

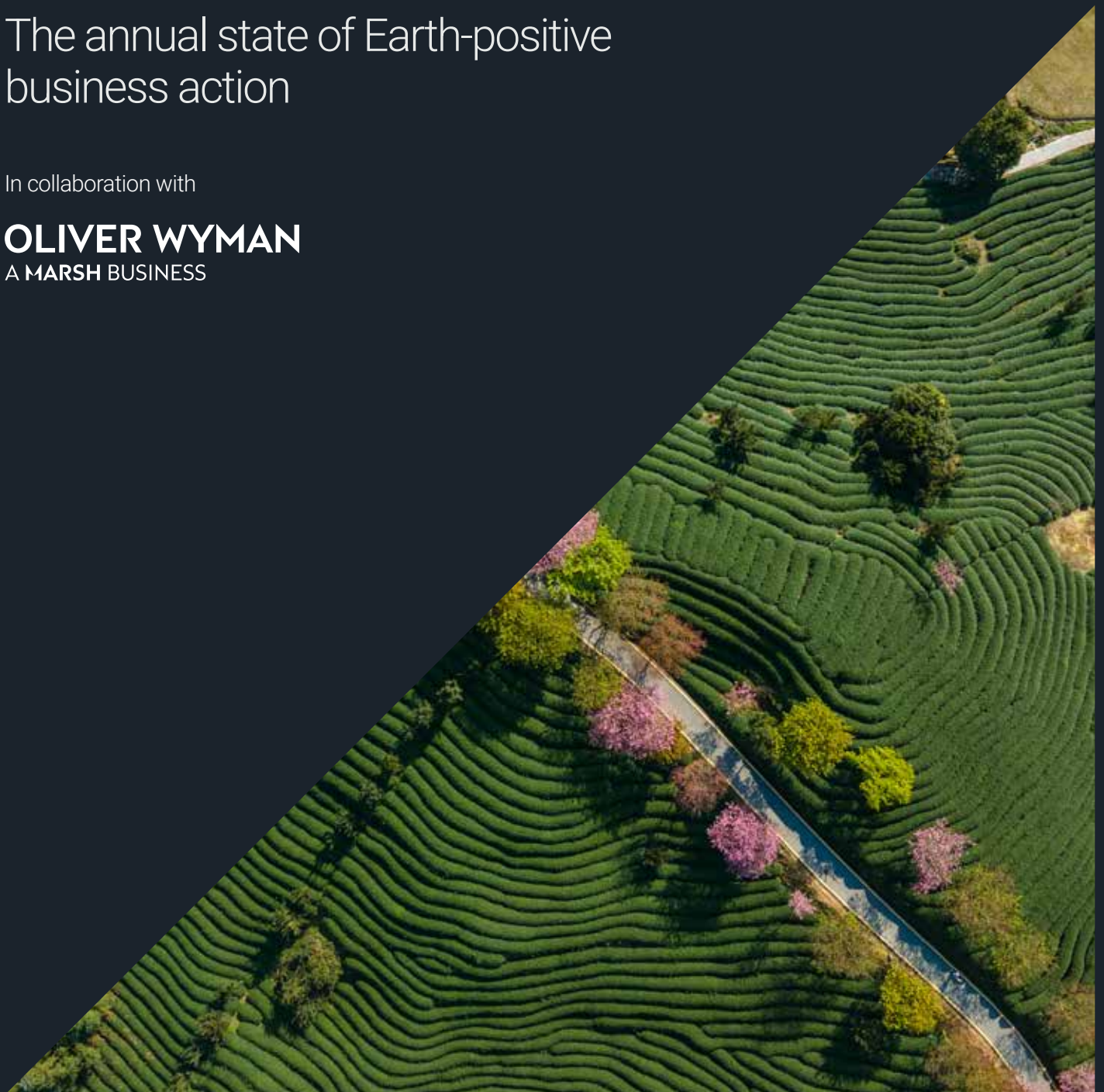
Corporate Health Check 2026 Asia-Pacific



The annual state of Earth-positive
business action

In collaboration with

OLIVER WYMAN
A MARSH BUSINESS





Asia-Pacific's corporate environmental leaders are increasingly shaping the region's economic trajectory, demonstrating how environmental performance is becoming a driver of **competitiveness, resilience, and growth.**

As climate change and nature loss continue to reshape cost structures, supply chains, and capital allocation, leading companies across the region are integrating environmental considerations into core business strategy.

The Corporate Health Check 2026 shows that Asia-Pacific has made significant progress in building its environmental baseline.

