



MANGROVE'S 'SUSTAINABILITY NOW' 2026 REPORT

THE GREAT RECONNECTION WHY SUSTAINABILITY & BUSINESS NEED TO RECONNECT



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EXECUTIVE SUMMARY

Sustainability is no longer a peripheral consideration for businesses. Around the world, it's shaping politics, culture and consumer expectations, dominating global headlines and the consciousness of everyday people.

At first manifesting itself in lofty, aspirational and often idealistic business goals, sustainability has evolved into a question of reality and resilience within companies, with leaders recognising that sustainability is an important - no, essential - part of every company.

75% of sustainability leaders say its strategic importance has maintained or increased in the past 18 months

But despite being one of the world's most urgent priorities, in this secondary phase, sustainability is not easily finding its way into the core of businesses. Yes, companies know that sustainability plays an important role now and in the future: it has become a defining factor in how organisations are regulated and trusted. 97% believe that sustainability still matters to business, and over half are confident that their organisations will meet 2030 climate commitments. But while it's a priority for many, in practice many companies are not getting as much out of sustainability as they could. More often than not, it is not deeply embedded into businesses. It's part of the conversation, but not a driving factor when it comes to strategic decisions. It's not always invited into the core mechanics of how businesses make money and plan for the future.

Sustainability 1.0 ASPIRATION

Idealistic ambitions
lacking grounding in data

Sustainability 2.0 RESILIENCE

Where most companies sit today,
sustainability built into businesses
but with some disconnection

Sustainability 3.0 INNOVATION

Sustainability as a driver of
value, growth and commerce
in businesses

This report aims to bring a grounded view of where sustainability stands today and how we can propel it into the future. While we know that sustainability is more visible than ever - commanding headlines and boardroom conversations - we want to see how this is coming to life in practice and how it can translate into maximal impact.

The survey identifies structural challenges, but there are still reasons to be optimistic. Ambition is high and those at the heart of sustainability in companies are confident in their targets, believing they'll be met. But this buoyancy coexists with several barriers that holds back sustainability from having the biggest impact.

Most importantly, there's fundamental disconnect between sustainability teams and the core operations of businesses, with two thirds of respondents citing commercial & strategic alignment as the biggest challenge facing sustainability performance.

42%
of leaders

define sustainability as
"reimagining how we
grow and innovate"

Through these survey findings, we'll dig into what's happening and how we can stretch ourselves to demand and deliver more in order to maximise performance well into the future.



For 2/3 of respondents, the biggest barrier for sustainability performance is commercial & strategic alignment.

A note on our method

We spoke to sustainability leaders across a range of industries, from companies including Nestle, KraftHeinz, Unipart, Stonegate, FIFA, Santander, Wright bus, WPP, Logitech, LVMH/Moët Hennessy, IG, PepsiCo, and Campbells, representing a wide spectrum of scale, turnover and sectors.

We heard from people whose roles sit firmly at the heart of sustainability and who know best about the ambition and barriers that define its role in their businesses. These points of view are crucial to understanding where we are today and what needs to change for progress to accelerate.



KraftHeinz



FIFA



logitech



Instagram



WPP



Campbell's

HOW WE ARRIVED HERE

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While sustainability is not new news when it comes to businesses, the way it has been understood and applied to business context has evolved - and continues to evolve - significantly.

In its earliest iterations, what we will call Sustainability 1.0, was defined by optics and idealism. Sustainability work was well-intentioned, made up of big ideas and often over-zealous ambitions that could rarely be met due to it being underpowered and unrealistic.

In the last few years, faced with serious external threats to longevity, security of supply and more, sustainability has shifted into phase 2.0, a new era where resilience is key, and making an impact while increasing value is front of mind for leaders. Companies have begun to work out how sustainability can become part of the commercial objectives of a business, from supply-chains, to brand love to cost-efficiency and beyond.

So important has this become, in fact, that these themes have dominated both Climate Week and COP this year.

But making this transition has not been straightforward. Despite the evolved thinking around, and deeper understanding of, sustainability, the context that leaders have been operating in has been increasingly complex. Tricky political backdrops, rising economic pressure and stagnating growth have posed challenges across the board. But positive momentum and optimism about the future still prevails, and despite choppy waters, the deep undercurrents of change are moving decisively in one direction.



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WHERE WE ARE TODAY

The survey provided us with powerful insights into how sustainability sits within companies and importantly, what barriers are holding it back from having even more impact and truly flourishing in business contexts. We've distilled these findings into some key themes.

82%

do not speak the same language as the wider business

Satellite Sustainability

For too many companies, sustainability still occupies a siloed space, with teams sitting in separate areas rather than being deeply integrated into commercial or operational parts of the business. In fact **82% of our respondents** reported that **they do not speak the same language as the wider business**, a profoundly striking indicator of disconnect.

Without a shared language, getting sustainability to play a decisive role is a challenge: while sustainability policies exist in the business, only 15% feel sustainability functions wield strong influence over strategic business decisions.

Resource Crunch

Sustainability teams, despite their dedication and ambition, face challenges realising their goals because of underfunding and overloading. **61% of respondents cited the challenge of insufficient budgets in the survey, and nearly half report having "too many priorities"**.

