

Gather around

We provide you with the latest developments and practical recommendations on corporate reporting, digital initiatives and sustainability.



Richard Costa
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Hello,
I hope you had a good summer. This is another great edition in your inbox. As the business landscape becomes increasingly complex, successful organisations are those that can navigate change while staying true to their core purpose. This month, we make the case for AI and the importance of viewing it as a business-vital asset. We also explore the regulatory complexity and political pressures that many companies are facing, and what that means for their sustainability reporting.

Our reporting intelligence is a sustainability treasure trove where we explore the latest on climate targets, climate investments, the links between sustainability reporting and innovation and the FCA's recent review of climate reporting.

This month, we warmly welcome Matt Lumby to the Gather team, who joins us as a Senior Designer.

Richard Costa



The AI investability gap that needs solving

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AI is the game-changer of the century, yet many companies only use it for basic automation instead of strategic value creation. Why are businesses failing to unlock AI's full potential, and does this limitation matter?



Reporting intelligence

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The sustainability landscape in the UK is shifting. This month, we explore corporate climate commitments, investment returns, reporting innovation and the latest regulatory developments.



Beyond the noise: how to build resilience in sustainability

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Amid regulatory complexity and political pressures, organisations face a choice: abandon sustainability goals or transform sustainability into an integral component of business strategy.



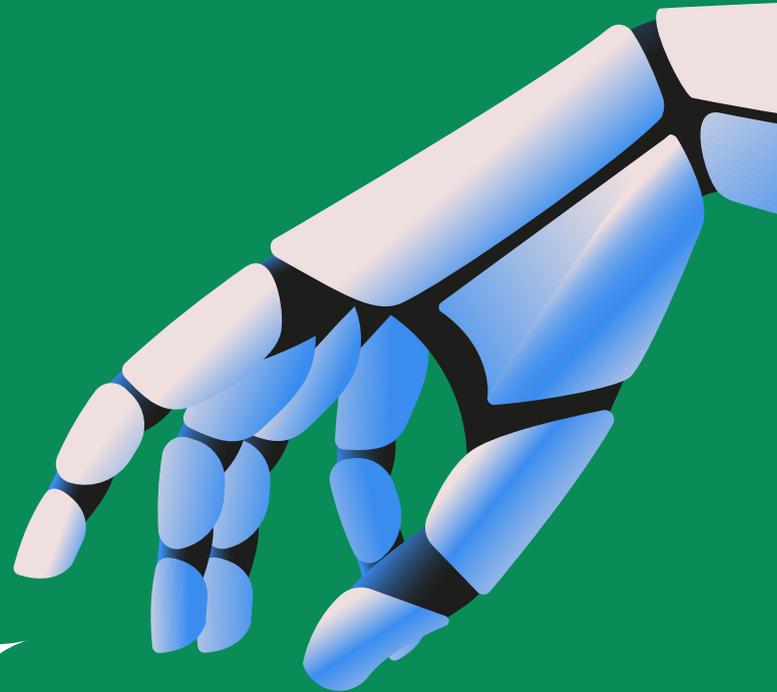
Gather news

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This month the Gather team grows as we welcome a new Senior Designer, Matt Lumby. Welcome to the team Matt!

The AI investability gap that needs solving

By this point, it is undeniable that AI is the game-changer of the century. So why are many companies failing to take it beyond automation of admin and simple tasks? And why aren't companies using AI as a key asset in driving value creation? Most importantly, does this matter?



Investors are taking note

Companies should fast-track the adoption of AI as investors are becoming increasingly vocal on the topic. Many leading institutional investors now look at and include AI measures on their scorecards when making investment decisions. Investors are looking for companies that use AI as more than an employee productivity booster, but rather as a tool to improve efficiencies, lower risk and improve the customer experience. They are looking for companies that use AI to drive value creation. For example, IBM has invested in AI and automation and now include it in their enterprise offer. They now add value for customers and help them achieve significant cost savings thanks to AI.



By **George Luck**
Consultant

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The AI investability gap that needs solving continued

The evidence is already here. Since the start of 2024, the share price of companies that have adopted AI in a meaningful way has outperformed the S&P 500 index by around 10%. Whilst companies that have been disrupted by AI are trading around 20% below the same S&P 500 index. A clear sign that investors are preferring companies that leverage AI and put it at the heart of their future plans.

