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Navigating Competitiveness

Practical insights on how industrial leaders are approaching today's challenges in Europe

October 2026

Foreword

Europe's industry faces its biggest challenge yet, and with it, the greatest opportunity to reinvent and lead. Energy is squeezing profits and slowing growth. Innovation struggles to scale, with energy and clean-tech startups facing funding and regulatory hurdles that push many to relocate to the US or China. Meanwhile, China's control of critical raw materials for clean energy exposes European clean technology sectors to supply chain vulnerabilities and competitive disadvantages. Therefore, Europe's opportunity is to rebuild industrial competitiveness around electrification, green molecules, circular materials, and low-carbon production methods where it has structural advantages, supported by an upcoming EU Competitiveness Fund to close the innovation gap. This means shifting from competing on global commodity production to building integrated clustered ecosystems, while strengthening resilient global supply chains through diversified trade partnerships for critical inputs to secure long-term competitiveness and resilience.

The EU is responding with ambitious policies to support the industrial renewal.
Key examples include the following:

- The Clean Industrial Deal State Aid Framework expands possibilities for EU Member States to support clean energy, industrial decarbonisation and clean -tech manufacturing
- The proposed Industrial Decarbonisation Bank would unlock large-scale financing for energy-intensive companies and energy providers to invest in decarbonisation and grid infrastructure, kick-started by an Investment Booster estimated at €30 billion in revenues, funded by 400 million ETS allowances
- The Industrial Accelerator Act aims to fast-track important projects by simplifying permitting, creating lead markets for low-carbon products and supporting made-in-Europe or made-with-Europe investments.
- The European Grids Package is presented to speed up grid expansion and give companies faster access to clean, reliable electricity for electrification.

Together, these measures set the stage, but the real action lies with companies to convert this evolving policy landscape and geopolitical developments into lasting resilience and market leadership.

For CEOs, the challenge is clear: how to navigate these policy changes and translate macroeconomic indicators into winning strategies that deliver long-term competitiveness. This report builds on our previous analysis Closing the European competitiveness gap to provide a strategic framework helping executives navigate this new reality. Through in-depth case studies, it reveals how leading companies are turning today's challenges into a competitive advantage, moving beyond survival to thrive in a resilient, innovative, and globally competitive European industry powered by sustainable technologies.

In this report, European industry refers primarily to energy-intensive manufacturers and the energy, materials and technology value chains that support them.

Uncertainty is unavoidable. The greater risk is committing billions on assumptions that have not been stress-tested. Robust, data-driven scenarios turn uncertainty into bankable projects and give boards the confidence to make final investment decisions.



Frederik Debrabander
Industry Leader Energy, Resources & Industrials
Belgium

Industrial competitiveness cannot be addressed through a one-size-fits-all approach. Given the diversity of industrial subsectors and their specific needs, improving competitiveness requires coordinated action across multiple policy and business dimensions.



Oliverio Alvarez Alonso
Industry Leader Energy, Resources & Industrials
Spain

Europe does not lack innovation. It lacks the ability to scale innovation at the speed required by today's global economy. Greater competitiveness will come from simplifying regulation, enabling trusted collaboration and pragmatism, and turning ambitious ideas into practical outcomes faster and at scale.



Johannes Wiik
Industry Leader Energy, Resources & Industrials
Norway

For the chemical industry, the message is clear: Europe's energy cost disadvantage is real and will remain a critical factor in investment and location decisions. And yet, competitiveness will ultimately be determined by how effectively companies manage not only their energy strategy, but also capital deployment, innovation, operational performance, and supply chain resilience and combine them into an agenda for comprehensive transformation and repositioning.



