Building Internal Buy-in: The Business Case for Corporate Sustainability

A sustainability program is an all-hands-on-deck commitment, and it can be challenging to earn the buy-in of all the relevant stakeholders. Take a deep dive with us into the factors at play and how you can take steps to build internal buy-in for your sustainability program.

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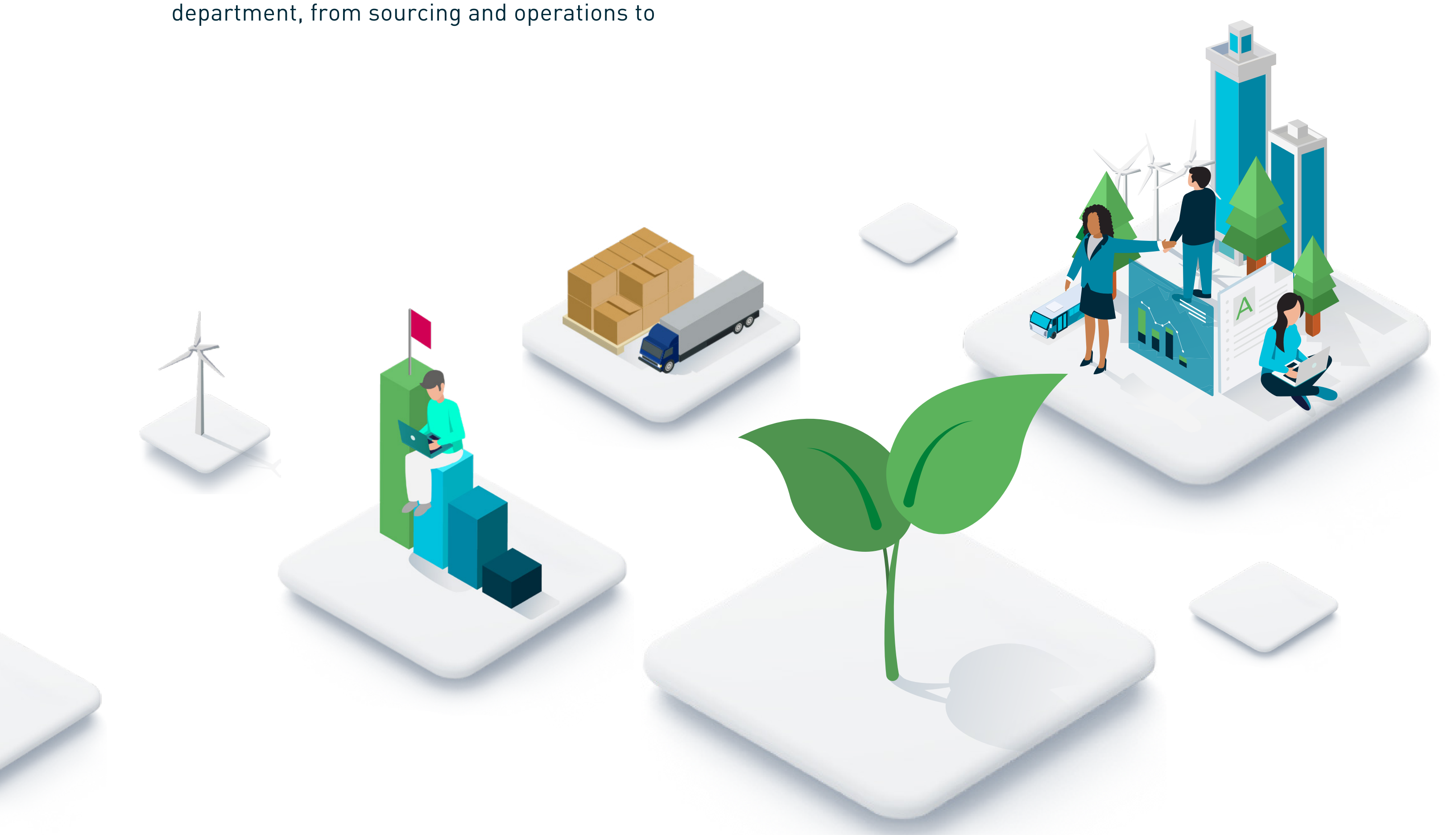
Introduction

A growing number of customers,[1] investors,[2] employees,[3] and other stakeholders recognize that sustainability is a crucially important part of doing business.

