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Center for Sustainable Business

ROSI Research Series:

The Business Case for Energy Decarbonization

Mapping Sustainability Strategies to Financial Value using ROSI

A Guide for Business Leaders & Investors

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Section 1: Why Energy Decarbonization Is a Strategic Business Imperative

The global energy sector is at a pivotal inflection point — one that carries profound implications, not only for the climate, but for corporate financial performance, investor returns, and long-term business viability. For business leaders and investors, the low-carbon energy transition should now be a core driver of value creation and value preservation.

A Rapidly Accelerating Energy Landscape

According to the IEA's Global Energy Review 2025, global energy demand grew 2.2% in 2024 — well above the 1.3% annual average from 2013–2023[1]. Electricity demand surged by 4.3%, outpacing GDP growth of 3.2%. This acceleration is driven by the electrification of transport and industry, the explosive growth of data centers and AI infrastructure, and rising demand for cooling as global temperatures reach new records. Global data center energy needs alone are projected to more than double to 945 TWh between 2024 and 2030.

At the same time, the transition to clean energy is well underway. In 2024, renewables and nuclear power together accounted for 80% of global electricity generation growth, and for the first time, renewables and nuclear collectively supplied 40% of total generation. The five key clean energy technologies tracked by the IEA — solar PV, wind, nuclear, electric vehicles, and heat pumps — now collectively prevent 2.6 billion tons of CO_2 per year, equivalent to 7% of global energy-related emissions. Without them, the increase in global CO_2 emissions since 2019 would have been three times larger.

The low-carbon energy transition requires a three-pronged approach: increase efficiency of conventional fuel use, transition to renewables as soon as possible, and invest in carbon capture and credible offsets to mitigate ongoing greenhouse gas emissions. It also needs an investment strategy and targets.

The Financial Stakes: Risks and Opportunities

For corporate practitioners and investors, the transition carries both material risks and significant opportunities. The NYU Stern CSB ROSI Energy Decarbonization Framework[2] identifies a road map for how decarbonization can drive value creation and preservation across energy sources and value chain partners, helping leaders align their investment strategy with their decarbonization strategy:

Regulatory Risk

Governments are increasingly internalizing the costs of carbon emissions. Vermont has enacted legislation charging large emitters for their contributions to climate change[3]. New York's Climate Change Superfund Act holds high emitters financially accountable for extreme weather damage[4]. The EPA finalized rules to reduce methane emissions in oil and gas, but these rules, which include waste emission charges, have been put on hold until 2034[5]. In the

EU, renewables now supply nearly 50% of electricity[6], with strict climate targets embedded in regulation[7].

Market Opportunity and Reputational Risk

Companies that do not decarbonize face growing risks of customer loss, investor divestment, and litigation. Research shows that large institutional investors are increasingly screening for climate performance, and activist shareholder pressure has intensified. Meanwhile, customers, particularly commercial and industrial buyers with their own decarbonization commitments, are increasingly seeking suppliers that have decarbonized their energy use[8].

Energy Efficiency and Reduced Price Volatility

Fossil fuel markets remain exposed to geopolitical risk and price volatility. In 2024, the main European gas price benchmark doubled from its February lows to its December highs[9]. More recently, the Iran conflict has significantly increased oil and gas prices while renewable energy users are shielded from these increases as renewables offer greater price stability[10] — a direct operational and financial benefit to companies that make the transition. Wind and solar are also now cheaper per MWh than fossil fuels and coal in many markets. Companies that have lowered their conventional energy use through efficiency measures have also benefited financially. Lower electricity costs, reduced energy price volatility, operational resilience, and workforce engagement benefits all contribute to a positive return profile independent of regulatory regimes.

Capital Markets and Cost of Capital

Sustainability-linked financing, including sustainability-linked bonds and loans, is increasingly available to companies with credible decarbonization strategies, often at favorable interest rates compared with conventional debt. For capital-intensive energy companies, this differential can have a material impact on project economics[11].

