CDP

The Disclosure Dividend 2026

Demonstrating the business value of environmental action

Introduction

The second annual Disclosure Dividend report comes at a time of serious market volatility. Supply chain shocks and increased trade frictions are putting global businesses and countries under intense economic pressure.

The war in Iran, for example, has led to extreme fluctuations in commodity prices, from aluminium to fertiliser.

Meanwhile, environmental risks are an increasingly significant driver of economic disruption. Extreme weather events, resource constraints, and ecosystem instability are already making it harder, and in some cases unviable, for businesses to operate.

Recent CDP research has found that, in 2025, nearly 4,000 companies reported a total of US$3 billion in financial losses as a result of extreme weather. And in the long run, companies are expecting extreme weather to cause hundreds of billions in financial impacts. These concerns cannot be treated in isolation but viewed as essential components to the financial health of all businesses and the global economy.

Business leaders are searching for a way to respond to these challenges. This year's Disclosure Dividend highlights how companies from different sectors and corners of the global economy are deriving business value from taking environmental action.

This value can be found in the thousands of emissions reduction initiatives, from energy efficiency to waste reduction, which are offering tangible returns on investment, often within a few years.

Businesses are also seeing clear benefits in responding to environmental risks now – through a mixture of avoided losses, cost savings, or operational efficiencies, among others – measured by an average return of US$8 for every US$1 invested.

The process of discovery – both in terms of the risks and opportunities – is supporting leaders to build resilience and gain a competitive advantage in the current climate.

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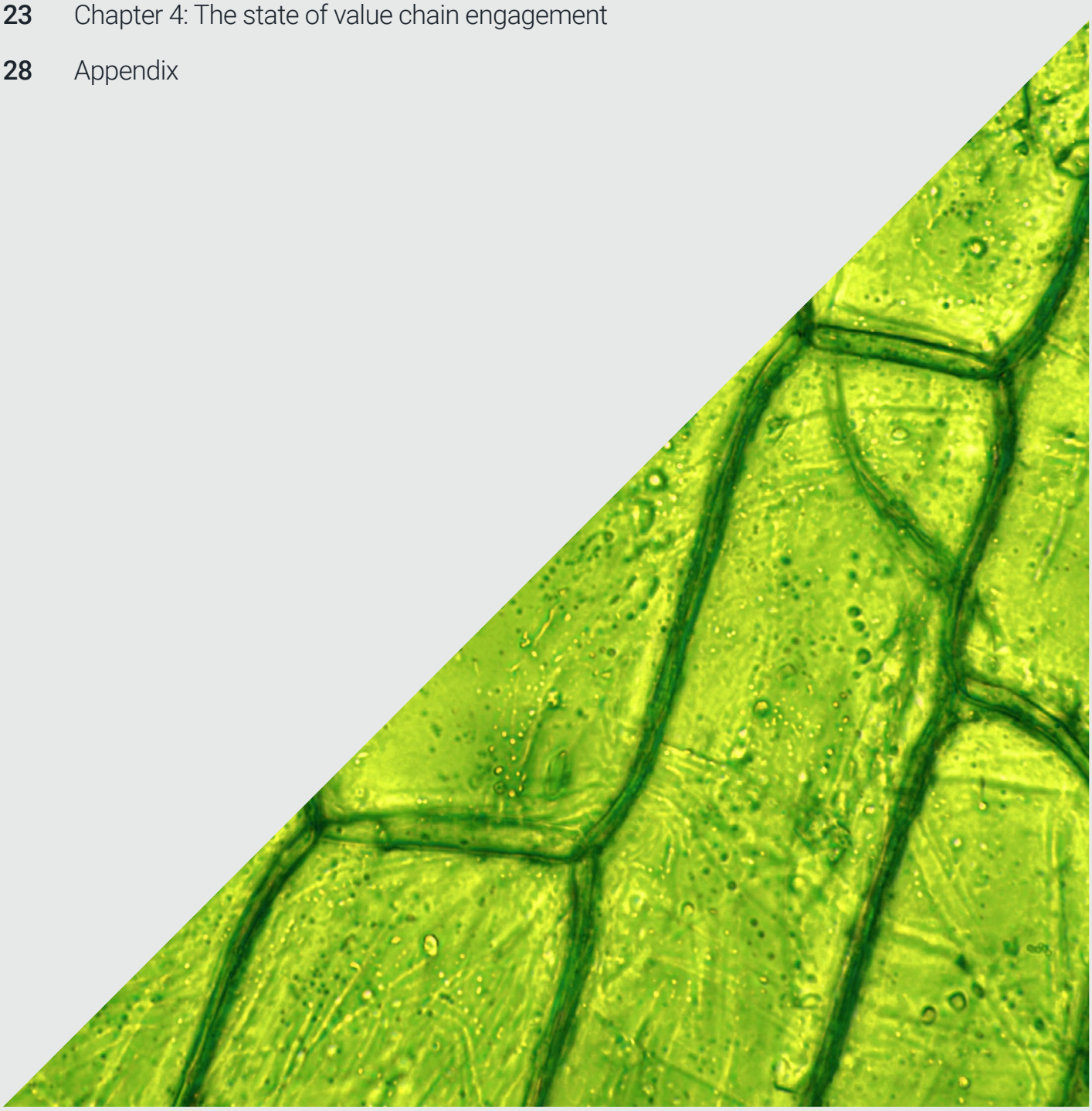


What is the disclosure dividend?

The 'disclosure dividend' is a term to describe the benefits that organizations receive from disclosing and acting on uncovered environmental data.

Investing in environmental disclosure enables companies to make better decisions about the world they operate in – from building protections against extreme weather to capitalizing on new opportunities in the transition to a zero-carbon economy.

The dividend companies receive from disclosure includes greater access to capital, stronger investor confidence, improved business resilience, and regulatory preparedness within an evolving set of environmental frameworks. The knowledge, insight, and standardized data help position organizations to grow in a turbulent business world.

Key findings

The main takeaways from this report are:

Every dollar spent on responding to environmental risk offers a **median return of US$8.**

Every dollar invested in emissions reduction generates an average of US$2.4 in return, and in some cases **up to US$7 over its lifetime.**

Companies that disclose through CDP are **less exposed to transition risk costs** than peers that don't disclose. By 2050 this equates to US$1 trillion in enterprise value.

Losses are already being priced in. Companies predict a high likelihood of **$1.24 trillion in cumulative losses** from environmental risks by 2030.

Chapter 1

The value of assessing environmental risks

01

Instant insight

Last year's Disclosure Dividend found that companies saw a return of up to $21 for every dollar they invested in physical climate risk.

The median across all sectors was $8.

This year, the median is $10 and the dollar return for companies in financial services is, on average, as high as $64. This reflects the greater risks financial institutions face across their business activities. Unlike companies in the real economy that limit their risk assessment to their own operations and value chain, financial services are exposed across the full breadth of their lending and investment portfolios. In addition, the cost to mitigate these risks are relatively low and have a large impact.

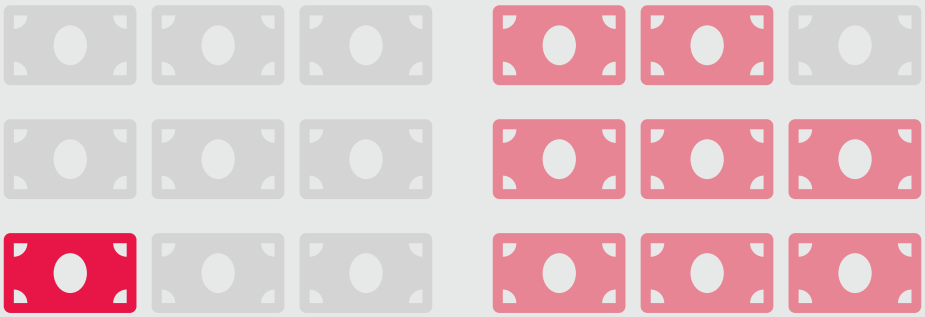
Moving beyond physical risks, this year's report has expanded that same metric to assess the impact of responding to both physical and transition risks across climate change, forests and water security.

This more comprehensive approach shows the benefits of investing in mitigation across all environmental risks that organizations are now facing.

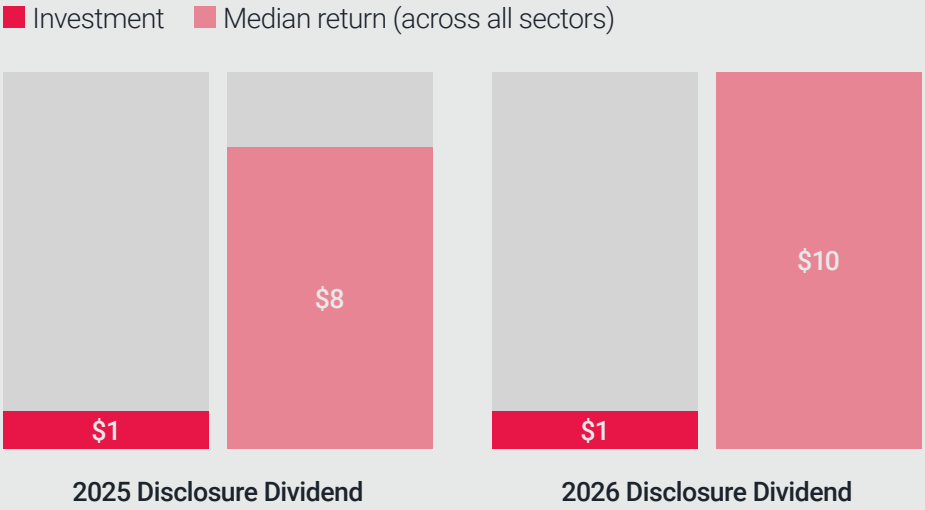
Every dollar spent on responding to environmental risk offers a return of up to US$8.

