

GRAY RHINO TERRITORY

THE SUSTAINABILITY OUTLOOK



THE GLOBESCAN / ERM SUSTAINABILITY INSTITUTE RESEARCH PROGRAM



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VOLANS

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We're in Gray Rhino territory

Gray rhinos are highly probable events, pose huge risks, but are often ignored. So the 2030s look set to see a crash, the collective noun for rhinos.

Michele Wucker, an American policy analyst, coined the term gray rhino at the World Economic Forum's annual meeting in Davos in January 2013. Her background was in sovereign debt and Latin America—she had written about Argentina's 2001 default (where action was deferred) and was watching the Greek/Eurozone crisis unfold—with Greece and its creditors eventually acting.

She told us: "I wanted a simple, clear way to talk about the question of why some decision makers see the big scary thing coming and deal with it, while others get trampled."

So, a Gray Rhino is a threat that is highly probable, high impact, and yet often neglected—two tons of rage, charging in plain sight. It was defined against Nassim Taleb's Black Swan (rare, unpredictable, explicable only in hindsight), and against "the elephant in the room," implying everyone is politely ignoring a threat. With a gray rhino, only some of us ignore it; those who don't have an edge. But with many political leaders stalling on big challenges, the 2030s look like fertile gray rhino territory.

According to our 2026 Sustainability at a Crossroads survey, two things are happening at once. The first everybody can see. Our 610 experts returned a bleak macro reading: political polarization seen as negative by 88%, policy and regulatory uncertainty by 86%, authoritarianism 83%, geopolitical tension 83%, defense spending 78%, government debt 76%, and trade protectionism 67%. Clearly, even before we get on to the climate and biodiversity emergencies, gray rhinos abound.

The second thing is visible only in the smaller print. The same experts raised their assessment of almost every tool they use: of 130 comparisons (one each for feasibility and impact) across sixty-four interventions, 108 rose, 10 stayed flat, and 12 fell. We seem to be seeing a bounce in sentiment, a more hopeful mood.

Most readers will assume one reading must be wrong. Neither is: they are one finding seen from two ends. 64% now believe crisis and disruption, not planned collective action, drive progress more powerfully. The deteriorating environment is not just the backdrop to their work. It is becoming its engine.

The 1987 agenda is tested—to its limits

The corporate sustainability approach evolved since the 1987 Brundtland report, *Our Common Future*, is graded poorly. Voluntary corporate reporting scores 15% on impact, the lowest of any tested. The UN Global Compact 16%. B Corp certification 22%. The Guiding Principles on Business and Human Rights 28%. The SDGs 29%. The Kunming-Montreal Biodiversity Framework 33%. The Paris Agreement 38%. Grim reading.

That chain—global goals, voluntary commitments, verification through disclosure—sits in the bottom-left quadrant of the 2026 response matrix (see GlobeScan website). It's tempting to read this as a verdict on the instruments; more likely it's a verdict on the operating conditions. Every link assumed a stable, cooperative, rules-based world: multilateral goals honored nationally, markets rewarding disclosure, reputation disciplining behavior, and moral arguments moving people.

What rises in their place functions in a contested, fragmented, security-conscious world. Subsidy reform and taxation, the highest-rated lever at 77%. Carbon pricing 69%. Trade policy 68%. Central banks 68%. Supply chain leverage 69%. And courts and media scrutiny 61%. These are instruments of statecraft and corporate self-interest, not of global cooperation.

THE SAMPLE

610

experts in 57 countries, surveyed 9 June to 9 August 2026

THE SHIFT

64%

now say crisis and disruption drive progress more powerfully than planned collective action.

THE BOUNCE

108 / 130

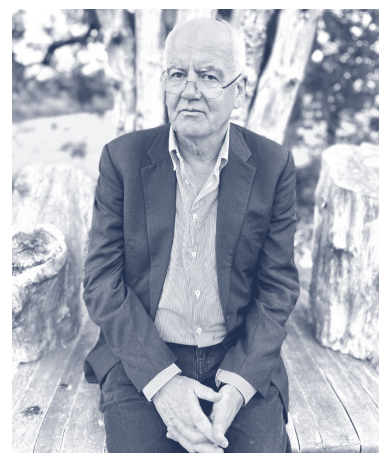
year-on-year lever ratings that rose between 2025 and 2026. Ten held flat; twelve fell.

WHAT THIS GREEN PAPER DOES

A Green Paper is an in-depth guide that explains a complex agenda and presents a well-researched perspective. In

this case, we draw on the 2026 Sustainability at a Crossroads survey, read against the 2025 and 2021 survey waves and informed by workshops and discussions in several regions. Where the data speak, we report them. Where we go further, into gray rhinos, the 2030s and who will carry the agenda, the judgment is ours, and we say so. The White Paper will follow late in 2026.

Note: all passages rendered in bold in such panels are the author's selection, not part of the original text.



JOHN ELKINGTON

Lead Author

U-bend or vortex?

Well before COVID-19, I argued that we were heading into a U-bend: a deep and extended trough as geopolitical and macroeconomic trends unraveled, with recovery likely on the far side for those who had prepared. Now some commentators describe something different: a great vortex, swirling across the global landscape and accelerating all around.

I do not think we are obliged to choose. Both trajectories are live, and our 2026 survey contains evidence of each. But the geometries are not the same.

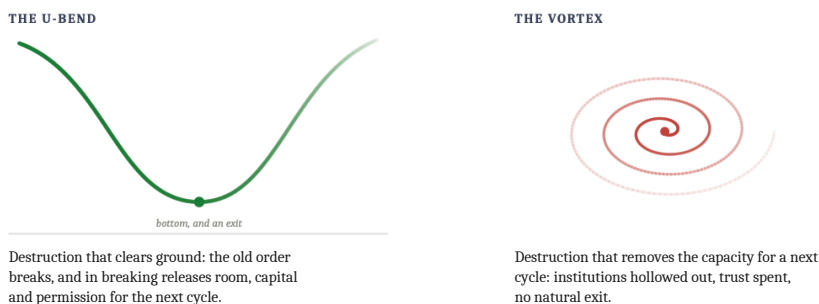


FIGURE 1 Two geometries of descent — the survey contains evidence for both.

The case for the U-bend is already set out: 108 of 130 lever ratings up, feasibility climbing faster than impact, eight of ten actors' performances being rated more positively after hitting a floor in 2025, and 59% of the field calling not for rescue but for radical redesign. That is a community retooling, not one in survival mode.

The case for the vortex sits in the same dataset. The instruments now rated highest—courts, central banks, tax authorities, cities—are precisely those authoritarian politics attack first, and authoritarianism is the third-ranked obstacle at 83%. The most powerful lever we identify requires space that the same respondents say is shrinking. A toolkit of real instrumental power, resting on institutions under attack, funded from contracting fiscal space, and defended by nobody in particular.

The instruments did not fail on their merits. The world they assumed vanished.

What separates the two trajectories is not the depth of the descent—that is largely given—but whether the institutions carrying the new toolkit keep their capacity and their license. The challenge of the decade is less one of ambition than of steering. We should not expect to reach the bottom of the U-bend before 2030.

Why 2037?

2037 will be fifty years after the Brundtland Commission's report, *Our Common Future*. But, more significantly, 2030 will fall inside the trough. The UN sustainability goals will expire while the vortex is still building: their targets missed, the verdict delivered at the worst point in the cycle—and read as the failure of sustainability itself rather than of one theory of change.

Brundtland made two claims: that we share a fate, and that shared fate would produce shared action. Thirty-nine years on, the first has been vindicated beyond argument and the second falsified, at least in part. Backlash runs at 84% in North America against 44% in Asia-Pacific. Appetite for radical revision runs at 68% in Europe against 46% in Latin America. Our fate may be common but how we think about the future is not. This raises the question of whether the Brundtland agenda is fit for purpose in the face of the oncoming challenges.

LESS MORAL?

69%

say moral arguments are less effective than five years ago

WATCH YOUR LANGUAGE

"We do not have a language or word that is known or meaningful to people worldwide. This is a scan of and by the elite, even if they do not think they are. Explain B Corps to people in the Congo or the Philippines. Or sustainability."

Response to 2026's Sustainability at a Crossroads II survey.

WITH THANKS TO

At Volans, my thanks go to Cami Daeninck, Louise Kjellerup Roper and Richard Roberts. At GlobeScan, to Chris Coulter, Tove Malmqvist and Pendragon Stuart. And, at ERM, Mark Lee and Dia Rizakos. Without GlobeScan and ERM what follows would not have been possible.

Others who helped along the way include: Willy De Backer, formerly with the European Trade Union Institute; Elaine Elkington; Paul Hawken; Professor Santhosh Jayaram, former global head of KPMG's sustainability practice; Michael Margolis, CEO, Storiad; Professor Jeffrey Mittelstadt, executive director, Ackerman Center for Excellence in Sustainability, Kenan-Flagler Business School; Professor Tomoyoshi Noda, Shizenkan University; Professor Ken Pucker, professor of the practice, The Fletcher School at Tufts University; and Ellen Weinreb, CEO, Weinreb Group Sustainability Recruiting.

We warmly thank Michele Wucker of Gray Rhino & Co for authorizing our use of her term. Her comments on the text have been taken on board.

We also acknowledge the use of Claude Opus 5 in handling additional data analysis for this Green Paper.

The Sustainability Outlook

*The change agenda is itself transforming, from **soft** (voluntary, incremental, firm by firm) to **hard** (binding, systemic, focused on redesigning whole markets).*

This will not happen soon or everywhere, nor smoothly where it does. But drawing on the world's pre-eminent survey of sustainability experts, this Green Paper maps what it could mean for business and finance through 2037, the fiftieth anniversary of the Brundtland report.

