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A world in balance 2026

The resilience reset

Make it real.

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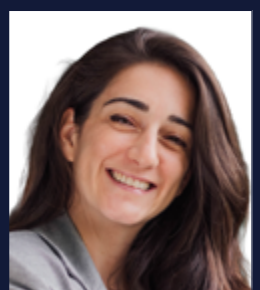

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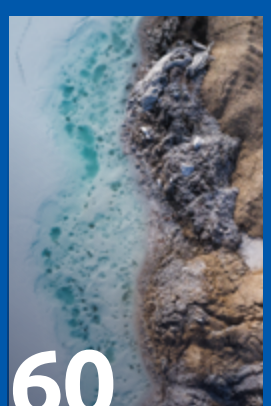

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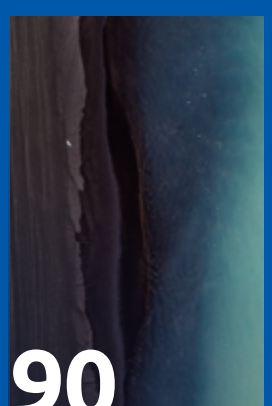

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Executive summary

As businesses look to the future, climate disruption, water stress, resource constraints, and geopolitical volatility are placing increasing pressure on growth and performance. As a result, sustainability is becoming increasingly centered on resilience, a shift we have observed in recent editions of this research. This year, our findings show that resilience is becoming more deeply embedded in how organizations prioritize investment, manage risk and critical resources, and drive growth. We call this next phase of the journey "the resilience reset."[1]

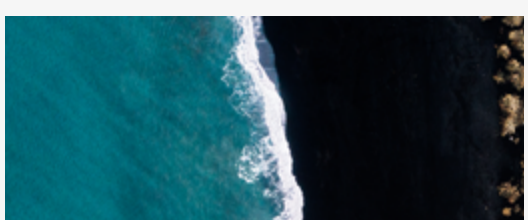
Organizations are focusing investment on resilience and measurable business outcomes instead of simply meeting reporting requirements and compliance obligations. The question organizations are asking is no longer just "How do we report sustainability?" but "How do we operate and grow in a world shaped by climate disruption, resource constraints, and geopolitical uncertainty?"

This shift does not diminish the importance of decarbonization; rather, it reflects a growing recognition that organizations must both reduce emissions and invest in resilience, adaptation, and resource security as climate impacts become more visible. At the same time, AI is emerging as a powerful enabler of sustainability execution, helping organizations accelerate progress while requiring stronger oversight of its own environmental footprint.

The fifth edition of our annual *A world in balance research* explores five key themes shaping the next phase of sustainability:

61%

of executives believe water scarcity will become a greater constraint on business growth than energy availability over the next five years.



Executive summary

Key takeaways:

1. Climate and water are becoming material business constraints, yet most organizations are still building the capabilities needed to understand, quantify, and manage their exposure

2. Sustainability priorities are expanding beyond emissions reduction to include resilience, adaptation, resource security, and business continuity as organizations respond to growing climate and geopolitical disruptions

3. Sustainability is increasingly delivering measurable business value through improved efficiency, stronger brands, customer growth, innovation, and reduced risk, sustaining investment momentum

4. Despite rising investment, sustainability execution remains challenging, creating a widening gap between ambition and outcomes

5. AI is emerging as a powerful enabler of sustainability execution, but organizations must also address its growing energy, carbon, water, and governance implication

Executive summary

1. Climate and water are critical business constraints

Climate and water challenges are disrupting supply chains and operations, driving up costs, affecting productivity, increasing insurance pressures, and creating broader financial risks for organizations. Nearly nine in ten organizations (87%) report climate-related supply chain disruptions, while 68% of consumers say extreme weather events affect their daily lives. Moreover, 61% of executives believe water scarcity will become a greater constraint on business growth than energy availability over the next five years.

Organizations are striving to adapt. Nearly 68% of executives say their organization actively prioritizes climate adaptation, up from 56% in 2025, while 76% expect adaptation spending to increase over the next 12 months. As many as 90% of executives view water scarcity as an organizational risk, reflecting concerns about operational continuity, supply chain stability, and future growth.

Yet growing awareness and investment have not fully translated into operational readiness. While organizations recognize the need to adapt, many are still building the capabilities required to assess, govern, and respond to climate and water risks effectively:

- Only 15% of organizations have fully quantified the financial impact of climate-related disruptions
- Only 27% of executives say their organization has assessed climate risks across its extended value chain, while just 28% say their organization has deployed climate risk analytics tools
- Fewer than half report that their organization is proactively adapting operations in water-stressed regions (42%), strengthening water stewardship (37%), or using AI to address growing water-related risks (35%)

2. Organizations are repositioning sustainability around resilience

The sustainability agenda is evolving. While emissions reduction remains important, organizations are assigning a comparable weight to resilience, adaptation, resource security, and business continuity, as the business impacts of climate change become more visible. Geopolitical disruptions are accelerating this shift, with nearly two-thirds (64%) of executives saying their organization has shifted sustainability priorities.

This is reflected by the fact that nearly two-thirds (64%) of executives identify energy and critical-resource security as key drivers of sustainability investment. A further 71% say securing access to critical resources such as energy, water, and materials now influences sustainability decisions more than emissions-reduction targets. A further 78% report accelerating efforts to integrate energy and resource resilience into business and sustainability strategies.

Executive summary

Increasingly, circularity is viewed through a resilience lens. Nearly three-quarters (71%) of executives from manufacturing or asset-intensive sectors say circularity is critical to controlling costs and improving resource efficiency, while 59% believe it can reduce dependence on geopolitically sensitive or high-risk supply chains. Additionally, 45% of all executives say that geopolitical and economic factors have increased their focus on circularity and material resilience.

Organizations are also strengthening supply chain resilience through sustainability investments, with 62% of executives from manufacturing or asset-intensive sectors reporting that sustainability investments have improved their ability to operate efficiently under supply constraints.

3. Sustainability is creating value and sustaining investment

Nearly three-quarters (73%) of executives cite value creation as a key driver of sustainability investment, while fewer than half (48%) point to the conviction that it is the right thing to do. This reflects that sustainability is shifting from a values-driven to a *value*-driven agenda. Organizations report stronger outcomes, with 69% generating a positive return on investment (ROI) from sustainability initiatives, up from 49% in 2025. At the same time, 67% report lower operating costs, with initiatives delivering average savings of 6% over the past year.

The benefits extend beyond efficiency gains:

- 74% of executives say sustainable practices have strengthened brand equity
- 68% report improved customer acquisition and retention
- 64% say sustainability investments have boosted sales
- 61% report accelerated innovation

This impressive value creation is sustaining investment momentum (organizations allocated spending of 1.04% of revenue in 2025 compared with an expected 0.8%). Looking ahead, 83% expect to increase sustainability investment over the next 12–18 months. Importantly, rather than reversing sustainability priorities, geopolitical and economic disruption are reshaping them. Only 23% of executives report delays or scaling back of circularity initiatives, while 36% report increased reliance on carbon-intensive energy or materials.

4. But despite continued investment, sustainability execution is lagging

Organizations continue to invest in sustainability, but delivering meaningful progress is challenging. Our

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sustainability maturity index declined for the second consecutive year, falling from 111 in 2025 to 105 in 2026, indicating that ambition alone is insufficient to fuel progress. The findings highlight a growing gap between sustainability ambition and execution.

