



ANGELA MOONAN, LLC
Build Trust That Transfers™

STRATEGIC REPORT · 2026 EDITION

The Future of Sustainable Business Practices

Emerging trends and strategic imperatives for building sustainability into the core of how your business operates — and into what it's worth.

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INSIDE THIS REPORT

Contents

Executive Summary

- 01** The Landscape Has Shifted
 - 02** Six Trends Shaping Sustainable Business
 - 03** The Regulatory Picture, Clarified
 - 04** Sustainability as Enterprise Value
 - 05** Seven Strategic Imperatives
 - 06** Applying the Trust Framework
 - 07** Small Choices, Big Change: Where to Start
 - 08** Your 12-Month Sustainability Roadmap
 - 09** Leadership Self-Assessment
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Closing Thoughts

This report is written for owners, founders, and C-suite leaders of growth-minded, privately held and mid-market companies. It is designed to be read in one sitting and used for a year.



Executive Summary

Sustainability is no longer a communications project. It is an operating discipline — and, increasingly, a line item in what your company is worth.

The past two years delivered a paradox. On one hand, the formal rulebook got lighter: the U.S. SEC has moved to rescind its 2024 climate disclosure rule, and the European Union's Omnibus I package narrowed the Corporate Sustainability Reporting Directive (CSRD) to a fraction of the companies it originally covered. On the other hand, the real-world pressure did not lighten at all. Large customers still ask suppliers for emissions data. Lenders and insurers still price climate and resource risk. Buyers still examine it in due diligence. And the EU's carbon border mechanism started putting an actual price on imported carbon in January 2026.

The result: sustainability pressure has moved from **regulators to relationships**. For most mid-market companies, the question is no longer “What does the law require?” but “What do the companies we sell to, borrow from, and might one day sell to expect?”

~5,000

companies now in CSRD scope,
down from roughly 50,000 under the
original directive

Jan 2026

EU carbon border (CBAM) charges
began applying to covered imports

Aug 2026

first California SB 253 emissions
reports due for large companies

Our core thesis:

Companies that embed sustainability into how they operate — not just how they talk — build a business that is cheaper to run, easier to finance, more attractive to talent, and more valuable to a buyer. That is the exit lens: **build your business like you're going to sell it, even if you never do**. Sustainable practices, documented and owned by your team rather than by you alone, are trust that transfers.

THE EXCEPTIONAL WAY

When the rules relax, the leaders separate from the followers. Compliance-driven companies will slow down. Value-driven companies will keep building — and own the advantage when expectations tighten again.



SECTION 01

The Landscape Has Shifted

Between 2024 and 2026, sustainability moved from a regulatory sprint to a strategic marathon.

In 2024, executives were bracing for a wave of mandatory disclosure on both sides of the Atlantic. By late 2026, that wave has receded in some places and arrived in others. Understanding where you actually stand is the first strategic act.

What changed

- **Federal U.S. disclosure stalled.** The SEC's 2024 climate rule never took effect. The Commission stopped defending it in 2025 and proposed rescinding it in May 2026.
- **The EU narrowed its scope.** Omnibus I, given final approval in February 2026, limits CSRD to companies with more than 1,000 employees *and* more than €450 million in turnover, and cuts required data points sharply.
- **States and trading partners moved forward.** California's emissions disclosure law reached its first reporting deadline, and the EU's carbon border mechanism entered its paid phase.

What didn't change

- **Supply-chain expectations.** Large companies that still report must account for their suppliers. That obligation flows downhill to mid-market vendors through RFPs, contracts, and supplier questionnaires.
- **The economics.** Energy, waste, water, and materials are costs. Reducing them improves margins regardless of policy.
- **Physical risk.** Storms, heat, flooding, and supply disruption don't wait for regulation. Insurers and lenders already price them.
- **Stakeholder scrutiny.** Customers, employees, and buyers increasingly reward substance and punish exaggeration.

KEY INSIGHT

Don't mistake a quieter rulebook for a quieter market. The pressure didn't disappear — it changed address.



SECTION 02

Six Trends Shaping Sustainable Business

These are the forces that will define competitive advantage through the end of the decade.

1. From disclosure to performance

With mandatory reporting narrowed, credibility comes from measurable results — lower energy intensity, less waste, cleaner supply chains — rather than glossy reports.

2. The supply chain is the new regulator

Customers subject to reporting rules push data requests to their vendors. Being able to answer quickly and credibly is becoming a condition of winning and keeping contracts.

3. Carbon gets a price tag

The EU carbon border mechanism now charges importers for embedded emissions in steel, aluminium, cement, fertilisers, hydrogen, and electricity. Expect price signals to spread through global supply chains.

4. Resilience becomes strategy

Physical climate risk is now an operating and insurance reality, especially in coastal and storm-exposed regions. Resilience planning is moving from facilities management to the boardroom.

5. Anti-greenwash discipline

Regulators, courts, and customers are increasingly intolerant of vague or unsupported environmental claims. Say less, prove more.

