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Insights

What Is Top of Mind for Chief Sustainability Officers?

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As we approach the kick-off of the UN Climate Change Conference COP31 next week, we reflect on what we heard during Climate Week NYC and the themes likely to carry over to Türkiye.

For the fourth consecutive year, Teneo convened Chief Sustainability Officers (CSOs) and other senior executives from leading global companies for a dinner during Climate Week NYC.

Kevin Kajiwara, Teneo's Global Chair of Political Risk, opened by describing a complex global operating environment, from geopolitical chokepoints and climate-related disruptions to shifting energy demands and the ripple effects across supply chains, fuel costs, food security and migration. For C-suites and boards, scenario planning and strategic dexterity are more important than ever.

A couple of key takeaways stood out: at the corporate level, sustainability is maturing and becoming embedded in how companies manage risk, resilience and performance; at the macro level, sustainability's connection to safety and energy security may be the strongest value proposition yet for this topic.

Drawing on guests' comments, we describe these themes, as well as several others, below.

1. Sustainability Is Maturing: Integration as Evidence

As stated in our annual study of U.S. sustainability reports, there is a continued decline in corporate communications around the publication of sustainability reports, but this trend may not be what it seems. For some companies, the decision to forgo issuing a press release alongside the annual sustainability report reflects strategic maturation: sustainability is shifting from a branding exercise in past years to a core part of running a business today, including capital allocation, procurement, operations, risk, product design and more. In some ways, it is becoming ubiquitous.

This is changing how progress is evidenced. Substantive sustainability work may now attract fewer announcements because it is integrated into business cases, operating standards and investment decisions. The key signal is whether sustainability has become integral to how an enterprise is run, not the volume of communications about it.

2. Resilience Is Sustainability's Coalition-Building Term

Resilience is not just replacing the politically charged vernacular of yesterday. It reframes climate and nature in terms of practical outcomes: continuity, affordability, safety and asset stewardship. This provides a way for investors, operators, regulators and communities to support the same investments for different reasons. As one guest noted, "sustainability" has a branding issue, but "resilience" is harder to politicize.

Thus, resilience becomes a useful term for collective action without ideological consensus. Reliable energy, secure supply chains, adaptive infrastructure and resource efficiency can attract support because they can reduce volatility and protect value, even when stakeholders' views

differ on the broader sustainability narrative. We will hear more about resilience at COP31, including climate-resilient cities and resilient health systems, which are two of the event's priority themes.

3. Safety and Energy Security May Be Sustainability's Strongest Value Proposition

The shift toward resilience points to a more fundamental way to articulate the value of sustainability: helping people, businesses and communities feel safer and more secure. Global disruptions to hydrocarbon flows – underscored by the disruption at the Strait of Hormuz – along with rising energy demand , mean that decarbonized energy sources are increasingly seen not only as climate solutions but also as the basis of an energy mix that offers relative reliability, sovereignty and competitiveness compared to hydrocarbons. AI and data center growth intensify this demand. Safety is part of the same equation: climate impacts, from extreme heat to severe storms, put employees, communities and operations at risk, and investments that reduce those risks protect people as well as assets.

In this context, decarbonization is increasingly a proxy for energy security. While fossil fuels will remain part of the energy mix, companies and governments are building more diversified energy systems. The investment thesis is no longer decarbonization for its own sake. It rests on reliable supply, price stability, faster deployment and protection against geopolitical and physical disruption. Lower emissions often follow those decisions rather than drive them. In that sense, the climate change issue is increasingly secondary to the security and economic case, though emissions remain the measure against which targets are set.

4. Targets Are Being Recalibrated Around Proof and Economics

Among the CSOs who attended our event, most guests said their companies' targets are not being abandoned; they are often being revised or reframed in terms that C-suites can defend and deliver. Credibility is moving from broad, moon-shot ambitions to narrower, more focused commitments supported by investment, operational planning, auditable data and clear plans for the abatement levers needed to meet those targets.

The central question is: what business problem does this solve? Cost reduction, supply security, customer demand, productivity and risk mitigation are the lenses through which sustainability commitments will attract capital and withstand changes in leadership or politics.