Section 2: Introducing ROSI™ — The Return on Sustainability Investment Framework

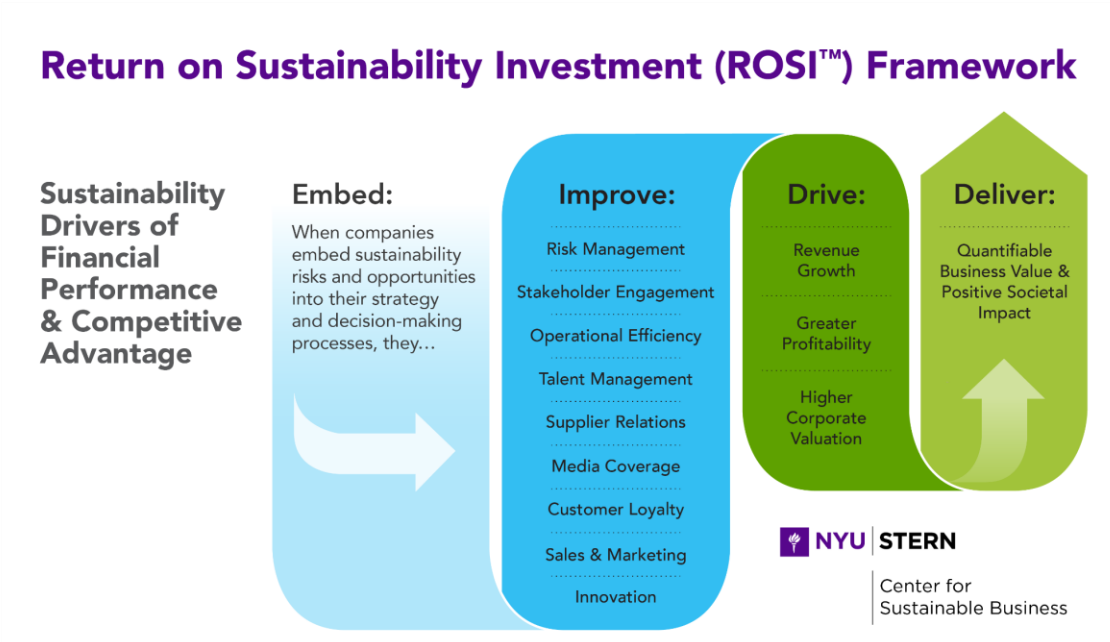
Despite extensive evidence of a positive correlation between material sustainability performance and financial performance, most companies and investors lack the tools to quantify this relationship. The NYU Stern Center for Sustainable Business's Return on Sustainability Investment (ROSI™) framework is designed to help companies and investors make the business case for investments in sustainability across sustainability strategies and industries. ROSI creates transparency: it connects sustainability decisions to financial outcomes, equipping both management and investors with information that has historically been missing from decision-making.

2.1 How ROSI™ Works: A Five-Step Methodology

The ROSI™ framework provides a structured, five-step methodology for identifying, quantifying, and monetizing the financial returns associated with sustainability strategies. It has been applied in more than 50 corporate research collaborations across multiple sectors including food & beverage, real estate, apparel, automotive, and now energy.

Step	Description
1. Identify Material Sustainability Issues	Map the company's key sustainability challenges and opportunities, using frameworks such as SASB and GRI, and identify how the business is addressing associated risks and opportunities
2. Assess Practices	Determine which specific sustainability practices have been implemented or are being considered to address the strategy
3. Define Benefits	Define the types of economic benefits that could flow from those practices, organized through ROSI's nine value driver categories
4. Quantify Benefits	Estimate the magnitude of those benefits — using financial data, industry benchmarks, and empirical research — and the timeframe in which they can be realized
5. Monetize	Translate quantified benefits into economic value (dollar terms), stress test the results, and forecast return on investment

2.2 The Nine ROSI™ Value Drivers



The ROSI framework organizes financial benefits into nine value driver categories. In the energy sector, four value drivers were found to be especially significant:

Value Driver	Description	Energy-Sector Relevance	Example Benefit
Risk Management	Avoidance of regulatory, legal, and reputational risk	Very High	Avoided fines, reduced litigation exposure, lower divestment risk
Operational Efficiency	Cost savings and productivity improvements	Very High	Lower energy costs, reduced maintenance, fewer disruptions
Stakeholder Engagement	Access to favorable financing and policy incentives	High	Sustainability-linked loans, tax credits, IRA incentives
Customer Loyalty	Revenue protection and growth through low-carbon offerings	High	Improved retention among customers with decarbonization goals

The other five value drivers — Talent Management, Sales & Marketing, Media Coverage, Supplier Relations, and Innovation — are also present in the energy sector, though typically as secondary benefits of the four primary drivers listed above.

