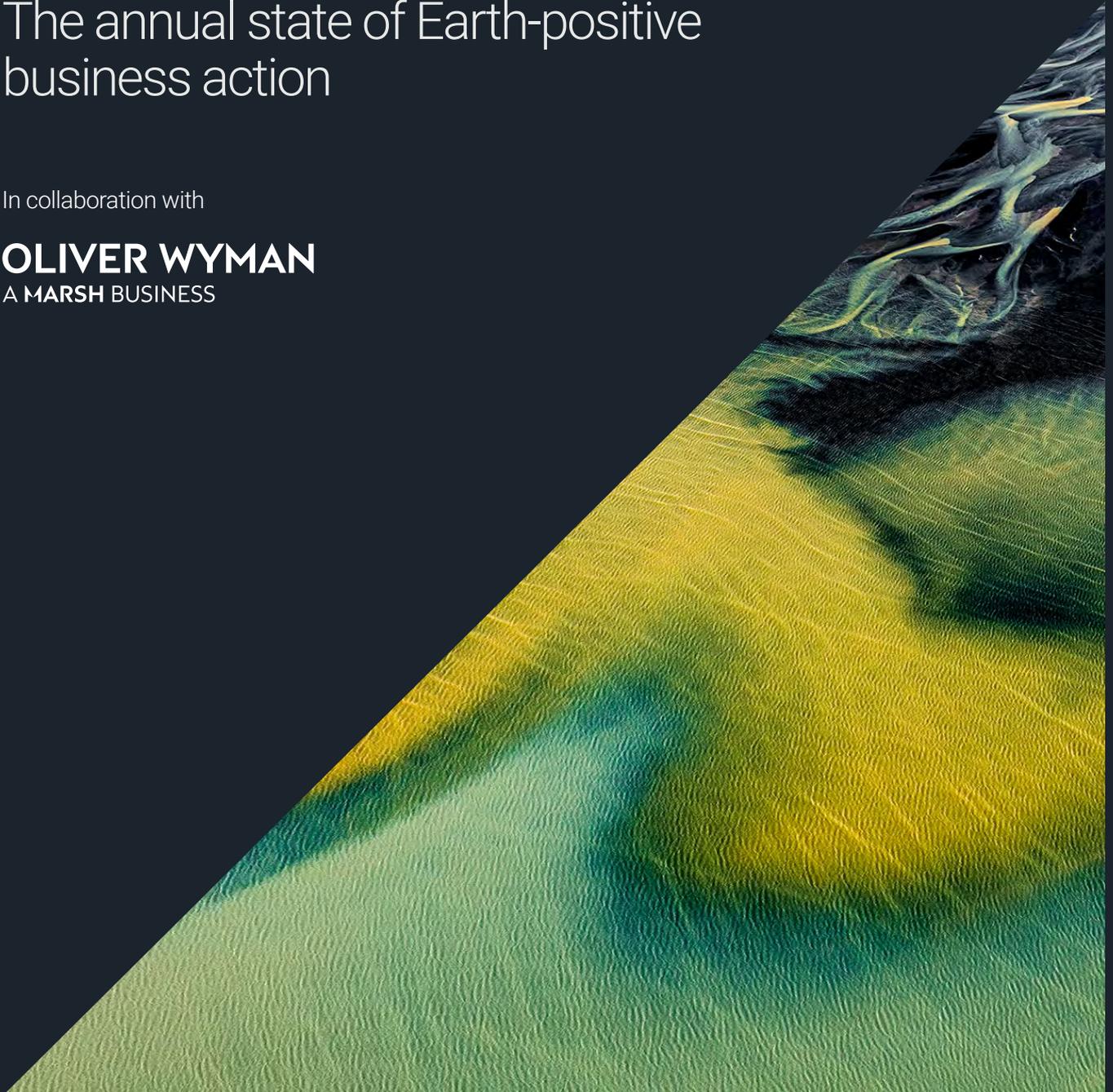


Corporate Health Check 2026

The annual state of Earth-positive
business action

In collaboration with

OLIVER WYMAN
A MARSH BUSINESS





True leadership today comes from the humility to recognize unknown gaps –or widen the aperture of insight– to encourage alternative thinking and action.

That is what high-quality disclosure enables: better identification and navigation of risks, new opportunities surfaced that once were hidden, and the pathway to allocate capital more effectively in the transition to a resilient, Earth-positive economy.

This is no longer optional. The environmental crisis is not a distant moral debate – it is a direct business reality. The World Economic Forum reports that climate-hazard-driven fixed-asset losses for listed companies could reach US \$560–610 billion per year by 2035, representing a 6–7% drop in earnings for the average company. Businesses and public authorities that fail to act are not merely negligent; they are jeopardizing their survival and that of their constituents' economic prosperity.

This research shows that business leaders today are not operating in isolation of the planetary shifts; they are the ones embracing them as a potential driver of profitability.

But this requires long-term thinking, imagination, and the courage to redefine what success looks like in the short term – to act ahead of peers, invest in sustainable strategies, and persist even when the path is uncertain.

The leaders of this annual Corporate Health Check are the brave businesses that are already shaping the future – not by spectacle, but by consistent, courageous action that aligns profit, people, and planet.



Sherry Madera
CEO, CDP

This research shows that business leaders today are not operating in isolation of the planetary shifts; they are the ones embracing them as a **potential driver of profitability.**





It is ten years since the Paris agreement and, deep into the energy transition, we are realizing the very real trade-offs that it presents.

Investment in the energy transition is now over \$2 trillion per year, double 2020 levels, and the cost of clean technologies like solar and batteries have halved over the past two years alone. Countries and companies are vying for advantage in the new supply chains that are emerging, with the push for cheap, abundant, and clean power turbo-charged by the race for scale in AI. The momentum is undeniable, yet at the same time businesses face a level of political and macroeconomic uncertainty not seen in a generation. That is reflected in the increasing divergence across regions and sectors that is highlighted in this year's Health Check.

In this context, transparent and pragmatic disclosure helps business leaders and investors

make better decisions. It is heartening to see from this report that companies worldwide have maintained their commitment to environmental disclosures; that leadership in disclosures is being followed by leadership in reducing emissions; and that many companies are able to take a leadership position in environmental disclosure without detriment to financial performance.

