



2025 CFO Sustainability Outlook Survey

WHAT COMES NEXT FOR SUSTAINABILITY

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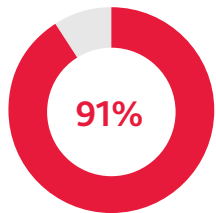
The 2025 CFO Outlook Survey polled 500 CFOs with revenues ranging from under \$250 million to over \$3 billion in November 2024 after the U.S. presidential election. Quotas were established to limit the larger companies (over \$3B) and the smaller companies (under \$250M) to best reflect the middle market for each industry. The survey was conducted by Rabin Roberts Research Company, an independent marketing research firm, using Slice MR's panel of executives. The 2025 CFO Sustainability Outlook Survey is an analysis of how CFOs answered questions related to ESG and sustainability.

Sustainability at a Glance

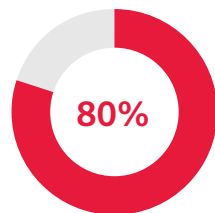
The U.S. presidential administration may have changed, but sustainability remains at the top of CFOs' agendas.

In 2025, companies are moving beyond quick wins to realize lasting competitive advantages from their sustainability initiatives. Given the scope and impact of these advantages — among them new growth opportunities and stronger market resilience — it's no surprise that 47% of CFOs plan to increase their involvement in sustainability strategy over the coming year. The companies that will see the greatest rewards from their continued focus and investment are those that embed sustainability into their core business strategy.

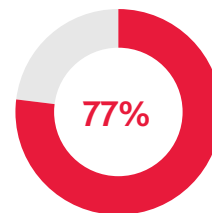
HIGHLIGHTS FROM THE 2025 CFO SUSTAINABILITY OUTLOOK SURVEY



of organizations that are integrating sustainability into their business strategies **expect increased revenue** in 2025



expect their involvement in ESG strategy to either **stay the same or increase** in the next 12 months



plan to **maintain or increase** their sustainability investments this year



A sustainable business is stronger, more responsive to stakeholder expectations, and more resilient to economic headwinds. When businesses move sustainability off the sidelines and integrate it into core business strategy, they create a strong offense — unlocking innovative growth pathways while defending against shifting market conditions.













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The Business Case for Sustainability

Asked about the ROI of their sustainability initiatives over the last five years, CFOs report both top- and bottom-line benefits, including increased innovation, new market opportunities, reduced operational costs, and access to favorable financing. With the value of sustainability initiatives clear, the conversation now shifts from “whether to invest” to “where and how much.”

Business Benefits from Sustainability Initiatives


5-Year Retrospective

	Increased Innovation and New Business Opportunities	37%
	Increase in Revenue	36%
	Access to Favorable Financing or Investment Opportunities	34%
	Improved Risk Management	32%
	Broader Risk Considerations Inform Decision-making	31%
	Enhanced Customer Loyalty	30%
	Cost Savings	28%
	Attraction and Retention of Talent	27%
	Access to New Markets	23%
	Reduced Environmental Impact/Carbon Footprint	23%



Industry-specific operational models, market dynamics, and risk exposures fundamentally shape the benefits organizations realize from sustainability initiatives. Technology and life sciences companies show higher benefits from innovation due to their inherent focus on research and development (R&D).

Top Business Benefits by Industry




HEALTHCARE

-  **37%**
Increase in Revenue
-  **35%**
Increased Innovation and New Business Opportunities
-  **34%**
Improved Risk Management

LIFE SCIENCES

-  **43%**
Enhanced Customer Loyalty
-  **39%**
Increased Innovation and New Business Opportunities
-  **33%**
Access to New Markets




MANUFACTURING

-  **40%**
Increase in Revenue
-  **38%**
Increased Innovation and New Business Opportunities
-  **35%**
Improved Risk Management