In 2025, 15% of companies assessed in Asia-Pacific achieved Leadership level on climate, in line with the global average and just behind Europe (16%). This reflects both the scale of progress achieved and the opportunity ahead.

The data points towards a clear next phase. While a large proportion of companies are now operating at Management level, the opportunity lies in converting this cohort into Leadership.

This will require stronger integration of governance, transition planning, and value chain engagement into business strategy.

Encouragingly, progress is accelerating. Asia-Pacific has seen an 11% increase in Leadership in at least one environmental theme between 2024–25, outpacing Europe (9%), Latin America (4%), Africa (4%), and North America (3%). This momentum, combined with the scale of the region's corporate base, positions Asia-Pacific as a critical driver of global environmental action.

The companies leading today are already demonstrating the business case. They are capturing financial opportunities, strengthening resilience, and aligning with a 1.5°C future. As the transition continues to evolve, those that move decisively will define the region's next phase of growth.



15%

of Asia-Pacific companies achieved Leadership level on climate



Asia-Pacific has seen an

11%

increase in the Leadership cohort (companies reaching Leadership in at least one environmental theme) between 2024–25

US\$112.7bn

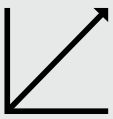


in opportunities realized by climate leaders in Asia-Pacific



Environmental action is paying off

CDP's second annual Corporate Health Check, produced in collaboration with Oliver Wyman, examines how the world's largest companies are progressing on environmental commitments and what this means for financial performance.



Asia-Pacific shows a strong concentration of companies at Management level, reflecting the scale and breadth of mid-tier performance across the region. Compared to other regions, Asia-Pacific (15%) sits just behind Europe (16%) on climate Leadership but ahead of Latin America (6%) and North America (5%), highlighting its growing influence globally.

At the same time, regional dynamics vary significantly. High-income economies such as Japan are driving Leadership performance across all themes, while China and South Korea demonstrate strong performance at the top two levels.

In Southeast Asia, performance diverges between high-income economies and emerging markets, with notable strengths in nature-related themes such as forests and water.

Across the region, environmental leadership is increasingly linked to financial outcomes. Climate leaders in Asia-Pacific cumulatively realized US\$112.7 billion in opportunities, compared to 60.3 billion for companies at lower levels*. These opportunities were found in increased sales, expanding into new markets, and promoting new financial products, such as green bonds.

*Lower levels are defined as any level below Leadership



About the CDP Corporate Health Check

Drawing on analysis of disclosure data from many of the world's largest and most influential organizations, the Corporate Health Check assesses how leading companies are reducing their environmental impacts, while improving financial resilience.

Assessed companies are assigned one of four levels – **Level 1: Disclosure**, **Level 2: Awareness**, **Level 3: Management** and **Level 4: Leadership** – based on their disclosure through CDP in 2025.

Building on the 2025 analysis, this year's report introduces methodological enhancements to the assessment, examining business progress across four steps of a company's environmental stewardship journey. These are:

- putting governance structures in place
- establishing a robust process to manage environmental dependencies, impacts, risks and opportunities (DIROs)
- setting ambitious targets
- integrating environmental issues into strategic planning

Companies are also assessed across three themes: climate, forests and water:

Climate Change: Focuses on greenhouse gas (GHG) emissions (Scopes 1, 2, and 3), climate-related risks and opportunities, transition plans and overall climate strategy and governance.

Water Security: Examines a company's water usage, management of water-related risks and opportunities, water withdrawal and discharge, and impact across its value chain.

Forests: Addresses the management of deforestation risks within supply chains, particularly concerning key commodities such as palm oil, soy, timber, and cattle products.