The survey's headline is not the one the sector expects. Expert confidence in *outcomes* remains at the floor: 10% believe the world will reach net zero by 2050, 5% that most companies will meet their 2030 climate goals. Yet confidence in *instruments* rose almost everywhere, and rose fastest on feasibility. A community with no remaining faith in the results is deliberately rebuilding its toolkit for a world it expects to be more hostile, not less, and that is the finding this Green Paper is built around.

What it is building is an enforcement-and-pricing agenda. Subsidy reform and taxation rate highest of anything tested. Carbon pricing, trade policy, prudential supervision, supply chain leverage and the courts follow. What is being retired is the voluntary architecture of the last three decades: goals, pledges, labels, classifications and disclosure. **What survives is specific, technical, verifiable and enforceable; what fails is broad, voluntary and declarative.**

The near future belongs to gray rhinos and black swans: repriced assets, weaponized supply chains, forced migration. But the later 2030s could see more Green Swans, with future-fit markets already tipping. These are alternate faces of the same reordering.

Five shifts are driving it: from soft to hard sustainability; from globalization to reglobalization; from fixing businesses to redesigning markets; from corporate citizenship to corporate politics; and from Boomer to Zoomer priorities. AI runs through all five instead of sitting alongside them.

The answer is rarely to bludgeon people with fear. It is to build a future worth racing toward and then say plainly what it looks like. By the late 2030s, green premiums will have evaporated in many categories; the clean choice will be the cheaper one. Nature will increasingly have legal standing in many of the places that matter and the cost of harm will begin to appear on the invoice rather than in a footnote.

That is the destination. The route runs through a decade of gray rhino and black swan shocks, involving stranded assets, contested rules, political backlash and extreme weather events. It also runs through an accelerating change of cast. The current agenda has been carried by people whose job titles contain the word sustainability. The next will also be carried by titles reading risk management, strategic procurement, treasury, R&D, mergers and acquisitions, government affairs and legal counsel.

We spotlight concrete asks for four sectors, and a fifth constituency that surfaced during our analysis. For **business**: shape markets, don't just report. For **finance**: fund the system that's coming, not the incumbents it will strand. For **government**: govern for the decade, not the next poll. For **education**: reinvent, or end up running museums. And for the **hard sustainability complex**, recognition that it is set to become the epicenter of tomorrow's change agenda.

Read the signs early, and you help write the rules of the markets you will compete in for the rest of your career. Read them late, and you risk spending that career defending an order that is already fading.

10%

believe the world will reach net zero by 2050

5%

believe most companies will meet their 2030 climate goals

59%

want the current approach radically revised, up from 56%. Only 4% defend the status quo.

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WEF SURVEY OF SUSTAINABILITY OFFICERS

Of the chief sustainability officers (CSOs) surveyed, resulting in 103 anonymized responses, 63% expect global sustainability progress to either hold steady or accelerate over the next year. At the organizational level, three-quarters also expect companies' transition-related investments to remain unchanged or accelerate in the next 12 months...

... In total, 78% of respondents expect [wider geopolitical and macroeconomic] conditions to drag on sustainability progress, citing conflict, uneven policy signals and weaker multilateralism. **Within businesses, sustainability is being redefined...**

World Economic Forum Chief Sustainability Officers' Outlook, September 2026.

The old order and the new

System change is already under way—just not the sort most respondents had in mind.

The thing about gray rhinos is not simply that the powerful ignore them. It is that when they arrive—as eventually they do—they puncture the version of the future an organization had been planning for. System change happens, for better or worse. That is what can make gray rhinos existential rather than merely expensive.

Most of our respondents sense the world moving in profoundly unhelpful directions. We both agree and disagree. System failure, felt as chaos, is often the prelude to a new order; it can also end in collapse. But the opportunity to shape the emerging order is orders of magnitude greater now than at the century's turn.

Almost everything the sector has built in four decades traces to a single 1987 sentence. The Brundtland Commission's *Our Common Future* defined sustainable development as meeting present needs without compromising the ability of future generations to meet their own, fusing environment, economy and equity into one deceptively simple idea. That fuse lit the path to Rio, to the treaties behind today's COPs, to the MDGs and then the SDGs.

Yet the evidence points to an uncomfortable verdict: unless the sustainability sector shifts radically, this agenda will end, like the MDGs and the SDGs when they expire, as a partial success at best. That will serve neither business nor financial markets, and it certainly will not serve society.

Much of the sustainability sector has become used to working with business, sometimes with corporations operating in non-sustainable ways. This approach will come under growing tension as its limitations become clearer—and the need for radical, systemic change becomes clearer to practitioners. With the harder-edged approach likely to evolve, the evidence suggests that we are likely to see growing resort to legal action, as has happened with Meta.

That said, the harder truth is that our real antagonist is often less a corporate villain than a market design fault. The problem is an economy whose rules still price harm at close to zero, and the incumbents, subsidies and accounting conventions that help keep it that way.

Our real antagonist is less a villain than a market design fault.

Everything that follows turns on three questions: who changes those rules, how fast, and who pays for the delay.

Our respondents prove sharper on the sector's weaknesses than on how to achieve change. That is not a criticism; diagnosis runs ahead of prescription. But key elements of a strategy for the 2030s do emerge, and we are testing them ahead of the late-2026 White Paper. Details are provided on page 23 and your input is warmly invited.

4%

of respondents said "sustainability is going swimmingly," according to GlobeScan CEO Chris Coulter.

THE PROBLEM

"We have created frameworks, standards, reporting systems, departments, officers, certifications, ESG ratings, cleaner technologies, green products—and even sustainability MBA programs. Much of this was necessary. But I wonder whether we have made sustainability more manageable and, in the process, less transformative."

Professor Santhosh Jayaram, former global head of KPMG's sustainability practice in India

ACRONYMS

CBAM	EU carbon border adjustment mechanism
COP	UN climate conference of the parties
CSO	chief sustainability officer
CSRD	EU corporate sustainability reporting directive
ESG	environmental, social and governance
GATT	the post-war trade agreement the WTO replaced
H5N1	the avian influenza strain
MDGs	Millennium Development Goals, 2000–15
MDL-3047	the US social-media addiction litigation
PRI	Principles for Responsible Investment
RE100	corporate 100% renewable power initiative
SDGs	Sustainable Development Goals, 2015–30
SOS-UK	Students Organising for Sustainability UK
TCFD	Task Force on Climate-related Financial Disclosures
TNFD	Taskforce on Nature-related Financial Disclosures
UNDRIP	UN declaration on the rights of indigenous peoples
VEI-7	volcanic explosivity index level 7
WTO	World Trade Organization

If not that, then what?

The voluntary era has been graded link by link, by the people who built it. Every element sits in a weakening position.

Ranked against the median on both dimensions, the entire architecture of the voluntary era sits bottom-left: low impact, low feasibility. Voluntary sustainability reporting scores 15% on impact, the lowest of all 64 interventions tested.

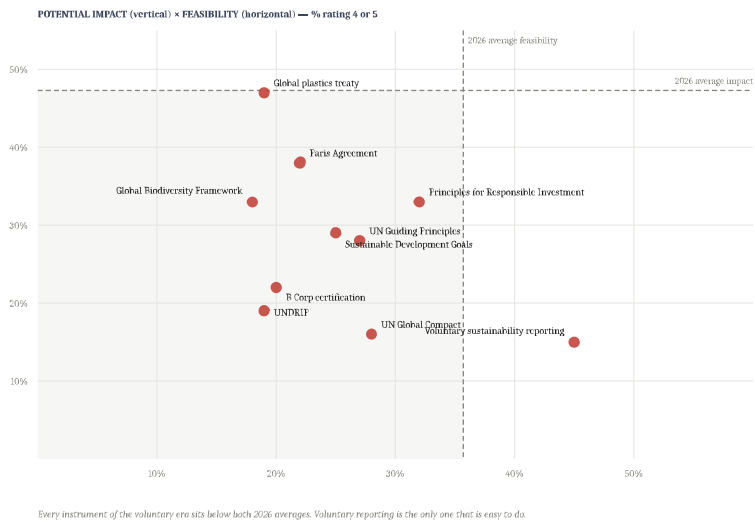


FIGURE 2 The instruments of the voluntary era, plotted on potential impact against feasibility, 2026. Dashed lines are the 2026 averages across all 64 interventions.

There is more verdict than pessimism in that list. The chain that has organized the field since 1992—set global goals, translate them into voluntary corporate commitments, verify through disclosure, let markets and reputation reward performance—has been graded, link by link, and every link is in the dead-in-the-water quadrant.

Who is doing the grading matters here. The panel is largely made up of sustainability professionals rating their own instruments, which makes the verdict more credible, not less.

Whatever succeeds the SDGs is unlikely to gain enthusiastic public support and interest if it is simply another framework of voluntary goals.

The implication for the post-2030 conversation is immediate: the experts have already priced that model at zero. Note, too, that the UN's convening authority survives even as its instruments do not: it still outranks national governments when it comes to sustainability performance, 24% against 8%. The institution retains legitimacy. The toolkit has lost it.

None of this means the voluntary era was wasted. It moved sustainability from the margins into mainstream thinking, creating a bigger tent, and built the measurement, the vocabulary and the professional cadre the next phase will run on. What it did not do is change behavior at the speed the diagnosis requires.

24%

Of respondents see the UN as an important change agent: low, but still ahead of national governments at 8% (see Figure 4, page 7).