Organizations, both public and private, have a long list of reasons to improve the sustainability of their operations—but those reasons aren't always obvious to those not in the weeds on sustainability data.

Nonetheless, sustainability goals are, by their nature, cross-functional—stakeholders in every department, from sourcing and operations to finance and legal need to be on board. Getting sustainability initiatives off the ground and maintaining the momentum needed for success are both common challenges for sustainability teams, and helping stakeholders understand the value proposition of sustainability is the first step to making your sustainability goals a reality.



Why Sustainability Matters

In conversations about sustainability and to what extent these issues should factor into business strategy, the real case for sustainability becomes clear once all parties understand the forces shaping sustainable business decisions today:

- The external pressures that prioritize sustainability, ESG, and transparency
- The risks and impacts that threaten long-term resilience
- Emerging opportunities for value creation
- The internal stakeholders whose perspectives directly affect the ability of sustainability programs to succeed

Understanding these dimensions grounds the conversation in the much more familiar landscape of business operations, making it easier for leaders and peers to see why sustainability has grown beyond branding and greenwashing—and has become a strategic imperative.

External pressures

Sustainable business is no longer a niche luxury afforded to a select few organizations. Rather, it is a necessary approach to operating a successful business that is both resilient and responsive to global change. Investors, policy makers, customers, and other external stakeholders are increasingly assessing companies' approaches to sustainability when making key decisions, often centered around ESG-related risk management, opportunities, and impacts.

Below, we explore the major external drivers behind why so many companies have now adopted sustainability topics into broader business strategy, from investors and customers to global policy makers.