RETAIL

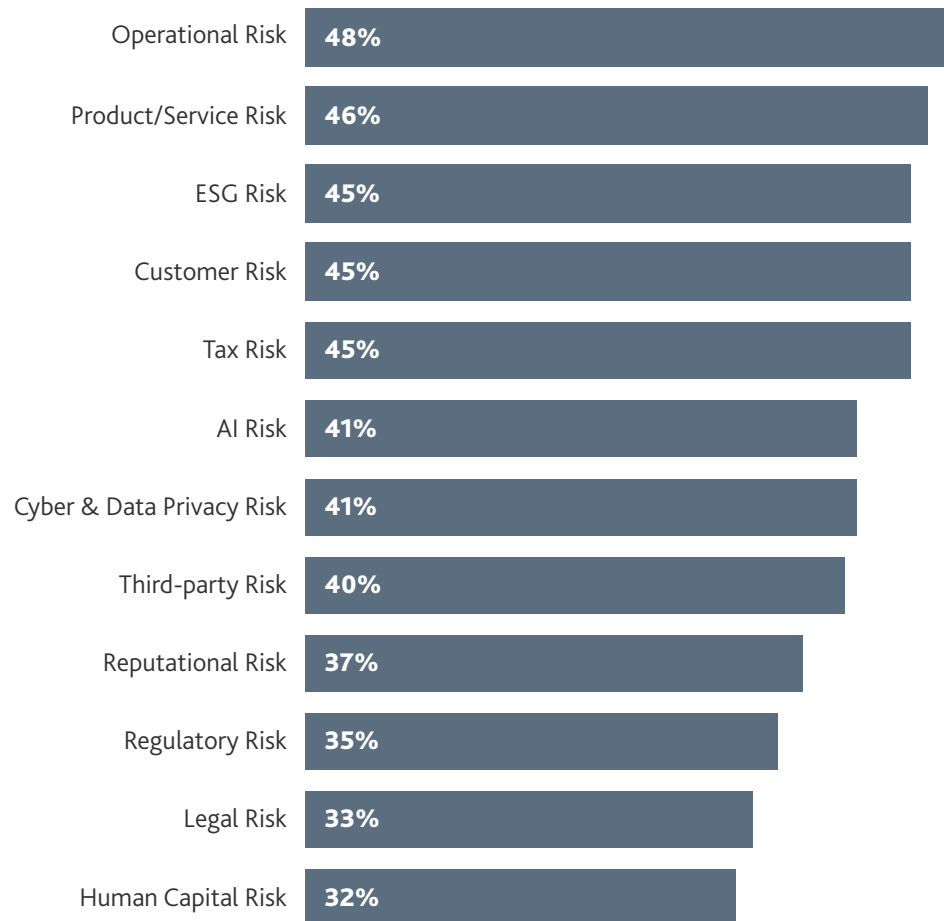
-  **40%**
Broader Risk Considerations Inform Decision-making
-  **37%**
Improved Risk Management
-  **34%**
Access to Favorable Financing or Investment Opportunities

TECHNOLOGY

-  **43%**
Increase in Revenue
-  **42%**
Increased Innovation and New Business Opportunities
-  **42%**
Access to Favorable Financing or Investment Opportunities

Amid accelerating extreme weather events and increasing global regulation, ESG-related risk is tied for the third-most frequently cited significant threat to businesses in 2025. But ESG risk perception varies significantly by industry: More than half (58%) of technology companies view ESG as a significant business risk — 13 percentage points higher than the overall average. This likely reflects the fact that ESG risks cross-cut into other areas such as cybersecurity, third-party risk, operational risk, and artificial intelligence (AI) use, among others.

Risk Areas of Significant Concern for Leaders in 2025



Level of Concern for ESG Risks

	Significant Concern	Moderate Concern	Minimal/No Concern
OVERALL	45%	38%	17%
HEALTHCARE	38%	38%	24%
LIFE SCIENCES	44%	44%	12%
MANUFACTURING	48%	41%	11%
RETAIL	39%	34%	27%
TECHNOLOGY	58%	30%	12%



Key Takeaways

Organizations see many benefits from their sustainability initiatives, but capturing full value requires the strategic integration of a focused sustainability strategy. In order to realize ROI from their sustainability investments, CFOs should consider the following actions:

KEY TAKEAWAYS ON THE BUSINESS CASE FOR SUSTAINABILITY



Identify industry-specific opportunities. Benefits from sustainability initiatives vary significantly by sector. Develop benchmarks against industry peers to identify the most relevant and achievable benefits for your organization, then build targeted initiatives to capture that value.