THE VOLUNTARY ERA, SCORED

% rating each as likely to lead to significant positive impact

Global plastics treaty	47
Paris Agreement	38
Principles for Responsible Investment	33
Biodiversity Framework	33
Sustainable Development Goals	29
UN Guiding Principles	28
B Corp certification	22
UNDRIP	19
UN Global Compact	16
Voluntary reporting	15

A CAUTION

Low feasibility scores partly reflect the political weather, not the design of the instrument. A treaty is not a bad idea because it cannot currently be ratified. But when impact and feasibility fall together, as they do here, the panel is saying something more than “not now”.

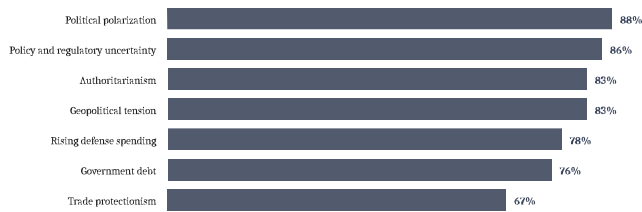
“Sustainability has entered a new phase. The challenge is no longer only to make commitments, but to create the conditions to execute them at scale.”

Mafalda Sarmento, Head of Sustainability and Impact, Centre for Responsible Business & Leadership, Católica Lisbon School of Business & Economics.

The 2026 reading

Backlash has stopped being a spike and become a condition. Every leading obstacle is political.

Seven in ten experts say the backlash against the sustainability agenda, including ESG, is significant in their country, unchanged from 2025 and well above the 57% recorded in 2024. Two years on, elevated resistance looks less like a temporary surge and more like a standing condition to plan around. It is also uneven: more than eight in ten report significant backlash in North America, while a majority in Asia-Pacific do not.

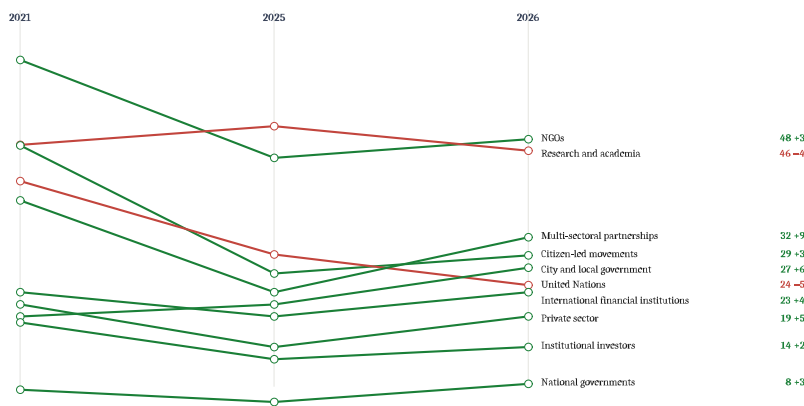


% of experts rating each force as negative for sustainability progress. Every leading obstacle is political.

FIGURE 3 The forces experts see as negative for progress, 2026.

Against that backdrop, calls for radical revision keep growing. 59% now want the approach completely overhauled, up from 56%, with 95% wanting change of some kind and only 4% defending the status quo. But the coalition is narrower than the headline: the appetite for change is highest among NGOs and academics. Respondents from the corporate sector are warier, and there are significant differences between a region like the EU and Latin America.

Ratings of the actors tell a different story — less about the need for radical change, more about declining traction. Against the 2021 peak, the decline is real and severe. But there is a happier reading: against 2025, eight of the ten actors mapped below improved this year. Only the UN and research organizations fell.



% rating each actor's contribution to sustainable development as excellent (4 or 5). Eight of ten recovered against 2025.

FIGURE 4 Contribution to sustainable development rated excellent, 2021–2026. City and local government is the only actor with a genuine upward trend across the series.

Two of these numbers need reading carefully. City and local government reached 27%, the highest in the fourteen-year series. And national governments have scored between 5% and 9% for fourteen straight years: their effectiveness has not collapsed, it was never rated.

BACKLASH

70%

report significant anti-sustainability backlash in their country.

84% / 44%

report significant backlash in North America, against Asia-Pacific

WHY RADICAL REVISION?

Open-ended answers, ranked. Simply being off track, 26%. The worsening climate crisis, 16%. Political backlash, 12%. “Reporting crowding out real work” is ninth, at 8%. Relatively low scores, clearly, but intriguing pointers as to what is agitating our respondents.

THE AI ABSTENTION

Technology, innovation and R&D ranks among the highest-rated interventions (74%). AI has the highest feasibility score of anything, at 59%, and an impact score frozen at 45%, the only major lever that did not move.

Asked whether AI’s benefits outweigh its costs, 26% agree, 28% disagree and 46% do not know: the largest undecided block anywhere in the survey, sitting on the most consequential technology of the period.

Anthropic co-founder Jack Clark recently said in a speech at the IMF that the singularity has begun. He said: “for many years, researchers and science fiction authors have forecast a future in which AI systems drastically increase the pace of overall scientific and technical progress, making things move so quickly that it is hard for humans to keep up. They call this the singularity. I believe that this year we have gained convincing evidence that it has now begun.”

There is clearly work to be done.

Was 2025 the floor?

Across 130 year-on-year comparisons, 108 rose. This is not a community losing faith in its tools.

Sixty-four interventions were rated on two dimensions in both waves. One hundred and eight ratings rose, ten held flat and twelve fell. The mean impact rating rose 2.5 points, from 45% to 47%. The mean feasibility rating rose 4.5 points, from 31% to 36%.

The consequence may be the single most important number in the survey. The impact-feasibility gap—the structural finding of 2025, the sense that everything worth doing was undoable—narrowed for the first time, from 13.6 points to 11.6.

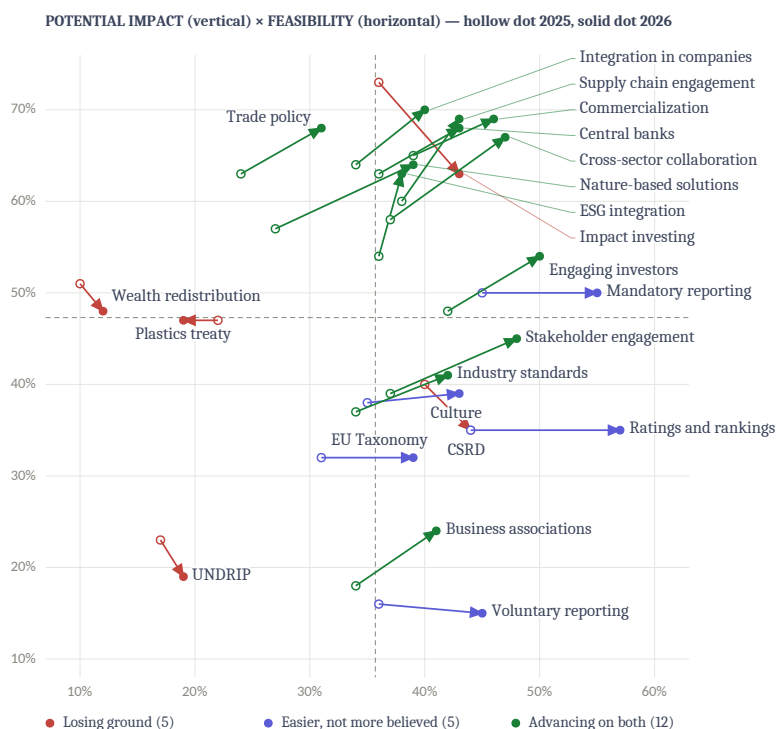


FIGURE 5 The big movers, 2025 to 2026. Each arrow runs from the 2025 position to the 2026 position. Dashed lines are the 2026 averages across all 64 interventions.

Experts have not become more optimistic about outcomes, however. What has changed is their assessment of what can actually be delivered. Despair about outcomes coexisting with rising confidence in instruments is the signature of a community changing its theory of change, not one losing its nerve.

The movement sorts into three directions, and each says something different. Five interventions went backward, and they cluster: impact investing lost ten points of impact, the largest single fall in the survey, alongside CSR, UNDRIP and wealth redistribution. Five moved sideways: markedly easier to do, but not more credible. Twelve advanced on both measures, and they are the operational levers: supply chains, products, integration inside companies, trade policy, central banks and nature-based solutions. Notably, in the 2026 results, nature-based solutions registered the single biggest shift in terms of both impact and feasibility.

61 / 64

interventions became more feasible. One became less: the plastics treaty.

ONE YEAR IS NOT A TREND

Part of the 2025 dip may have been a mood reading taken at a bad moment rather than a structural shift. What makes this hard to dismiss is breadth: 108 of 130 ratings moving the same way, across four independently-asked sets of questions.

THE SHARPEST COMPARISON

ESG as a *labeled product* with explicit non-financial goals (impact investing) is the largest fall in the survey, at -10.

ESG as an *input to mainstream capital* (ESG integration) is among the largest rises, at +9.

Same three letters, same panel, same year, but opposite verdicts. The field has not turned against ESG, it seems. Instead, it appears to have turned against the idea that a label carries the day.

The new theory of change

The retreat, the sideways move and the advance are one story. The field has changed its mind about change.

THE OLD THEORY OF CHANGE

Measure, disclose, compare, reallocate

Measure it, publish it, standardize it so performance can be compared, and capital and reputation reallocate toward the leaders.

Voluntary goals and pledges

SDGs 29 • UN Global Compact 16

Classification and labeling

EU Taxonomy 32 • ratings and rankings 35

Disclosure as the lever

Voluntary reporting 15, lowest of all 64

ESG as a labeled product

Impact investing 63, down 10, the largest fall

CURRENCY Corporate reputation, brand appeal, impact on recruitment

CARRIED BY the sustainability profession

THE NEW THEORY OF CHANGE

Price it, require it, enforce it, sell it

Change relative prices, make requirements specific, ensure failures cost, and give commerce its head.