At the same time, the planet passed 1.5°C of warming in 2024, resulting in severe weather events, extreme heat and water stress which are causing disruption and real losses today. Some estimates show that without urgent adaptation and resilience efforts, these physical risks could have an annual financial impact of over \$1 trillion by 2050. In our

It is heartening to see from this report that companies worldwide have maintained their commitment to environmental disclosures...and that many companies are able to take a **leadership position** in environmental disclosure without detriment to financial performance.



Nick Studer
CEO, Oliver Wyman

most recent Marsh Global Risks Report, leaders identified extreme weather events as the most severe risk for businesses over a ten year time horizon. In this Corporate Health Check we see only 20% of companies are disclosing their adaptation actions and investments. We are seeing a shift in focus amongst business leaders to place more focus on preparing for these kinds of future disruptions, and we believe that many companies have more to do to build resilience into their business models and operations.

We are delighted to be continuing our annual collaboration with CDP to analyze and highlight company progress on environmental action in this second Corporate Health Check. We hope that these insights continue to support business leaders towards long-term growth and resilience.



In a turbulent world, waiting to feel the full force of environmental risks – or to seize emerging opportunities – can be a costly strategy. Acting early to adapt and **build resilience** doesn't just protect value; it creates it.

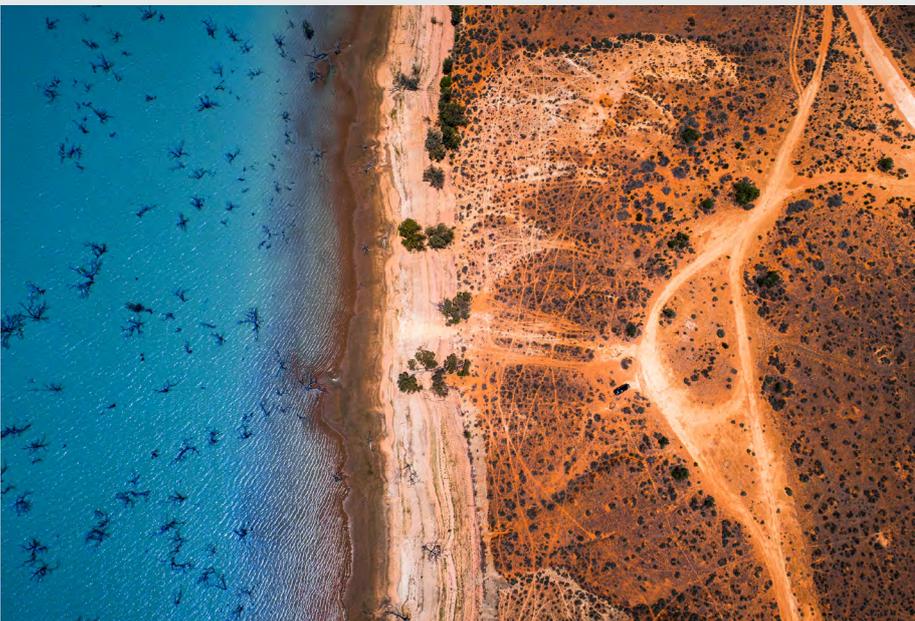
CDP's second annual Corporate Health Check, produced in collaboration with Oliver Wyman, examines how the world's largest companies are progressing on their environmental commitments and what this means for their financial performance.

Drawing on data disclosed through CDP, the report shows the levers these business leaders are pulling to improve performance and take advantage of environmental opportunities. Companies scoring at Leadership level – the highest rating of the four categories in the CDP

assessment – are setting the pace for corporate action across climate and nature while also realizing the financial benefits.

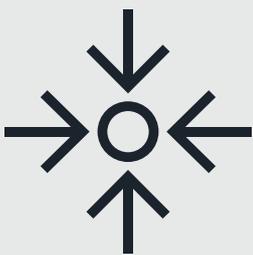
Building environmental and climate resilience is not only about managing risks. Our analysis shows that Leadership companies in this year's assessment realized a total of US\$218 billion in environmental opportunities over the last 12 months.

Despite a challenging political and economic landscape, large corporations across sectors and regions remain committed to acting on their environmental risks.





The 2026 snapshot of business progress finds that:



15% leader cohort

A small group of leaders – 15% of all companies assessed – are setting themselves apart by implementing robust environmental strategies. These global leaders are cutting emissions at an average compound annual growth rate (CAGR) of ~ 4% (compared to 1% for companies at other levels) while using the transition to drive new revenue opportunities and improve efficiency.

Japan ahead

Yearly progress is uneven across the globe: Europe remains strong, Japan has emerged as a leader, and the United States is behind. On average, companies in the US score lower on climate performance (assessing, managing, and reducing their climate-related impacts and risks) compared with other economies. Only 31% of US companies achieved the highest two levels in our analysis, falling behind Japan (74%), China (54%) and the European Union (52%).

Seven out of 13

Climate leadership and strong financial performance are not mutually exclusive. An examination of market capitalization and climate scores reveals that in over half of the sectors – seven out of 13 – climate leaders are showing higher or similar market growth compared to those at the lowest performance level.

\$1.47 trillion

Leading companies have been assessing and disclosing physical environmental risks. It is now time for them to build resilience by investing in adaptation. Organizations reporting via CDP face \$1.47 trillion in reported environmental physical risks, with 26% of that risk found in the short term. Despite this exposure, only 9% of the companies assessed disclosed physical adaptation investments last year (\$84.5 billion total), highlighting a major gap in finance disclosures.

Companies that understand the economic value of environmental action are pulling four levers to ensure long term business benefits.

This year, we identified the most meaningful levers available to companies are:

01.

Link executive pay to environmental performance.

02.

Robust processes for managing environmental dependencies, impacts, risks and opportunities.

03.

A 1.5°C degree aligned climate transition plan with ambitious environmental targets.

04.

Value chain engagement.



About the CDP Corporate Health Check

[View changes to 2025 Levels](#)

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 different stages of the corporate environmental stewardship journey:

- Governance
- Dependencies, Impacts, Risks and Opportunities
- Target Setting
- 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.