2.3 Why Financial Returns on Sustainability Go Unmeasured

The NYU Stern CSB ROSI Framework identifies several reasons why companies fail to capture the financial value of their sustainability investments:

- Sustainability strategies are rarely tied to financial return metrics from the outset
- Financial benefits of sustainability are tracked across different business units — if at all — and are rarely aggregated
- Many sustainability benefits are intangible or indirect (e.g., reputational resilience, employee morale), making them difficult to quantify
- Finance functions often lack visibility into the magnitude of sustainability-linked financial value
- The risk avoidance value of sustainability investments is difficult to monetize, and is typically not recognized in traditional accounting

The result is a systematic undervaluation of sustainability. Corporate managers and investors make decisions without full information about the financial consequences of sustainability upside and downside.

Section 3: Mapping the Linkages Between Sustainability Strategies and Value Drivers in Energy Through ROSI

The CSB ROSI Energy Decarbonization Framework systematically maps decarbonization practices to financial value across energy types and value chains. The following section summarizes the key takeaways.

3.1 The Energy Decarbonization Framework: Four Strategic Pathways

CSB found that all decarbonization practices across the energy sector can be grouped into four strategic categories:

Pathway	What It Means and Where It Is Applicable
BUILD	Develop and install new low-carbon or renewable energy generation capacity. Relevant to energy developers, utilities, industrial energy users, and real estate operators installing solar, wind, geothermal, hydrogen, or nuclear capacity.
IMPROVE INFRASTRUCTURE	Maintain and upgrade existing low-carbon or renewable energy infrastructure to increase efficacy and efficiency. Applicable across the full value chain, including storage, transmission, grid interconnection, and building systems.
CONVERT	Convert existing non-renewable energy generation to lower-carbon or renewable alternatives. Especially relevant for oil and gas companies, coal operators, and industrial facilities transitioning energy sources — including repurposing stranded assets.
REDUCE	Reduce emissions from existing non-renewable operations during the transition period. Critical for heavy emitters in hard-to-abate sectors, including through Carbon Capture, Utilization and Storage (CCUS), methane reduction, flaring elimination, and energy efficiency investment.

Four NYU Stern CSB ROSI case studies provide insights into these financial benefits:

CONVERT: **Utility fuel source decarbonization.** A Canadian utility was determining whether to get out of coal earlier than required by the Canadian government (2030). After they did their conventional analysis, we undertook a ROSI assessment, which found that there were significant financial benefits to be had in terms of employee retention and engagement ($4M), customer demand ($41M), and cost of debt ($189M) over nine years (2021-2030). The utility then proceeded with an early exit from coal.

IMPROVE: **Utility customer demand management.** In order to defer the need to build a $1B substation in NYC to meet peak customer demand, a NYC utility invested in improved demand management, incentivizing business customers in particular to improve energy efficiency. The program was more successful than projected: Taking into account the time value of deferring the investment, and assuming that construction could be postponed for eight years, the initial projection suggested a net operating benefit of $45 million over the long term, with a cost of $200M. By the third quarter of 2018, the program had exceeded its goal, achieving an estimated 52 MW of demand reduction at a cost of only about $150M. Utility leadership decided to develop an ongoing initiative to continue to improve customer energy efficiency, and the new substation was permanently deferred.

REDUCE: **Oil and gas waste management.** CSB undertook a study of the ROSI benefits of slurry injection of oil and gas waste. While the analysis did not track actual financial returns, it undertook a comprehensive review of the type of benefits generated for stakeholders. The benefits for the company included: reduced interest rate on loans, market share growth and increased customer loyalty. Financial benefits for landowners included: increased income relative to type of land use, in comparison to cotton farming, retention of land value, in comparison to reserve pits and landfarming. Financial benefits for the company's customers included avoided cost of carbon, reduced waste management and disposal costs, reduced exposure to oil and gas fines and penalties in Texas, and reduced cost of insurance.