“Companies that have adopted AI in a meaningful way have outperformed the S&P 500 index by around 10%”.

Not all companies can keep up

Knowing that AI could boost performance, improve efficiencies and create resilience, why are some companies failing to harness AI?

Many leadership teams are uneasy about adopting AI too quickly. AI is evolving faster than most can keep up with; by the time one tool has been approved the next tool or iteration is already hitting the market. This has caused analysis paralysis, leaving leadership teams avoidant about adopting any AI solution at all. This, coupled with a negative economic outlook, has led to a very cautious approach to innovation when it is ironically needed the most.

Companies must communicate clearly to show intent

Companies don't need to have completed adoption plans to show intent to investors. Communication of a clear approach to AI adoption and how AI will add meaningful value to the business in the future will create conversation with investors whilst demonstrating long-term thinking and adaptability.

A solution to demonstrating action to investors and improving boardroom adoption is communicating in a clear and compelling way.

Making a compelling case for AI internally will help promote adoption by leadership teams. A focus on how current tools can make meaningful change and impact rather than worrying about tomorrow's tools can be convincing. Framing the case for AI around risk and taking note of famous companies that failed to adapt, such as Kodak and Blockbuster, is an alternative approach to persuasion. This warning-led approach may seem more negative but leadership teams often listen more to the potential negatives than the positives.

“Investors are looking for companies that use AI for more than a productivity booster”.

The gap is that investors are looking for companies who see and are adopting AI as a part of their long-term plans whilst boardrooms are slow to adopt. Part of the solution is strong communication. Adapting how you talk to these different stakeholders will help build trust and help influence decision-making that will ultimately bridge the gap.

Get in touch



To find out more and discuss how Gather can help you navigate the impact of AI on your corporate communications, contact George Luck, Consultant at Gather, george@gather.london

Beyond the noise: how to build resilience in sustainability

Amid regulatory complexity and political pressures, organisations face a choice: abandon sustainability goals or transform sustainability into an integral component of business strategy.



The sustainability regulatory environment is constantly evolving. With continued Omnibus uncertainty, the incoming Sustainability Reporting Standards (UK SRS), which are currently under consultation and expected to be finalised this month and the International Sustainability Standards Board (ISSB) on the horizon, simply complying with sustainability requirements is becoming increasingly complex.

For many organisations, these ongoing developments feel like additional administrative burdens in an already crowded compliance landscape, and it becomes increasingly tempting to pull out or hit pause on sustainability commitments.

In recent months, we have seen a stream of banks exiting the Net Zero Banking Alliance (NZBA), including UBS, HSBC, Barclays, as well as the exit of all major Wall Street banks. This stream of exits begs the question: is now the time to pull back on sustainability commitments, or is it time to adapt and adjust strategies to better align with commercial goals?



By **Anna Meyler**
Analyst

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Beyond the noise: how to build resilience in sustainability continued

The regulatory reality

Today's (and tomorrow's) sustainability reporting landscape demands more than ever before. As well as the increasing reporting requirements, many are facing growing political and social pressures, primarily due to anti-ESG political campaigns. Sustainability has become politicised, meaning its mention alone can be seen to spook investors and partners.

This, alongside many organisations having long-term targets that are quickly becoming outdated and increasingly impossible to reach means it has become more and more tempting to pull out of commitments.

Clarity amongst the chaos

Yet there's a compelling case to be made that, when done well, regulation and realistic target setting can be a powerful catalyst for strategic transformation, for now and the long term.

The mantra of 'what gets measured, gets managed' could not be more true in this instance. As reporting considerations move from peripheral compliance requirements to core business strategy, they begin to influence decision-making at the highest levels. Sustainability reporting can reveal resource inefficiencies and cost-saving opportunities.

Environmental disclosures can strengthen climate risk management and stakeholder trust. Social and governance reporting can highlight innovation potential in sustainable business models and improve competitive positioning. This integration creates strategic advantages that extend far beyond regulatory compliance.

In this turbulent environment, the key lies in establishing clarity around your sustainability strategy and ensuring it directly aligns with your commercial objectives.