There are limits, however. Customers may value sustainability, but that does not mean they are willing to pay a premium for it. Sustainable solutions must compete on performance, price, reliability and/or convenience. The result is a more manageable set of corporate commitments with stronger economics and a greater likelihood of successful execution.

5. Nature Is Increasingly Viewed as Common Ground Across the Political Spectrum

Support for nature increasingly crosses political lines. People value it for different reasons: traditional conservation, aesthetic purposes, cultural ties and a growing grasp of how it affects human health. The reasons may differ but often lead to the same conclusion: nature and biodiversity are worth protecting. As one guest said, over half of global GDP is dependent on nature, yet nature is at risk.

Local resistance to data centers has become one of the most compelling examples of this convergence. Communities in both red and blue states are pushing back on projects over land and water use, noise, rising power bills and changes to local character. For companies, nature-related impacts are no longer a niche ESG consideration. As noted in Teneo's report on AI data centers, these impacts now affect permitting, community acceptance and speed to market.

Like resilience, nature can build coalitions without requiring ideological consensus. Companies that treat nature as a local, tangible concern instead of an abstract disclosure topic will be better positioned to secure approvals, as well as the license to operate on which growth will rely. With the UN Biodiversity Conference (COP17) having just concluded, nature is one to watch at COP31.

6. Sustainability Teams Are Increasingly Partnering with Other Internal Business Functions

When risk is quantified, climate and natural capital are harder to overlook. It should come as no surprise that sustainability teams are partnering more and more with other internal business functions like finance, accounting, investor relations, operations and procurement.

The result may be a long-overdue shift: connecting technical evidence to capital decisions, risk appetite, operating priorities and external expectations. One guest noted how some CSOs are now asked to find cost savings, a move that can build resilience and tie sustainability directly to the bottom line, especially in certain sectors. Ultimately, organizational maturity shows up not in which team "leads" on sustainability but in whether decision rights and accountability sit where trade-offs are actually made.

7. Disclosure May Get Simpler, but the Evidence Burden Is Getting More Complex

There is broad recognition that onerous reporting and data collection regimes will need to evolve amid concerns about growth and affordability. However, simplification should not be confused with deregulation. Fewer data points required by EU regulation, along with other efforts to streamline reporting around the world, may reduce the specific non-financial data companies publish, but they do not eliminate the core obligations or the internal work needed to substantiate material claims.

The new normal is more consolidation and more assurance. Some guests mentioned how, at their companies, assurance increased, with tighter definitions, clearer controls and a stronger connection between assured data and public statements. Communications must still reflect local political and stakeholder contexts, but flexible language cannot substitute for consistency and credibility in underlying data.

These changes should make reporting more useful. As superfluous disclosures decrease and assurance increases, sustainability reports may become less of a “kitchen-sink” exercise and more of a unified message across strategy, risk and performance.

8. Boards May Need Systems Judgment More Than a Roster of Specialists

AI, global trade, regulation, geopolitics, energy and sustainability are evolving too fast for boards to oversee them as separate topics. A decision to deploy AI across operations, for example, can simultaneously affect productivity, workforce strategy, data privacy, energy use and regulatory exposure.

The skills needed by directors are shifting from narrower subject-matter credentials that check a box on the board skills matrix (e.g., cybersecurity, human capital) toward cross-domain judgment: the ability to anticipate what is ahead, test assumptions across disciplines and understand where several risks may converge. Directors still need expertise, but its value increasingly depends on how effectively it can be applied across issue areas.

Boards need to understand how one decision can cascade throughout the enterprise. Directors who surface interdependencies early will be better equipped to distinguish a short-term controversy from a structural strategic change.

Conclusion

If Climate Week NYC is any indication, COP31 will span a multitude of topics both on and off the agenda, and it will be full of debate over how far energy security should shape the transition, how much disclosure is enough and how to keep targets at the appropriate level of ambition while proving their economics. While every company is different, the commentary during our event pointed to a consistent theme: a sustainability approach that is embedded in how the business is run, grounded in economics and credible data and tied to resilience, energy security and nature is most likely to hold together amid differing views, in Türkiye and beyond.

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