= US$1

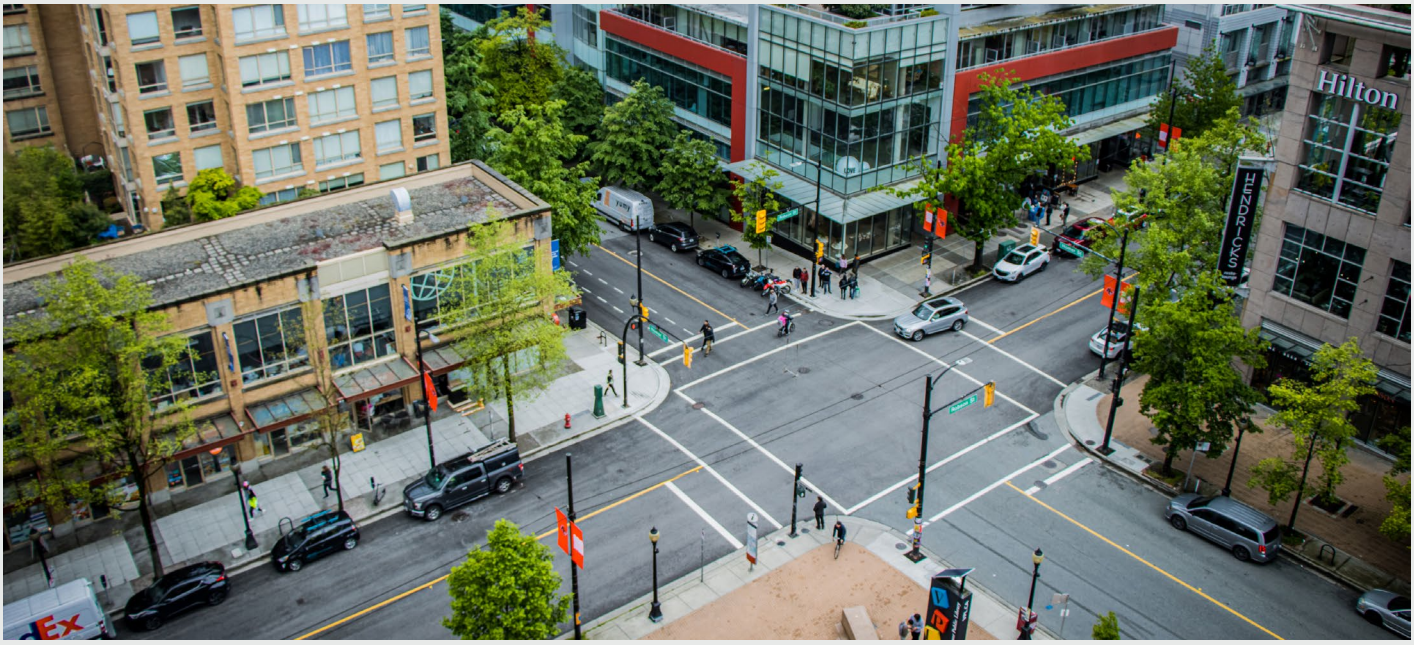
Median across climate change, forests and water security. Physical and transition risks.



The benefits of responding to physical climate risk remain consistent

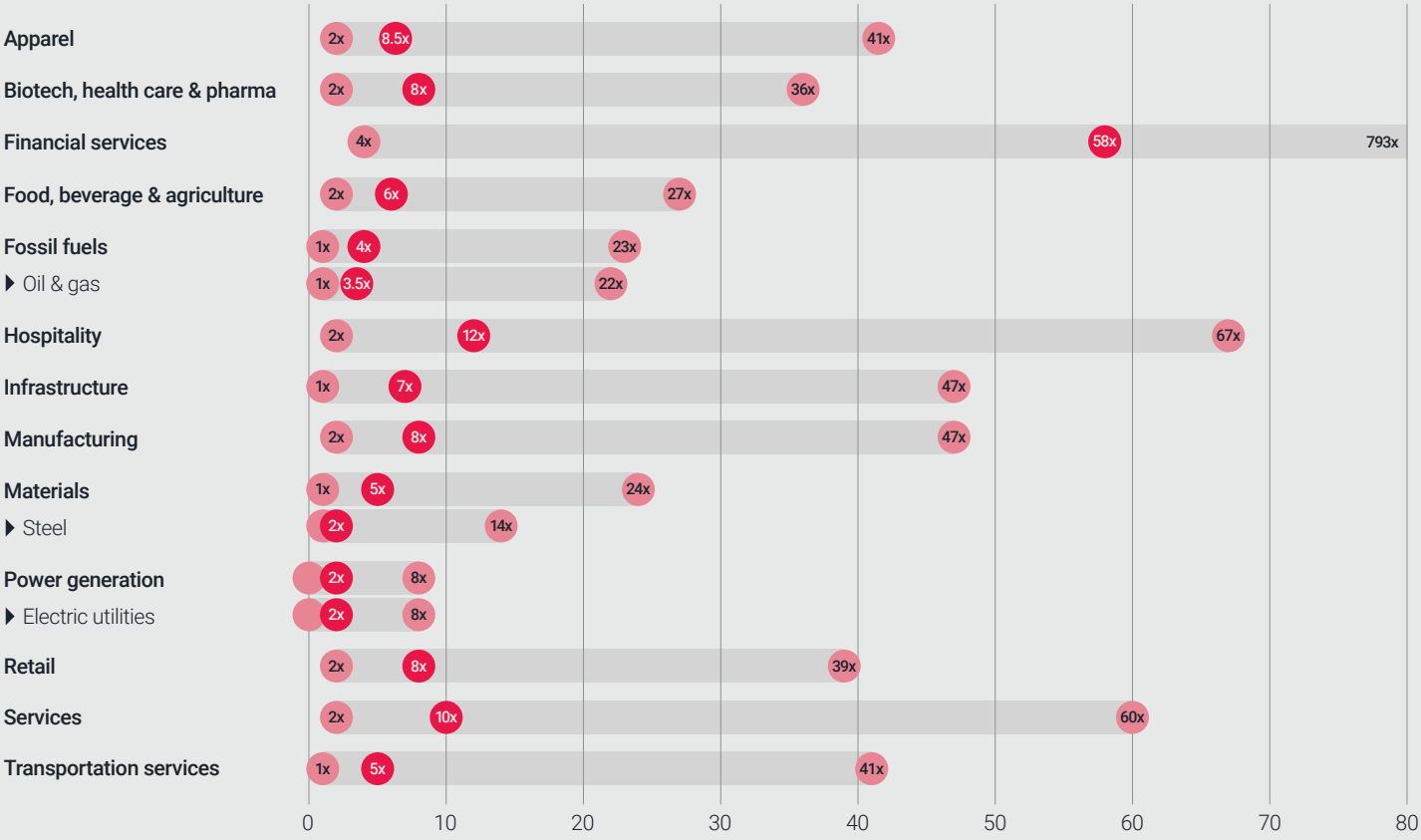


The dollar return for companies in financial services is, on average, as high as $64.



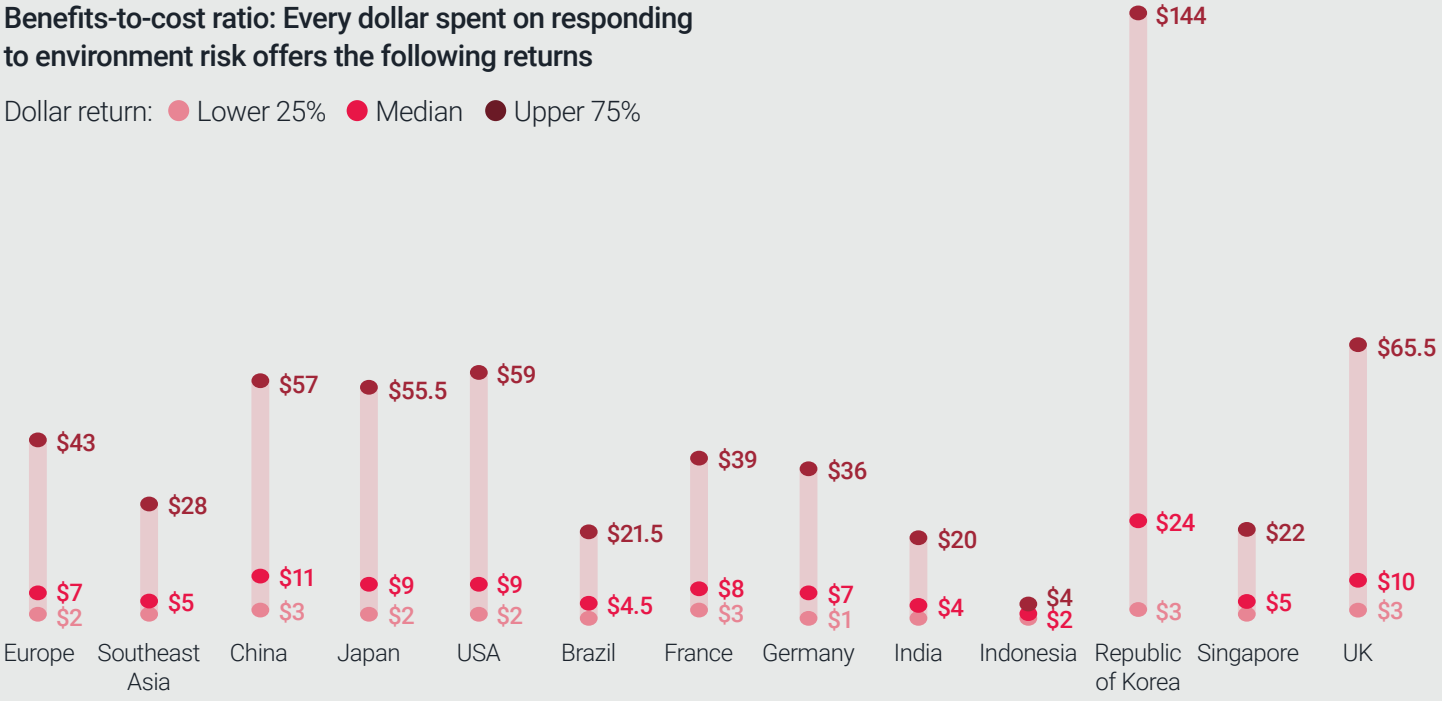
Benefits-to-cost ratio:
All sectors see the benefits of addressing risks across climate change, forests and water security

(lower 25%, upper 75% and median shown)



Risk mitigation benefit-to-cost ratio is calculated by dividing the total potential financial impact across all time horizons by the costs to respond to risks. The ratio indicates the estimated potential benefit associated with implementing a risk response relative to its cost. Benefits may include avoided losses, cost savings, operational efficiencies or other quantifiable impacts where identified. The calculation assumes the proposed mitigation is fully effective, does not account for residual risk or uncertainty in impact estimates, and may not reflect the likelihood or timing of risk occurrence.

