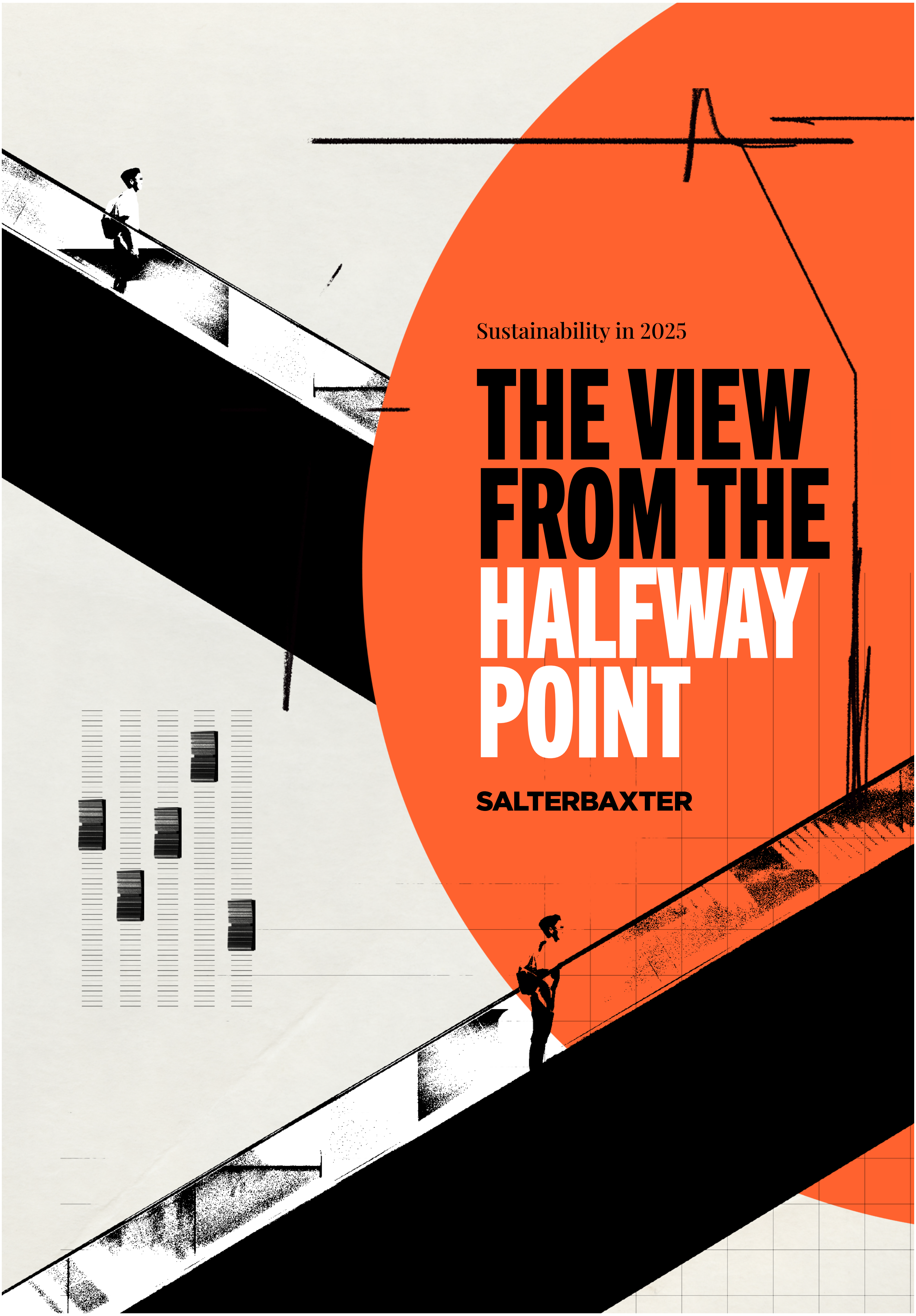
Sustainability in 2025

THE VIEW FROM THE HALFWAY POINT

SALTERBAXTER



INTRODUCTION

The year 2020 marked a turning point for corporate sustainability and a wave of bold sustainability targets swept across industries. It was the dawn of the "decade of action" toward the UN Sustainable Development Goals, and companies worldwide sought to align themselves with the global 2030 agenda.

