What Is Corporate Sustainability?

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Over 80 percent of investors want corporations to take charge in tackling the world’s environmental challenges, according to a 2025 Morgan Stanley report on individual investors’ views on sustainability. Additionally, about 66 percent of investors think businesses should be involved in their community’s social issues.

In this landscape, businesses that prioritize sustainability can garner support from investors and consumers while also helping to build and support strong communities. But what is corporate sustainability, what does it encompass, and what measurable benefits do businesses gain by embracing it?

By understanding the nuances in the answers to these questions, energy management professionals can move beyond traditional energy sector roles and pursue a career guiding businesses on their journey toward being better stewards of the planet.

Corporate Sustainability: Definition and Three Pillars

Corporate sustainability is a term that is used to describe an approach to business that prioritizes having a positive impact on the world. This practice is also referred to as corporate social responsibility (CSR); corporate stewardship; or the environmental, social, and governance (ESG) framework.

ESG is a common way to break down corporate sustainability into three pillars that leaders can use to focus their efforts and create actionable, measurable policies.

Environmental

In pursuit of environmental sustainability, an organization attempts to minimize the negative impact its operations have on the Earth or leverage its resources to improve the environment on the planet. This often includes measures such as reducing waste, sourcing renewable production materials, and streamlining supply chains to eliminate carbon emissions as much as possible.

Social

Social sustainability centers on an organization making life better for people. This includes the organization's employees and customers as well as the community at large. Examples of social sustainability efforts include creating internal policies that encourage a healthy work-life balance, working with charities and other community partners, and paying fair prices to vendors of raw materials and other resources.

Governance

The governance component of corporate sustainability is concerned with fairly and responsibly running and leading an organization. Maintaining financial sustainability and transparency is a key component of this, but the principle can be applied to all types of policies at every level.

Sustainable governance practices include:

- Ensuring all stakeholders have a say in decision-making
- Protecting consumer data and using it responsibly
- Investing in ethical or sustainable ventures
- Practicing ethical employee hiring and promotion
- Prioritizing employee safety and well-being

- Offering balanced compensation packages to employees and executives

Creating a culture of accountability is vital to promoting sustainable governance and ethical decision-making. This often means developing comprehensive risk management protocols and giving employees protected avenues to file complaints and grievances.

Data on the Importance and Benefits of Corporate Sustainability

According to Deloitte's 2025 C-suite sustainability report, corporate sustainability is a top priority for today's business leaders. In fact, 83 percent of leaders report increasing their organization's sustainability-related investments in the past year. But while pursuing sustainability can be its own reward, many leaders also see real measurable benefits from these investments.

Profitability

Streamlining supply chains, utilizing clean energy, and sourcing sustainable materials can require organizations to take on certain up-front costs, such as hiring sustainability managers and consultants. However, according to a 2025 Morgan Stanley report on corporations' views on sustainability, 88 percent of companies see focusing on sustainability as an opportunity to create long-term value for their business.

Twenty-five percent of companies report that, over the next five years, they expect this value to come primarily from increased profitability due to improved efficiency, while 19 percent see sustainability as the main driver behind revenue growth and their ability to gain footing in new markets.

Employee Performance, Retention, and Satisfaction

An organization's ESG policies can have a direct and powerful influence on their ability to attract, retain, and get the most out of their employees. This often starts with offering them attractive compensation and benefits packages, but, according to PricewaterhouseCoopers' (PwC's) 2024 global workforce ESG study, that is not all employees have on their minds.

About 90 percent of respondents agree that financial incentives are important when considering a new employer, but 75 percent say an organization's overall social impact is important, as well. About 67 percent say the organization's governance policies also factor into their decisions.

This demonstrates that, while pay is often a deciding factor, intentional ESG policies may give organizations an edge in recruiting high-level employee talent in competitive sectors.

Consumer Trust and Loyalty

In addition to helping organizations improve their internal operations, sustainability practices are becoming increasingly more important in consumers' decision-making. According to a 2025 survey conducted by business intelligence firm Northwind Climate and the nonprofit Ceres, 68 percent of consumers are willing to pay a little more for sustainably produced goods, a 7 percent increase over 2024.

However, data also suggests that consumers do not take businesses' claims of sustainability at face value.

In 2025, Getty Images published a report on sustainability that examined the marketing of sustainability efforts and consumers' attitudes about it. About two-thirds of respondents say they doubt businesses' sustainability claims. This underscores how, to get the most out of their ESG efforts, businesses must be open and authentic at every step while remaining cognizant of what corporate sustainability looks like to consumers.

Become the Sustainability Expert Companies in Every Sector Need

In today's sustainability-focused economy, traditional and renewable energy firms have taken a central role. They create new, efficient technologies, advise other organizations about their ventures and policies, and draw investments from every other sector of the economy. In the Master of Management in Energy program at the Freeman School of Business at Tulane University, you can learn the skills you need to take a central role in this work.

In classes covering energy data analysis, modeling, and trading, students learn the core skills they need to be able to make high-level decisions about energy and sustainability. From there, students can specialize in areas, such as analytics, banking and finance, or renewable and sustainable energy. The combination of technical and management skills students gain in the program gives them the latitude to take on leadership positions in energy management or pivot into sustainability consulting.

To find out more about the program’s two- and three-semester curriculum plans, hands-on learning opportunities, and more, request information from Tulane today.

Sources:

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