REDUCE: Utility Workplace Decarbonization. A NYC utility installed LED lighting in its (large) office buildings and other workspaces. As they did not pay for energy, the CSB ROSI team reviewed other financial value levers and found that a combination of benefits, most especially employee productivity, was projected to drive $2.1M of annual net bottomline benefit. Due to better quality lighting, employees were able to work more efficiently. There were additional modest benefits in terms of customer satisfaction, stakeholder engagement, and financing costs. So, decarbonization can drive additional benefits beyond energy cost savings.

3.2 Cross-Cutting Value Drivers

The ROSI Energy Decarbonization framework identifies multiple sets of benefits across all energy types and decarbonization pathways. Understanding these cross-cutting linkages is essential for practitioners to build an internal business case for transition.

Operational Efficiency

The financial benefits from improved operational efficiency are often the most immediately tangible for management:

- Energy cost savings: Transitioning to renewable or lower-carbon energy sources, or increasing efficiency of conventional fuel usage, reduces energy expenditure — particularly relevant given volatile fossil fuel pricing.
- Repair and maintenance savings: Modern, efficient equipment requires less maintenance, generating ongoing cost reductions.
- Reinvestment benefits: Savings from reduced energy consumption free up capital for reinvestment, generating compounding financial value.
- Reduced emergency costs: Upgraded infrastructure has lower failure rates, reducing expensive unplanned repair and recovery costs.

Marketing and Customer Loyalty Benefits

Commercial and industrial customers are increasingly incorporating Scope 2 and Scope 3 emissions targets into their procurement decisions. Energy companies that offer lower-carbon products and services are better positioned to:

- Retain at-risk customers who have made public decarbonization commitments
- Attract new customers seeking credible low-carbon energy partnerships
- Command pricing premiums for certified low-carbon energy products and services

Stakeholder Engagement

Access to favorable financing and incentives is a key benefit that practitioners sometimes undervalue, as well as license-to-operate benefits:

- Sustainability-linked financing: Companies may access sustainability-linked loans and bonds at lower interest rates than conventional debt, where the rate is tied to sustainability performance metrics. For capital-intensive energy projects, even modest rate differentials generate significant savings over the project lifetime.
- Government incentives and tax credits: Federal and state programs provide direct financial offsets to capital investment in clean energy, energy efficiency, and emissions reduction. While the IRA's provisions have been modified by subsequent legislation, the underlying incentive landscape remains substantial.
- There is increasing citizen opposition to energy industry infrastructure and emissions, often delaying or stopping projects, such as the growing resistance to data centers due to their energy footprint.

Risk Management

Decarbonization reduces exposure to multiple risk categories simultaneously:

- Regulatory risk: Fines, penalties, and compliance costs associated with emissions limits are avoided or reduced.
- Reputational and litigation risk: Companies with credible decarbonization strategies are better protected against activist campaigns, divestment pressure, customer boycotts, and climate litigation.
- Business disruption risk: Investments in energy efficiency and resilient infrastructure reduce the probability and cost of emergency equipment failures, unplanned shutdowns, and energy supply disruptions.
- Stranded asset risk: Early conversion or repurposing of fossil fuel assets avoids write-downs as regulatory and market conditions tighten over time.

3.3 Sector-Specific Practice-to-Value Mappings

The ROSI Energy Decarbonization framework covers eight energy types. Below is a summary of the key practice-to-value linkages identified by NYU Stern CSB for the highest-impact sectors:

Oil & Gas

The oil and gas sector has some of the richest opportunities for near-term value creation through decarbonization, precisely because its baseline emissions intensity and operational risk profile are high:

- Reducing methane leaks in pipelines: Improves safety, reduces fines and liability, generates revenue from recaptured methane, and reduces financing costs through sustainability-linked debt.
- Investing in energy efficiency across the value chain: Produces energy cost savings, reduced maintenance costs, and lower regulatory risk at every stage from extraction through terminal.
- Reducing flaring, venting, and blowdowns: Cuts methane emissions, reduces regulatory exposure, lowers maintenance costs, and enables revenue from selling recaptured energy.
- Electrifying equipment and vehicles: Reduces GHG emissions, cuts operating costs, improves customer loyalty, and supports employee retention.
- Retrofitting decommissioned refinery assets for renewable diesel or biofuels: Converts stranded assets into revenue-generating infrastructure, reduces reputational risk, and opens new customer segments.
- Transitioning to renewables: Protects against investor divestment, strengthens customer retention, supports talent attraction and retention, and lowers cost of capital.

