Purpose meets performance:

Why sustainability can't be an afterthought anymore.

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Better with every move.

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Introduction

In a world grappling with climate change, resource depletion and widening social inequality, sustainability has moved from the margins to the mainstream of business strategy. It is now a **core driver of competitive advantage**, risk management and long-term profitability. Companies are setting goals to reduce their carbon impact and move towards net-zero. Climate risks play a pivotal role in decision-making. Investors are reallocating capital based on sustainability performance. Consumers, especially younger ones, are rewarding brands that align with their values. Employees are demanding purpose and responsibility from their employers. The message is clear: **sustainability is no longer optional but expected**. These structural shifts are reshaping how companies operate, compete and grow.

According to a recent global CEO survey by PwC, climate-related investments are estimated to be six times more likely to result in increased revenues than decreased revenues. This signals that sustainability will be a defining lever of future business viability and growth. **Climate-related risks are now undeniably material**. Floods, droughts, wildfires and supply chain disruptions already carry significant financial consequences across industries. The World Economic Forum's 2024 Global Risks Report ranks environmental threats, including extreme weather, natural resource crises and biodiversity loss among the top five global risks by likelihood and impact. For businesses, ignoring these risks is no longer a viable option.

The new metrics of success

Corporate success is being redefined and revenue and profitability are no longer the sole metrics of performance. **Companies that fail to disclose their ESG performance or fall short of sustainability commitments increasingly risk losing access to capital**. According to Bloomberg's Sustainable Future Study, ESG assets are expected to reach USD 50 trillion by 2025, accounting for more than a third of the projected total global assets under management (AUM) of USD 140.5 trillion. The same study found that 71% of global business leaders believe that, in the near future, no investment decisions will be made without considering ESG. Clearly, the **market is rewarding companies that can prove they are built for a sustainable future**.

A compelling example of this shift is Orsted, formerly known as Danish Oil and Natural Gas(DONG) Energy. Once one of Europe's most coal-intensive utilities, Orsted undertook a bold transformation to become a global leader in renewable energy. **Between 2009 and 2022, it reduced its coal consumption by 91%** and cut carbon emissions intensity by around 87%. Orsted shifted its energy generation mix from 85% fossil-based in 2009 to 90% renewable in 2022. Financially, this transition paid off handsomely, with **operating profit rising from DKK 8.8 billion in 2009 to DKK 35.4 billion** in 2022 and the company saw a **200% increase in market capitalisation over a decade**. Orsted's successful pivot not only positioned it as a world leader in offshore wind but also showed how a green transition can unlock growth, investor confidence and long-term profitability.

Looking beyond financial markets, customers, employees and regulators are measuring companies on their climate commitments, emissions disclosures, diversity and supply chain ethics. **Unilever has made sustainability a key pillar of its business strategy** by ensuring deforestation-free supply chains, investing in circular packaging and publicly reporting progress. This has enhanced its reputation among both consumers and investors. Meanwhile, **Patagonia's environmental activism and commitment to ethical supply chains have earned customer loyalty and set benchmarks in corporate purpose**. Traditional business KPIs such as cost, growth and profitability are now intersecting with sustainability metrics to form a new definition of success; one grounded in long-term resilience.

Market makers: Growth through sustainability

Sustainability has become a driver of innovation and market expansion. Tesla, once dismissed by legacy automakers, now dominates the electric vehicle market and has catalysed a global transformation in mobility. Similarly, companies like Beyond Meat and Nestlé are capturing the surging demand for plant-based foods, an industry projected to exceed USD 160 billion globally by 2030.

At the same time, **sustainability is proving to be a gateway to untapped markets, particularly in underserved and emerging economies**. Regions that historically struggled with infrastructure gaps, energy poverty and climate vulnerability are becoming growth hubs driven by sustainable innovation. Companies like Ecozen in India are enabling smallholder farmers to reduce post-harvest losses by up to 40%, while helping them secure better prices by extending produce shelf life.