Balance short- and long-term priorities. A targeted sustainability strategy captures immediate operational gains while establishing the foundation for broader transformation. Design your roadmap to achieve quick wins alongside systematic progress toward long-term financial and non-financial goals.

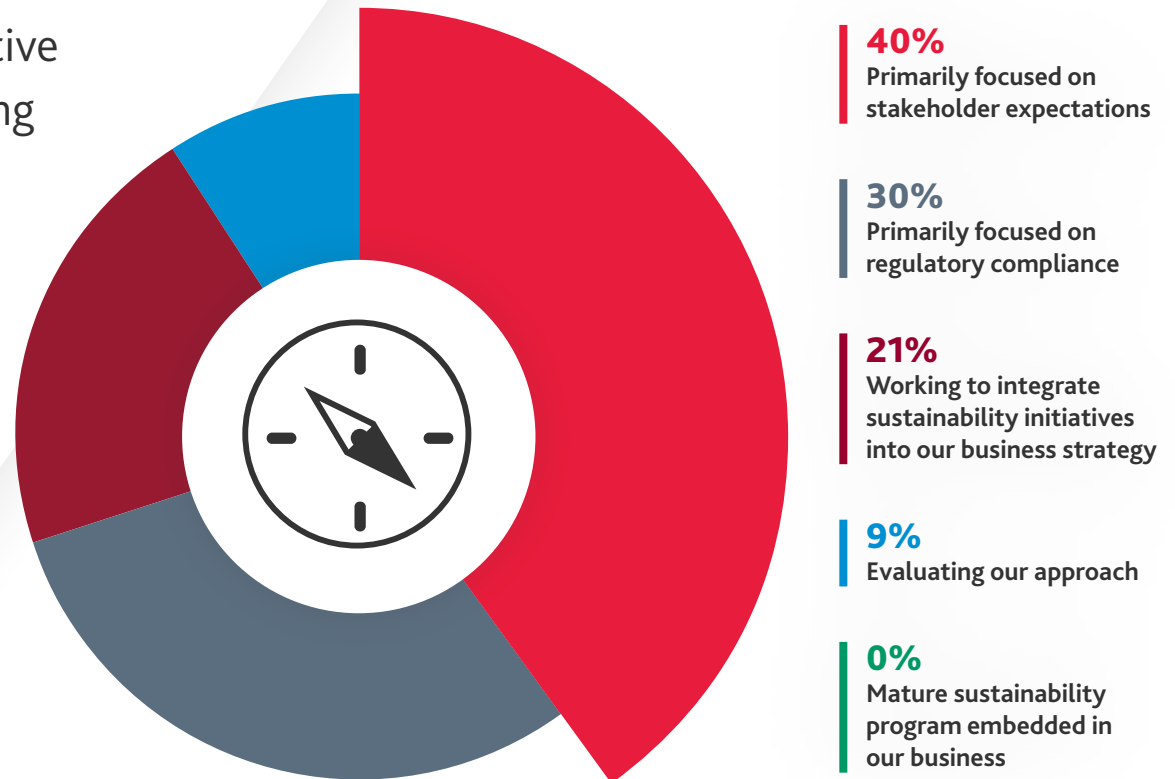


Find opportunity in risk. ESG risks are interconnected with other business risks — and may reveal inefficiencies or gaps that lead to innovation. Use materiality assessments to not only prioritize key risks, but also to uncover strategic opportunities for growth.

State of Sustainability Strategy

While CFOs report measurable business benefits from past ESG investments, many organizations still treat sustainability as a distinct initiative instead of a core component of overarching business strategy. The majority (70%) of sustainability strategies focus on responding to external pressures from regulators and other stakeholders. Just over a fifth (21%) of respondents are actively working on strategy integration — most likely early adopters with more mature sustainability programs.

Current Approach to Sustainability



Businesses operating internationally — particularly in Europe — face complex ESG reporting mandates and investor pressures. Global companies are typically further along their sustainability journey and report a stronger focus on stakeholder expectations than their U.S.-only counterparts. This reflects different regional pressures, as many U.S. companies are just beginning to respond to emerging customer and competitive demands, as well as increased reporting and regulatory compliance.