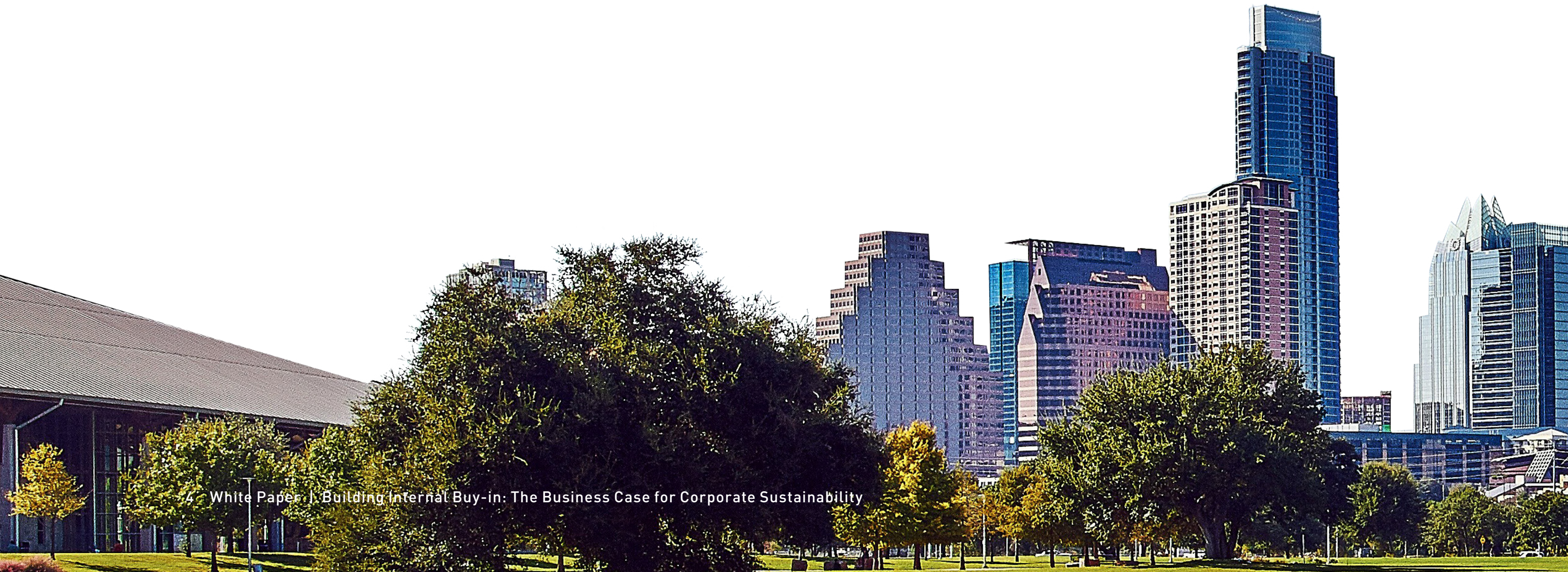
Investors

Morgan Stanley's Sustainable Signals survey reports that asset managers and asset owners see sustainability as a key differentiator in retaining or winning assets, and over 80% of these see sustainability as an important part of managing investment risks. Moreover, 94% of institutional investors have already had a sustainable investing program for at least a year, and 86% of asset owners expect the proportion of their assets in sustainable funds to increase in the next two years.[4]

What does this mean for your business? Investors are interested in ensuring that the companies in their portfolios are addressing issues that are material to them. This goes beyond activist investors—demonstrating that your company is factoring sustainability-related risks into resilience planning signals to investors that your organization is actively managing long-term value, rather than just short-term performance. It also shows that your company is taking a disciplined, forward-looking approach to mitigating risks and capturing emerging opportunities in a way that is proactive and ready to respond to a rapidly changing landscape.

Policy makers

Regulatory bodies have been increasing the momentum for corporate sustainability requirements—including mandatory reporting and due diligence requirements—within jurisdictions around the world. In June 2023, ISSB launched its sustainability-related standards, which were made effective in 2024.[5] Its purpose was to develop consistent alignment



and streamline the process across corporate sustainability disclosures, as well as provide decision-useful information for investors, policy makers, capital markets and other external stakeholders. According to S&P Global,[6] as of May 2026, twenty-eight jurisdictions have already adopted ISSB-based standards on a mandatory or voluntary basis, including Canada, Australia, Brazil, Turkey, Japan, South Korea, and Mexico. Another twelve jurisdictions have plans to adopt these standards in the near future, including China, India, South Africa, and Indonesia.

The growing number of sustainability-related regulations around the world shines a legal spotlight on sustainability topics, and organizations that are not taking steps to adapt to this new regulatory environment are at risk of falling behind.

Customers

Sourcing, supply chain, purchasing, and procurement—stakeholders in these areas and more have been receiving an increasing number of requests from customers about ESG expectations. Whether they have set specific scope 3 targets and require suppliers to align with these goals (as is the case with Microsoft),[7] or have expectations for zero tolerance of discrimination, more customers are accounting for sustainability factors when making important supply chain decisions. Without insight into or accountability for your own sustainability data, you may be missing out on key wins and revenue streams.

Consumers and potential talent

Brand reputation has a powerful influence not just on corporate customers but on consumers further downstream and on hiring potential. A report by ManpowerGroup found that the majority of workers are "ready to embrace the green transition in their companies."[8] Another study by Marsh and McLennan found correlations between high employee satisfaction and better sustainability performance, as well as between attractiveness to young talent and both lower carbon emissions and diverse leadership.[9]

These external stakeholder pressures ultimately impact internal teams who are expected to take action to meet these demands.

Risks and negative impacts

The risks of not addressing sustainability can create financial exposure, operational vulnerabilities, and reputational damage that threaten long-term business viability and competitive positioning.

