

Key trends for 2025

March 2025



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Navigating the Macro Forces Shaping Our Future

Introduction

We are now halfway to 2030 and the world is at an inflection point, where sustainability challenges and opportunities are being shaped by powerful macro forces – spanning politics, economics, technology, culture, geography, and demography.

This report presents a scan of the most significant global trends driving change. It draws on insights from a diverse range of sources including the World Business Council of Sustainable Development (WBCSD), of which the Sustainable Business Council (SBC) is a network partner.

History reflects that not all trends will unfold in isolation or with equal weight. Geopolitical developments, in particular, have the potential to accelerate, disrupt, or even render other trends obsolete. So, while these forces are important context, it is important to remain agile in our thinking – considering both the individual trajectories of these trends and the interactions between them.

By taking a high level view, this scan aims to help decision-makers understand the materiality of changes in the landscape, mitigate risks, and harness emerging opportunities in a world where the pace of change continues to accelerate.

While uncertainty remains, the future is not predetermined. By anticipating and understanding these forces, we can shape a more resilient, inclusive, and sustainable world.

This is the first of several thought leadership reports SBC will be releasing this year based on WBCSD's insights. SBC thanks our collaborators including Proxima and members of the SBC ESG working group for their input into this resource.

Growing influence of nationalist and illiberal movements

Over the past year, illiberalism and far-right political movements have gained notable momentum globally, driven by rising populism and nationalism.

This shift is reshaping the international landscape, with significant implications for sustainability and governance. In many countries, it is contributing to a renewed focus on fossil fuels, a weakening of environmental, social and governance (ESG) regulations, and a prioritisation of national identity over diversity, equity, and inclusion (DEI) initiatives.

This is impacting broader business attitudes – with some reneging on earlier commitments and others being inclined to be more cautious in their public positioning.

Of note, however, is that sustainability's growing role in core business strategy, continued pressure from investors, expectations of global markets, and consumer behaviour – is expected to play a role in upholding standards at an organisational and sector level.

Business has the power to set the transformation agenda, take charge of its commercial opportunities, and strengthen their own organisational resilience.

- WBCSD Catching the Wave: Seizing the Opportunities of the Sustainable Transformation (2024)

A rapidly changing geopolitical context

In recent months there has been a weakening of multilateralism, and massive shifts in traditional alliances and foreign policy positions. The rate of change and their sheer scale dwarfs anything we have seen since WWII.

We have also seen the politicisation of sustainability in certain geographies, including the US and Europe gaining momentum.

Conflicts around the world, including in the Ukraine and Middle East, will remain a threat to Aotearoa's trade and supply chains in 2025. Meanwhile, the economic, diplomatic and strategic competition between the US and China is expected to intensify.

At Proxima, we've seen firsthand how European businesses transformed reporting pain into strategic gain under frameworks like the CSRD. Their journey teaches us that aligning with global standards isn't just about compliance; it changes sustainability from a side hustle that continuously needs to be proven, to being about lifting the game, and having an evidenced, responsible, ethical reputation that investors and customers trust.

- Saskia Verraes, Director of Impact, Proxima

Economic uncertainty

The global economy is expected to grow at the same rate as in 2024 (2.7%) as inflation and interest rates gradually decrease.¹ Meanwhile developing economies, which contribute 60% of global growth, are growing at a rate insufficient to achieve the Sustainable Development Goals.

A trend towards regional trade agreements (as opposed to global agreements) will also likely persist as countries seek supply chain resilience and security. This includes Aotearoa's negotiations with 14 countries as part of the Indo-Pacific region on an agreement covering trade, supply chain and clean energy.

In Aotearoa the cost of living and inequality are being seen by business as impediments to national economic performance. Coupled with an infrastructure deficit, businesses believe this will continue to impact productivity gains.

Demographic shifts

The global population is growing, ageing and urbanising. Migration – both within and between countries – is increasing, a trend likely to accelerate with a rapidly changing climate. In Aotearoa nearly 30% of New Zealanders were now born overseas, and three in four people live in the North Island.²

These changes in demographics have a material impact on the workforce. Record breaking numbers of people under 30 left Aotearoa in 2024, impacting the future workforce and succession planning. This has exacerbated the scarcity of sustainability-related skills³ in Aotearoa at a time when it is needed most.