The execution gap is most visible in net-zero programs. Two-thirds (66%) of organizations acknowledge that aligning aspirational sustainability efforts with science-based targets is challenging. The portion of organizations falling behind on their net-zero goals increased from 1% in 2025 to 11% in 2026, while 29% have postponed their net-zero objectives, compared with just 8% a year ago. Fragmented data, limited visibility across value chains, and a growing dependence on external stakeholders are making sustainability initiatives harder to deliver at scale.

5. AI is becoming the execution engine for sustainability

AI is a critical enabler of delivering sustainability targets, but its growing environmental footprint is concerning. Nearly half (45%) of executives say AI has significantly increased greenhouse gas emissions, while 70% report that AI's sustainability implications are discussed in the boardroom. Yet concern about AI's environmental impact appears to be outpacing organizations' ability to measure it: only 38% say their organization measures the energy consumption of AI systems; 34% measure AI-related carbon emissions; and just 25% disclose AI-related water usage.

Nevertheless, executives overall view AI as a net positive for sustainability. Nearly three-quarters (71%) believe the benefits of generative AI (Gen AI) outweigh its environmental impacts, up from 57% in 2025. This confidence is slightly stronger among the 38% of organizations that assess AI's environmental impact, with 72% concluding that Gen AI's benefits outweigh its environmental drawbacks. Moreover, 64% of all executives say their organization is already using AI to advance sustainability initiatives

AI is creating value across sustainable operations, sustainability insights, decision making and reporting, risk management, and sustainable product innovation. As organizations adopt agentic AI, the opportunity is shifting from isolated use cases to orchestrating sustainability decisions and actions across the enterprise:

- 61% of executives say they use AI for supply chain and logistics optimization
- 52% use it to improve energy efficiency

Executive summary

- 50% use AI for sustainability reporting and compliance activities
- 35% use AI for climate-risk forecasting and planning
- 28% use AI for sustainable product innovation/ R&D decision

Realizing this opportunity will demand strong data foundations and a sustainable AI control plane to provide visibility into AI's resource consumption, govern increasingly autonomous systems, and optimize sustainability outcomes at scale.

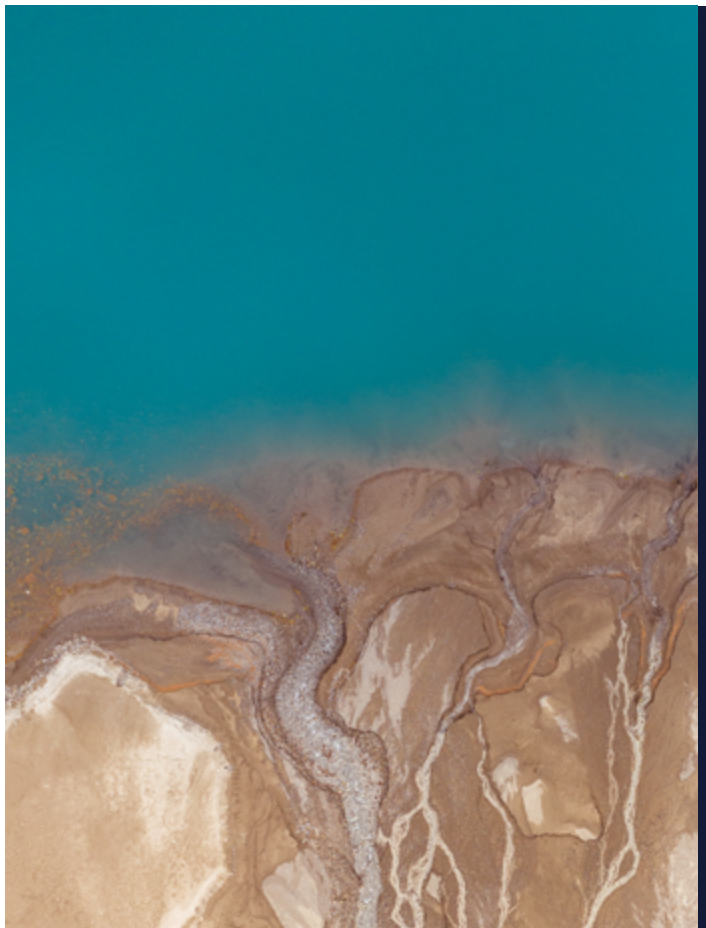
The report concludes with targeted recommendations to help organizations navigate a rapidly evolving sustainability landscape, build resilience, accelerate execution, and use AI to drive measurable business and sustainability outcomes.

Build resilience, growth, and trust through sustainability

- Shift sustainability from a compliance and reporting exercise to a source of resilience and business value
- Build resilience against increasingly frequent climate-related disruptions
- Build long-term sustainability by strengthening resources security and reducing dependence on constrained resources
- Leverage climate tech to accelerate sustainability outcomes
- Communicate measurables outcomes to build consumer confidence

Harness AI to accelerate and scale sustainability outcomes

- Build intelligent and agentic operations for sustainability
- Accelerate sustainable product and service innovation through AI
- Establish a sustainable AI control plane to govern AI systems at scale
- Build the right data foundations and mastery



Who should read this report and why?

The fifth edition of our annual *A world in balance* series examines the way in which climate disruption, water stress, resource constraints, geopolitical volatility, and rapid advances in AI are reshaping sustainability efforts. It offers a comprehensive view of organizational responses to these risks, examines how they are strengthening resilience, and harnessing the power of AI to achieve value and reinforce sustainability.

The report will be valuable to leaders responsible for advancing sustainability and business transformation, including those across strategy, operations, supply chain, procurement, risk management, product development, finance, and technology.

This report is based on original findings from a comprehensive industry survey of 2,100 senior executives (director level and above) from 701 leading organizations across 13 countries, each with annual revenue above $1 billion. Half of the executives surveyed work within corporate functions, and half come from value chain functions. Additionally, we conducted 14 in-depth interviews with senior sustainability and business leaders and surveyed 6,500 consumers globally.

Please see the research methodology section for further details.





01 Climate and water are becoming critical business constraints

1.1 Climate adaptation is becoming a business imperative

Climate adaptation refers to the process of anticipating, preparing for, and responding to both physical (such as extreme weather events and rising sea levels) and transition risks (such as regulatory changes or shifts in market expectations). Adaptation focuses on managing the current and future impacts of climate change, rather than mitigating its causes, but mitigation and adaptation are necessary and complementary pillars of climate action.