Wind & Solar

For renewable energy developers and operators, the ROSI framework identifies benefits that go beyond the reduced costs of the energy generation itself:

- Improving infrastructure and grid interconnection: Reduces service disruptions, lowers maintenance costs, and strengthens customer loyalty through service reliability.
- Community engagement and permitting investment: Reduces project cancellation risk — a significant financial risk given that local opposition, zoning issues, and interconnection backlogs were the top reasons for project cancellation from 2016–2023.
- Investing in storage: Extends the value of generation assets, improves grid reliability, and creates new revenue opportunities.

Coal

For coal operators, the ROSI framework provides pathways for value creation even during a managed decline:

- Investing in high-efficiency, low-emissions (HELE) technology: Produces energy cost savings, reduced regulatory fines, and R&M savings across the value chain.
- Sustainable mining practices (methane recovery, equipment electrification): Reduces emissions and regulatory risk, lowers energy costs, and improves customer retention.
- Transitioning to renewables or lower-carbon fuels: Protects against reputational and divestment risk, reduces energy price volatility, opens new revenue streams (transition credits, byproducts), and improves employee engagement through retraining initiatives.

Geothermal

Geothermal can provide a series of ROSI benefits, ranging from operational risk reduction (no disruption of energy, for example), regulatory risk reduction (lower carbon fees), operational efficiency (lower ongoing costs), sales and marketing benefits (low carbon, low-cost provider), and potential tax incentives for installation and use.

For example, a NYSERDA case found that in 2024, Bard College underwent its first geothermal conversion, converting the HVAC system in the three buildings that make up the Charles P. Stevenson Jr. Library to run on geothermal energy — specifically, ground source heat exchange. The conversion has resulted in the elimination of ~15K gallons of oil annually, a reduction of annual site energy usage by 38%, and a reduction of annual site emissions by 64% (~127 MTCO2e). In addition to these primary benefits, further monetizable benefits that can be identified through application of the ROSI methodology include reduced compliance risk due to reduced GHG emissions, reduced operating & maintenance costs associated with geothermal energy, and increased satisfaction of students and faculty due to reduced noise pollution from the HVAC system.

Section 4: Translating the Mapping into Monetization — ROSI™ in Practice

The ROSI™ framework provides specific, quantitative methodologies for translating each identified benefit into a financial value estimate. This section walks through the key monetization approaches developed for the energy sector.

The following table illustrates, at a high level, the types of financial value that can be estimated through ROSI™ analysis for a representative energy company pursuing a multi-practice decarbonization strategy:

Practice / Value Driver	Illustrative Financial Value Type
Reduce methane pipeline leaks (Risk Management)	Avoided fines (e.g., $X per unit of excess emissions × probability) + avoided liability (benchmarked to historical incident costs)
Invest in energy efficiency (Operational Efficiency)	Annual energy cost savings + R&M savings (measured against BAU baseline) + reinvestment benefit on freed capital
Reduce flaring / recapture methane (Innovation + Operational Efficiency)	Revenue from methane sold as energy + R&M savings + avoided regulatory fines
Sustainability-linked financing (Stakeholder Engagement)	Interest rate differential × total loan principal × term (NPV)
IRA / State tax credits (Stakeholder Engagement)	Direct offset to capital expenditure, calculated per applicable credit schedule
Customer retention (Customer Loyalty)	Revenue at risk × probability of retention improvement × margin %
Retrofit stranded refinery assets (Operational Efficiency)	New margin on renewable diesel + avoided decommissioning liabilities

Practice / Value Driver	Illustrative Financial Value Type
Transition to renewables (Risk Management)	Avoided divestment risk (probability × magnitude) + talent retention savings + lower cost of capital