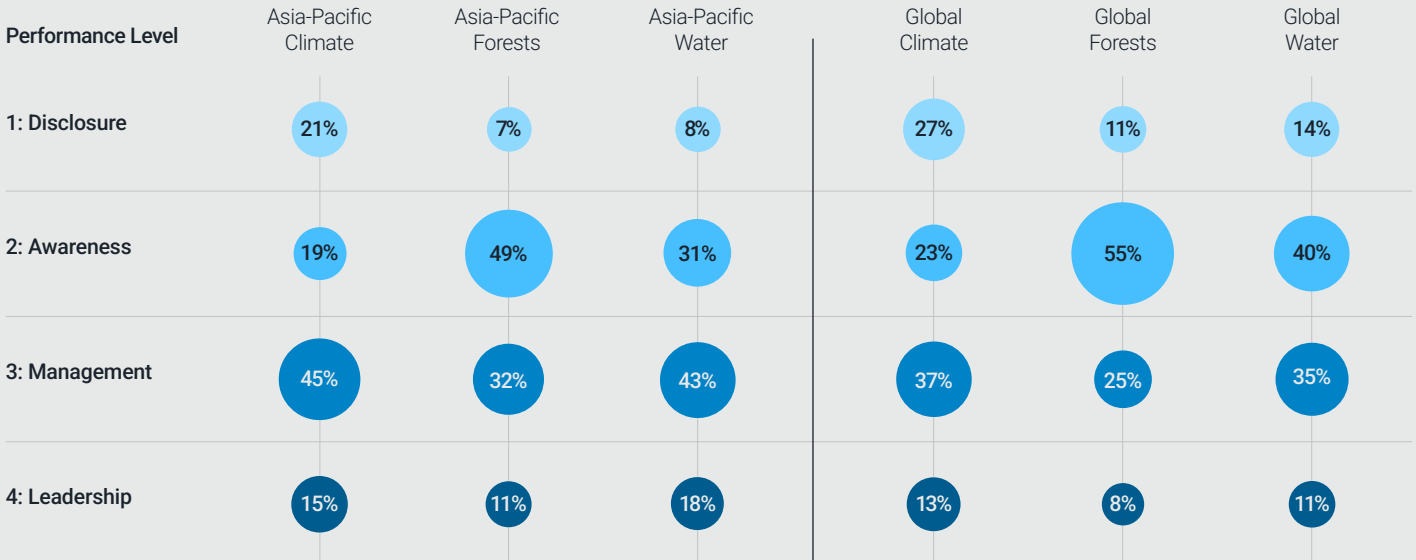


Disclosure through CDP

In 2025, over 22,000 companies that account for two-third of global market capitalization reported data through CDP – providing unique access to data on how the global economy is being shaped. A subset of 4,313 Asian companies was used for this report, with additional breakdowns for selected countries. These companies completed the full CDP question bank and were scored on their responses. The insights in this report are derived from this expansive data coverage.



Asia-Pacific performance



Asia-Pacific’s performance reflects both scale and diversity. The region shows a strong concentration of companies at Management level, particularly in large markets such as China, alongside a growing cohort reaching Leadership.

Sector composition plays a key role. Manufacturing dominates disclosure across the region, representing 44% of companies disclosing on climate, followed by materials (12%) and services (12%). However, this varies by market.

Japan shows a more balanced distribution, with 31% in manufacturing, 16% in services, 12% in materials, and 12% in retail. Singapore follows a similar pattern, while Southeast Asia includes a greater contribution from food, beverage and agriculture (11%).

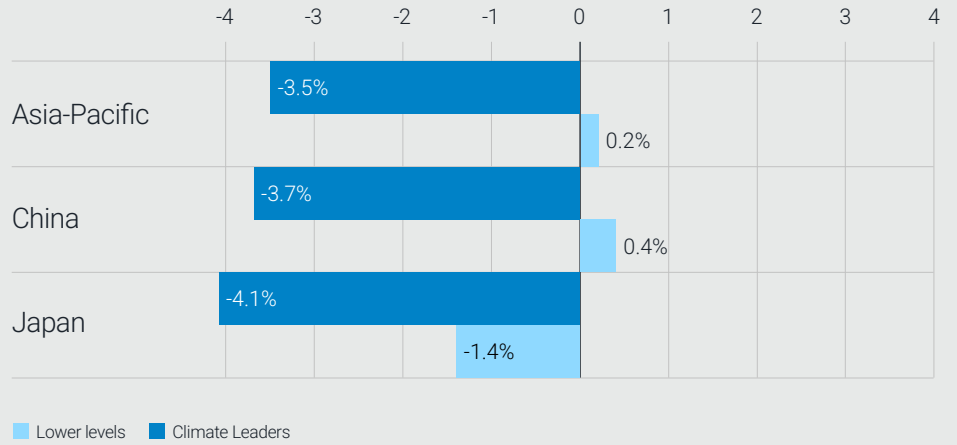
In contrast, China (65%) and South Korea (54%) are heavily concentrated in manufacturing, shaping both performance and transition dynamics.





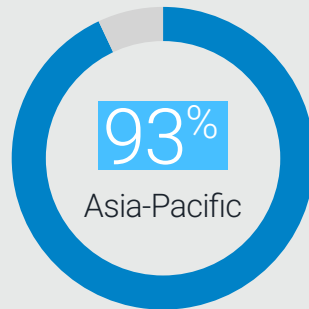
Emissions reduction

Climate leaders in Asia-Pacific reduced emissions at an average compound annual growth rate (CAGR) of 3.5% from their inventory base year, compared with just 0.2% among lower-performing companies.