Off-grid renewable energy solutions are bridging access gaps in regions where extending traditional power grids is cost-prohibitive. Startups like M-KOPA in Kenya and d.light across East Africa provide affordable solar home systems and clean energy appliances on a pay-as-you-go model. This has **reduced reliance on polluting kerosene while enabling access to digital tools, lighting and financial inclusion for millions**.

These solutions prove that sustainability can be used as a strategy for reaching new customers and unlocking business value in emerging markets. According to McKinsey, **the transition to net-zero could generate over 200 million new jobs by 2050 and create USD 12 trillion in annual economic opportunities by 2030**.

Signify, formerly Philips Lighting, exemplifies how sustainability can drive business growth. The company has transitioned to offering energy-efficient LED lighting solutions and connected lighting systems. Notably, Signify has partnered with ForestOne in Australia to implement a smart lighting system in its warehouse, resulting in a 70% reduction in electricity consumption while enhancing operational efficiency. Signify's commitment to sustainability extends to its ambitious goal of achieving net-zero greenhouse gas emissions across its entire value chain by 2040.

Businesses are no longer framing sustainable products as premium or niche. Instead, they are mainstreaming them by positioning sustainability as the default rather than the exception. For instance, Unilever's Seventh Generation offers eco-friendly household products that are widely available in supermarkets and e-Commerce platforms, marketed not as luxury green options but as smart, responsible everyday choices. Similarly, Puma has started replacing kangaroo leather in its football boots with K-BETTER, a more sustainable material that delivers superior performance, reinforcing that sustainability and quality can go hand-in-hand.

Sectoral realities: Not all industries move at the same pace

While some industries are thriving under this 'sustainability transition', others are contending with serious structural and technological barriers. The **technology, consumer goods and renewable energy sectors have adapted quickly**, often benefiting from **asset-light models, shorter innovation cycles and greater alignment with consumer preferences and investor expectations**. For instance, Schneider Electric, a global leader in energy management and automation, has seamlessly integrated sustainability with digital transformation. Its EcoStruxure platform enables companies across industries to reduce energy use and carbon emissions through smart, connected solutions. The company has pledged to achieve net-zero operations by 2030 and consistently ranks at the top of global sustainability indexes.

In contrast, **high-emission industries like steel, cement, aviation and petrochemicals face deep challenges**. Their transition is hampered by capital-intensive processes, legacy infrastructure and longer technology deployment timelines.

For example, while green hydrogen holds promise for decarbonising heavy industry, commercial-scale adoption remains years away and requires substantial investment. Yet **even these hard-to-abate sectors are taking meaningful steps**. The aviation industry is investing in sustainable aviation fuels, while steel makers are piloting low-carbon smelting technologies such as hydrogen-based direct reduced iron. Though slower to move, these industries acknowledge the inevitability of transition and are **beginning to make foundational shifts in how they operate**.

This divergence in transition speeds reflects the complexity of embedding sustainability across diverse economic sectors. But the momentum is clear: every industry, regardless of where its baseline lies, **is being pulled towards a lower-carbon, more responsible future**.

Beyond the balance sheet: Trust, loyalty and long-term value

Sustainability is no longer just a means of managing environmental risks, but a strategic lever for building resilient organisations, strengthening stakeholder relationships and unlocking long-term business value. Companies that embed sustainability into their core operations are better positioned to navigate shocks related to climate change, resource scarcity and tightening regulation. At the same time, these firms tend to experience 'softer' but equally crucial benefits: higher employee engagement, stronger organisational culture and enhanced stakeholder trust. **Purpose-driven companies like Natura &Co, Schneider Electric and Infosys are demonstrating how ESG performance can drive both resilience and reputation**. These firms are seen as trusted partners for investors, regulators and communities with their ability to balance profit with purpose.

Crucially, sustainability is also becoming a powerful market differentiator. Consumers across the globe are factoring environmental and social responsibility into their purchase decisions. A 2023 Bain & Company report found that **50% of global consumers consider sustainability an important purchasing factor, with many willing to pay a 5–10% premium for eco-conscious products**. Brands like Patagonia, IKEA and FabIndia have built strong brand equity by embedding sustainability into their product design, sourcing and storytelling. Similarly, in the B2B space, sustainability credentials are influencing supplier selection and procurement decisions, particularly among MNCs with global sustainability mandates. In this way, **sustainability is increasingly a prerequisite for doing business**.