87%

of organizations report climate-related supply chain disruptions

Climate risks are business risks

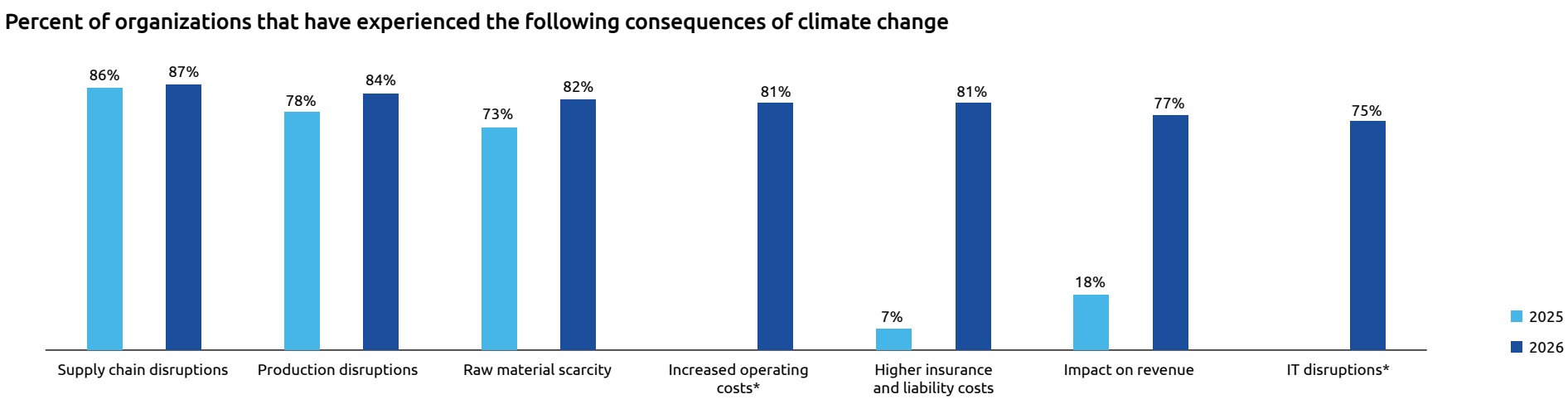
2026 saw the hottest June–July period ever recorded in western Europe and the second warmest globally (at 1.47°C above the estimated pre-industrial average).[2] As the climate emergency intensifies, it increasingly disrupts business operations, supply chains, and economic activity. The UK Office for Budget Responsibility (OBR) estimates that, by current policy trajectories, climate-induced damage to physical assets and the related effect on labor productivity could reduce UK GDP by 3–4% by 2050 and as much as 7–8% by 2070.[3]

Similarly, Allianz estimates that extreme heat alone could reduce GDP in major European economies by up to 7% by 2030.[4] Wildfires across France, Spain, Greece, and other European countries have disrupted businesses, damaged crops and infrastructure, forced the evacuation of hundreds of thousands of residents, and are estimated to have generated €15.6 billion to €19.1 billion in economic losses in 2026 alone.[5] Storms and flooding across Portugal and Spain led to nearly $22 billion in economic losses in Q1 2026, of which only about $3.5 billion was insured.[6] In Germany, water levels on the Rhine river, one of Europe's most important commercial waterways, fell to their lowest levels in nearly 150 years during the summer of 2026, threatening the transport of fuel, chemicals, minerals, and industrial goods and creating new supply chain bottlenecks across the region.[7]

Around the world, organizations are already experiencing the business impacts of climate change, from supply chain disruptions and productivity losses to rising costs, insurance pressures, and financing constraints. As Figure 1 shows, nearly nine in ten organizations report climate-related supply chain disruptions, while most have faced a range of disruptions due to climate change.



Figure 1.
Most organizations have felt the business impacts of climate change



Note: *Asked only in 2026.

In 2026, respondents were asked to assess the extent to which their organization had experienced each climate change-related challenge, selecting from a six-point scale ranging from "Not experienced and not expected" to "Experienced this to a significant extent." Figures shown for 2026 represent the percentage selecting "Experienced this to a moderate extent" or "Experienced this to a significant extent" for each challenge. In 2025, respondents were asked to select all climate change-related consequences their organization had experienced.

Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 701 organizations, June–July 2025, N = 716 organizations.



"Sustainability is entering a new era. Organizations must move beyond compliance and reporting to build resilience, secure critical resources, create long-term business value, and ultimately preserve their sovereignty. AI can accelerate this transition, but lasting impact will depend on how effectively organizations embed sustainability into their operations, decisions, and innovation strategies."

Cyril Garcia

Group Executive Board Member, Head of Global Sustainability Services and Corporate Responsibility, Capgemini

Across industries, risks are becoming reality:

- **Raw material scarcity:** In July 2026, severe winter storms in Chile disrupted operations at several major copper mines. As Chile accounts for more than one-fifth of global copper production, the disruption added pressure to an already constrained market for a material essential to power grids, electronics, EVs, and AI infrastructure.[8]
- **Production and supply chain disruptions:**
  - In January 2025 in the US, extreme low temperatures brought by winter storm Enzo forced petrochemical shutdowns – BASF, Dow, Shell, LyondellBasell, Indorama, and other chemical producers shut down or curtailed operations across Texas and Louisiana.[9]
  - In September 2025, Super Typhoon Ragasa disrupted Foxconn's production of Apple iPhones in Shenzhen, China. Ragasa also disrupted port operations and logistics networks across the region.[10]
  - In June 2026, extreme heat led to operational disruptions at several container terminals in the port of Rotterdam.[11]
- **Energy disruptions:** The International Energy Agency (IEA) estimates that recent weather-related disruptions to critical energy infrastructure affected energy supplies to more than 200 million households globally, with transmission and distribution grids affected in about 85% of reported incidents.[12] In July 2026, the EDF temporarily shut down three nuclear reactors in France and reduced generation at several others because river temperatures had become too high for normal cooling operations.[13]
- **Workforce productivity:** Garment factories in India supplying multinational retailers such as Uniqlo, Marks & Spencer, and Tesco are reporting productivity losses of up to 10% due to extreme heat.[14]
- **Bankability and insurability pressures:** Climate risks are increasingly affecting financial institutions and capital markets too. According to Swiss Re, wildfires, floods, and storms account for 92% of insured losses from natural catastrophes.[15] For insurers, rising catastrophe losses are reshaping underwriting and coverage decisions. For banks, climate exposure is becoming a factor in credit risk, collateral valuation, and lending. For asset managers, climate and nature risks are influencing portfolio allocation and stewardship decisions.

Climate adaptation is moving up the corporate agenda

Climate adaptation is now a core element of business continuity planning. Kawun Williams, Head of Sustainability at University Hospitals of Birmingham NHS Foundation Trust, says: *"Extreme weather is making resilience a more urgent operational issue, from overheating risks in hospital estates to potential disruption of supply chains. The challenge is to move from reacting to climate impacts to treating adaptation as a strategic priority."*

As **Figure 2** shows:

- Organizations are increasingly **embedding climate adaptation into strategy and operations**. Nearly 68% of executives say their organization actively prioritizes climate adaptation, up from 56% in 2025. In March 2026, for example, Heathrow Airport published a dedicated climate adaptation strategy.[16]
- More than 6 in 10 executives say their organization conducts **climate risk assessments** on an ongoing basis, compared to 52% in 2025. For example, through its 'Climate Resilience Platform,' PepsiCo translated insights derived from grower data into targeted adaptation actions and sustainability roadmaps, building the resilience of its potato supply chain across 12 countries.[17]
- Nearly half (49%) of organizations say they have **upgraded physical infrastructure to withstand climate impacts**, up from 38% in 2025. Pacific Gas and Electric (PG&E) has undertaken one of the largest grid-hardening programs in the US, completing more than 1,200 miles

of underground power lines and pursuing the long-term goal of undergrounding 10,000 miles of lines. By moving vulnerable infrastructure underground, the organization aims to reduce disruptions from extreme weather and lower wildfire risks.[18]