Benefits-to-cost ratio: Every dollar spent on responding to environment risk offers the following returns



The same is true around the globe: acting on environmental risk pays off. Across key markets, South Korea records the highest median return in addressing environmental risks at US$24, followed by China at US$11, the United Kingdom at US$10 and both Japan and the USA at US$9. Europe sits in the middle of the pack, with France at US$8 and Germany at US$7, and Singapore (US$5) and Brazil (US$4.5) follow closely behind.

A broad range of estimated benefits - costs saved, avoided losses, and operational efficiencies – makes it difficult to draw meaningful comparisons across jurisdictions.

Nevertheless, the consistency of this finding across markets should inform how peer businesses approach the question of environmental risk. There is a clear economic imperative to take action now to maximise business benefits.

Seeing the forest for the trees

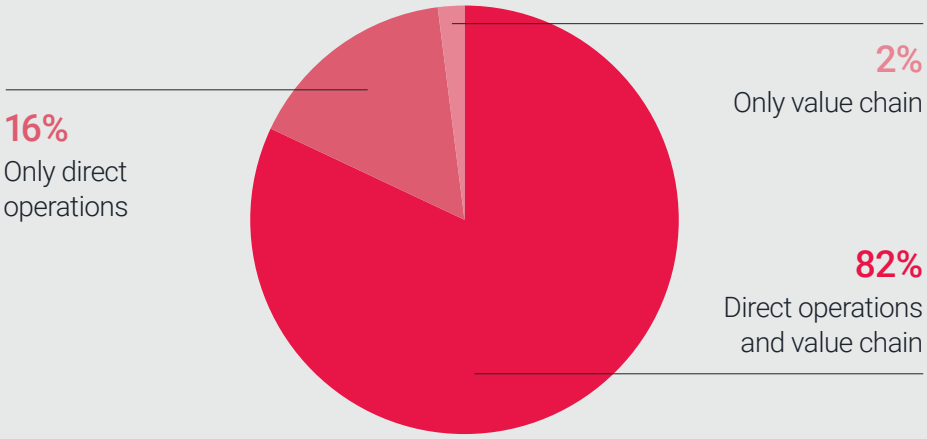
Not all risks are created equal, and companies need to assess their own unique exposure to environmental threats. That work is already taking place.

CDP analysis shows that the proportion of companies identifying substantive environmental risks[1] has increased from 46% in 2018 to 80% in 2025.

Companies reporting climate-related risks through CDP have also increased over the past seven years. In 2018 – the year after the Task Force on Climate-related Financial Disclosures released its recommendations on corporate reporting – 53% of companies reported climate-related risks through CDP. By comparison, in 2025 that figure had risen to 79%.

Although climate transition risks still outnumber physical risks, companies are increasingly recognizing their vulnerability to physical risks. The overall ratio of transition to physical risks reported has reduced from almost 2 in 2018 to 1.7 in 2025.

Percentage of companies with reported risks by value chain stage



The process that companies take to identify and assess environmental risks has matured over the past seven years.

In 2025, 88% of companies reported having an environmental risk assessment process[2] in place, compared to 59% in 2018. Out of those with a process in 2025, 64% assessed both direct operations and value chain across all time horizons.

In line with 2018 data, a majority of the reported climate risks (73%) are in direct operations, 15% in the supply chain, and 12% in the downstream value chain. However, the recognition of value chain risks is widespread among companies: only 16% didn't identify risks outside of the direct operations.

Risks explained

Environmental risks

Potential threats (effects of uncertainty) posed to an organization that arise from its – and wider society's – dependencies and impacts on the environment. In this report, the environment refers to climate change, forests, and water security, and company responses on those three topics.

Physical risks

These are direct environmental risks impacting a company, such as forest fires, floods, or pests affecting a harvest. They can be acute (event-driven), or chronic (gradual changes to the state of nature).

Transition risks

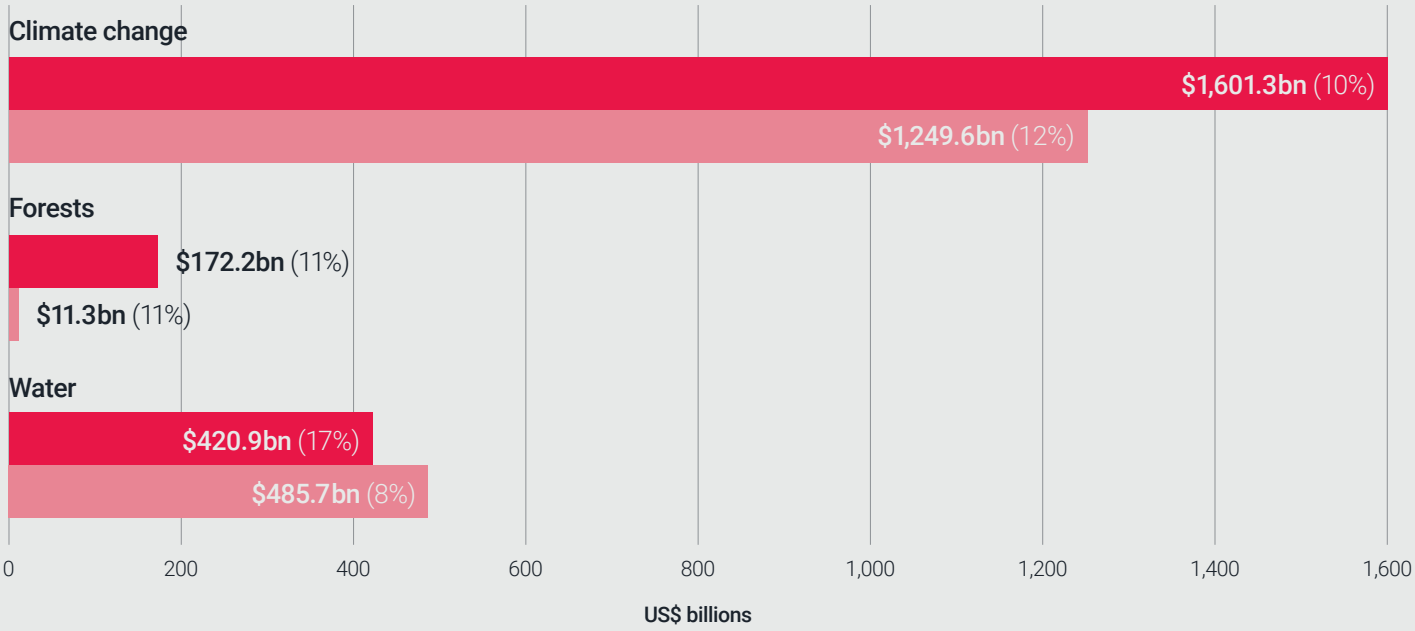
These are risks faced by companies during the shift to a net-zero, Earth-positive economy. They can occur as policy, technology, market, reputation or liability risks.

See full CDP glossary

A clear majority of companies are not only identifying environmental risks but explicitly linking them to their financial performance. 71% of the large and mid-sized companies disclosed which financial metrics are exposed to the material impacts of these risks, demonstrating that the implications are not abstract, but already understood in financial terms. Revenue emerges as the most exposed metric, cited by 47% of companies. This points to a direct and immediate pathway through which environmental risks can affect business performance – eroding income streams if left unaddressed.

The breakdown below highlights how these risks spanning physical and transition drivers are already embedded within companies' financial outlooks, affecting not only future resilience but current value creation.[3]

Revenue vulnerable to environmental risks (climate, forests, water)



Percentages are calculated as vulnerable revenue divided by total disclosed revenue for the same set of companies within each risk category and environmental theme.

Case study

Schneider Electric views environmental data as a business necessity

Schneider Electric is a global energy technology leader focused on driving efficiency and sustainability by electrifying, automating, and digitalizing industries, businesses, and homes.

The company is convinced that transparent data - both at a corporate and product level – is essential to communicate its environmental impact in a credible way.

When environmental information is robust and rigorously shared, investors, consumers and businesses alike can factor sustainability into their decision-making with greater confidence.

Schneider Electric has placed transparency at the core of its sustainability strategy, structuring its environmental data into two complementary streams.

The first is its commitment to disclosing corporate climate data through CDP. Schneider Electric has disclosed since 2011 and achieved an A score for 15 consecutive years. This has helped build a robust and standardized foundation for CO2 reporting. Secondly, the company has provided environmental information on its products since 2008 through an internal program.

As customer expectations and regulatory requirements evolved, the Group shifted from static disclosures to a more granular, data-driven approach and launched the Environmental Data Program in 2024. This initiative goes beyond traditional labelling, offering a comprehensive framework for environmental transparency. Through this program, Schneider Electric:

- Provides up to 30 environmental data points per product;
- Covers key areas such as carbon footprint, materials, substances, energy efficiency, lifetime extension, repackaging, and remanufacturing;
- Makes more than 120,000 commercial references available online, with at least 14 attributes available at the end of 2025, representing 90% of product turnover.

