Future-Proof with Sustainability

How Climate Action Builds Resilient, Profitable Businesses

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Introduction

Companies that lead on climate action outperform peers by 21% in profitability and 27% in shareholder returns.

The pendulum swing of public opinion when it comes to sustainability action may be confusing in 2025, but the business case for sustainability has never been stronger. Despite growing polarization around ESG in the United States and regulatory recalibrations in Europe, a quieter and more enduring truth is emerging in boardrooms and balance sheets alike: climate action delivers measurable return on investment according to data and real world examples. Research shows that companies actively pursuing sustainability are reaping cost savings, mitigating risk, strengthening resilience, and creating long-term value.

Studies have demonstrated a clear link between sustainability initiatives such as decarbonization, energy efficiency, and resource optimization, and improved financial performance. At a time when businesses face economic uncertainty, resource scarcity, and heightened investor scrutiny, sustainability is not an optional or idealistic endeavor. It has become a strategic imperative for cost management, regulatory preparedness, and competitive advantage.

That said, companies should also keep in mind that not every initiative may need to yield short-term financial returns to be worthwhile. This shift in sustainability growth also reflects an evolution in how businesses define success. Many companies are aligning with new regulatory requirements, from climate disclosure mandates to emissions tracking, while others are embracing sustainability as a form of reputational capital or a license to operate in climate-vulnerable markets. Moreover, companies are increasingly integrating environmental and social impact into broader definitions of ROI, which includes risk reduction, talent attraction, and long-term viability.

In this report, we'll explore the latest data and trends demonstrating how climate action drives value. We'll also highlight how technology, particularly advanced energy and carbon data management platforms like Tango's Energy and Sustainability by WatchWire software enable organizations to quantify emissions, cut costs, and drive smarter decision-making. As the sustainability landscape becomes more complex and data-driven, the organizations best equipped to measure and manage their climate impact will be the ones most prepared to unlock its financial rewards.

Six Trends That Prove Sustainability Pays Off

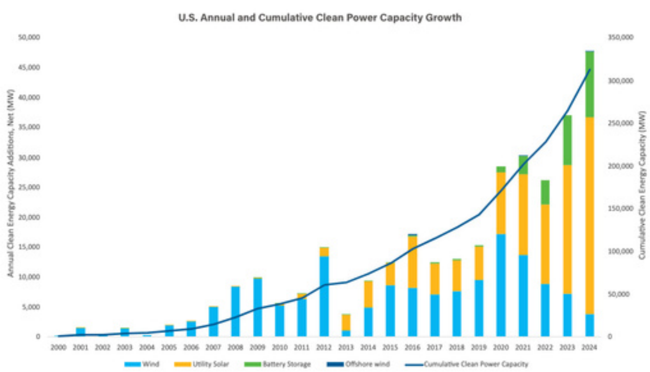
01 Green Energy is Surging

Despite fluctuating political support, clean energy adoption is accelerating across sectors, propelled by falling costs, rising demand, and improved access. According to a 2025 survey of 1,500 medium to large companies, more than 75% of global business leaders support transitioning to renewable electricity by 2035 or sooner. Over half even plan to relocate operations within the next five years to regions with better access to renewable energy, a clear signal that energy strategy is now core to business strategy.

Governments, too, are shifting focus. Even fossil fuel strongholds like Saudi Arabia are investing heavily in renewables. As the country reduces longstanding subsidies for traditional fuels, solar power has become its most cost-effective energy source. Gonzalo Sáenz de Miera, Global Director of Climate Change at Iberdrola, stated that “a rapid shift from fossil fuels to renewable power and electrification makes strong business sense and ensures energy security and resilience.”

Data from BloombergNEF backs this up. In 2024 alone, global energy transition investments surged to a record $2 trillion, with the majority funneled into renewable power, electric mobility, and public infrastructure. Meanwhile, a report from energy think tank Ember revealed that more than 40% of the world’s electricity demand was met by clean energy in 2024—a level not seen since the 1940s.

In the U.S., the clean energy sector shattered deployment records. In 2024, 93% of all new capacity additions came from solar, wind, and battery storage, adding 49 GW of clean power—a 33% increase over the previous year. This rapid scale-up reflects a powerful business case: the cost of clean energy is falling, the infrastructure is maturing, and organizations investing in it are gaining operational savings, future-proofing their energy supply, and advancing their sustainability goals.