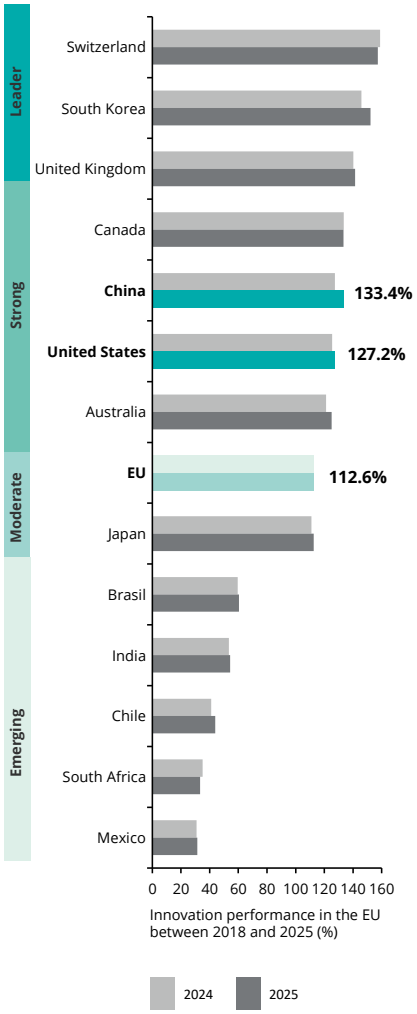
Bozidar Radner
Sector Leader
Energy & Chemicals
Germany

European industries are facing increasing competitive pressure from global markets, creating new challenges for companies operating in energy-intensive sectors.

Competitiveness is the defining fault line for Europe's industrial future. Europe's ability to remain a continent where companies choose to invest, produce, and scale will be decisive for its economic resilience, strategic autonomy, and capacity to deliver the Green Deal. Although the Draghi Report identified the critical levers to rebuild Europe's competitiveness, only about 15.1% of these recommendations have been translated into concrete policy actions.[1] In response to this slow progress, industry leaders introduced the Antwerp Declaration Monitoring Framework to track Europe's competitiveness and reinforce their call on the European Commission to restore industrial strength, safeguard quality employment, and meet Europe's climate objectives.

The results of the first Antwerp Declaration Monitoring Report highlight several important challenges. The report demonstrates that 83% of the competitiveness KPIs monitored for the EU show stagnation or decline, and only 14% of internationally benchmarked indicators reveal a clear European advantage. This emphasises not only the breadth, but also the complexity of the challenges ahead.

Figure 01.The EU's innovation performance ranks as moderate on a global scale, highlighting the need for accelerated investment and scaling.



Source: Antwerp Declaration Monitoring Report (2026)

The new strategic reality for Europe's industrial core

From a company perspective, Europe's competitiveness challenge is multifaceted and aligns closely with the Draghi Report's three critical pillars for sustainable growth:

- **High energy prices and delayed permitting remain a persistent challenge**. The report revealed industrial gas costs are 4.6 times higher than in the US, and electricity is 2.4 times higher than in the US and China. Additionally, long permitting delays also hinder European producers from competing for capital, where the US and China outperform the EU on project execution speed and infrastructure.
- **The industrial transition to a low-carbon economy faces severe constraints.** Access to affordable clean energy is limited, and grid connection queues can stretch up to a decade, slowing electrification. Infrastructure gaps in hydrogen and carbon capture and storage delay Europe's clean energy transition. Combined with higher European risk premiums and an innovation gap versus the US and China, as shown in Figure 01, these factors make it difficult to scale clean technologies from pilots to full deployment.
- **Supply chain vulnerabilities create significant risks**. Europe heavily relies on imported critical raw materials, with China dominating logistics for most rare earth elements. Regulatory complexity adds to the challenge, as EU senior staff spend 1.5 times more time on compliance than their US counterparts and 11 times more than those in China. Strengthening supply chain resilience and reducing dependencies is essential for sustainable competitiveness.

The strategic imperative for industry leaders is clear. To build, maintain, or expand competitive positions, industry leaders must assess these complex challenges for their own business to maintain a sustainable long-term strategic position in the European market.

[1] *Source: Draghi Observatory & Implementation Index (2026)*

Future European leading companies will be those that move fastest to convert the EU's industrial policy into measurable competitive advantages, integrating these insights into strategic decision-making

Guided by the Commission's Competitiveness Compass, Europe is advancing new industrial and climate policies to improve the competitiveness of companies in Europe. To remain competitive, companies must understand their impact and integrate these insights into long-term strategy. Nevertheless, barriers such as the lack of capital investments, insufficient financing models, and limited de-risking mechanisms constrain execution speed. Closing this gap requires scaled investment, innovative partnerships, and grid infrastructure at pace. The table to the right outlines selected EU measures, that have entered into force, are under revision, or have been proposed and their anticipated effect on businesses to strengthen the energy transition and the general industrial resilience.