By aligning with leading disclosure frameworks such as CDP and expanding environmental transparency at the product level, Schneider Electric contributes to improving consistency and comparability of environmental data across the market, supporting the broader adoption of more robust environmental standards across value chains.

Chapter 2

How disclosure is protecting businesses

02

Tragedy of the horizon

Organizations disclosing via CDP are asked how they define short, medium, and long-term time horizons in the context of their environmental dependencies, impacts, risks, and opportunities.

In doing so, companies are recommended to consider the useful life of their assets or infrastructure, the profile of the environmental risks they face, and the sectors and geographies in which they operate.

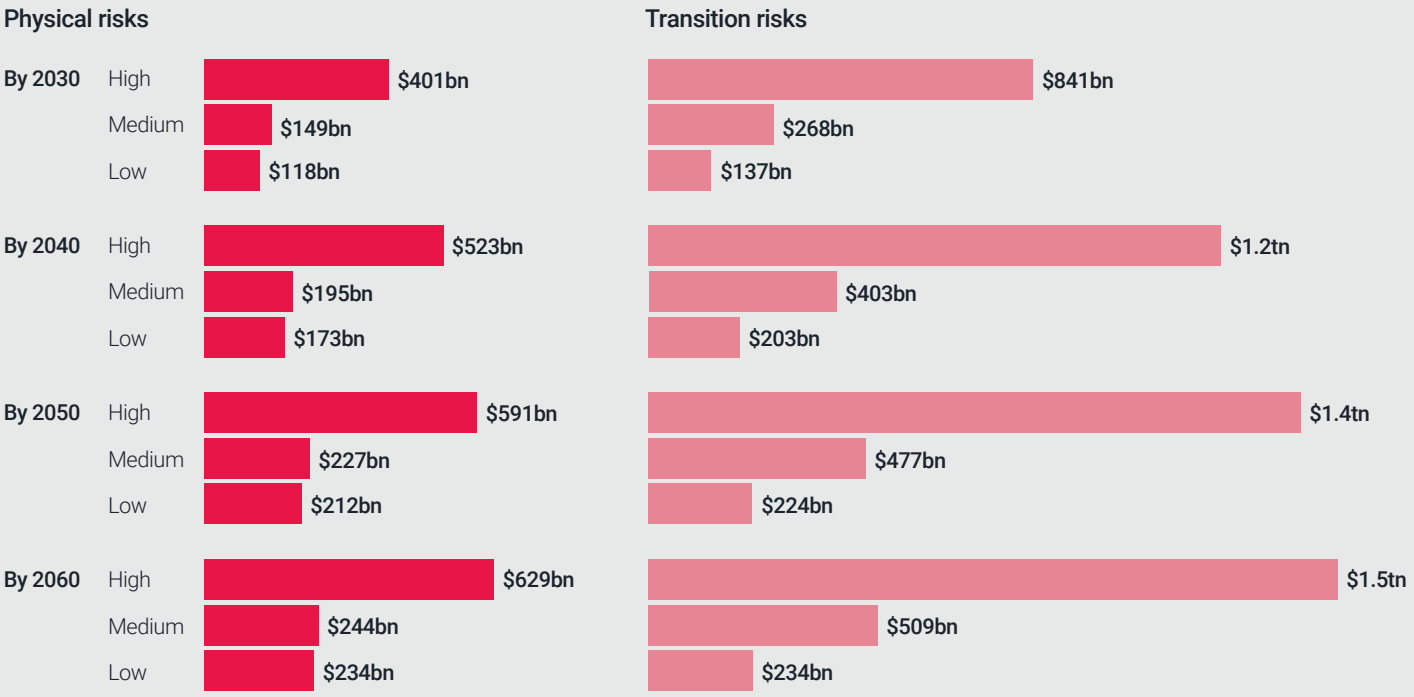
The analysis of the reported time horizons indicates that companies are now looking further into the future when conducting risk assessments. Based on the upper bound of the long-term time horizon ranges, the median has increased from 15 years in 2018 to 25 years in 2025, suggesting businesses are looking to capture the full exposure of assets and in line with established 2050 net-zero scenarios.

In 2025, over half of companies exposed to risks provided an estimate of their potential financial effects for at least one future time horizon. Four times more companies reported short-term risk values compared to long-term.

This means quantifying long-term risks is more challenging and the financial effects are likely to be largely underestimated.

The reported data suggests that inaction will result in a high likelihood of US$1.24 trillion in cumulative loss from environmental risks by 2030, increasing to US$1.72 trillion. by 2040. About one third of the losses out to 2030 are predicted to be physical risks, reflecting, in part, the increasing impact of extreme weather events. In the reporting year alone, companies reported US$30.6 billion in materialised risks.

Cumulative financial impact of environmental risks, split by likelihood and time horizon (US$)



Calculated based on companies that quantified potential financial impacts of risks across at least one time horizon.
Figures shown at each milestone year (2030-2060) represent the total potential financial cost of inaction up to that date.
Likelihood bands defined as follows: High likelihood (Virtually certain, Very likely, Likely); Medium likelihood (About as likely as not, More likely than not); Low likelihood (Unlikely, Very unlikely, Exceptionally unlikely)

Are companies that disclose through CDP less exposed to climate risk?

An ICE Climate Research Note

Companies that disclose through CDP carry roughly a third less transition-related climate risk to their future value than otherwise-similar peers.

Climate disclosure has long been credited with a range of benefits, but most of the evidence has looked backwards — at past emissions, past targets, past behavior. Our question was forward-looking and more practical: do CDP disclosers face less potential financial damage from the climate transition — due to projected carbon pricing, tightening regulations, and falling demand for high-emission products — than otherwise-similar peers? To find out, we paired CDP's 2025 disclosure data with ICE's Climate Value-at-Risk (CVaR) model estimates, which estimates how much of a company's future value is exposed to those same transition costs. The dataset covers 7,818 listed companies: 3,302 that disclosed through CDP, and 4,516 comparable companies that did not.

What we found

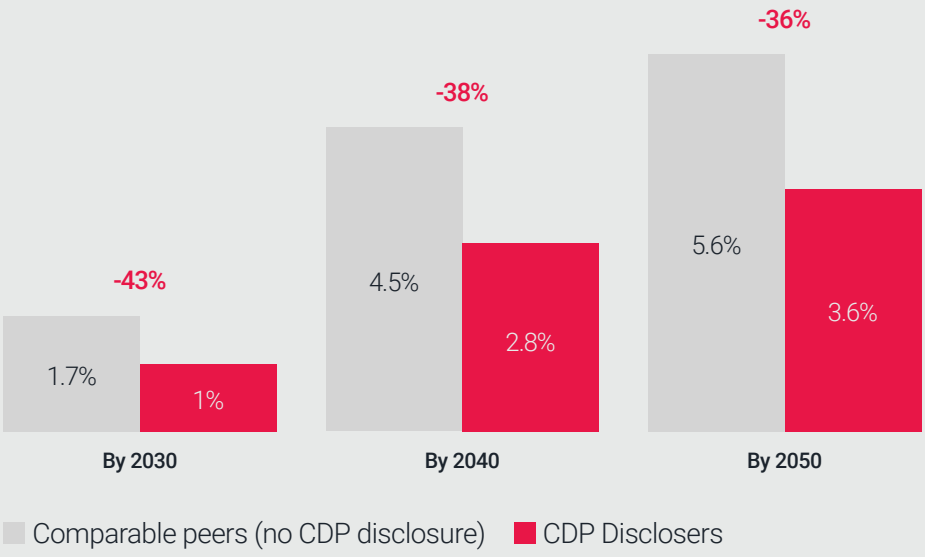
Even after we account for other factors that impact projected climate-related financial risks — including company size, industry, and region — CDP Disclosers still come out ahead by a meaningful margin.[4] By 2050, under a global path to net zero, their projected transition risk is about 35% lower than their peers — a reduction of roughly 2 percentage points of company value, set against a peer average of about 5.6%. That makes disclosure the largest single explanatory factor in our model, outweighing company size by roughly eight times.

In absolute terms the advantage is also projected to widen over time: about 0.7 points by 2030, 1.7 by 2040, and 2.0 by 2050 — exactly the period when stronger climate policies may come into effect.

Two percentage points may sound modest, but in absolute dollar terms, the impact is significant. With $85 trillion in total enterprise value across the 3,302 disclosing companies analyzed, a 2% gap means over $1 trillion less value at risk across the disclosing cohort, compared to similar non-disclosing companies.

CDP Disclosers carry less transition risk at every horizon

Projected transition climate risk (Climate Transition Value-at-Risk, CTVaR), comparable peers vs. CDP Disclosers (percentage of company value)



Is it really about disclosure?

The natural worry is that CDP Disclosers are simply different to begin with — less emissions-intensive and more climate-resilient — and we are picking up those differences rather than disclosure itself. We tested this in three different ways. First, we individually matched each CDP company to a non-CDP company the same size, industry, region, and emissions intensity; the gap shrank by less than one percent. We also trimmed the extreme outliers from the data; the gap was unchanged. Finally, we widened the universe to include companies whose emissions are estimated rather than disclosed; the gap softened only slightly, to about 1.8 percentage points.

Why it matters

Disclosure is often defended as good practice. This evidence suggests it may also track something material: companies that disclose carry demonstrably less transition risk. One important caveat is that this is a correlation. The lower risk among disclosers could reflect underlying qualities — better governance, stronger management, more credible climate ambition — that lead companies both to disclose and to reduce their exposure. However, the practical conclusion holds regardless: companies that report through CDP are better prepared for the climate transition.

For more information, please reach out to climaterisk@ice.com.