The 2026 Corporate Health Check builds on last year's report in two ways: it refines how we assess environmental progress, and it examines how that progress relates to financial performance in more detail.

To do this, the 2026 report:

- Integrates CDP scores into the analysis for the first time to provide greater transparency.
- Focuses assessment on the key steps required to make progress on environmental stewardship.
- Draws on a larger sample of companies.



Disclosing through CDP

In 2025, over 22,000 companies that account for more than half of global market capitalization reported data through CDP – providing unique access to data on how the global economy is being shaped. A subset of 10,397 companies was used for this report. 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.



Environmental
action is
paying off

01



In 2025, geopolitical unrest and deregulatory action in the US and EU created challenges for **sustainable action.**

However, leading global businesses across a variety of regions and sectors are proving that addressing environmental impact is good for the bottom line.

Disclosure is the essential starting point for both environmental and financial progress. By building business strategies around factual disclosure data, businesses can illuminate risks and identify untapped growth opportunities.

In this 2026 assessment, we can see how companies achieving the highest level – Leadership – are setting out a strategic roadmap that others can follow.

Leadership in disclosure is translating into economic benefits and positive environmental impact

2025 saw many leaders achieve both environmental progress and financial success. However, performance can vary significantly from sector to sector, with industry-specific challenges and pressures influencing results (see chapter 3).

The 2025 report showed companies in the following sectors were on track to meet their emissions targets and achieved growth in market capitalization:

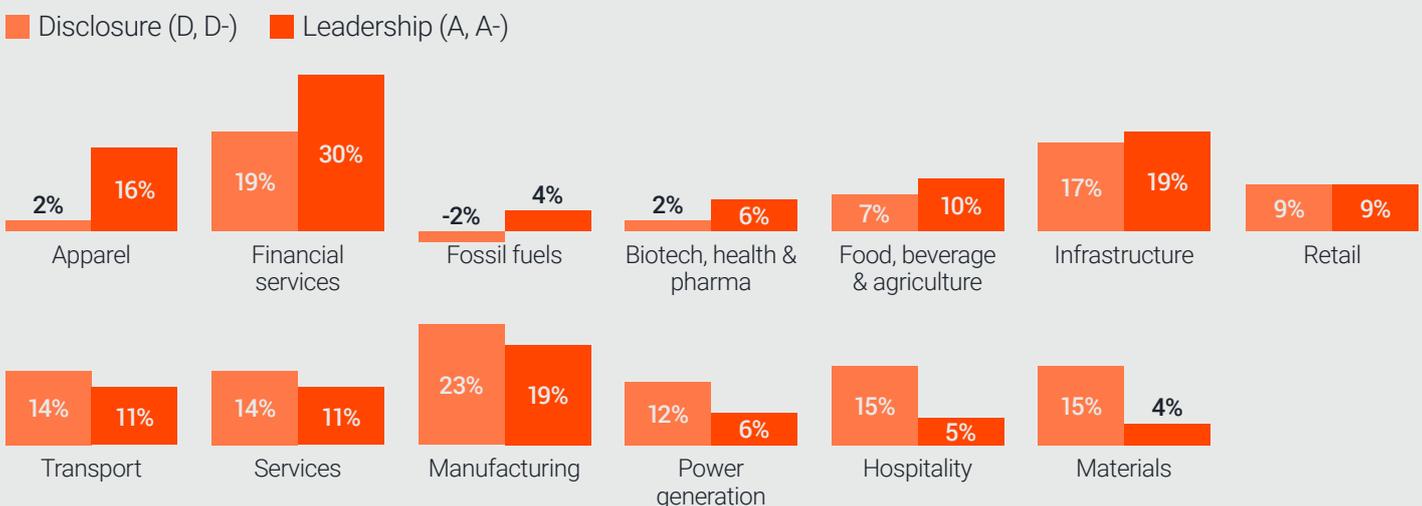
- Apparel
- Biotech, health & pharmaceutical
- Food, beverage and agriculture

This year's Corporate Health Check charts similar progress in these sectors, demonstrating that environmental commitment and growth are not mutually exclusive.

Indeed, several companies within the Leadership level significantly grew their market capitalization between 2022 and 2025. An examination of market capitalization and climate scores reveals that in over half of the sectors – seven out of 13 – climate leaders are showing higher or similar growth compared to those at the lowest performance level.

Figure 1. Average CAGR in market capitalization, with organizations split by climate score and by industry (2022-2025)

[View chart online](#)



Note: N=1,355



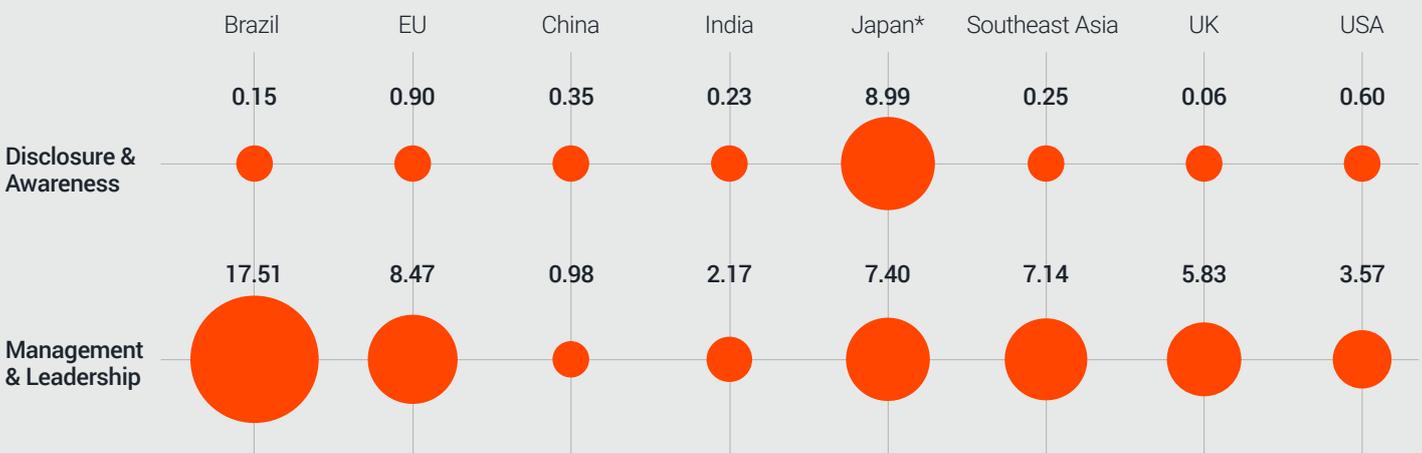
Leaders which were in the top 20% for financial performance tended to realize a larger volume of environmental opportunities than other leaders (a median of US\$145m vs US\$9.5m for all leaders). This suggests that top performers are seizing commercial opportunities from the transition.