EU Policy Action	Expected short and long-term effects
EU Emissions Trading System (ETS) • Prices GHG emissions via a cap-and-trade system • Reform ongoing to strengthen Europe's industrial competitiveness, including the new Industrial Decarbonisation Bank and an Investment Booster	**Short-term:** Rising carbon costs and impact of free allowance phase-out, creating operational pressure for energy-intensive and process-emissions-intensive production.
	Long-term: Competitive advantage for decarbonised producers by driving investment, but no improvement compared to global competitors not subject to ETS, not protected by CBAM, or supported for exports.
Carbon Border Adjustment Mechanism (CBAM) • Applies a carbon price to selected imports, ensuring fair competition for EU producers while preventing carbon leakage • 6 carbon-intensive sectors in scope: cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen	**Short-term:** Increased costs and an additional administrative burden for EU importers of CBAM goods, such as cement and steel. Difficulties stemming from higher raw material costs, undermining the competitiveness of European producers.
	Long-term: A competitive advantage for low-carbon producers and EU importers of CBAM-covered goods.
Critical Raw Materials Act (CRMA) • Secures sustainable access to critical materials for key EU industries	**Short-term:** Immediate compliance costs and supply diversification pressures, balanced by faster permitting for key projects.
	Long-term: Strengthened industrial competitiveness by fostering supply chain resilience and creating new investment opportunities.
European Grids Package • Accelerates electricity grid expansion and improves cross-border grid connections	**Short-term:** Faster grid access, reduced connection delays, and improved integration of renewable energy sources.
	Long-term: Lower electricity costs, enhanced security of supply, and a competitive advantage for electrified operations.
EU Industrial Accelerator Act (IAA) • Aims to create lead markets for 'Made in Europe' and low-carbon products and simplifies permitting for strategic projects; awaiting Parliament and Council approval	**Short-term:** Accelerated permitting for strategic projects, alongside new green, EU-based procurement criteria, combined with increased compliance and uncertainties on local-content requirements, potentially blocking value adding foreign investments.
	Long-term: Reduced investment uncertainty and a competitive advantage for producers in the growing low-carbon market.

The future will be won by the leaders who execute decisively. While these EU policies will introduce immediate cost and compliance pressures, they are designed to give European industry a long-term competitive edge by rewarding investment in decarbonisation and building more secure energy and raw material supply chains.

Entry into force Proposed Overall **positive**, **mixed**, or **negative** impact on European industrial competitiveness

To capture emerging policy-driven opportunities, companies must rigorously assess their competitive position and navigate the complexities of the ongoing industrial transformation

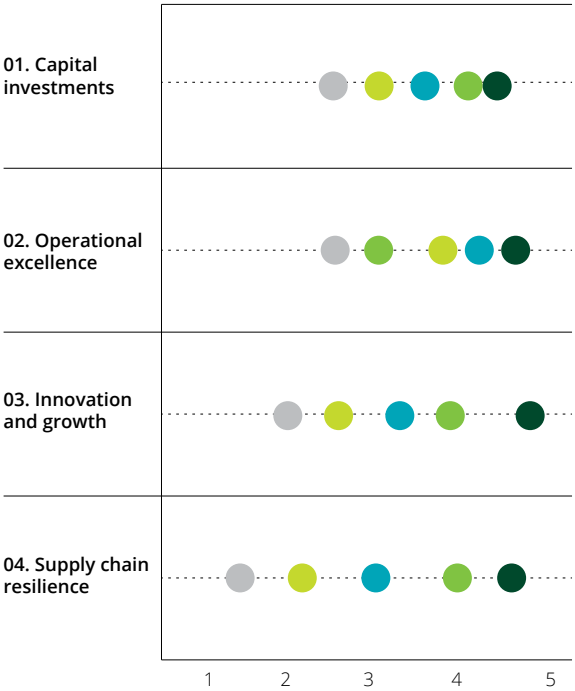
Energy-intensive companies are undergoing significant **cost transformation** while exploring new technologies and growth pathways. In this context, assessing their competitive position is essential for leading companies to maintain an accurate and real-time view of evolving market dynamics.