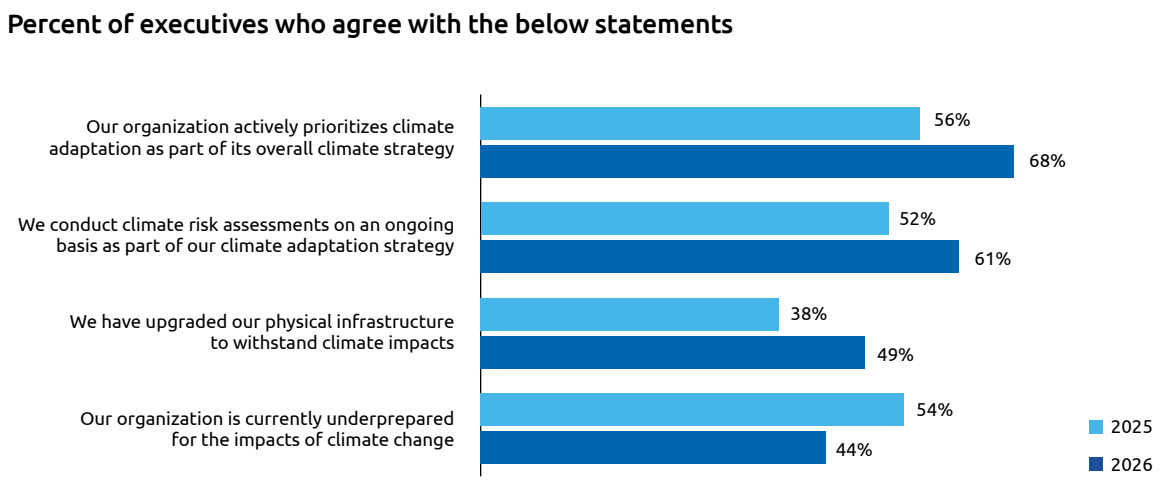
Another notable example is Eurostar, a European high-speed train operator, which has upgraded the design requirements for its new train fleet, raising the operating temperature threshold from 45°C to 55°C. The move aims to ensure reliable service through the 2060s as Europe faces more frequent and severe heatwaves, helping build resilience into critical transport infrastructure.[19]

- The **share of executives who say their organization is underprepared for climate impacts has fallen** from 54% in 2025 to 44% in 2026, suggesting that adaptation capabilities are gradually maturing.

Investment in adaptation is accelerating

Over three-quarters (76%) of executives say their organization will increase climate adaptation spending over the next 12 months, with energy, financial services, retail, and automotive leading the way (see Figure 3).

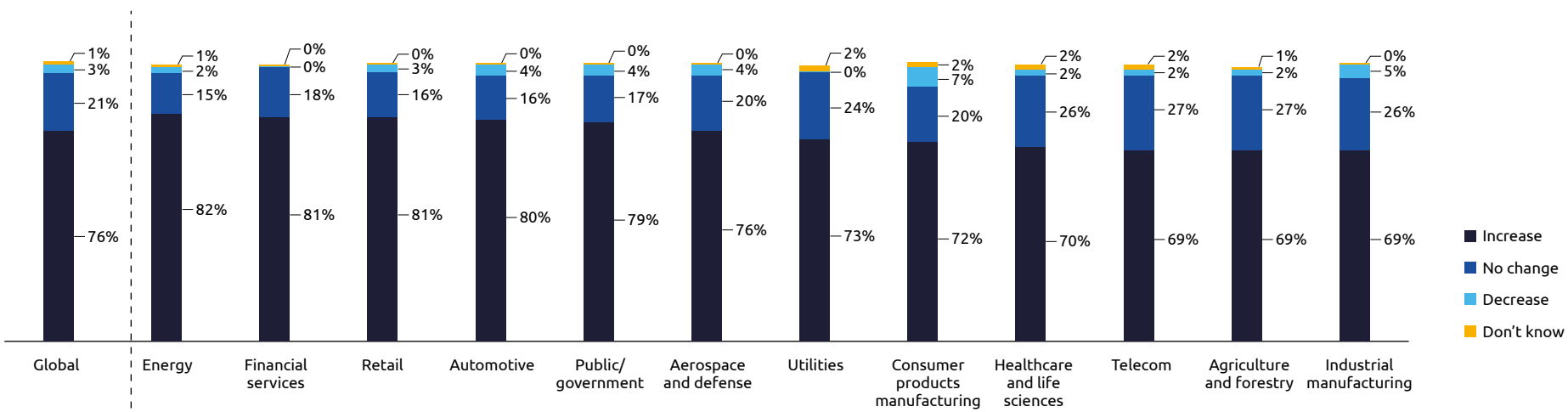
Figure 2.
Increasingly, executives say their organizations are strengthening climate adaptation efforts



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives, June–July 2025, N = 2,146 executives.

Figure 3.
Climate adaptation spending is set to rise across sectors

Percent of executives responding to the question: "Over the next 12 months, how will your organization's spending on climate adaptation change?"



Note: Increase represents summation of responses to "increase significantly" and "increase moderately."
Numbers not adding to 100% due to rounding off.
Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.



“Extreme weather is making resilience a more urgent operational issue, from overheating risks in hospital estates to potential disruption of supply chains. The challenge is to move from reacting to climate impacts to treating adaptation as a strategic priority.”

Kawun Williams

Head of Sustainability at University Hospitals of Birmingham NHS Foundation Trust

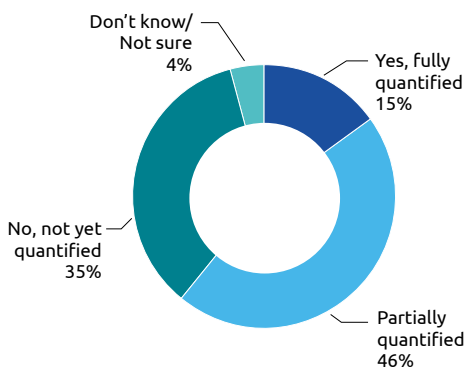
Embedding adaptation into operations remains a challenge

The World Economic Forum (WEF) estimates that climate hazards could drive $560–610 billion in annual losses for listed organizations by 2035, with sectors such as telecommunications, utilities, and travel facing particularly significant impacts.[20] S&P projects that in the absence of adaptation measures physical climate risks could cost the S&P Global 1200 (the world's largest organizations) $1.2 trillion annually by 2050. Extreme heat, water stress, and other chronic climate hazards are expected to account for a substantial share of these losses.

Yet despite the growing financial stakes, our research reveals that only 15% of organizations have fully quantified[21] the financial impact of climate-related disruptions on their business, while a further 46% have done so only partially (see Figure 4). Capgemini and Sweep's 2026 joint report highlights that nearly 30% have absorbed climate-related losses above $1 million in the past 24 months.[22]

Figure 4.
Only 15% of organizations fully quantify climate-related financial exposure

Percent of organizations responding to the question: "Has your organization quantified the potential financial impact or value at risk from climate-related disruptions?"



