Position Green

OCTOBER 2025

A strategic snapshot

Sustainable business playbook

For smarter decisions, proven impact, and higher ROI

1,900 COMPANIES BENCHMARKED: INSIGHTS FROM

48,000+

DATA POINTS

How to calculate your sustainability ROI

Leaders in the spotlight: DNB and Orkla

Leading the change

01

Sustainability reporting has come under pressure. The EU's Omnibus package, aimed at simplifying the CSRD, has introduced uncertainty for companies and investors alike.

This comes just as many organizations were making real progress in building robust reporting infrastructures to support strategic decision-making. Politically, the current deregulatory drive is framed as a way to bolster Europe's competitiveness.

But treating sustainability reporting and transparency as a liability is not a winning strategy for Europe's future. It may satisfy short-term populist and revisionist sentiments, but it undermines the strategic, science-based foundation companies need to navigate a fast-changing landscape of risks, opportunities, and impacts. Measuring and reporting on sustainability isn't an act of goodwill, it's a prerequisite for managing with foresight. Without reliable data, we are flying blind.

Sustainability has entered an "in-between" phase. In the short term, we can expect the backlash to continue, shaped by ongoing (geo)political tensions. But in the long run, sustainability will return to the forefront, because the ecological realities we face are not subject to political cycles. Climate change and biodiversity loss won't wait. And the green transition is already reshaping key sectors, from energy to finance, in ways that are lasting and irreversible.

In this transitional moment, companies must ground their sustainability strategies in science. Frameworks like the Planetary Boundaries offer a stable, objective basis for long-term action. Such an approach reduces exposure to political volatility and empowers firms to lead with clarity and confidence. In times of uncertainty, it is also essential to reflect on the core values and sustainability ambitions that guide an organization. These values serve as a strategic compass, helping leaders distinguish between the noise of short-term disruption and the clarity of long-term priorities.

And that matters, because the real question isn't if sustainability will be a priority again. It's whether your organization will be bold enough, visionary enough, and ready to lead when it does.

> **"Measuring and reporting on sustainability isn't an act of goodwill, it's a prerequisite for managing with foresight."**

ANDREAS RASCHE

Professor and Associate Dean at Copenhagen Business School, focused on ESG and corporate sustainability

Capital demands as drivers of change

02

Capital markets have emerged as a decisive force in driving environmental, social, and governance (ESG) transformation across industries. While governments and policymakers continue to shape the regulatory landscape, investors are not waiting on policy to act. Instead, they have shown proactivity and demanded ESG alignment to manage risks, ensure disclosure quality, and secure long-term value.

BY LARS MAC KEY, GLOBAL HEAD OF SUSTAINABLE PRODUCTS, DANSKE BANK

Danske Bank

Danske Bank, a partner and collaborator of Position Green, have outlined the key capital levers that are influencing these changes from the top-down, and how market mandates are aligning ever more closely to sustainability. Written by Lars Mac Key, the Global Head of Sustainable Products, it contains topical points of reference for how markets have moved and how you need to adapt to them. →

Beyond compliance: Risk, disclosure, and long-term value

For financial institutions and investors, understanding and preparing for both global and local risks is essential to safeguarding long-term value. The World Economic Forum's Global Risks Report identifies the most pressing risks over two timeframes: the next two years and the next ten years. It highlights how interconnected challenges can threaten economic stability. Short-term risks, such as extreme weather events and armed conflicts, demand immediate action. Meanwhile, long-term risks, four of the top five of which are environmental, require strategic foresight and proactive planning.

These risks are not just theoretical concerns; they directly impact asset valuations, supply chains, and market stability. For example, climate risks increasingly translate into physical threats to infrastructure and regulatory shifts, while geopolitical tensions can disrupt global trade and investment flows. By integrating these global risks into their frameworks, investors can better anticipate challenges, identify opportunities, and build resilience in their portfolios. Addressing these risks proactively is essential for breaking down the complexities of the modern financial landscape.

Risk is a global concept, but due to political decisions and market trends there are variations on how the ESG factors are labeled. For many years the regulatory environment in Europe on ESG transparency increased, however some of these requirements have lately been revised. The US, post-Trump, finds itself at a crossroads. While the Biden administration re-engaged with climate and sustainability issues, the current regulatory environment remains fragmented and politically polarized. Today, ESG has in many cases been reformed from a marketing exercise to strategy, mostly it is still the same risks targeted, but with various wordings.

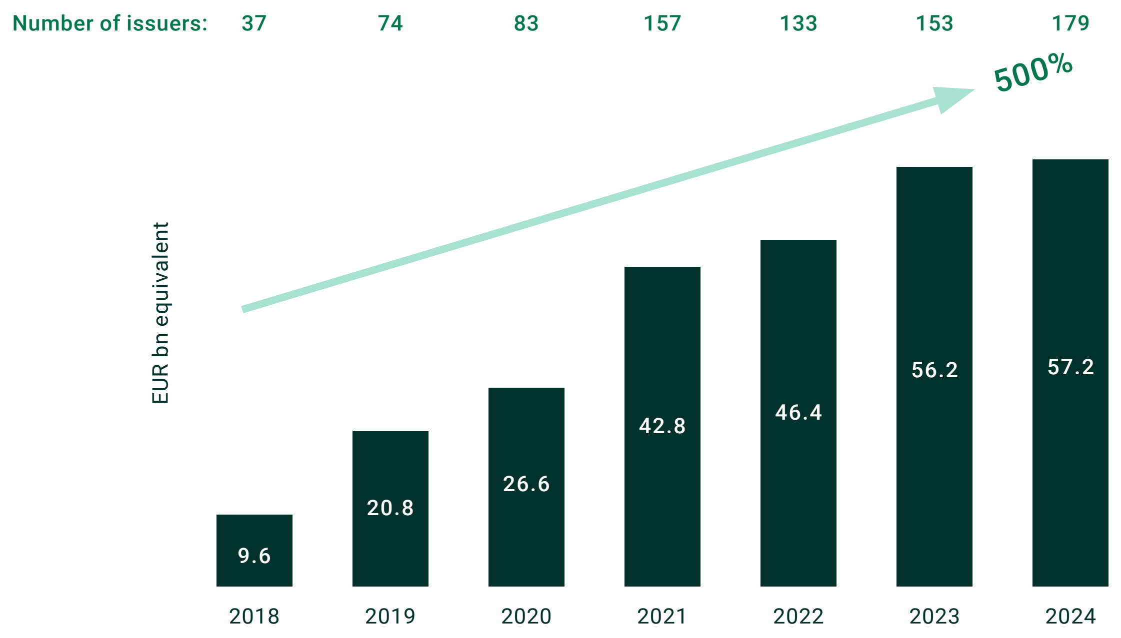
Regardless of how the risks are labeled, investors continue to demand such information and reporting to fulfil their stakeholder and policy reporting requirements. As an example, the European Securities and Markets Authority (ESMA) introduced stringent rules to combat greenwashing, particularly in the labeling of ESG and sustainability-focused funds. These regulations are designed to ensure that funds marketed under an ESG, or sustainable banner can substantiate their claims with clear, measurable, and verifiable data.

The evolvement of ESG regulation

When the European Investment Bank (EIB) issued its inaugural Climate awareness bond in 2007 followed by the world's first labeled green bond in 2008 by the World Bank it opened a door to how ESG could be integrated in the capital markets. Since then, the ESG agenda has expanded beyond simply considering how bond proceeds are used, regardless of a sustainable bond or not, to also evaluating the ESG values and practices of the issuing entity. Since 2010, the Climate Bond Initiative (CBI) has built standards and taxonomy to define what is green and/or sustainable. CBI's work was foundational for the construction of the EU's own taxonomy for green activities, and today many of the European regulations build on the EU taxonomy. Moreover, many global standards and regulations build on the EU taxonomy.

The Sustainable Bond market has functioned as a door opener to many investors and issuers in terms of ESG, a self-regulated market long before regulation and policy makers took interest. Since the first green bonds, the global sustainable bond principles have developed to require issuers to have a sustainability strategy that the sustainable bond issuance should cater for. The Euro sustainable bond market is today five times bigger than in 2018, and the Nordic issuer equivalent has grown even more. The European sustainability bond market is the largest, and issuers from around the world come to Europe to issue sustainable bonds to meet and be appreciated by the ESG-focused investor community. →

Nordic sustainable bond issuance 2018-2024



Investor demands outpacing regulation

Although regulatory frameworks like ESMA's greenwashing rules and the EU's Sustainable Finance Disclosure Regulation (SFDR) provide an important baseline, defining the criteria for what is a sustainable investment option, investor demands are moving faster and going further. In the EU, the inflows to sustainable fixed income funds widely outpace those with no definition, proving also private capital's interest in transparency and direction of travel. Capital markets are setting their own expectations, often exceeding what legislation requires. In times like this, where the reporting requirements for some companies are eased by policy, the investor community still demands the information, creating trickle-down effects where companies need to show transparency to stay relevant.

In the Nordic region, investors have long been at the forefront of sustainable finance. Pension funds, asset managers, and institutional investors are raising the bar, demanding not only compliance but also demonstrable leadership in ESG practices. Nordic asset managers, for instance, are leading the charge in aligning portfolios with net-zero ambitions, requiring companies to go well beyond regulatory standards to secure funding. Half the bond volume issued by Nordic companies is in a sustainable bond labeled format, in Euro the share is about a third. Due to the current regime in the US, their sustainable bond market has fallen short, but the baton was instantly picked up by China and Asia which is why the global, unregulated, sustainable bond market continues to grow.

Capital markets as strategic allies

Entities with an ambitious sustainability strategy and transparent reporting should view the evolving capital markets demand, beyond regulation, as an opportunity rather than a threat. Investors are increasingly positioning themselves as strategic allies for businesses that lead on climate action, social responsibility, and governance transparency, factoring both risks—such as climate resilience—and sustainability into their decisions.

Lacking a clear sustainability strategy can be seen as a risk but also result in disqualification from the many mandates with sustainable investment criteria. Failure to adequately communicate risks may reduce entity valuation and, in some cases, impede access to capital entirely. The sustainable bond investor mandates, requiring the issuer to have a strong sustainability strategy, adds additional investor interest.

> **"Meeting the expectations of investors, who now expect not just data but verifiable, actionable ESG metrics, has become a key competitive advantage."**
>
> LARS MAC KEY
> *Global Head of Sustainable Products, Danske Bank*

Entities that adhere to these market signals gain access to a growing pool of ESG-focused capital, while those that fall short face more limited financing options. Over time, this helps companies withstand market shocks and create valuation resilience, as transparent ESG performance signals strong governance and future readiness.

This is particularly relevant as companies navigate the complexities of ESG reporting in a post-greenwashing world. Meeting the expectations of investors, who now expect not just data but verifiable, actionable ESG metrics, has become a key competitive advantage. For those that succeed, the rewards are significant: access to capital, enhanced reputation, and stronger stakeholder relationships.

03

The new sustainability leaders: How ambition wins

For some companies, sustainability reporting is still a box to tick. It’s paperwork, with little connection to business strategy. But there are others that take a different approach. These companies act before they are required to, they integrate ESG into strategic decisions, and they view sustainability not only as risk management but as a source of competitiveness and value creation. In short, they see reporting as the starting line, not the finish.

This chapter features two of those front-runners: Orkla and DNB. Both earned an A in Position Green’s ESG100 review 2024. In the following interviews, they share how they turn reporting into business strategy, and how they use sustainability as a lever for growth, resilience, and long-term value. →

About ESG100

The ESG100 is Position Green’s review of the ESG reporting of the 400 largest listed companies in Scandinavia and Europe. Reporting is assessed against 32 equally weighted criteria, with scores converted into eight rankings: A+, A, B+, B, C, D, E, and F. The review tracks disclosure patterns and evaluates how well companies are aligning with the European Sustainability Reporting Standards (ESRS). It provides key insights for businesses, investors, and policymakers to navigate regulation and drive real sustainability impact.

HILDE NORDBØ

Executive Vice President for Group Sustainability at DNB

INTERVIEW WITH DNB

1,500 billion reasons DNB thinks sustainability is good business

As Norway's largest financial institution, DNB is already subject to stringent sustainability regulations. But for Hilde Nordbø, Executive Vice President for Group Sustainability, the goal has never been to simply tick boxes. It is about driving meaningful change in the economy and finding opportunities in complexity. →

> “We have both a responsibility and an opportunity to be part of the transition.”

says Nordbø. “As the largest bank in Norway, reflecting the Norwegian economy as a whole, we need to support the entire economy through transition, not just the greenest parts of it.”

That includes the sectors some shy away from, such as shipping, oil, and gas, which are often labeled “hard to abate.” For DNB, these are the frontlines of real progress.

Ambition that outpaces regulation

While many companies are just starting to adapt to new rules and reporting obligations, DNB had already made sustainability a strategic priority years earlier. “DNB has been part of voluntary initiatives for many years,” says Nordbø. “Now we see that a lot of what was once voluntary becomes regulatory requirements, making it more difficult to differentiate on sustainability. However, there is still a lot of space left for sustainability as a business opportunity.”

That space is where DNB is positioning itself. “For us, that is being a transition bank, starting with our most material issues and working with our clients on their transition journey as well,” she explains.

Tracking progress and tying it to value

DNB’s ambition is not abstract. It is measured, managed, and integrated at every level. “We disclose progress on the transition plan in our annual report for every material industry. Progress toward targets are also part of the regular reporting to the board.”

A key target for DNB is to mobilise NOK 1,500 billion in sustainable finance through lending and facilitation by 2030. “We have an ambitious target for sustainable finance, and we report quarterly on our progress towards the 1,500 billion. We also report on the progress towards the 1,500 billion target to ensure we’re on track.”

Sustainability goals are also embedded into leadership performance. “We have linked ESG goals to the performance evaluation of our management,” Nordbø notes.

DNB’s approach illustrates what it means to embed sustainability across the business. For companies looking to turn sustainability ambition into measurable value, the next step is integration.

How to link sustainability targets to business performance: 3 practical tips

1 Embed sustainability into governance and strategy

Identify the most material sustainability topics using a double materiality analysis, and ensure they are integrated into strategy and governance.

2 Make ESG an integrated part of the business decision-making process

Integrate the most material ESG topics into how you assess investments, budgets, and risks. For some companies, this can be done using internal carbon pricing or emissions-per-investment metrics to guide CapEx and OpEx decisions, particularly when assessing or reporting on climate transition risk.