02 Adaptation and Resilience Finance is Growing

Investments in climate resilience are gaining traction as companies recognize their potential to reduce future losses, protect assets, and ensure operational continuity. This shift is being reflected in financial markets. A growing class of resilience-focused assets is emerging, and while still nascent, it is evolving rapidly as extreme weather events increase in frequency and intensity. The Wall Street Journal notes that “resilience finance” is filling a critical gap in ESG investing—one that is more tangible and less politically charged than traditional ESG classifications. Companies are also rebranding such initiatives away from politicized ESG language and focusing instead on risk management, infrastructure durability, and long-term competitiveness.

The business case is strong: research submitted to CDP shows that current adaptation investments could yield returns of $2 to $19 for every $1 spent, depending on sector and region. As climate disruptions grow more costly, forward-thinking companies are treating resilience as an asset, one that safeguards future profits, supports insurance viability, and earns stakeholder trust.

03 Reputation, Trust, and Public Expectations Are Driving Action

Public demand for action has remained remarkably strong—even amid politicized backlash. A 2025 flash poll by GlobeScan found that 71% of Americans believe companies should not only address climate change but also speak out in favor of meaningful solutions. Surprisingly, over half of Republicans surveyed supported corporate climate commitments, showing that sustainability expectations are now firmly bipartisan. On a global level, a separate poll revealed up to 89% of people worldwide want more climate action—yet many underestimate how widely this sentiment is shared.

This growing “spiral of silence” presents reputational risks for companies that fail to act—and brand opportunity for those that do. Trust, once a slow asset to build, can now be lost quickly if a company is seen as passive or performative. In contrast, businesses that communicate climate progress authentically and deliver measurable results are better positioned to retain consumer loyalty, attract top talent, and differentiate in increasingly values-driven markets.

04 The Cost of Climate Inaction

For companies ignoring climate risk, the financial consequences are mounting. Research from Boston Consulting Group (BCG) reveals that physical climate risks alone could put between 5% and 25% of 2050 EBITDA at risk for companies, depending on their sector and geographic footprint. These risks include asset damage, supply chain disruption, insurance volatility, and the long-term erosion of market share for companies unable to adapt. The costs aren't theoretical—they're already being felt.

The broader macroeconomic case is equally compelling. BCG estimates that the world needs to invest around 2% of cumulative global GDP in climate mitigation and another 1% in adaptation to limit warming to below 2°C. While that may sound steep, the cost of inaction is far greater: failing to act could result in 10% to 15% in lost global GDP by century's end.

05 Corporate Leaders Are Not Slowing Down

Despite political and regulatory headwinds, corporate ambition on climate is rising—not retreating. A 2025 report from MSCI shows a sharp increase in companies setting science-based climate goals. The share of listed firms with validated Science Based Targets initiative (SBTi) commitments rose to 14.2%, up from just 9.3% the previous year. Meanwhile, nearly 30% of companies now have companywide net-zero targets in place, signaling a continued shift toward long-term decarbonization.

This ambition is matched by conviction. According to Workiva's 2024 CEO survey, 85% of executives planning to disclose emissions say they will proceed regardless of political developments. Even more telling, 97% believe strong sustainability reporting will deliver a competitive advantage in the next two years. These aren't fringe voices—they represent mainstream business leadership adapting to investor expectations, regulatory evolution, and the operational logic of sustainability.

06 Sustainability Is Fueling Financial and Operational Upside

In PwC's 2024 CEO Survey, one in three executives reported that their climate-friendly investments over the past five years have increased revenue. Even more striking, two-thirds said these initiatives either reduced costs or had no significant financial impact, defying the common misconception that sustainability is expensive.

These outcomes are often rooted in smarter resource use and energy management. Companies are responding to what PwC calls the "energy trilemma"—the need to ensure energy reliability, reduce emissions, and lower costs simultaneously. Many are becoming energy "prosumers," generating their own electricity, storing excess energy, and even selling it back to the grid. This shift boosts resilience and shrinks utility bills.

What's more, decarbonization strategies often yield direct financial benefits. Companies that reduce emissions typically spend less on fossil fuels, de-risk their long-term assets, and benefit from stronger positioning in climate-conscious markets. Studies show that most industries can abate 10% to 60% of emissions at low or no cost through measures such as energy efficiency, electrification, and renewables.