Regulatory risks

As governments and regulators continue to implement ESG-related requirements, companies may face increased exposure to legal and compliance risks. Mandatory ESG disclosures like the EU's Corporate Sustainability Reporting Directive (CSRD),[10] Germany's Supply Chain Due Diligence Act,[11] and other emerging or current regulations are raising expectations for effective governance, transparency, risk management, and due diligence across companies' direct operations and their value chains. From a social perspective, more jurisdictions are requiring companies to identify, assess, and mitigate human rights and labor risks within their supply chains, driven by regulations such as those listed above.

While timelines for these regulations vary (many are implemented in phased waves), companies should act expeditiously to build the processes, sustainability data management systems, internal controls, and programs needed to comply with applicable laws. These regulations are rapidly changing and are subject to constant revision, but being proactive on sustainability can help to mitigate potential compliance risks and associated costs.

Market risks

Misalignment with customers' targets, goals, and disclosure expectations may result in lost contracts and revenue. Many global brands require partners to comply with supplier codes of conduct, which outline the brand's policies and expectations on topics such as labor and human rights, health and safety, and environmental impact.

For example, large retail companies such as Walmart and Target set high expectations and require that suppliers adhere to codes of conduct. Target's Responsible Sourcing and Sustainability Program requires partners and vendors to comply with Target's standards across ethical business practices, social, labor, and environmental sustainability.[12] Walmart engages its suppliers through Project Gigaton, with the goal of helping Walmart meet its scope 3 science-based emission reduction target.[13]

A misalignment on sustainability goals and policies may expose supply chain partners to escalating market risk, as buyers consistently favor partners that can demonstrate progress toward shared goals and values.

Physical climate risks

Escalating physical climate risks can pose a significant threat to business operations across industries. Shifts in normal weather patterns and increasingly frequent extreme weather events pose serious threats to operations. Record high temperatures, destructive wildfires, powerful snowstorms, hurricanes, flooding, and constrained water supplies can impact human health, disrupt supply chains, reduce

labor productivity, and cause catastrophic infrastructure damage. Based on a study conduct by the World Economic Forum, these types of hazards can threaten corporate fixed assets, with potential annual earnings losses ranging from 6.6%-7.3% by 2035.[14]

To ensure business continuity, companies must mitigate potential risks and get ahead of opportunities, evolving with the changing investor, consumer, and regulatory landscape.

Opportunities and value building

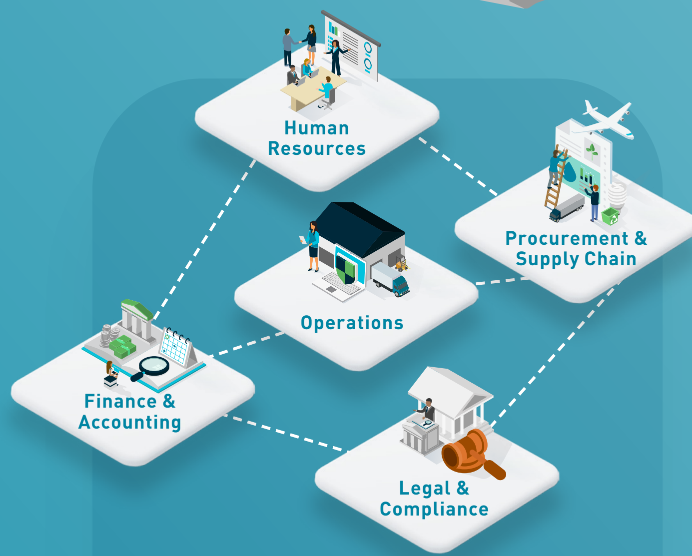
The World Business Council for Sustainable Development (WBCSD) recently reported that sustainability shows generally positive financial returns and a reported ROI ranging from 2x to 14x, depending on sector.[15] From a value-building perspective, while sustainability often has clear direct benefits—such as lower costs by way of energy savings, water savings, diverted waste, and other direct quantitative impacts—its less obvious benefits cannot be overlooked.

