

**AD NET ZERO** 

**ALL FOR NONE**

**THE BUSINESS  
CASE FOR  
SUSTAINABILITY**

**KEY RESOURCES AND STATISTICS**



# STRATEGIC DRIVERS OF SUSTAINABILITY



**Investor** Demand



**Regulatory** Demands



**Consumer** Demand

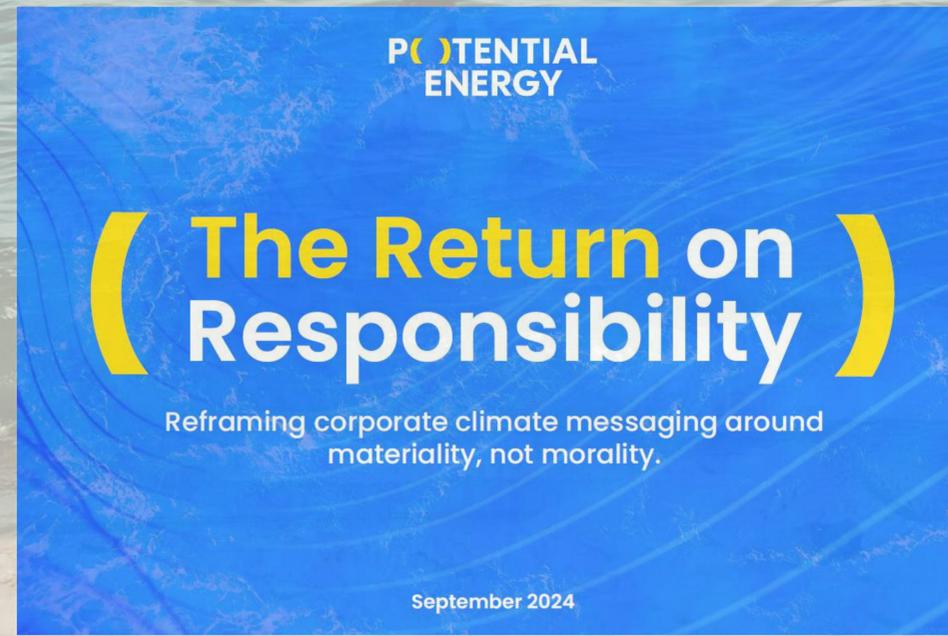


Attracting **Talent**



Increased **Employee** Engagement & Productivity

## SUMMARY READINGS:



The Return on Responsibility  
(Potential Energy Coalition)



Why sustainability is crucial for corporate strategy  
(WEF).

# BUILDING THE CASE FOR SUSTAINABILITY

1

CLIMATE RISK IS BUSINESS RISK, WHICH IS **FINANCIAL RISK**.

2

SUSTAINABILITY MATTERS TO **INVESTORS, CONSUMERS, AND EMPLOYEES**.

3

SUSTAINABILITY IS A REAL **BUSINESS TRANSFORMATION OPPORTUNITY**.

4

THE EVIDENCE IS IN THE **CASE STUDIES**.





1

# CLIMATE RISK IS BUSINESS RISK, WHICH IS FINANCIAL RISK

**TOP 4** long term Global risks identified by the World Economic Forum are **all** environmental.<sup>1</sup>

**\$280** billion in **economic damages from natural catastrophes** were recorded globally in 2023, having doubled in real terms over the past two decades, according to a Swiss Re study.<sup>2</sup>

**70%** of **earnings** before interest, taxes, depreciation, and amortization can be **at risk** due to sustainability concerns.<sup>3</sup>

**72%** of suppliers said that climate change presents risks **that could significantly impact** their operations, revenue, or expenditures.<sup>4</sup>

**54%** of CEOs feel confident in achieving net-zero targets by 2030, but are concerned about the complexity of **decarbonizing supply chains** and a lack of necessary skills and expertise.<sup>5</sup>

"THERE WILL BE A TIPPING POINT WHERE SUSTAINABILITY IS THE **ONLY WAY TO THRIVE** AS A BUSINESS."