3 Foster ownership and culture across the organization and build partnerships

As sustainability becomes more integrated, it should also become part of multiple functions across the organization. Still, there must be clear ownership of the various material topics, along with dedicated resources. Combined with the two points above, this can accelerate a sustainable transition. Finally, to achieve scale, mature companies should build strategic partnerships across industries, recognizing that systemic change requires collaboration. Working with peers, suppliers, and competitors can unlock shared solutions to complex challenges.

> “We have linked ESG goals to the performance evaluation of our management.”

How Orkla drives change across 300 brands

JEANETT BERGAN

Senior Vice President ESG and Sustainability at Orkla

INTERVIEW WITH Orkla

With over 300 brands spanning food, home, and personal care across multiple markets, Orkla operates at the intersection of consumer expectations, investor scrutiny, and regulatory demands. Sustainability has long been part of the group's DNA, but now more than ever, it's about maintaining trust, safeguarding reputation, and creating scalable impact.

From pressure to progress

"Orkla cannot afford serious incidents that could damage its reputation. This has been an important part of the company's strategy for many years, with investors and banks acting as key drivers," says Jeanett Bergan, Senior Vice President ESG and Sustainability at Orkla.

Operating in a consumer-facing business where sustainability is still not a major purchasing driver, the company recognizes that pressure from the financial sector is one of the most decisive forces pushing sustainability forward.

Ambition goes beyond minimum requirements. "For Orkla, there are many existing and upcoming EU regulations that go beyond CSRD, so overall we do not experience that regulatory pressure has been weakened by the Omnibus. Ensuring compliance with regulations is still a demanding goal in itself. Nevertheless, we have chosen to set voluntary SBTi targets, including FLAG (forest, land, agriculture), targets, and are now working on setting goals related to biodiversity and nature-related risks." →

Impact at scale

Sustainability for Orkla is about embedding responsibility across high-volume categories.

“Financially and operationally, sustainability provides more efficient resource use, a license to operate, and ensures that we meet the public’s minimum expectations,” Jeanett explains.

Still, balancing ambition with commercial realities remains a challenge. “Ensuring environmental responsibility from cradle to grave, decent working conditions and wages, as well as supply chain traceability, is so costly and demanding that consumers are not willing to pay the real price for it. It may work for niche products, but for large product categories it is not feasible. Here we have to work with gradual improvements, but since these involve such large volumes, positive changes will have a bigger impact than major improvements in a niche product.”

This pragmatic approach has become an institutional strength. “No KPIs/metrics within sustainability are followed up in the same way as financial investment procedures: Where can you achieve the greatest benefit for the lowest investment? The commitment to sustainability has persisted across leadership teams and boards; this is Orkla’s institutional strength, and we have had a strong ESG rating for many years.”

> **“Financially and operationally, sustainability provides more efficient resource use, a license to operate, and ensures that we meet the public’s minimum expectations.”**

How companies can move from ESG basics to business value

1 Align sustainability with business value

Don’t treat ESG as separate from your commercial strategy. Make sure sustainability measures strengthen financial performance, not weaken it. Your ESG strategy must be financially sustainable and adapted to market demand.

2 Meet customer expectations and market requirements

In B2B markets especially, customers are setting increasingly strict procurement requirements linked to sustainability. By aligning with these, companies can not only stay compliant but also win business and strengthen competitiveness.

3 Combine ambition with pragmatism

To succeed, you need to think big and far outside the box, but without blowing up the box. Success comes from being innovative and finding ways to “grow the pie” while staying realistic. Be pragmatic!

04 Impact in play

The core sustainability benchmarks every business leader should know

In a year marked by regulatory rollbacks, it would be a forgivable offense to assume that slowing the momentum of your sustainability initiatives might be pragmatic. After all, if the function they are meant to fulfill, compliance, is being de-escalated, it could seem logical to reduce your sustainable ambition as well. But it isn't. And we set out to dispel that myth using the most irrefutable evidence available: data. Specifically, data from 1,900 companies, collected between 2023 and 2024.

This benchmarking analysis was conducted to understand how companies are progressing in practice, beyond regulatory headlines and public commitments. Using data reported directly by companies across multiple sectors and regions, we examined materiality assessments, emissions disclosures, governance practices, and performance indicators to identify emerging patterns. The goal: to highlight where companies are leading, where gaps remain, and what signals point to the next phase of ESG maturity.

The findings reveal a market in motion, one where companies are beginning to turn compliance into competitive advantage.

→

Key findings shaping sustainable business

98% of companies identified climate change mitigation as material, with 73% marking it as double material, linking it directly to both financial performance and environmental impact.

98%

of companies have made climate change mitigation material

Scope 3 reporting is moving into the mainstream, rising from 45% to 52% in just one year.

52%

of companies are reporting on Scope 3 emissions

Spend-based calculation methods jumped from 35% to 51%, showing that companies are prioritizing visibility now, even if the data is imperfect.

51%

of companies are measuring emissions using spend-based calculations

Climate change dominates materiality

Climate action has become the defining issue for sustainable business. Larger companies report more data, and have lower emission intensity than their peers.

Governance equals performance

Companies with stronger governance tend to deliver better sustainability outcomes.

- Companies with stronger governance tend to show similar patterns in their performance. The dataset shows that many firms cluster between 20–30% women in C-suite roles, with few reaching beyond 40%. Across this distribution, emission intensities vary widely, but the trend line points to a slight downward slope. Firms with more women in executive leadership are, on average, associated with lower reported emission intensities.*
- Board diversity is highest in Renewable Resources & Alternative Energy (38%), while Resource Transformation lags at 26%.

The benchmark findings are more than statistics.
They are a roadmap for action.

In the pages ahead, we dig deeper into the data to understand how different regions and sectors are aligning their strategies with these emerging priorities, and where opportunities remain for progress and leadership.

** Findings suggest that governance-related metrics and performance metrics often show similar patterns of change.*

MATERIALITY

It's a (double) material world...

Understanding what matters most

Materiality is the foundation of every sustainability strategy. It determines which environmental, social, and governance topics companies consider most critical to their success and their impact on the world. Our benchmark analysis shows how these priorities are evolving. What was once a fragmented exercise in compliance is now becoming a strategic tool, shaping how companies allocate resources, manage risks, and plan for long-term value creation.

Unlike typical high-level analyses, this benchmark reveals not only what companies consider material, but also how they classify each topic as impact-, financially-, or double material. This added layer of insight offers a more nuanced view of how businesses are integrating ESG into decision-making.

Across sectors, certain topics are now almost universally recognized as material, while others vary based on industry-specific impacts, risks, and opportunities. This convergence signals a shift toward a shared understanding of which issues will define the future of sustainable business, present potential risks if not addressed, or are of particular interest to the financial arm of the entity.

What companies see as material

Companies are increasingly aligned around a small set of core priorities. These represent the baseline issues that no sustainability strategy can ignore.

It is not the case that companies are universally aligning around the same core ESG efforts, there is a natural variance depending on the specific impacts, risks, and opportunities a business might face based on its industry or other verticals. That being said, there is some convergence on certain highly relevant topics, as you can see in the data highlights.

Data highlights

Share of companies who have identified specific topics (areas of impact) as material, financially material, or double material across specific categories.

98% of companies identified climate change mitigation as material.

93% of companies identified energy use as material.

96% of companies identified work-force conditions as material.

90% of companies identified equal treatment of their workforce as material.

Many of these are also seen as double material, meaning they are significant both to financial performance and to environmental or societal impact.

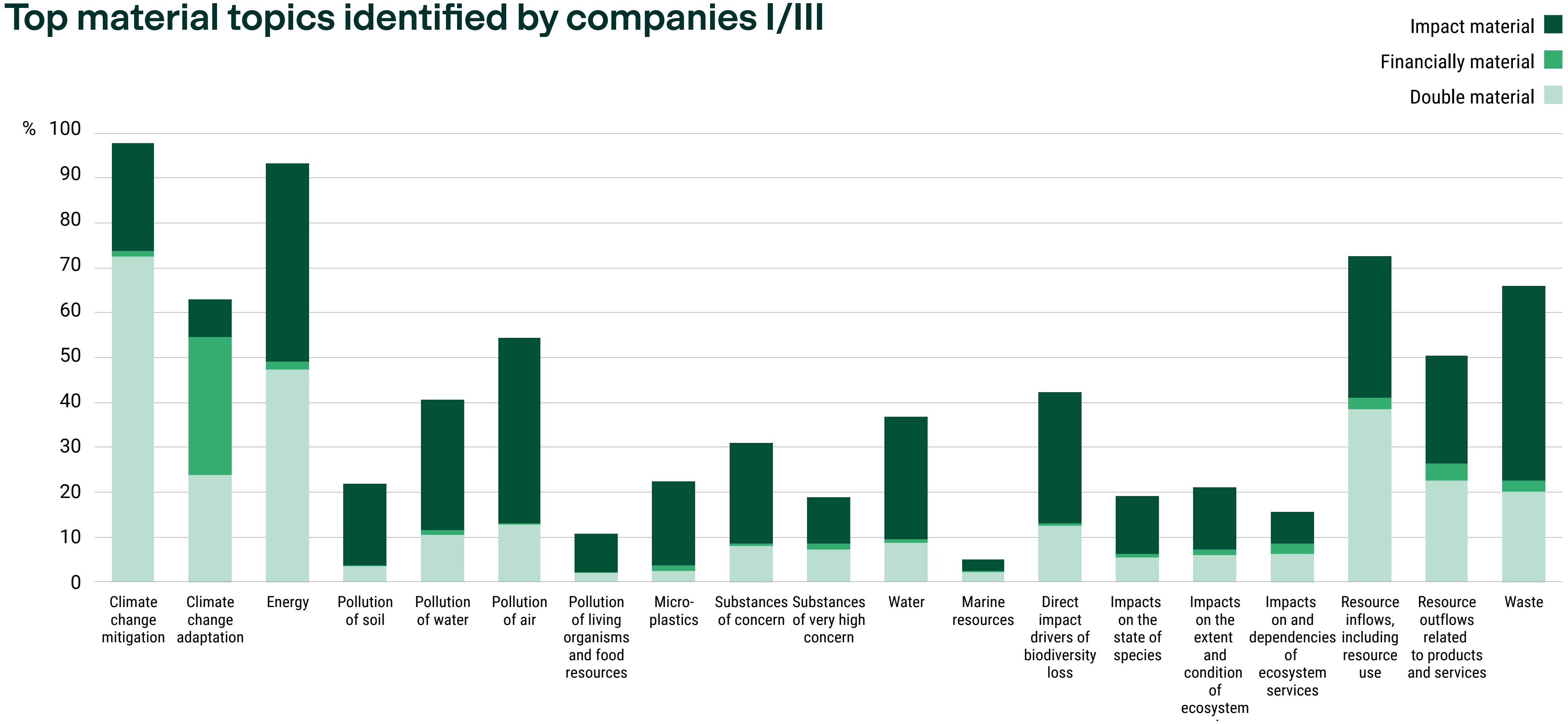
Climate change mitigation: 73% double material.

Equal treatment of their own workforce: 39% double material.

Corporate culture: which is seen as material by 81% of companies, almost half of these see it as double material. This indicates that companies see potentially vital upsides with having a sound corporate culture, or as serious risks in the opposite.

MATERIALITY

Top material topics identified by companies I/III



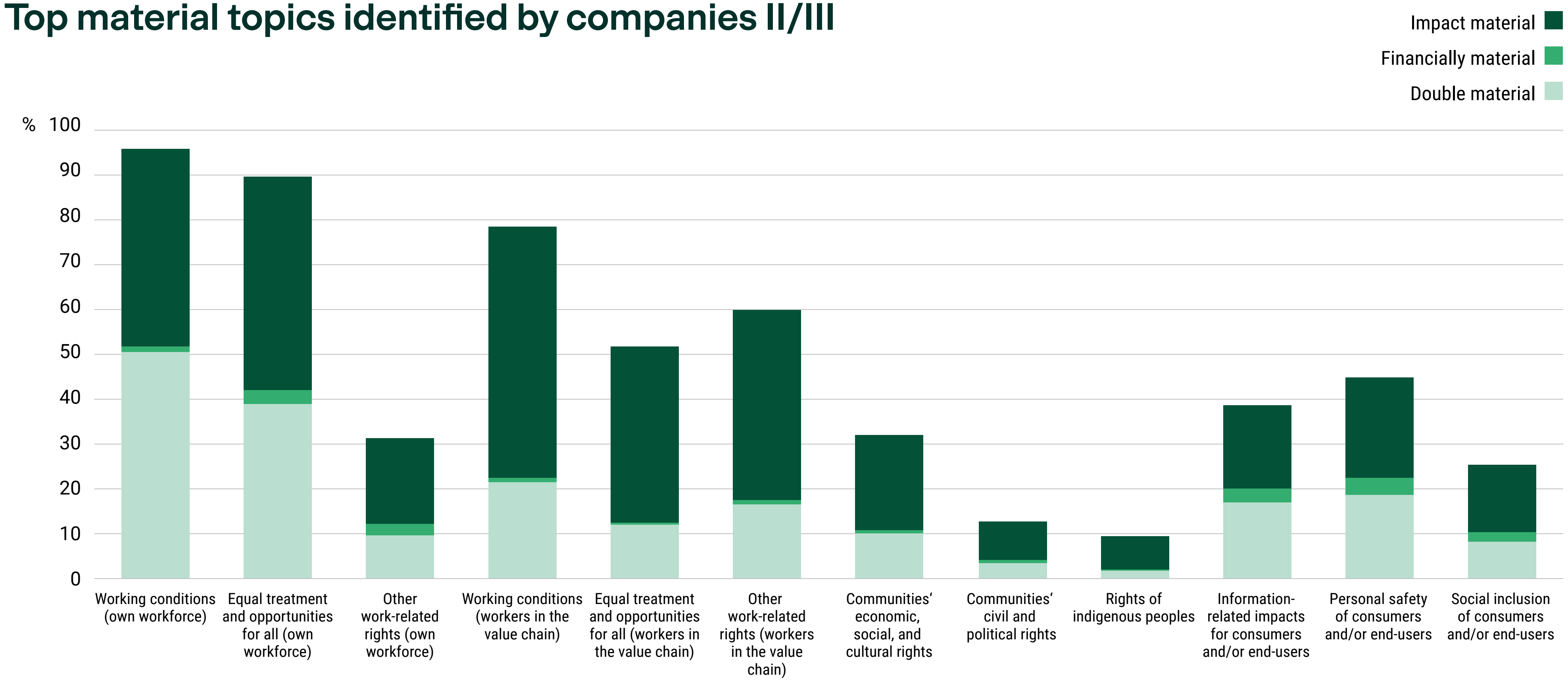
Different industries, different priorities

Some ESG issues are universal, while others are sector-specific: 90% of transportation companies focus on air pollution, food and beverage companies prioritize water use (84%) and biodiversity impacts (95%), and financial services companies emphasize governance, with 75% addressing corruption and 91% focusing on culture and equal treatment of their own workforce.