While they may be difficult to quantify, benefits such as improved risk mitigation, brand equity, supply chain reliability, and product innovation contribute in a substantial way to a company's overall value.

- **Operational Efficiency:** Companies experience long-term financial benefits from implementing energy conservation, recycling initiatives, and waste reduction programs.[16]
- **Talent Attraction and Retention:** Having a strong sustainability program attracts talent whose values align with yours. These programs also engage and retain current employees by creating a shared sense of purpose and commitment.[17]
- **Brand Equity and Loyalty:** Sustainability can strengthen brand equity by enhancing a company's reputation, building trust, and maintaining credibility. Brand loyalty improves as a result, with consumers increasingly rewarding authentic environmental and social commitments with loyalty and capital.
- **Investor Confidence:** Companies can increase investor confidence through improvements in investor ESG ratings, demonstrating long-term resilience and value creation, which in turn result in increased access to capital.[18]
- **Business Resilience & Risk Mitigation:** Sustainability initiatives help companies better anticipate and respond to ESG risks. Improved resource efficiency, engaging a more resilient supply chain, climate transition planning, and risk assessments help enable organizations to better navigate, protect revenue, and reduce risks in the face of the unknown.[19]
- **Competitive Advantage & Market Access:** Competitive advantages can emerge through enhanced investor confidence, customer retention, and access to new markets through sustainability credentials and sustainably innovative products and services.[20]

Understanding Diverse Internal Perspectives

Teams across your organization have different—often competing—priorities, and they may not immediately see a connection between their work and sustainability.



Reach out to your colleagues and open lines of communication to better understand their goals and priorities. This will allow you to rank these priorities and map them to corresponding programs and metrics within the sphere of sustainability, drawing those connections for them. Speak their language and show them how sustainability goals align with their own.

Now that we have a better understanding of the key drivers, risks, impacts, and perspectives of your internal departments, let's examine solutions that can help you gain internal buy-in on the value proposition of a sustainability program.

Steps to Building Internal Buy-In

Fundamentally, the key to building internal buy-in for sustainability mirrors the core of corporate sustainability itself: balancing the many environmental, social, and economic interests at play in order to:

1. Meet **present needs**,
2. Build resilience to meet **future needs**, and
3. Ensure that your organization thrives **well into the future**.

Maintaining that balance can present a challenge but should serve as your guiding star. Below, we outline actions and policies to keep in mind as you work to foster support for sustainability within your organization.

Align business goals and sustainability

To help your teams better understand the value of sustainability, start with a fundamentally shared value: the goals and vision of the business. By connecting the company's mission, vision, and goals to sustainability targets and topics, you bring sustainability into the world of practical, business-driven strategy.

When stakeholders can clearly see how sustainability supports *their* goals—revenue growth, risk reduction, and long-term business resilience, for instance—they are more likely to support and engage with sustainability goals.

Consider:

- Hosting sustainability education webinars
- Catering your communications to specific teams by highlighting the drivers that most affect them
- Starting with a broader, company-wide perspective, then paring down to individual departments and tailoring accordingly

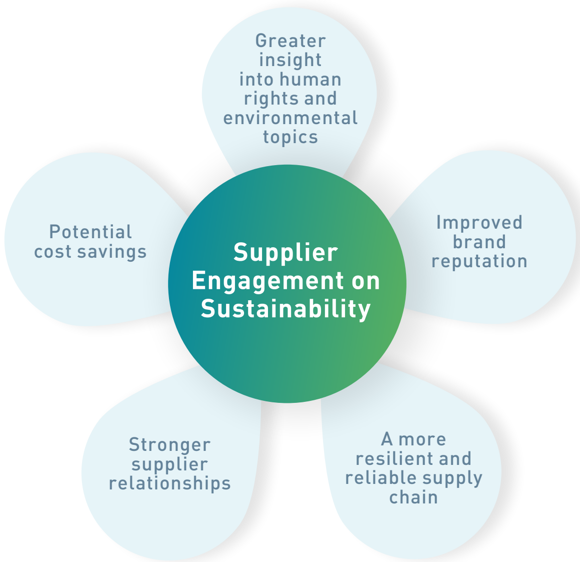
Speak each department's language

Different departments have different priorities, depending on their business function—and sustainability may not be a top priority for most. To help these departments better understand the benefits of sustainable practices, take the time to draw direct connections to benefits for these individual departments.