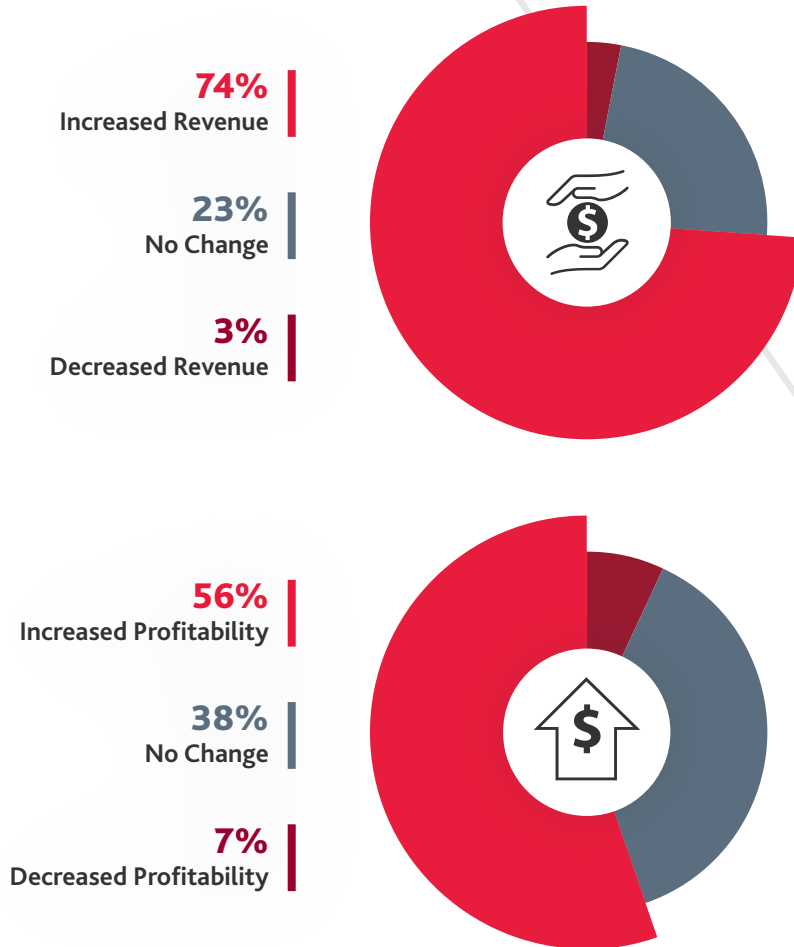
Sustainability Strategy by Location

	U.S. Only	Global
Evaluating our approach	11%	2%
Primarily focused on stakeholder expectations	33%	68%
Primarily focused on regulatory compliance	31%	26%
Working to integrate sustainability initiatives into our business strategy	25%	3%

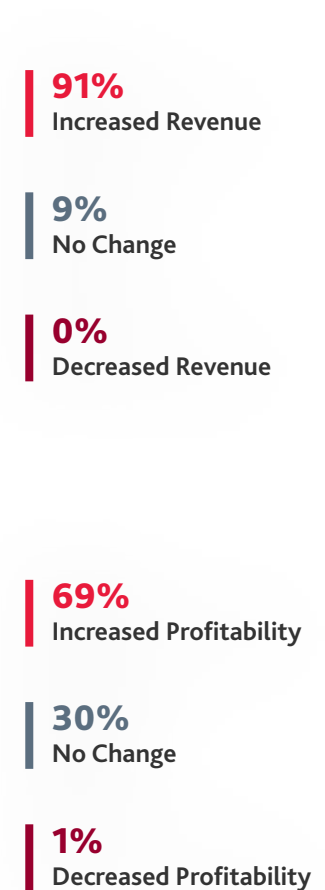
Organizations working to integrate sustainability into business strategy have a bright outlook for the year ahead and expect these investments to pay dividends. Respondents in this group anticipate stronger performance in both revenue and profitability in 2025.

