

New research project to examine how sustainability impacts profitability

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Which sustainability efforts actually improve business performance? A new research project from the House of Innovation at the Stockholm School of Economics, in collaboration with sustainability tech company Position Green, aims to find out. By analyzing data from over 750 companies, the research project will map how emissions, working conditions and diversity in leadership affect margins, returns and risk.

The study aims to meet a growing demand from companies, investors and regulators: to not just measure sustainability work, but understand its financial effects. If a high staff turnover lowers profitability in the service sector, or if emissions intensity cuts into manufacturing margins, businesses need to know. The goal is to create research-based tools that help companies make smarter strategic decisions – and ultimately show that sustainable business can also be more profitable.

“We want to uncover how sustainability efforts influence key metrics like margins and return on capital. There are plenty of ways to track sustainability today, but few that show what truly drives performance. By combining academic methods with real-world data, we hope to strengthen research, public discussion and decision-making,” says Rickard Sandberg, Project leader and Head of Center for Data Analytics at SSE’s House of Innovation.

The financial effects of sustainability efforts differ by sector. While industrial companies may focus on emissions and efficiency, digital companies often face challenges related to leadership and workforce dynamics. But regardless of industry, understanding the link between sustainability and profitability gives companies a competitive edge.

Combining sustainability data and AI

The project’s research models will combine publicly available ESG-data, financial results and anonymized sustainability reporting from over 750 companies using Position Green’s platform. By using AI to analyze large volumes of corporate sustainability disclosures, the team aims to generate deeper insights than traditional compliance-focused tools can offer. A key component is benchmarking – helping companies compare their sustainability performance with others in the same industry or region. This gives them a clearer picture of their strengths, risks and opportunities.

“If high emissions per euro of revenue eat into your margins, or if employee turnover hurts your return on capital, you need to know. The research models will identify which efforts move the needle - for both sustainability and the bottom line. This makes them a strategic tool for any business,” says Daniel Gadd, CEO of Position Green.

The research starts now and will continue throughout the year, with initial research models expected to be finalized in 2026. The results will feed into further academic studies and serve as a practical resource for businesses working to improve their sustainability strategy, reporting and impact.

Companies interested in joining the project are encouraged to get in touch.

About Position Green

Position Green is one of Europe's leading ESG software and advisory companies, offering a suite of tools that help businesses simplify ESG data management, manage business risks related to ESG, and align ESG actions and business strategy.

Accelerate ESG performance

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