Six Megatrends For Sustainable Business Strategy In 2026

Written by: Sandy Nessing, Senior Advisor, TRC, and Galen Guerrero-Murphy, Director, Corporate Sustainability, TRC

As we move deeper into 2026, corporate sustainability strategies are being reshaped by a convergence of geoeconomic tension, technological acceleration, regulatory complexity, and rising community expectations. Longstanding priorities including climate risk management, resource stewardship, workforce resilience, and transparency are no longer optional or aspirational. They are increasingly decisive factors in enterprise risk management, capital access, and project viability. The megatrends outlined below highlight how shifts in global order, data driven governance, climate and water stress, and heightened local engagement are transforming sustainability from a programmatic function into a core element of competitive business strategy for long-term value creation.

MEGATREND 1: RE-INDUSTRIALIZATION AND NEARSHORING IN A CHANGING WORLD

In the World Economic Forum's 21st edition of The Global Risks Report (2026), geoeconomic confrontation was ranked as the most severe, near-term global economic risk. This century's evolution of multilateralism, geopolitical and geoeconomic landscape, and rapid technological innovation are driving a new vision of expansive re-industrialization and workforce change, including nearshoring, reshoring, and friendshoring, with seismic shifts toward Artificial Intelligence (AI)-driven productivity. New trade alliances, logistics and transport strategies, and business partnerships are rapidly developing to mitigate risks and seize new opportunities in the shifting global environment.

Building and growing power and energy, infrastructure, manufacturing, agriculture, and other industries and supply chains that strengthen local communities, develop productive workforces, and reduce emissions, toxics, and waste have never been more pressing or opportune.

Technological development and economic re-industrialization present a powerful opportunity to elevate local community values, align with shared priorities, and invest in long-term resilience. At the same time, a dynamic and evolving global landscape is encouraging businesses to become more agile and forward-looking. Organizations that proactively integrate

these shifts into their strategies can strengthen community trust, enhance their license to operate, and build more robust enterprise risk management capabilities. This environment also creates new pathways for identifying and pursuing sustainable, opportunity-driven growth.

MEGATREND 2: RE-CENTERING THE VALUE PROPOSITION OF SUSTAINABILITY

As the initial momentum behind sustainable business practices evolves, it's time to refresh the value proposition of corporate sustainability. Just as long-standing and long-term sustainability targets and metrics (such as Net Zero targets, workforce development goals, and local community investment) require ongoing attention and examination alongside more near-term performance metrics, so too does the value proposition underlying these targets and metrics.

Other trends include the shift in sustainability practices toward addressing geoeconomic and environmental systems change, using larger and more integrated data sets, improving the efficiency of reporting and disclosure, supporting local community benefits, and engaging customers, investors, and employees in new ways.

As the sustainability field has matured, it has also developed jargon-laden metrics with deeply-embedded assumptions that don't always connect to core business values. As a result, many stakeholders either misunderstand these concepts or disengage from them.

Strong value propositions include cost efficiency, revenue generation, enterprise risk management, and brand enhancement and differentiation, all impacting employee attraction and retention, customer loyalty, and a shared sense of purpose in building a better world. In a rapidly changing environment, businesses must continuously and clearly articulate how sustainability drives performance, helping align strategy in the short, medium, and long term.

Clearly defining and communicating the value of a sustainability strategy creates an opportunity to unlock its full business potential. By building a shared understanding among leaders and employees of how sustainability drives long-term value, organizations can align decision-making, strengthen accountability, and accelerate impact.

Translating complex sustainability concepts into clear, relevant insights helps engage customers, investors, employees, and communities more effectively, while enabling teams to identify and act on emerging opportunities. This clarity not only enhances the effectiveness of sustainability efforts but also positions organizations to capture long-term competitive advantage and drive meaningful, value-based growth.

MEGATREND 3: COMMUNITY ENGAGEMENT AND LOCAL BENEFIT ARE NOW A BINDING CONSTRAINT

Trends for 2026 and beyond highlight a growing focus on supporting local community values and benefit. With each megatrend compounding both challenges and opportunities at the community level, businesses play an important role in strengthening local economic prosperity. This is clearly reciprocal for businesses seeking to alleviate workforce constraint, build new partnerships, and advance projects across local geographies.