Investor scrutiny around ESG performance was intensifying, consumers were demanding genuine environmental and social responsibility, and optimism about technological innovation was high. Against this backdrop, brands launched ambitious "moonshot" goals – from net-zero pledges to plastic-free commitments – confident that progress in renewable energy, circular design, and green finance would make them achievable.

Now in 2025, at the midpoint of this critical decade, the landscape has shifted. Since then, the world has weathered turbulent geopolitics, wars, a global pandemic, and now the rapid rise of energy and water-intensive AI. Economic uncertainty, political backlash against ESG, and supply chain disruption have all tested how far ambition can stretch against commercial and operational realities.

Salterbaxter set out to understand how this evolution is playing out: where targets have shifted, how companies are communicating those changes, and what these patterns reveal about the future of credible sustainability action.

What's emerging is not a story of collapse, but of course correction. Some companies have quietly revised or postponed goals as pressures mount; others have strengthened or accelerated them, grounding their ambitions in clearer pathways and stronger accountability. The sustainability agenda has evolved – less headline-driven, more operational, and far closer to the business core.

ABOUT SALTERBAXTER

Salterbaxter works with business leaders to help unlock value from sustainability, across strategy, reporting and governance, communications and engagement, and leadership and learning.

salterbaxter.com

METHODOLOGY

We analysed 24 global companies across six high impact sectors: automotive, fashion, consumer goods, food and beverage, technology and energy, chosen for their scale and influence on sustainability discourse. For each company, we examined their 2020 sustainability reports to identify the main targets they had set for 2030, selecting the most salient commitments from each company covering carbon, plastics and packaging, nature and people. These were then compared against their 2025 (or most recent) targets to track any changes. We assessed current progress against original commitments, documented how target modifications were communicated (whether targets were revised, added, or dropped) and analysed stakeholder responses through mainstream and sustainability press. We developed a simple heatmap to illustrate areas of strong progress and highlight where company action remains limited.

All findings are based on publicly available sustainability disclosures, investor materials and media coverage analysed through Salterbaxter's proprietary research framework

KEY FINDINGS

The numbers from our sample tell a story of moving targets, but also evolving priorities:

>50%

Over half of companies have explicitly weakened or abandoned one or more of their 2030 targets. Every sector faces challenges, though Fashion and Energy show the highest level of rollbacks from our sample.

25%

have enhanced at least one target, evidence that ambition remains, even as pressures mount.

41%

of targets have been maintained, though only 65% of those appear to genuinely be on track (from current data). The longer-term strategies for bridging these gaps between progress and ambition are rarely communicated and targets are often not substantiated with feasible implementation plans.

SCOPE 3

show the highest rollback rates, highlighting the difficulty of influencing third-party emissions and the ongoing challenges of transparency and measurement across supply chains. Packaging and plastics commitments followed similar trajectories, hindered by volatile recycled material pricing and sluggish infrastructure development.

When companies revise or roll back commitments, they typically communicate these changes with subtlety. Revisions appear in Capital Markets Day presentations under wider strategic repositioning narratives, in footnotes of sustainability reports, or as quiet website updates. Press releases and social media announcements are conspicuously absent. However, enhanced targets receive similar low-key treatment, occasionally paired with celebratory LinkedIn posts from sustainability teams, but rarely given prominence.

