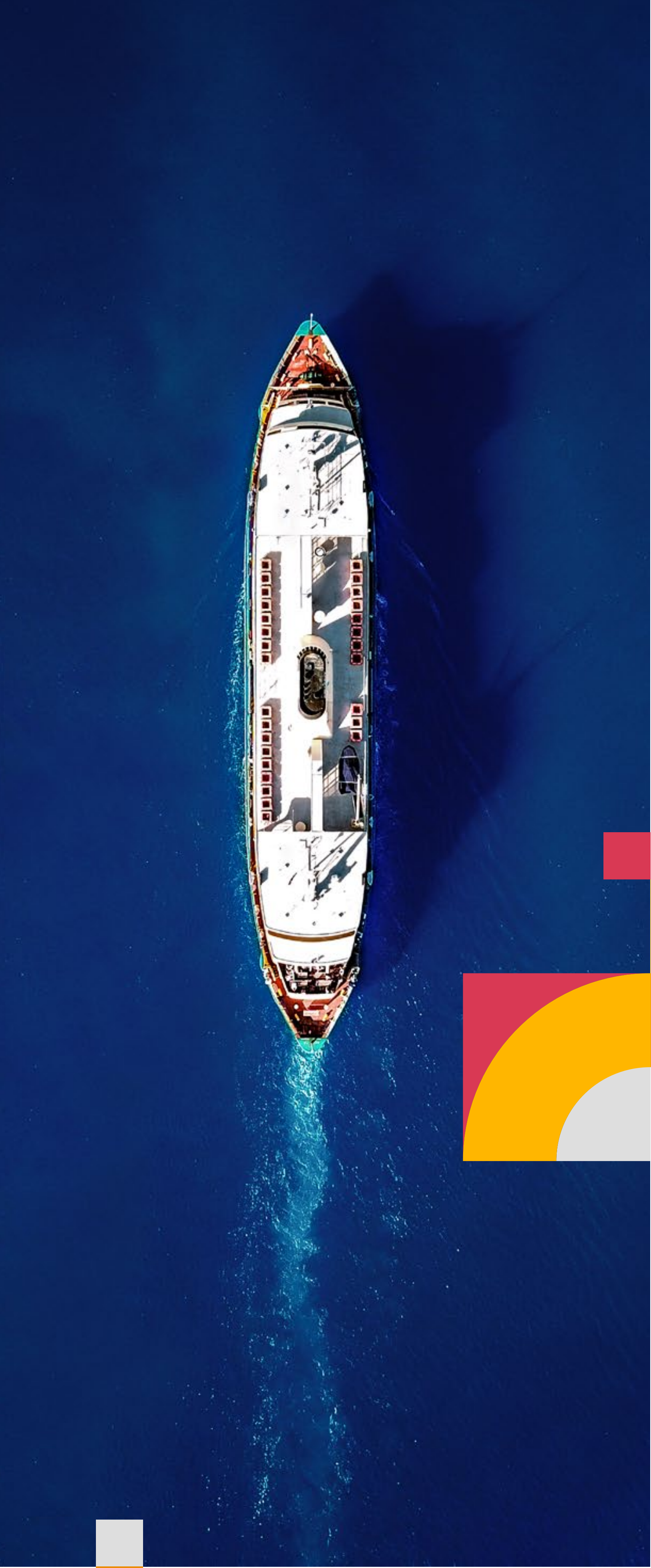
Hidden opportunity 03

Taking charge of your energy to reveal new revenue lines

Have you considered producing your own electricity and storing it to avoid shortages and surging prices? And earning revenue by selling that power when grid prices are high? What about leasing your under-utilised real estate assets, such as rooftops on buildings, to others for energy generation and storage (i.e. solar or batteries)? These are all measures being taken right now by savvy business leaders keen to switch up the energy game.

Rather than being passive consumers of energy and at the whim of market price volatility, CEOs can take control and manage their organisation's energy use more deliberately. Demand-side energy action means taking varied and innovative approaches to using and managing energy. Beyond simply switching to LEDs, there are now new ways to unlock value within an organisation by re-evaluating how energy is used.

Organisations that elevate energy discussions to the boardroom — and take an interconnected, portfolio approach — can boost margins, stabilise operations, cut carbon emissions and generate new lines of revenue, often simultaneously.