Transition planning

■ Climate leaders
■ Lower levels

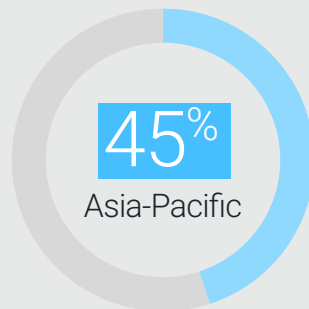


93% of **climate leaders** in Asia-Pacific have a 1.5°C-aligned transition plan, the highest globally, compared with:

90%
Europe

86%
LATAM

80%
North America



However, only 45% of companies in **lower levels** have transition plans, highlighting a key gap.





How performance is measured

In Asia-Pacific, differences in Leadership are not primarily driven by disclosure levels, as only 21% of Asia-Pacific companies sit at the Disclosure level in climate, while 60% are already at Management or Leadership.

The real divergence lies in how companies perform across the four levers:

- Linking executive pay to environmental performance
- A robust process for managing environmental dependencies, impacts, risks and opportunities
- A 1.5°C aligned climate transition plan with ambitious environmental targets
- Value chain engagement

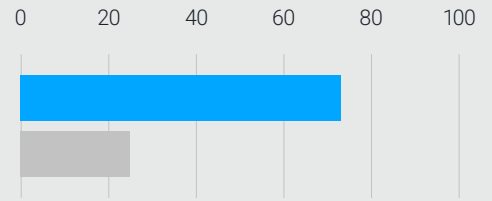
The clearest example of this is transition planning, as 93% of climate leaders in Asia-Pacific have a 1.5°C-aligned transition plan, compared with just 45% of companies at lower levels. Leadership, therefore, is closely associated with formalized planning and integration.

Asia-Pacific levers snapshot



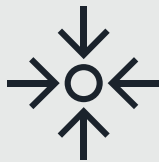
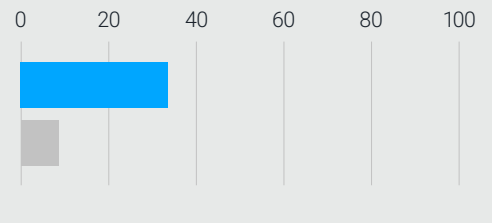
73% of climate leaders have internal carbon pricing in place, versus 22% of lower levels.

■ Climate Leaders
■ Lower Levels



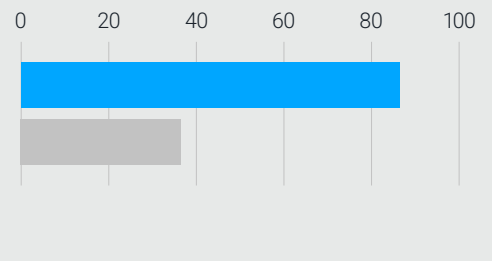
33% of Asia-Pacific companies with climate leadership status have water pricing, compared to 7% of lower levels.

■ Climate Leaders
■ Lower Levels



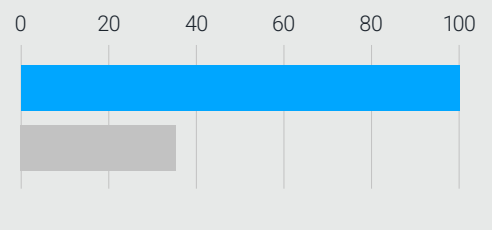
85% of climate leaders have robust processes for identifying, assessing and managing environmental dependencies and/or impacts, compared to 37% of lower levels.