This variation shows why ESG strategy cannot be one-size-fits-all. Companies must address their most significant impacts while still aligning with broader global priorities like climate change mitigation.

MATERIALITY

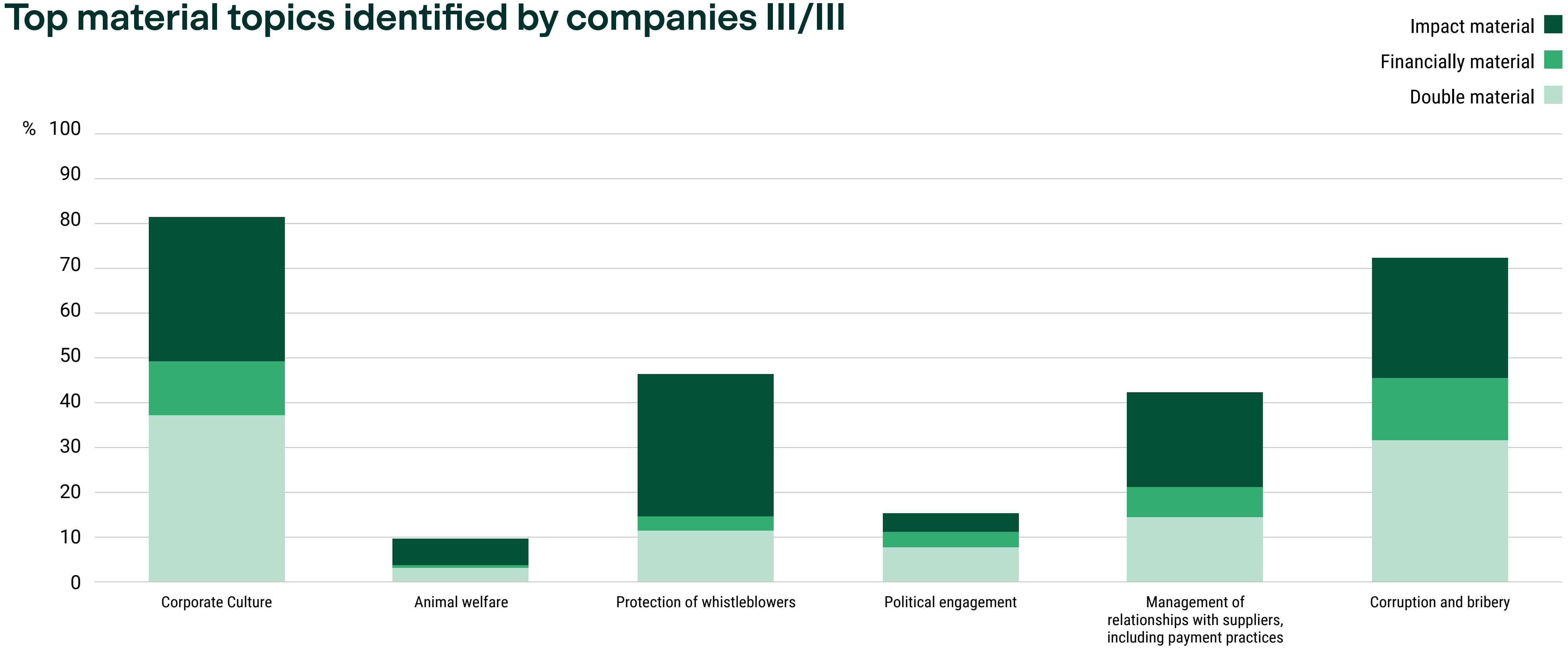
Top material topics identified by companies II/III



What companies see as less important

While certain ESG issues have risen to the top of company agendas, others remain lower priorities. This doesn't mean these topics are unimportant, but it reflects where companies are today in terms of perceived risks, stakeholder expectations, and regulatory pressure.

Top material topics identified by companies III/III



Topics like political engagement or management of relationships with suppliers might seem quite literally "out of scope" for many companies, but taking them into consideration as part of a wider exercise in assessing your materiality might uncover some potential for risk mitigation or value creation you might not have considered. At the very least, it can be a chance for your business to think more broadly about the impacts these topics could be having on your business, or even on specific departments and their operations.

Read more:
See the complete figures on all these data points in our full analysis here:

[Position Green's complete benchmark analysis]

MATERIALITY

Data highlights

These two materiality topics were the least frequently identified as material.

11%

of companies identified pollution of living organisms and food resources as material, highlighting that pollution beyond air quality is an issue not as highly prioritized as others.

6%

of companies reported marine resources as material; however, in the Renewable Resources & Alternative Energy sector, the figure rises to 40% due to their recognized impact on marine wildlife.

These findings suggest there are gaps between current company focus and future regulatory or stakeholder demands. For example, biodiversity is expected to become a far more prominent reporting area in coming years, meaning companies that act early will be better prepared to respond to new requirements and risks. In the same vein, circularity is quickly gaining traction, showing that even topics that are not currently "popular" may be in the years to come.

Read more:
See the complete figures on all these data points in our full analysis here:

Position Green's complete benchmark analysis

Strategic insight: Materiality shows where companies need to act today and where they will be judged tomorrow.

Emerging topics like circular economy practices are gaining traction but are not yet seen as financially material by most companies.

From compliance to strategy

Companies in the benchmark tend to identify impacts as material more often than risks and opportunities. This indicates that many are still in the early stages of connecting materiality insights directly to financial and strategic planning.

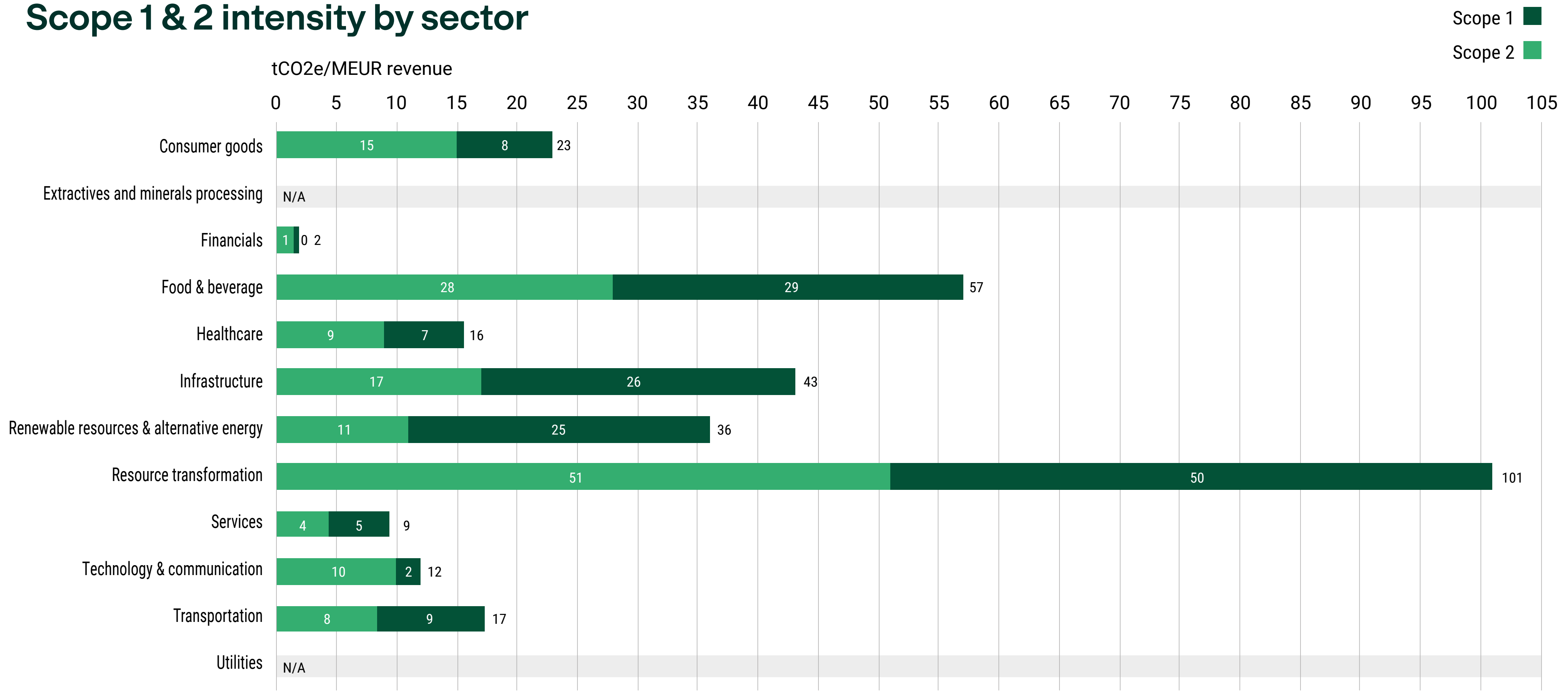
As companies mature, materiality assessments become more than a reporting requirement. They evolve into roadmaps for action, guiding investment and aligning departments around shared priorities.

As we will see in the next section, these priorities are increasingly reflected in how companies measure and manage their emissions, energy use, and supply chain impacts. This is where ESG strategy meets operational reality.

Driving decarbonization through data

DECARBONIZATION

Scope 1 & 2 intensity by sector



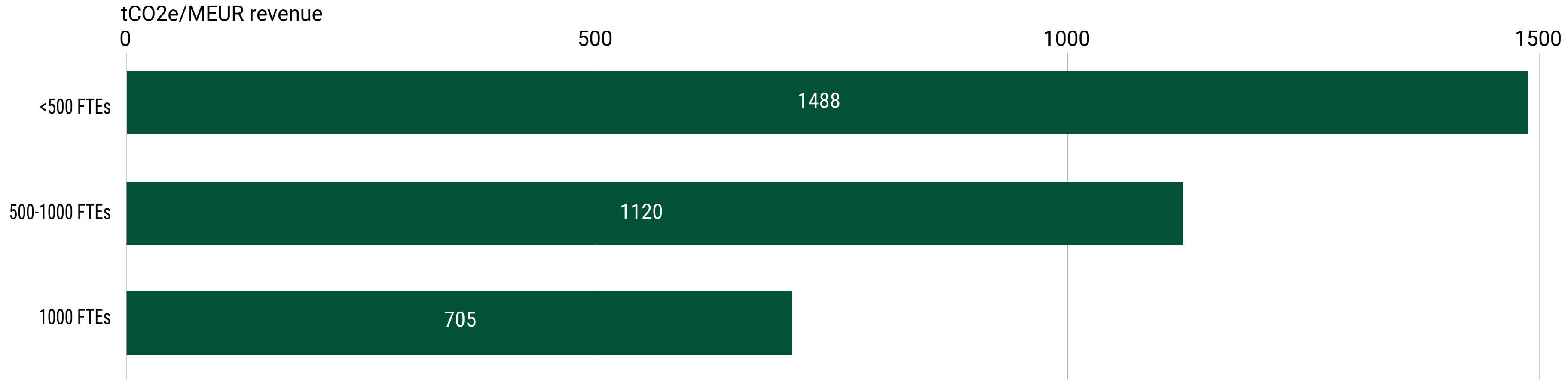
N/A indicates insufficient data reported for this category.

Scope 1 and 2 GHG emissions intensity

Operational emissions remain the foundation of most companies' climate strategies. Scope 1 and 2 emissions reflect direct business activities such as manufacturing, logistics, and energy consumption, and provide the baseline for any credible decarbonization plan.

DECARBONIZATION

Where companies stand on GHG intensity



Our analysis shows a strong link between company size and emissions intensity. Larger companies tend to report lower emissions intensity relative to revenue, hinting at the advantages of economies of scale, as well as greater access to resources and technologies that enable operational efficiencies and cleaner energy use.

This finding ties directly to value chain dynamics. Larger companies often set the standards for their suppliers, pushing smaller companies to reduce emissions. As a result, improving Scope 1 and 2 performance at the operational level has a cascading effect, lowering total emissions across entire sectors and supply chains.

It can be argued that economies of scale are once again at play here, as business processes, not just sustainability efforts, become streamlined as they grow. But therein lies yet another incentive to scale as an organization, as your Scope 1 and 2 emissions, i.e. those emissions that you have the most direct responsibility for, become less impactful.

DECARBONIZATION

Data highlights

See the next page for a full breakdown of emissions by Scopes 1–3. Below are the key insights we've drawn from these datasets.

52%

of companies reported Scope 3 emissions in 2024, compared to 45% in 2023.

90%

of total emissions come from Scope 3. Even in sectors like resource transformation, where Scope 1 and 2 emissions are relatively higher, they still only account for roughly 9% of total emissions combined.

50%

of the energy consumed by Swedish companies comes from renewable electricity, the highest share across all countries in the sample.