This trend is especially clear in the expansion of hyperscalers (companies or data centers that provide extremely large-scale cloud computing and AI inference and training infrastructure) and the race toward Artificial General Intelligence (AGI). Growth of data center construction for rapidly developing AI models is putting increased pressure on energy supply, grid capacity, land use, and water resources, which is intensifying public attention. Stakeholder engagement is increasingly critical to project success. Developers are finding new ways to address community concerns, as well as environment, water, and energy impacts. As hyperscalers train more advanced models, AI itself will increasingly contribute to the solution, driving efficiency gains in data center design and operations, and informing better resource disclosures and community engagement.

As an example, Microsoft has committed to paying 100% of electricity costs for its data centers in its "community first" plan. Savvy developers are working with utilities and regulators to avert rate spikes, investing in improved cooling efficiencies to reduce water needs, investing in renewable and resilient power sources, and delivering benefits such as education and training opportunities to local residents to prepare them for jobs in the tech sector. Rising community interest in data center development presents an opportunity for hyperscalers to strengthen engagement, transparency, and alignment with

local priorities. By proactively addressing concerns around energy use, power pricing, water resources, and job creation, organizations can build trust and foster more collaborative relationships with host communities.

More broadly, increased scrutiny of new developments creates an opportunity to embed local context into project design and decision-making from the outset. Early and meaningful outreach, clear communication, and shared value creation can accelerate approvals, reduce costs, and improve project outcomes. Organizations that take this approach can differentiate themselves as trusted partners, unlocking smoother project delivery and long-term, community-supported growth.

MEGATREND 4: SUSTAINABILITY REPORTING METHODS ARE SHIFTING TO DATA-FORWARD AND AI-GOVERNED OUTPUTS

Sustainability reporting is shifting from broad catch-all reports to more focused, data-driven, and materiality-informed reporting thanks to AI, big data, and customized transparency. Integrated AI data platforms will provide real-time visibility into ESG activities and enable a greater focus on achieving goals and commitments and less time spent on disclosure. Reporting processes will increasingly include AI governance with audit-ready, risk-based oversight that includes Human-in-the-Loop (HITL) reviews for validation and sign-off.

Strengthening data integrity, source verification, and accuracy present a significant opportunity to build trust, enhance compliance, and protect brand value. As datasets grow more complex, including interconnected supply chain data, organizations can leverage advanced analytics and AI-enabled governance to improve the efficiency of data synthesis, uncover meaningful trends, and identify opportunities for continuous improvement.

Robust governance and transparent disclosure frameworks also create an opportunity to stay ahead of regulatory requirements, reducing exposure to penalties while positioning the organization as a leader in accountability. Beyond compliance, clearly communicating material sustainability factors — such as climate risk, community trust, workforce, and cybersecurity — enables organizations to align with investor and customer expectations.

Companies that demonstrate high-quality, transparent data are increasingly viewed as well-managed, which can unlock tangible financial benefits such as improved access to capital, lower interest rates, and more favorable insurance terms, ultimately supporting long-term, sustainable growth.

MEGATREND 5: CLIMATE RISK AND ADAPTATION IS SHIFTING FROM CONTINGENCY TO CORE STRATEGY

Climate adaptation has shifted from a backup contingency to a core, strategic business priority. Although climate-related regulation is loosening at the U.S. federal level, global businesses are facing ongoing and growing human and financial costs posed by severe climate events, degradation of ecosystem services, and interrelated natural stressors. Prioritizing adaptation and resilience is now essential to maintaining resource security, protecting critical infrastructure, and preserving global biodiversity.

The Global Commission on Adaptation estimates that investing $1.8 trillion globally in five areas (early warning systems, climate-resilient infrastructure, improved agriculture, mangrove protection, and water resilience) could yield $7.1 trillion in total net benefits by 2030.