- Karen Pflug, IKEA Chief Sustainability Officer



## INCREASING REGULATION REQUIRES BUSINESSES TO REPORT ON CARBON EMISSIONS AND CLIMATE-RELATED RISKS:

- **California's SB 253 & 261** will require companies with \$1B+ overall revenue to report scopes 1, 2, and 3 emissions, and companies with \$500M+ revenue to disclose climate-related risks.
- **EU's CSRD** impacts thousands of companies globally, including non-EU headquartered, with scopes 1, 2, 3 and reporting in the coming years.
- **California's AB 1305, the EU Green Claims Directive, and the US FTC Green Guides** all contain varying levels of liability for claims that companies make – requiring third-party verification.



IN EARLY 2025, BLOOMBERG LAUNCHED A **CLIMATE RISK MANAGEMENT** SOLUTION TO HELP INVESTORS EVALUATE THE FINANCIAL IMPACTS OF CLIMATE CHANGE ON PORTFOLIOS.<sup>6</sup>

<sup>1</sup> [Global Risks Report 2025, WEF, 2025]

<sup>2</sup> [Swiss Re, 2024]

<sup>3</sup> [Profits with purpose: How organizing for sustainability can benefit the bottom line, McKinsey, 2014]

<sup>4</sup> [The Comprehensive Business Case for Sustainability, Harvard Business Review 2016]

<sup>5</sup> [2024 KPMG US CEO Outlook]

<sup>6</sup> [Bloomberg, February 2025]



# 2

## SUSTAINABILITY MATTERS TO... INVESTORS

**49%** of investors would sell their investment if a company does not sufficiently address ESG issues.<sup>7</sup>

**85%** of investors considered ESG factors in their investments; **91%** of banks monitor ESG, along with 24 global credit rating agencies, **71%** of fixed income investors and over **90%** of insurers.<sup>8</sup>

**92%** of CFOs plan to increase current investments in sustainability in 2025 and 7 in 10 expect higher returns, found a global poll of 500 CFOs in the UK, US, India, and UAE.<sup>9</sup>

“IN TODAY’S RAPIDLY EVOLVING WORLD, **UNDERSTANDING CLIMATE RISK IS IMPORTANT** FOR STAYING AHEAD IN THE FINANCIAL LANDSCAPE.”<sup>10</sup>

- J.P. Morgan joint letter from Chief Risk Officer and  
Global Head of Corporate Advisory, Commercial & Investment Bank

<sup>7</sup> [Sustainable Marketing 2030, WFA x Kantar 2023]

<sup>8</sup> [Linking ESG initiatives to financial performance, McKinsey, 2023] and [The ESG Imperative: 7 Factors for Finance Leaders to Consider, Gartner, 2021]

<sup>9</sup> [Staying the course: chief financial officers and the green transition, Kearny, 2025]

<sup>10</sup> [Navigating the New Climate Era: Building Intuition for Strategic Decision-Making, J.P.Morgan, February 2025]

# 4,701

PwC's 2024 study that surveyed CEOs across all regions of the world found that most executives believe climate-related spending has not increased costs, and **one-third have seen an increase in revenue.**<sup>11</sup>

# 2,269

public companies were analyzed in McKinsey's 2023 study, showing that firms excelling in both growth and profitability while improving sustainability and ESG **outperform their peers** in shareholder returns.<sup>12</sup>

# 21

ESG-related indicators showed a **strong correlation** with robust financial performance in KPMG's 2024 study on sustainability and financial performance.<sup>13</sup>

<sup>11</sup> [PwC's 28 Annual Global CEO Survey, 2024]

<sup>12</sup> [Achieving sustainable profitable growth with ESG, McKinsey, 2023]

<sup>13</sup> [Is sustainability good for financial performance? KPMG, 2024]