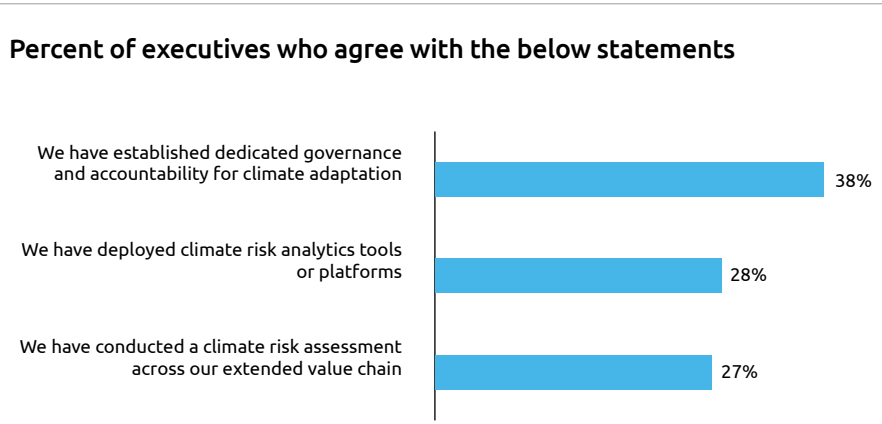
Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 701 organizations.

While climate adaptation is rising on the corporate agenda and attracting greater investment, many organizations have yet to build governance structures, climate-risk intelligence, and the analytical capabilities needed to operationalize adaptation at scale. As Figure 5 shows:

- Nearly 4 in 10 (38%) executives say their organization has established dedicated governance and accountability structures for adaptation
- Just 27% say their organization has assessed climate risks across its extended value chain (including suppliers, logistics networks, and downstream operations); European executives report somewhat higher levels of climate risk assessment (30%), than their peers in North America (23%) and APAC (25%)
- Only 28% say their organization has deployed climate risk analytics tools or platforms that enable them to assess, model, and monitor climate-related risks across their operations, assets, and supply chains

Figure 5.

Governance and data capabilities lag climate adaptation ambitions



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.

These foundational gaps appear to be slowing adaptation. In 2026, only 22% of executives globally say their organization has redesigned products or services to withstand future climatic conditions (a slight fall from 26% in 2025). These adaptation efforts span both physical products and service-based offerings, depending on the nature of the organization's business model. While executives in manufacturing, utilities, and financial services report higher levels of adaptation-led product and service redesign than their peers in other sectors, adoption remains limited overall (see **Figure 6**).

We see a few examples emerging:

- Indian manufacturers are redesigning products, from air conditioners to tires and electric vehicle (EV) batteries, to make them more resilient to rising temperatures and extreme weather events.[23]
- Financial institutions are redesigning products and services in response to climate risks.
  - AXA Climate, a strategic entity of the AXA Group, has developed parametric insurance solutions to help organizations, farmers, vulnerable communities, and natural ecosystems build resilience to extreme weather

events and climate anomalies across more than 40 countries. These products provide rapid payouts when predefined climate thresholds are reached.[24]

– Martin Powell, Group Sustainability Director at AXA, says: *"In Hong Kong, for example, we provide parametric insurance for workers exposed to extreme heat. If temperatures remain above a defined threshold for three consecutive days, we pay workers not to work. We are seeing growing uptake of these products because climate change is altering our environments and creating much greater risks to environmental assets and, fundamentally, to people."*
– Banks are also evolving their financing offerings in response to climate-related risks. In 2025, Deutsche Bank published its Transition Finance Framework and set a target to facilitate €900 billion in sustainable and transition finance by 2030.[25]

38%

of executives say their organization has established dedicated governance and accountability structures for climate adaptation



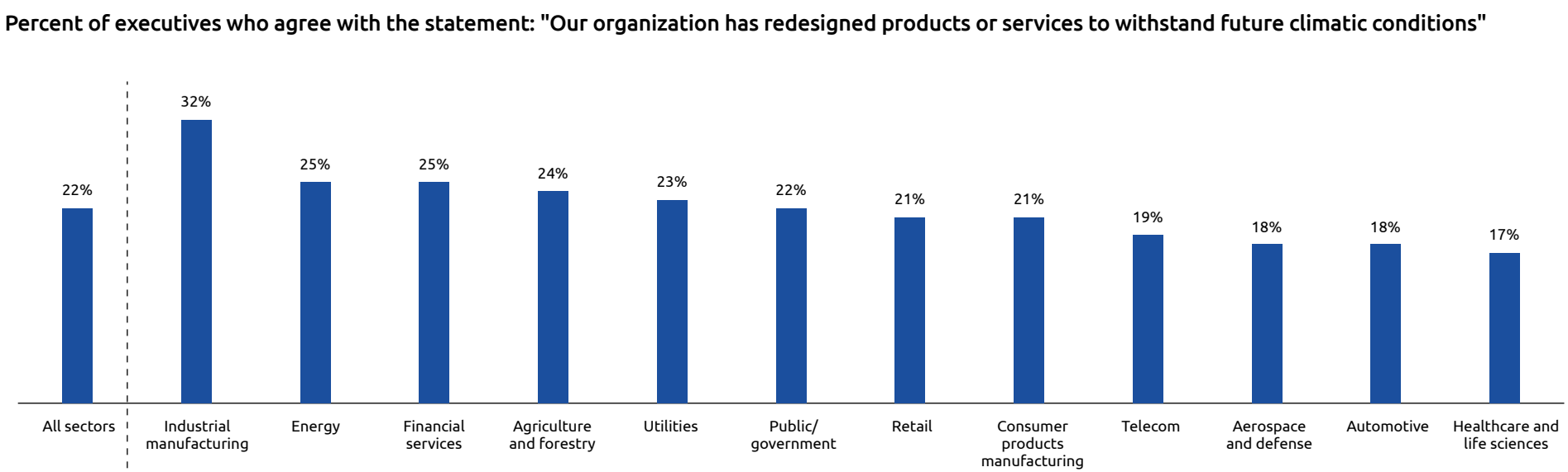


“In Hong Kong, for example, we provide parametric insurance for workers exposed to extreme heat. If temperatures remain above a defined threshold for three consecutive days, we pay workers not to work. We are seeing growing uptake of these products because climate change is altering our environments and creating much greater risks to environmental assets and, fundamentally, to people.”

Martin Powell

Group Sustainability Director at AXA

Figure 6.
Only one in five executives says their organization is redesigning products or services for climate resilience



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives



A discussion with

Marisa Drew

Chief Sustainability Officer, Standard Chartered Bank

Do you see the conversation shifting from climate ambition to adaptation and resilience?

For a long time, the climate finance conversation was rightly focused on mitigation. But organizations are already dealing with business interruption, cost escalation and pressure on supply chains from extreme weather events. So, the conversation is now broadening. It is not a move away from decarbonization, but a recognition that mitigation and adaptation need to go hand in hand. Adaptation finance has rapidly moved up the business agenda. We now have a broad ecosystem, from consultants and insurers to capital providers, actively engaging with adaptation and resilience.

Do you see adaptation and resilience emerging as major financing priorities?

Yes, very much so. Private sector capital providers are beginning to view adaptation finance as a real opportunity to generate value. Where there is a significant need, and where goods, services, or infrastructure can meet that need, value can be created.

This creates opportunity across the built environment, infrastructure, new materials, water systems, energy systems, and many other areas. It is not limited to one asset class either. Different providers have different roles to play, from private equity [PE] funding disruptive solutions to infrastructure investors financing resilient assets, insurers developing new models, and banks supporting resilience investments.

From a risk perspective, financial institutions need to ask how much of a loan book is exposed to extreme weather events or nature loss. But from an opportunity perspective, if a client invests in reducing that exposure, they may become a better creditor and a stronger long-term partner. That is where adaptation finance can reduce downside risk while also creating commercial value.