On the global level, a band of 280 leaders have already realized a total of US\$218 billion in opportunities in the last 12 months across climate, water security, and forests. What's more, companies from higher scoring geographic regions report much higher financial activity.

Figure 2. Environmental opportunities realized in the past 12 months, by region

[View chart online](#)

Median per company, in USD millions



*Japan's median value for Disclosure & Awareness is based on only 3 companies' data due to a large share of companies achieving higher scores.

Alongside reaping the financial benefits, leaders are cutting emissions at a higher rate than their peers. This remains true even as global emissions continue to rise at a 1% CAGR from 2015 to 2024.¹

Climate leaders reduced their emissions by an average of 4% per year from their inventory base year². In contrast, companies rated at Awareness or Disclosure achieved a less than 1% reduction.

Figure 3. Change in Scope 1 emissions between base year and reporting year, for each score category

In % CAGR, emissions data from companies with verified S1 emissions

[View chart online](#)



¹ CO2 emissions increased from 37,820 million tonnes to 38,153 million tonnes from 2023 to 2024. | ² An inventory base year is primarily guided by the GHG Protocol Corporate Standard. It acts as an historical point of reference from which a company's emissions performance can be measured.



Leaders understand the value of forests

Primary tropical forest is disappearing at a rate of 18 football fields per minute, directly leading to huge quantities of greenhouse gases to enter Earth's atmosphere.

Leaders are responding to this crisis by reducing their impact on forests and other natural ecosystems. For instance, leaders that robustly disclose deforestation and conversion-free commodity volumes are more likely to report at least one commodity as more than 90% deforestation and conversion-free.

This is evidence that what gets measured by companies gets managed, resulting in a measurable reduction in impact.



At a critical time for nature, **continued corporate action** will prove decisive in safeguarding and reducing pressure on these fragile systems.

Despite headwinds, performance holds firm as corporates seek to build resilience

Despite changes in the regulatory landscape, 15% of all companies still achieved Leadership level in at least one environmental theme: climate, forests or water.

Climate was the most successful, (13%), followed by water (11%) and forests (8%). This is a noticeable increase from 2024 scoring data which showed only 8% of companies reached Leadership for climate, 7% for water, and 5% for forests.

Overall, a larger share of companies made nature disclosures. Across companies assessed in both 2024 and 2025, nature-related disclosure (water security and/or forests) increased by 12%, with water up by 12% and forests increasing by 15%.

This is a strong indicator that corporates recognize the enduring importance of our natural ecosystems. At a critical time for nature, continued corporate action will prove decisive in safeguarding and reducing pressure on these fragile systems.





How to measure environmental performance

02



Building on the foundations of the 2025 assessment:

This year's Corporate Health Check introduces methodology changes to improve transparency and provide a **more detailed picture** of how organizations are performing across critical areas.

Corporate disclosures are assessed 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**



Each step includes multiple levers companies can pull to make progress. CDP's scoring methodology assesses how well companies are pulling these levers, assigning one of four performance levels - Level 1: Disclosure, Level 2: Awareness, Level 3: Management and Level 4: Leadership.

The assessment matrix (Fig 4) provides a snapshot of how climate disclosers are performing on the four steps of the journey in 2025.

Most companies show strong performance on governance, with 35% achieving Leadership level. However, only 20% of companies demonstrate best practices in target setting and strategic planning.

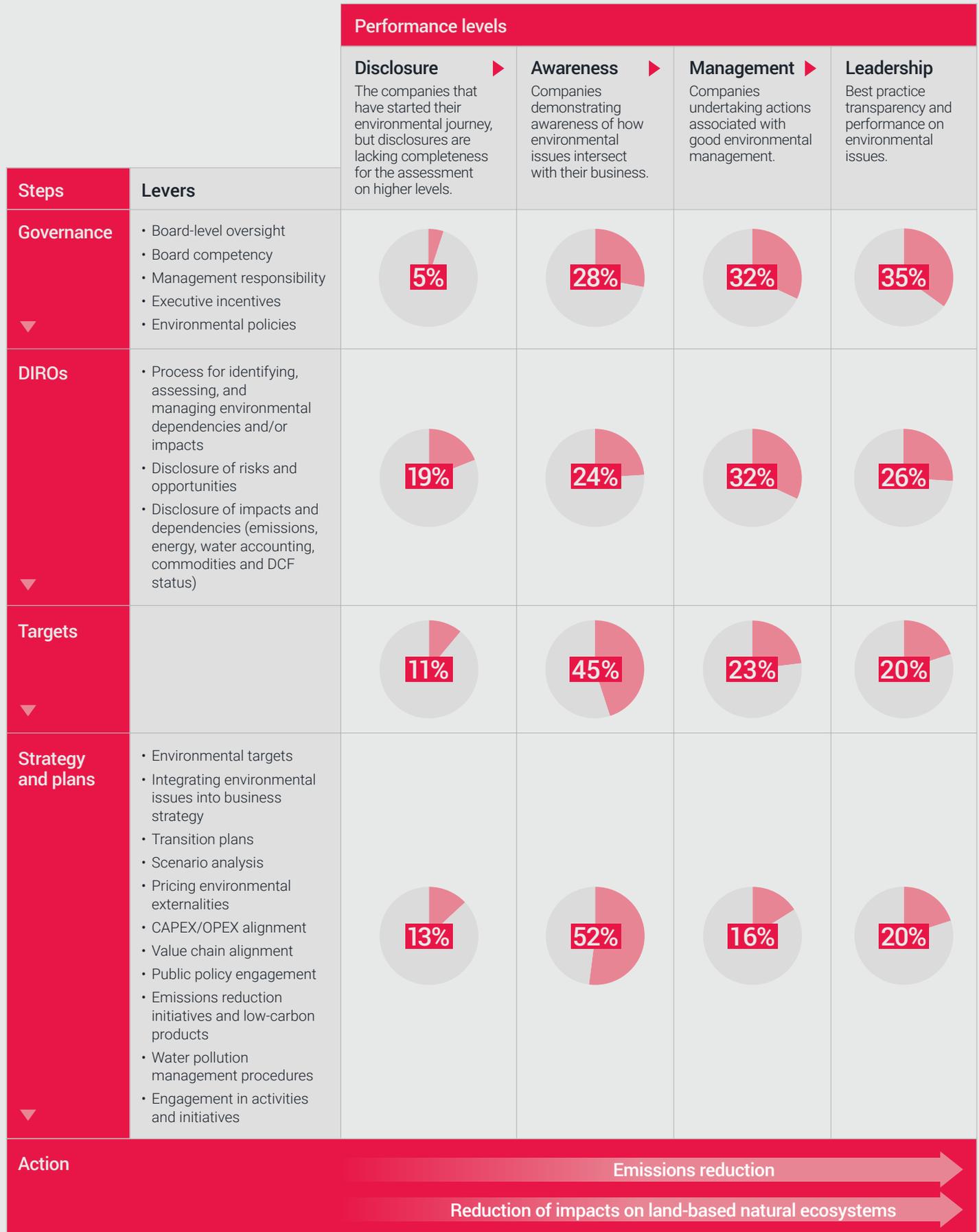
Water security and forests disclosers achieved a similar distribution of scores within each step. But with a smaller proportion of companies disclosing these themes reaching Leadership level compared to climate.

