

10 Priorities for Sustainability Leaders to Close Out 2025

Updated 09 June 2025

Steve Odland: Welcome to C-Suite Perspectives, a signature series by The Conference Board. I'm Steve Odland from The Conference Board and the host of this podcast series, and in today's conversation, we're going to talk about the top 10 sustainability priorities for the rest of 2025.

Joining me today is Dr. Andrew Jones, principal researcher at our Governance & Sustainability Center at The Conference Board. Andrew, welcome back.

Andrew Jones: Thanks so much, Steve. Always a pleasure to be with you.

Priority Number 1: AI in Sustainability

Steve Odland: So we're going to do this top 10 in reverse order, Andrew. And starting with number 10, what is the number 10 priority for sustainability executives in 2025?

Andrew Jones: So we think the number 10 priority is AI, artificial intelligence. So I think we all know that companies are obviously investing so much in AI, it's a time of accelerating AI adoption, but it also has big opportunities to advance sustainability goals while also introducing some risks, as well.

Steve Odland: Tell me how AI works in the sustainability world.

Andrew Jones: I think it's interesting cause obviously, sustainability and ESG, they are inherently data-driven disciplines. They've been built on the collection of large data sets across operations and suppliers, emissions, resource usage, energy, et cetera. So companies already gathered this data, right? So there's a big opportunity to apply AI to that data. And I think we're seeing signs of companies really starting to use AI to advance their sustainability goals.

And I think an obvious one is regulatory compliance and reporting. We know that AI tools can streamline the preparation of reports and ensure consistency, but there's also some really interesting, innovative approaches emerging where it's around analyzing big data sets. So, for example, looking at big emissions data sets or big water usage data sets to really identify opportunities for efficiencies and optimizing and looking across the supply chain. So there's some really exciting use cases of AI emerging when it comes to sustainability, Steve.

Steve Odland: Yeah, so those sound, not the really advanced kind of AI tools, more of the normal kind of analytical tools: large language models, data analysis tools and that sort of thing.

Andrew Jones: That's right. Yeah, I think, as you say, the obvious use cases for AI, we're seeing across functions and across disciplines where it comes to reporting, communications, data analytics. But also, yes, some more advanced, cutting-edge science, where it's around scenario modeling and looking, for example, modeling extreme weather events or climate risks. Or even developing more optimized packaging and products. I think there's a lot more to come in this area, for sure.

Priority Number 9: Communicating and Storytelling

Steve Odland: All right, moving on then. What's the number nine priority for companies' sustainability efforts.

Andrew Jones: So number nine is communicating and storytelling, and specifically, telling your sustainability story in a way that resonates with key stakeholders. And that includes some of the longstanding key audiences like investors and regulators, but also broader spectrum, including employees and consumers and users.

Steve Odland: Yeah. You don't think of storytelling as in sustainability in the same sentence, but you've written on this. And it is interesting, because every company has a different set of objectives, they're in a different industry, they've got different issues. And so explaining to their constituents what that package of issues are and how they're addressing it becomes key to the success of their efforts.

Andrew Jones: It really does. I think that's really nicely put, where yeah, there's this different kind of, I guess there's a different constellation of stakeholders around each company. And obviously they vary by positioning and market and industry. And we know, for example, investors and regulators have been seeking consistent materiality, focused disclosures, and progress against targets.

But on top of that, there's also, I think there is this need for more thoughtful and creative storytelling within those parameters that does really tell what the company's doing when it comes to innovation and strategy and long-term value creation. I think this can be a really important tool for competitive advantage and differentiation.

Steve Odland: Yeah. And they don't teach storytelling in law school or finance school. So this takes a different muscle when you're thinking through how to present this. Everybody is focused on frameworks and the data, as you said before. And so it really requires communication skills and therefore, some cross-functional work across the C-Suite.

Andrew Jones: It really does. And I think you're right that this doesn't necessarily always come naturally in this kind of field, though. It is a field that, particularly for the last few years, has been dominated by data and assurance and harmonized frameworks and consistent disclosure metrics.

And I think, yeah, there's a real opportunity to humanize some of that messaging and pair that hard data with case studies and testimonials and stories of transformation. And that clearly does require input from marketing, from communications, from the experts who do that day in, day out.