Prices, not pledges

Subsidy reform and taxation 77 • carbon pricing 69

Mandatory and specific

Trade policy 68 (+5) • producer responsibility 57

Consequences behind it

Courts 61 (+5) • media scrutiny 61 (+5: probably a relative rise in influence rather than absolute)

Into the operation, into the product

Supply chain 69 (+9) • commercialization 69 • integration 70

CURRENCY market demand, contracts, court judgments, changing taxes and subsidies

CARRIED BY risk management, strategic procurement, treasury, mergers and acquisitions, and legal counsel

FIGURE 6 Figures are % of experts rating potential impact 4 or 5. Changes in brackets are 2025 to 2026.

Stripped down, the old theory tried to change what companies *said about* their operations. The new one aims to change the economics *of* the operations, and puts consequences behind getting it wrong.

There is a sting here. When we asked what radical revision might mean, the top answer was mandatory regulation, enforcement and legal accountability at 25%, followed by externality pricing at 15%. Only 14% proposed moving beyond GDP or growth. (And, strikingly, the perceived importance of wealth distribution fell to 48%.) This take on a new theory is not noticeably more radical than the old one, but it does seem inclined to be more coercive.

“While I wish it were otherwise, I do not yet see much evidence that would support the contention that firms or markets are shifting toward ‘hard’ sustainability. If pressed, I would be more comfortable supporting the case that firms are moving from soft to nearly invisible sustainability.”

Professor Ken Pucker, professor of the practice, The Fletcher School at Tufts University

The old theory changed what companies say. The new one changes what they pay.

59% want radical revision while 52% say most progress happens incrementally. These are not in conflict. The demand is for radical revision of the system's design, delivered through incremental implementation: a more disciplined and more Fabian position (cautious and characterized by gradualism) than the transformation rhetoric of the last five years.

Professor Pucker's counter-case, quoted in the right-hand column, is the strongest critique we have yet encountered of our soft-to-hard sustainability thesis. But we do see a new era of accountability emerging. True, it will be less cohesive, systemic and predictable than older approaches. It will also be less fair, involving a growing degree of corporate scapegoating by critics of wider system dysfunctions. Still, it will raise the risk profiles of spotlighted brands, companies, supply chains and markets. But because it will often trigger defensive responses, it may blunt the necessary creativity.

Gray rhinos, black swans ...

A true black swan is not foreseen—that is what makes it one. Gray rhinos, by contrast, are very clearly incoming, but often ignored.

Gray rhino challenges are already in view: probable, high-consequence, neglected. It may be hard to predict the ultimate trigger, but we can rehearse responses. Black swans, meanwhile, are unknowable and obvious only in hindsight. Green swans, representing exponential opportunities linked to sustainability challenges, which appear on the facing page, can be equally hard to spot early on. But now for some gray rhino possibilities that could erupt in the 2030s:

GEOPOLITICS

A China–Taiwan blockade, with 2027 the widely cited readiness window, severing advanced-semiconductor supply and freezing the world's busiest shipping lane; estimates of the damage run to \$10 trillion of global GDP. Behind it: the first nuclear use since 1945, a contested succession in a nuclear state, and the sudden loss of a pivotal leader at a time when a handful of individuals dominate world politics.

FINANCE

A genuinely unpriced one: asset repricing through a US Treasury or dollar confidence shock. Alongside it, a US constitutional crisis in 2028 or 2032. And the financial impact of increasingly severe and disruptive weather events and of the steps taken to offset the related risks, as in rising insurance premiums and even “insurance deserts”.

TECHNOLOGY

An AI capability discontinuity. “Q-day” arriving before post-quantum migration is done, the moment quantum computers can break standard public-key encryption. A cyber-physical attack on grid, payments or cables.

BIOLOGY AND NATURE

Perhaps the most dramatic of all: H5N1 gaining human-to-human transmission, deadlier than COVID; or the release of a biological war agent, perhaps augmented by AI. Nature adds the most underrated risks: a VEI-7 eruption, at roughly one chance in six this century; a Carrington-class solar storm; a great earthquake in Tokyo, Istanbul or North America's Pacific Northwest region.

Almost none of this potential disruption is priced in, at least as yet. Since such risks sit inside the planning horizon for many infrastructure investments, hopefully someone is paying attention.

The governance question follows directly. If the chief sustainability role migrates to people whose instinct is simply to price the risk, how many in the C-suite will even be aware of exposures on this scale to the markets they serve? So, for example, how many such people are well-briefed on the latest Planetary Boundaries analysis by the Stockholm Resilience Centre? Have they thought through the consequences of the mind-numbing fact that we have now breached seven of the nine boundaries?



1 in 6

rough odds of a VEI-7 volcanic eruption this century, among the most underpriced tails in the register

WHY THIS SITS IN A SUSTAINABILITY GREEN PAPER

Gray rhinos are not a separate agenda from the transition. They are the conditions under which the transition will have to be delivered.

“People go on about climate change being ‘slow-moving.’ It is not moving slowly. It is here and might be described as a whole crash of bigger and bigger gray rhinos moving faster and faster.”

Michele Wucker, Gray Rhino & Co, in correspondence.

... and green swans, too

Then there are green swans, exponential solutions to exponential challenges.

Green swans cluster at the positive end of the black swan spectrum: exponential, potentially regenerative shifts where solutions tip faster than anyone expects, turning crises into breakthroughs and proving self-reinforcing once they take off. But only a handful, to date, have met or exceeded expectations, according to Bain & Co's *The Visionary CEO's Guide to Sustainability*.

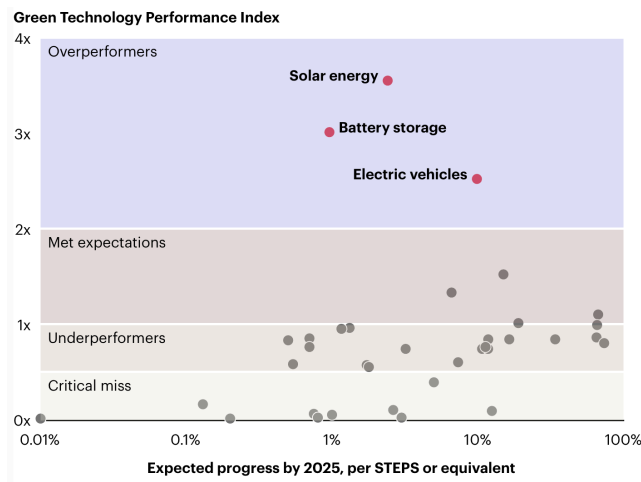


FIGURE 7 Green Technology Performance Index (Bain & Co, *The Visionary CEO's Guide to Sustainability*, 2026).

The anchor is the booming solar-storage-electrification nexus: not one curve but many; the cheapest electrical power in human history powering everything else. The unglamorous enabling layer, including long-duration storage, is likely to be a critical bottleneck through the 2030s. Expect, too, a growing focus on critical-minerals circularity, driven by supply security, not sustainability.

The accelerant is AI for science: materials, grids, drug and crop discovery, and fusion power. It is likely to compress every other curve, and its power demand could help make small modular reactors and some fusion pilots financeable.

Then comes the repricing. Carbon pricing, CBAM and TNFD ratchet externalities onto the accounting ledger, creating asset classes in carbon, nature and water. And the \$80–140 trillion wealth transfer changes whose capital sets prices. The one the sector consistently under-weights is adaptation—resilient infrastructure, cooling, parametric insurance, water security—starved of capital relative to mitigation, and due for a major repricing as the physical damage lands.

Grounds for caution, though: tipping points cut both ways. The same exponential logic that makes solar cheap strands refineries, guts supply chains and concentrates power in whoever owns the new choke points: minerals, processing, “compute.” Every green swan has losers, and losers vote, lobby and litigate. Green swans are not a soft landing. They are a different kind of turbulence.

They will also create their own perils. A green swan turns into a gray rhino when its side effects are foreseeable but ignored: battery scale-up colliding with mining and water burdens; AI's efficiency gains outrunning grid capacity; carbon removal used as a license to delay. It turns black when scaling creates the shock: a technology that works too well, too fast, hollowing out industries or regions before anything replaces them. The mechanism is the same: exponential adoption, linear governance.

RENEWABLES

78%

rate access to renewable energy as positive for progress, the strongest enabler in the survey

GREEN SWAN CASCADE?

\$80–140tn

wealth passing between generations by mid-century, changing whose capital sets prices

CSOS SEE AI UPSIDES

73% of CSOs surveyed in a 2026 World Economic Forum study expect AI and digital tools to be important drivers of sustainability progress over the next year—particularly for environmental risk modeling (66%) and resource/energy efficiency (61%).

Adam Elman, sustainability director at Google, on WEF's Chief Sustainability Officers' Outlook, September 2026

AI IN WHITE PAPER

In our 2026 Sustainability at a Crossroads survey, a strikingly low percentage of respondents believe that AI's benefits outweigh its costs (26%). More respondents disagree or withhold judgment. So this is a subject we plan to probe deeper in the White Paper.

From soft to hard sustainability

New risks mean some changes are no longer optional: enforced by law, priced by markets, backed by security priorities.

Five vectors run through the coming decade. Some were surfaced by respondents, some by later analysis. AI, which will be transformative on so many fronts, is woven into each instead of being treated as a sixth. The first is the one the survey evidences most directly, and the one this Green Paper's earlier pages have already described in the past tense.

The era of voluntary sustainability is waning. For years, progress relied on cooperation, gradualism, international agreements and a measure of corporate goodwill. That approach is fading. What comes next will often be tougher and much more selective: binding rules, legal enforcement, insurer discipline and ever closer links to national security.