With these constraints, meaningful progress can often feel like an uphill battle: teams end up firefighting to deliver day-to-day issues like reporting, compliance and stakeholder engagement rather than investing in long-term strategy thinking, laser-focused strategy and innovation.

61%

believe their organisations underinvest in sustainability

85%

stated that sustainability outcomes are not quantified in financial terms

The Commercial Gap

While sustainability is recognised as strategically crucial in many businesses, policies are not yet integrated with business targets. **85% stated that sustainability outcomes are not regularly quantified in financial terms such as ROI and margin, and 39% say targets do not influence commercial decisions.**

Without being translated into financial terms, sustainability rarely is allowed to decisively influence commercial decisions and bring commercial value.



TURNING INTENT INTO IMPACT

What we can see across all of these key findings is that sustainability is experiencing a misalignment in terms of its positioning in businesses.

For all the ambition and intent to be able to come into fruition, we must overcome the challenges of integration: structures, incentives and connectivity that can bring these big ideas and bold strategies to life.

The challenge now is closing the say-do gap - and the good news is, there is appetite to do so. Our survey revealed that for **42% of respondents sustainability means reimagining how their organisation grows and innovates**. This profound shift in mindset suggests that at the heart of sustainability in businesses are people who truly believe in it as a commercial catalyst and have the ambition to unlock sustainability's full potential.

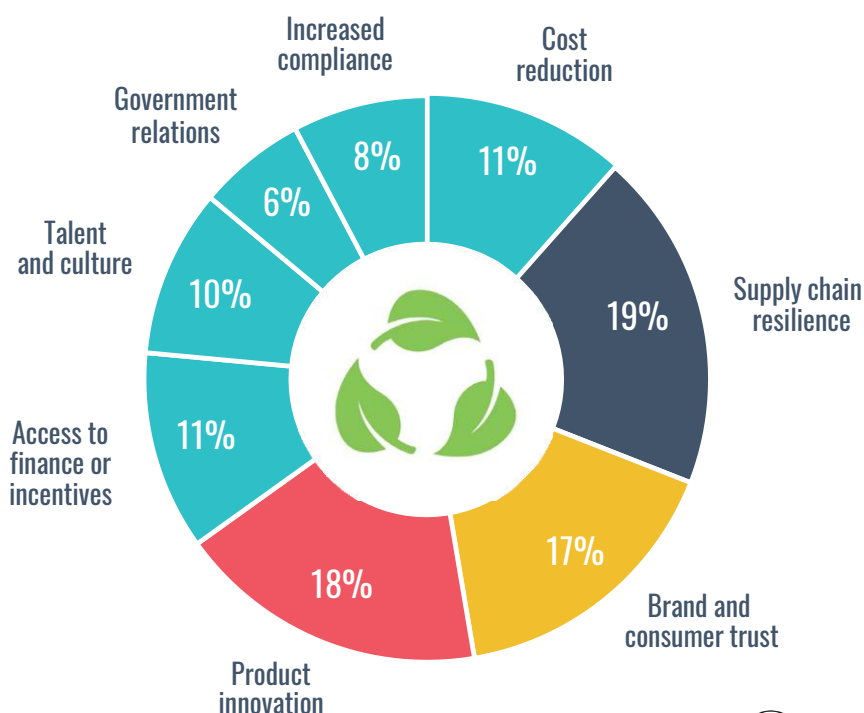
58%

believe brand trust is the biggest opportunity to drive sustainability

But how do we close that gap?

We must create end-to-end pathways between the sustainability team and other parts of the business, from product to R&D, commercial strategy, brand and operations, and engaging stakeholders in these parts of the business so that they can deeply understand the value sustainability can have on their parts of the business. When respondents were asked where they see the biggest opportunities in the next 3 years to drive higher performance of sustainability in their organisations, **the most popular answer was supply chain resilience (67%) followed by product innovation (61%) and brand trust (58%)**. These responses are telling: sustainability experts within these businesses know that meaningful opportunities are not limited to compliance but sustainability in the commercial engine of the business, making supply chains that function long term, innovative products that capture the hearts and minds of consumers and brand trust that is inextricably linked to purchase power.

Respondents identify where the biggest opportunities for sustainability are in their companies.



WHAT'S NEXT: UNLOCKING SUSTAINABILITY 3.0

We're seeing that the companies who 'do' sustainability in a way that stands out treat it as much more than a compliance function, and more even than an approach to business resilience. For these companies, sustainability is a **lever for growth and innovation**, and a point of view that breathes long term hope into businesses with optimism and a vision that lets companies survive - and even thrive - in the long run.

This kind of sustainability comes from focus and integration. It's a shift away from a sprawling list of goals and instead focuses on a smaller number of ambitions that are executed with fluidity across departments, and built on a firmly held belief across the board that sustainability is not a burden, but instead builds long-term value for companies.

This is what we must demand of Sustainability 3.0. Companies can make most impact when their sustainability is deeply embedded into the mechanics and mindset of business, enabling an optimistic view and a long future grounded in strategy and a realistic point of view.



For a further discussion on the future of sustainability please contact Mangrove via the details below:

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