Reinventing business through sustainability

Far from a peripheral consideration, sustainability is becoming the foundation for how companies innovate, operate and compete. Across industries and geographies, businesses are discovering that aligning with environmental and social imperatives is not just about mitigating risk but also about redefining what success looks like in the years to come.

Companies that lead the way on ESG integration are seeing **improved brand loyalty, stronger stakeholder relationships, better access to capital and stronger pricing power, even in crowded markets**. What began as a compliance or reputational concern has evolved into a transformative force: reshaping strategy, culture and value creation.

The businesses that will thrive in the coming decades are those that **treat sustainability not as a constraint, but as a lens for reinvention**. Whether through circular design, clean technologies, inclusive supply chains or purpose-driven leadership, the sustainability imperative is pushing firms to build more efficient enterprises. Those who embrace it today will be best positioned to lead tomorrow.

Sustainable mobility from Ayvens

Ayvens is on a mission to decarbonise mobility and is **leading the change through its Consultancy Services**. It is working closely with its customers and partners to design low-emission solutions. With its expertise and scale, Ayvens is working on mobility strategies that will not only address today's challenges but also create new opportunities. **Ayvens Consultancy helps companies with advice on sustainable mobility, fleet rightsizing and safety**. To know more, please contact Ayvens India at: **https://www.ayvens.com/en-in/contact-us/**

About Ayvens

Ayvens is a leading global sustainable mobility player born from the acquisition of LeasePlan (founded in Amsterdam in 1963) by ALD Automotive (founded in Paris in 1968), part of the Societe Generale group. It has been improving mobility for decades, providing full-service leasing, flexible subscription services, fleet management and multi-mobility solutions to large international corporates, SMEs, professionals and private individuals. With more than 14,000 employees across 42 countries, 3.2 million of vehicles and the world's largest multi-brand EV fleet, Ayvens has been leveraging its unique position to lead the way to net zero and spearhead the digital transformation of the mobility sector.

(The company is listed on Compartment A of Euronext Paris (ISIN: FR0013258662; Ticker: ALD). Societe Generale Group is Ayvens' majority shareholder.)

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Ayvens in India

ALD Automotive India was founded in 2005 whereas LeasePlan India in 1999. Today, as Ayvens it boasts a fleet of more than 48,000 vehicles and is a leading fleet management and vehicle leasing company in India catering to more than 1800 corporate customers in over 280 locations across India. Headquartered in Mumbai it has a direct presence in Delhi, Pune, Hyderabad, Chennai, Bengaluru and Kolkata. Through these offices and its supplier tie-ups, Ayvens has an operational reach in all major cities and can meet varied corporate car leasing requirements anywhere in the country.

About IMA

IMA is a niche economic, business and market research firm that provides insights and analysis to top management audiences in India through multiple channels. For 30 years, IMA's research and opinion have informed the perspectives of investors, industry and government.

IMA operates one of the country's largest peer group platforms for top business executives, comprising more than 2,500 Indian and global business and functional leaders from over 1,500 member companies. Since 1994, it has developed an unmatched capability to harness and distil collective wisdom, enabling industry leaders to interpret changes and forecast developments in the operating environment through authoritative guidance. IMA publishes in-depth reports on macroeconomic, industry and thematic subjects as well as benchmarking studies on functional and management issues.

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This report provides an assessment of India's ambition to achieve energy independence by 2047 and to reach net zero emission by 2070. It examines the environmental scenario of green Hydrogen with an analysis of newly launched National Green Hydrogen Mission (NGHM) by Government of India. Avyens India does not take any responsibility pertaining to the accuracy, completeness, or reliability of the information contained in this study and research and shall not be liable for the outcome of decisions taken based on this study. Moreover, the information shall not be used to form the basis of strategic decisions that concern investments or any other commitments. The content is based on available data and analysis at the time of publication and is subject to change. Its content may not be reproduced in whole or in part without the written consent of Avyens India. Readers are encouraged to use their discretion and seek professional advice before making decisions based on the study.

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