Impact Area	ROI Driver	Quantified Benefit
Energy Optimization	HVAC tuning, load management	20–30% utility bill reduction
Fault Detection & Diagnostics	Real-time alerts and scheduling	9% energy savings
Carbon Accounting Automation	Consultant spend avoidance	50K–200K saved annually
Internal Labor Reallocation	Reporting automation	500+ hours/year redirected to strategy
Regulatory Compliance	Automated reporting + audit readiness	Reduced risk of fines and penalties
Investor Readiness	ESG framework alignment	Increased access to sustainable capital

Realizing ROI Through Energy and Sustainability Data Management

To capture the full ROI of climate action, companies must translate ambition into execution through precise measurement, informed decision-making, and streamlined reporting. That's where technology becomes essential. Platforms like **Tango Energy and Sustainability empower organizations to operationalize sustainability by tracking emissions, optimizing energy use, and automating reporting in ways that drive both environmental and financial performance.** The return on investment from these platforms is measurable, multifaceted, and accelerating.

Hard Savings: Energy Optimization and Efficiency

Independent studies and Tango's own client outcomes show compelling ROI from energy management systems. For instance, the Smart Energy Analytics Campaign found **median annual energy savings of 3% using Energy Information Systems (EIS)** and up to 9% when paired with Fault Detection & Diagnostics (FDD). In three out of four cases, organizations achieved full payback in two years or less.

Real-time monitoring and alerts

By notifying users when energy use deviates from optimal thresholds, Tango enables immediate correction of inefficiencies. For example, facility managers can make HVAC adjustments to reduce peak consumption, saving 20–30% on utility costs in some cases.

Billing Error Identification and Invoice Auditing

Utility billing errors are common, and Tango flags anomalies such as incorrect kWh charges or misapplied rates. In many client cases, this has led to the recovery of tens to hundreds of thousands of dollars in utility overcharges annually.

Demand Response and Peak Load Management

By analyzing usage patterns and participating in demand response programs, Tango users can reduce demand charges, which are often the most expensive component of commercial electricity bills.

Measurement and Verification (M&V)

As organizations implement capital projects such as LED retrofits or HVAC upgrades, Tango facilitates accurate M&V, ensuring that projected energy savings are achieved and readily auditable. This substantiates ROI from capital efficiency investments.

According to the U.S. Department of Energy, organizations using EMS platforms report a median **energy savings of 17% across 28 sites,** with platform payback achieved in two years or less.

Carbon Accounting: Time Savings and Consultant Spend Avoidance

As carbon reporting becomes mandatory under frameworks such as the California Climate Rules, Building Performance Standards, and Europe's CSRD, organizations face significant complexity, especially when tracking Scope 1, 2, and 3 emissions across large portfolios or multiple jurisdictions. Tango Energy and Sustainability delivers ROI here in two major ways:

Internal Resource Efficiency

Carbon accounting typically involves high-salary staff manually collecting utility, procurement, and supplier data across departments. Automating this process with Tango reduces time spent across analysts, ESG managers, and finance leads. In one composite organization analyzed, the switch to automated emissions tracking freed up hundreds of hours annually, reallocated to strategic planning, scenario modeling, and sustainability innovation.

Consultant Spend Avoidance

Many organizations rely on third-party firms for annual carbon accounting, paying $50K–$200K per cycle depending on complexity. Tango clients reduce or eliminate the need for external consultants, replacing one-time outsourced emissions inventories with continuous, real-time reporting capabilities at a fraction of the cost.

Compliance ROI: Risk Reduction and Regulatory Readiness

Tango provides end-to-end support for regulatory compliance, including:

- Automated tracking aligned with local performance mandates (e.g., Local Law 97, BERDO, Energize Denver)
- Accurate emissions and energy data (audited within the platform) that meets disclosure requirements for CDP, GRESB, TCFD, SEC, CSRD, and more
- Transparent methodologies that reduce the risk of penalties or reputational damage tied to non-compliance

This readiness translates to tangible ROI by:

- **Avoiding costly fines** for missed reporting deadlines or incorrect disclosures
- **Reducing staff hours** spent on data collection and formatting for varied frameworks
- **Improving ESG ratings,** which in turn improves access to capital and investor interest

TANGO

THE POWER OF KNOWING. THE IMPACT OF ACTING.

About Tango

Tango is a leading provider of Energy & Sustainability Management software. Global organizations rely on our solution to track and reduce energy consumption, manage carbon emissions, streamline utility data, and confidently meet sustainability goals. From utility data auditing to automated sustainability reporting, Tango empowers businesses to operate more efficiently and responsibly. As sustainability becomes a core business imperative and regulations evolve, data-driven insights from Tango's platform are critical to achieving long-term sustainability success.

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