6. AI as a sustainability multiplier

AI tools make it far cheaper to track energy use, optimize logistics, forecast demand, and reduce waste — bringing capabilities once reserved for large enterprises within reach of mid-market firms.

THE COMMON THREAD

Each trend rewards the same capability: knowing your numbers, owning your story, and being able to prove both to someone else.



SECTION 03

The Regulatory Picture, Clarified

A plain-language snapshot as of October 2026. Requirements vary by company and continue to evolve — confirm specifics with your advisors.

Framework	What it covers	Status, October 2026
SEC Climate Rule (U.S.)	Adopted March 2024; never took effect.	Stayed during litigation. SEC proposed full rescission in May 2026.
California SB 253 & SB 261	Emissions (SB 253) and climate-risk (SB 261) disclosure for large companies doing business in California.	First SB 253 Scope 1 & 2 reports due August 2026; litigation continues and SB 261 enforcement has been paused.
EU CSRD (after Omnibus I)	Sustainability reporting for EU companies and large non-EU groups with major EU revenue.	Now limited to firms with 1,000+ employees and €450M+ turnover; data points cut substantially.
EU CSDDD (after Omnibus I)	Human rights and environmental due diligence across the value chain.	Narrowed to 5,000+ employees and €1.5B+ turnover; climate transition plan requirement removed.
EU CBAM	Carbon price on carbon-intensive imports into the EU.	Paid (definitive) phase began January 1, 2026, for importers above a 50-tonne annual threshold.
ISSB (IFRS S1 & S2)	Global baseline for sustainability and climate disclosure.	Voluntary unless adopted by a jurisdiction; increasingly the reference standard investors use.

What this means for a mid-market company

Most privately held and mid-market companies are not directly in scope of these rules. But many sell to companies that are. Expect the questions to arrive through your customers before they arrive through a regulator — and treat a clean, credible answer as a sales asset.



SECTION 04

Sustainability as Enterprise Value

Viewed through an exit lens, sustainable practices are not a cost center. They are value drivers a buyer can see, verify, and pay for.

When an acquirer, investor, or lender evaluates your company, they are asking one fundamental question: *Will this business keep performing without the current owner?* Well-run sustainability practices answer that question in your favor.

Lower operating cost

Efficiency in energy, materials, and waste shows up directly in margins and EBITDA.

Reduced risk

Documented resilience, compliant supply chains, and clean environmental records lower the risk discount a buyer applies.

Customer durability

Being a supplier that can meet large customers' sustainability requirements protects revenue and widens your pool of potential buyers.

Talent and culture

Purpose-aligned teams stay longer. Lower turnover protects the institutional knowledge a buyer is acquiring.

Transferable systems

Sustainability managed through documented processes and metrics — not founder memory — is an asset that survives a transition.

Diligence readiness

Organized, verifiable data shortens diligence and reduces late surprises that erode price or kill deals.

BRAND PROMISE

Build Trust That Transfers™. A sustainability practice that lives only in the owner's head is a story. One that lives in systems, metrics, and a team that owns it is an asset.



SECTION 05

Seven Strategic Imperatives

What leading companies are doing now to turn sustainability into durable advantage.

- 01 Integrate, don't append.**
Embed sustainability goals into strategy, budgeting, and operating reviews rather than running them as a side program.
- 02 Know your material issues.**
Identify the handful of environmental and social issues that truly affect your financial performance and your stakeholders. Focus there.
- 03 Measure what matters.**
Establish a baseline for energy, emissions (Scope 1 and 2 at minimum), waste, and key workforce metrics. You can't manage, prove, or sell what you don't measure.
- 04 Get supplier-ready.**
Prepare a standard sustainability fact sheet and response kit for customer questionnaires and RFPs.
- 05 Build resilience in.**
Assess physical risks to facilities, people, and supply routes, and create practical continuity plans.
- 06 Communicate with integrity.**
Make specific, supportable claims. Avoid vague language like "eco-friendly" without evidence behind it.
- 07 Assign ownership.**
Give a named leader accountability, a budget, and a seat at the leadership table. Sustainability without an owner drifts.



SECTION 06

Applying the Trust Framework

Sustainability claims are trust claims. Every stakeholder is asking the same thing: can I believe you?

The Trust Framework holds that trust is built through consistency between what a company says, what it does, and what it can prove. Applied to sustainability, it gives leaders a simple discipline for every commitment they make.

Say

Make commitments that are specific, time-bound, and within your control. Fewer, sharper commitments beat sweeping pledges.

Do

Back every commitment with an owner, a budget, and an operational plan. Track progress in the same meetings where you track revenue.

Prove

Keep the data, documentation, and third-party evidence that lets anyone — a customer, a lender, a buyer — verify your claims.

Transfer

Make it repeatable without you. Document the processes so the practice, and the trust it earns, survives leadership changes or a sale.