■ Climate Leaders
■ Lower Levels



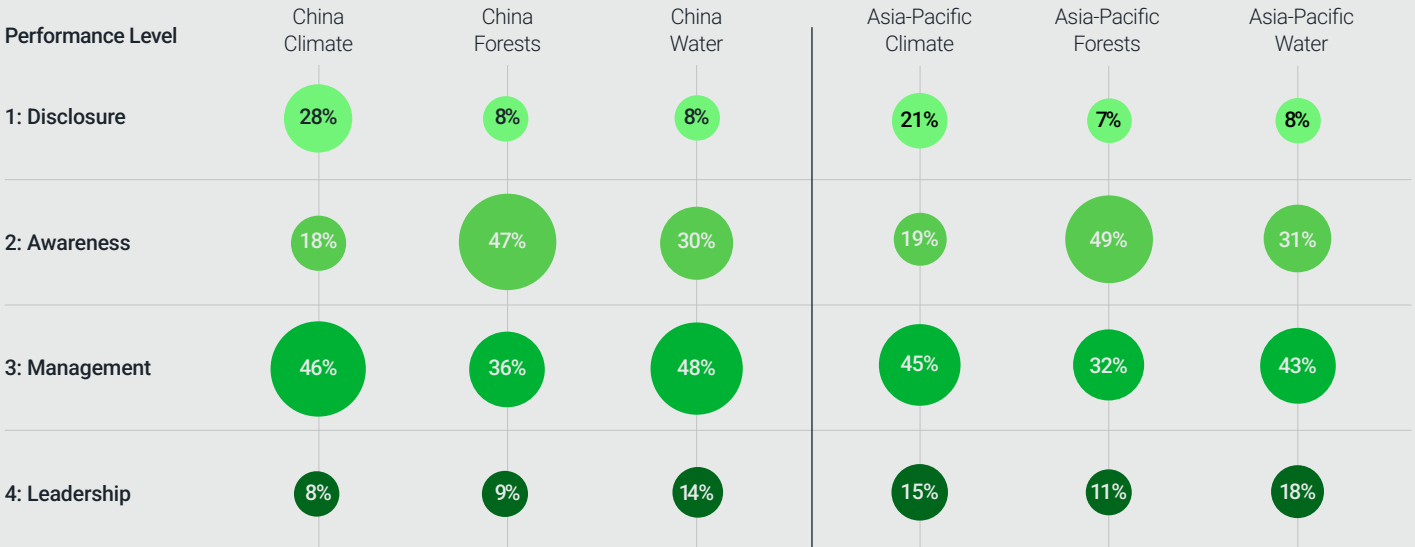
100% of climate leaders link executive pay to environmental performance in climate compared to 35% of lower levels.

■ Climate Leader
■ Lower Levels





Deep dive China

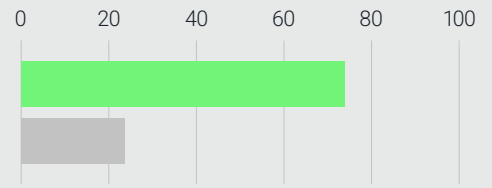


China levers snapshot:



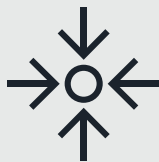
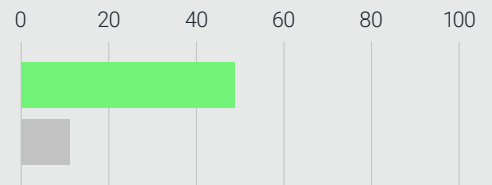
75% of climate leaders have carbon pricing in place, versus 22% of lower levels.

■ Climate Leaders
■ Lower Levels



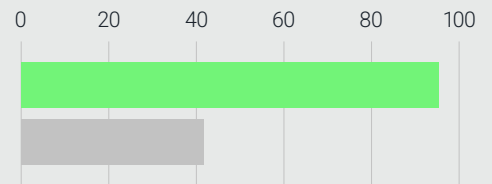
46% of Chinese companies with climate leadership status have water pricing, compared to 11% of lower levels.

■ Climate Leaders
■ Lower Levels



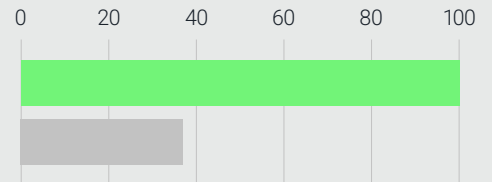
94% of climate leaders have robust processes for identifying, assessing and managing environmental dependencies and/or impacts, compared to 41% of lower levels.