Resources as power

Resources are increasingly instruments of power. Oil and gas have long provided geopolitical leverage; now rare earths and critical minerals are becoming just as strategic. Countries that control processing capacity shape the rules, while export controls, stockpiles and traceability requirements become standard tools of economic statecraft.

As a result, expect to hear a lot more of “geoeconomics,” meaning the use of economic instruments by states to advance geopolitical objectives and secure strategic influence.

Security replaces sentiment

Energy independence is pushing aside the softer language of transition. Defense ministries, not just environment ministries, are investing in grid resilience. Concerns over resource shortages pull the agenda toward security, sovereignty and economic survival. That is why the agenda may advance fastest where it is least often called sustainability. There is a tension here that the survey does not resolve. The same experts who rank authoritarianism third among the obstacles also see China opening a real lead in green technology. Speed and legitimacy are not the same thing, and the 2030s will test which one the agenda values more.

Migration and political pressure

More people are being forced to move. Heat, drought, water stress and resource conflict are driving migration to record levels and will reshape politics through the 2030s. Every blocked shipping route, damaged cable or failed harvest adds pressure. Borders are tightening as fast as supply chains.

What tomorrow's leaders should know

- 1** Resilience will often matter more than efficiency, though we should not underestimate how hard markets push toward the latter.
- 2** Sovereignty will be valued over sentiment.
- 3** The old approach relied on volunteers. Increasingly, even if patchily, the new one will be mandatory.
- 4** Organizations and institutions that read these signals early will be better placed to shape, and benefit from, the new order.

AUTHORITARIANISM

83%

see authoritarianism as a brake on progress, ranking it third as an obstacle. At the same time, there is evidence to suggest that sustainability experts also see Asia, particularly China, as gaining a real lead in green technology. Something of a tension here.

THE FIVE SHIFTS

- **1** Soft to hard sustainability
- **2** Globalization to reglobalization
- **3** Business to markets
- **4** Citizenship to politics
- **5** Boomers to Zoomers

GRADUALLY, THEN SUDDENLY

Soft sustainability ran on cooperation, gradualism, international agreements and corporate goodwill; its currency was the pledge and the report, and the sustainability profession carried it.

Hard sustainability runs on binding rules, prices, enforcement and liability — the tax line, the contract clause, the judgment — and increasingly on security logic and the weaponization of chokepoints. It is carried by risk management, strategic procurement, treasury, mergers and acquisitions, and legal counsel. The shift is from asking firms to behave to changing what behaving costs. Like Hemingway's character who went bankrupt, leaders will encounter it gradually, then suddenly.

So, for example, hard sustainability driven by security logic could deliver decarbonization while abandoning social equity altogether.

From globalization to reglobalization

With the multilateral order fracturing into rival blocs, change now travels through focused coalitions, not broad consensus.

The post-war order is unwinding. The open, rules-based system built after 1945—the GATT-to-WTO scaffolding, the dollar, the assumption that trade would knit rivals together—is being dismantled in real time. Where some see deglobalization we see reglobalization: not the end of global trade so much as its rewiring into blocs, friend-shored supply chains and spheres of influence.

Tariffs and export controls are the new normal, not the exception. Industrial policy is back, alongside subsidy races and border adjustments. Efficiency yields to new definitions of resilience, security and comparative advantage.

For the system-change agenda this cuts both ways. The multilateral machinery that carried Brundtland—Rio, the COPs, the SDGs—is fragmenting just as the goals were meant to bite. A single global agenda splinters into rival standards, disclosure regimes and green-industrial strategies.

The survey registers the consequence: multilateral instruments occupy the bottom of every ranking, while the instruments a single jurisdiction can operate alone (taxation, trade policy, prudential supervision, the courts) occupy the top.

Capitalism itself pluralizes. State, market, surveillance and stakeholder variants now compete as operating systems, each with its own rules for labor, data, emissions and nature. Many companies must operate across several at once.

Coalitions of the willing can now move faster than consensus ever did.

That is the opportunity. Standards set inside a bloc can still reshape the world, if you help write them and move first. The “Brussels Effect” has had less to do with Brussels than with being first to a workable rule that others found cheaper to copy than to fight. Several blocs can now play that game, and the question for any company is which rule-writing tables it can find the resources and time to be part of. The role of associations and federations can only grow in significance, which makes scrutiny of their policy positions critically important.

In a world where geoeconomics powerfully shapes every aspect of our economies, the role of people like chief economists can only become more important in business. And the sustainability world must climb the relevant learning and influence curves if it is to succeed in its stated aims.

PROTECTIONISM

67%

see trade protectionism as negative for progress, even as trade policy becomes a top-rated lever

THE PARADOX ON THIS PAGE

Experts rate protectionism among the leading obstacles, and sustainability standards in trade policy among the leading levers, at 68%.

Both are the same instrument seen from different ends. Trade measures are becoming the principal means of exporting standards, and the principal means of excluding competitors. Which of the two any given measure is will be argued case by case through the 2030s.

Reglobalization

Where some see deglobalization we see reglobalization: not the end of global trade so much as its rewiring into blocs, friend-shored supply chains and spheres of influence.

From business to markets

Fixing firms one by one is hard to scale. Redesigning the market moves millions of decisions, and the defaults, all at once.

For forty years, after gradually waking up to the potential positive role of business, much of the sustainability sector focused on the firm. Fix the brand, reform the board, redesign the business model, clean up the supply chain, one company or sector at a time. It was necessary but never enough. Now the action is jacking up a level.

Why? Because markets set the rules every business must play by: the prices, the standards, the defaults. Shift those and you move millions of decisions at once. A single virtuous firm gets punished by a market that rewards the opposite. Redesign the market, and the sustainable choice becomes the cheap, easy, obvious one.

It's time to treat the market as the unit of change.

Markets, as several of our respondents insisted in write-in comments, are no panacea. They get things wrong; they fail. But live experiments are already running. Advanced market commitments—from RE100's aggregated clean-power demand to guaranteed offtake for carbon removal—pioneer markets that do not yet exist. Norway used tax design to tip new car sales almost entirely electric. The Netherlands is rebooting its fertilizer and nitrogen economy through regulation and buyouts, albeit with intense pushback from farmers.

Each treats the market itself as the unit of change. Meanwhile, Asia in general, and China in particular, were somewhat underplayed in the 2026 survey results. Yet China has worked systematically to seize the “commanding heights” of the emerging green economy: the country combined early subsidies, rapid scale-up, sharp cost reduction, and control of the whole value chain from raw materials to finished product. This is market re-engineering at work.

Today it refines most of the world's critical minerals—lithium, cobalt, graphite, rare earths—giving it strategic power far beyond manufacturing. While the West busied itself setting targets, China built the infrastructure. And, as we have seen, it is perfectly happy to weaponize that resource—as Iran is with oil and gas and the US with finance.

No surprise, then, that a recent GlobeScan survey of 124 sustainability leaders for BSR found Asia-Pacific, China and Japan holding three of the top five spots for expected influence, with Asia-Pacific at 62% against the European Union's 51%.

A powerful summary of the borderline between corporate responsibility and systemic market impact comes from former Unilever CEO Paul Polman, announcing the launch of the new Chief Planetary Scientist Network:

“Planetary boundaries are the macroeconomics of the physical world. No individual company controls inflation, interest rates, pandemics, wars, or the price of oil, yet no serious board would ignore them on that basis. [...] They are not another collection of environmental targets for the sustainability department, they describe the conditions under which business itself remains profitable.

“No company can restore those conditions alone, but every company can decide whether it will help to accelerate collective action, stick its head in the sand, or use its influence to delay.”

COLLABORATION

67% +9

cross-sector collaboration as a mechanism

32%

multi-sectoral partnerships as an actor, still below 2021

MARKET-SHAPING IN PRACTICE

Aggregate demand before supply exists: advance purchase, guaranteed offtake

Use tax design, not exhortation, to move the default

Write the standard early, with peers and customers, then let regulation adopt it

PEOPLE FIRST

“I am intrigued by the finding on China's rise as a potential dark horse driving the agenda. I am seeing the electrification of Costa Rica's car fleet here in real time, almost entirely driven by cheap Chinese options at scale. I'm thinking the need for more Global South leadership is more significant than we think. The Global South's sustainability agenda is likely more socially focused, which may be the secret ingredient for moving forward under political constraints. People first.”

Tove Malmqvist, principal, GlobeScan

(Re)writing the rules

For boards, the frontier is no longer running a better company. It is helping shape the market your company competes in, writing the rules before someone else writes them for you.

From corporate citizenship to politics

Key outcomes now hinge on who writes the rules, and who funds and influences political campaigns. Campaign finance can only grow in importance.

Corporate citizenship was soft sustainability: volunteer a commitment, publish a report, sponsor a cause. Politics will drive the harder versions, and it is where the decade to 2037 will be won or lost. The action moves from pledges to power: who writes the rules, who funds the campaigns, who lobbies whom.

The ground is shifting under democracy itself. In part this reflects the fact that while democracies tend to delay and stall for time on gray rhino challenges, authoritarian regimes can sometimes act more decisively. On balance, the historical record suggests that liberal democracies tend to outperform most authoritarian regimes, but failures to address some of the grand challenges that cluster under the sustainability umbrella could further erode mainstream parties and fuel populism and extremism.

Worse, some new technologies are proving corrosive to democratic practice. Meanwhile, the multilateral order that once absorbed the softer politics—the UN, the COPs, the summits—is losing its grip. Softer channels are narrowing just as the stakes climb and the politics intensify. Figure 8 shows global public opinion increasingly concerned about gray rhino challenges that their leaders seem to be ignoring.

Which throws a hard light on what companies do in politics. The gap between corporate climate pledges and corporate lobbying—much of it outsourced to trade associations—is where credibility quietly dies.