Therefore, **our analysis has identified four core competitive levers** that will define Europe's industrial transformation: where and when technology is deployed, how efficiently assets operate, how rapidly innovation scales, and how resilient supply chains are. These four levers form the foundation of a corporate strategic framework. By defining tailored key performance indicators (KPIs) across them, companies can benchmark their performance against peers at country, regional, and global levels. This enables companies to identify where action could have the greatest impact. Figure 02 shows an illustrative outcome of such an industry benchmark, indicating a company's relative position to its peers, industry averages, and regional or global leaders.

Our strategic framework consists of four interdependent competitive levers

- **01. Capital investments** are decisively shifting toward technologies and ecosystems that will shape the future of industrial competitiveness – including electrification, energy storage systems, and carbon capture. However, to secure a strong return on investment (ROI), companies must carefully select the right technology, at the right location, at the right time. Access to affordable clean energy, sufficient grid capacity, and supportive industrial clusters are becoming critical factors in location decisions.
- **02. Operational excellence** is being redefined by automation, AI, and digitalisation to boost productivity and optimise energy use, turning energy into a controllable production variable. Circular economy practices are increasingly embedded to reduce raw-material exposure and strengthen operational resilience.
- **03. Innovation and growth** depend on scaling low-carbon technologies rapidly through targeted funding, lead markets via green public procurement and coordinated industrial ecosystems. The critical challenge is accelerating the shift from pilot to deployment at scale to capture market share and secure long-term competitiveness.
- **04. Supply chain resilience** has become a strategic priority, focused on securing access to critical resources through diversified sourcing, circular systems, and digital risk-management tools. It now extends far beyond traditional procurement and is a core pillar of industrial competitiveness.

Figure 02. How does a company perform on the four interdependent competitive levers in its market environment?



Relative benchmarking assessment, with EU as EU27 + UK/NOR/CH, structured by competitive force (0 = worst, 5 = best)

Company X · Peer Y · EU Industry average · EU Best in Class · Global Best in Class

The next sections detail the four interdependent strategic levers that define industrial leadership. Industrial competitiveness does not depend on a single factor; it typically results from a combination of mutually reinforcing elements. Success starts with a data-driven assessment of a company's strategic position in the market, using tools like scenario modeling, peer benchmarking, and AI-powered market analysis. The key imperatives of each lever are supported by several case studies, showcasing how such competitive analyses support decision making for leading energy-intensive companies.

To future-proof **capital investments**, companies should use granular scenario modelling to pinpoint the 'no-regret' decisions that de-risk their industrial transition

The importance of including dynamic and future proof scenario modelling in strategic decision making

- **Allocating capital towards clean technologies remains challenging**. Energy-intensive and process-emissions-intensive industries such as steel, chemicals and cement continue to face barriers to scale decarbonisation projects, including high upfront costs, uncertain returns for less carbon-intensive technologies such as Hydrogen (H_2), Carbon Capture & Storage (CCS) and limited grid capacity.
- **The build-out of clean infrastructure is coming**. Driven by policy signals such as the revised Emission Trading Scheme (ETS), Carbon Border Adjustment Mechanism (CBAM) and initiatives to accelerate grid expansion, leading industrial companies are moving towards a new industrial infrastructure base built around renewable power, electrification, hydrogen and carbon capture, with sector- and region dependent deployment speed.

Strategies for success: Key strategic imperatives for future-proof capital investments

- **Develop robust, scenario-based financial models that incorporate diverse market-driven parameters**. Companies should stress-test investments in low-carbon technologies on multiple parameters, such as dynamic electricity prices, accurate capacity factors and integrated carbon costs, in policy- and market-driven scenarios. By integrating scenario-based modelling and carbon costs into investment frameworks, companies can stress-test decisions against evolving regulatory mechanisms, such as Emission Trading Scheme and Carbon Border Adjustment Mechanism, and identify the most competitive and resilient technology pathways across future conditions. For example, Figure 03 shows 'Clean technology B' achieving the largest production cost decrease (-35%) by 2050.
- **Leverage granular, location-specific insights to optimise investment timing and technology choices**. Detailed data, such as regional energy prices and availability, policy support, and existing infrastructure enable prioritisation of investments where they deliver the highest value. Figure 04 exemplifies this by indicating when production costs of technologies such as CCS & H_2 undercut their established carbon-intensive counterpart.
- **Forge strategic partnerships to reduce the financial risk of large investments**. Before committing to capital, industry players need an ecosystem of trusted partners across their value chain. They secure alliances with energy providers for power supply, with suppliers for reliable critical materials, and downstream customers for binding offtake agreements.