4.1 Monetizing Risk Management Benefits

Regulatory Risk Avoidance

The ROSI framework provides the following general approach for monetizing regulatory risk avoidance across all energy types:

- Calculate the company's emissions under business-as-usual (BAU) practices and under the improved (post-investment) scenario
- Compare projected emissions against applicable regulatory limits to estimate probability of fine imposition
- Multiply the reduction in fine risk (%) by the applicable fine amount per unit of excess emissions
- Adjust for jurisdiction-specific regulations (e.g., PHMSA pipeline standards, EPA methane rules, state-level climate superfund laws)

For oil and gas companies specifically, this includes future risk avoidance related to methane emissions (EPA Waste Emissions Charge[13], now planned for 2034), pipeline integrity penalties (PHMSA[12]), and state-level climate liability statutes.

Reputational and Litigation Risk

While harder to quantify, ROSI provides a structured approach:

- Use industry examples of activist backlash, litigation settlements, and divestment events to establish benchmark loss magnitudes
- Estimate the probability of such events occurring under BAU versus post-decarbonization scenarios
- Calculate expected value of risk avoidance by multiplying the reduction in probability of occurrence by the expected financial severity
- For divestment risk specifically: assess the probability of investor recall or bank loan demands under each scenario, and multiply by the cost of alternative financing

4.2 Monetizing Operational Efficiency Benefits

Energy Cost Savings

The standard ROSI approach compares energy costs for equivalent time periods before and after implementing energy efficiency or clean energy investments, net of upfront capital costs.

For transitions from fossil fuel to renewable energy, this can be estimated using published price differentials between fuel types where company-specific data is unavailable.

Repair and Maintenance Savings

The methodology:

- Establish a baseline for annual repair and maintenance (R&M) costs in the pre-investment period
- Estimate total investment required, net of available incentives and rebates
- Estimate post-investment annual R&M costs
- Calculate annual savings and net present value over the expected asset life

Business Disruption Avoidance

For operational continuity:

- Calculate mean downtime hours due to maintenance or emergency repair under BAU
- Estimate reduction in downtime post-investment
- Multiply downtime reduction by hourly revenue foregone to estimate annual savings
- For more complex facilities, also factor in restart costs, penalties, and customer contract implications

Methane Recapture Revenue (Oil & Gas Specific)

For practices involving methane recovery from flaring, venting, or pipeline leaks:

- Calculate volume of methane captured and equivalent energy producible
- Multiply by market price per unit ($/kWh or $/MMBtu) to estimate revenue from selling captured methane
- Alternatively, calculate cost savings from using recaptured methane as an internal energy source
- Subtract upfront investment costs to arrive at net benefit

4.3 Monetizing Stakeholder Engagement Benefits

Sustainability-Linked Financing Savings

For an energy project, the interest rate differential between a conventional loan and a sustainability-linked loan represents a direct and calculable cost saving. The ROSI methodology:

- Estimate total capital required for the sustainability investment
- Research market rate differentials between conventional and sustainability-linked financing for the relevant credit profile
- Calculate annual interest savings over the financing term

- Express as NPV of lifetime savings

Government Incentives and Tax Credits

The methodology is straightforward: estimate the total capital investment required, identify all applicable federal, state, and utility-level incentives, rebates, and tax credits, and deduct the applicable amounts from the net investment required. Given the complexity of the US incentive landscape and recent legislative changes (including modifications to the IRA), practitioners should conduct jurisdiction-specific analysis and engage with qualified tax advisors when calculating these benefits.

Carbon Pricing Benefits

Calculate the GHG reductions under the post-investment scenario and multiply by an appropriate carbon price. Depending on the company's situation, this may be an applicable regulatory carbon price, a market-based carbon offset price, or an internal cost of carbon adopted by the company for capital budgeting purposes.

4.4 Monetizing Marketing and Customer Loyalty Benefits

For energy companies serving commercial and industrial customers who have made public decarbonization commitments:

- Identify the portion of current revenue from customers with active Scope 2 or Scope 3 reduction targets
- Estimate the proportion of that revenue 'at risk' if the company cannot meet customers' low-carbon procurement requirements
- Track customer retention rates before and after implementing low-carbon offerings
- Calculate the margin value of retained revenue (volume × price × margin %)
- Separately estimate the margin value of new business attracted by low-carbon positioning

The coal sector analysis provides an additional customer loyalty monetization: calculating revenue from selling applicable transition credits or energy byproducts to customers and markets that require credible decarbonization evidence. This creates entirely new revenue streams that do not exist in the BAU scenario.