Finally, the research revealed a methodological challenge: targets have often evolved in ways that prevented direct comparison. These definitional shifts and strategic reframings were themselves a significant finding, reflected throughout our results.*

BASED ON OUR RESEARCH AND EXTERNAL SOURCES, WE DREW THREE KEY OBSERVATIONS ABOUT THE STATE OF AFFAIRS AT THE HALFWAY POINT TO 2030:

01 COMPANIES HAVE BUILT-IN NARRATIVES

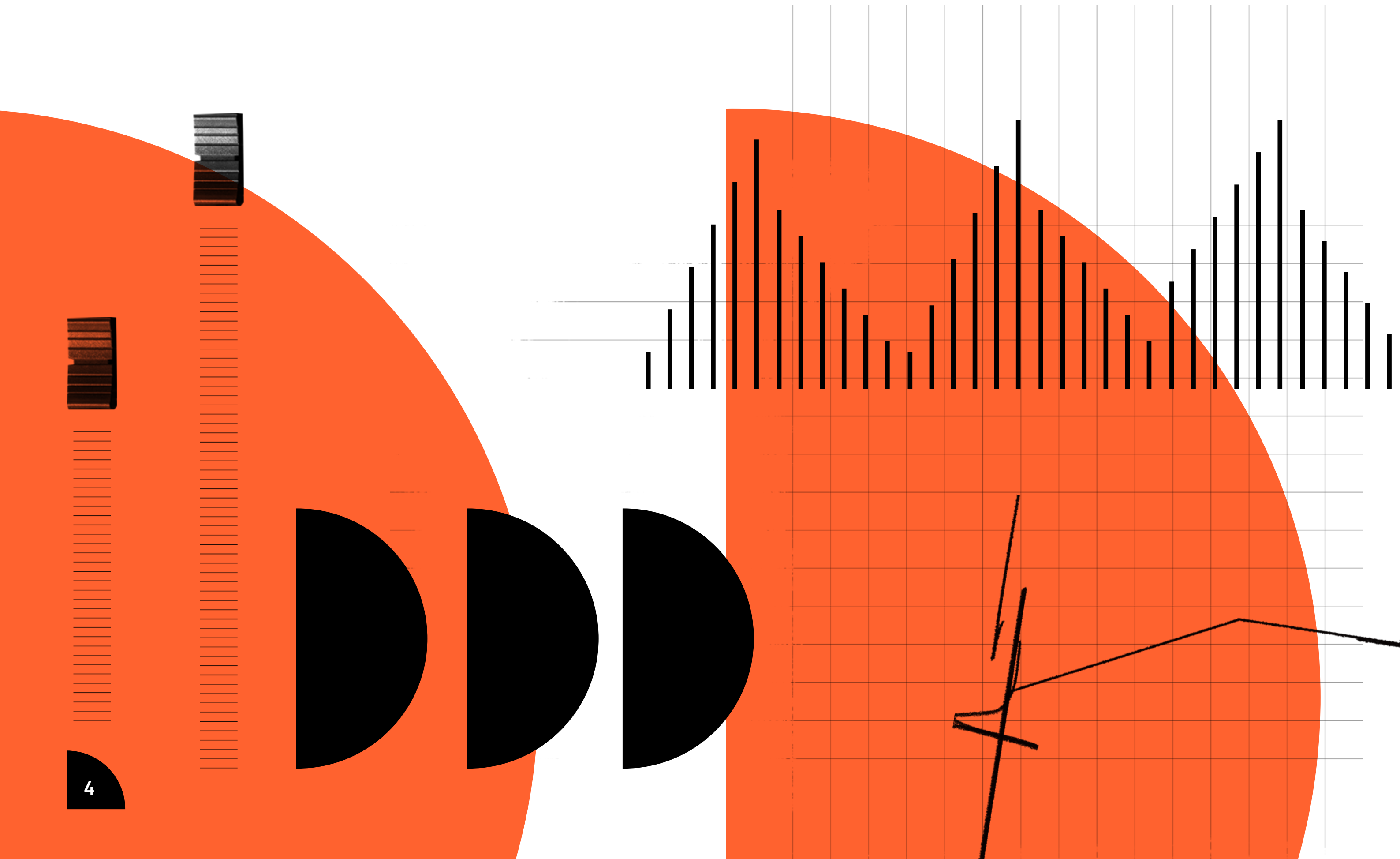
One clear pattern in our research was that reactions to weakened targets depend less on the substance of the change, and more on pre-existing brand perception. The stronger a brand's sustainability positioning, the harsher the scrutiny when it recalibrates.