What role can financial institutions play in helping organizations operationalize adaptation?

I would not want to overstate progress, but awareness is growing quickly, and awareness usually leads to action. Many organizations now understand that exposure to floods, wildfires, droughts, and other climate hazards can directly affect revenue, insurance access, and financing costs.

That is where financial institutions have an important role to play. Beyond providing capital, they can help clients understand their most material risks, identify practical adaptation measures, and connect those actions to financing solutions.

Organizations that invest early in resilience can improve continuity of supply and operations, strengthen stakeholder confidence, and differentiate themselves competitively. Reacting after a disaster is almost always more expensive than investing in preparedness upfront.

1.2 Water is an emerging strategic risk that many organizations are not prepared for

Water is becoming a strategic business constraint

For decades, organizations treated water as an abundant, low-cost operational input. But increasing competition for freshwater resources, aging infrastructure, tightening regulations, and growing stakeholder scrutiny are making water supply a strategic business concern. Droughts can halt production, constrain energy generation, and reduce agricultural output, while floods can damage infrastructure and interrupt supply chains. Reflecting this shift, 51% of executives say their organization now treats water risk with the same level of rigor as energy, carbon, or climate risk.

The financial implications are also substantial. The World Resources Institute (WRI) estimates that by 2050, regions facing high water stress will generate around one-third of global GDP (around $70 trillion). Since 1970, water-related disasters have already caused more than $4 trillion in economic losses.[26] Increasingly, water is a key determinant of operational continuity, supply chain resilience, and long-term growth. Moreover, water risk often extends beyond direct operations. It can affect agricultural productivity, ecosystem stability, supply chain performance, and the communities on which businesses depend. As a result, organizations are looking at it as a strategic indicator of broader resilience challenges across value chains.

In our research, nine in ten (90%) executives consider water scarcity and water availability to be organizational risks. More notably, 55% view water as either a strategic risk (45%) or a board-level priority (10%). As **Figure 7** shows, executives in Sweden (64%), the US (60%), and France (60%) report the highest levels of board level or strategic focus on water scarcity and availability. Sector differences are also apparent. Nearly two-thirds of executives in healthcare and life sciences (67%), consumer products manufacturing (63%), and industrial manufacturing (61%) view water as a strategic risk or board-level priority. By comparison, only 45% of executives in financial services say the same.

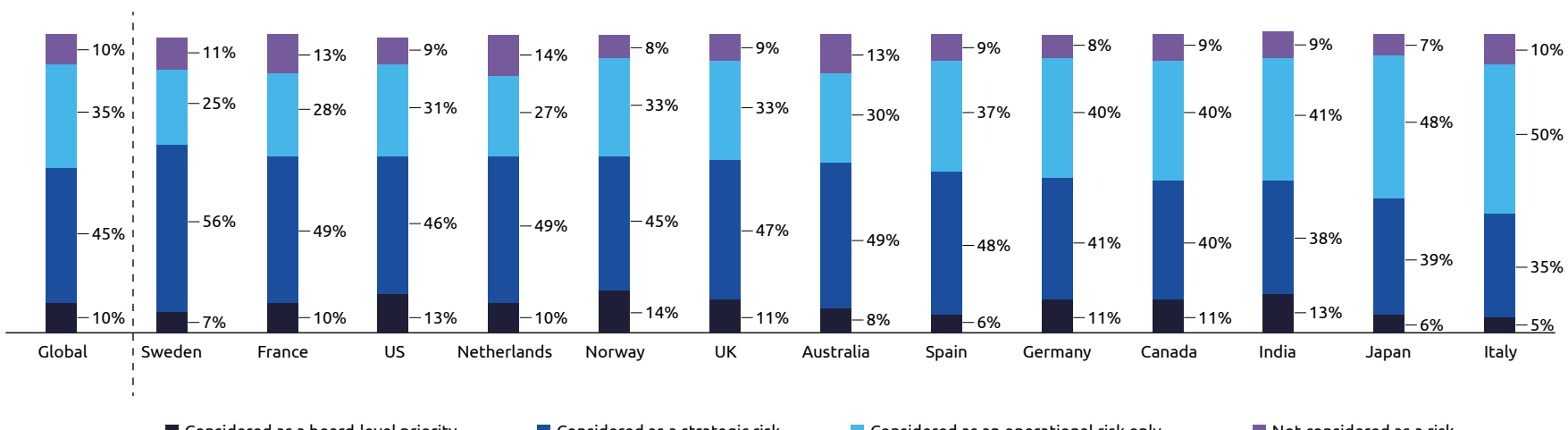
Moreover, 65% of executives say they clearly understand which of their operations are located in water-stressed or high-risk basins.

Leading organizations have launched targeted initiatives:

- Between 2020 and 2025 food and beverages multinational Danone doubled the number of production sites while reducing freshwater withdrawals through a range of initiatives. Danone is also implementing watershed preservation and restoration plans across water-stressed regions, with 72% of sites already covered, up from 20% in 2020.[27]
- US clothing manufacturer Levi Strauss & Co. aims to reduce freshwater use by 15% across its garment manufacturing supply chain and processing facilities by 2030 (from a 2022 baseline) and recycle or reuse 40% of water consumed in manufacturing. The strategy focuses on water-intensive activities such as fabric dyeing, weaving, laundry, and garment processing.[28]
- Samsung Electronics is expanding its water stewardship efforts in response to growing water stress. The company's Device eXperience (DX) division achieved a 67.2% water replenishment rate in 2025 as part of its goal to replenish 100% of global water consumption by 2030. Meanwhile, Samsung's Device Solutions (DS) Division adopted a water positive approach aimed at replenishing more water than it consumes, restoring approximately 240,000 tonnes of water resources.[29]

Figure 7.
More than half of executives view water as a strategic or board-level risk

Percent of executives responding to the question: "To what extent does your organization now consider water scarcity a strategic business risk?"



Note: Numbers not adding to 100% due to rounding off.
Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.

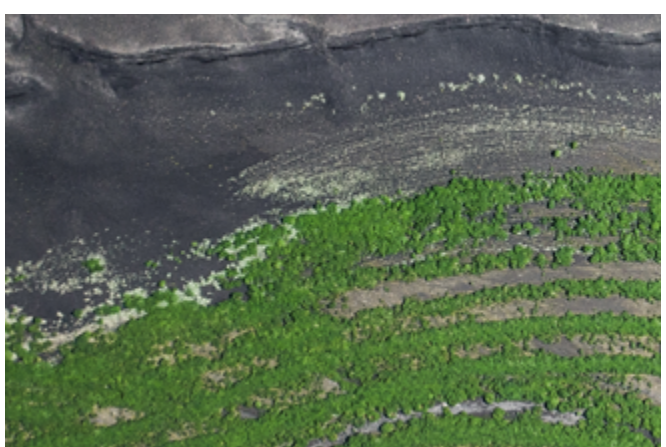
Looking ahead, 61% of executives believe that water scarcity will become a greater constraint on business growth than energy availability over the next five years. Here as well, concern is highest in Sweden (67%), the US (65%), and France (64%).

Water stewardship is struggling to keep pace with growing risks

While 72% of value-chain executives from manufacturing organizations say they measure the water consumption of industrial processes, and 52% of overall executives report having implemented a water stewardship program (both almost unchanged from 2025), progress in translating awareness into operational action remains uneven.