Visual example of scenario analysis

Figure 03. Granular cost scenario analysis of two emerging technologies under a future focused outlook

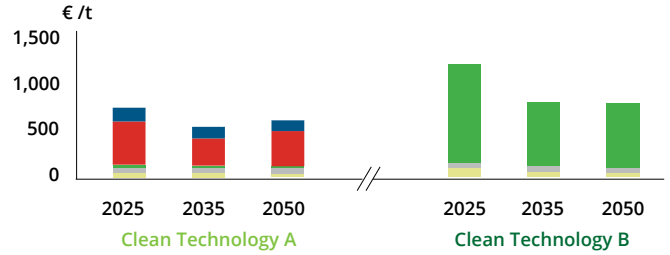
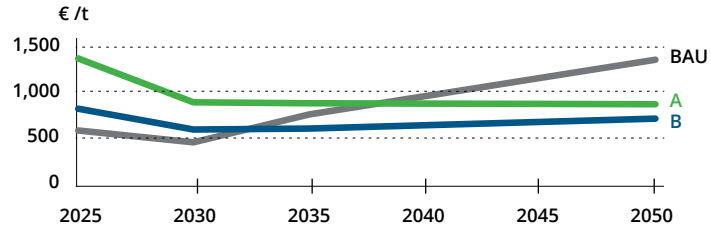


Figure 04. Both clean technologies outperform the conventional production (BAU) method before 2040



Output based on case study 2

Case studies on capital investments

- In **case 1**, a leading **energy producer** uses scenario modeling to forecast industrial electrification speeds to identify no-regret investments and build flexibility to navigate the energy transition confidently.
- In **case 2,** a leading **ammonia producer** models energy prices, carbon costs, and location factors to prioritise cost-competitive projects and form strategic partnerships to manage volatility and regulatory risks.
- In **case 3**, a leading **manufacturer** applies comprehensive scenario modelling and holistic assessments of CO_2 transport and storage options to select flexible, cost-effective solutions and build partnerships to accelerate its decarbonisation strategy, while managing investment risks.

True **operational excellence** combines data-driven efficiency, digital tools, and collaboration to maximise asset performance

The importance of benchmarking and optimising operational and cost performance of core industrial processes

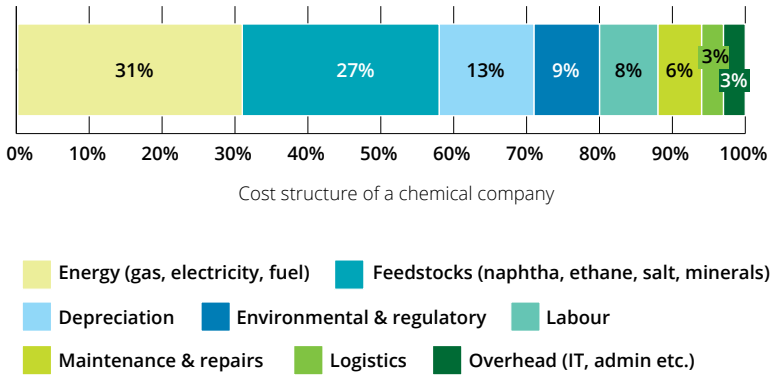
- **Rising costs and market pressures demand smarter resource use**. Companies shift towards resource efficiency to cut operational expenses and protect margins amid energy price volatility and global competition. This means optimising processes, reducing waste, and extending asset life to maintain profitability in a challenging environment.
- **Digitalisation unlocks agility and predictive power**. By adopting AI and automation, businesses optimise asset performance, reduce downtime, and respond faster to changing market conditions. Leveraging real-time data and intelligent tools enables proactive decision-making that drives continuous improvement and resilience.