If genuine transformation is to be realised, virtually all workers will need to have fluency in sustainable development and to be equipped with the right skills to support its realisation.

- WBCSD briefing on key trends for 2024

¹ [World Bank Global Economic Prospects Report](#) (2025)

² [Stats NZ 2023 Census](#)

³ [Insights on New Zealand Sustainability Professionals](#) (Oxygen Consulting, SBC, SBN, AUT, 2024)

Global temperatures surpass 1.5°C for the first time

Global temperatures have now surpassed the 1.5°C threshold for the first time, with 2024 the hottest year on record.⁴ Extreme weather events such as the 2025 wildfires in Los Angeles, highlight the accelerating pace of climate change.

Closer to home, many parts of Aotearoa are experiencing the long shadow of Cyclone Gabrielle, including horticultural hub Hawkes Bay, where orchards continue to lose fruit trees to lasting damage.⁵ At a national level, Aotearoa's climate policies are no longer enough to keep warming at 1.5°C.⁶

Climate impacts represent a significant risk to business continuity in 2025, disrupting operations, supply chains and logistics all over the world. In response, many businesses are driving forward efforts to better manage the associated physical risks.

Climate reality check

The rubber will hit the road this year for many businesses with 2030 climate targets. As with Air New Zealand in 2024, it is likely other businesses will find themselves in the position of having set a target they now recognise they will not meet.

The integrity of global climate action depends on ensuring climate targets are not only aspirational but grounded in science and action. This presents a challenge, globally, locally and at an individual business level.

What does it mean if industries cannot find feasible pathways to achieve rapid and deep decarbonisation? Some companies need to start rethinking their business models to ensure they can play a meaningful role in the low-carbon transition.

– WBCSD Catching the Wave: Seizing the Opportunities of the Sustainable Transformation (2024)

Nature dependence

Political capital, resources and funding continues to be directed towards climate with a focus on carbon reduction rather than nature. However, as our dependency on nature is increasingly recognised so too is the need for parallel action to ensure nature and biodiversity impacts are better accounted for. In Aotearoa, about 70% of our export earnings depend on natural capital.⁷

Globally there has been a resurgence of local and bioregional economies and action, including a focus on nature-based solutions. For Aotearoa, this could foster greater place-based approaches to ecological innovation as well as support economic innovation such as scalable local food initiatives.

Expect also a greater focus on nature finance. Financial institutions will increasingly recognise the mounting risks for the global economy posed by nature loss and look to build on climate tools, natures and strategies for addressing the nature crisis.

Companies that address the risks of nature loss and begin their journeys to contribute to nature positive today will be able to prepare for incoming policy and regulatory requirements; pro-actively manage nature-related physical, transition and systemic risks, and benefit from early nature-positive opportunities.

– WBCSD Nature Positive Roadmap (2024)

⁴ [World breaches 1.5C global warming target for first time in 2024](#) (Financial Times, 2024)

⁵ [Gabrielle aftermath still costing growers. Govt urged to do more](#) (Stuff, 2024)

⁶ [Climate Action Tracker: New Zealand](#)

⁷ [Valuing Natural Capital](#) (SBC, 2017)

Growth in sustainable finance

The growth in nature finance parallels the growth of ESG considerations in the financial sector. Investors increasingly favour companies with strong sustainability credentials, pushing organisations to integrate ESG principles into their strategies and reporting. In early February, for instance, a coalition of over 200 financial firms, managing assets totaling €6.6 trillion, cautioned the European Commission against diluting key sustainability reporting regulations. The signatories, published by Institutional Investors Group, advocate for quality, reliable and comparable corporate disclosures to enable private finance to accelerate industrial decarbonisation.⁸

In Aotearoa, work will continue this year by the Centre for Sustainable Finance to develop a sustainable finance strategy to accelerate New Zealand's appeal to investors.

Despite this, accessing capital to fund green initiatives can be a significant hurdle for businesses in Aotearoa, with many reporting a lack of knowledge of the topic or awareness of the options.⁹

Supply chain

With the growth in Scope 3 disclosure, supply chain decarbonisation will continue to be a critical priority for businesses aiming to meet net-zero goals. From sustainable sourcing to low-emission transportation, businesses are leveraging technology and partnerships to reduce their carbon footprints across the value chain.