Disclosure is often defended as good practice. This evidence suggests it may also track something material: companies that disclose carry demonstrably less transition risk.

Chapter 3

Making emissions reduction profitable

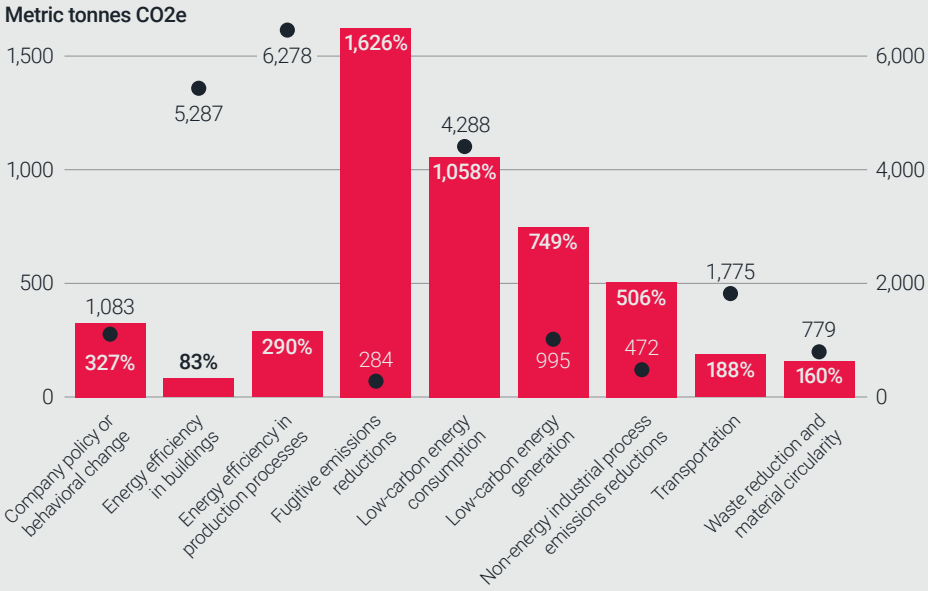
03

More than 8,000 large and mid-sized companies reported active emissions reduction initiatives through CDP during the reporting year.

Across disclosures, low-carbon energy consumption, energy efficiency in buildings, and energy efficiency in production processes emerged as the three most frequently reported initiative categories.

The below chart presents median annual carbon savings across all emissions scopes. A single initiative on average saves 275 tonnes of carbon dioxide equivalent per year.

Preventing fugitive emissions and shifting to low-carbon energy offer the highest carbon savings across all initiatives



Case study

Diageo sees value in supply chain efficiencies

International beverage company Diageo is a long-term Discloser through CDP and has established robust sustainability commitments.

The company has a target to reach net zero emissions in its direct operations– Scope 1 and 2 – by 2040, and a separate target to reduce its Scope 3 emissions by 26% by 2030.

A key focus for the company as it tackles its value chain emissions are raw materials, packaging and the energy purchased by its suppliers.

Diageo recently implemented, or started to implement, over 60 emissions reduction initiatives which will save an estimated 90,000 tonnes of carbon dioxide equivalent per year.

These initiatives include:

- Reducing the weight of glass within its primary scotch and beer bottle portfolio, saving approximately 3,400 tonnes of glass and reduced emissions;
- Removing packaging from products, including 9 million cartons which reduced packaging weight by 591 tonnes; and
- Increasing investment in bioenergy plants and usage to reduce natural gas dependence.

Diageo has also set clear environmental conditions with its suppliers, requiring them to track and share emissions data, comply with its deforestation policy, and work towards 100% renewable electricity use. Suppliers' progress is monitored via a quarterly scorecard.

Return on investment

Many emissions reduction initiatives generate substantial financial savings.

Aggregate monetary savings ranged from US$27.6 billion to US$40.7 billion.

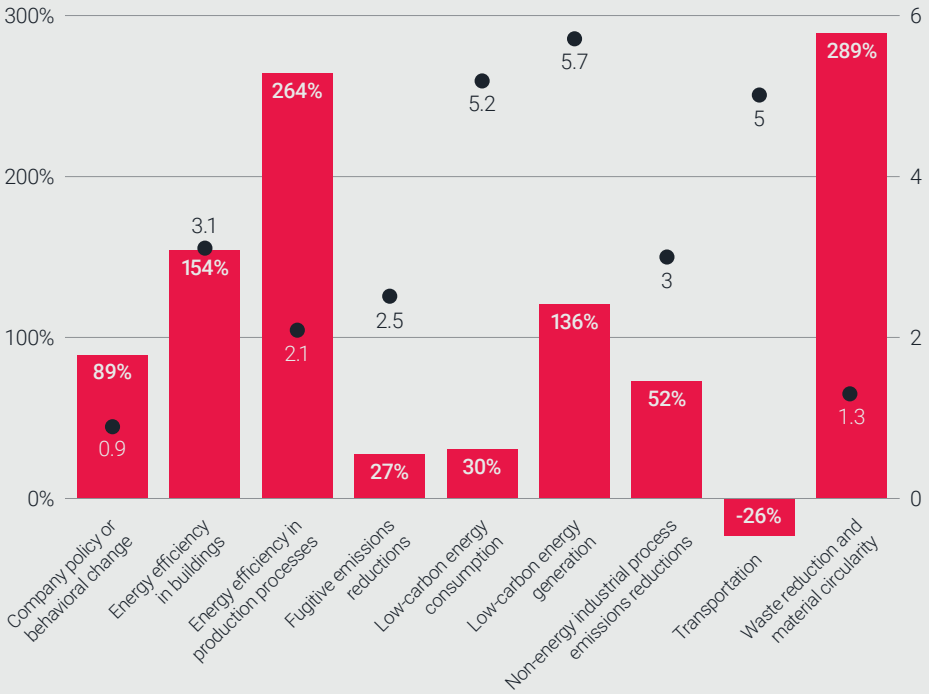
An initial sample of 6,791 organizations provided information on annual emissions reductions linked to annual monetary savings. This group reported approximately US$40.7 billion in annual savings.

Using more precise and conservative data quality filters the sample was further reduced to 6,569 organisations and 21,241 initiatives. This resulted in approximately US$27.6 billion in aggregate monetary savings.

Further assessment of a subset of 12,387 initiatives by over 4,400 companies[5] shows that the majority (69%) of emission savings initiatives are profitable (generating positive lifetime net savings), with 41% showing a payback period of under 3 years.

Based on the same subset, a typical emissions reduction initiative generates approximately a 142% lifetime undiscounted return on investment (ROI), with the median payback of 3 years. Put differently, every dollar invested in an emission reduction initiative generates on average US$2.4 in return, and in some cases up to US$7 dollars over its lifetime.

Return on investment and payback by initiative category



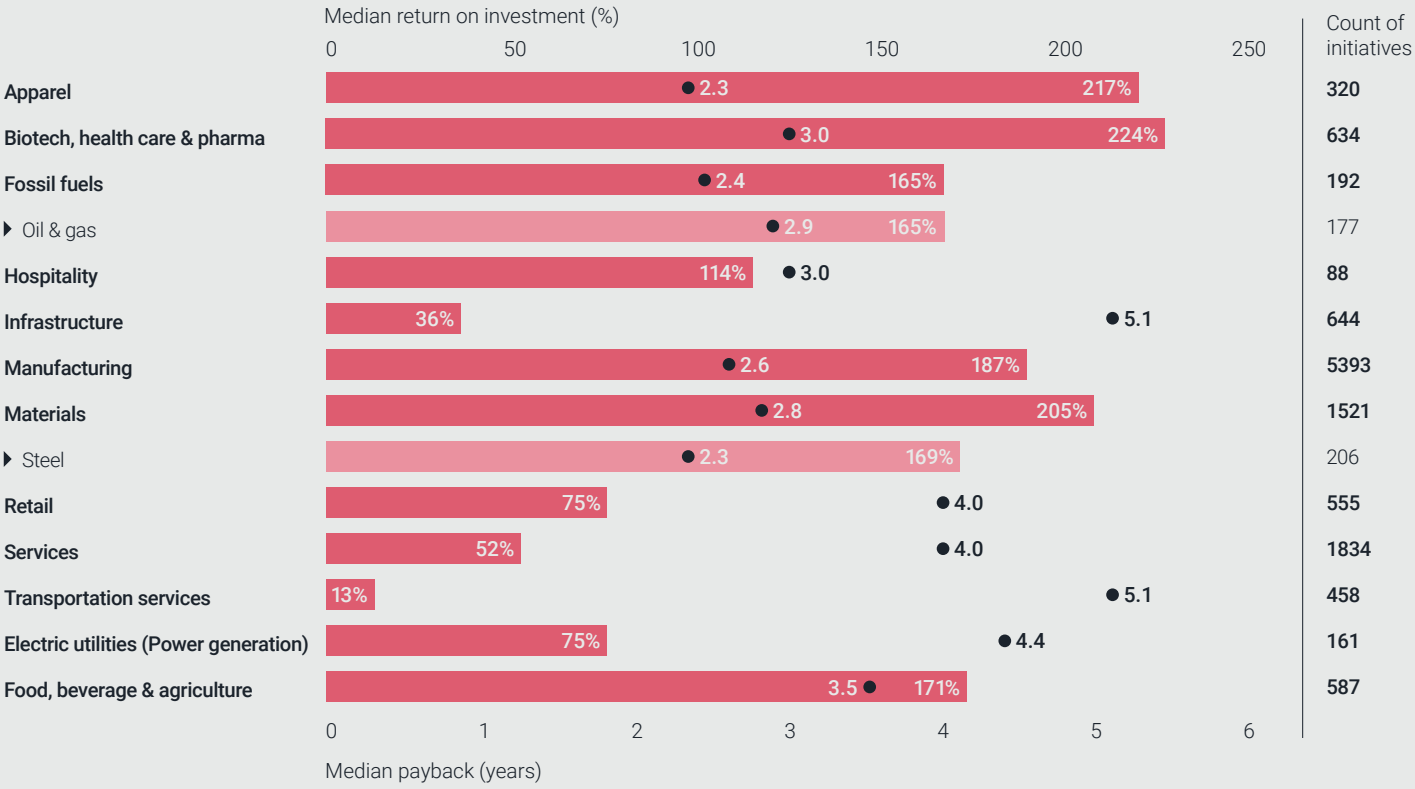
n= 4,413

Simple ROI calculated as ((Total Lifetime Benefit - Total Investment) / Total Investment) x 100 is used as an indicative measure of profitability and does not fully account for differences in project lifetimes or the time value of money. Based on the mid-point of the reported lifetime range. ROI above zero indicates net financial savings over the initiative lifetime.