Mindful Leadership in practice

Sustainable organizations are led by people who think in decades, not quarters. Mindful Leadership means slowing down enough to see second-order effects: how a sourcing decision affects a community, how a policy shift affects your team, how today's shortcut becomes tomorrow's diligence finding. It is less about grand gestures and more about the quality of daily decisions.

THE EXCEPTIONAL WAY

If you wouldn't be comfortable showing a buyer the evidence behind a claim, don't make the claim yet. Build the evidence first.

SECTION 07

Small Choices, Big Change: Where to Start

You don't need a sustainability department to make meaningful progress. You need a few good decisions, made consistently.

Area	First moves
Energy	LED retrofits, smart thermostats, and equipment scheduling. Ask your utility about free audits and rebates.
Waste	Track what you throw away for one month. Then target the largest stream for reduction, reuse, or recycling.
Procurement	Add two or three sustainability questions to supplier onboarding. Favor vendors who can answer them.
Fleet & travel	Optimize routes, right-size vehicles, and set a clear policy on when virtual meetings replace travel.
People	Invite employees to propose improvements. Front-line teams usually see the waste leadership misses.
Digital	Use AI and automation tools to track utilities, forecast demand, and reduce overproduction and rework.
Story	Publish a short, honest one-page sustainability summary. Specific progress beats sweeping promises.

SMALL CHOICES, BIG CHANGE

Small choices compound. A 5% improvement repeated across energy, waste, and procurement every year becomes a materially different company in five years — and a materially different story at the closing table.



SECTION 08

Your 12-Month Sustainability Roadmap

A practical sequence for turning intent into an operating discipline.

Phase 1 Months 1–2	Foundation Name an executive owner. Identify your material issues. Gather 12 months of utility, fuel, and waste data to set a baseline.
Phase 2 Months 3–4	Strategy Set 3–5 specific goals tied to business outcomes. Assign owners and budgets. Integrate goals into planning.
Phase 3 Months 5–8	Action Launch quick wins in energy, waste, and procurement. Build your supplier-ready response kit. Engage employees.
Phase 4 Months 9–10	Measure Track progress against baseline quarterly. Document processes and evidence so results are verifiable.
Phase 5 Months 11–12	Communicate & Renew Publish a concise, honest progress summary. Review results with leadership and reset next year's goals.

Governance tip

Review sustainability metrics in the same leadership meeting where you review financial performance, at least quarterly. What gets reviewed alongside revenue gets treated like revenue.



SECTION 09

Leadership Self-Assessment

Score each statement from 1 (not at all) to 5 (fully in place). Be honest — this is for you.

1	We know which sustainability issues materially affect our business and stakeholders.	1 2 3 4 5
2	We have a baseline for our energy use, emissions, and waste.	1 2 3 4 5
3	A named leader owns sustainability, with a budget and clear goals.	1 2 3 4 5
4	We can answer a large customer's sustainability questionnaire quickly and credibly.	1 2 3 4 5
5	Our sustainability goals are reviewed alongside financial performance.	1 2 3 4 5
6	We have assessed physical risks to our facilities, people, and supply chain.	1 2 3 4 5
7	Every public sustainability claim we make is backed by evidence.	1 2 3 4 5
8	Our practices are documented well enough to continue without the current owner.	1 2 3 4 5
9	Our team is engaged in identifying improvements.	1 2 3 4 5
10	A buyer conducting diligence tomorrow would find our sustainability data organized and verifiable.	1 2 3 4 5

Interpreting your score

40–50 Leading. Sustainability is part of how you operate and a visible source of value.

25–39 Building. The foundation is there; focus on measurement, ownership, and documentation.

10–24 Starting. Begin with Phase 1 of the roadmap — baseline and ownership first.



Closing Thoughts

The next decade belongs to companies that can prove what they promise.

Sustainability has entered a more mature, less theatrical phase. The headlines about relaxed rules miss the deeper story: the expectation has migrated into contracts, financing, insurance, hiring, and valuation. That shift favors leaders who treat sustainability as an operating discipline rather than a public-relations exercise.

You don't need to do everything. You need to know your numbers, make a few honest commitments, assign real ownership, and build the systems that let your progress outlast any one person — including you.

Build your business like you're going to sell it, even if you never do. A sustainable business is, by definition, one that is built to last — and built to transfer.

NEXT STEP

Ready to turn sustainability into enterprise value? Let's talk about where your business stands today and what it could be worth tomorrow.

Sources & notes. Regulatory status reflects publicly reported developments as of October 2026, including SEC actions on its 2024 climate disclosure rule; Council of the EU final approval of the Omnibus I package (February 24, 2026); the European Commission's CBAM guidance on the definitive period beginning January 1, 2026; and California Air Resources Board implementation of SB 253 and SB 261. This report is for general informational purposes and does not constitute legal, tax, or financial advice.



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Angela Moonan helps owners and C-suite leaders build companies that are more valuable, more resilient, and built to last. Her exit-lens growth advisory is grounded in one idea: build your business like you're going to sell it — even if you never do.

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