Rather than retreating, organisations must become more sophisticated in how they communicate with their audiences about complex sustainability topics. If stakeholders are being spooked by political rhetoric or market volatility, this is precisely when your sustainability plans need to demonstrate their commercial value most clearly. The goal is to move sustainability away from being a discretionary topic that can be switched on or off depending on political winds, transforming it instead into an integral component of business strategy that drives measurable value regardless of external pressures.

Whilst the temptation to take what's seen as 'the easy route' and abandon sustainability commitments grows, this would be a catastrophic misstep. The recent exodus from banking alliances isn't driven by organisations unable to do the work; it stems from initial commitments to unrealistic goals that were never properly integrated into business strategy. Rather than getting swept up in today's rhetoric, successful organisations will stay the course, recognising that current challenges are temporary whilst the underlying drivers of sustainability remain permanent.

The critical test is simple: if you cannot find genuine value in your sustainability initiatives, the problem isn't with sustainability itself; it's with the overall approach. Those who weather this storm by building robust, commercially-aligned strategies will emerge stronger when the political and regulatory dust settles.

By **Anna Meyler**
Analyst

Get in touch



If you need help navigating the increasingly complex regulatory landscape, turning compliance into a strategic advantage, please get in touch with Anna Meyler, Analyst, anna@gather.london

Reporting intelligence

SBTi reports a 227% rise in firms setting climate targets



The Science-Based Targets initiative reports dramatic growth in corporate climate commitments, with companies setting both near-term and net-zero targets increasing 227% since the end of 2023. Asia leads this expansion, particularly China, with 228% growth. Near-term targets alone grew 97%. Industrials, Consumer Discretionary and Materials sectors dominated adoption.

Companies with science-based targets now represent 41% of global market capitalisation, up from 39%. The trend demonstrates accelerating corporate climate ambition rather than retreat, with businesses increasingly embedding comprehensive climate goals into core strategies for competitive advantage and transition risk management.

PwC research reveals that UK CEOs are reporting strong returns from climate investments



PwC research reveals 87% of UK CEOs have made climate-friendly investments in the past five years, with 38% reporting that these climate-friendly investments have resulted in an increase in revenue. Only 1.8% saw revenue decreases. UK climate technology investment rose 24% in 2024, driven by AI-powered solutions. However, barriers remain: 36% cite lack of external stakeholder demand, whilst only 51% have sustainability-linked compensation.

Investors support action, with 74% willing to invest more in climate-focused businesses and 77% believing ESG should be embedded in corporate strategy. Climate change could reduce the global economy by 7% by 2035, making sustainability essential for value creation.

Reporting intelligence continued

Osapiens study finds that over two-thirds of UK firms see sustainability reporting as a key driver of innovation



Osapiens research reveals that 69% of UK businesses support mandatory sustainability reporting, viewing it as an innovation driver and competitive advantage. The study of 150 senior sustainability leaders found regulatory uncertainty as the top challenge (50%), followed by data complexity (27%) and compliance costs (26%). Nearly half of those surveyed are experimenting with automation. Only 10% feel very confident tracking supply chain impact, whilst 45% are somewhat confident.

This research is especially timely given that UK businesses are preparing for the introduction of the UK Sustainability Reporting Standards (SRS), set to be finalised in September 2025 alongside existing frameworks like CSRD and SASB.

Financial Conduct Authority publishes review of climate reporting



In 2021, the UK Financial Conduct Authority (FCA) finalised its climate disclosure rules, requiring asset managers, life insurers and regulated pension providers to make climate-related disclosures in line with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations.

Following a recent review into firms' climate reporting in line with these rules, the review finds that firms have increased consideration of climate risks and supported their integration into firms' decision-making. However, Firms struggled with forward-looking quantitative data, with only half providing the required scenario analysis. Product-level reports were often inaccessible, limiting retail engagement.

The FCA plans to streamline requirements by aligning with ISSB standards, simplifying disclosures, and improving international consistency whilst maintaining client protection and reducing greenwashing risks.

Gather news

New starter – Matt Lumby

Matt joins the Gather team as a Senior Designer. He is a multi-disciplined graphic designer with over twenty years of experience. He has worked with many London-based agencies on projects ranging from annual reports and brand development to large-scale events

Welcome to the Gather team, Matt!



Contact

Please do get in touch, we'd love to hear from you.

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GATHER

Joined-up communications in a changing world.
Brand. Reporting. Digital. Sustainability.