Revenue and Profitability Expectations

ALL RESPONDENTS



COMPANIES WORKING TO INTEGRATE SUSTAINABILITY



Key Takeaways

Organizations face mounting pressures to meet ESG regulatory compliance and stakeholder expectations, and the gap between reactive initiatives and ingrained strategies remains significant. To address these challenges, advance sustainability maturity, and realize the true value of a sustainability strategy, CFOs should consider the following actions:

KEY TAKEAWAYS ON THE STATE OF SUSTAINABILITY STRATEGY



Don't silo sustainability. Treating sustainability as a standalone initiative can create inefficiencies in enterprise risk management and innovation blind spots. By embedding a sustainability strategy across all operations, companies can unlock value and meet evolving stakeholder expectations more efficiently.



Connect strategy integration to ROI. Prioritize areas with the highest impact-to-effort ratio, not only from an ESG perspective, but from a business perspective. Success lies in finding the sweet spot where sustainability drives economic and operations benefits while meeting stakeholder expectations towards responsible business practices.



Prepare for more disclosures regardless of operational scope. It isn't only global regulators scrutinizing ESG disclosures. Businesses will need to comply with state-based regulations. Access to sustainable financing may also hinge on reporting transparency.

Sustainability in the New Administration

The 2024 U.S. presidential election is in the rearview.

Despite expectations that the new administration will reverse many Biden-era policies, most businesses plan to stay the course or increase their investments in sustainability initiatives — which speaks to the strength of the business case for sustainability.