■ Climate Leader
■ Lower Levels



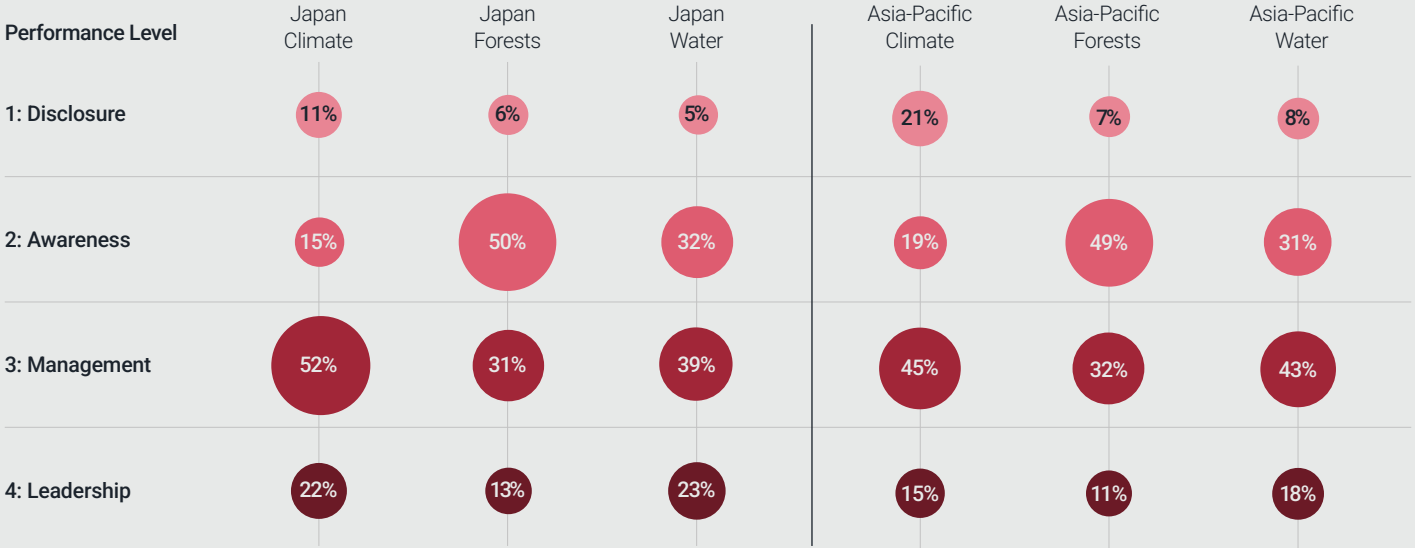
100% of climate leaders link executive pay to environmental performance, compared to 37% of lower levels.

■ Climate Leader
■ Lower Levels





Deep dive **Japan**

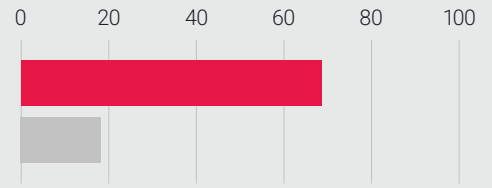


Japan levers snapshot:



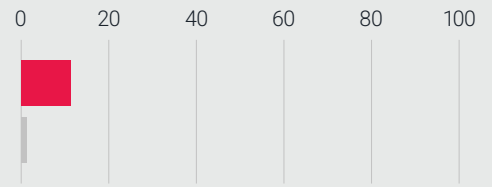
66% of climate leaders have carbon pricing in place, versus 18% of lower levels.

■ Climate Leaders
■ Lower Levels



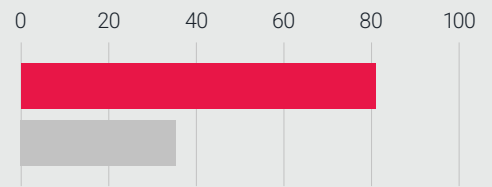
11% of companies in Japan that achieved Leadership level have water pricing, compared to 1% of lower levels.

■ Climate Leaders
■ Lower Levels



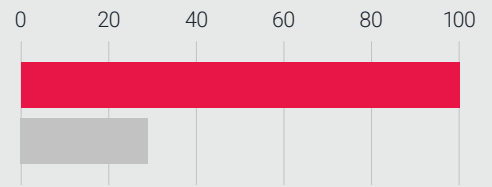
81% of climate leaders have robust processes for identifying, assessing and managing environmental dependencies and/or impacts, compared to 35% of lower levels.