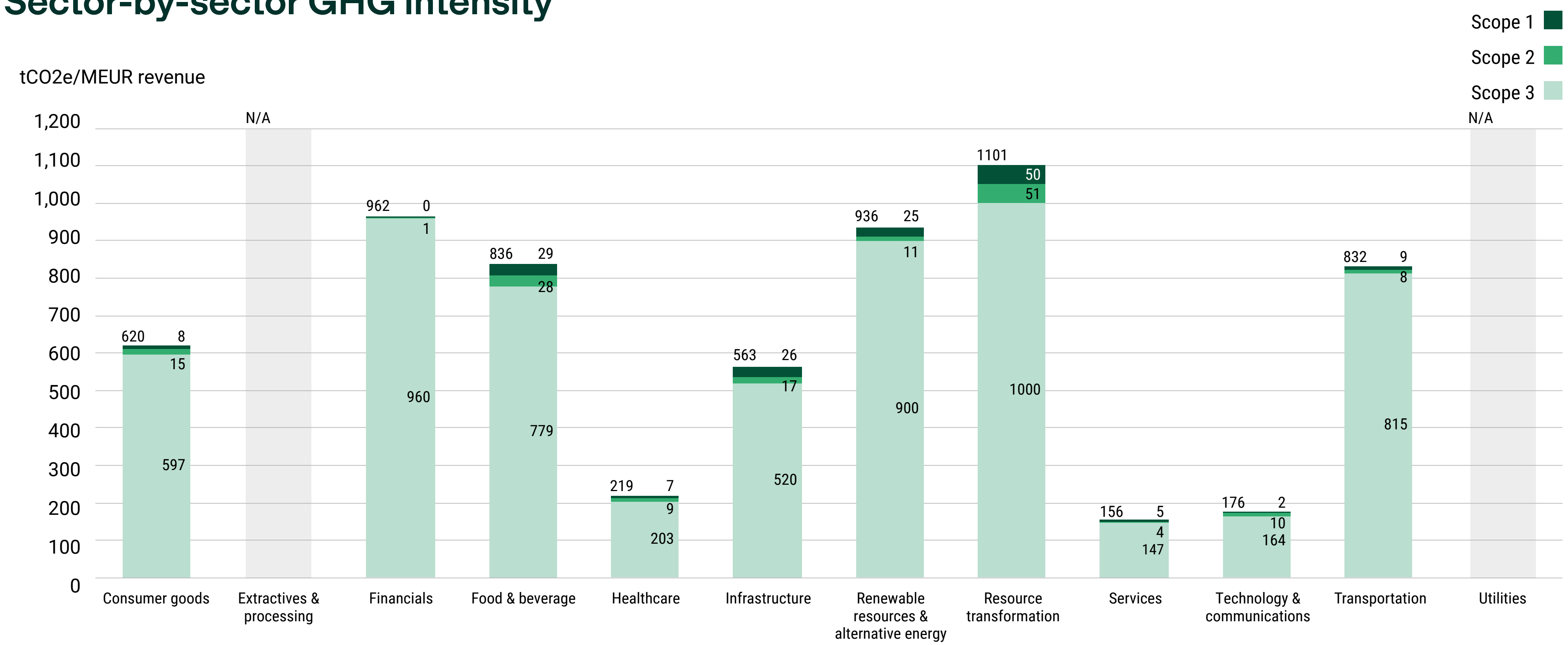
"With the increase in reporting, data is becoming a steering tool. Scope 3 disclosures, energy shares, and diversity tracking help companies focus on their highest-impact areas. Yet gaps remain where data is not reported or calculated, creating blind spots that limit progress. Closing these gaps is key to engaging suppliers, building safer operations, and reducing environmental and social risks while staying focused on what truly matters."

AJAY SURYA GNANESWARAN

Associate at Position Green

DECARBONIZATION

Sector-by-sector GHG intensity



N/A indicates insufficient data reported for this category.

Scope 3: expanding accountability

Scope 3 reporting is moving into the mainstream, but nearly half of companies are still not measuring their value chain emissions, the majority of which come from Scope 3.

Scope 3 emissions account for an average of over 90% of a company's total emissions, making them the most challenging category to map and disclose. At the same time, this is where companies can have the greatest impact, as these emissions have cascading implications not only for the business itself but also for its suppliers.

DECARBONIZATION

Data highlights

There are three primary means of calculating Scope 3 emissions that companies rely on. Spend-based uses cost data with average emission factors (easy but less accurate), activity-based uses actual usage data (more accurate), and supplier-specific relies on supplier-reported emissions (most accurate but hard to get).

51%
Spend-based (up from 35% in 2023)

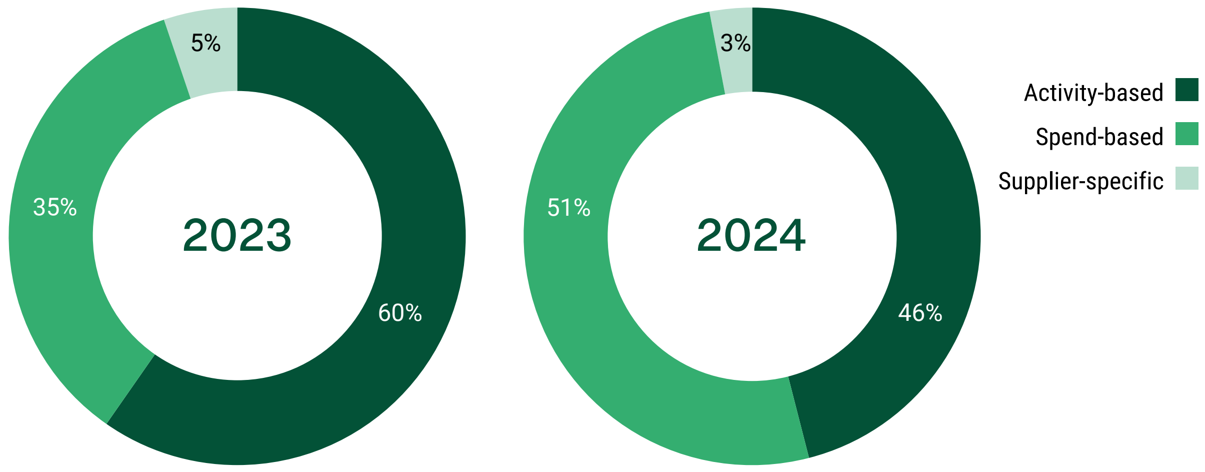
46%
Activity-based

3%
Supplier-specific

Primary Scope 3 GHG calculation methods

Companies are leaning on spend-based calculations to create a practical baseline for action, as supplier-specific reporting remains rare.

How companies calculate Scope 3 emissions



The Nordics lead Europe in green electricity with Sweden topping the list

The Nordics lead with an average of 45% renewable electricity as a share of total energy consumption, compared to 37% in Benelux, 36% in DACH, and 42% in other EU countries.

50%
Sweden

45%
Nordics

37%
Benelux

36%
DACH

42%
Other EU countries

Strategic insight: Investing in renewable energy isn't just about sustainability goals, it's a hedge against energy price volatility, regulatory risk, and reputational exposure.

Governance and emissions performance

It goes without saying that we cannot explicitly state that one governance metric is a direct causal factor for other ESG metrics at similar companies. That being said, we have seen similar patterns of behavior amongst companies with more diverse leadership. Specifically, we have seen that those with more diverse leadership have a lower footprint compared to peers.

Data highlights

Where diversity goes up, emissions go down?

40%

female C-suite representation is comparatively high, but companies that reach this percentage tend to report lower emissions intensity.

20-30%

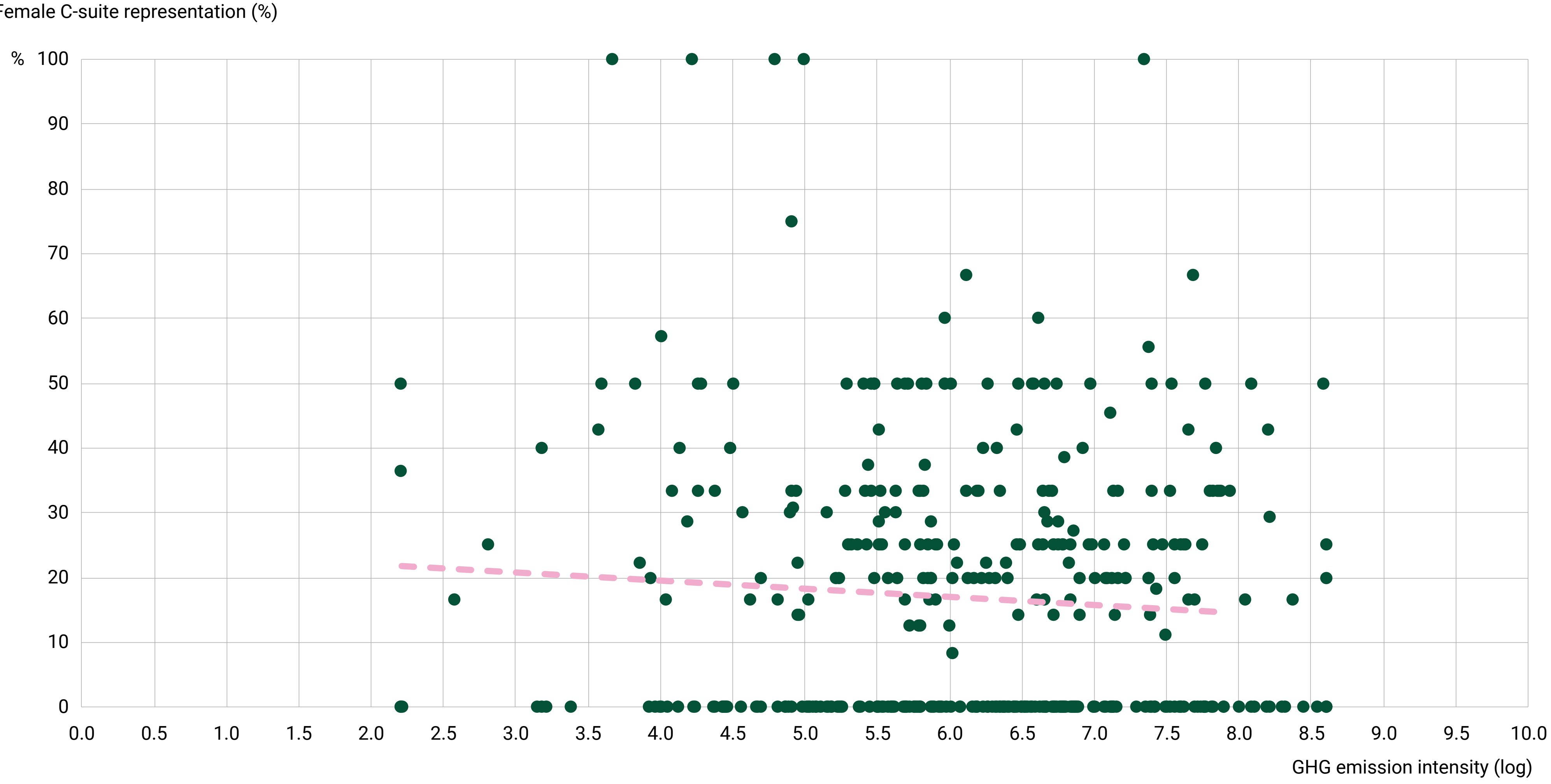
or fewer women in C-suite roles is most common among companies, which also show the widest spread of emission intensities, including the highest values in the data set.

Strategic insight: Our analysis shows a clear shift. Scope 3 reporting is growing rapidly, with spend-based methods helping companies take action even before perfect data is available. Yet nearly half of companies still don't report Scope 3 emissions at all, leaving major gaps in accountability, especially since Scope 3 emissions on average make up over 90% of the total carbon footprint.

At the same time, emissions intensity benchmarks reveal that the forward-thinking and most scaled-up organizations are those with the smartest emissions-management capabilities.

Overall, the trend line shows a modest negative relationship, i.e., companies with greater female executive representation are, on average, associated with lower GHG emission intensity.

Diverse leadership, lower emissions?



Governance and emissions performance

Once again, correlated does not equal causal, but it may suggest some underlying characteristics of a more mature and diverse C-suite that can positively impact overall business efficiency. These could be more flat organizational structures across the C-suite, meaning greater collaboration and efficiency between departments. It could mean more agile forms of leadership, reflective of a more progressive or modern department, or it could simply mean that greater representation in leadership means a more ethical mindset in relation to emissions.

Building resilience through people and leadership

Turnover metrics, days missed at work, and workforce satisfaction are measured as part of a company's ESG efforts. They're used to spot internal risks and uncover opportunities for improvement. As a key indicator of working conditions and quality of life, they're metrics with both financial and ESG impact.

Employee turnover across regions

Turnover rates vary significantly between regions, reflecting differences in labor markets, cultural expectations, and competitive dynamics. High turnover can signal challenges with retention, workforce engagement, or leadership effectiveness.

Companies in the Nordics had on average 13.3% employee turnover in 2024, which is just higher than the DACH market (12.9%), but lower than Benelux (17.1%) and remaining EU countries (17.3%). The lowest regional turnover though was in the UK & Ireland (12.3%).

If we break this down by sector, those with the lowest turnover were Renewable Resources & Alternative Energy (10.8%), Resource Transformation (11%), Extractives & Minerals processing (11.3%), and Financials (11.8%).

UK & Ireland lead in employee retention

12.3%
UK & Ireland

12.9%
DACH

13.3%
Nordics

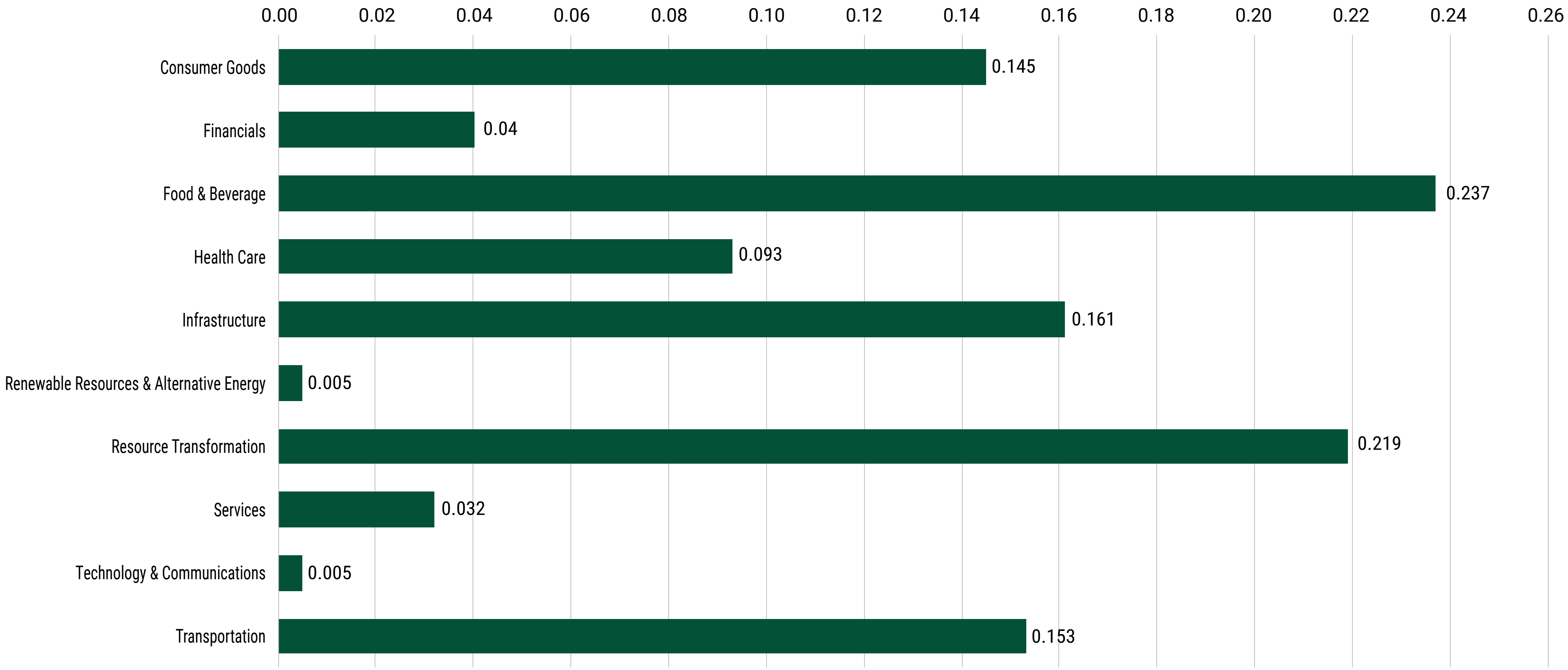
17.1%
Benelux

17.3%
Remaining EU countries

Strategic insight: Lower employee turnover is more than an HR metric, it's a signal of strong culture, leadership, and engagement. It reduces recruitment costs, improves continuity, and supports long-term sustainability performance.

