



Why your business should invest in sustainable business practices

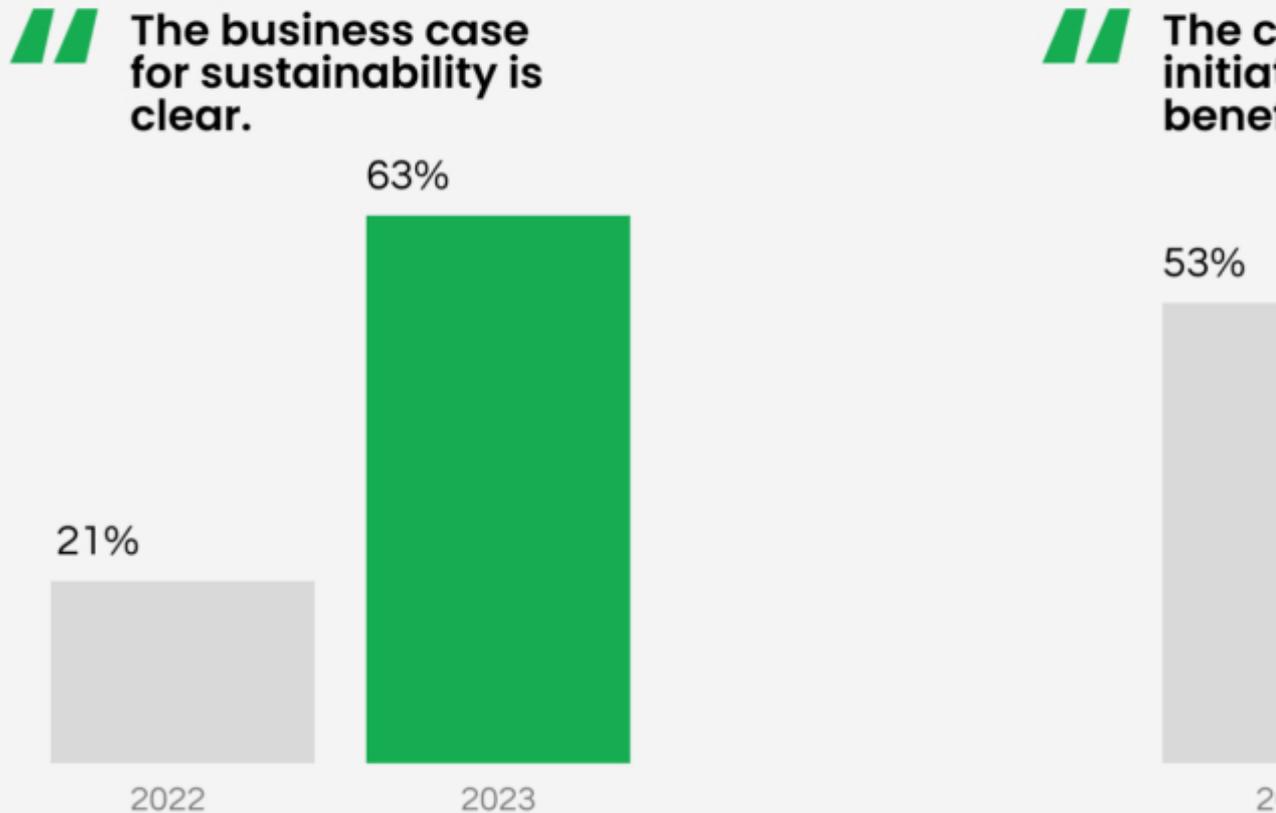
Description

Sustainable business practices: a smarter business move

Let's face it—until recently, sustainability felt more like a checkbox than a real opportunity for many businesses. The push to “go green” was often driven by external pressure rather than a genuine desire for change. But that mindset is shifting—fast.

Today, sustainability isn't just about doing the right thing. It's about staying competitive, attracting customers and talent, reducing risk, and opening up new financial opportunities. The numbers speak for themselves: a recent Capgemini report showed that in just one year, the number of business leaders who believe “the business case for sustainability is clear” tripled—from 21% in 2022 to 63% in 2023. At the same time, fewer leaders now see sustainability as a cost burden.

Figure 1. Sustainability awareness grows across executive'



Still not convinced? Let's break down why sustainability should be high on your business agenda this year.

1. New regulations are here—be ready, not reactive

Governments around the world are stepping up. In the EU, the Corporate Sustainability Reporting Directive (CSRD) will require around 50,000 companies to report on their environmental and social impact starting in 2025. This isn't just about publishing a few KPIs. You'll need to perform double materiality assessments, get third-party verification, and submit digitally tagged reports.