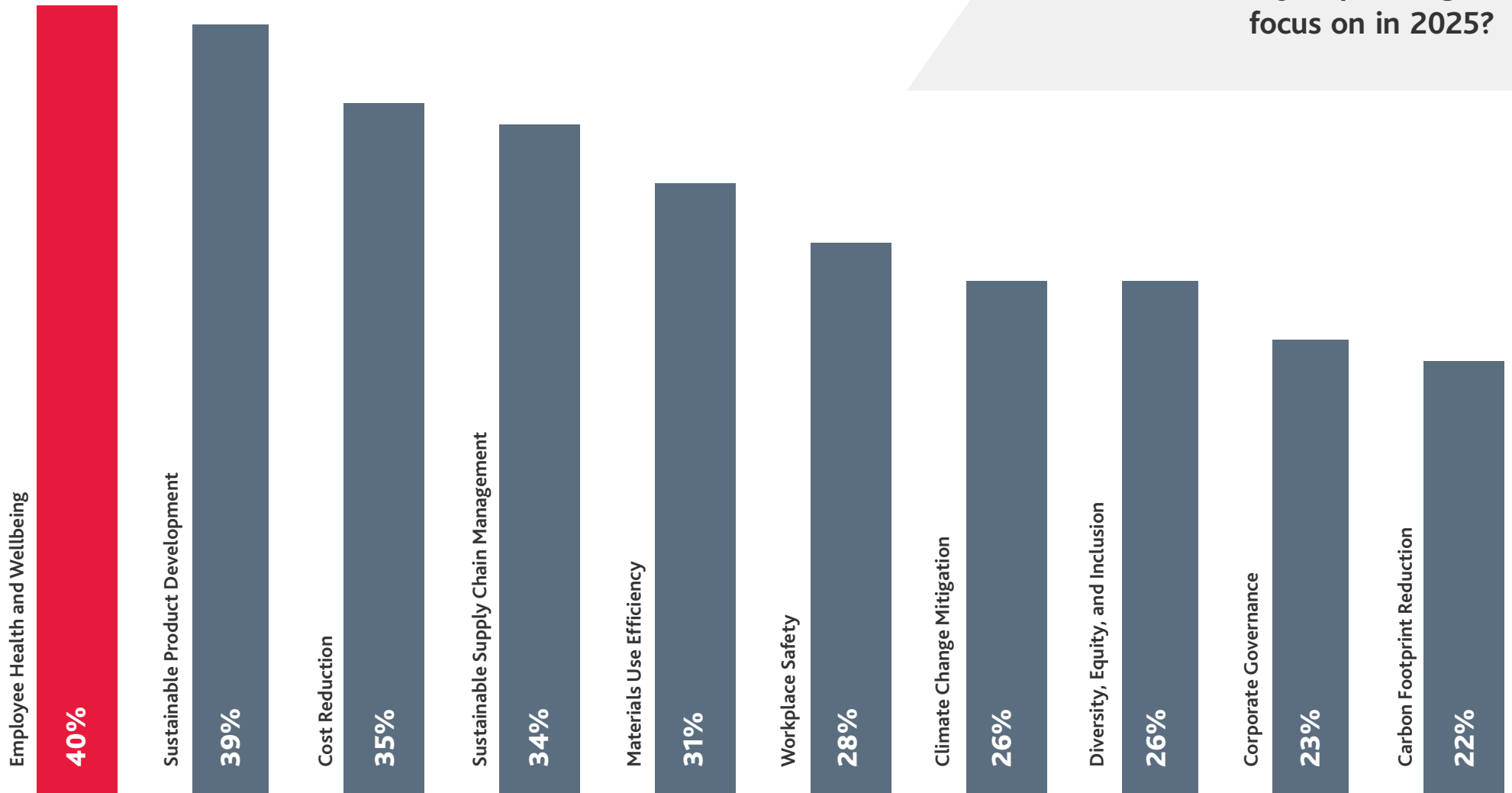


Election Impact on Sustainability Investment

	OVERALL	HEALTHCARE	LIFE SCIENCES	MANUFACTURING	RETAIL	TECHNOLOGY
Increase Investment	44%	38%	40%	43%	45%	55%
No Change	33%	33%	32%	36%	36%	28%
Decrease Investment	22%	29%	28%	21%	17%	17%

Where are businesses investing? As federal climate policies are anticipated to stall, environmental goals without an explicit tie to cost reduction or stakeholder expectations are expected to drop in priority relative to other areas of sustainability. Top priorities correspond to the strategic business issues facing each industry. For example, tech CFOs rank sustainable supply-chain management as their biggest focus — a challenge compounded by rising CO2 emissions at data centers driven in part by the use of AI.

What areas of sustainability and ESG are you planning to focus on in 2025?




Top 3 Sustainability Initiatives by Industry




HEALTHCARE

-  **46%**
Employee Health and Wellbeing
-  **34%**
Sustainable Product Development
-  **34%**
Workplace Safety

LIFE SCIENCES

-  **35%**
Sustainable Product Development
-  **35%**
Diversity, Equity, and Inclusion
-  **33%**
Materials Use Efficiency

MANUFACTURING

-  **45%**
Cost Reduction
-  **37%**
Materials Use Efficiency
-  **36%**
Sustainable Product Development

RETAIL

-  **41%**
Cost Reduction
-  **37%**
Employee Health and Wellbeing
-  **37%**
Sustainable Product Development

TECHNOLOGY

-  **52%**
Sustainable Supply Chain Management
-  **51%**
Sustainable Product Development
-  **48%**
Employee Health and Wellbeing



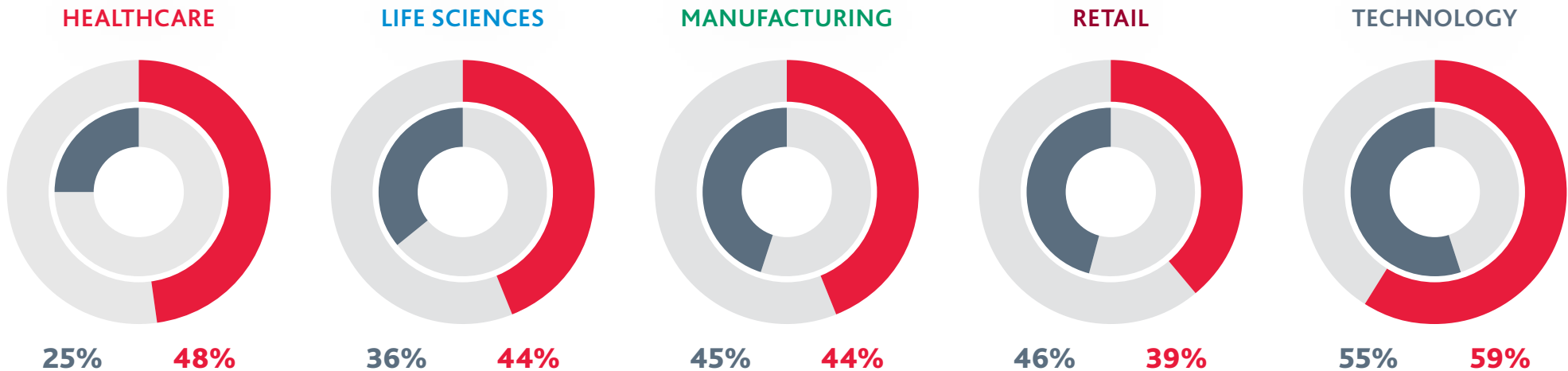
Sustainability remains high on CFOs' agendas in 2025. Overwhelming, 80% of respondents expect their involvement in ESG strategy to either stay the same or increase in the next 12 months. Among companies working to integrate sustainability into their business strategy, the majority of CFOs expect increased demand for their time. Industry trends show varying patterns: Technology maintains the highest level of expected CFO involvement (59%), while healthcare shows the most dramatic shift, nearly doubling from 25% in 2024 to 48% in 2025.