SOCIAL & GOVERNANCE

Days lost to work-related injuries



Workforce health and safety

Work-related injuries are a critical measure of both employee well-being and operational stability. Lost workdays directly impact productivity and highlight areas where companies must invest in safer practices.

Interestingly, employees in the Food & Beverage sector and Resource Transformation sector are most prone to getting injured and taking time off work, with a median average of injury-caused leave sitting at 0.237 and 0.219 respectively.

As such, investing in greater security or wellbeing measures at organizations like these would potentially see far more returns in cost-saving, which underscores a crucial point across all these data points: Investments can and should vary in order for ESG-aligned returns to be made.

"We know based on the customers we work with at Position Green, that those with the highest levels of female representation across the board and CXO roles tend to be the most ambitious, adaptable, and forward-thinking."

LOUISE ALSHEIMER-NIKLASSON

Chief Marketing Officer at Position Green

Governance and female representation

Female representation varies across both sectors and regions, with some industries leading the way and others lagging behind. This kind of diversity at the leadership level is a signal of governance maturity and is correlated with better sustainability performance, as we demonstrated prior.

Data highlights

Data showcasing the representation of females within the C-suite across regions and within boards across specific sectors, respectively.

23.3%

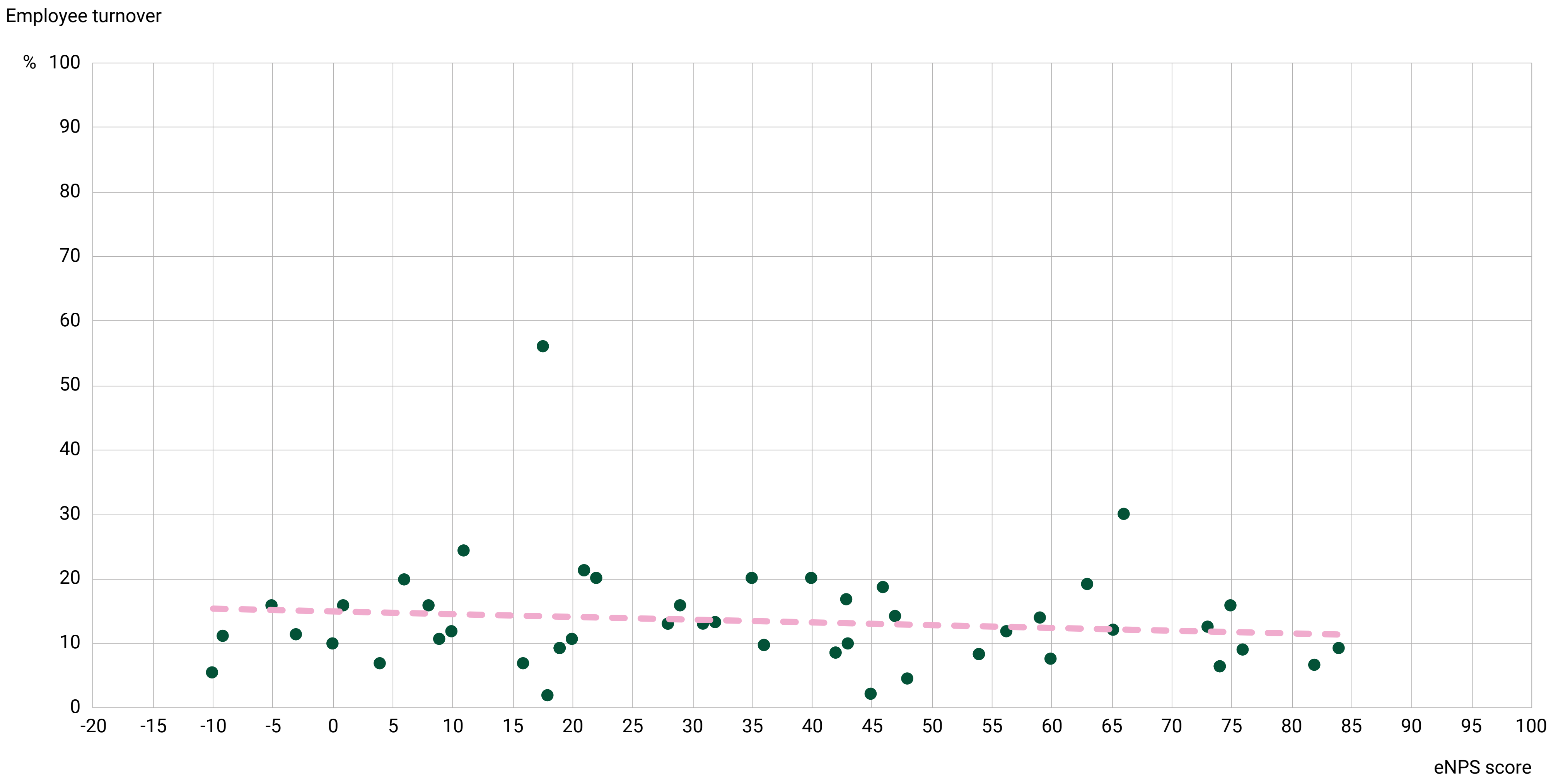
of C-suite roles in the UK & Ireland are held by women, leading Europe, while Benelux and the rest of the EU lag behind at 16.1% and 15.5%, respectively.

38.2%

of boardroom roles in Renewable Resources & Alternative Energy are held by women, the highest among sectors, while Resource Transformation trails at 26.5%.

SOCIAL & GOVERNANCE

The retention link: How workforce satisfaction impacts turnover



Linking workforce satisfaction and turnover

The data reveals a modest but noticeable link between workforce satisfaction and turnover: companies with employees who score higher on workplace satisfaction rankings generally see lower employee turnover. This is an unsurprising statistic, but one worth noting as the cost of rehiring staff can be quite high, especially at scale.

Norway leads globally in boardroom gender diversity

40.4%
Norway

38.9%
Benelux

37.2%
Remaining EU countries

33.2%
DACH

29.2%
Nordics

Norway leads globally in boardroom gender diversity, with women making up 40.4% of board members, which is well above the Nordic average of 29.2% and the rest of the EU at 37.2%.

C-suite gender diversity remains low across Europe

23.3%
UK & Ireland

20.2%
DACH

17.7%
Nordics

16.1%
Benelux

15.5%
Remaining EU countries

Despite growing attention on leadership diversity, no European region averages more than one in three women in the C-suite. The UK & Ireland leads with 23.3%, while Benelux and other EU countries report averages below 17%. Within the Nordics, Sweden and Norway are approaching parity at around 24%, but Denmark falls behind with less than 10%.

Strategic insight: Strong social and governance practices directly influence a company's ability to execute its sustainability strategy. Employees are an asset but they are also an investment. By focusing on people and leadership, companies build the foundation for long-term resilience and sustainable growth.

DATA GAPS

Closing the data gap

Reliable data is the foundation of effective sustainability strategy. Without it, companies struggle to track progress, meet regulatory requirements, and make informed decisions. Our benchmark shows that data availability remains uneven, with company size emerging as a major factor.

The bigger the company, the more available data

Larger companies consistently report higher levels of data maturity, reflecting greater resources and more advanced reporting systems.

Unsurprisingly, companies with over 1,000 employees have the highest data availability, with mature reporting across most ESG metrics.

Large companies (500–1,000 employees) show moderate availability, often lacking complete Scope 3 and social performance data.

Smaller companies, with fewer than 500 employees, face the greatest challenges, with significantly lower data coverage across almost every category.

Emissions in focus, people overlooked

Scope 2 emissions **54%**

eNPS **4%**

Scope 2 emissions remain the most commonly reported KPI, with steady coverage at 54%. Close behind is Scope 3 reporting, now at 52%, showing significant progress from 45% in 2023.

On the other end of the spectrum, only 4% of companies report eNPS, despite growing interest in social performance indicators. It's worth noting that not all companies use eNPS specifically, many rely on other types of metrics to assess employee satisfaction, which may not be captured in standardized ESG reporting.

Strategic insight: High reporting rates often reflect regulatory pressure and data maturity. Yet low-reporting metrics like eNPS may signal untapped opportunities to strengthen internal performance and social transparency. Track what's missing, not just what's visible.

For forward-thinking companies who see the advantage in benchmarks, take these steps:

Use materiality as the guiding principle

The companies that allocate resources to the issues most material to their business, like climate, energy, and workforce conditions, are the ones translating ESG from a reporting exercise into strategic value.

Drive change at the executive level

Giving sustainability clear ownership across finance, procurement, and operations, with the leadership team setting cadence and accountability, ensures ESG performance becomes part of how the business runs, not a side project.

Set a GHG baseline

Include Scope 3 and begin with spend-based estimates for full coverage, then progress to supplier-specific data where the emissions and risks are highest. This approach gives companies visibility into high-impact areas and a pathway for identifying which actions to focus on.

Go further with benchmarking

Larger companies are already ahead on data maturity. Comparing your emissions intensity and social KPIs to theirs shows you where you lag, where to focus, and how to communicate progress credibly to investors and customers.

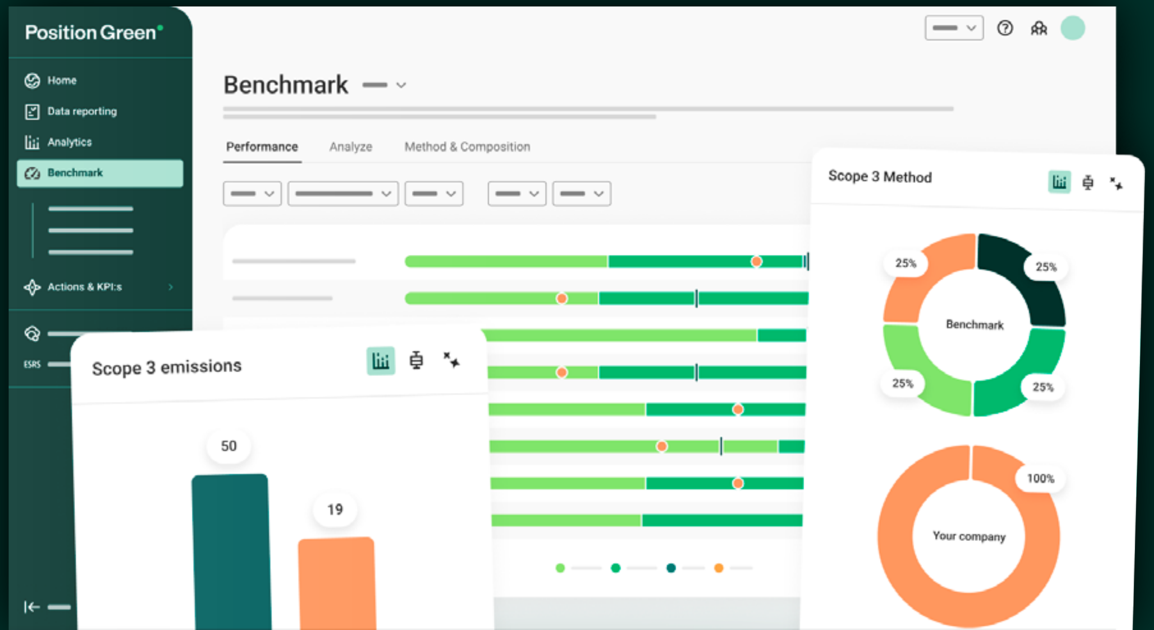
What should you do with these insights?

This study's key findings show that climate change is now almost universally considered material. Scope 3 reporting is rapidly becoming the norm, often prioritizing visibility over quality, and governance maturity tends to follow patterns similar to overall emissions performance. While these insights may seem disconnected on their own, together they can form a coherent roadmap for meaningful progress.

Turn insights into impact with Position Green

With built-in capabilities, you can benchmark your data against peers across a number of verticals. Use live data to showcase your performance, highlight strengths, and uncover opportunities for improvement—all within the Position Green platform.

LEARN MORE



A signal of what's next

The ESG landscape is maturing rapidly. While regulatory clarity remains in flux, companies that are succeeding are not standing still. They are investing in scalable systems, upskilling teams, and integrating sustainability data directly into their business strategy.

From Scope 3 spend-based modeling to cross-departmental governance structures, these companies are redefining what ESG looks like in practice. They are not just preparing to report, they are preparing to compete.

The benchmarks in this report are more than a snapshot of current performance. They are a signal of what's next: a future where sustainability drives innovation, resilience, and value creation, far beyond the limits of compliance.

This data was compiled from 1,900 European companies, and combines both data from Position Green's 1,000+ companies as well as publicly available sustainability data from the past two years.