Steve Odland: Yeah. And it's far easier to listen to as one of the constituents than just simply reading tables.

Andrew Jones: It really is. Yeah, it really is. And I think numbers alone, particularly when they're big, abstract numbers don't always resonate, for sure.

Priority Number 8: Integrating Sustainability into Business Operations

Steve Odland: Yeah. Number eight on our hit parade of sustainability priorities.

Andrew Jones: So this is an interesting one. Number eight is integrating sustainability into the business. So particularly, as sustainability has matured as a discipline there's this sort of ongoing drive across many industries to embed sustainability more into the core business. And what we mean by that is really the day-to-day operations, the culture. So it's not a sort of siloed side initiative, but it really is part and parcel of the fabric of the business.

Steve Odland: And you've written about this, too, that when sustainability efforts started in companies, people hired an expert or an outside firm to do it. But it was basically, you guys go over there and put the metrics together or whatever.

Now people are realizing that, OK, you can't just do that. If you're going to make progress, you have to link your strategic plans, your long-term strategic plans, and every element of it with your sustainability goals. Because the actions, or the tactics, that need to be driven through the organization cover so many different areas. And so this is what you mean by, the integration of sustainability into the plan and into the fabric of the organization

Andrew Jones: Yeah, so nicely put, Steve. Yeah, it's really that, that closer linkage to where it's like in enterprise risk management or supply chain strategy, product development, financial planning, the really core of the business, right? Where, as you

said, sustainability perhaps didn't always play, didn't always interact because of the history of the function, I guess, it being a sort of more recent function in looking at the longer term.

But it's worth saying companies have made some big strides here. And actually, in a survey we did just last year, we found only 7% of sustainability leaders felt they were fully integrated into the strategy and operations. I think that makes sense. There's still some work to go, but more than 60% felt they were moderately integrated and moving in the right direction. I think there's been a lot of progress here.

I think companies are now grappling with how do you move to the next phase? How do you really have the right—whether it's the right team structures, the right governance processes, the right oversight mechanisms in place to really drive that to the next level.

Priority Number 7: Biodiversity and Natural Capital

Steve Odland: Number seven on our list of priorities for sustainability executives.

Andrew Jones: So number seven is something that I think is gradually moving up the list here on here, which is biodiversity, along with natural capital. And what we mean by biodiversity is biological diversity, the variety of all living things on earth that underpin the health of the planet. And I think there's been a lot of traction in this space, right? There's new regulations coming in, there's new disclosure frameworks. I think general awareness has really increased of the critical nature of biodiversity and underpinning, I guess, not just business, but the whole global economy. So there's a lot of action on this front, for sure.

Steve Odland: What does biodiversity mean to you when you're thinking about sustainability in a corporation? I understand if you're a biologist or a botanist, but in a corporation, you scratch your head a little bit when you talk about biodiversity.

Andrew Jones: It's a good question, cause it can appear, it can feel quite abstract, it can feel quite scientific. But I think biodiversity and, particularly, the loss of biodiversity, loss of species variation, it has really direct effects on the economy, on the environment, where it's perhaps exacerbating climate change. And there's also some really big social impacts where it comes to loss of industries, loss of livelihoods, loss of jobs. And biodiversity is really critical for the food we eat, the water we drink, cutting-edge medicines and science.

Actually, the business case of biodiversity is, I think, becoming more and more compelling. It's becoming more direct, and it's clearly not diminishing. And actually I think there's a strong argument that companies should be focusing on biodiversity, perhaps just as much as they should be on climate.

Steve Odland: And so what are the steps that you're recommending that companies take?

Andrew Jones: So I think what we're really seeing is, first of all, adoption of an alignment with some of these new frameworks that are coming in. There's a lot of new regulations, on both the US and particularly in Europe, and new disclosure frameworks, and we're seeing some early movers starting to adopt those, really starting to track the sourcing of some of their commodities in their supply chains.

I think, in addition to that first piece, I think we're also seeing companies perhaps being more proactive and really developing specific measurable goals, whether it's ecosystem restoration or conservation or land use management. We're seeing some proactive partnerships with local communities, with conservationists, with Indigenous communities who are often affected by biodiversity loss, and ongoing supply chain mapping, really tracing by supply chain impacts on biodiversity hotspots.