Performing well across these first four steps sets organizations up for success in the final and critical step of the health check: showing reduced impacts on the environment.

As shown in chapter one, Leadership level companies reduce their emissions at a faster pace and they are much more likely to source deforestation and conversion-free commodities.

Figure 4. 2025 Corporate Health Check assessment matrix

Values indicate performance on climate (based on % of total companies assessed)



Note: Figures may not sum due to rounding



The four levers driving environmental leadership

The 2026 report shows - as per last year - that there are four levers contributing to strong environmental performance and leadership. These help determine whether companies are building competitive advantage in the transition to an Earth-positive economy.

01

Link executive pay to environmental performance

Executive-level incentives linked to environmental performance help align leadership with the organization's environmental targets and goals. For instance, 100% of climate leaders have linked executive pay to environmental performance, as have 78% of forest and water leaders. By contrast, companies that fail to achieve climate leadership are less likely to have pulled this lever (32%), with a similar trend for water (18%) and forests (20%).



02

A robust process for managing environmental dependencies, impacts, risks and opportunities

This lever better equips companies to handle longer-term uncertainties and liabilities, as well as capitalize on opportunities.

83% of climate leaders have a robust process covering both direct operations and supply chain across all time horizons. Forest (93%) and water leaders (90%) perform even better. Companies at lower levels³ are less likely to have pulled this lever, with only 33%, 27% and 24% of companies doing this for climate, forests and water security, respectively.



03

A 1.5°C aligned climate transition plan with ambitious environmental targets

Developing a credible climate transition plan is vital for companies to align with the long-term goals of the Paris Agreement and position their business models for an Earth-positive economy. Close to 90% of leaders have taken this step, compared to only 37% at lower levels.

Robust short-term targets are a core element of a credible plan, providing clarity on the near-term actions required to achieve longer-term goals. Among leaders with a transition plan, 93% also have a 1.5°C-aligned, organization-wide emissions reduction target. In contrast, of the 37% at lower levels with a plan, only 36% have such targets in place.



04

Value chain engagement

By understanding what environmental impacts are and where they happen, businesses can mitigate shocks and encourage innovation among their closest suppliers.

This lever is widely used by Leadership companies, with 97% of climate leaders engaging with both their customers and suppliers. 83% of non-Leadership companies have also engaged with their value chain, demonstrating the corporate community's widespread understanding of the benefits from such engagement.

The level of engagement is also high for both forests (91%) and water (98%) leaders.



³ Lower levels are defined as anything below Leadership.



Putting an internal price on water as a potential new lever

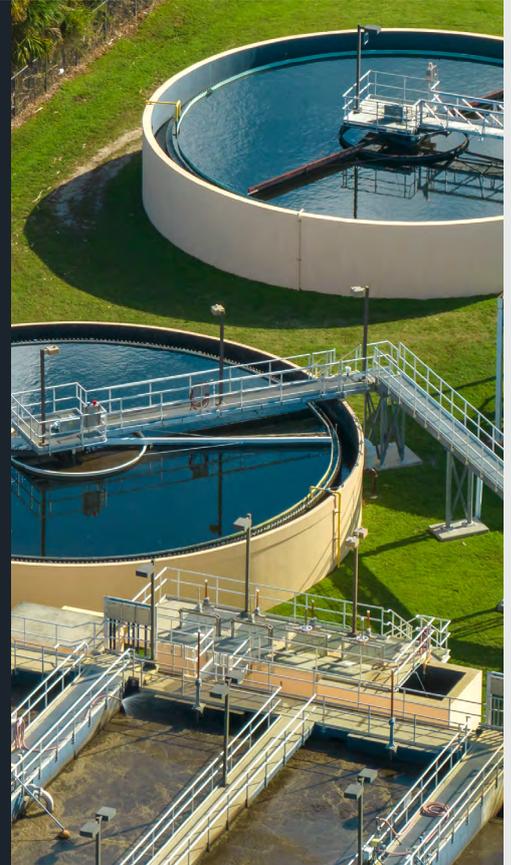


While an internal carbon price is a relatively well-established tool to manage climate-related risks and opportunities and 68% of climate leaders are already applying one, internal water pricing is still an emerging practice.