Emerging climate and market dynamics are creating opportunities for organizations to rethink asset resilience, risk management, and return on investment. Strengthening infrastructure to withstand extreme heat, drought, flooding, and wildfires can extend asset life, reduce disruption, and unlock long-term value. At the same time, evolving insurance challenges present an opportunity to innovate through alternative risk financing, public-private partnerships, or new insurance models tailored to high-risk environments.

As traditional insurers reassess their exposure, businesses that proactively invest in risk mitigation, data-driven forecasting, and adaptive design can position themselves as more insurable and attractive to capital. These shifts also open the door to stabilizing property values, maintaining access to financing, reducing stranded assets, and supporting more resilient local economies, while identifying new avenues for sustainable growth in a changing risk landscape.

MEGATREND 6: BACK TO BASICS WITH WATER AND POLLUTION

Water has rapidly moved from a background environmental issue to a front burner sustainability concern. This shift is being driven by a convergence of forces including AI expansion, climate adaptation, rising scarcity, and growing community impacts, all of which are making water a more visible, strategic, and contested resource. Both water quality and quantity are becoming central concerns across many industries. Sustainable business strategies are increasingly focused on ensuring the availability of local water supplies and addressing threats to quantity and quality, including from chemical pollutants, microplastics, and competing uses such as drinking water, agriculture, industry, and biodiversity.

2026 marks a major turning point in water-related regulation. Key developments include:

- **PFAS "Forever Chemicals":** New EPA and EU standards starting in 2026 require companies to monitor and treat for PFAS. This is creating a multi-billion-dollar liability for many industries.
- **Microplastics:** For the first time, EPA has added microplastics (and also pharmaceuticals) to its draft Sixth Contaminant Candidate List (CCL 6). The European Commission has been targeting microplastics for several years (Commission Regulation 2023/2055) with ratcheting regulation of additional product categories through 2035.
- **Mandatory Disclosure:** Under the EU's Corporate Sustainability Reporting Directive (CSRD), companies must now disclose water-related and pollution risks (including plastics) with the same rigor as emissions (per the European Sustainability Reporting Standards). Several U.S. states also have pending or under-review disclosure laws for climate-related risk that include water resources when material to the business.

Managing water as a strategic resource creates a powerful opportunity to strengthen operational resilience, reduce costs, and generate long-term value for both organizations and communities. As global water stress intensifies due to climate change, economic development, and regional scarcity, proactive water stewardship enables organizations to optimize resource use, enhance efficiency, maintain quality, and mitigate future disruptions.

By investing in sustainable materials, water management, and pollution prevention practices, companies can build stronger community relationships, support environmental outcomes, limit liability, and position themselves as leaders in responsible resource use, providing both risk reduction and new opportunities for innovation and growth.

LOOKING AHEAD TO SUSTAINABILITY AS A STRATEGIC ADVANTAGE

These megatrends underscore a central reality for sustainable business in 2026 and beyond: corporate performance is increasingly shaped by systemic, interconnected forces beyond traditional controls and performance targets.

Geoeconomic shifts, rapid technological change, climate and water stress, data driven disclosure, and rising community expectations are no longer emerging signals. They are operational conditions that demand integrated, forward-looking responses. Companies that treat sustainability as a dynamic strategic capability, rather than a static set of metrics, will be better positioned to anticipate risk, adapt to disruption, and capture long-term value in an increasingly complex and constrained global environment.

About the Authors

Sandy Nessing is a senior advisor at TRC. She helps clients identify and implement strategic sustainability solutions to better navigate evolving reporting requirements and meet the growing demand for transparency. Sandy has nearly three decades of transformative leadership in the utility sector, during which she served as a driving force behind innovative corporate sustainability and communication strategies.

Galen Guerrero-Murphy is a multidisciplinary leader with more than 20 years of experience spanning organizational sustainability, change management, conservation, and energy project development. He currently serves as director of corporate sustainability at TRC where he champions and leads sustainability strategy, enterprise risk management, and corporate disclosure and reporting.

About the Article

Republished from TRC News & Insights. TRC is a leading, global consulting, engineering, and construction management firm that provides environmentally focused and digitally powered solutions across key markets that include power and utilities, transportation, real estate, water, and government, as well as environment and sustainability, and digital solutions.