First, understand their priorities. What does the department care about, and what are the responsibilities of the individual groups within the department? Once you understand this, you'll be able to better present the business case for why sustainability is important.

For example, operations may prioritize energy efficiencies for facilities or business continuity plans in the face of natural disasters. Since this team is already thinking about climate physical events (perhaps using different language), you can step in and draw connections between their goals and sustainability topics.

On the other hand, procurement teams may focus on keeping their customers happy and working with suppliers that can effectively meet the needs of the business. Speak their "language" by demonstrating the risks of working with suppliers who have not been assessed for human rights, child labor, environmental, and other relevant risks. Conversely, highlight the benefits of doing business with suppliers who are transparent and highly engaged, such as improved brand reputation, a more resilient and reliable supply chain, and potential cost savings as suppliers reduce water, energy, and waste.



Consider:

- Conducting a materiality assessment for insight into what issues are most important to different internal stakeholders
- Diving into the details of each department: What motivates them? What are the responsibilities of individual groups within each department?
- Defining a common language and agreed-upon terminology for sustainability topics across the company. This will help provide clarity and avoid confusion.

Build sustainability through a collaboration

Sustainability is a holistic endeavor. While every team plays a role in meeting sustainability goals, every team should also benefit from the achievement of those goals. Involve internal teams in conversations about goals, targets, and feasibility. This will allow you to more deeply understand the full context of their work and what is reasonably achievable.

A robust sustainability program should take into account the needs, targets, and limitations of its participants, as you will need their enthusiastic support in order to succeed.

Consider asking questions such as:

- Whose participation is required to execute sustainability initiatives?
- What would it take to implement the initiative in question? Is it even cost-effective to do so?
- What topics require more research before or during the planning phase?
- What is feasible in the short and long term?

Empower sustainability champions

To continue encouraging active engagement on sustainability issues and initiatives, identify employees who are already passionate about sustainability issues and enthusiastic about pushing change forward. These may be sustainability champions in each department, or they may be an employee resource group or committee dedicated to sustainability within the organization.

When establishing or engaging with these groups, it's important to remember that these subject matter experts (SMEs) want to contribute to real, positive change. Show them the tangible outcomes of their efforts by creating opportunities to showcase the results of their work, including creating live dashboards, sharing sustainability reports, or giving them a shoutout via internal communications. Regularly encourage more engagement and proactive engagement, and take steps to help your colleagues feel like they are a part of a meaningful, active group whose efforts are appreciated.

Consider:

- Establishing an employee resource group (ERG) or committee that can support internal change
- Identifying sustainability champions in each department
- Creating dashboards, reports, newsletters, and other ways of sharing tangible results with SMEs
- Openly and frequently acknowledging the contributions of SMEs

Embed sustainability into performance success

Tying sustainability to KPIs and other metrics may be easier said than done, but doing so turns sustainability-related tasks and initiatives into core, strategic work whose outcomes can be clearly measured. If sustainability goals are integrated into incentives and responsibilities, then the importance of sustainability within the organization transforms from a nice-to-have to a solid requirement.