Level of Concern for ESG Risks

Involvement Will...	Increase	Remain the Same	Decrease
Still Evaluating	40%	30%	30%
Focus on Stakeholders	42%	36%	21%
Focus on Compliance	45%	33%	22%
Working to Integrate	61%	26%	13%

Increased CFO Involvement by Industry

● 2024 ● 2025



Key Takeaways

As companies define next steps for their sustainability programs and a new administration takes office, CFOs will play an increasingly critical role integrating sustainability into their organizations. To build long-term resilience and drive value, CFOs should consider the following actions:

KEY TAKEAWAYS ON SUSTAINABILITY IN THE NEW ADMINISTRATION



Don't lose sight of state and international regulations. U.S. companies are directly impacted by EU sustainability regulations, which continue to drive global compliance requirements regardless of changes in the U.S. administration. This steadily expanding regulatory landscape demands proactive strategy development and implementation.



Increase engagement to build momentum. As CFOs' role in sustainability expands, their expertise in controls and processes is crucial for ensuring audit-quality non-financial data. Clear governance structures help enhance oversight and direction of sustainability initiatives.



Focus on sustainability opportunities explicitly tied to business value. Prioritize initiatives that enhance financial and operational resilience, while meeting stakeholder expectations and regulatory requirements. Move away from isolated measures like standalone emissions reduction targets and focus instead on goals that connect to your broader business strategy.

2025 Sustainability Outlook

Although most of the organizations surveyed remain in early stages of their sustainability journeys — with 70% focused primarily on meeting stakeholder expectations or compliance — the benefits of strategic integration are clear. Ninety-one percent of companies working to integrate sustainability into business strategy project revenue growth, compared to 74% of their peers, a sign that the sustainability maturity gap may become a key competitive differentiator.

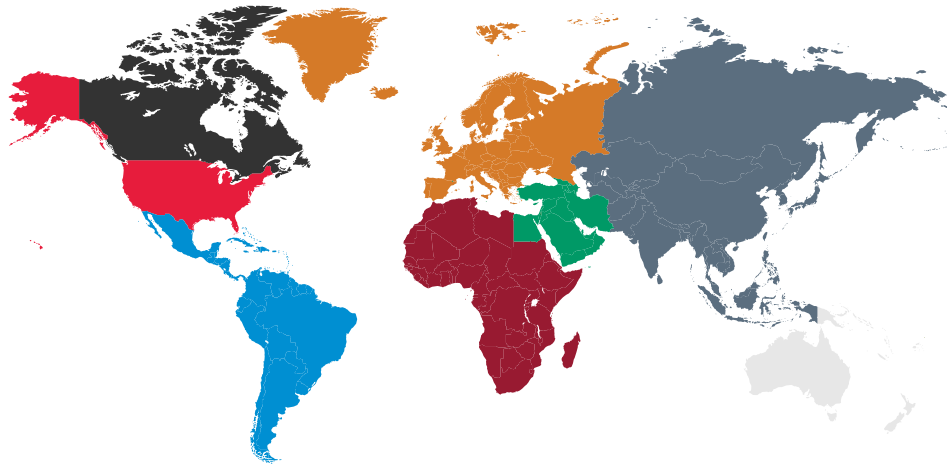
The path forward requires a shift in organizational mindset. Leading organizations are implementing sustainability metrics with the same rigor as financial accounting, with CFOs taking a broader enterprise view to ensure sustainability considerations are embedded across risk management, revenue generation, and strategic planning. This systematic approach enables companies to develop data-driven business cases that align sustainability initiatives with core business objectives. Making this transition — and starting it now — is key to unlocking long-term business value and resilience.