When consumer-facing brands that have built sustainability into their identity make adjustments, stakeholders experience it as betrayal. The response to Unilever's 2024 reformulation of their goals demonstrated this, with Greenpeace declaring that "Unilever bosses should hang their head in shame[1]." The negative reaction was less proportionate to the scale of the rollback; but to the perceived hypocrisy of a self-declared leader retreating.

By contrast, when Shell abandoned its 2020 pledge to cut oil and gas production by 40%[2] — and BP called its own net-zero ambition "misplaced" and "too far, too fast"[3], investor and media reactions were far more measured. While environmental groups, like Greenpeace, publicly condemned Shell's and BP's decisions to backtrack on net-zero targets with protests and strong rhetoric[4], market reaction focused on profit forecasts and strategic realignment. Media coverage contextualised the decision within market realities rather than framing it as moral failure. BP's statement was described by HSBC analysts as "the fundamental reset we'd been waiting for."[5] It would appear that the bar for fossil fuel companies is already so low that retreat reads as realism rather than broken promises.

This dynamic exposes a deeper tension: the aspirational sustainability narratives that help consumer brands differentiate themselves become liabilities when reality forces recalibration. H&M illustrates this perfectly. Despite meeting or exceeding all original 2030 targets, the company faces daily criticism for misleading consumers, largely due to previous greenwashing allegations[6] . The fundamental contradiction between a fast-fashion business model and sustainability claims means even genuine progress appears performative. Competitor Inditex, equally mixed in its actual progress but far more restrained in its communications, experiences minimal scrutiny.

Yet this isn't an argument for silence. Companies with established credibility and consistent track records are granted more leeway when external factors force adjustments. When Ørsted, widely recognised as a renewable energy leader, cancelled multiple offshore wind projects citing supply chain challenges and rising interest rates, stakeholder response was largely matter-of-fact, accepting the explanation as legitimate constraint rather than convenient excuse. The company's history of delivery created a trust buffer, but this buffer must be earned through years of consistent action; it cannot be manufactured through communication alone.



02 SHIFTING WORLD, SHIFTING TARGETS

The sustainability landscape has changed dramatically since 2020, and so has what's considered achievable. Many companies now highlight progress where they have direct control, while quietly struggling with areas that lie beyond their direct influence. Many trumpet early Scope 1 and 2 achievements while Scope 3 emissions - on average 11 times higher than direct emissions[7] – are far less spoken about.

Evolving carbon accounting adds further opacity. Changes in baseline years and methodologies necessitate recalculation, making comparisons nearly impossible. For example, Volkswagen has updated its voluntary emissions target, moving from a 30% reduction in CO_2 emissions from passenger cars and light commercial vehicles between 2015 and 2025[8] to a revised goal of achieving the same reduction between 2018 and 2030[9]. Because of the shift in baseline year it is unclear whether this reduction was more or less ambitious. However, when Adidas changed its baseline from 2017 to 2022, it explicitly explained the rationale and recalculated requirements to keep "the effort equal"[10]: transparency that distinguished it from companies whose technical changes obscure whether ambition shifted.

Over the past five years, a wave of new disruptions has reshaped what sustainability looks like in practice. The rise of energy- and water-intensive AI, political pushback on DEI, fragile supply chains, and growing expectations around nature, biodiversity and regeneration have expanded the definition of what progress means. As a result, companies are no longer focused solely on carbon reduction but balancing a broader, and often competing, set of priorities amid heightened scrutiny.