■ Climate Leaders
■ Lower Levels



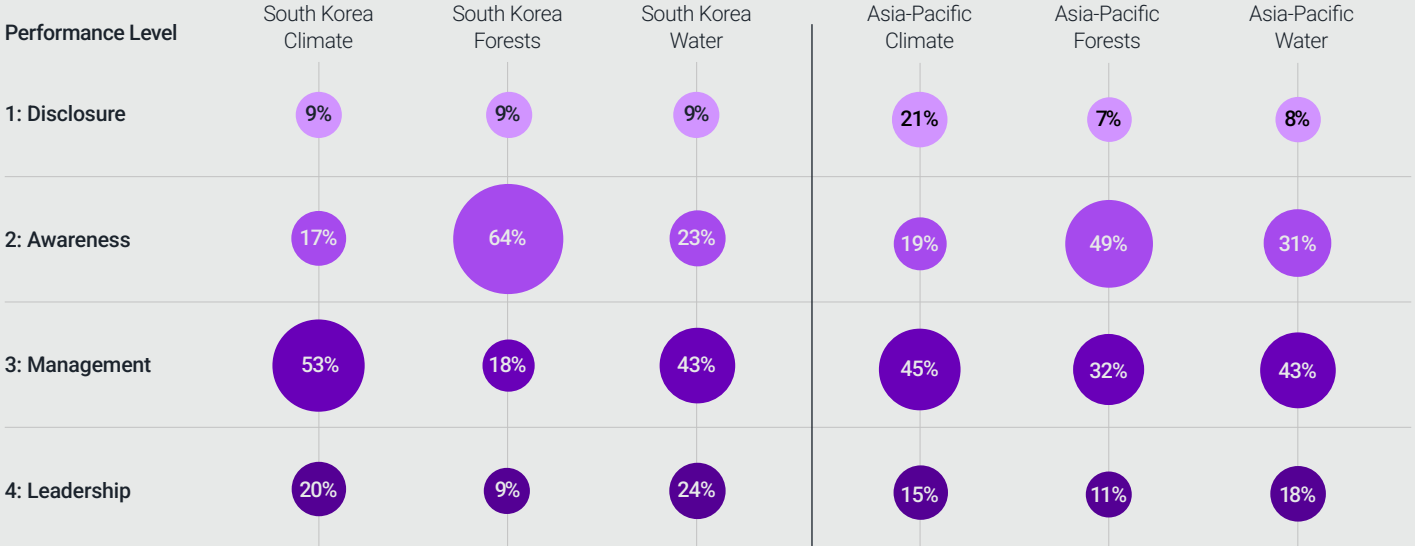
100% of climate leaders link executive pay to environmental performance, compared to 28% of lower levels.

■ Climate Leaders
■ Lower Levels





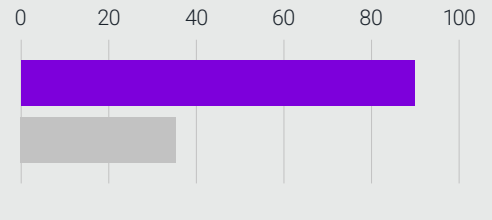
Deep dive South Korea



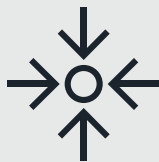
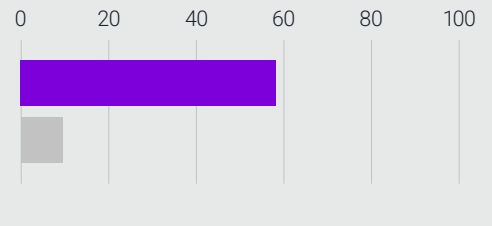
South Korea levers snapshot:



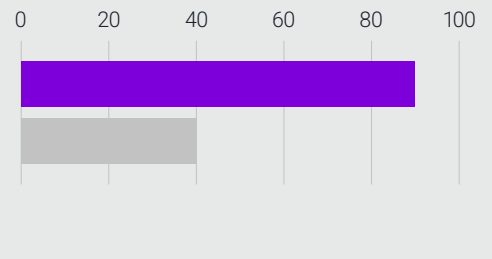
87% of climate leaders have carbon pricing in place, versus 36% of lower levels.



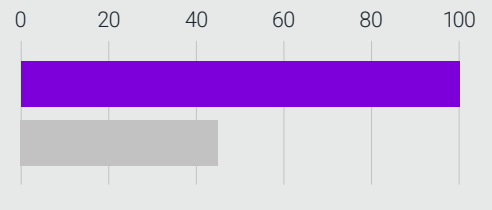
59% of companies in South Korea that achieved Leadership level in water have water pricing, compared to 8% of lower levels.



88% of climate leaders have robust processes for identifying, assessing and managing environmental dependencies and/or impacts, compared to 40% of lower levels.



100% of climate leaders link executive pay to environmental performance, compared to 44% of lower levels.





Deep dive Southeast Asia

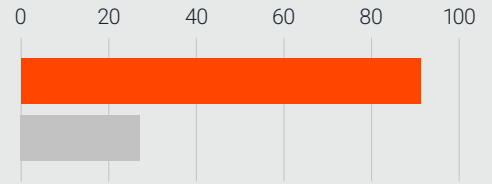


Southeast Asia levers snapshot:



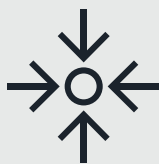
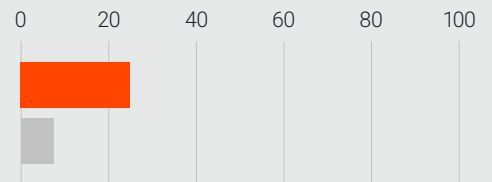
92% of climate leaders have carbon pricing in place, versus 24% of lower levels.