Strategies for success: Key strategic imperatives for true operational excellence

- **Establish an operational and commercial assessment framework**. This framework will quantify enterprise risks, unlock value creation opportunities, and enable strategic repositioning of the company's asset base as a viable, attractive investment.
  By quantifying key cost drivers at a production site, a company can benchmark itself against industry peers and wider industry standards. Figure 05 visualises the outcome of a cost identification exercise within a pre-defined framework, which forms the foundation for a benchmarking exercise against peers and various industry standards.
- **Leverage digitalisation for predictive and resilient operations**. Top-performing companies standardise their technology-enabled processes to maximise asset availability and yield while minimising costs. Investing in integrated digital platforms and smart automation provides real-time visibility across the asset base, enabling a shift towards predictive decision-making that reduces unplanned downtime and empowers leadership to optimise energy use with greater agility.
- **Identify key areas to drive energy and resource efficiency**. By performing a comprehensive benchmarking assessment, a company can define its specific strategic KPIs and cluster them into categories such as asset efficiency, technology readiness, environmental performance or regulatory exposure. Through the identification of areas for development, measures can be taken to improve operational efficiency.

Visual example of cost-driven analysis

Figure 05. Cost structure of a chemical plant



Case studies on operational excellence

- In **case 4**, a leading **chemical manufacturer** conducts detailed operational and financial assessments to uncover inefficiencies, identify value creation opportunities, and develop a robust turnaround strategy under distress.
- In **case 5**, a leading **technology provider** combines market insights with customer data and internal capabilities to prioritise automation and digital investments, driving operational transformation and building resilience.
- In **case 6**, a leading **brick producer** benchmarks operational performance against peers and industry standards to optimise resource and process efficiency, reducing costs and carbon footprint while maintaining competitiveness.

Companies that identify, fund and seize **innovation and growth** opportunities in emerging markets before their competitors ensure their long-term competitive position

The importance of accelerating innovation and scaling low-carbon technologies

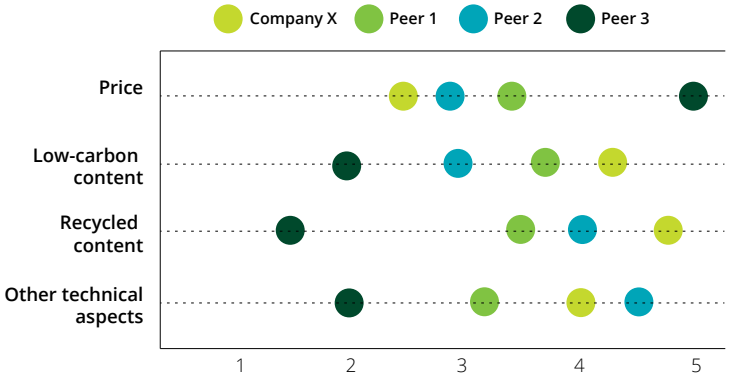
- **Emerging lead markets for low-carbon products are reshaping competition**. New regulations and public procurement policies across Europe are creating powerful incentives for sustainable solutions, but price sensitivity and fragmented standards remain major hurdles.
- **Scaling innovation from pilot to commercial success remains challenging**. Although many promising technologies exist, securing funding and navigating complex policies often delay their market entry. Balancing investment across near-term improvements and breakthrough solutions is critical to capture growth in evolving markets.

Strategies for success: Key strategic imperatives for innovation and growth opportunities

- **Screen for lead markets and certify low-carbon products to win on qualitative criteria**. Leading companies use advanced intelligence, e.g. through AI-powered tools, to screen for lead markets and see market opportunities first. This provides crucial visibility into the market uptake of innovative solutions and allows them to understand the specific criteria that attract existing and new buyers, such as low-carbon products. Figure 06 illustrates the competitive advantage: Company X scores less competitively on price but more strongly on selected qualitative criteria. This is driving leading firms to actively position their low-carbon products through certification schemes and alignment with evolving EU standards and regulatory frameworks, such as the IAA. This is increasingly critical as public procurement and corporate purchasing make embodied low-carbon certifications more important alongside price.
- **Strategically balance funding between emerging and breakthrough technologies**. Winners allocate innovation capital between scalable, near-term commercial opportunities and more innovative, high-risk technologies. They evaluate investments based on their potential to create future industrial leadership, not just on short-term IRR. A critical component of this strategy is securing external funding to accelerate projects to operational status. A strong funding case aligns the investment's merits with the key award criteria such as effective GHG avoidance, degree of innovation, project maturity, replicability, and cost efficiency.