In many contexts, prevailing water tariffs do not reflect the full economic value of water to an organization, nor do they adequately capture treatment and disposal costs, exposure to future tariff increases, regulatory risk or wider externalities. As water-related risks intensify and become

increasingly material, applying an internal price on water that better reflects its true value to organizations can help translate water dependency and risk into decision-useful financial signals.

Companies using internal water pricing report using it to inform operational efficiency measures, cost-benefit analysis, capital investment decisions and strategic planning. 32% of leaders are already pricing water internally, compared with only 4% for the rest of companies assessed.



Regional disparities: Japan emerges as a leader amid significant differences across regions

Japan has emerged as a leader across climate, forests and water. Among the eight geographies analyzed in this report, Japan is the only one where the share of leaders in each theme is above 10%

This leadership has come with economic opportunities. In the past 12 months, Japanese companies demonstrating best practice have realized a total of US\$76 billion in new opportunities directly connected with climate and nature challenges. These opportunities were found in increased sales, expanding into new markets, and promoting new financial products, such as green bonds.

Japan's manufacturing sector also has the highest number of climate and water disclosers, accounting for one-third of all Japanese companies achieving Leadership level. Other sectors in Japan that stand out in terms of the share of climate leaders are financial services (40%), biotech, healthcare and pharma (33%), infrastructure (29%) and apparel (29%).





Barriers to corporate environmental progress

03



Regional policies and regulations impact performance

Policy actions present both an opportunity and a potential stumbling block for companies seeking to take **environmental action.** Recent history shows stark variation across jurisdictions.

China has positioned itself as a global leader in renewable energy and electric vehicles (EVs) due to strong state support for these industries. By contrast, the US has reversed key policies, including its withdrawal from the Paris Agreement, suspension of offshore wind project approvals, and heavily reduced support for renewable technologies and EVs.

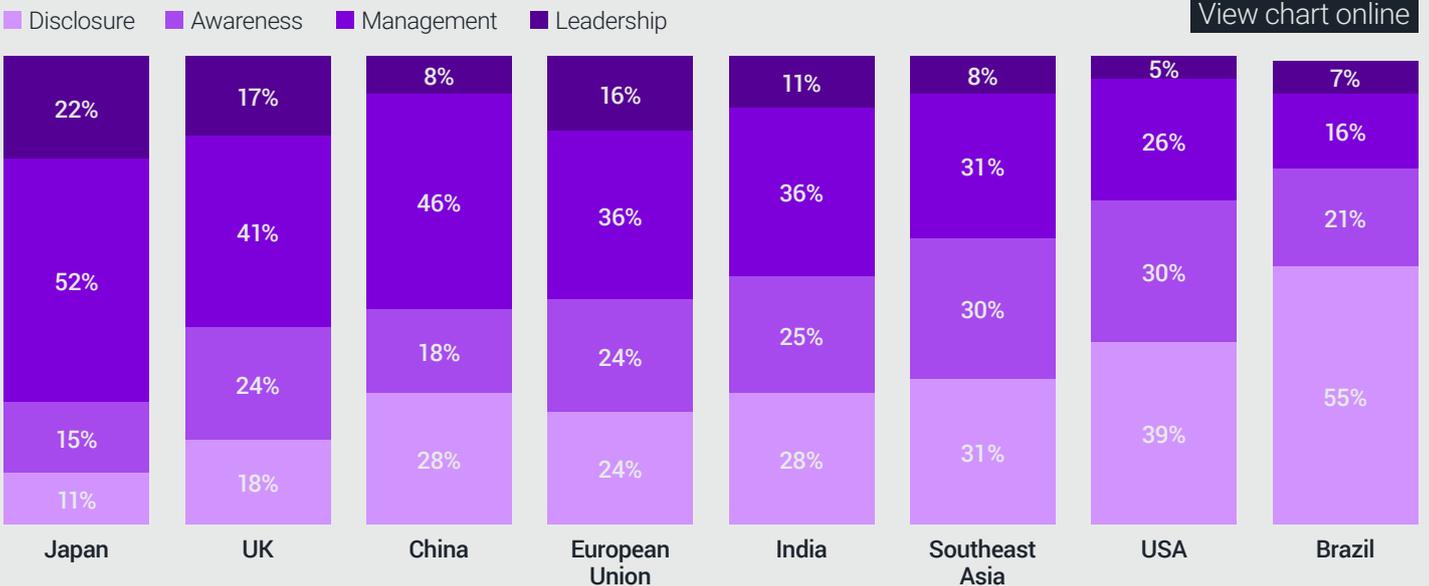
This policy environment could be contributing to lower performance on climate and nature. On average, companies in the US (and Brazil) scored lower on climate compared to other economies. Only 31% and 23% of respondents achieved Management or Leadership levels, respectively, compared to the global average of almost 50%. This falls behind China (54%), the European

Union (52%), and developing economies in Southeast Asia (39%).

The same trend has also been observed across forests and water. Only 16% of US companies reached Management or Leadership levels for forests and 26% for water, compared to the global average of 34% and 46%, respectively.

Figure 5. Breakdown of performance on climate-related issues

To filter by climate, forests and water:



[View chart online](#)



Policy and macroeconomic pushback put pressure on climate leaders

Policymaking has always been a significant business consideration. The following section provides a snapshot of some of the key policy and economic concerns which are impacting business decisions.

Overlaying financial performance with climate scores also allows us to see how different sectors are faring in the current landscape.