Act swiftly or brace for impact

The need to act on energy-demand is urgent. A storm is brewing in the energy transition space in Australia as the nation moves from fossil-fuel energy towards renewables. As more organisations announce net zero targets and prices rise, not only will there not be enough renewable energy in the grid, it will be unreliable at times and become unaffordable. At best organisations may not meet their targets, at worst, operations will be compromised.

The good news? By taking action on the demand-side, your organisation can do something about it.

> Organisations that participate in markets for energy and related products and services can both reduce costs and generate revenue.

Jon Chadwick
PwC Australia Climate Lead and
Global PwC Energy Transition Lead

How demand-side action on energy can drive value

Increase energy resilience

Install on-site renewables, such as solar, to generate electricity for use or sale. Pair these with on-site batteries to bank electricity to ensure a stable supply or enable sales back to the grid, to provide both cost savings and income.

Example: In a bid to reduce exposure to energy costs embedded in the prices of goods and services bought, IKEA offered financing to suppliers to help them purchase 100% renewable electricity and set up on-site renewables. All heating and about 15% of electricity consumption can be addressed by on-site investments. This shared value model resulted in better commercial and environmental outcomes for both parties.

Maximise market interactions to earn revenue

Engage in energy trading to buy and sell energy or contracts, and participate in ancillary services to adjust energy consumption or supply bulk energy to help stabilise the grid. These can unlock new revenue streams.

Additionally, capitalise on renewable investments by selling Energy Attribute Certificates (EACs) or carbon credits for generating renewable energy or avoiding emissions, providing financial incentives while supporting sustainability goals.

Example: One aluminium manufacturer earned AU$19.2m per year over a four-year period after enrolling in the Australian Reliability and Emergency Reserve Trader (RERT) program. The arrangement allowed it to collect fees from the Australian Energy Market Operator in exchange for ramping down its smelter when the electricity load on the grid peaked, thereby helping prevent interruptions and outages.

Reduce emissions

Switch appliances and machinery to electric models, and transition your fleet to electric vehicles and charging systems. These changes not only reduce carbon emissions, but potentially qualify for financial incentives or credits.

Example: A utility company aims to decarbonise its fleet of vans and heavy-goods vehicles by converting to electric and alternative-fuels vehicles to reduce fleet emissions by more than 90% by 2030. The phased rollout is expected to see a 50% reduction of its transport emissions by 2027.

Optimise energy demand

Use less energy to perform an activity or achieve an outcome, to reduce operational costs. Additionally, optimise energy consumption by timing usage to benefit from lower energy prices, to further enhance cost savings.

Example: When managers of an industrial manufacturer performed an assessment of their on-site energy demand, they found multiple opportunities to improve energy efficiency, including upgrading to more efficient electric motors, repairing leaks in compressed air systems and optimising lighting control software. These changes reduced their energy consumption by 10%, and the company's annual energy spending by €2m (AU$3.2m), and its yearly CO_2 emissions by 3,000 metric tonnes.

Key statistic: US$2tn annual savings possible (at current energy prices) if energy demand measures are taken by the end of this decade, according to research from the World Economic Forum in collaboration with PwC.

Key statistic: 80% lift in energy-related EBITDA achieved by an organisation in Southeast Asia that made energy efficiency upgrades, installed solar panels, battery storage and EV charging across its 2,000 sites.

Six actions organisations can take

Organisations can take a number of practical steps to realise the benefits of demand-side action on energy.

01 **Reposition energy demand as a value-driver,** not a 'cost' over which you have little control. Think about what you can *gain* from taking action on energy demand and invest in managing it, at Board level, with the aim of generating returns.

02 **Led by the CEO, assemble a cross-functional team.** Putting the CFO or CSO in charge of the energy program — working with supporting functions such as Procurement and Operations — can help ensure projects get done in a matter of months rather than years.