**93%**

of consumers globally say they **want to live a more sustainable lifestyle**. This will force businesses to see sustainability as a risk and opportunity.<sup>14</sup>

**62%**

of Gen Z shoppers prefer to buy from sustainable brands, and **63% - 73%** are willing to pay more for sustainable products. Moreover, Gen Z and Millennials are the most likely to make purchase decisions based on personal, social, and environmental values.<sup>15</sup>

**28%**

of cumulative growth was observed over the past five years for products making ESG-related claims, compared to **20%** for products without such claims.<sup>16</sup>

KANTAR'S PROJECTS THE CONTINUED GROWTH OF THE MOST **SUSTAINABLY ACTIVE CONSUMER** SEGMENTS **FROM 22%** IN 2023, TO AN ESTIMATE OF **29% BY 2030**.<sup>17</sup>

<sup>14</sup> [Kantar BrandZ, 2024]

<sup>15</sup> [The State of Consumer Spending... FirstInsight, 2020; The Deloitte Global 2024 Gen Z and Millennial Survey., Deloitte, 2024]

<sup>16</sup> [Consumers care about sustainability—and back it up with their wallets, McKinsey, 2023]

<sup>17</sup> [Decoding shopper behaviour to shape your brand future., Kantar Worldpanel]



**50%** of consumers globally now consider brand purpose and ESG factors as **key purchasing criteria**, according to a recent survey of nearly 200,000 consumers.<sup>18</sup>

**64%** of consumers believe businesses are **breaking their promises** to be more sustainable.<sup>19</sup>

**25%** of Gen Z and Millennials have **stopped or lessened a relationship** with a business due to unsustainable practices.<sup>20</sup>

“MOST STAKEHOLDERS – SHAREHOLDERS, EMPLOYEES, CUSTOMERS, COMMUNITIES, AND REGULATORS – NOW **EXPECT COMPANIES TO PLAY A ROLE IN DECARBONIZING** THE GLOBAL ECONOMY.”<sup>21</sup>

- Larry Fink, Chairman and CEO, BlackRock

<sup>18</sup> [The State of Consumer Spending... FirstInsight, 2020; The Deloitte Global 2024 Gen Z and Millennial Survey. Deloitte, 2024]

<sup>19</sup> [Consumers care about sustainability—and back it up with their wallets, McKinsey and NielsenIQ, 2023]

<sup>20</sup> [Does a Purpose Help Brands Grow? Bain, 2023]

<sup>21</sup> [Larry Fink’s Annual 2022 Letter to CEOs, BlackRock, 2022]

# EMPLOYEES

**46%** of Gen-Zs and **42%** of millennials said that they have already changed or plan to change job or industry due to climate concerns, and **54%** and **48%**, respectively, say they and their colleagues are putting pressure on their employers to take action on climate change.<sup>23</sup>

**51%** of US business students said they would **take lower pay** if the company is environmentally responsible.<sup>24</sup>

**75%** of workers stated that public commitments to tackle climate issues are now a **key criteria for the jobs** they pursue.<sup>25</sup>

**71%** of workers want to work in a 'green' job or for a company that values environmental sustainability and **62%** of HR decision makers have seen an increase in questions about environmental sustainability from candidates during the interview process.<sup>26</sup>

TWO OUT OF THREE EMPLOYEES ARE **ANXIOUS ABOUT THE FUTURE OF THE PLANET** AND SOCIETY [69% UK, 66% US].