The growth in awareness of modern slavery is set to continue in 2025. While legislation in Aotearoa remains stalled, the risk of exposure is felt particularly keenly by exporting businesses captured by Australian and EU regulation with modern slavery reporting requirements.

Expected impacts are around requirements for more data /reporting, more supplier engagement and expectations to collaborate in decarbonisation initiatives, higher expectations to have their own decarbonisation actions or at least plans, modern slavery risk management and good, transparent, clear communication strategies.

Technological innovation

The rapid advancement of digital technology, particularly AI, is transforming business and society. While there are opportunities to improve productivity and efficiency, the need to balance AI's energy use against its utility as a climate tool will grow more urgent in 2025.

AI has the potential to radically improve energy efficiency and it has also become key in emission, land use and climate scenario analysis. In contrast, data centres represent a large, growing source of energy demand, much of which comes from fossil fuels.

As a result, even as businesses explore how to use AI to make progress on climate goals, doing so may come at the cost of increasing emissions.

There is an opportunity for countries such as New Zealand to increase their supply of renewable energy to meet this increasing demand.

Social polarisation

In addition to its emission footprint, AI has the potential to drive misinformation and disinformation. Both of these are key factors in social polarisation.

Social polarisation can impact societal and business culture, increase stakeholder activism, reduced brand loyalty, and politicise policy implementation. In Aotearoa, the Treaty Principles Bill is seen by some as a potential catalyst for further polarisation in 2025.

Conclusion

The trends shaping 2025 highlight the interconnectedness of global challenges and opportunities. Efforts to deliver sustainable development in 2025 will be conducted against a backdrop of continued and emerging geopolitical tensions and conflicts, as well as an uncertain economic outlook.

⁸ [Investor joint statement on Omnibus Legislation](#) (IIGCC, 2025)

⁹ [Enhanced Access to Capital](#) (Aotearoa Circle, 2024)

Sources

The trends identified in this report are not exhaustive, nor do they reflect a position by SBC that these are necessarily the most impactful areas of focus. Instead, they aim to provide local and global outline of the developing themes shaping corporate sustainability efforts.

Reports

[WBCSD/ERM Catching the Wave: Seizing the Opportunities of the Sustainable Transformation](#) (2024)

[WBCSD Briefing on Key Trends for 2024](#) (2024)

[WBCSD Breakthrough Business Barometer](#) (2024)

[WBCSD Macrotrends and Disruptions shaping 2020-2030](#) (2020)

[Climate Action Tracker: New Zealand](#)

[Enhanced Access to Capital](#) (Aotearoa Circle, 2024)

[Institute of Directors Director Sentiment Survey](#) (2024)

[NZ Herald/BusinessNZ Mood of the Boardroom CEOs Survey](#) (2024)

[Oxygen Consulting, SBC, SBN and AUT: Insights on New Zealand Sustainability Professionals](#) (2024)

[SBC valuing Natural Capital](#) (2017)

[IIGCC Investor joint statement on Omnibus Legislation](#) (2025)

[Stats NZ 2023 Census](#) (2024)

[UN: Surging Seas in a Warming World](#) (2024)

[World Bank Global Economic Prospects Report](#) (2025)

[World Economic Forum Global Risks Report](#) (2025)

Articles

[3 reasons 2025 is the year for nature-positive finance](#) (WEF, 2025)

[World breaches 1.5C global warming target for first time in 2024](#) (Financial Times, 2024)

[Gabrielle aftermath still costing growers, Govt urged to do more](#) (Stuff, 2024)



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About SBC

[The Sustainable Business Council](#) (SBC) is a CEO-led membership organisation that mobilises over 130 ambitious businesses to build a thriving and sustainable future for all.

About Proxima

[Proxima Consulting](#) empowers organisations to create an economically inclusive, socially just, and environmentally restorative future. We build our clients' capability and confidence, driving systemic change for a thriving world. Our deep expertise, collaborative approach, and commitment to

measurable impact set us apart. At Proxima, we measure our success through three key areas: delivering specialist knowledge, nurturing a great team and network, and creating tangible impact. Join us in shaping a sustainable future where business success and global wellbeing go hand in hand.

For more information on this resource contact [Jay Crangle](#), Head of ESG, Sustainable Business Council.