So there's a lot of things companies can do in this space. I think it probably starts really with just developing that strategy and not just looking at this in terms of disclosure, but as a strategic exercise.

Steve Odland: And every company in the food chain needs to be involved with this because if we start losing that biodiversity, you're narrowing the options for feeding the planet, and that would be disastrous.

Andrew Jones: Yeah, completely. And while biodiversity loss can impact on all industries. I think it's particularly notable in food and beverage, agriculture, and related industries for the reason you've laid out.

Priority Number 6: Water Stewardship and Scarcity

Steve Odland: Number six on our hit parade of sustainability priorities.

Andrew Jones: So I think, continuing the previous point's focus on nature, number six is water. And specifically, water stewardship and scarcity. And I think this is another one that's rising up the list. And Steve, our C-Suite Outlook survey earlier this year, we actually saw water really rank highly as an environmental concern for. For all CEOs, but particularly CEOs in the US, which I think just reflects rising risk of water scarcity and difficulties around water management.

Steve Odland: Yeah. And human beings can go for a while without food, but they can't go for a while without water, nor can any of our biodiverse species, whether they are plant life or animal life. So this is really the common denominator, and freshwater is obviously key to that. Whereas most of the Earth's crust is covered by saltwater, it's freshwater that sustains life, outside of ocean life. So you have a changing climate and areas that are becoming more and more arid, really an important subject.

Andrew Jones: It really is. And I think we're really seeing it move up the list when it comes to sustainability priorities. It's an escalating concern, particularly in those regions

that perhaps are arid or have experienced water scarcity and water risks in recent years. Thinking, again, similar industries to the previous point: agriculture, food and beverage, also technology, and huge usage of water and cooling and data centers.

And I think the combination, the real perceived risk, along with investor expectations and physical constraints and regulatory risks, are pushing this into a top tier of material sustainability issues.

Steve Odland: And there's also use issues. When the Colorado River ran dry, for people downstream, that was catastrophic. So how do you advise companies to engage on this issue?

Andrew Jones: So I, I think companies can really start by, obviously, mapping, right? Conducting those water risk assessments, mapping and assessing their operational and supply chain exposure to water stress. And that includes a sort of the basin level. And I think for those companies that are really at risk or are in water-scarce areas, it then becomes an issue of setting those science-based targets, implementing processes. And then there are many water-use reduction and recycling issues companies can pursue, including closed-loop systems and optimized cooling and all these kind of exciting innovative processes.

And also in collaboration, right? There's clearly a huge need for engaging with local government and communities and other firms to manage water resources in a sustainable way.

Steve Odland: We're talking about sustainability priorities for the balance of 2025. We're going to take a short break and be right back.

Welcome back to C-Suite Perspectives. I'm your host, Steve Odland, from The Conference Board, and I'm joined today by Dr. Andrew Jones, who's the principal researcher at the Governance & Sustainability Center of The Conference Board. OK, so Andrew, we're halfway there. We've gone through number six through 10. Let's kick off the second half here with priority number five for sustainability executives.

Priority Number Five: Supply Chain Transparency and Sustainability

Andrew Jones: So priority number five, I think is something that's been top of mind for many people the last few months, which is supply chains and, specifically, supply chain transparency and sustainability. And this is, I think, has been an increasingly a focal point for sustainability leaders in recognizing that for many companies, the majority of environmental and social impacts often occur outside the direct operations, right? They occur in their supply chains, whether those are emissions or human rights issues or sourcing and manufacturing. So this is top of mind for many sustainability leaders.

Steve Odland: Yeah. And so again, what would you recommend, what steps that companies should take?

Andrew Jones: So it's interesting because I think there is, similar to previous questions, there's been a big regulatory push in this area for human rights and environmental due diligence in global supply chains, including new laws coming out of Europe. So I think again, perhaps, first step is to assess your regulatory exposure and where you need to be compliant and what directives are coming and what regulations are coming down the pipeline.

I think on top of that, then it's really maybe identifying, assessing and identifying, the key risks in your specific supply chain. And that will obviously vary by company and industry and footprint, but for many companies, that seems to be some combination of Scope Three emissions, value chain emissions, also supply chain traceability when it comes to human rights and labor issues, child labor, and so on.