THE MAJORITY WANT TO WORK FOR A COMPANY THAT IS TRYING TO HAVE A **POSITIVE IMPACT** ON THE WORLD [66% UK, 76% US].<sup>27</sup>





# 3

## A REAL BUSINESS TRANSFORMATION OPPORTUNITY

**44%**

of marketers agree that finding new ways to work with organizational value chain presents business opportunities.<sup>28</sup>

**43%**

of brands have sustainability as a priority in marketing strategy (up from **26%** in 2021).<sup>29</sup>

**\$193**

billion in value is attributed to sustainability's contribution to the world's top 100 brands, according to Kantar.<sup>30</sup>

"SUSTAINABLE **INNOVATION** IS A... STRATEGIC TRANSFORMATION OPPORTUNITY THAT **FUTURE-PROOFS BUSINESS.**"<sup>31</sup>

- WFA and Kantar, Sustainable Marketing 2030

<sup>23</sup> [The Deloitte Global 2024 Gen Z and Millennial Survey, Deloitte, 2024]

<sup>24</sup> [Business Schools Respond to a Flood of interest in E.S.G., New York Times, 2021]

<sup>25</sup> [2023 Net Positive Employee Barometer, Paul Polman, 2023]

<sup>26</sup> [Businesses seeing increased scrutiny over environmental sustainability from job candidates, report finds, People Management, Hiring Trends Index 2024]

<sup>27</sup> [2023 Net Positive Employee Barometer, Paul Polman, 2023]

<sup>28</sup> [Sustainable Marketing 2030 Report, WFA and Kantar, 2023]

<sup>29</sup> [Sustainable Marketing 2030 Report, WFA and Kantar, 2023]

<sup>30</sup> [Kantar, 2024]

<sup>31</sup> [Sustainable Marketing 2030, WFA x Kantar 2023]



# INDUSTRY DEMAND PROOFPPOINTS

Advertising holding companies share that nearly all of the **RFPs** they receive contain sustainability questions, and that they are now including questions and requirements for RFPs they issue to the supply chain.

Additionally, 25 of the world’s top advertisers are a part of *Supplier Leadership on Climate Transition (SLOCT)*, a collaborative engaging suppliers on education around measurement, target-setting and reduction.

Since 2023, Cannes Lions entry forms for **all awards** (not just SDG categories) **include a question on the company and the campaign’s sustainability information**—helping to ensure that environmental impact is part of the conversation around creativity and award-worthy work.

While still voluntary, these responses are now made visible to the jury, and 2025 question wording reflects a stronger expectation to include sustainability details.



[canneslions.com/awards/awards-support/awards-entry-guide#sustainability-question](https://canneslions.com/awards/awards-support/awards-entry-guide#sustainability-question)

## **Cannes Lions Sustainability Question** **(revised for 2025):**

*“Please outline how this piece of work has aligned with the brand’s sustainability strategy. This could involve either operational measures to reduce the impact on the environment, and consumer strategies to encourage positive behavior change, or both.*

*Please provide details of the benchmarks used for measuring the success of this piece of work’s contribution to the overall strategy. This could include, but is not limited to, targets around advertising business operations, advertising production, media planning and buying.”*

A hand is shown holding a small white flower in a field of similar flowers. The background is a soft-focus field of green and white flowers, with a hand reaching in from the top right to hold one of the flowers. The text is overlaid on a semi-transparent white box.

**"SUSTAINABILITY CAN'T BE A MARKETING AGENDA.  
IT HAS GOT TO BE A COMPANY-WIDE AGENDA,  
WHERE MARKETING'S JOB IS TO  
FIND THE AUTHENTIC CONNECTION TO MAKE THINGS  
RELEVANT TO THE CONSUMER  
AND TURN **SUSTAINABILITY INITIATIVES**  
**INTO GROWTH DRIVERS."****

- Jane Wakely, PepsiCo EVP & Chief Marketing Officer

# AD NET ZERO



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Ad Net Zero is a global climate action programme working to help the advertising industry tackle the climate emergency and drive better business.

Ad Net Zero's Five Action Plan focuses on decarbonising ad operations and supporting every industry to accurately promote sustainable products, services, and behaviours.

Ad Net Zero is a nonprofit, member-supported organization and engages stakeholders across the industry from advertisers to agencies to marketing services and trade organizations.



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Read our  
**2024 Industry  
Progress Report**

