

51- Why Sustainability Momentum Will Not Stall in the US (and will increase in Europe)

While some might worry about a potential shift in US federal climate policies, the overall commitment to sustainability across the country and in Europe remains strong. This section dives into several key factors that ensure continued momentum towards net-zero goals:

1. Market-Driven Force: Brands Leading the Charge

Major brands, not just CPG companies like Nestle and P&G, understand the importance of sustainability. From household names like GM and Intel to Alphabet and Mastercard, these corporations have made strong public net-zero commitments. Reversing course would damage their reputation with stakeholders like employees, investors, and activists.

These net-zero goals are more than just PR stunts. They are tied to cost savings, risk management, and innovation. Companies recognise that sustainability is essential for long-term resilience and competitiveness. They will continue to pressure their supply chains to adopt sustainable practices.

2. State and Local Action: Filling the Federal Gap

While federal policy might fluctuate, the sustainability movement is thriving at the state and local level. Over 26 US states and numerous cities have implemented ambitious climate policies and renewable energy goals. Leaders like California, New York, Massachusetts and Illinois are likely to continue pushing for climate action, regardless of federal priorities.

State details: <https://www.c2es.org/document/climate-action-plans/>

3. Global Commitments: Interconnectedness Drives Change

The US remains a key player in global trade and agreements. Multinational corporations and international partnerships require adherence to sustainability standards. Europe's Corporate Sustainability Reporting Directive (CSRD) demands companies operating within its borders to measure their global footprint and plan for net-zero across all their activities.

4. Climate Risk is Real: Businesses Prioritize Resilience

Climate change poses a significant financial risk to industries and infrastructure. Insurance companies, financial institutions, and businesses recognize the economic benefits of mitigating these risks. The climate economy is a massive and growing sector, and a change in US government won't diminish its importance.

5. Europe and the UK: Leading by Example with Strong Regulations

Europe and the UK continue to set the bar high with their robust regulatory frameworks. These include:

- **EU Climate Law (2021):** Enforces a binding target of 55% emission reduction by 2030 and net-zero by 2050.
- **EU Emissions Trading System (ETS):** Incentivizes emission reductions by capping emissions and requiring polluters to purchase allowances.
- **Corporate Sustainability Reporting Directive (CSRD):** Mandates large companies in the EU to disclose their ESG impacts.
- **Carbon Border Adjustment Mechanism (CBAM):** Imposes a carbon tax on imports that don't meet EU sustainability criteria.
- **UK Climate Change Act (2008):** Sets a legally binding net-zero target by 2050.
- **UK Streamlined Energy and Carbon Reporting (SECR):** Requires large UK companies to report energy use and emissions annually.

These frameworks drive businesses to integrate carbon accounting and decarbonization strategies, which directly benefits our measurement and transition offerings.

In conclusion, the tailwinds of sustainability are not solely dependent on any single policy or political shift. Instead, they are driven by a confluence of market forces, business benefits, state and local initiatives, global interconnectedness, risk management, and strong regulatory frameworks, creating a powerful and enduring momentum.