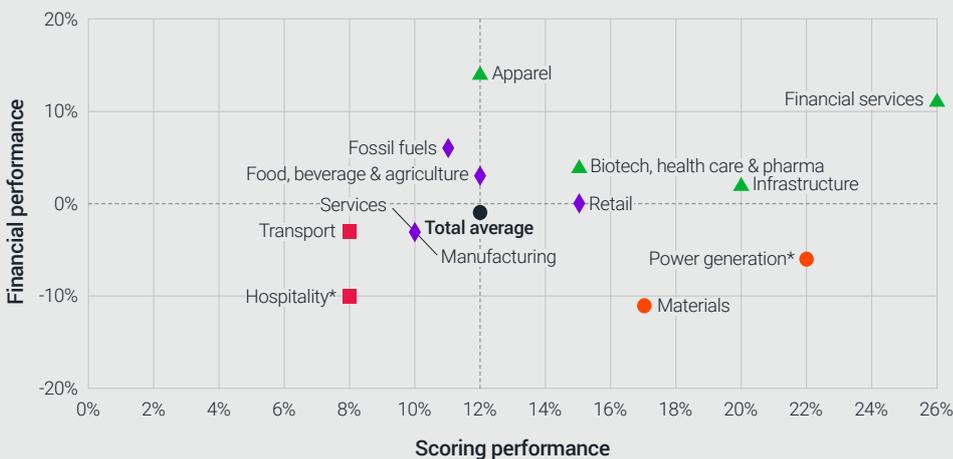


Figure 6. Sectors by financial performance vs. scoring performance

[View chart online](#)

For climate theme only

- Positive financial & scoring performance
- Neutral financial & scoring performance
- Poor financial, positive scoring performance
- Poor financial & scoring performance



Financial performance: Difference in 2022-25 market cap. CAGR of companies in Leadership vs. Disclosure
Scoring performance: Proportion of companies in Leadership category

*Note: Some sectors only have a small sample size available. Power generation N=53. Hospitality N=73.

Within apparel, Leadership level companies’ market capitalization growth outperforms Disclosure level companies, with climate leaders experiencing 14% higher market capitalization growth than those in Disclosure.

The power generation sector has one of the highest proportions of Leadership level companies (22%), second only to financial services (26%), but while the financial services sector has shown strong growth in market capitalization, power companies have faced difficulties.

The power sector has faced numerous impacts in recent years, least not the war in Ukraine, increased interest rates and construction costs, and downward pressure on wholesale electricity

prices. These challenges have led to a more muted investor appetite in supporting the energy transition.

As electricity generation is crucial to the net-zero transition, strong policy support is essential to turn things around. New revenue instruments can reduce long-term merchant risk, while tax incentives, faster permitting and regulatory support to incentivize the build out of grid and storage capacities will increase investor appetite.

Materials is another sector where Leadership level companies struggled to outperform companies at other levels. The materials sector⁴ has faced significant challenges in recent years. Energy costs continue to climb, transitioning to low-carbon technologies demands heavy investment, and scaling technological solutions has proven difficult.

More broadly, European companies are facing competitive pressures from lower cost and higher carbon imports from Asia. While tariffs and the Carbon Border Adjustment Mechanism are providing some reprieve for sustainability leaders, further policy support and incentives will be required to tip the balance in favor of large-scale, low-carbon solutions.

Transportation is a sector vital to achieving the world’s climate goals. Electric vehicles (EVs) have seen slowing consumer demand, along with high production and supply chain costs. Competitive pricing pressure has also squeezed margins. The impact of recent policy reversals and the removal of subsidies in some jurisdictions will continue to impact businesses in this space.

⁴ This term encompasses steel, cement, chemicals, wood and paper materials, metals and mining.



Adapting to a changing world

04



Despite significant physical risks, most businesses are only scratching the surface on resilience investment

The data shows that companies continue to identify physical risks that are having a material financial impact on their businesses. The estimated impact of reported physical risks across all companies totals \$1.47 trillion, with 26% falling in the short term⁵. This number is likely to be much higher if more companies fully disclosed and quantified their physical risks.

Companies are seeing these risks most commonly in water conditions: flooding, cyclones, water stress and heavy precipitation were the most identified, followed by drought and heat waves.

Breaking this down by sector we see, on average, financial services, fossil fuels and hospitality are the most affected – with financial impacts dispersed across continents. The United States, European Union, Brazil and Japan closely top the list in terms of the median financial risk reported per company.

Building resilience to these risks is essential to business strategy. Once environmental risks have been identified and quantified, the crucial next step is for boards to invest in adapting business models to mitigate long-term risk. Future leaders will be those moving early, decisively and pragmatically on adaptation and resilience.

Companies that fail to build resilience to climate change face billions in potential losses. [According to the S&P Global Sustainable1 Physical Risk Exposure Scores and Financial Impact dataset](#), without adaptation



these costs are estimated to total US\$1.2 trillion by the 2050s for companies on the S&P Global 1200, an index which covers 70% of global market capitalization.

Companies disclosing through CDP reported a total of more than US\$200 billion invested in building resilience to physical risks. However, this investment comes from only 20% of the disclosing companies - roughly a third of those that identified substantive physical risks – highlighting a notable gap between risk awareness and investment.

Reported investments span a range of responses, including risk avoidance (such as relocating operations), risk transfer (for example through insurance adjustments), and proactive risk reduction by strengthening physical or operational

adaptive capacity. However, not all these investment types contribute equally to closing the global adaptation finance gap.

Recent analysis [highlights](#) a role for private finance. In this context, physical adaptation – tangible, asset-level investments that deliver location specific benefits – represents the category of corporate action that has potential to contribute to closing the adaptation finance gap. Our data shows that 9% of companies report investing in such measures, amounting to US\$84 billion. While this represents a meaningful flow of finance, to support the alignment of adaptation investments at company level to global adaptation priorities, stronger policy leadership can incentivize business adaptation investments aligned with national needs.

Companies disclosing through CDP reported a total of more than **US\$200 billion** invested in building resilience to physical risks.

⁵ Across all themes where companies have identified and reported physical risks.



Investment in adaptation promotes business resilience alongside potential financial returns

Companies that identified physical risks recognize that investing now will protect their businesses in the future – ensuring operational continuity, market competitiveness and improved financial performance. This is evident from the analysis of physical risk response strategies.

Companies with proactive response strategies that focus on building adaptive capacity are likely to see significant returns on their investments. A [2025 research paper by the World Resources Institute](#) suggests that every US \$1 invested in climate adaptation can yield over US \$10.50 in benefits over a decade, with average annual returns between 20% and 27%.