As **Figure 8** shows, fewer than half of executives report taking proactive measures to adapt operations, redesign production processes, and/or harness advanced technologies to manage water-related risks or strengthen water stewardship across supply chains.

But leading organizations are stepping up. Apple, recognizing that its water footprint resides almost entirely in its value chain, rather than its direct operations, requires suppliers to comply with water and wastewater management standards with supplier sites located in water-stressed basins focusing on water conservation, reuse, and pollution prevention, with participating suppliers targeting an average 50% water reuse rate by 2030.[30]



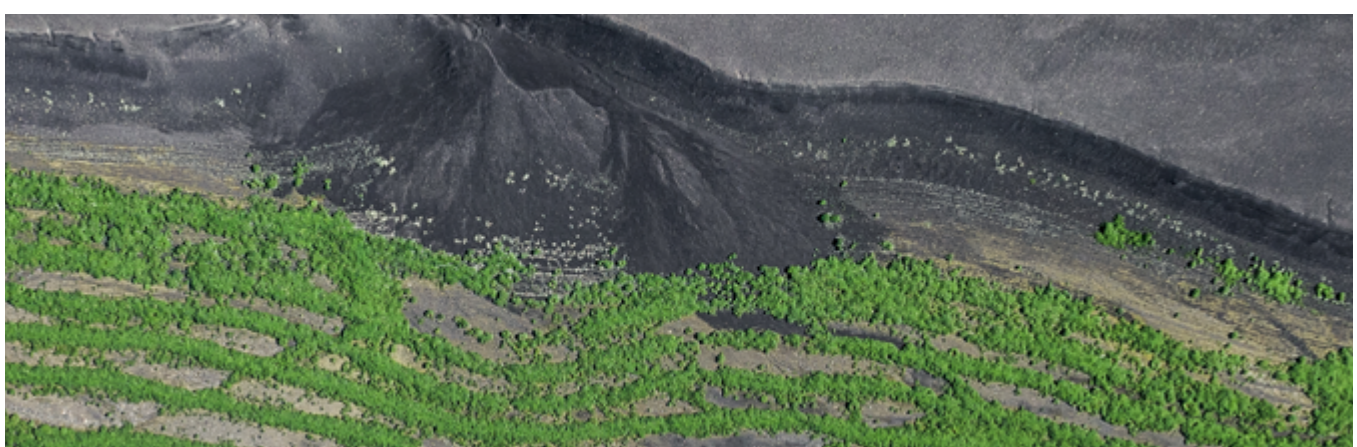
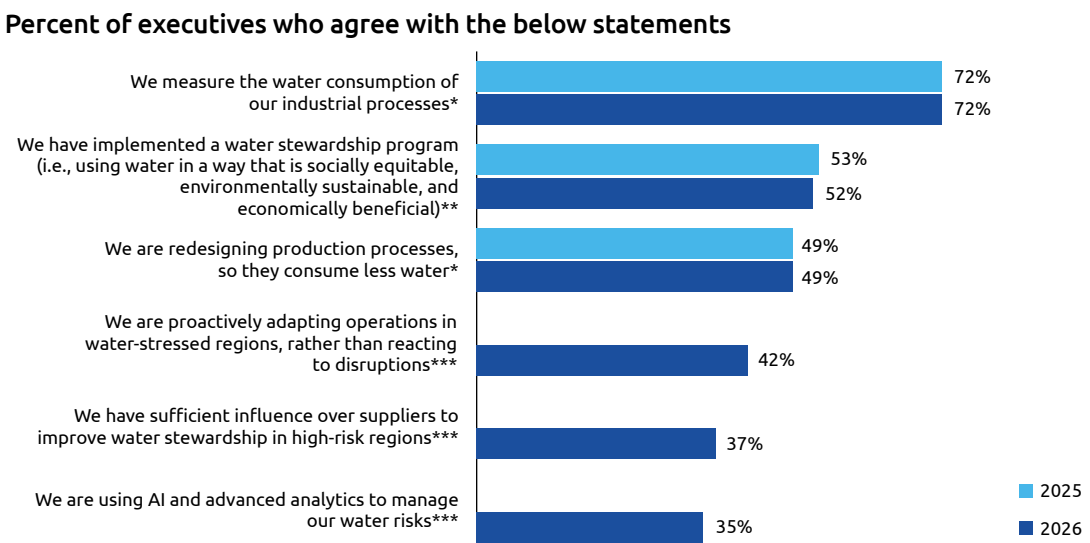


Figure 8.

Few executives say their organization is taking positive steps on water resilience



Note:
*Asked only to executives from value chain functions (innovation, R&D, product design/development, manufacturing and production, operations, sourcing and procurement, and supply chain and logistics) from manufacturing-oriented sectors only (aerospace and defense, automotive, consumer products, energy, life sciences, and industrial manufacturing).
**Asked only to executives from value chain functions (innovation, R&D, product design/development, manufacturing and production, operations, sourcing and procurement, and supply chain and logistics) from all organizations
***Added in 2026, asked to all executives.
Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives, N= 1,050 executives from value chain functions, N = 537 executives from value chain functions from aerospace and defense, automotive, consumer products, energy, life sciences, and industrial manufacturing organizations, Sustainability business trends survey, June–July 2025, N=919 executives from value chain functions, N = 538 executives from value chain functions from aerospace and defense, automotive, consumer products, energy, life sciences, and industrial manufacturing organizations.



A discussion with

Amit Vyas

VP, Environmental Sustainability, Cox Conserves at Cox Enterprises

Water is a strategic concern for organizations. How does Cox view water within its sustainability agenda?

Water is as important as carbon or the other key environmental realms. Our broad goal for 2050 is to be 'water-positive:' to save or replenish more water than we consume. For us, water isn't a standalone issue. It is fundamental to business resilience and long-term value creation and demonstrates our ambition to be good stewards of our planet.

What is your water strategy?

Our strategy lies across two dimensions. The first is internal water conservation, and the second is external water stewardship. On the conservation side, we focus on reducing our water use. This could be through restroom retrofits, rainwater harvesting systems, or water-reclamation systems. In our automotive business, for example, we use technologies that can capture rainwater and create a closed-loop system, so the business is self-reliant in that respect.

In terms of water stewardship, it's all about replenishment. We work with partner organizations to add water back into the broader system. Importantly, we target the areas in which we operate where water is scarce or of poor quality. We've restored floodplains in California, supported aquifer replenishment efforts, and undertaken post-wildfire reforestation projects. Our goal is to create impact where water challenges are most acute.