The 2026 Sustainability at a Crossroads survey puts a number on the consequence. Business association membership as a lever rates 24% on impact, one of the lowest scores in the corporate section.

The test is no longer what you promise, but what you push for, at every level, from city hall to the WTO. For boards: your lobbying footprint is now a governance issue. Align it with your commitments, or expect to be called out.

At a time when political pressure is gagging many once-aligned leaders, it is worth remembering that if a week is a long time in politics, a decade can be an eternity in which the most extraordinary things can happen, for good and ill.

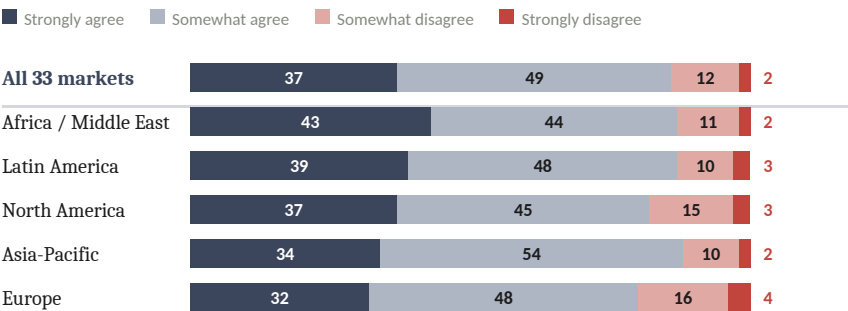


FIGURE 8 Belief that current challenges are the biggest crisis humanity has ever faced, % of the public, average of 33 markets and by region, 2026.
Source: GlobeScan, Routes to Transformation: Global Public Opinion, October 2026.

UNCERTAIN TIMES

86%

see policy and regulatory uncertainty as negative, the second-ranked obstacle overall

24%

see business association membership as a lever for change, near the bottom of the corporate battery

THREE QUESTIONS FOR A BOARD

- 1 What has every trade association we fund said publicly about policy relevant to our commitments in the past year?
- 2 Who signs off political spending, and does the same person own the commitments?
- 3 If our lobbying record were published in full tomorrow, what would we have to explain?

If a board finds the subject engaging, it might move on to consider whether each sector they operate in now needs its own sustainability-focused association.

Corroding democracy

The ground is shifting under democracy itself. New technology is proving corrosive to democratic practice, while spreading distrust of elites fuels populism.

From Boomers to Zoomers

Could the generations now inheriting the wealth, the votes and the planet come to treat climate and fairness as defaults rather than optional causes? Stranger things have happened.

Power is changing hands twice over. The great wealth transfer, some \$80–140 trillion, is set to pass from Boomers to younger, more values-driven heirs by mid-century. With the money comes a values handover: a generation that some argue treats climate, nature and fairness as political default settings, but trusts few of the institutions it is inheriting.

Intergenerational politics is sharpening and will continue to. Right or wrong, many young people feel robbed of their future; the old hold the assets, the votes and the boardrooms. That tension will define the 2030s: at the ballot box, across markets and, increasingly, in boardrooms.

Demography, meanwhile, is splitting the world in two. Africa and parts of South Asia keep adding people, skewing younger and hungrier for growth. Japan, South Korea and China face the opposite challenge: aging, shrinking, with birth rates far below replacement. Two demographic worlds, two political logics, one planet. The implications for labor, migration, pensions and power are pervasive and profound.

Our own field is not exempt, and here the survey is unusually blunt. 55% say the sustainability community needs generational change, against 8% who disagree. 50% say the field has been led too much from the Global North. Academics—the group closest to the incoming generation—are the most radical constituency in the survey, at 77% for radical revision. The intellectual leadership of the field is calling for its own replacement.

Do our respondents see this wider shift coming? Our sense is that they register the wealth transfer, underplay the values rupture, and barely price in the depopulation story at all.

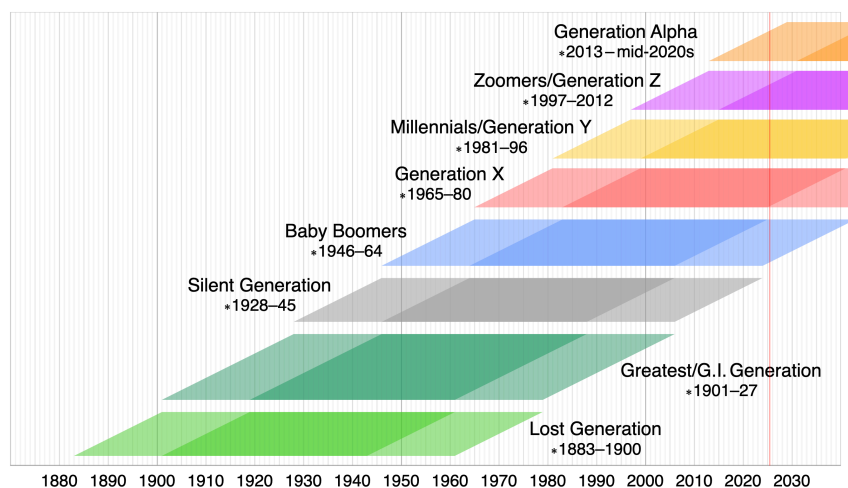


FIGURE 9 The generations by birth year, from the Lost Generation to Generation Alpha. Source: Rich Farmbrough, August 2025, via Wikipedia.

GENERATIONAL CHANGE

77%

of academics want radical revision, the most radical group in the survey

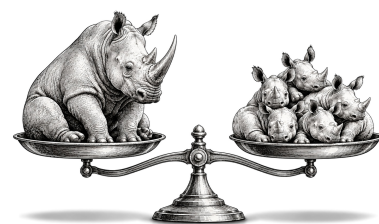
55% v 8%

want generational change in the sustainability community, against those who do not

ROBBED

“[Young people] are more anxious about the future—and rightfully so. Adults have absolutely robbed them of their right to be young.”

Soman Chainani, author of *Young World*, 2026



The handover

The young feel robbed of their future; the old hold the assets, the votes and the boardrooms. That tension will help define the 2030s: at the ballot box, across markets and, increasingly, in boardrooms.

Who carries it

If the levers that now matter are increasingly fiscal, contractual, prudential and judicial, the people who must operate them are not always the people who have carried this agenda so far.

Thirty interventions clear 50% on impact, and twenty-eight rose this year. Almost none of the roles they imply sit inside the sustainability function. This was not asked directly; it is an inference, but a tightly constrained one.

ROLE MOVING TO THE CENTER	PRINCIPAL LEVERS	2026
CFO, treasury and tax	Subsidy reform and taxation	77 +5
Chief product and R&D officer	Technology innovation and R&D; commercialization via products	74 +4
Business-unit P&L owner	Integration within companies; internal carbon pricing	70 +6
Chief procurement officer	Supply chain engagement; mandatory due diligence	69 +9
Government affairs	Trade policy standards	68 +5
Chief risk officer	Central banks and regulators	68 +5
General counsel	Judicial system; media scrutiny	61 +5

FIGURE 10 % of experts rating each lever’s potential impact 4 or 5, and the change since 2025. Levers are worded as the survey worded them; the roles are our inference.

The roles our survey probably understates are the new ones, linked to risk and resilience. In a vortex, risk is the integrating discipline: physical, geopolitical, supply, liability and transition risk converge, and someone must hold them in one frame. Chief risk officers may become the natural home of much of what the CSO used to do.

Technocratic capture is a real failure mode for this theory of change.

That leaves the CSO with three futures, and they remain choices, not a fate. **The integrator**, owning no levers but connecting risk management, strategic procurement, treasury, mergers and acquisitions, and legal counsel: high influence, limited budget, dead without executive sponsorship. **The absorbed**, migrating into finance and enterprise risk: the likeliest path, trading the change-agent mandate for institutional durability. And **the transition strategist**, relocating to where capital is allocated and products decided: the highest leverage, and the fewest people equipped for it. The fourth path, the disclosure-facing role, is the one the data prices at 15%.

But there is a risk here we should name. An agenda carried by tax officials, supervisors, procurement leads and litigators may be powerful, but could also be politically brittle. It would have no public constituency to defend it when the politics turn. Consider: in 2026, citizen movements scored just 29% and direct action 19%, with 69% of respondents saying moral arguments have lost force.

That is a real failure mode for this theory of change, and it is what makes the second half of the profession’s new job (see right-hand column) critically important instead of merely decorative.

A small, but still significant, number of respondents wrote in comments that the field’s narrative needs to change.

THE CSO’S TWO JOBS

Enable. Translate regulation into procurement language. Build the carbon-price case the CFO can take to the board. Sequence, arbitrate between functions that have never had to coordinate, and carry the memory of what has already been tried. Influence without ownership is harder than owning the agenda, and most CSOs were not selected for it.

Keep others honest. The failure modes of the new theory are compliance minimalism, liability management mistaken for harm reduction, prices set too low to bite, due-diligence clauses that push risk onto suppliers instead of removing it, and metrics gamed to the letter. Someone has to ask whether the outcome moved, not whether the box was ticked.

A GAP IN THE SURVEY

Insurers, reinsurers and credit rating agencies are the transmission mechanism for a pricing-and-liability agenda, and the survey asks about none of them. All three should be added in 2027.

Business: shape markets, don't just report

Stakeholders demand better than a cleaner version of a doomed model. Help redesign the market—or risk being designed out of it.

Fear paralyzes and guilt repels. Only a future worth racing toward will persuade people to build it. Ours is the 2037 described on page 4: the clean choice as the cheap choice, the cost of harm on the invoice, nature with standing in the places that matter. What follows is what each sector must do to get there, and what it will cost them to move first.