4.5 Prioritization

The ROSI research identifies four value drivers that consistently deliver the strongest financial returns across all energy types. Executive teams and boards should ensure that each is explicitly addressed in sustainability strategy:

Value Driver	Executive Priority Actions
Risk Management	Audit regulatory exposure across all jurisdictions. Quantify financial exposure to fines, litigation, and stranded assets. Build risk avoidance into capital planning and investment hurdle rates.

Value Driver	Executive Priority Actions
Operational Efficiency	Systematically identify energy efficiency opportunities across the value chain. Calculate full-lifecycle cost savings including R&M, disruption avoidance, and reinvestment benefits. Track and report against baselines.
Stakeholder Engagement	Actively pursue sustainability-linked financing for all capital projects. Maintain current knowledge of federal, state, and utility incentive programs. Engage with capital markets on decarbonization strategy.
Customer Loyalty	Map customer portfolio for decarbonization commitment exposure. Develop low-carbon product and service offerings proactively. Track and report on customer retention linked to sustainability performance.

Section 5: Conclusion

Sustainability value that is not measured is sustainability value that is not captured. The ROSI™ framework makes the invisible visible — turning sustainability strategy into investment-grade analysis.

The clean energy transition is accelerating. For companies that move decisively, the financial rewards are substantial: lower energy costs, reduced regulatory exposure, access to favorable financing, and stronger customer relationships. For those that delay, the risks compound: stranded assets, regulatory penalties, customer and investor loss, and deteriorating access to capital.

Decarbonization can generate financial value across strategic pathways (Build, Improve, Convert, Reduce) — and across energy types. Companies do not need to make an all-or-nothing transition to begin capturing value. The key is systematic analysis — using ROSI or a similar approach — to identify which specific practices generate the most value for a given company in its specific regulatory, geographic, and competitive context.

Occidental Petroleum (Oxy) has reduced its methane emissions intensity by 78.6% and reduced routine gas flaring by 80% since 2019, which reduces its costs. It has developed an enhanced oil recovery system at scale, which injects CO_2 into the oil field, allowing for incremental recovery of 20–60% more oil, which reduces the carbon intensity of the oil and extends the life of the reservoir — reducing the need to build new infrastructure (reducing costs and increasing revenue). Oxy is now investing in other innovative low-carbon technologies such as CO_2 direct air capture and carbon upcycling, using joint ventures with partners such as LanzaTech, Berkshire Hathaway Energy (BHE) Renewables, and TerraLithium.

The global energy system is undergoing the most significant structural transformation in a century. Clean energy is increasingly the financially optimal strategy. The NYU Stern CSB ROSI™ Energy Decarbonization Framework provides the analytical tools to prove it, measure it, and act on it. By systematically mapping sustainability practices to nine financial value drivers — and providing specific monetization methodologies for each — it enables companies to build the internal business case that CFOs and boards require, and that investors increasingly demand.

About NYU Stern Center for Sustainable Business

NYU Stern Center for Sustainable Business was founded in 2016 to prove the value of sustainability for business management and performance. The Center prepares individuals and organizations with the knowledge, skills, and tools needed to embed social and environmental sustainability into core business strategy and drive better financial performance. The ROSI™ framework has been developed and refined through collaboration with more than 50 corporate research partners across multiple sectors.

About This Report

This report draws on three primary sources: the NYU Stern CSB ROSI™ Energy Decarbonization Framework (March 2026), prepared in collaboration with PwC, and the IEA Global Energy Review 2025. All IEA data and analysis are sourced from the IEA Global Energy Review 2025 (IEA, CC BY 4.0). The ROSI™ framework and methodology are proprietary to NYU Stern Center for Sustainable Business.

This report is intended for informational purposes only and does not constitute financial, legal, or investment advice. Practitioners should conduct company-specific analysis and consult qualified advisors before making capital allocation decisions.

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