

Using Sustainability Data for Decisions, Not Just Disclosure

INTRODUCTION

Sustainability is at a crossroads. Companies once leading are now greenhushing, and onetime leaders are considering pivots. Added to this, global regulators are making uneven progress in guiding companies and investors toward decision-useful data, with some countries notching major gains and others pulling back. What time has shown is that disclosure remains necessary, but it alone is not enough.

Sustainability data creates the most value when it informs action: where to invest, which risks to prioritize, and where governance is weak. The data helps organizations understand what needs to change across procurement, operations, and the workforce. In a more politically charged, higher geopolitical risk, and operationally fragmented environment, leaders need data that can guide their actions.

Leading organizations will build infrastructure that enables sustainability data to support confident management action and drive favorable business outcomes. This infrastructure includes robust definitions, systems, controls, and governance frameworks. Without that infrastructure, sustainability data remains episodic, a seasonal exercise. It may support disclosure, but it will not support management.

1. The Labels are Evolving, but the Issues Remain

Over time, sustainability became a blunt label, a laundry list of issues under one term, compressed further into campaigns, scores, and rankings that often obscured more than clarified the concepts involved. That made the sustainability initiatives easy to criticize and easy to dismiss.

The framing of sustainability data and related initiatives often lacked the precision needed to support real management decisions. Looking ahead, companies and investors must assess what is material to their business, what can be measured, and what fits into a practical risk-and-performance framework.

Despite the challenges to climate action, public concern has not disappeared. Recent Gallup polling, *Climate Change Concern Near Its High Point in U.S.*, found that 44% of U.S. adults worry “a great deal” about climate change. This ranks among the highest readings in Gallup’s long-running trend, while 44% also say the seriousness of global warming is underestimated in the news.

While sustainability may be evolving from a single umbrella concept, effective leaders will use its most decision-relevant aspects and embed them more directly into strategy. Organizations leading in the space have adopted a disciplined sustainability strategy that emphasizes clear categorization, practical implementation, and usefulness to decision-makers.

What remains true is that different corporate and investor issues have different time horizons, measurement challenges, implications, and stakeholder audiences. A manufacturer may focus on energy use, water stress, and supplier emissions. A consumer goods company may need to prioritize labor practices, plastic stewardship, and brand exposure. Meanwhile, an investor may look more closely at financed emissions, governance quality, and operational resilience.

A successful initiative will give space to topics that require differentiation, nuanced timelines, and focus.

2. Materiality Is the Bridge from Rhetoric to Action

Recent analysis from Boston Consulting Group, *What Europe's Sustainability Reporting Reset Means for Companies*, suggests that the current regulatory reporting reset creates an opportunity to focus sustainability efforts more tightly on value creation, risk management, and strategic clarity.

Organizations should prioritize identifying the most critical issues that will affect performance, resilience, and stakeholder trust. Which issues are financially material? Which are becoming operationally significant? What matters to customers, employees, regulators, and communities in ways that could affect the business? Where do those concerns overlap, and where do they diverge? Focus is important, rather than attempting to track everything.

Industry context matters. Geography matters. The operating model matters. So does time horizon. Some sustainability issues create immediate regulatory or operational pressure. Others shape longer-term competitiveness, cost of capital, or license to operate.

A materiality-driven approach will identify issues that intersect with financial exposure, operational consequences, and stakeholder concerns. Many organizations still have inconsistent processes and limited confidence in the data they collect. The data is often good enough for reporting, but not good enough for management action. Better practices around data gives leaders information they can trust.

For organizations just getting started, it is important to establish a baseline of reliable information to guide action. Then, create a clear plan to increase confidence, enhance consistency, and strengthen controls over time. Decision-ready data should help answer practical questions. Which facilities should receive energy efficiency investments? Which suppliers create the greatest emissions, labor, concentration, or disruption risk? The most valuable sustainability metrics are those that directly shape the organization's next actions.

3. For Investors, Data Matters Only If It Improves Decisions

For investors, sustainability data matters only to the extent that it sharpens diligence, supports comparison, guides engagement, and improves portfolio decisions.

The key question is not whether portfolio companies can assemble enough information to satisfy a reporting request. The question is whether investors can use sustainability data to identify where the most material operational, regulatory, climate, governance, and human-capital risks sit across the portfolio.

Better data should support prioritization. It should help investors determine where engagement is most needed, where resilience is weakest, and where targeted action can improve value creation over time.

In some cases, risk does not emerge gradually. It appears as a step change. J.P. Morgan illustrates this in *Tipping Points: Decision making under deep uncertainty*, with examples of operational interruptions, permanent asset retirements, and geographic market exits driven by converging physical and financial pressures. Resilience also requires decision-making under uncertainty. J.P. Morgan argues that leaders may need to make decisions on long-term scientific signals before markets fully price the associated financial and societal risks, and that some outcomes may be nonlinear, high-impact, and difficult to model with precision.

4. The Full Picture

A major challenge in today's operating environment is that social issues have taken a backseat as climate and disclosure requirements dominate the conversation.

Worker safety, pay equity, and retention remain essential business issues. They affect productivity, legal exposure, culture, reputation, and resilience. A company that lacks visibility into workforce patterns or inequities is not managing human capital strategically. It is operating with partial information.

The same is true of governance. Board accountability, management ownership, and internal controls are not secondary concerns. They determine whether sustainability data is trusted, whether tradeoffs are surfaced, and whether the organization can act on what it knows.

A serious sustainability strategy cannot rest on climate data alone. It must preserve the full meaning of sustainability while insisting on greater precision within it.

Conclusion

The days of collecting mountains of sustainability data simply to hand it over to regulators, investors, or industry coalitions are numbered. In today's environment of market volatility, regulatory uncertainty, and complex global risks, companies and investors no longer have the option of treating sustainability as a haphazard, seasonal exercise, or worse, as a nice-to-have.

The winners will be those who view sustainability data as a strategic asset, use it to inform capital allocation and risk management, and integrate it into the same decision-making processes that drive financial performance.

**To learn more or to book a consultation:
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References

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