Then comes the Corporate Sustainability Due Diligence Directive (CSDDD). This goes even deeper—asking businesses to track, manage, and mitigate risks across their supply chains. If your business touches high-risk industries like textiles, agriculture, or raw materials, you'll likely be affected.

In the U.S., the SEC is also introducing climate-related disclosure requirements for public companies starting this year.

Bottom line? If you haven't already built a solid sustainability strategy, now's the time. Being proactive not only helps you comply but also puts you a step ahead when new regulations roll in.

2. Your stakeholders care a lot

Sustainability is now a top concern for everyone connected to your business—from investors and customers to employees and suppliers.

- **Investors:** 75% of investors say a company's sustainability strategy plays a key role in their decisions. Many are willing to invest more—even if it means short-term profit dips—if they see a strong long-term sustainability vision.
- **Consumers:** The demand for ethical, eco-friendly products keeps rising, especially among Gen Z. Between 2019 and 2021, their preference for sustainable brands jumped by 24%, and their willingness to pay more rose by 42%.
- **Employees:** Younger workers want to work for responsible companies. Nearly 70% of people aged 16–24 say sustainability influences where they choose to work.

Ignoring these trends isn't just risky—it means missing out on talent, customers, and funding.

Figure 2. Sustainable Consumer Survey Stats, 2023

26%

Are prepared to pay more to protect biodiversity.

24%

Would pay more for sustainable products and packaging.

25%

Are willing to pay more for products or services of suppliers that respect human rights or commit to ethical working practices.

34%

Stated that their trust in brands would be improved if they were recognised as an ethical/sustainable provider by an independent third party.

3. Gain a competitive advantage

Businesses that take sustainability seriously don't just stay compliant—they lead.

Independent benchmarking tools, like those from the World Benchmarking Alliance, show how sustainability performance is becoming a key competitive differentiator. High-ranking companies get noticed. Low-performing ones? It's often a wake-up call.

Larger firms are also now demanding more from their suppliers. If you can prove your sustainability credentials—especially in reducing Scope 3 emissions—you're more likely to win and keep major contracts. In fact, many companies now offer supplier incentives

tied to sustainability goals.

4. Sustainability makes financial sense

Let's talk money. Sustainable businesses aren't just good for the planet—they're often more profitable.

- **Better margins:** Accenture found that sustainability leaders had operating margins 3.7 times higher than their lower-performing peers.
- **Stronger returns:** They also saw 2.6 times higher returns to shareholders.
- **Green financing:** Banks like ABN AMRO now offer sustainability-linked loans and green financing options. These come with better terms if you meet specific sustainability goals.

And then there are the **efficiency gains**. Think lower energy costs, smarter design, and less waste. Solar energy, for example, is now much cheaper than predicted just a decade ago—and that's helping businesses reduce costs and carbon at the same time.

Even investors are adapting. Asset managers like Blackrock and Robeco are creating sustainability-only funds, and thanks to the EU's SFDR rules, companies that don't take sustainability seriously may be excluded.

5. It's time to think bigger about value

A growing number of businesses and global initiatives—like the Value Balancing Alliance and the Impact Management Platform—are pushing for a broader definition of value. That means considering **natural, social, and human capital**, not just financial profit.

This isn't about ticking ESG boxes. It's about creating long-term value in a world that's changing fast.

How to get started

You don't have to do everything at once—but you do need to start with a plan. Here are a few steps to begin building a future-proof sustainability strategy:

â? Ensure full compliance

Start by understanding and meeting the latest regulations. This forms the foundation of your sustainability approach.

â? Benchmark your performance

See how you stack up against peers in your industry. Use this to find areas where you can lead.

â? Collaborate across your value chain

Youâ??ll get further by working with partners who share your values. Look for shared goals and co-create solutions.

â? Look for â??double winsâ?•

Focus on solutions that deliver both financial and sustainability valueâ??like reducing energy costs or securing green financing.

Final thoughts

Sustainability is no longer a â??nice to have.â?• Itâ??s a business imperative. Whether itâ??s regulation, stakeholder pressure, or financial opportunityâ??now is the year to act.

But donâ??t fall into the trap of surface-level commitments. Greenwashing is under increasing scrutiny. When you invest in sustainability, do it with purpose and integrity.

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Note: This article was written by Nexio Projects, an international sustainability consultancy that helps organisations achieve their sustainability and climate goals through ESG ratings support, Carbon emissions calculations, decarbonisation strategy, and expert non-financial reporting. To learn more about their services and impact, visit [Nexio Projects](#).

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