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01



A Shifting Global Landscape

Political headwinds don't erase environmental and financial risks.



DEGLOBALIZATION, POLITICAL SHIFTS, AND ESG PUSHBACK

- U.S. ESG pushback, political uncertainty, regulatory rollback threats (Trump 2024).
- Europe Strong ESG regulation (CSRD, SFDR), but rising populist pressure.
- Emerging Markets Climate = real financial risk (supply chain, insurance, real estate).



The global ESG backlash is not just anti-sustainability

it's anti-growth, anti-investment, and anti-shareholder value.



Companies with high ESG scores outperform in downturns, exhibit lower volatility, and have reduced bankruptcy risk.



Moody's reports that high-ESG firms enjoy lower debt costs reflecting lower perceived risk.

ESG AS FINANCIAL ARMOR

ESG is **not greenwashing** when tied to real risk metrics: what gets measured gets managed.

The main players are increasingly embedding ESG indicators into credit and underwriting models — meaning companies with poor sustainability practices face higher financing costs and limited capital access.



GREEN ALPHA

SUSTAINABILITY DRIVES COMPETITIVE ADVANTAGE

Sustainability is no longer a box-ticking exercise — it's a strategic lever for driving innovation, improving operational efficiency, and standing out in saturated markets. Companies that invest in clean technologies, circular processes, and low-carbon operations are not just meeting expectations — they're leading in cost reduction, talent retention, and product differentiation. In a market where ESG-conscious capital is growing, these firms are shaping the new industrial advantage.





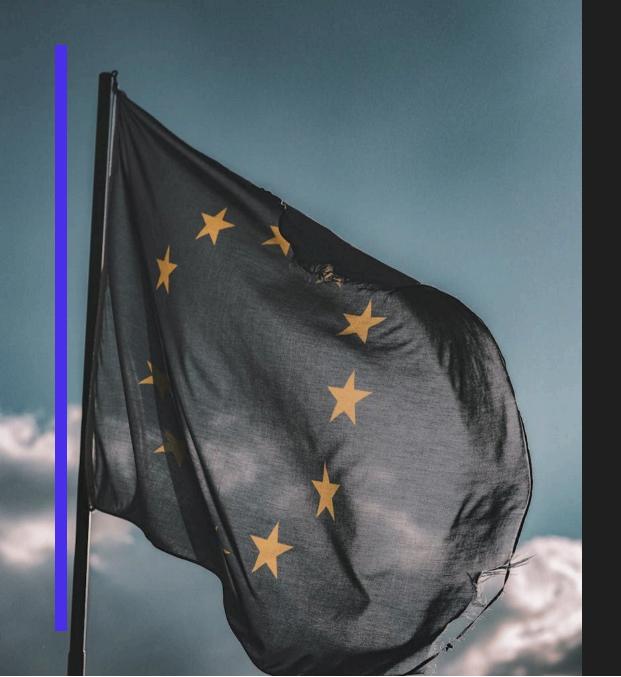
of institutional investors say they use ESG metrics to inform voting decisions at shareholder meetings.



Of ESG-related shareholder proposals in 2023 received majority or near-majority support, signaling a shift in investor expectations toward transparency and accountability.



Companies targeted by ESGfocused shareholder campaigns outperform the market by an average of 4.7% in the 12 months following the campaign.



EU: A STRATEGIC ESG GAP

EUROPE'S ADVANTAGE IN ESG REGULATION

Europe is turning sustainability into a strategic advantage, not just through regulation, but by aligning capital markets with long-term value creation.

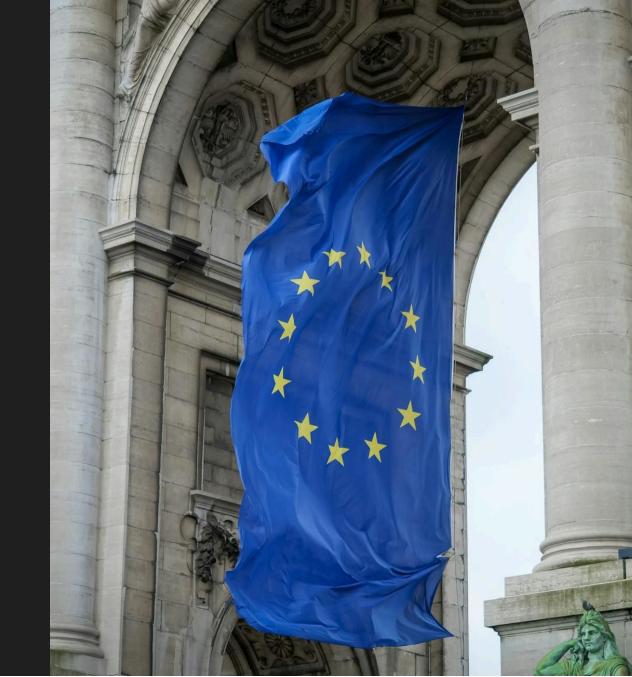
Mandatory ESG reporting are driving market transparency, reducing risk premiums, and attracting institutional capital.

The result: companies that lead in ESG are benefiting from higher valuations, lower financing costs, and stronger investor confidence.

European firms can turn regulation into a competitive edge.

EUROPE: CAPITAL FLOWS REWARD ESG

- Over 50% of EU fund inflows go to ESG/green-labeled assets.
- Higher demand increases company valuations
- ESG performance now linked to capital access





EXECUTIVE TAKEAWAYS

WHY STRATEGIC SUSTAINABILITY MATTERS NOW

Sustainability is no longer optional — it is a strategic enabler of resilience, access to capital, and long-term competitiveness. As regulatory clarity meets market momentum, firms that lead in ESG will define the next wave of value creation.

Europe's approach shows that aligning policy and profit isn't just possible — it's already happening. Now is the time to turn sustainable intent into business advantage.