These pressures are playing out differently by sector: automotive companies are scaling back or falling short of aggressive EV sales targets as infrastructure lags and consumer adoption slows — global charging networks need to grow ninefold by 2030 to stay on track[11]. Some, however, remain defiant, holding firm to 50% Battery Electric Vehicle (BEV) sales targets despite being at only 8% today. In the US, political polarisation has led many corporations to quietly dilute or pause DEI goals, with Coca-Cola a notable exception, framing inclusion as core to business resilience in February[12]. Meanwhile, tech firms are expanding beyond carbon to address water and biodiversity, marking a new phase in the sustainability agenda, one defined less by single metrics and more by interdependence, complexity and credibility.

Across these examples, a pattern emerges: targets tied to what companies directly control are being delivered, while those reliant on external infrastructure, regulation, or consumer behaviour are slipping. PwC's recent findings echo this trend: 73% of companies are on track to meet their Scope 2 operational targets, but far fewer are progressing on Scope 3[13]. Unless business and policy leaders confront these systemic dependencies head-on, the next five years risk being defined less by breakthrough progress and more by incremental gains in the areas easiest to measure.

03 THE LANGUAGE OF CHANGE

If the first half of this decade has shown that reputation shapes how setbacks are received, it has also revealed that language determines whether trust survives them. How companies talk about challenges matters as much as the challenges themselves. The framing of target revisions has a decisive impact on stakeholder confidence, and across our research, communication approaches vary widely.

A recent study from Harvard Business Review found that over 50% of companies have chosen to downplay or stop publicising their sustainability progress despite continuing work in the area, a trend known as 'greenhushing'[14]. While often intended to avoid scrutiny, silence tends to signal uncertainty, eroding credibility rather than protecting it.

Yet, the materiality of these choices is substantial. BCG's Trust Index identifies transparency as one of four critical dimensions of corporate trustworthiness, with companies demonstrating consistent transparency generating 2.5 times as much value creation as market average[15].

Microsoft exemplified transparent communication, admitting leaders had aimed for a 'moonshot' when setting their extremely ambitious sustainability goals, but 'had to acknowledge that the moon has gotten further away.'[16] This frank admission prompted understanding rather than outrage. Similarly, Walmart disclosed in its most recent sustainability report that it foresees setbacks in reaching its 2025 and 2030 emissions reduction goals, while emphasising its continued dedication to 'meaningful' climate action and carbon reduction efforts [17]. Both cases show that credible transparency can protect reputation, even when targets slip.

MICROSOFT CSO SAYS AI WIDENS GAP - AND - OFFERS SOLUTIONS - TO MEETING CLIMATE GOALS

(ESG today, Feb 2025)

MICROSOFT PIVOTS AS AI MAKES EMISSION CUTS HARDER

Microsoft to focus on 'long-term, higher-impact' carbon removal projects and clean electricity to reduce operational emissions.

(Trellis, Feb 2025)

Contrast this with euphemisms that invite criticism: Coca-Cola's 'evolution' of goals when dropping significant plastic targets[18], Amazon's claim that its broader 'Climate Pledge' was more comprehensive than its flagship 'Shipment Zero' pledge, despite dropping key interim targets[19], or Unilever's 'aiming for greater impact' [20] when describing weakened plastic targets, which all imply much more positive changes than the reality, and were met with significantly more backlash.

UNILEVER TO SCALE BACK ENVIRONMENTAL AND SOCIAL PLEDGES

Environmental groups say bosses should 'hang their heads in shame' as firm bows to pressure from shareholders to cut costs.

(The Guardian, April 2024)

COCA-COLA'S CONFUSING EMISSIONS CLAIMS DRAW FIRE

Inconsistent and confusing public disclosures muddle attempts to asses corporate ambitions on climate.