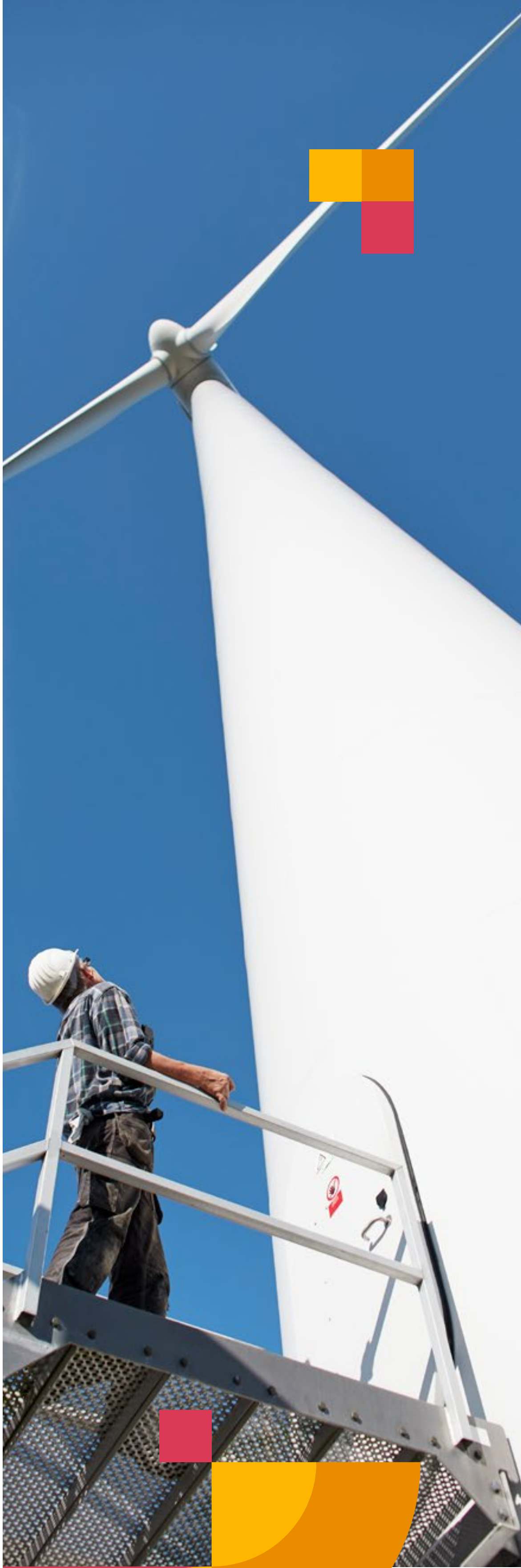
03 **Build an inventory of assets to create energy value.** Take stock of assets that enable demand-side action. This requires lateral thinking, plus an understanding of how risks and value pools might evolve, e.g. through green taxes and incentives.

> Several top public companies in Australia could cut their energy-related operating expenses in half — or even eliminate costs altogether — by revamping their approach to energy demand.[6]

04 **Manage energy demand holistically.** Outcomes will be more impactful if leaders compound benefits by prioritising complementary initiatives, and build them into a portfolio, rather than pursuing single initiatives in a disconnected fashion.

05 **Identify core capabilities and build incrementally.** Implementation may require specialised skills such as energy trading, energy monitoring and modelling. Relying on service providers to close technical gaps can be effective — but experience suggests there's a need to build certain in-house capabilities.

06 **Measure progress and benchmark against peers.** Establish performance indicators to gauge progress and track how you compare with your peers.



6 PwC analysis.

Hidden opportunity 04

Reinventing your supply chains to sustain growth

Supply chains are undergoing their biggest metamorphosis in decades. The convergence of the pandemic, geopolitical crises, rising regulatory demands and other megatrends have created immense pressure on organisations. Today, the landscape has shifted dramatically, demanding transformational change.

Partnerships are now necessary to combat the wider ecosystem disruption. Collaboration across the supply chain is one of the most effective ways to uncover opportunities for value creation. It provides access to new resources, expertise and co-investment in technology and new solutions.

Some companies are consolidating their supply chains. For example, one of the world's largest food and beverage companies purchased farms rather than having to rely on small, independent farmers. This shift gives companies transparency into their supply chain, while also generating new revenue sources.