See the complete figures on all these datapoints in our full analysis here:

Position Green's complete benchmark analysis

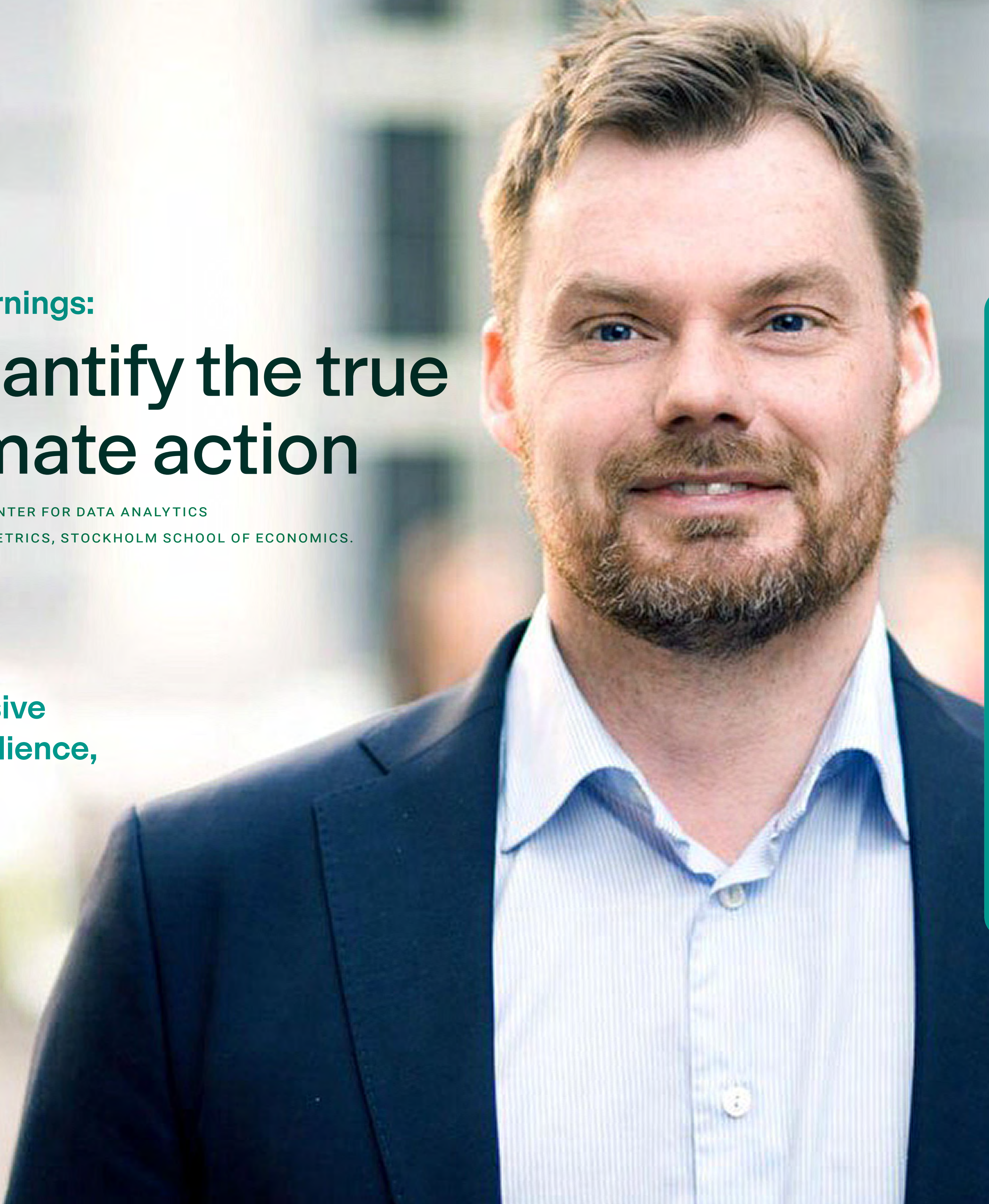
05

From emissions to earnings:

How to quantify the true ROI of climate action

BY RICKARD SANDBERG, HEAD OF THE CENTER FOR DATA ANALYTICS AND ASSOCIATE PROFESSOR OF ECONOMETRICS, STOCKHOLM SCHOOL OF ECONOMICS.

> **"Decarbonization is not just a defensive move. It's a lever for innovation, resilience, and competitiveness."**



About Rickard Sandberg

Rickard Sandberg is Head of the Center for Data Analytics and Associate Professor of Econometrics at the Stockholm School of Economics. With more than 20 years of research experience, he is recognized as one of Sweden's leading experts in statistical and econometric analysis. His work spans data and big data analytics, predictive modeling, deep learning, and sustainability-focused forecasting. Rickard's research has been published in journals including *Research Policy, Econometric Theory, Journal of Time Series Analysis, Oxford Bulletin of Economics and Statistics, and Expert Systems With Applications.*

As part of Position Green's ongoing collaboration with Stockholm School of Economics, Rickard has put together the key economic insights companies need to help them put the "I" in their sustainable ROI.

Reframing decarbonization as a strategic advantage

It is true that decarbonization often requires substantial upfront investment and may challenge existing business models. But it is rather short-sighted (even naïve) to view it only as a cost. In reality, decarbonization creates value across multiple dimensions, both in the short and long term.

In the short term, companies benefit from reduced operational costs, especially through energy efficiency, lower fuel consumption, and maintenance savings (e.g., in electrified fleets or optimized production systems). In the longer term, decarbonization supports revenue growth by enabling green product offerings and compliance with growing sustainability requirements in public and private procurement.

It also enhances brand positioning, allowing companies to charge premium prices or strengthen customer loyalty. Furthermore, it opens the door to more favorable financing terms through ESG-linked loans, green bonds, and lower perceived risk by investors, which raise the firm's market valuation and lower its cost of capital.

Equally important, not decarbonizing carries significant risks. From rising carbon taxes and regulatory penalties to reputational damage, market exclusion, and even stranded assets. The actual cost of decarbonizing will be steeper in the future, let alone the cost of not decarbonizing in the medium term. The shift in mindset I try to instill is to recognize that decarbonization is not just a defensive move, but a strategic lever for innovation, resilience, and competitiveness.

But doing this effectively requires effective data to inform your decision-making and quantify your ROI, which can be done practically with the right approach. However, it needs to be done diligently and also with a sense of urgency, as you're about to find out.

The escalating financial risks of delaying decarbonization

Companies that delay decarbonization either underestimate the financial risks or are too short-term focused. Many business leaders tell me, "Yes, we understand the need to decarbonize, but we also need to make a profit today." That's understandable. But failing to act now often leads to higher costs, and greater risks, in the future.

Delaying decarbonization exposes firms to compounding financial risks. One of the most immediate is compliance cost escalation, such as rising carbon taxes and emissions trading obligations. For instance, Sweden's carbon tax is already around €120 per tonne of CO_2. Under the EU Emissions Trading System (ETS), companies must buy allowances, which are expected to rise to €130–180 by 2030, and €200–300 by 2040–2050.

With the EU introducing ETS2 in 2027, carbon pricing will extend to buildings and road transport. Similarly, the Carbon Border Adjustment Mechanism (CBAM) will apply a carbon price to imports of carbon-intensive goods, phasing in from 2026. A non-EU steel supplier that doesn't decarbonize may soon face border tariffs that make them uncompetitive.

Specific risks and potential losses

Asset stranding is another major risk, when investments in carbon-intensive infrastructure or technologies become obsolete. This is particularly relevant for real estate portfolios that fail to meet evolving energy performance standards, or manufacturing facilities that cannot be retrofitted cost-effectively.

Customer risk is also on the rise. Buyers, particularly large corporations and public-sector procurers, are increasingly setting strict Scope 3 emissions and transparency requirements for their suppliers. Companies with carbon-intensive or opaque supply chains risk being excluded from tenders, losing long-term contracts, or facing pressure to rapidly decarbonize to maintain market access. →

> **"Carbon risk is financial risk. The cost of emissions, directly or indirectly, increasingly affects a company's operating expenses, financing terms, asset values, and investors."**
>
> RICKARD SANDBERG
>
> *Head of the Center for Data Analytics and Associate Professor of Econometrics, Stockholm school of economics.*

Investor exclusion is another concern. Pension funds and sovereign wealth funds now use climate filters. Companies without credible decarbonization strategies risk being dropped from portfolios, facing valuation pressure and higher capital costs.

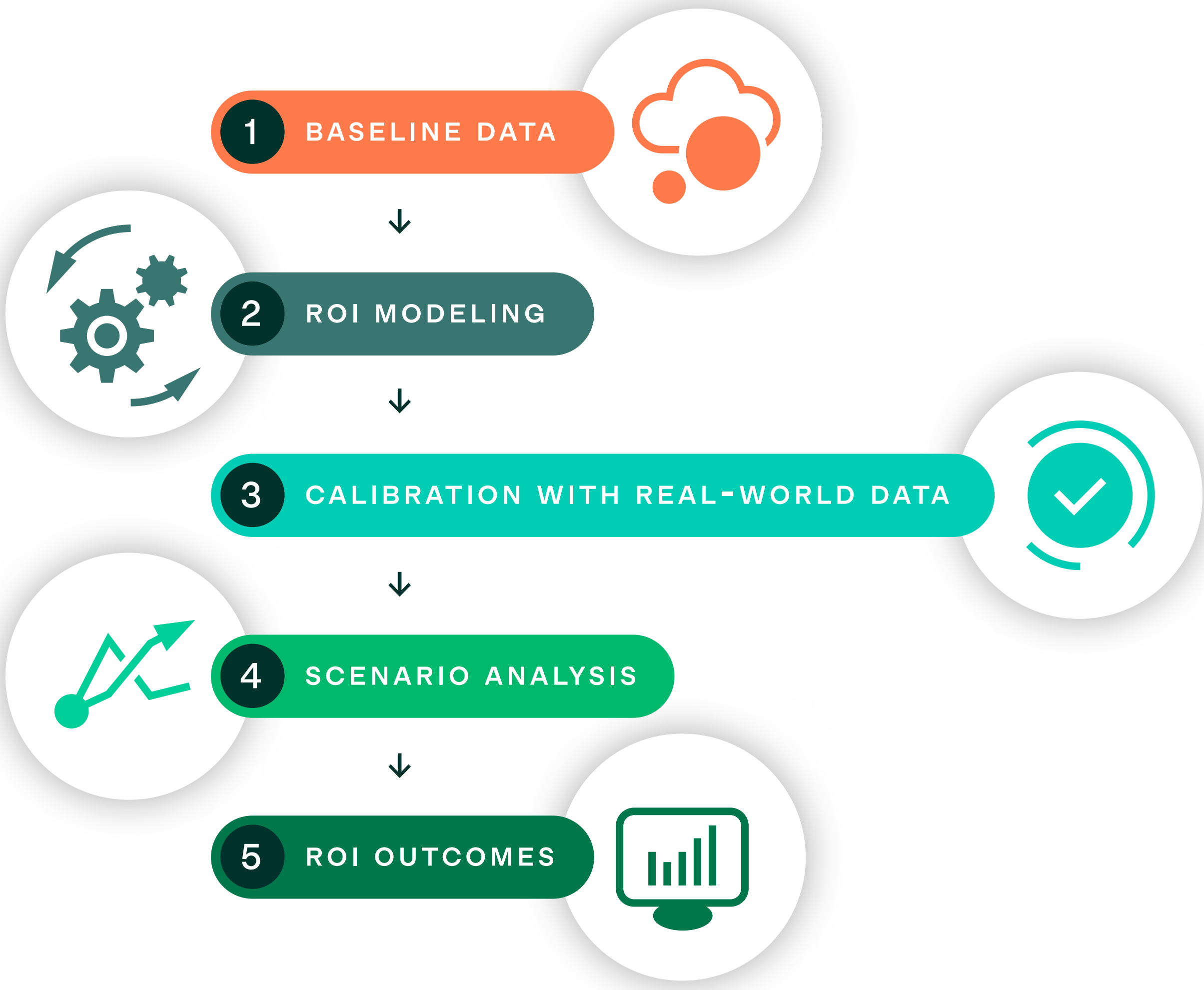
Finally, reputational risk looms. As ESG expectations grow, firms perceived as greenwashing may lose trust and market relevance.

Carbon risk is financial risk. The cost of emissions, directly or indirectly, increasingly affects a company's operating expenses, financing terms, asset values, and investors.

The good news is that taking action on your hidden sustainable ROI is easier than you might think, so let's start looking into some practical approaches that can do just that.

Leveraging data and scenario analysis to quantify decarbonization ROI

From data to ROI clarity



> **Scenario sensitivity testing highlights the assumptions that most influence ROI—helping leaders choose resilient strategies."**

Data plays a critical role in building the models used to calculate the Return on Investment (ROI) of decarbonization-related investments. It helps establish reliable baseline performance (e.g., energy use, fuel consumption, carbon intensity) and supports the estimation of key input parameters such as cost savings, emissions avoided, and operational efficiency gains.

Once these models are calibrated, they can be used for forward-looking scenario analysis, allowing companies to evaluate how ROI changes under different assumptions—such as rising carbon prices, fluctuating energy costs, or evolving regulatory environments. This is where investment sensitivity becomes crucial: companies test how their ROI fluctuates under different future conditions. →

Reliable ROI calculation for decarbonization investments starts with data. High-quality operational data, from energy use and fuel consumption to carbon intensity, is used to build a precise baseline of current performance. This baseline forms the reference point against which every projected saving, avoided emission, and efficiency gain is measured.

From there, models estimate key financial and environmental parameters, translating raw data into metrics such as lifetime cost savings, emissions reductions, and productivity improvements. Calibration against real-world data ensures the models are accurate, credible, and directly applicable to decision-making.

Once calibrated, these models become powerful forward-looking tools. Scenario analysis allows companies to test how ROI shifts under different market and policy conditions, for example, rising carbon prices, volatile energy costs, or tightening regulations. Sensitivity testing reveals which assumptions most influence ROI, enabling leaders to stress-test investment cases and prioritize the most resilient strategies.

Embedding proactive climate risk management into operational and financial planning

Proactive climate risk management begins with identifying material risks. A clear example is in food production, where supply chains are vulnerable to physical climate risks. A multinational company such as Nestlé sources climate-sensitive commodities like coffee and cocoa from regions vulnerable to drought, floods, and heatwaves.