So there's a wide range of areas where companies are at risk here, from a reputational, legal financial perspective. And companies are really, I think, developing new ways of mapping their supply chains and engaging with their suppliers and building the capacity of their suppliers to really increase their visibility into these issues.

Steve Odland: Yeah, and you need supply chain resilience. We've learned this with some of the geopolitical issues that we've had. We've also learned this over and over again with disaster-recovery issues, whether it's hurricanes or tsunamis or tornadoes or these weather events or earthquakes where the supply chain is risky.

I remember one company who, I don't know why, built a data center right in the landing path at Atlanta Hartsfield Airport, and you kinda look up and you go, that's really probably not a very good place to put that data center. But you have to think through all the aspects of the supply chain and the potential gray and black swan options that could come down the road, and make sure that you're hardening and making your supply chain resilient.

Andrew Jones: You really do. It's a really fascinating example, and for me, it just perhaps underscores how a broad holistic ESG perspective can be really helpful here. Both in terms of integrating that into supply chain planning and investments, and also on the same hand integrating supply chain considerations and tariff considerations and trade restriction considerations into the ESG and sustainability strategy at the same time, as well. Yeah, this is a fascinating area, and I think we'll continue to see a lot of focus on this, given some of the geopolitical developments we've seen recently.

Priority Number 4: Climate Strategy

Steve Odland: Number four in our list of priorities.

Andrew Jones: So number four is, I think, one of the most persistent areas of sustainability strategies, which is climate, climate strategy. And we all know that climate change is a longstanding sustainability priority. It's seen as material and multidimensional risk for most,

if not all, businesses in some way. And it intersects across financial risk and regulatory compliance. And it remains a core area of focus.

And as companies have done a lot on climate in the last few years, whether it's building capacity to track and mitigate their emissions or assessing their various risks and implementing new strategies, this continues to be top of mind for sustainability leaders.

Steve Odland: Yeah. And I think we got waylaid for a while in this whole argument about manmade global warming and is it or isn't it? And that isn't the question. The issue is the climate's been changing since the Earth was formed, and it's going to continue to change, whether it's exacerbated by man's influence on the Earth or not. And the point here is companies need to look at what they're doing and their impact on it and try to mitigate that.

Andrew Jones: Yeah, putting those kind of debates, which can become politicized, they can become unhelpful, they can become intractable. But ultimately, climate change does pose risks to many companies. And companies across sectors are facing physical risks, also transition risks. And there is a business case here. There's a business case for addressing climate, for improving resilience, for reducing costs, and that is increasingly tied to stakeholder expectations, including regulators.

Priority Number 3: Demonstrating ROI in Sustainability

Steve Odland: OK, Andrew, we're coming down to the final three, the big three. What's the third?

Andrew Jones: The big three, indeed. And I think number three is a big one, and something that's really been top of mind for many sustainability executives, which is demonstrating business return on investment, ROI.

I guess to give some context here, I think we've spoken through this discussion about how sustainability has matured, and it's become more integrated into the business, and perhaps it's become more sophisticated and has widened into incorporate a broader range of themes. And I think as it's done so, I think we've also seen a maturing of how sustainability is viewed from a sort of internal cost and investment perspective, where boards and CEOs and CFOs are increasingly requesting evidence of sustainability's tangible contributions to the firm's bottom line, right? Whether that's cost savings or risk mitigation or brand and reputational impacts.

And this is something that's been steadily increasing for the last few years. And we've definitely seen that this year, amid political and economic uncertainty and disruptions, that these expectations have only further intensified. And there's a big imperative here for sustainability teams to really be able to measure and show the linkage between their work and the firm's economic performance.

Steve Odland: There's been this ESG backlash, but really what that is it is people saying,

look, you can't take one constituent and focus solely on one constituent. If you say, our only focus here is on the environment, that means by definition that you don't care about your customers, your employees, or your owners. So, too, if your only focus is on the owners. So it can't be only, it has to be all the above, and I think that's the whole point here. So demonstrating ROI is acknowledgement that there are multi-stakeholders in this, and you've got to balance all of it.

