

The 2025 Disclosure Dividend in China



Assessing business resilience in a rapidly changing world



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Environmental risk is financial risk. In China, the world's manufacturing hub, environmental risks are reshaping the competitive landscape. From heat stress disrupting industrial production to stricter regulations, the costs of inaction are rising. Over the past three decades, **China alone suffered over US\$700 billion in extreme weather losses** (World Economic Forum, Climate Risk Index).

Yet, CDP data shows that within these risks lie significant opportunities for growth and resilience. According to CDP's 2025 Disclosure Dividend analysis, a Chinese company investing in physical climate risk mitigation could **gain US\$7 return for every US\$1 they invest in resilience**. And the return on investment isn't just a long-term gain – many companies are already acting to unlock value in the short term. In 2024, 71% of Chinese companies identified environmental opportunities – and **12% acted to realise them, unlocking US\$158 billion in value**. That puts China ahead of most regions: action rates surpass the APAC average of 9% and Europe's 6%, highlighting growing momentum in turning ambition into measurable impact.

At the same time, **an average of 80% of Chinese companies identified environmental risks with substantive financial effects**. With China's Ministry

of Finance moving to ISSB-aligned disclosure standards and three stock exchanges rolling out mandatory sustainability reporting, **policy-related risks have emerged as the leading concern—cited by 36% of companies, just above the APAC average of 32%**. Acute physical hazards such as floods and heat stress follow closely behind.

Chinese companies are also beginning to turn disclosure into tangible results. In 2024, they reported **US\$6.4 billion in annual savings from emissions reduction initiatives**, with energy efficiency in production processes the most common driver—delivering US\$2.2 billion in savings alone. These early wins show how even incremental improvements can unlock real financial and environmental value, demonstrating the benefits of Earth-positive decisions and setting the stage for deeper transformation ahead.

The strategic implications are clear. For Chinese companies, environmental action is not just about compliance—it is a lever for competitiveness, resilience, and long-term value creation. As global supply chains increasingly demand Scope 3 emissions data, and regulators move closer to ISSB-aligned mandatory disclosure, Chinese corporates have a unique opportunity to lead. **Turning disclosure into business resilience will allow companies to thrive in a rapidly changing global economy.**

Environmental opportunities far outweigh the costs to realize them

■ Average environmental opportunities per company ■ Average cost to realize those opportunities

		Return:
China	<div><div></div><div></div><div></div></div> US\$9.8mn <div></div> US\$1.4mn	7x
APAC	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> US\$36.5mn <div></div> US\$4.5mn	8.1x
Global	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> US\$33.1mn <div></div> US\$4.6mn	7.2x

Environmental action is smart business –
but not enough companies are taking advantage



China

71% identified opportunities

12% have realized opportunities so far

US\$158bn opportunities realized this reporting year

APAC

71% identified opportunities

9% have realized opportunities so far

US\$598bn opportunities realized this reporting year



Global

64% identified opportunities

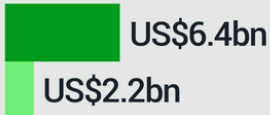
12% have realized opportunities so far

US\$4400bn opportunities realized this reporting year

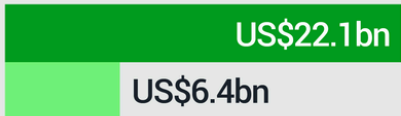
The data is clear; by cutting emissions you cut costs

- Annual savings linked to emissions reduction initiatives
- Emissions savings from most popular initiative

China



APAC



Global



Top emissions saving initiative:

China
Energy efficiency in production processes

APAC
Energy efficiency in production processes

Global
Energy efficiency in production processes

Note on methodology

This analysis uses data derived from a subset of over 24,800 organisations that submitted environmental issue response data via CDP during the 2024 disclosure cycle. The median benefit-cost ratio is based on companies' self-reported estimates of the potential financial impact of physical climate risks over medium and long-term horizons (whichever is higher), and the associated response costs. Figures vary widely across companies within the same industry, likely due to differences in geography, size, risk exposure, and methodologies.



For more information, and to read the full report, scan or click the QR code.