Instead of waiting for climate-related supply disruptions, Nestlé began mapping the exposure of its key sourcing regions for crops like coffee and cocoa. Building on these insights, the company committed over €1 billion through its Nescafé Plan 2030 (launched in 2022) to scale climate-smart agricultural practices, including drought-resistant crop varieties, shade-grown coffee, soil health improvement, and agroforestry. It has also worked to diversify sourcing regions to reduce dependence on any single climate-vulnerable area. On financing of this scale, even a modest interest rate reduction of 10–25 basis points—common in the sustainability-linked loan market for large corporates—could translate into €1–2.5 million in annual savings. →

CASE EXAMPLE:

Coffee sourcing

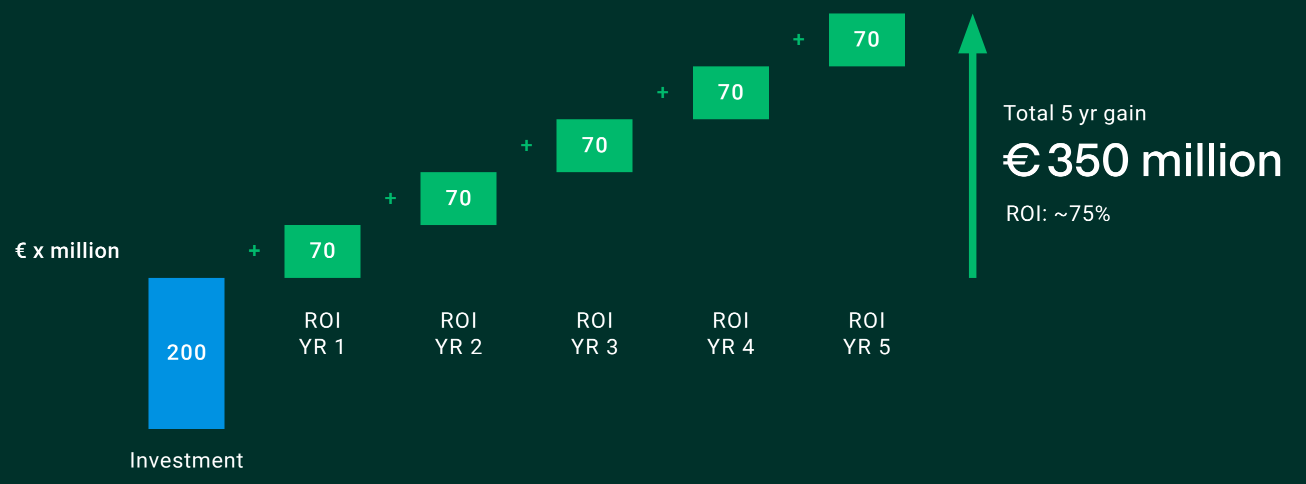
Nestlé purchases roughly 600,000 tonnes of coffee per year at an average price of about €2,000 per tonne, representing an annual spend of approximately €1.2 billion.

Historically, global coffee prices have fluctuated by 10–15%, creating an annual cost exposure of €120–180 million.

In practical terms, this means that in a bad year, price increases could add €120–180 million to sourcing costs; in a good year, price drops could reduce costs by the same amount.

Through climate-smart agricultural initiatives under the Nescafé Plan 2030, the company reduced its vulnerability to adverse price swings. In such cases, an estimated reduction in volatility by 30–40% is not uncommon and equates to a reduction in downside cost exposure of €36–72 million per year.

Based on this scenario, climate resilience measures cut downside price exposure by an estimated 30–40%, equivalent to roughly €50 million in annual operational savings. Adding €1–5 million per year in financing savings and additional revenue from brand trust, the total five-year gain is around €350 million on a €200 million investment—an ROI of approximately 75%.



Disclaimer: The figures cited are approximations.

Evidence from research that ESG risk management enhances financial performance

There is a growing body of research showing that companies with strong ESG performance enjoy lower volatility, stronger long-term returns, and greater resilience during crises.

For example:

Yahya (2023):
Nordic firms with high environmental and social scores performed better during COVID.

Iannone et al. (2025):
ESG portfolios in Europe had lower volatility during market disruptions.

Quintiliani (2024):
ESG scores linked to greater resilience and innovation in 115 European firms.

MDPI review (2024):
Firms integrating sustainability in risk management outperform peers financially over time.

That said, the evidence is not entirely uniform. Results vary across sectors and depending on the ESG metrics applied. This is why it's important to go deeper and identify which specific actions actually drive key financial indicators such as ROIC, EBITDA, and WACC.

At the moment, we are conducting research in partnership with Position Green using the Integrated ROI (IROI) framework. This approach allows us to quantify both direct effects, such as cost savings and avoidance of carbon pricing, and indirect effects, such as improved reputation and access to financing. In this way, we can more clearly link sustainability strategies to measurable financial outcomes.

It is not sufficient to simply have an ESG initiative. What separates a company's resilience from another is the strategy and business-appropriate investments they've made in their ESG work.

There is now a growing body of research showing that companies with strong ESG performance tend to achieve better financial results. They generally experience lower volatility, stronger long-term returns, and greater resilience during times of crisis. For instance, studies have shown that Nordic companies with high environmental and social scores performed better during the pandemic, that ESG portfolios in Europe showed lower volatility during market disruptions, and that strong ESG scores are linked to greater resilience and innovation among European firms. Review studies also suggest that companies integrating sustainability into their risk management consistently outperform their peers financially over time.

For me, the conclusion is clear: it is not enough to simply have an ESG initiative in place. What truly sets resilient companies apart is the quality of their strategy and the business-appropriate investments they make in their ESG work. →

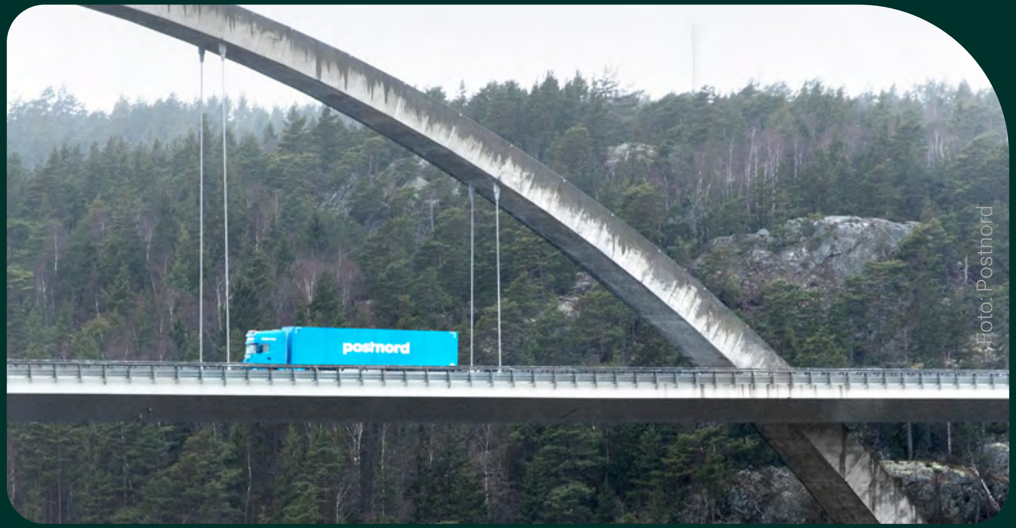
CASE EXAMPLE:

PostNord's fleet transition as a model for ROI-driven sustainability

One case I often highlight comes from the Nordic logistics sector. PostNord, the state-owned postal carrier in Sweden and Denmark, invested around €110 million between 2022 and 2024 to electrify its fleet and charging infrastructure. By the end of 2024, close to half of all last-mile deliveries has been zero-emission, with the company aiming for 100% by 2027.

What's compelling is how this journey moved from being seen as a compliance expense to becoming a clear business case. On the operational side, EVs cut fuel and maintenance costs, while smart charging and route optimization improved efficiency. From a risk perspective, PostNord reduced its exposure to Sweden's high diesel taxes and positioned itself ahead of Stockholm's upcoming low-emission zone requirements.

At the same time, the transition opened new revenue opportunities. Major B2B clients like IKEA and H&M, under pressure from their Scope 3 commitments, now favor PostNord as a decarbonized supplier. And on the financing side, PostNord secured a 10-year sustainability-linked loan from the Nordic Investment Bank, tied to six emissions-related KPIs. That not only lowered borrowing costs but also lifted its issuer rating to 'A'. Combined with stronger investor appeal and the growing incentive for banks to offer "green" rates, the company has unlocked value across multiple channels.



Disclaimer: The figures cited are approximations.

Framing the financial case for sustainability with investors and boards

In my experience, the most effective way to engage boards and investors is to shift the framing of sustainability, from being seen as a moral obligation to being understood as a value creation strategy. At the end of the day, decision-makers respond to financial metrics. If we can show the impact on ROI, IRR, payback period, ROIC, cost of capital, EBITDA margins, and ultimately total shareholder return (TSR), then we are speaking the language that resonates in the boardroom.

To make the case tangible, I often use tools like Integrated ROI (IROI) and carbon shadow pricing. These allow us to stress-test projects in higher carbon-price futures and present clear scenario comparisons: what happens if we act versus what happens if we don't? Boards really respond to that kind of clarity.

For me, the bottom line is simple: sustainability is not a trade-off. It is a performance lever and a risk management tool, fully aligned with fiduciary duty and long-term value creation.

What I've found works best is to link sustainability directly to the drivers that matter:

Profit generation, whether through energy efficiency, low-carbon product innovation, or new market access.

Risk mitigation, like reducing exposure to carbon pricing, supply chain volatility, and regulatory tightening.

Capital market expectations, as both banks and investors increasingly favor climate-aligned firms.

Brand value and customer trust, which are especially critical in Scope 3-sensitive sectors.

In conclusion:

Being sustainable pays off

We are entering a decisive decade where climate ambition will separate tomorrow's winners from laggards. Companies that understand the financial case for sustainability and act with urgency will secure lower costs, better financing, stronger customer loyalty, and greater investor confidence. Those that hesitate risk paying the highest price. The message is simple: *act now, act boldly, and let data guide the way to a future where emissions and earnings grow in alignment.*

06

Using your ESG data as a strategic driver

BY DANIEL GADD, CEO & CO-FOUNDER, POSITION GREEN

Technology has long been an enabler of faster, more efficient sustainability work, but it's safe to say it has primarily been used to make compliance easier and quicker, rather than to enable strategic action.

The simplification of the EU's Omnibus proposals created ambiguity, prompting many businesses to shift into a holding pattern on their reporting efforts. Key due diligence milestones were delayed, and the ripple effects on compliance roadmaps and sustainability KPIs have been real and measurable. But even as the regulatory environment evolved, we saw something else happen.

Forward-looking companies used the moment not to pause, but to prepare. They strengthened internal governance, invested in cross-functional upskilling, and enhanced data workflows in anticipation of what's next. They looked at data beyond its capacity to fulfill a compliance obligation, and saw it for what it was: A strategic asset.

When I co-founded Position Green in 2015, the vision was clear: one day, sustainability data would become as essential to business performance as financial data. That day is arriving faster than many anticipated. →

> **"Compliance is not the end goal. It's the foundation."**

Since then, we've focused relentlessly on reducing the administrative burden of compliance and equipping our customers with both powerful software and expert advisory. Leveraging AI, we've made it possible to complete tasks much faster and more smoothly, delivering a seamless experience for our customers. We've helped organisations cut their time spent navigating CSRD and other frameworks in half—an achievement that, while significant, we see as just the beginning.

Because compliance is not the end goal. It's the foundation.

What we're seeing now is a shift from reactive reporting to strategic readiness. Companies are holding to their sustainability pledges not just out of principle, but because the business case is becoming undeniable. Competitive advantage is increasingly tied to the ability to act on ESG data, not just collect it.

In the past months, we've launched two key features, Benchmarking and Decarbonization Modeling, that go beyond compliance and into the realm of business decision-making. These tools are designed to enable leaders to compare, model, and act in real time, not simply report after the fact.

Explore new key features

BENCHMARKING

DECARBONIZATION MODELING

Compliance will always matter. But the expectation today is that sustainability tools must drive value across the enterprise, from investor relations and procurement to product development and growth strategy. That's why we've built a platform ready to scale with those ambitions.

What's next is exciting. Not just for Position Green, but for the businesses we support. ESG data is no longer just a regulatory requirement, it is becoming a central input into competitiveness, innovation, and long-term performance.

I look forward to sharing how our platform is empowering that shift, and how we're helping turn compliance into a competitive edge.

"ESG data is no longer just a regulatory requirement, it is becoming a central input into competitiveness, innovation, and long-term performance."

07

Sustainability as a business imperative

BY JULIA STAUNIG, CHIEF GROWTH OFFICER, POSITION GREEN

Staying ahead: Strategies for an effective transition in an evolving landscape

The past year has brought a shift. Not in purpose, but in pressure. The EU's Omnibus proposals are likely to narrow the scope of mandatory sustainability reporting requirements significantly: both in terms of the number of companies who will be legally obliged to report and the extent of what will need to be reported. For some, this came as welcome relief. For others, it threw carefully planned timelines, teams, and stakeholder expectations into unprecedented legal uncertainty and ambiguity. ESG leaders who had spent months building cross-functional processes and standing up reporting structures found themselves pausing midstream, asking new questions. Do we need to move as fast? Can we pull back? What are the consequences of changing ambition levels mid-route on stakeholders outside the regulatory field? In short: *What now?*

At Position Green, we've had to digest this sudden shift ourselves, and equip our organization and teams for a prolonged rollercoaster ride until the fate of the CSRD is clarified. So we understand corporate leaders' puzzlement about the EU's winding roads only too well. →

> "Let's not confuse pressure with purpose."

Don't confuse pressure with purpose

However, let us not confuse the means with the ends. Let us not confuse purpose and pressure. The majority of our customers—more than 90%—continue to move forward, regardless of the confusion politicians and regulators have caused. They do so because they must. For them, regulation is merely one driver of many that they have shaped their sustainability journey around. For them, sustainability is a strategic discipline, core to ensuring their companies can survive and thrive in an increasingly resource-scarce and challenging economic context.