Andrew Jones: It is. And I think it's also an acknowledgement that, yeah, I think going back to what we said earlier, that sustainability, there's an ongoing push to integrate that into the firm. We want sustainability to be more weaved into the fabric of the firm. We don't want sustainability to be treated as a side project or a special case that requires special treatment, but therefore it also has to be articulated in the same kind of language as other business investments, right? And that's how we build resilience into those projects that outlast headwinds and swings back and forth in the broader sphere.

Priority Number 2: Sustainability Reporting Regulations

Steve Odland: All right, number two on our list of priorities for sustainability.

Andrew Jones: So number two is sustainability reporting regulations. And I'm smiling as I say this because we work with so many sustainability leaders, and reporting regulations have been the perennial question and issue for a few years for a few years now. And we've touched on some of this already, as we've discussed, but sustainability reporting regulations have really, they've come a long way in the last few years and have developed in multiple jurisdictions.

And we're seeing a kind of ongoing shift from voluntary reporting to mandatory reporting. Many big focus areas that we've discussed today, like climate emissions or supply chains or biodiversity. And companies have been gearing up and preparing for these now for a few years, in particular, the big multinational firms that are subject to some of the big regulations coming out of Europe, such as the CSRD.

Priority Number 1: Navigating ESG Policy Changes

Steve Odland: All right, coming down, drum roll, ready? The number one priority for sustainability executives for the rest of 2025 should be?

Andrew Jones: Navigating ESG policy changes. You may have heard, Steve, it's become somewhat of a truism to observe that the political, legal, and regulatory environment has shifted significantly this year, whether it's in the US and globally. And the new administration, obviously, has launched a pivot on many issues, but this has included a significant shift on some sustainability-related issues, in particular climate and energy. And we've seen the new administration adjust climate policy, has adjusted some of the incentives for renewables and fossil fuels, has initiated some deregulatory initiatives and changed some of the disclosure rules, and has also initiated a withdrawal from some of the international frameworks and agreements.

Sowe've seen a big change here, and these in the process have also adjusted some of the signals, incentives, drivers, and regulations that shape corporate sustainability efforts, particularly for those companies headquartered in the US.

Steve Odland:Yeah, it is interesting that it's the political and policy environment that is the number one priority, which doesn't sound like anything to do with caring for the environment or any of these other more tangible things.

However, that's the backdrop, right? It's part of dealing with the multiple constituency world. And it's not that you play defense, it's that you just have to acknowledge that things shift, priorities shift. Think of it as that, rather than just running from one side of the boat to the other.

And we do that in our own business on various things as times change, as customer needs change, we shift priorities, and that's what we're seeing out of Washington and Brussels. The pendulums swing, and, unfortunately, sometimes they go a little bit too far and they have to be dialed back, but it doesn't change the overall objective of what we're trying to accomplish, does it?

Andrew Jones: No, it doesn't. I think really nicely put that yeah, times do change, and along with times changing, language changes and framings change and different ways of working come and go, and perhaps certain issues come in and out of vogue. But I think the ultimate underlying goalremains. I think it's a really important point.Yeah, we can get caught up in the moment and the perception of radical, rapid change. But I think when it comes to sustainability, there is a need to keep it all in perspective, right? And federal government or EU government actions are just one factor among many influencing sustainability strategy.

There's also many of the stakeholders we discussed today, whether it's investors, customers, regulators, supply chains, the employees, and all of these together continue to drive sustainability forward, and the particular balance and particular positioning might change. But I think the underlying focus on value, on resilience, on managing risks remains just as pertinent as ever.

Steve Odland:Yeah. And our members can stay up to date, and also the public, by logging onto tcb.org and looking at the Sustainability Center. You are updating this world almost daily in terms of what's happening and what people should be thinking about. The Governance & Sustainability Center of The Conference Board is a wonderful resource for what's happening and what you should be doing.

Andrew Jones: I appreciate you saying that, Steve. And yeah, we do our best to keep our members and broader stakeholders up to date on the issues that matter in a nonpartisan way.

Steve Odland: Dr. Andrew Jones, thank you for sharing the top 10 sustainability priorities

for 2025.

Andrew Jones: Thanks so much, Steve. It was a pleasure to join you today.

Steve Odland: And thanks to all of you for listening to C-Suite Perspectives. I'm Steve Odland, and this series has been brought to you by The Conference Board.

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