

The background of the slide is a photograph of a modern building with a glass facade and a vertical garden. The building is curved and has a glass facade that reflects the sky and other buildings. The vertical garden is a wall of green plants, including various types of foliage and hanging plants. The image is overlaid with a large, semi-transparent, grey arrow pointing to the right. The arrow is composed of several overlapping, slightly offset shapes, creating a sense of motion and direction. The overall composition is clean and professional, with a focus on sustainability and modern architecture.

Six Business Challenges Sustainability Can Help Address

Sustainability and resilience have become core to business strategy. As more organizations pursue responsible practices and processes, they may uncover and capture advantages that redefine business as usual.

As the regulatory landscape continues to expand, often challenging a company's operating model, organizations that neglect to consider a long-term view of building resiliency into their businesses may find themselves outside of compliance and losing competitive advantage.

Consider the ways that sustainability and resilience can help your organization address six common business challenges.



1. DISPARATE RISK MANAGEMENT EFFORTS

Including sustainability-related risks in enterprise risk management can help organizations better identify and prepare for business disruptions. Broadening the scope of a risk management strategy to include ESG factors helps organizations assess hazards they may have previously overlooked and take a more comprehensive approach to addressing risk.

For example, sustainability-related legal and compliance risks have become particularly prominent in recent years as regulatory bodies mandate reporting, due diligence, and/or certain product or operational obligations. Failure to comply can undermine trust and lead to penalties, reputational damage, and stakeholder dissatisfaction.



2. INCREASED MATERIALS AND OPERATIONS COSTS

Sustainability initiatives can create efficiencies that lead to significant cost savings. Organizations may modify or introduce new processes and approaches that help improve energy efficiency, reduce waste, and optimize resource use.

For instance, organizations may analyze their operations to pinpoint equipment or processes that consume significant amounts of energy. Making changes to costly hot spots, whether through simple solutions or by implementing comprehensive sustainability strategies and programs, can help organizations minimize waste, lower costs over time, achieve higher profit margins, and avoid supply chain disruptions.



3. LIMITED ACCESS TO CREDIT

Private equity firms, asset managers, financial institutions, and insurers regularly use ESG data to evaluate potential investments, often prioritizing or providing better terms to organizations with mature sustainability strategies. Tax credits, incentives, and grants are also available at the federal and state level, especially for clean energy investments.

Organizations can build relationships with financiers by proactively sharing sustainability-related commitments, milestones, and progress reports. Disclosing sustainability metrics that align with an established ESG reporting framework and obtaining third-party assurance can bring more credibility to fundraising efforts.



4. BUILDING BRAND LOYALTY

Climate and social issues are influencing more consumers' purchasing decisions, and a commitment to sustainability can influence brand loyalty – especially when it comes to younger generations. In response to this shift, businesses are aligning services and products with both customer needs and values.

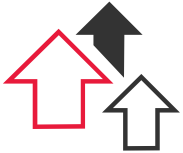
In addition to examining their own operations, organizations are scrutinizing their supply chains to establish greater transparency around carbon footprints, ethical codes, and overarching sustainability efforts. Alignment with sustainability goals is crucial for maintaining long-term business relationships as many of the larger, global brands have established sustainability requirements, which are quickly becoming a license to operate for their suppliers.



5. TALENT RECRUITMENT AND RETENTION

More employees want companies to publicly support and demonstrate their commitment to sustainability — and some will consider leaving organizations that act counter to their personal values.

This is particularly true among younger generations, who prioritize working for organizations with a clear sense of purpose and responsibility. By embedding sustainability into business practices and effectively communicating impact and progress, employers can strengthen their brand and attract talent that is passionate about driving positive change.



6. MAINTAINING COMPETITIVE ADVANTAGE

Organizations that are looking to drive revenue growth, create new products, and access new customer categories are considering sustainability market signals in developing their growth strategies. Earning competitive advantage is not limited to voluntary sustainable initiatives — organizations that fulfill compliance requirements with a high level of integrity and transparency can also distinguish themselves from their peers.

Pursuing circular product design is one sustainability strategy that can lead organizations to innovate. Changes to sourcing and operations to create products that use fewer materials, reduce the environmental impact, and produce less waste can help organizations stand out in the marketplace and advance corporate sustainability goals.

By the Numbers

According to the [2025 CFO Sustainability Outlook Survey](#), 77% of businesses plan to maintain or increase their sustainability investments this year. Here's a by-the-numbers look at ways sustainability can help address common business challenges.



Disparate Risk Management Efforts

81% of U.S. executives surveyed say climate planning and preparedness is important to their business. (MIT Technology Review Insights)



Increased Materials and Operations Costs

81% of corporate sustainability decision-makers see opportunities for sustainability to drive higher profitability in the next five years. (Morgan Stanley Institute For Sustainable Investing)



Limited Access to Credit

80% of institutional investors believe ESG has an impact on the financial performance of an investment. (MSCI Sustainability Institute)



Building Brand Loyalty

Products marketed as sustainable achieved a five-year CAGR of **9.9%**, versus 6.4% for conventionally marketed products. (NYU Stern Center for Sustainable Business)



Talent Recruitment and Retention

Organizations that embed sustainability are **56%** more likely to outperform their peers on talent attraction. (IBM Institute For Business Value)



Maintaining Competitive Advantage

93% of senior leaders say that sustainability is important to commercial success. (GlobeScan)



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