Number of initiatives

Company policy or behavioral change	**293**
Energy efficiency in buildings	**3,766**
Energy efficiency in production processes	**4,192**
Fugitive emissions reductions	**151**
Low-carbon energy consumption	**2,150**
Low-carbon energy generation	**609**
Non-energy industrial process emissions reductions	**288**
Transportation	**678**
Waste reduction and material circularity	**260**

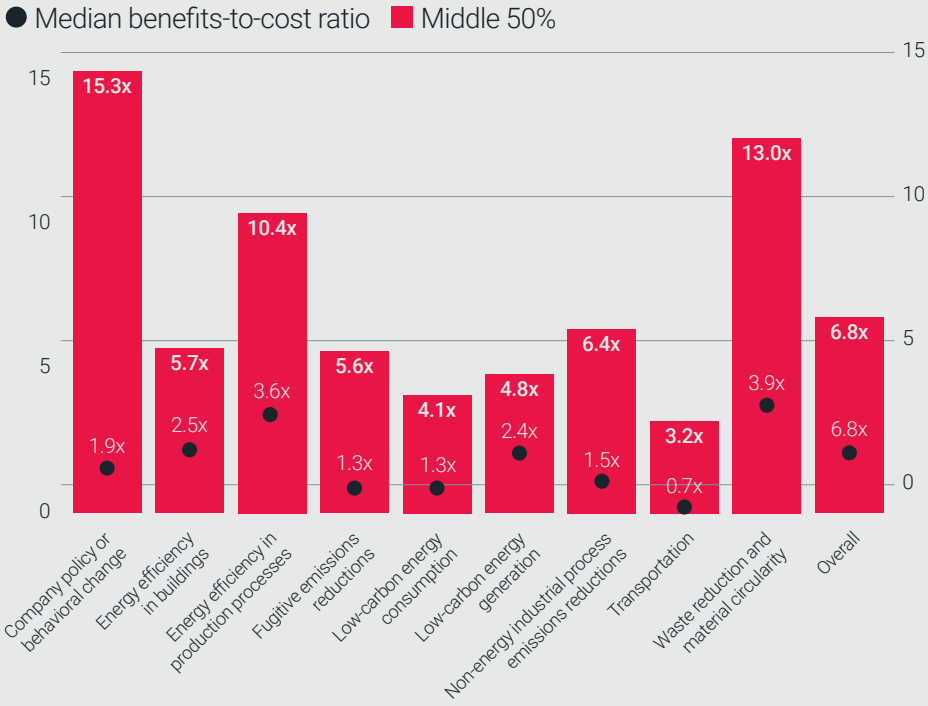
Return on investment and payback by sector



Although not as widespread among Disclosers, waste reduction and material circularity is one of the most financially attractive initiatives, generating US$3.9 dollars on every dollar invested, with the median payback of only 1.3 years. Among the most reported types of projects are waste reduction, recycling, or reuse.[6]

Energy efficiency in production processes is second, generating US$3.6 on every dollar invested, with a median payback of 2.1 years. This finding is consistent with IEA research that found energy efficiency offers multibillion-dollar cost savings with an average payback of under 2 years. The most reported types of projects are machine, or equipment replacement, process optimization, compressed air and waste heat recovery.

Benefits-to-cost ratio: How emissions reduction can be made profitable



The benefits-to-cost ratio (BCR) is calculated as lifetime monetary savings divided by upfront investment. A BCR above 1 indicates a positive financial return over the initiative's lifetime.

Company examples

How to reduce steel waste

Acerinox, Spain

One of the primary sources of Acerinox's emissions is the use of raw materials and ferroalloys in the steel-making process.

Its factories have implemented various initiatives to increase the percentage of scrap used in the production process, particularly in the melt shop and hot-rolled process.

There are ongoing projects focused on improving scrap segregation, reducing costs, and exploring new scrap formats and backhoe loaders. In addition, efforts are being made to adapt or acquire machines to enhance metal recovery capacity.

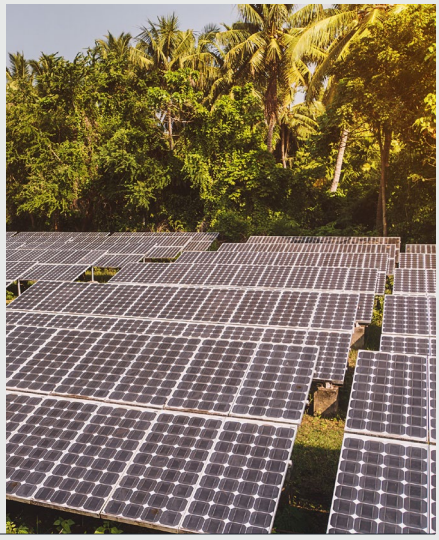
Improving energy efficiency and low-carbon energy generation

Baosteel, China

A total of 39 energy-saving projects were implemented at the company's Bashon site, primarily focused on waste heat recovery. A new large flue waste heat boiler and auxiliary facilities were installed in the sintering plant to recover and utilize the medium temperature waste heat resources. This resulted in energy savings equivalent to 49,100 tons of coal per year.

ReNew Energy Global, India

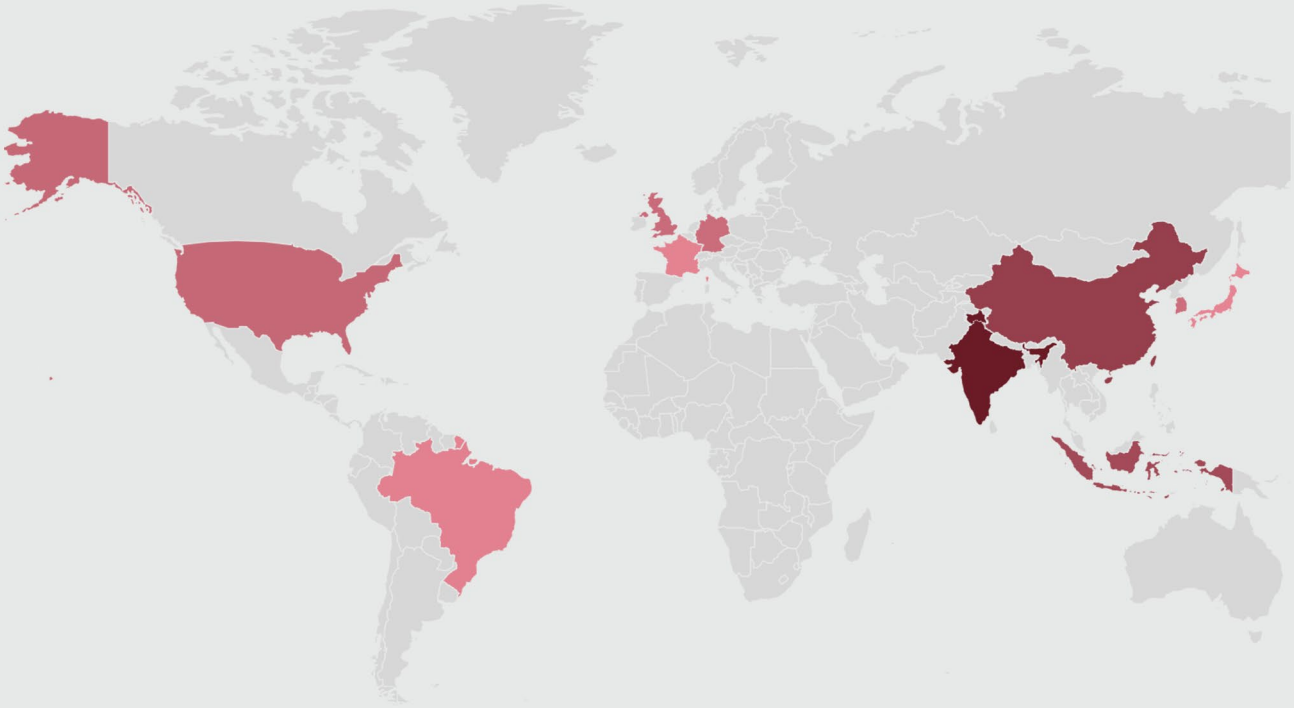
Diesel generators at project sites were replaced with solar-based systems to reduce fuel use and emissions, as well as creating cost savings. An estimated 1,548 tonnes of carbon dioxide equivalent was avoided, and 532 kilolitres of diesel.



Company examples are taken directly from 2025 CDP public disclosures with minor editing for clarity.

Emissions reduction return on investment by country

76% 419%



Country or region	Median ROI (undiscounted)	Median payback (years)	Count of initiatives
Brazil	89%	1.9	236
China	300%	1.7	1,560
Europe	128%	3.8	3,001
France	84%	3.3	470
Germany	152%	4.0	615
India	419%	1.9	614
Indonesia	264%	2.5	69
Japan	76%	6.7	1,982
Singapore	139%	2.7	82
Southeast Asia	227%	2.8	3,001
South Korea	147%	3.3	537
UK	155%	3.4	653
USA	167%	3.0	1,613

Strong returns are typically paired with relatively short payback periods.