(Trellis, December 2024)

AMAZON GIVES UP A KEY PART OF ITS CLIMATE PLEDGE AND DELETES THE BLOG POST THAT ANNOUNCED THE SHIPMENT ZERO INITIATIVE. WE DUG UP THE DETAILS ANYWAY.

(Business Insider, April 2023)

CONCLUSION: OWNING THE NARRATIVE

The view from halfway to 2030 reveals an uncomfortable truth: many of the targets set in 2020's moment of optimism were aspirational rather than achievable. Some underestimated complexity of delivery; others couldn't anticipate geopolitical upheaval, infrastructure gaps, or market shifts. But was overambition really a mistake? Probably not. In an uncertain world, aiming high and falling short has often driven more progress than setting safe, easily met goals ever could. The challenge isn't ambition itself, it's how companies handle the gap between aspiration and reality.

Success today isn't measured solely by results, but also by how companies talk about them. Numbers alone don't tell the full story; stakeholders judge the reasoning, honesty, and context behind performance. When setbacks are disguised as progress, people notice. Candid communication: acknowledging challenges and explaining why they occurred, builds far more trust than polished messaging ever could.

As the next five years unfold, five principles will determine which companies sustain credibility:

01 BE TRANSPARENT ABOUT WHAT YOU CONTROL – AND WHAT YOU DON'T

Targets that depend on external infrastructure, supplier cooperation, or consumer behaviour will always carry uncertainty and risk. Acknowledge these dependencies upfront rather than retrofitting excuses later.

02 EXPLAIN THE 'WHY' BEHIND CHANGES

When targets shift, stakeholders deserve clear rationale, whether it's supply chain realities, technological constraints or regulatory changes. Silence or vagueness breeds suspicion.

03 KEEP AMBITION HIGH BUT GROUND IT IN REALITY

Recalibrating the pathway to net zero differs from abandoning the destination. Communicate the distinction.

04 MATCH COMMUNICATION CHANNELS TO CONTENT

If positive news warrants press releases, so do recalibrations. Using different standards for success and failure erodes trust faster than missed goals ever could.

05 BUILD CONSISTENCY OVER TIME

Credibility is cumulative. Companies that communicate clearly and act steadily earn forgiveness when conditions change. Those that hide behind rebrands or quiet deletions lose it.

If you let others control the story, you risk losing credibility. Quiet footnotes, vague statements and buried updates don't protect reputation – they invite scrutiny. Stakeholders have the tools to uncover what's hidden, and what's concealed often shouts louder once it's found. It's never comfortable admitting you overpromised, but honest correction preserves trust in ways silence never can.

The second half of this decade will show which companies built sustainability into their business and which built it into their marketing. The ones that thrive won't be those who never miss a target, but those who stay ambitious, speak plainly, and treat transparency not as a risk but as a mark of leadership. The conversation may be uncomfortable – but silence costs far more.

WANT TO TALK TO US?

At Salterbaxter, we help companies develop actionable sustainability strategies and communications, making them stand out and ensuring their progress is recognised across peers and stakeholders.

Contact us at info@salterbaxter.com or get in touch with one of the authors:

Fran Micallef, Sustainability Director
francesca.micallef@salterbaxter.com

Danielle Allen, Consultant
danielle.allen@salterbaxter.com

Sophie Harbert, Junior Consultant
sophie.harbert@salterbaxter.com

salterbaxter.com

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COMPANIES REVIEWED

01 ADIDAS
02 AMAZON
03 APPLE
04 BP
05 COCA-COLA
06 DANONE
07 FORD
08 GM
09 GOOGLE
10 H&M
11 IBERDROLA
12 INDITEX
13 MICROSOFT
14 NESTLE
15 NIKE
16 ORSTED
17 P&G
18 PERNOD RICARD
19 SHELL
20 TESCO
21 TOYOTA
22 UNILEVER
23 VW GROUP
24 WALMART


SALTERBAXTER
salterbaxter.com
info@salterbaxter.com