With new and proposed ESG regulations in Australia, Europe and the US, the demand for supply chain traceability and non-financial reporting is rising sharply. An organisation's entire supply chain must comply to avoid financial and reputational risks. This includes tackling Scope 3 emissions — those indirect emissions, upstream and downstream — which can account for over 90% of an organisation's broader carbon impact. Yet, according to a 2024 PwC global study, only 12% of companies have adapted their supply chains to meet these challenges. This is also despite anticipated supply chain cost reductions of 19% and revenue gains of 16% for those most committed to adaption. None of this is easy, but it is achievable and essential to growth.

> Sustainable supply chains are efficient, resilient and have a lower cost to serve.

Gyanam Sadananda
Partner, PwC Australia

> It's surprising to many that you can construct a sustainable supply chain *and* still be profitable.

Gyanam Sadananda
Partner, PwC Australia

How sustainability supply chains can drive value

Risk management and compliance

Organisations can effectively manage environmental and social risks by ensuring the climate impact of products is understood, and supply chains are free from substandard working conditions, forced labour or other human rights violations.

This is essential to meeting rising regulatory demands and preventing reputational or financial damage.

Enhanced brand reputation and trust

A focus on sustainability enhances brand reputation, building trust with consumers, investors and other stakeholders. Transparent, sustainable practices demonstrate an organisation's commitment to ethical operations, helping to differentiate it in a competitive market.

Cost efficiency and resilience

Sustainable supply chains reduce costs by optimising resources and improving efficiency. They also enhance resilience by anticipating regulatory changes and market shifts, helping organisations avoid costly disruptions.

Competitive advantage and long-term value

Sustainable supply chains offer a competitive edge by aligning with growing consumer demand for responsible products. They also position organisations to capitalise on new market opportunities, driving long-term value and profitability.

Key statistic: 9.7% the premium consumers are willing to pay for sustainably-sourced products.

Four actions organisations can take

There are a number of practical steps leaders can take to realise the benefits of a sustainable supply chain and improve collaboration.

01 **Invest time and resources in sharing, educating and listening to your supply chain partners.** Engaging with all partners together clarifies motivations, deepens understanding and encourages ongoing collaboration.

02 **Get your baseline in place and map supply chain connections and interdependencies in collaboration with key partners.** This helps to define a manageable scope and set realistic boundaries. For example, if you haven't already measured your Scope 3 emissions, this is a great place to start. This exercise often uncovers quick-win opportunities that can reduce costs and emissions. Start with your largest emitters and work backwards.

> **Spotlight on technology**
>
> Last mile reporting, analytics and data aggregators are all useful — data can identify shocks before they happen. Indispensable are advanced technologies such as AI-enabled "control towers" — connected dashboards of data, key business metrics and events personalised to decision-makers across the supply chain. These help you to understand, prioritise and resolve critical issues in real-time.

03 **Be prepared to pitch in financially.** Some supply chain partners will not be able to bear the additional expense of a net zero transition. Supporting both upstream and downstream partners ultimately strengthens your entire supply chain and benefits your business.

04 **Cultivate an ecosystem of partners.** Join with others to create implementation ecosystems. PwC research shows companies that master ecosystem approaches are 1.6 times as likely as their peers to gain competitive benefits, such as access to new customers. Cricket for Climate is a great example. This nonprofit organisation is creating a connected energy ecosystem to help cricket clubs and local municipal councils collaborate with providers of energy services and financing on demand-side action. This will generate cost savings and income streams for clubs and help take cricket to net zero emissions by 2035.

The reinvention opportunity

Sustainability is central to business survival and growth as Australia's organisations face increasing regulatory pressures and evolving consumer and investor expectations.

This report highlights four key opportunities for organisations to harness sustainability for competitive advantage. From using innovative energy management practices to transforming sustainability reporting into a strategic asset, the potential to create new revenue streams and unlock hidden value is substantial. Shifting to a sustainable corporate strategy and adapting supply chains are strategic moves that can secure long-term growth.

As global sustainability standards tighten and new regulations emerge, those who act now will lead the way in a fast-changing market. Leaders are shifting from a compliance mindset to focusing on growth potential instead. Collaborating across functions and with external partners will ease the transition. Setting ambitious measurable targets and using technology will boost progress and improve transparency. All of these actions need to be underpinned by an up-skilled workforce, united by purpose, and the drive to remain competitive in a net zero future.

The path forward is clear: by embedding sustainability into the heart of your organisation, you can tackle challenges head-on and ensure your organisation is leading the way towards a sustainable future.

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