This essential fact makes emissions reduction an attractive – and compelling – business proposition. This remains true across regions where companies are seeing the benefits of investing in emissions reduction. North America records the highest median ROI at 171% with a 3.0-year payback, followed by Asia-Pacific at 136% with a 2.8-year payback, Europe at 133% with a longer 3.7-year payback, and Latin America at 124% with one of the shortest payback periods at 2.3 years.

Greater variations exist on the country level. For example, India stands out with a 419% median ROI and a rapid 1.9-year payback, compared to more modest returns for France (84%, 3.3 years). Developing countries could be seeing higher returns as a market for cutting emissions is still maturing, while other jurisdictions have already implemented more profitable initiatives.

Case study

Telefónica turns to renewable power to reduce energy costs

Telefónica is an international telecommunications company that has disclosed through CDP since 2003.

During its disclosure journey, Telefónica identified energy as both a risk and opportunity to its business. The risk: an increase in operating costs due to rising electricity and carbon prices. The opportunity: reduced grid energy costs and enhanced competitiveness through a focus on renewable electricity.

Telefónica's Renewable Energy Plan forms part of its broader Climate Action Plan and decarbonization roadmap, supporting both climate mitigation and adaptation objectives across its operations.

The company developed a Renewable Energy Plan that applies across its own operations and focuses on:

- Self-generation. Investment in solar, wind and bioethanol systems to reduce its dependence on the electricity distribution network.
- Purchasing renewable electricity certificates with a guarantee of origin. These certificates guarantee the traceability of renewable electricity from the point of generation to the point of consumption and currently support 100% renewable electricity coverage in countries such as Spain, Germany and Brazil.
- Long-term Power Purchase Agreements. A fixed or predictable price for renewable electricity to reduce exposure to market volatility.

The plan has already led to considerable cost savings and a drop in emissions. In 2025, Scope 2 emissions were 98% lower than the base year (2015). Renewable electricity consumption reached 93% of total electricity consumption in Telefónica's own facilities in 2025. The company aims to reach 100% renewable electricity consumption by 2030 in its main operations.

The focus on renewable energy forms part of the company's adaptation model, designed to increase its business resilience and lessen the economic effects of extreme weather events.

By increasing self-generation of photovoltaic renewable energy, Telefónica is also reducing dependence on electricity sources more exposed to physical climate risks such as prolonged droughts affecting hydroelectric generation.

The integration of renewable electricity procurement, self-generation and resilience planning strengthens Telefónica's operational continuity while supporting long-term competitiveness in a low-carbon economy.

Read the full case study

Chapter 4

The state of value chain engagement

04

Chain keep us together

Businesses understand that environmental impacts can have a long tail. Supply chain emissions, for example, can be 26 times higher than operational emissions.

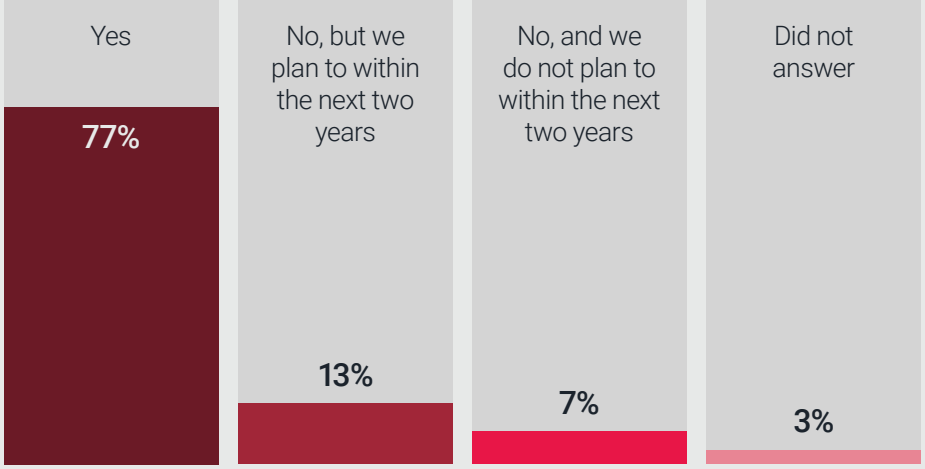
This pollution comes at a cost. CDP research has found that US$162 billion in potential financial costs come from climate risks in company supply chains.

As a result, the majority of responding businesses are already engaging their value chain on environmental issues. Only 10% of companies in the analysis (1,062 out of 11,262 companies) either do not plan to engage their value chain or did not respond.

High levels of engagement are found across borders (France, 93%) and industries (power generation, 89%).

Organizations engaging with suppliers

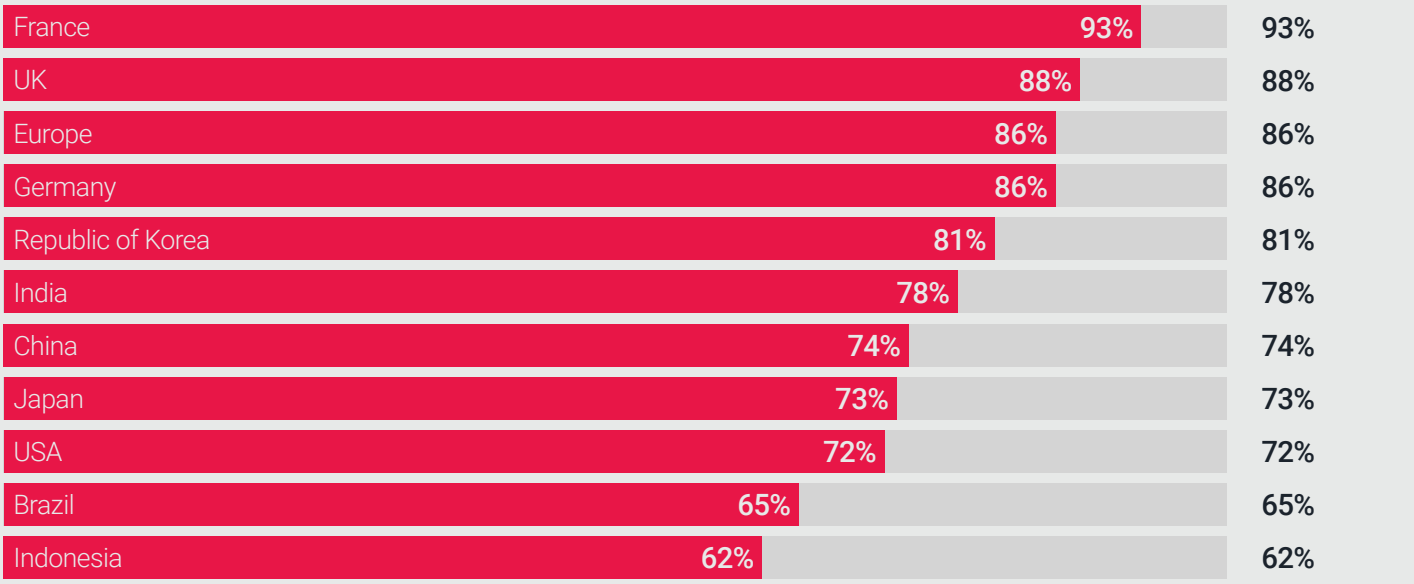
Percent of companies engaging with value chain on environmental issues



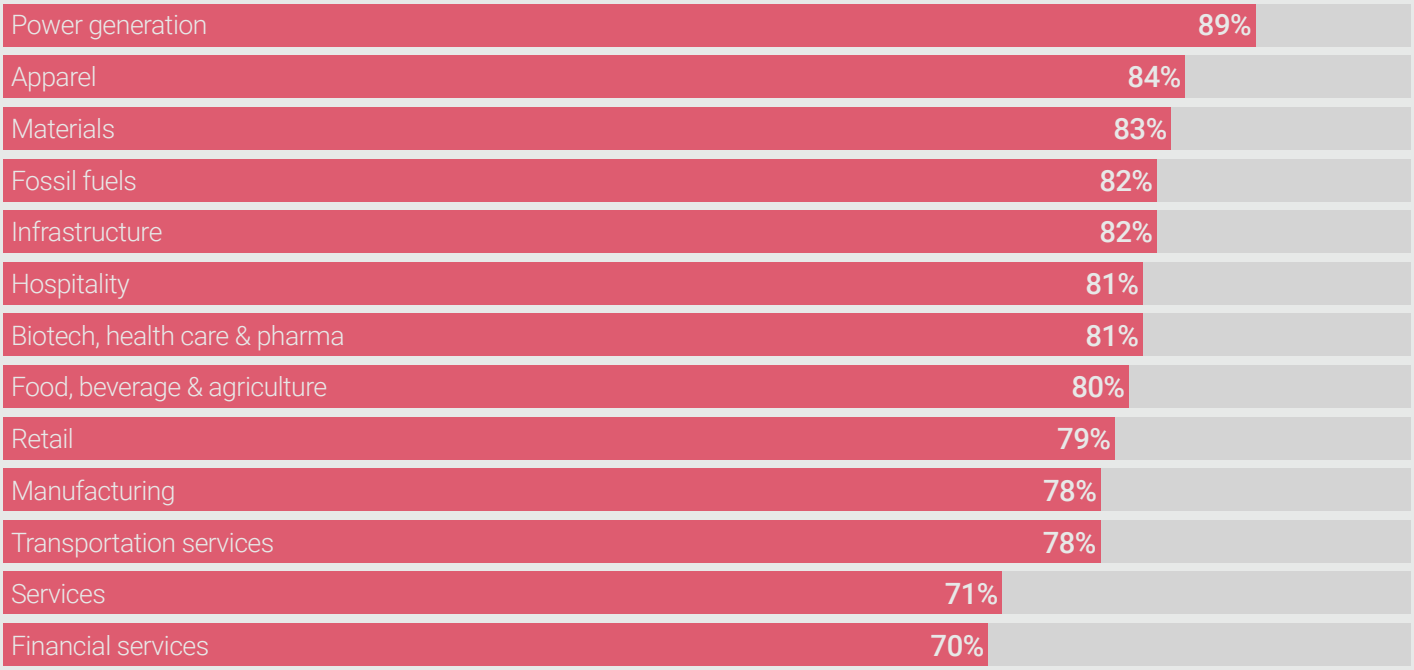
Number of companies = 11,262

As evidenced by the ANTA Sports example in this report, the value of this engagement for businesses ranges from increased investor confidence, greater market recognition, and improved risk management, among others.