Methodology

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REGION



81%
U.S. only

18%
Canada

14%
Latin/
South America

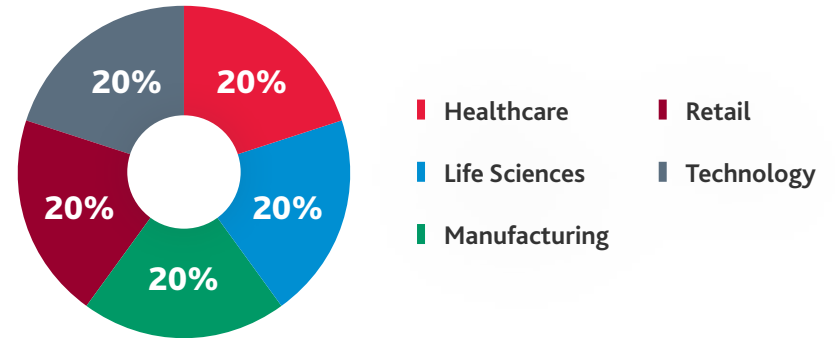
14%
Europe

7%
Asia-Middle East

4%
Asia-Pacific

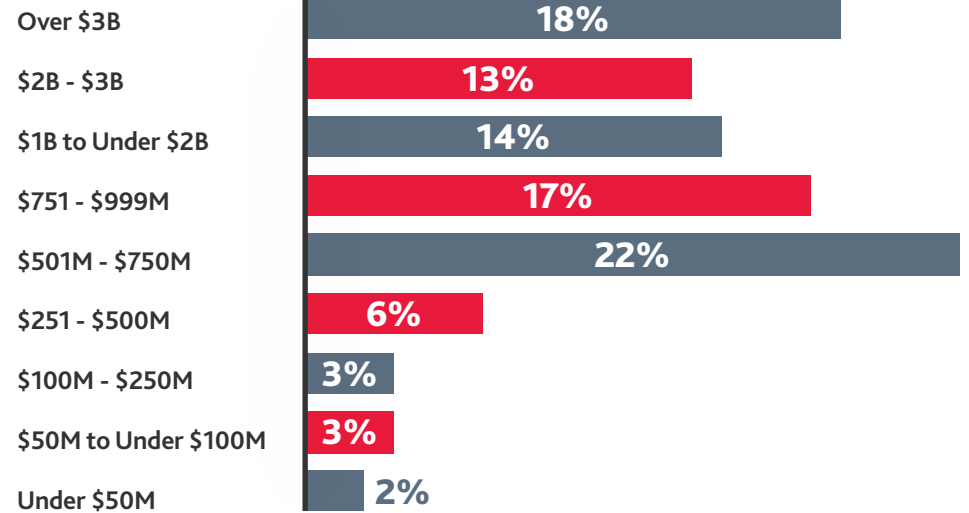
3%
Africa

INDUSTRY



- Healthcare
- Retail
- Life Sciences
- Technology
- Manufacturing

REVENUE



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ABOUT BDO'S SUSTAINABILITY & ESG CENTER OF EXCELLENCE

BDO's Sustainability & ESG Center of Excellence (COE) is responsible for designing, executing and evolving sustainability strategies both within BDO and for BDO clients. COE team members are subject matter experts on sustainability and ESG topics, keeping apprised of regulatory developments and reporting requirements and providing technical guidance and market research. The COE also works with our international network of more than 160 member firms to share learnings and best practices, and develop sustainability service offerings worldwide.



2025 CFO Sustainability Outlook Survey

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