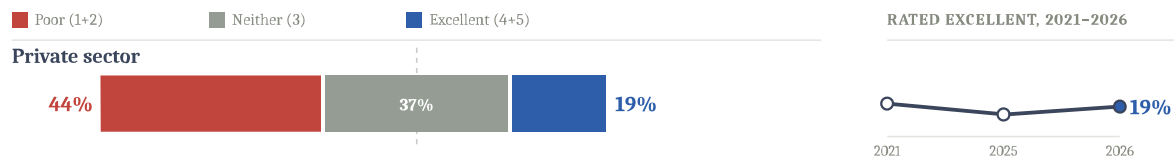


FIGURE 11 How experts rate the private sector's contribution to progress since the 1992 Earth Summit. Bars are centered on the neutral rating; the line tracks the excellent rating across three surveys, 2021–2026.

For two decades, business quietly climbed the stakeholder league table. As trust in government sagged through the 2010s, both GlobeScan and Edelman tracked public and expert communities increasingly looking to companies rather than states to lead.

But the shine has worn off. Expert ratings of private-sector performance fell in 2025 to their lowest since tracking began in 2012, recovering only to 19% this year: trusted to lead, yet not delivering. And recognition of corporate leadership stays stuck on the same short list year after year, a sign the field is not gaining traction. What does the mainstream sustainability movement really know about companies like Palantir, SpaceX, BYD, CATL or ICBC?

True leaders are drawing a hard lesson: cleaning up your own business, solo, is necessary but no longer sufficient. And tomorrow's markets may well be designed in China rather than the West.

Then there is AI. No technology on the board cuts both ways as sharply. On the dark side it is now business's largest operational dependency and its largest single point of failure: an autonomous cyber weapon, a model-triggered flash crash, a CrowdStrike-scale cascade that isn't recovered, plus the AI-capex bubble, the biggest investment story of the decade and therefore the biggest thing to unwind. That is a CFO and board risk, just not a CTO one. On the bright side, the same curve is the accelerant under almost every green swan.

Three moves

- 1 Make sustainability core strategy and long-term competitive advantage**, with commercial goals owned across the team, not parked with the CSO. Integrate. The survey's highest-rated corporate lever, at 70, implies the eventual absence of a separate function. Or a rapid evolution in what it does and how.
- 2 Shift from ESG reporting to collective market-shaping along the value chain**, moving with peers, suppliers and customers to change the rules.
- 3 Price the real value of nature and emissions into your products**, before a regulator sets the cost, or a competitor identifies the value you have missed.

Together, these mark the shift from being a better player in an obsolescent game to helping write (and play by) the rules of the new one.

PRIVATE SECTOR

19%

rate private-sector contribution excellent, up 5 from the 2025 floor and still below 2021

CORPORATE LEVERS ABOVE 50%		
	%	2025→26
Technology innovation and R&D	74	+4
Integration within companies	70	+6
Supply chain engagement	69	+9
Commercialization via products	69	+4
Sustainability-linked pay	63	-2
Employee culture	59	+2
Mandatory due diligence	54	+1
Internal carbon pricing	51	+4
Against: voluntary reporting 15, ratings 35, association membership 24.		
Trend to watch: sustainability-linked pay.		

Finance: fund the system that’s coming

You’re paid to protect financial value. Torching natural, human and social capital to hit your numbers breaches fiduciary duty.

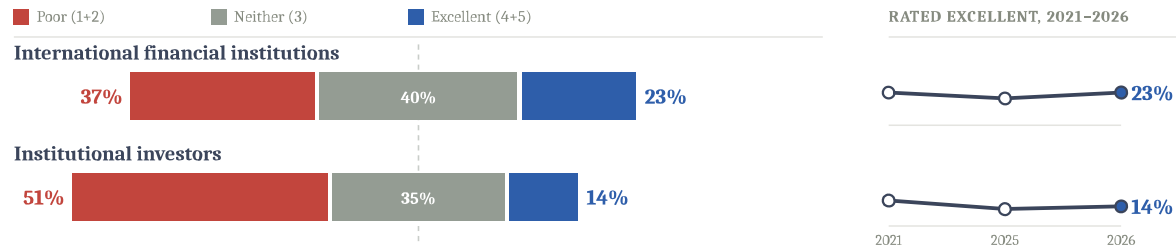


FIGURE 12 The two financial constituencies rated separately. Institutional investors sit second from bottom of all ten organization types.

Finance sits awkwardly in the stakeholder rankings. Through the 2010s, sustainable investing went from niche to mainstream: ESG assets ballooned, the TCFD set the disclosure template, and net-zero alliances signed up much of Wall Street and the City. For a moment, financial capital looked like the lever that would move everything else.

Then the mood soured. Expert surveys now rate institutional investors among the weakest performers, and the mid-2020s brought backlash, alliance departures and a wave of greenhushing. In the 2025 BNP Paribas survey, 87% of institutional investors said their sustainability objectives were unchanged and 84% expected progress to continue, yet 41% had gone quiet about it.

Torching natural, human and social capital to hit your numbers breaches fiduciary duty.

That captures the paradox. Finance holds the field’s leading edge of innovation: green and transition bonds, sustainability-linked loans, blended finance, nature and carbon markets. But the gap between what the transition needs and what capital markets deploy keeps widening.

The survey adds a sharper instruction. The specialist sector of impact investing lost ten points, the largest fall anywhere. On the other hand, mainstream integration rose nine. The message appears to be not to do less on sustainability in capital markets, but to stop siloing it in a separate product line.

Three moves

- 1 Break the quarterly-earnings short-circuit:** stop letting the next print govern fifty-year risks.
- 2 Deploy transformative capital into system investment:** the enabling infrastructure—grids, storage, adaptation—that allows a whole market to tip.
- 3 Place an impact progress report beside every market filing,** so impact is disclosed as routinely as returns.

INSTITUTIONAL INVESTORS BOMB

14%

rate institutional investors’ contribution excellent, level with the bottom of the table

CAPITAL-MARKET LEVERS ABOVE 50%		
	%	2025→26
Central banks and regulators	68	+5
ESG integration	63	+9
Impact investing	63	-10
Green and transition bonds	56	+4
Engaging investors	54	+6
Against: PRI 33, EU Taxonomy 32.		
Trend to watch: impact investing.		

OWNERSHIP

One aspect of corporate life-forms that merits more focus is ownership, via public or private markets, family-, foundation- or state-ownership, cooperatives, chaebol or keiretsu formats, and so on.

This is an area that Toronto-based Corporate Knights is working on and it should attract other key actors over time. A key area of interest: the correlation between ownership structures and corporate investments in over-the-horizon sustainability initiatives.

Government: govern for the decade, not the poll

Politics, at its best, serves the unborn almost as fiercely as the living.

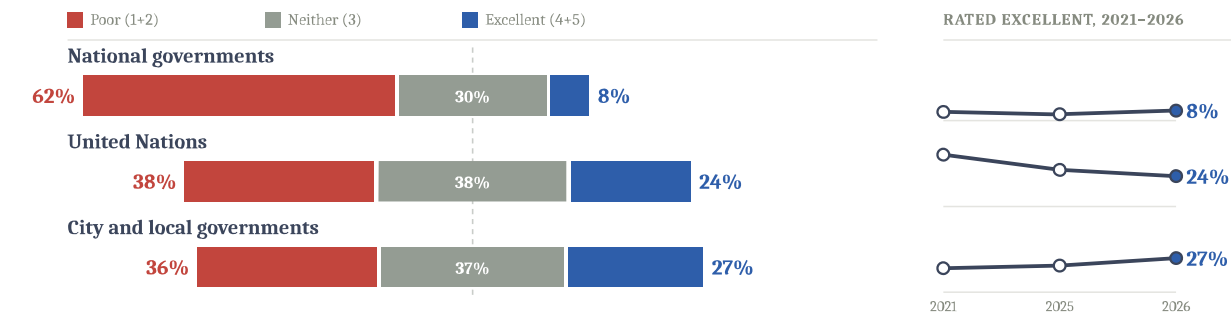


FIGURE 13 Three tiers of government rated separately. The further from the nation state, the better the rating.

Governments are the market-makers of last resort. They set the rules business plays by, and today the major governments are pulling in different directions.

The EU leads on regulation. CSRD, the Carbon Border Adjustment Mechanism and the EU taxonomy add up to a rulebook the world half-copies. But rules without innovation risk an evolutionary dead end. Unless Europe matches standard-setting with the capacity to build, rule-writing migrates east, to a China that sets the terms in solar, batteries, EVs and critical minerals.

The United States is the wild card. Encouraging business to hunker down in old fossil-fuel industries is an ideological bet against emerging cost curves. More corrosive still, the fusion of campaign finance and commerce risks dragging the country back toward a Robber-Baron age of captured markets.

The 2026 verdict on delivery is brutal: 8% rate national government contribution excellent, against 80% of the public demanding stronger action. But read that carefully. National governments have scored between 5% and 9% for fourteen straight years. This is not collapse; it is a constant. What has changed is not the verdict on government but where capacity is now thought to sit (see page 22).

Cities are the only actor in fourteen years whose rating has trended steadily upward.

Four moves

- 1 Lean into the new realities** of geopolitics, resilience and security, but work to bend them in new directions.
- 2 Simplify reporting, and make it mandatory.** Evolve smarter regulation, work toward level playing fields, enforce coherently.
- 3 Price externalities**, carbon and biodiversity alike; enforce border adjustment at global level; and end perverse fossil subsidies.
- 4 Make long-term legal commitments that outlast the electoral cycle**, and help get big money out of politics.

On AI, the upside is in enforcement. Rules are rarely the binding constraint; enforcing them is, and satellites plus AI already find methane plumes and deforestation in near-real time. The downside is capture: compute, models and the expertise to regulate them sit with a handful of firms, so regulators often depend on the regulated.

