CST | COUNCIL ON SUSTAINABILITY TRANSFORMATION
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Executive Summary

From Silo to System: Connecting sustainability to the core of business

Today's business environment is reshaping how sustainability is reflected across other business priorities. Rather than operating as a standalone agenda, sustainability is increasingly emerging as a business performance catalyst embedded in core operations and judged by how well it supports strategy and execution, resilience, cost control, and business continuity.

This shift is unfolding in different ways globally, but with a common outcome: decisions on energy, water, operations, and capital are now also inherently sustainability decisions, whether labeled as such or not. As a result, sustainability creates the most value when it improves outcomes on the issues executives consider most critical.

Although many companies have already started integrating sustainability into core decisions, the pace and the strategic importance of this shift are intensifying.

Five drivers reshaping executive decision-making

This paper identifies five cross-cutting drivers shaping business decisions today and demonstrates how integrating sustainability into these areas strengthens performance and competitiveness:

1 **Trade, policy, and geopolitical uncertainty:** Rising volatility is increasing pressure on companies to build flexibility into supply chains and investment decisions. Integrating sustainability into risk assessment improves the visibility of climate-, regulatory-, and resource-related exposures, enabling more resilient and adaptable business strategies.

2 **Energy and water security and affordability:** Access to reliable, affordable energy and water is an increasingly critical constraint on growth. Sustainability-related actions can improve efficiency and lower operating costs through reduced resource intensity, while also supporting continued resource access by strengthening community relationships and social license to operate. Overall, this supports both resilience and growth.

3 **AI acceleration:** AI is transforming operations and decision-making across sectors, creating new risks and significant opportunities. When companies use AI to bring sustainability-related data, such as resource use and emissions, into operational decision-making, it can improve risk forecasting, resource efficiency, and performance, while also enabling new market opportunities and more differentiated business models. This reinforces AI's role as a tool for improving performance and decision-making.

4 **Value chain continuity and project viability:** Increasing disruption has shifted focus from cost optimization to resilience and deliverability. Embedding sustainability into project design and stakeholder engagement helps identify and address environmental and social risks early, reduce delays, and increase the likelihood that projects are completed on time and on plan.

5 **Access to capital:** Investors are prioritizing projects that demonstrate predictable delivery and long-term value. Factoring sustainability into capital allocation not only improves investment decisions and reduces risk of underperformance, it also creates upside by strengthening access to financing by broadening the investor base and aligning with investor expectations.

From sustainability agenda to performance catalyst

The central message is clear: sustainability has the greatest impact when it is embedded in the decisions that shape business performance. Companies that integrate sustainability into core business processes are better positioned to manage risk, improve efficiency, and capture new sources of value.

Practical actions for companies

To realize this shift, companies should focus on five priorities:

→ **Reposition sustainability within the business:** Treat sustainability as a cross-functional capability embedded in strategy, planning, and operations, not as a separate workstream.

→ **Reframe sustainability in financial terms:** Translate sustainability risks and opportunities into quantified financial impacts on cost, productivity, resilience, and competitive advantage.

→ **Prioritize resilience-critical investments:** Focus on initiatives that most clearly strengthen performance and enable efficiency gains, revenue opportunities, or differentiation.

→ **Reassign accountability across the business:** Embed responsibility within core functions such as finance, operations, procurement, and technology to ensure sustainability is tied to execution.

→ **Build capability to realize impact:** Help teams to apply sustainability insights in day-to-day decisions by equipping them with data, tools, and shared language.

Conclusion

The point of sustainability is not to add another layer of process, but to make it an integral part of how business learns, decides, and executes. Companies that keep sustainability separate from core decision-making will miss its value. Companies that embed it will absorb shocks better, improve performance, and turn sustainability into a lasting source of competitive advantage.

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