Build accountability into your structures by:

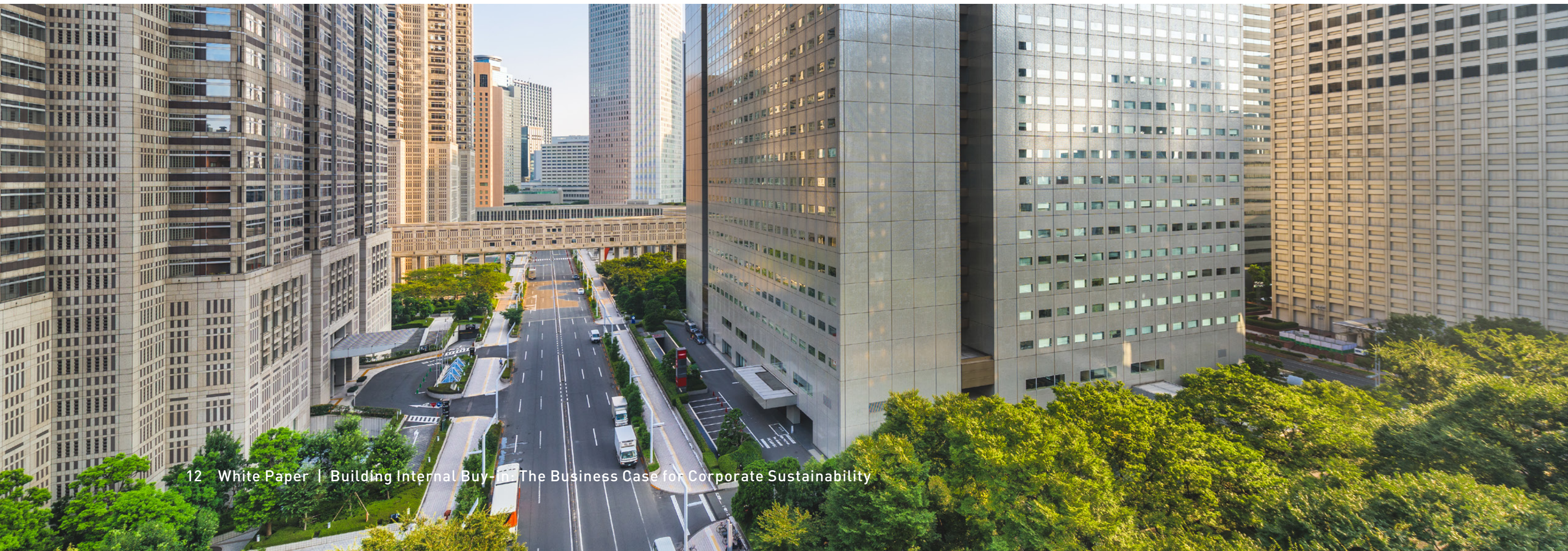
- Taking steps to link sustainability goals with responsibilities, incentives, and KPIs (e.g. tie monetary or non-monetary incentives to certain milestones such as meeting targets or identifying energy-saving measures)
- Integrating sustainability into established processes such as onboarding
- Including sustainability responsibilities in job descriptions (or reframing existing responsibilities)

Streamline and simplify processes

Make the process of reporting on sustainability targets easier for your teams by streamlining data management and collection. If the process is simple and takes minimal time, SMEs are more likely to participate. Clarifying data collection processes and timelines also helps manage expectations and reduce friction. When SMEs know exactly what is expected, when it's due, and how to provide their part, they are more likely to engage consistently. Doing so also helps build trust and strengthens your program's sense of collaboration.

Consider:

- Establishing clear timelines and processes with your SMEs
- Providing templates for data collection
- Setting up working sessions calls to ask and answer questions directly, minimizing the amount of email back-and-forth



Conclusion

It's important to remember that your stakeholders—your sustainability champions, committees, and SMEs—are the powerful connective network that makes your program possible. More than just data reporters and checklist items, these colleagues contribute to a larger, embedded strategy that all stakeholders hold as a shared vision for the future of a sustainable, resilient business.

The process of "selling" sustainability's value proposition internally—helping colleagues and leaders better understand the positive impacts of sustainable practices on business goals—is not an overnight transition but a gradual change-management journey. It requires patience, persistence, and a cultural shift in perspective. Success comes from highlighting progress and supporting stakeholders through any challenges, rather than treating sustainability tasks and initiatives as one-off requests.

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