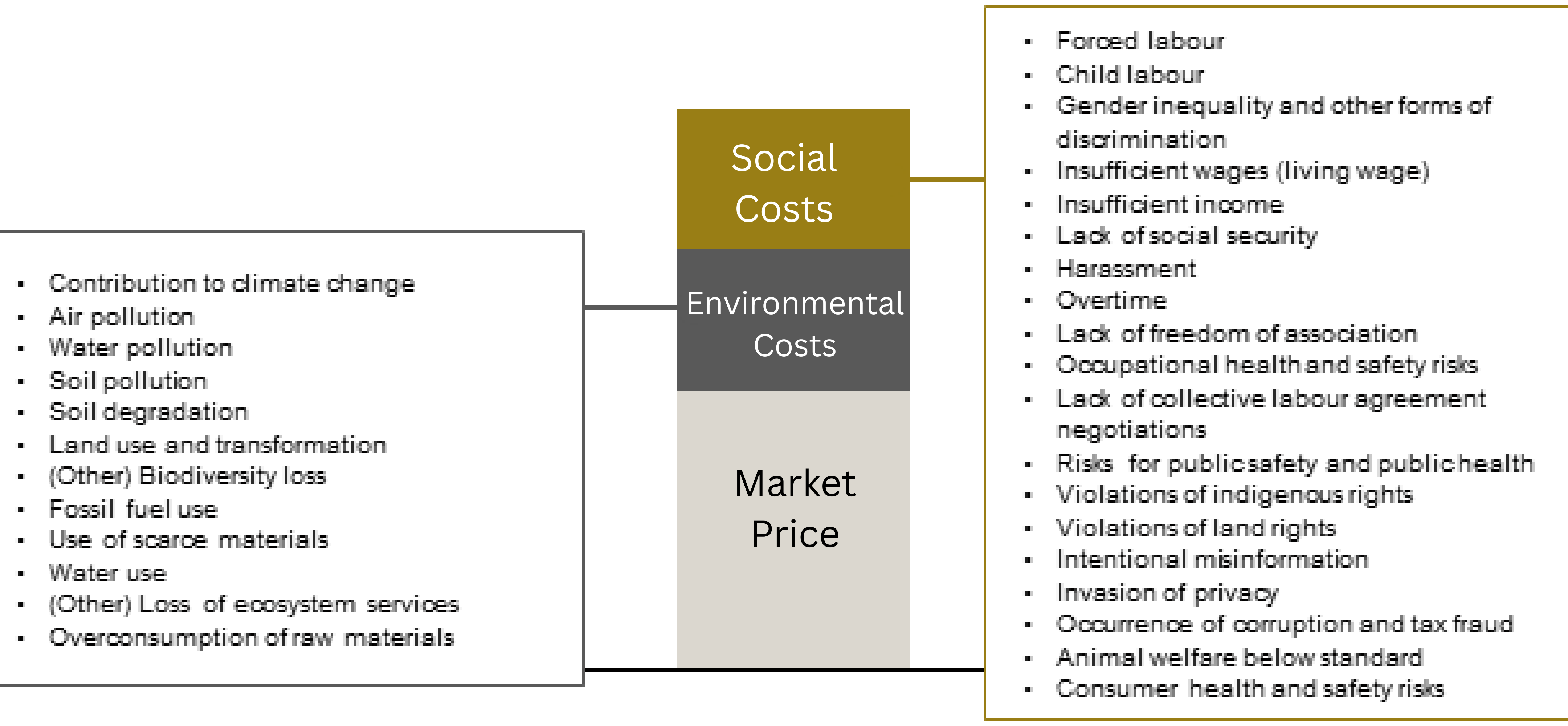
ALIGN PRICING WITH SUSTAINABLE OFFERS

Sustainability is no longer a “nice to have” — it is reshaping how companies compete, how customers decide, and how markets evolve. Yet a critical question remains: how should sustainable offers be priced? Adding a simple markup risks alienating customers, while absorbing costs erodes margins. The solution lies in value-based pricing that reflects both added costs and added value.

Sustainable production, ethical sourcing, circular supply chains, and carbon-neutral logistics rarely come cheaper. But certifications and benchmarks like FSC, LEED, BREEAM, or Fairtrade help customers justify a premium by proving measurable benefits — compliance, reputation, or premium positioning. Consider a real estate developer installing EV chargers: property values rise, rental rates increase, and vacancy risks drop. A supplier can capture part of that value through pricing.



True pricing: incorporating environmental and social costs in prices

The key is shifting the question from "what did it cost us to produce sustainably?" to "what measurable value does it unlock for the customer?" That value may be financial (lower costs, higher resale, reduced risks) or reputational (brand differentiation, loyalty, compliance). By quantifying it, companies strengthen the case for sustainable premiums.

Willingness to pay, however, is not uniform. Some customers will pay more because sustainability aligns with their strategy, while others remain highly price-sensitive. This calls for differentiated approaches — bundling sustainable features into premium tiers, offering "green upgrades," or tailoring pricing by industry and geography.

Ultimately, aligning pricing with sustainable offers is about embedding sustainability into the very definition of value. Companies that succeed will not only protect their margins but also reinforce their positioning as leaders in responsible business. Those that fail may find themselves offering sustainable products at unsustainable prices undermining both profitability and credibility.

The lesson is clear: sustainability and pricing must evolve together. Firms that can articulate, quantify, and communicate the value of sustainability will be best positioned to capture the growth opportunities of the green economy.