■ Climate Leaders
■ Lower Levels



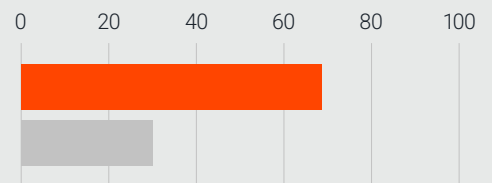
25% of companies in Southeast Asia that achieved Leadership level in water have water pricing, compared to 7% of lower levels.

■ Climate Leaders
■ Lower Levels



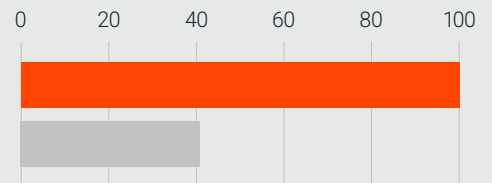
67% of climate leaders have robust processes for identifying, assessing and managing environmental dependencies and/or impacts, compared to 30% of lower levels.

■ Climate Leader
■ Lower Levels



100% of climate leaders link executive pay to environmental performance, compared to 41% of lower levels.

■ Climate Leader
■ Lower Levels





The path forward

Asia-Pacific has built a strong foundation, but the region's next phase of progress will be defined by how effectively companies translate momentum into consistent, high-quality execution.

01

Progressing from Disclosure, Awareness and Management to Leadership

While the Leadership cohort is progressing fast in Asia-Pacific, a significant opportunity remains in moving the Management cohort up to Leadership level. Many in the Management cohort have already established governance structures, disclosed risks and set targets. Progressing to Leadership level will require coherence across governance, target setting and strategic integration.

02

Aligning transition plans with capital and delivery

The data shows that Leadership is strongly associated with formalized transition planning and executive accountability. Asia-Pacific leads globally on transition plan alignment, with 93% of climate leaders operating with 1.5°C-aligned plans. The next phase will be defined by execution. This means aligning transition plans with capital allocation, operational decision-making and performance incentives. Companies that successfully connect long-term planning with near-term delivery will be better positioned to capture opportunities and manage risk in an increasingly volatile environment.

03

Closing the gap on nature

While climate performance is advancing rapidly, forests and water remain less mature across many markets.

Closing this gap will require deeper integration of nature-related risks and dependencies into corporate strategy. As regulatory and investor focus on biodiversity intensifies, companies that move early will gain a competitive advantage.



04

Scaling best practice across diverse markets

Asia-Pacific's diversity is both a strength and a challenge.

The opportunity lies in scaling best practice across the region. This includes sharing approaches to governance, transition planning, and risk management, while adapting to local market dynamics. Strengthening collaboration across markets and sectors will be critical to accelerating progress.

05

Strengthening value chain engagement

Many of the region's largest companies operate within complex, global supply chains. While engagement is increasing, the depth and consistency of engagement varies.

Leaders distinguish themselves by integrating supplier engagement, scenario analysis and risk assessment into operational decision-making. Expanding this level of integration will be essential to managing both transition and physical risks, particularly in sectors such as manufacturing and materials which dominate the regional profile.

Conclusion

Asia-Pacific is entering a decisive phase in its transition journey. The region has demonstrated strong momentum and potential to be the global leader, with rapid growth in environmental performance and a clear shift towards more strategic, integrated approaches.

In a period of growing macroeconomic and geopolitical complexity, environmental leadership is no longer a standalone objective, but a core component of long-term business performance.

Asia-Pacific's combination of scale, diversity, and accelerating progress positions it uniquely within the global landscape. While no single pathway to Leadership exists, the direction of travel is clear.

Companies that move early, invest consistently, and embed environmental performance into their operating models will be best placed to capture the opportunities ahead. In doing so, they will not only strengthen their own competitiveness, but play a defining role in shaping the region's economic future and its contribution to the global transition.



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About CDP

CDP is a global non-profit that runs the world's only independent environmental disclosure system. As the founder of environmental reporting, we believe in transparency and the power of data to drive change. Partnering with leaders in enterprise, capital, policy and science, we surface the information needed to enable Earth-positive decisions. We helped more than 22,100 companies and over 1,000 cities, states and regions disclose their environmental impacts in 2025. Financial institutions with more than a quarter of the world's institutional assets use CDP data to help inform investment and lending decisions. Aligned with the ISSB's climate standard, IFRS S2, as its foundational baseline, CDP integrates best practice reporting standards and frameworks in one place. Our team is truly global, united by our shared desire to build a world where people, planet and profit are truly balanced.

Visit cdp.net or follow us @CDP to find out more.