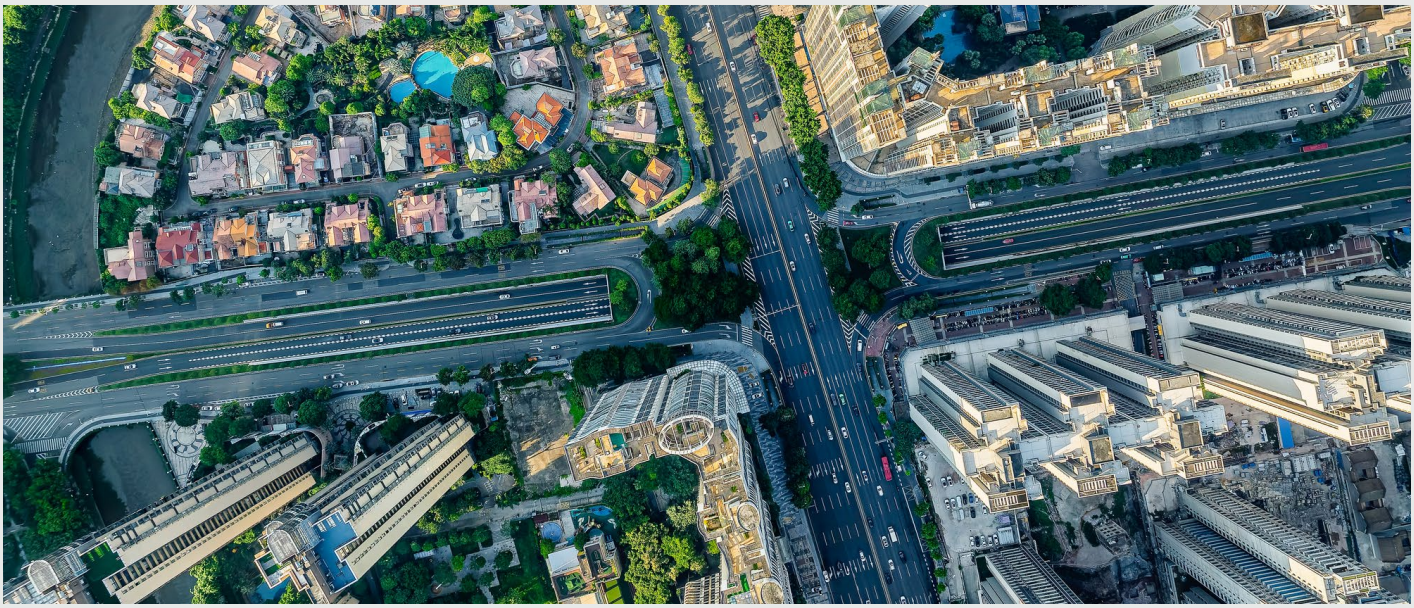
Organizations engaging with suppliers – by country or region



Organizations engaging with suppliers – by sector



At a country level, the data shows a relatively tight clustering among key markets, but France stands out as a strong performer. It is followed by the United Kingdom (88%) and Germany (86%), placing European markets at the upper end of the range. India (78%), China (74%) and Japan (73%) follow closely behind, and the United States (72%) and Brazil (65%) round out the range.



Case study

ANTA Sports is building investor confidence through supply chain transparency

One of the leading sportswear companies globally and the largest in China, ANTA is driving emissions reductions and strengthening long-term business resilience.

The company has a robust and verifiable environmental data system and it is translating disclosure into measurable outcomes. In 2024, the company cut its Scope 1 emissions by 11.1% and emissions intensity fell by 21.7%.

ANTA Sports engages its extensive network on climate issues by requiring suppliers to disclose emissions data via CDP, promoting low-carbon practices and linking sustainability performance to management processes.

As of May 2026, this has yielded the following results:

- Over 1,000 suppliers have participated in decarbonization initiatives.
- 130 suppliers have installed renewable energy systems such as solar photovoltaics.
- 270 suppliers have adopted renewable electricity or procured related green certification.

In addition, the company has introduced independent third-party assurance, becoming the first company in China's sportswear sector to achieve verification across Scope 1, 2 and 3 emissions.

The business benefits of its approach have been:

- Strengthened investor confidence through transparent and high-quality disclosure.
- Improved risk management through identification of physical and transition risks.
- Accelerated value-chain decarbonization through supplier engagement.
- Enhanced market recognition, including inclusion in major ESG indices, such as the Hang Seng ESG50 Index and Dow Jones Best-in-Class Emerging Markets Index.

ANTA Sports' experience provides a replicable pathway for companies seeking to unlock value through environmental disclosure.

Rising to the challenge

This report provides insight into how businesses are taking seriously the risks and opportunities presented by current environmental conditions.

The business value from environmental disclosure and action is naturally varied. Some companies exposed to water scarcity might use the information to create an internal water price. Others with high energy costs may decide to invest in new efficiency initiatives.

But across the board, we see that firms have developed a more sophisticated understanding of their environmental dependencies, risks, impacts and opportunities. This is borne out of experience. The introduction of new environmental disclosure frameworks, such as the TCFD recommendations in 2017, has led to greater adoption and understanding of these risks.

Disclosure plays a strong supporting role in this journey. Related research from ICE backs up this thesis – environmental Disclosers were found to be in a significantly better position to withstand climate transition risks both now and out to 2050.

Leading companies are discovering that planetary health and economic decision making go hand-in-hand, and that environmental data is a key commodity in enabling these decisions. The businesses profiled in this report recognize that environmental leadership is as much an economic strategy as an environmental one, and the companies that invest in an Earth-positive economy are better positioned to grow, compete and thrive.

Leading companies are discovering that planetary health and economic decision making go hand-in-hand, and that environmental data is a key commodity in enabling these decisions.

Appendix

The insights in this report are based on data derived from a subset of over 11,260 large and mid-sized companies that disclosed information through CDP in 2025. These companies account for about two-thirds of global market capitalization.

List of key indicators included in this year's Disclosure Dividend

Indicator	Data source (CDP question number)
Benefits-to-cost ratio of acting on responding to environmental risks	3.1.1 Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.
Companies with reported risks by value chain stages	3.1.1 Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.
Revenue vulnerable to environmental risks	3.1.2 Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.
Cumulative financial impact of environmental risks, split by likelihood and time horizon	3.1.1 Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.
Preventing fugitive emissions and shifting to low-carbon energy offer the highest carbon savings across all initiatives	7.55.2 Provide details on the initiatives implemented in the reporting year in the table below.
Return on investment by emissions initiative	7.55.2 Provide details on the initiatives implemented in the reporting year in the table below.
Organisations engaging with suppliers	5.11 Do you engage with your value chain on environmental issues?

Footnotes

1. This benefits-to-cost ratio is based on companies' self-reported estimates of the potential financial impact of environmental risks (physical and transition risks). Figures vary widely across companies within the same industry. The benefits include a range of costs saved, avoided losses, increased operational efficiencies, among others.

   Risk mitigation benefit-to-cost ratio is calculated by dividing the total potential financial impact across all time horizons by the costs to respond to risks. The ratio indicates the estimated potential benefit associated with implementing a risk response relative to its cost. Benefits may include avoided losses, cost savings, operational efficiencies or other quantifiable impacts where identified. The calculation assumes the proposed mitigation is fully effective, does not account for residual risk or uncertainty in impact estimates, and may not reflect the likelihood or timing of risk occurrence.

2. A risk related to at least one environmental issue.

3. Based on disclosures meeting the data quality filters.

4. Methodology note: We restrict the universe to companies with directly disclosed, reliable Scope 1+2 emissions (disclosure-quality categories 1–3), excluding ICE-estimated firms, yielding 7,818 companies: 3,302 CDP disclosers and 4,516 comparable non-CDP disclosers. The disclosure effect is estimated per scenario via covariate-controlled ordinary least squares (OLS) regression of CTVaR on a CDP indicator, log enterprise value, and sector and region fixed effects, isolating the CDP coefficient as the gap holding size, sector, and region constant.

   To rule out selection bias, we confirm the result with propensity-score matching, which produces a closely comparable matched sample on which the disclosure effect persists. Because CDP disclosers are systematically larger and concentrated in higher-pressure sectors, a regression-controlled gap could still reflect who discloses rather than disclosure itself. We model the propensity to disclose as logit P(CDP) ~ log(EV) + log(emissions intensity) + sector + region, then match 1-to-1 on the propensity score (nearest-neighbour, no replacement), pairing all 3,302 CDP firms to similar non-CDP firms (6,604 firms). Balance improves sharply: the composite standardized mean difference falls from 0.50 to 0.13, and the log -EV size imbalance from 0.18 to 0.08 — leaving the groups closely comparable on size, sector, region, and intensity.

5. Created based on companies that provided the necessary financial data to assess profitability.

6. Examples of waste reduction include increasing the proportion of recyclable packaging and implementing systematic waste reduction strategies across operations.

   Examples of recycling include turning operational waste from farming into fertilizer, enhancement of scrap utilization in steelmaking.

   Examples of reuse include switching from single-use boxes to reusable shipping boxes and using construction waste for backfilling.

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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.

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