Even in this moment of political back-pedaling and regulatory delays, we are seeing some companies double down. They are investing in systems that bring ESG data into strategic planning, moving non-financial data front and centre to planning investments, cost efficiencies, and long-term resilience. They are strengthening their governance frameworks to integrate sustainability decisions into core business processes. They are running internal education programs, not to meet compliance, but to build fluency on what it means to run a business in today's constrained environments, across teams. These companies are not standing still. They are widening the competitive gap to the laggards, which of course also exist.

Sustainability as a shared language across the business

Our Advisory team has had the opportunity to work closely with many companies across a wide range of sectors leaning into this shift. What we're seeing is a mindset change. Rather than waiting for a new timeline to be set, these companies are preparing for what comes next. That preparation is not just about getting ready for disclosures. It is about strengthening the link between sustainability and resilience; and between sustainability and value creation. It is about understanding how emissions, value chain dependencies, and long-term reputation intersect with competitiveness (survival of the "fittest", anyone?), profitability and growth. And it is about building internal credibility for sustainability teams by anchoring their work to the commercial objectives of the business.

This kind of transition is not theoretical. It is already well underway. In the conversations we are having with clients, materiality is being discussed at executive level from a commercial perspective, and not through a "tick-the-box" compliance lens. Procurement teams are asking new questions about supplier data integrity. Finance teams are sitting in on sustainability meetings, not as observers, but as stakeholders—and indeed, very often as owners of non-financial data and reporting. These are the signs that sustainability is by no means a side project. It is becoming a shared language across companies.

Systems that scale and insights that stick

This shift is also visible in the tools companies are choosing to adopt. In the last 12 months, we have expanded our platform to support organisations who want to move faster and with more clarity. Our Benchmarking capabilities now allow companies to assess where they stand in real time against industry peers. That data is not only useful for reporting, it supports strategic positioning and board engagement. Our AI AutoReporting feature dramatically reduces the time it takes to create compliant, audit-ready reports. More importantly, it frees up internal teams to focus on quality and insight rather than formatting and repetition. And our Decarbonization Modeling tool allows companies to simulate different pathways to net zero, measuring not only emissions outcomes, but cost implications and operational feasibility. →

3 tools that help ESG teams go from *reactive* to *resilient*

1. BENCHMARKING
2. DECARBONIZATION MODELING
3. AUTOREPORTING

These developments are not responses to regulation. Quite the contrary! Despite the (admittedly extremely challenging and annoying) uncertainty, the EU's Omnibus has thrown our industry in, we feel that the shift of focus away from the regulatory lens as the "only one" because of compliance pressure has set us—and our customers' sustainability teams—free. Reporting may be paused, but the need to act has not been, and our customers—both at organizational and individual level—are reconnecting with the purpose of their business, and how they need to reshape to still achieve it despite environmental and societal challenges. Moreover, markets, investors, customers and regulators continue to expect clarity, accountability, and measurable progress. The direction of travel is not in doubt.

What comes next and who's ready for it

Looking ahead to 2026 and beyond, the landscape will only become more complex. Companies will need to reconcile their sustainability ambitions with volatile policy environments, increasing data demands, and rising scrutiny around green claims. We expect reporting to evolve from annual snapshots to continuous readiness. We anticipate more value chain exposure, even for companies outside formal scope. And we believe that assurance, once optional, will increasingly become the standard that defines trust for specific non-financial data, such as carbon, as opposed to blanket but in the end quite overarching assurance-readiness of generic sustainability reporting.

For businesses that choose to maintain their momentum now, the advantage is real. Not just in terms of preparedness, but in operational agility, brand credibility, and access to capital. These companies are not just getting ready to report. They are getting ready to compete. ESG, when done well, becomes a self-reinforcing feedback loop. It creates insight, guides action, and reinforces value. That is the opportunity, even in a moment of regulatory hesitation. I strongly believe that when we look back in a couple of years' time, we will be flabbergasted by how big a fuss was made over the CSRD, as non-financial data will be baked into every successful companies' decision-making and stakeholder engagement processes.

To those reading this report, whether you are considering your next step or reassessing your current path, our message is simple. Keep going. Use this time not to retreat, but to refine. To get ahead of your competitors. To build stronger ties with your customers, your investors, and the other stakeholders you depend on. Invest in what makes your sustainability efforts scalable, strategic, and future-facing. Revisit your KPIs. Reaffirm your governance. Streamline your systems. The work you do now will define how ready you are when the next shift comes.

What comes next will not necessarily be linear. But the companies that act with clarity, speed, and ambition will be the ones who define the shape of the future. We are proud to work alongside them. And we are building every part of our platform to support that journey.

Sustainability is no longer waiting for regulation to move. *Neither should you.*

> "Companies that act with clarity, speed, and ambition will define the future."

5 ways to stay ahead in 2025–2026:

- Reaffirm your governance
- Revisit your KPIs
- Streamline your systems
- Build cross-functional fluency
- Anchor ESG to commercial strategy

The product roadmap

Data, insight, and the future of strategic ESG leadership

Position Green's product vision has always been shaped by a single principle: sustainability data must drive business performance. That means the platform is built as a tool for compliance, as much as it is a tool for insight, taking action, and measurable value creation.

Over the past year, we have accelerated our roadmap to meet the growing demand from customers who are asking for more than reporting capabilities. They want tools that give them the ability to reduce costs, mitigate risks, increase efficiency, and future-proof their corporate strategies. They want the ability to see beyond the present moment, to mitigate risks and uncover opportunities across their value chains, and to act on that intelligence before competitors do. →

1. Building for strategic insight
2. Building for climate impact
3. Building for the future
4. Looking ahead

The product roadmap 1

Building for strategic insight

Our recent product developments reflect this. We have introduced features that don't just capture data, but inform critical business decisions.

Benchmarking

Benchmarking now allows our customers to see exactly how they compare to peers on key sustainability metrics. This is based on real market data, not proxies, providing a live market position that drives sharper strategy discussions at board level and helping you to demonstrably show you're a leader in the market.

AI AutoReporting

AI AutoReporting automates reporting processes, reducing time spent by up to 30%. Combined with the rest of the Position Green software, this can yield a year-on-year reduction in reporting effort of more than 70%. Now more than ever, this gives sustainability teams the opportunity to focus on interpretation and strategic alignment rather than formatting reports.

Real-time visualizations

Real-time visualizations enable companies to track emission trajectories, KPIs, and performance, factoring in both CapEx and OpEx impacts. This allows leadership teams to cut emissions and costs at the same time, identifying which levers will deliver the highest impact and fastest return.

Decarbonization strategy and modeling

Decarbonization strategy and modeling gives users the ability to predict emissions trajectories, performance trends, and financial impacts. Decision-makers can move from static reporting to continuous monitoring, ensuring strategy stays aligned with evolving conditions.

These tools provide the clarity needed to prioritise high-impact actions, defend sustainability budgets, and connect sustainability data to tangible business outcomes.

By mapping results directly to KPIs and business strategy, companies can build a clear ESG business case that strengthens both internal and external buy-in.

The product roadmap 2

Building for climate impact

With Scope 3 reporting now mainstream and climate mitigation a top priority, we're doubling down on developing tools and features that help companies implement successful decarbonization strategies and make meaningful emissions reductions. This includes:

Smarter Scope 3 data collection

Expanding automated supplier data gathering and improving data quality throughout the value chain to simplify comprehensive Scope 3 reporting.

Personalized recommendations

Providing custom action suggestions based on your set targets and reported emissions. Review, refine, and add them to your decarbonization strategy to kick-start execution.

Enhanced ROI tracking

Strengthening the link between emissions reductions and financial outcomes, enabling clearer return-on-investment tracking for climate-focused initiatives.

Extra granularity for better planning

Introducing more detailed, actionable pathways to accelerate emissions cuts and support science-based targets with practical next steps.

The product roadmap 3

Building for the future

As sustainability demands evolve, we're committed to keeping our platform one step ahead, helping customers stay agile, audit-proof, and ready to succeed no matter what.

"We can adapt faster, develop more strategically, and connect impact to business performance in ways that are hard to replicate."

DANIEL GADD

CEO & Co-Founder, Position Green

Regulation-ready

We continually evolve to meet changing regulations and ambitious climate goals, keeping customers one step ahead with a streamlined, future-proof platform.

One sustainability data hub

Never enter the same data twice and reuse it across all your initiatives with an interconnected platform that provides a single source of truth for sustainability data.

Enterprise-grade by design

Introducing more enterprise-grade tools and features to power seamless cross-entity reporting, end-to-end traceability, and intuitive workflows across complex organizations.

Sustainability in context

Helping customers merge sustainability, operational, and financial metrics to eliminate data silos and show the full picture with pre-built integrations, auto-population and a seamless experience.

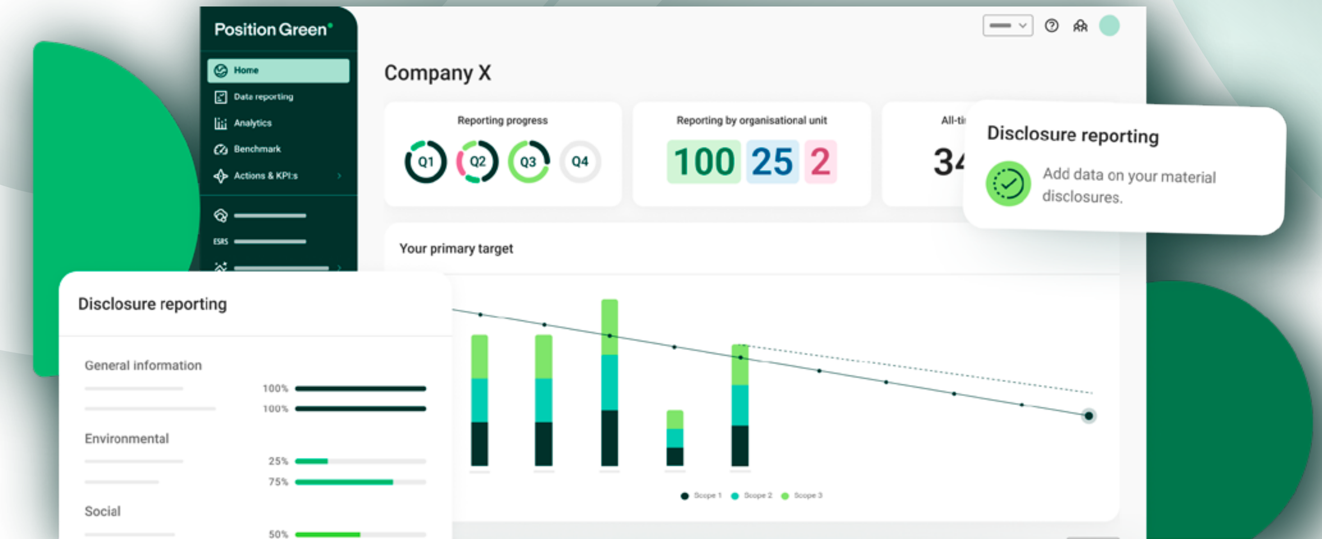
The product roadmap 4

Looking ahead

The next stage of our roadmap focuses on deepening automation and insight.

We are moving toward **continuous automation of manual tasks**, using embedded AI trained on years of advisory expertise and unique customer and market data. This will enable customers to skip the data overload and move straight to strategic decision-making.

Looking further ahead, we see **agentic automation**; AI that can execute entire processes end-to-end, from collecting and validating data to modeling outcomes and producing assurance-ready disclosures. This will redefine the role of sustainability teams, freeing them to focus entirely on strategic leadership.



> The companies that will lead the next decade of sustainability are not just preparing to comply. They are designing for agility, resilience, and competitive advantage. Our platform is developed to meet their ambition and yours. Compliance is, after all, the floor and not the ceiling of sustainability, and if you are now looking into how ESG data can inform your business strategy on a more impactful level, then make sure you get in touch with our team.

GET IN TOUCH

DANIEL GADD

CEO & Co-Founder, Position Green

From disruption to direction

08

As we conclude this report, one theme rises above the rest: disruption does not erase ambition, it reshapes it.

The past year brought shifting regulations, paused obligations, and moments of hesitation. Yet the insights we shared have hopefully convinced you that while compliance may have slowed, convergence accelerated. Companies that leaned into uncertainty discovered something more valuable than a clear rulebook. They discovered the strength of building sustainability into the very core of their business.

In our analysis of over 1,900 European companies just a few pages ago, we saw **Scope 3 reporting move into the mainstream from 45% to 52% in just one year and climate change mitigation identified as material by 98% of companies** (and double material by 73%), linking it directly to both financial performance and environmental impact. Additionally, spend-based calculations jumped from 35% to 51%, showing that companies are prioritizing visibility now, even if the data is not perfect.

These are not just reporting statistics, they are signs of a broader transformation. Sustainability is no longer being treated as an isolated reporting task, but as a strategic driver of decision-making.

For example, transportation companies tend to focus on pollution of air, reflecting emissions and particulate matter from vehicles and logistics, while food and beverage companies place greater emphasis on water resources and biodiversity, linked to upstream agricultural activity. These differences demonstrate that sustainability work has not become a one-size-fits-all exercise, but something overlaid on the strategic imperatives that drive companies' long-term resilience.

Taken together, these insights reinforce the conclusion we draw here: Sustainability is moving from compliance into a discipline that underpins resilience, competitiveness, and growth. The companies featured in this report provide a glimpse into that new reality. They are cutting emissions while lowering costs, reducing audit burdens through better data traceability, and unlocking value across their supply chains. They are aligning finance, procurement, and sustainability teams around shared data and priorities, turning ambition into concrete actions that drive performance today.

At Position Green, our role is to make this transition real, measurable, and actionable. We bring together technology, advisory expertise, and data infrastructure to ensure that sustainability is not only reported but acted upon. Our platform transforms complexity into clarity, giving leaders the confidence to connect ESG with financial performance, operational priorities, and long-term strategy.

The data in this report show what is possible. The roadmap we have shared points to where we are going. And the insights from our featured experts remind us that resilience is not about waiting for stability, but about moving with purpose in times of change.

So our final message is simple: do not wait for perfect certainty before taking your next step. The companies that will define the future of sustainability are already acting today. They are moving from disruption to direction, from compliance to convergence, and from ambition to measurable value.

We are proud to stand alongside them and we look forward to building the next chapter together.

The companies of tomorrow
are building their competitive edge today.

Are you ready
to take the lead?

Book a walkthrough of Position Green's ESG data management software.

BOOK A DEMO

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