Visual example of product-portfolio benchmark

Figure 06. Peer benchmarking on low-carbon portfolio based on current and future market shape[1]



[1] Comparative analysis where company X benchmarks itself against its peer based on most prevalent public tender criteria for the supply of goods.
Output based on case study 7

Case studies on innovation and growth

- In **case 7**, a leading **cement producer** anticipates the impact of green public procurement by conducting granular market studies and leveraging AI-enabled tools to identify lead markets. This enables the company to align its low-carbon portfolio with emerging demand and regulatory criteria, increasing market visibility and competitiveness.
- In **case 8**, a leading **renewable materials manufacturer** implements a structured innovation assessment framework to balance its portfolio across time horizons. By securing external funding, strategically investing in emerging bio-based technologies and building a competitive supplier ecosystem, the company accelerates technology adoption and positions itself for sustainable growth.

Activating demand to scale innovation: Supply-side funding alone may not give producers sufficient confidence to scale low-carbon production. Deloitte's demand-creation research explores how targeted obligations for sustainable materials could create more predictable demand in selected markets. Complementing the lead-market ambitions of the proposed EU Industrial Accelerator Act, such an approach could strengthen the investment case for moving low-carbon solutions from pilot to commercial scale.

Further reading: Deloitte, Mobilizing consumer demand for sustainable investments (2025).

Investing in **supply-chain resilience** helps companies manage today's disruptions and capture tomorrow's opportunities

The importance of enhancing visibility into supply chain risks and shifting consumer demand

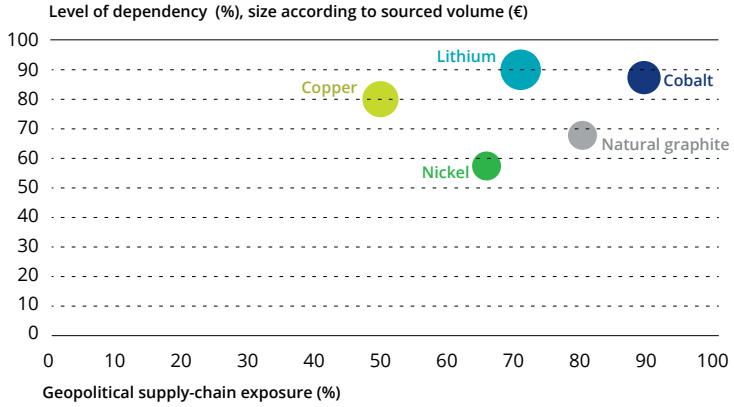
- **Geopolitical shocks are disrupting supply chains and increasing risks for critical materials and energy.** Many companies rely on just a few non-European suppliers for essential inputs like critical raw materials and energy. This creates vulnerability to supply disruptions, changing regulations, and potential shortages. As a result, companies must act quickly to manage these risks.
- **Local partners and digital traceability are becoming essential for supply chain resilience.** Companies are diversifying their sourcing, nearshoring segments of their supply chains and implementing advanced traceability systems. These initiatives strengthen supply security, respond to increasing transparency requirements and ensure compliance with regulations such as the EU CRMA.