The business case for adaptation is increasingly compelling. However, investment in adaptation measures falls short of the required level. This gap persists despite strong evidence

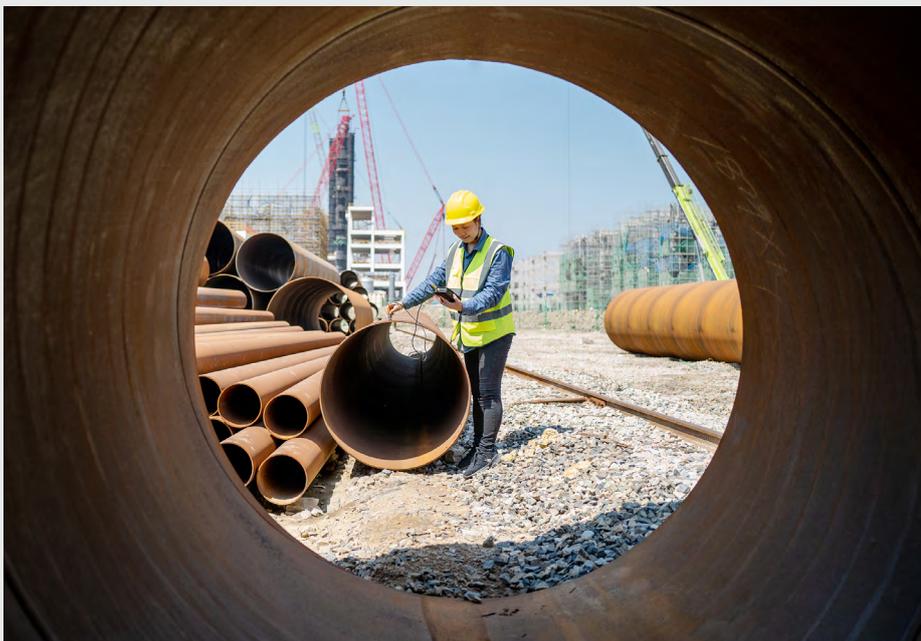
Companies with proactive response strategies that focus on **building adaptive capacity** are likely to see significant returns on their investments.

of financial viability, largely due to several persistent barriers including insufficient awareness of available adaptation solutions among decision makers and difficulties quantifying resilience-adjusted profitability, among other factors.

Closing this investment gap represents a major economic opportunity. According to the World Bank's Jobs in a Changing Climate analysis, investments that build climate resilience and support adaptation could generate the equivalent of up to 150 million jobs by 2050 across low- and middle-

income countries, with 25 million more and better paid jobs in the 49 countries directly studied. At the same time, if resilience is not strengthened tens of millions of jobs could be threatened. These projections underscore that adaptation is not just a defensive necessity but a strategic growth opportunity for forward-looking companies and investors that align economic development with climate action.

Accelerating adaptation investment will require coordinated action across multiple fronts: clear policy direction including national adaptation plans and sector-specific targets; improved physical risk data and infrastructure such as high-resolution hazard maps and early warning systems; increased corporate disclosure of adaptation risks, responses and investment plans; and innovative financing mechanisms that mobilize private capital where appropriate, while addressing the unique characteristics of adaptation projects.





Earth- positive

means acting in ways that protect and restore the environment and reduce negative impacts on the planet, alongside achieving business objectives.



As the global economy moves toward a net-zero, Earth-positive future, businesses increasingly face a strategic choice:

Whether to integrate environmental action into the core of their operations and capture the associated economic advantages, or continue with approaches that delay or deprioritize these issues.

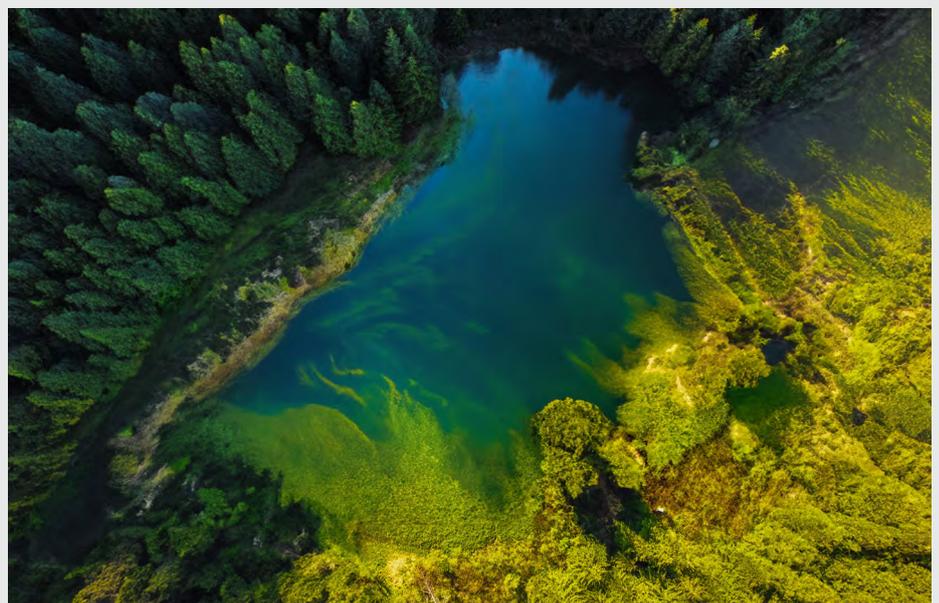
For many years, companies could assume that environmental risks were peripheral to business performance. Today, the evidence shows the opposite. The World Economic Forum's [Global Risks Report](#) identifies environmental risks among the most significant and accelerating business threats globally — and the past decade of scientific data reinforces this reality.

It is now difficult to imagine a credible future business strategy that does not factor in water resilience, climate stability, nature dependencies, and transition readiness. These dynamics are reshaping cost structures, risk exposure, investment flows, supply chains, and competitiveness.

This second CDP Corporate Health Check demonstrates that companies taking environmental leadership seriously are building competitive advantage, strengthening resilience, and identifying new opportunities, even amid regulatory uncertainty and geopolitical complexity.

There is no single route to success. Regions, markets and sectors face distinct risks and opportunities. However, common features unite leading companies: strong governance with environmental expertise at the board level, credible transition planning, meaningful engagement across value chains, informed capital allocation, and data-driven decision making.

The findings in this report provide clear market signals about what works. They offer businesses and investors a stronger evidence base for where to focus attention. Ultimately, environmental leadership is proving to be an economic strategy as much as an environmental one — and the companies that invest in it today are better positioned to grow, compete and thrive in the economy ahead.





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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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