LOCAL WORKS

27%

rate city and local government excellent, the highest in the fourteen-year series

GOVERNMENT LEVERS ABOVE 50%		
Subsidy reform and taxation	77	+5
Carbon pricing	69	+4
Trade policy standards	68	+5
Urban planning	68	+5
Mandatory due diligence	58	+1
Producer responsibility	57	+3

THE LARGEST ADDRESSABLE GAP

The top lever in the entire survey sits with finance ministries and tax authorities, people who have very rarely been part of this community and are rarely in the room.

Education: reinvent, or end up running museums

Your students—of every age—and your faculty will inherit a world you do not yet teach them to read.

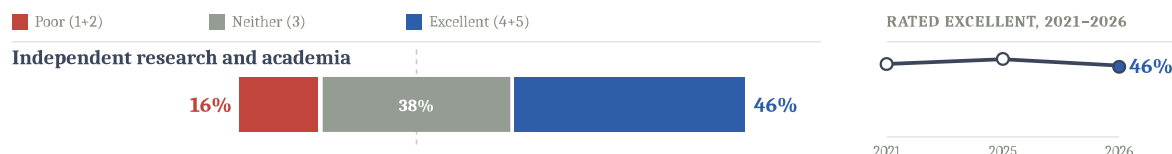


FIGURE 14 How experts rate the contribution of independent research and academia, with the excellent rating tracked from 2021.

Education is the sector much of the world still trusts. As trust in business, government, NGOs and the UN has slid, academic and research institutions remain among the most credible voices in the survey, second only to NGOs, rated 46% this year. Students are hungry for more: in SOS-UK's survey, 77% wanted sustainability woven through every course. The appetite is often there; but delivery generally lags.

Meanwhile, education sits astride a widening fault line. AI is the great disruptor: when a model can deliver content, grade essays and tutor students, what exactly is a university for? Add demographic inversion, funding squeezes and a public questioning the value of the degree itself, and the old model looks fragile.

The survey points the leverage somewhere specific, and it is not where the sector has been investing. Integrating natural, social and human capitals into financial accounting rates 66%. That is a curriculum question before it is a policy question, and it belongs in the corporate finance, valuation and accounting courses everyone takes, not in the sustainability center. Above all it belongs in the professional syllabi: accountancy, actuarial, legal. Those reach far more decision-makers than any MBA, and they are the actual route by which capitals accounting can become ordinary practice.

The uncomfortable corollary is that standalone degrees producing reporting specialists are training graduates for a market that prices reporting very low, at 15%. And machine-to-machine reporting is already arriving.

Four moves

- 1 Integrate sustainability across all disciplines**, not just boutique courses: it belongs in engineering, finance and law, not just as a standalone green elective.
- 2 Bring in more professors of practice**, with business and financial backgrounds, to close the gap between seminar and system change.
- 3 Develop intergenerational partnerships** and evolve further the youth-board method, letting the young reverse-mentor the institution.
- 4 Reskill for systems, resilience and market-design literacy**, the capabilities AI cannot hand you, at least as yet.

Do all of this and education becomes the sector that equips every other sector to drive change. Duck it, and it trains graduates superbly for an economy that no longer exists.

The hardening of the sustainability agenda, with non-sustainability roles increasingly called upon to pick up some of the strain, speaks of a future where, perhaps paradoxically, there could be more demand for more sustainability education, not less, albeit often differently designed and delivered.

ACADEMIA AND RESEARCH

46%

rate research and academia excellent, the second highest-rated actor in the survey, after NGOs, though down 4 this year

EDUCATION AS SOCIAL ENGINE

"[The multi-business-school Future of Capitalism educational initiative] is not just a course but a project for social change."

Professor Tomoyoshi Noda, Shizenkan University, Japan; founder, the Future of Capitalism

The hard sustainability nexus

The fastest-rising power center in the data, and the one with little current overlap with the sustainability profession. This is one dimension of the emerging hard sustainability challenge for leaders, running alongside geopolitical pressures like the weaponization of natural resources.

Hard sustainability tends to be less predictable and less fair than softer approaches, which come with democratic accountability. There is an element of scapegoating involved, rather than the steady, progressive tightening of standards for all.

Policy failure leaves key actors at much greater risk of unexpected reverses than a properly planned regime would. Under-investment in energy efficiency and renewable energy supply systems, for example, results in greater stress and pain when chokepoints are weaponized. Under-investment in infrastructure also results in greater damage and loss of life when climate-related natural disasters strike.

Within civil society, the two joint-leading levers are now seen to be the judicial system and media scrutiny, both at 61%, and both up five. At the bottom sit non-violent direct action at 19% and falling, NGO campaigns against poor performers at 30% and falling. Only 21% of experts want NGOs to be more confrontational; 52% actively disagree. But what people want may not be what they get.

Civil society power, meanwhile, is migrating from protest to evidence, from pressure to liability. The mechanism that is gaining in at least some jurisdictions is the one that produces disclosure under oath and with enforceable remedies.

The US litigation against Meta is the proof of concept. In March 2026 a California jury found Meta and Google liable for addictive design, the first verdict treating a social platform as a defective product, and one that routed around the Section 230 shield by attacking design instead of content. In August, 29 state attorneys general settled for roughly \$17 billion over ten years with court-ordered product defaults attached: time limits, night mode, hidden like counts, age assurance inside a year. Personal-injury and school-district claims were expressly preserved, and the MDL-3047 litigation process now carries more than 3,200 federal cases.

A court delivered in one settlement what a decade of voluntary standards could not.

Litigation capacity may prove to have been the most underpriced asset in the system, and the frontier is migrating from E(nvironmental) to S(ocial): youth mental health, algorithmic harm, including impacts on labor opportunities and conditions in value chains.

This emerging nexus cuts across all four focus areas: business, finance, government and education. It increasingly involves plaintiff firms and litigation funders, state attorneys general, forensic and discovery analysts, insurers pricing liability, and the investigative journalists who supply the evidentiary base.

Two cautions, however. Liability can be a blunt instrument that rewards provable harm over diffuse harm, which is the wrong bias for climate and nature. And a system disciplined by litigation is a system in which the best-resourced defendant does best.

30%

feasibility for judicial action, the most obviously mispriced number in the survey

CIVIL SOCIETY LEVERS

Judicial system	61	+5
Media scrutiny	61	+5
Boycotts	37	—
NGO attack campaigns	30	-2
Non-violent direct action	19	-1

Trend to watch: civil society tactics, particularly if younger people lose faith in progress.

THE QUESTION HAS CHANGED

"We (corporate sustainability) are done with feel-good platitudes. I have personally witnessed a shift from purpose to real results, from a siloed home to a deeply embedded network of experts and practitioners working across the business. The question is no longer 'why sustainability matters' but 'how it creates value.'"

Ellen Weinreb, CEO, Weinreb Group, California, a sustainability headhunter



What would prove us wrong

Five bets about the 2030s, and the signs that would tell us we have lost them.

Every argument here is a bet on how the next decade unfolds. We would rather name our bets than hedge them. Here are the five that matter most, and the evidence that would tell us, and you, that we got it wrong.

- 1 2025 was the floor.** The 2026 rebound in lever ratings marks a turn, not a blip. *We will be wrong if* future waves of the survey show those ratings sliding back toward their 2025 lows.
- 2 Soft is giving way to hard.** Prices, requirements and enforcement will do more of the work than pledges, disclosure and rankings. *We will be wrong if* voluntary reporting and ratings regain credibility while carbon pricing, trade rules and mandates stall.
- 3 The cast is changing.** The agenda will increasingly be carried by risk, procurement, treasury, R&D, M&A, government affairs and legal counsel, with sustainability teams equipping them and keeping them honest. *We will be wrong if*, by 2030, the work has not moved.
- 4 The hard sustainability nexus will run through the courts.** Liability, litigation and disclosure under oath become a central route to change. *We will be wrong if* courts and regulators retreat, and the landmark cases of the 2020s leave no successors.
- 5 Gray rhinos will set the terms.** The transition will be delivered amid foreseeable but neglected shocks. *We will be wrong if* the 2030s prove calmer than the 2020s, or if leaders deal with gray rhinos before they charge. That is one bet we would be glad to lose.

For the strongest case against the thinking behind all five, see Ken Pucker's dissent on page 9, and our reply. Which side do you come down on?

But our biggest ask is this. **If your role involves pitching aspects of the sustainability agenda to leadership groups, can you share, anonymously if you wish, the arguments that have landed well with your own leadership team?** What, in your experience, helps busy, distracted leaders embrace key elements of the change agenda? What language works best? And what, in headlines, is your own theory of change? Send your answers to John Elkington at john@volans.com.

THE SURVEY

The Sustainability at a Crossroads II survey is part of the Routes to Transformation project. 610 sustainability experts across 57 countries, fielded from 9 June to 9 August 2026, against the 2025 and 2021 waves.

The key questions for feasibility and impact were:

Impact: "rate the extent to which each of the following could potentially lead to significant positive sustainability outcomes over the next five years."

Feasibility: "rate how likely it is that we can implement at scale each of the following over the next five years."

Figures throughout are the % answering 4 or 5.

"The question I would want the White Paper to put to a board is not how to position for the markets of 2037. It is how a company survives what is coming, and what it is for when it does. Which sites, which people, which supply routes, which liabilities? What it stops doing on purpose, while it still has the choice, rather than when the choice is forced upon it."

Willy De Backer, formerly with the European Trade Union Institute

GRAY RHINO TERRITORY

THE SUSTAINABILITY OUTLOOK



THE GLOBESCAN / ERM SUSTAINABILITY INSTITUTE RESEARCH PROGRAM



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Routes to Transformation Green Paper - 2026

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