Strategies for success: Key strategic imperatives to build resilient supply chains

- **Assess supply chain risks thoroughly.** Identify vulnerabilities like geopolitical exposure, reliance on a small group of suppliers, and future demand uncertainties through comprehensive strategic risk assessments. Figure 07 shows the results of a detailed risk assessment that identifies the company's exposure and reliance on its CRMs.
- **Translate supply chain uncertainties into clear financial metrics**. Use data analytics and forecasting to model different supply and demand scenarios, both for energy and raw material resources, and stress-test cost and margin impacts. This helps companies make smarter investment decisions, reduce risks, and keep their supply chain strategy aligned with changing market and regulatory conditions, boosting resilience.
- **Build strong partnerships across the entire value chain**. Collaborate closely with suppliers, energy providers, and public authorities to share risks and accelerate project delivery. These partnerships improve cost efficiency, secure reliable supply, and enhance long-term operational stability.
- **Build end-to-end digital supply chain visibility and risk intelligence**. By leveraging AI and predictive analytics to monitor suppliers and disruptions, companies enhance transparency and meet growing customer and regulatory demands. This strengthens resilience, builds trust, and drives customer preference and investor confidence.

Visual example of strategic risk assessment

Figure 07. A geopolitical exposure assessment on critical raw materials dependency



Output based on case study 10

Case studies on supply chain resilience

- In **case 9**, a leading **steel produce**r uses advanced scenario modelling and secures strategic long-term power purchase agreements to de-risk large-scale electrification projects. This proactive approach transforms volatile energy costs into predictable assets, supporting confident investment decisions and long-term resilience.
- In **case 10**, a leading **chemical manufacturer** addresses critical supply risks by expanding European processing capacities for rare earth materials. The company uses advanced analytics and scenario planning to build a resilient, vertically integrated supply chain aligned with evolving EU policies, securing a competitive position in emerging clean technology markets.

Our call to action: Companies that assess their competitive position today will be better positioned in tomorrow's markets

Seize the future by investing in operational excellence, innovative growth, and resilient supply chains to secure long-term competitiveness in Europe's industrial landscape

1 FUTURE-PROOF CAPITAL INVESTMENTS THROUGH DYNAMIC SCENARIOS

The winners are those who allocate and de-risk capital investments with precision, **financing innovative technologies and sustainable ecosystems** that will define future competitiveness while avoiding stranded assets and value-destructive bets.

Essential actions to take

- Stress-test top capital projects against multiple market and policy-driven scenarios (e.g., carbon prices, energy costs) to identify true "no-regret" investments.
- Review your energy portfolio by cost modelling and continuously assessing alternative energy sources.
- For the most promising projects, actively map out strategic partners and public-private funding opportunities to de-risk larger investments.

2 TRUE OPERATIONAL EXCELLENCE THROUGH EFFICIENCY AND DIGITAL TOOLING

Companies that embed operational efficiency practices are **protecting margins in a high-cost environmen**t, building resilience against energy price shocks, and freeing capital for strategic investments in decarbonisation and innovation.

Essential actions to take

- Identify and benchmark key operational KPIs against industry leaders to identify the highest-impact areas for cost, energy and material resources savings.
- Launch targeted digital and automation pilots in these high-value areas to demonstrate a clear return on investment.
- Use pilot successes to scale proven solutions and build your data-backed 12-month operational excellence roadmap.

3 SEIZING GROWTH OPPORTUNITIES THROUGH MARKET VISIBILITY AND RENEWED INNOVATION FRAMEWORK

Companies that adopt renewed and **dynamic innovation frameworks** are capturing high-growth markets, future-proofing their portfolios, and securing a long-term competitive advantage.

Essential actions to take

- Use AI-powered tools to screen publicly available market data, identifying the top emerging "lead markets" that reward low-carbon products.
- Benchmark your product portfolio against the specific criteria of these lead markets to locate your most competitive offerings and critical gaps.
- Use a dynamic and renewed innovation framework to evaluate and allocate funding towards developing the technologies needed to fill these critical portfolio gaps.

4 RESILIENT SUPPLY CHAINS THROUGH DEPENDENCY ASSESSMENTS AND ENHANCED VERTICAL INTEGRATION

Companies with **diversified sourcing, circular capabilities**, and **strategic partnerships** position themselves as reliable, sustainable brands in a market increasingly demanding supply chain transparency.

Essential actions to take

- Conduct a strategic risk assessment of your supply chain to identify your top critical material/energy dependencies and single-source vulnerabilities.
- For your highest-risk dependency, develop a business case for investing in secondary sourcing or circular economy capabilities (e.g., recycling).
- Initiate an exploration assessment to qualify a local or secondary supplier or invest in a recycling technology, to reduce your primary risk.

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