How climate change affects the consumer

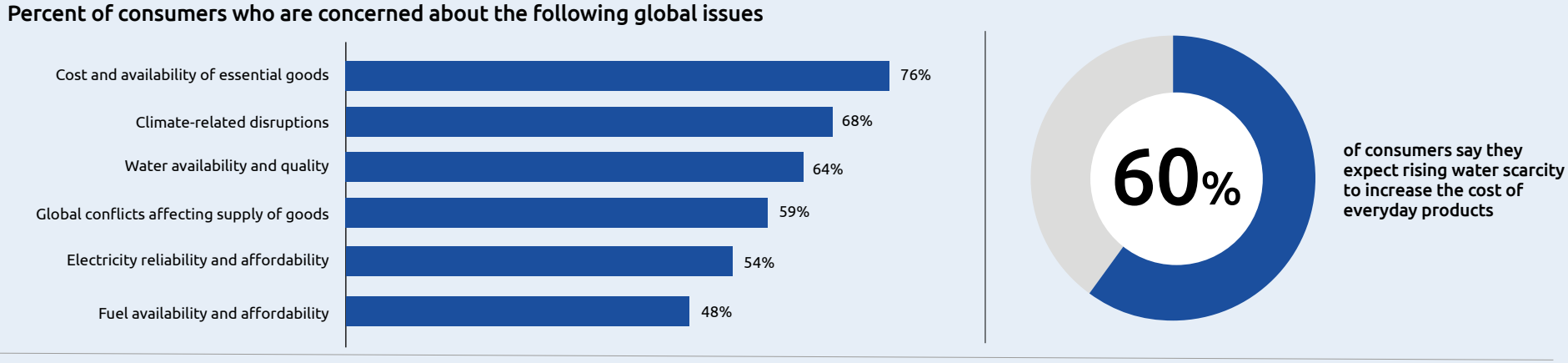
We surveyed 6,500 consumers globally (please see the research methodology for more details) and found that sustainability issues are disrupting daily life. They also significantly impact affordability.

As **Figure 9** shows:

- Globally, over three-quarters (76%) of consumers are concerned about the cost and availability of essential goods. Consumers in Italy (84%), India (83%), and Spain (81%) cite this as a predominant concern.
- 68% of consumers globally are concerned about the impact of heat, flooding, drought, wildfires, and other climate-related disruptions on their daily life. Concern is highest in France (78%), Germany (74%), Australia (74%), the UK (73%), and Spain (72%).
- Water supply is also a significant consumer concern, with 64% of consumers worried about water availability and quality. Concern is highest in India (71%), Spain (70%), and Italy (70%).
- Moreover, 60% of consumers believe water scarcity will drive up everyday costs.

Figure 9.

Consumers expect water scarcity to increase everyday costs



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 6,500 consumers.



02 The sustainability agenda is shifting from emissions to resilience

Rising geopolitical tensions, energy-market volatility, and repeated supply chain disruptions have exposed the vulnerability of globally optimized operating models. Francesco Pomponi, Professor of Sustainability and Environment at the University of York, says: *"Sustainability now focuses on resource efficiency, resilience, and supply chain security. I hear many more conversations today around closing material loops, supply chain resilience, and circular economy. We are bridging a past carbon-focused approach and a future resilience-driven one."*

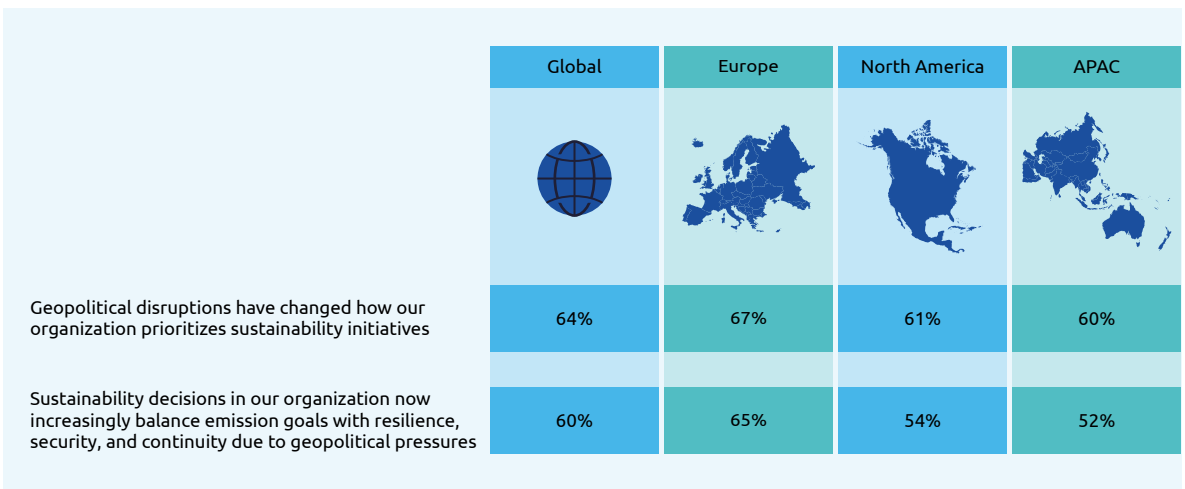
This shift is evident. Google, for example, is investing in geothermal and advanced nuclear power, not only to decarbonize its operations but also to secure a reliable, round-the-clock energy supply for its growing data-center footprint.[31]

As **Figure 10** shows, nearly two-thirds (64%) of executives globally, and 67% in Europe, say geopolitical disruptions have changed how their organization prioritizes sustainability initiatives, while 60% globally, and 65% in Europe, say sustainability decisions increasingly balance emissions-reduction goals with resilience, security, and continuity considerations.

Figure 10.

Geopolitical pressures are reframing sustainability as a resilience imperative

Percentage of executives who agree with the below statements



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.



“Sustainability now focuses on resource efficiency, resilience, and supply chain security. I hear many more conversations today around closing material loops, supply chain resilience, and circular economy. We are bridging a past carbon-focused approach and a future resilience-driven one.”

Francesco Pomponi

Professor of Sustainability and Environment at the University of York



This shift in priorities is already influencing investment decisions. Executives say their organizations are increasing sustainability investments or actions in:

- energy security (67%)
- supply chain localization and regionalization (66%)
- supplier diversification (56%)
- energy efficiency (55%)

Clearly, organizations are evaluating sustainability initiatives through a dual lens: their ability to reduce environmental impacts while also strengthening resilience.

However, realizing these benefits often requires previously disconnected functions, systems, and priorities to coordinate decision making, creating new execution challenges as sustainability agendas expand in scope and complexity.

71%

of executives say that securing access to critical resources (energy, water, materials) now influences sustainability decisions more than emissions reduction targets alone

2.1 Energy and resource security emerge as pillars of sustainability strategies

Energy security has become a strategic business imperative, with governments and businesses investing heavily in clean-energy capacity, decentralized energy infrastructure and localized value chains to strengthen resilience and reduce dependence on volatile energy markets.

The growing focus on energy security reflects both geopolitical and economic realities. Reliance on critical chokepoints such as the Strait of Hormuz, through which roughly one-quarter of global seaborne oil trade passes, has highlighted the risks associated with energy supply chains.[32]

At the same time, falling battery-storage costs[33] and the increasing competitiveness of renewable energy are strengthening the economic potential of clean energy generation. In 2025, global clean-energy investment was expected to reach around $3.3 trillion – nearly double the amount invested in fossil fuels – driven not only by climate goals but also by the desire for secure, resilient supply.[34] A new IEA report highlights that renewables are on track to become the world's largest source of electricity generation in 2026. Renewable generation is set to grow by more than 8% in 2026, and it is poised to increase its share of global electricity generation from 33% in 2025 to 37% by 2027.[35]

As a result, sustainability investments are increasingly viewed not only as a pathway to emissions reduction, but also as a strategy for securing reliable, affordable, and resilient energy supply.

Organizations are applying a similar resilience lens to critical materials. For example, Apple has partnered with MP Materials in a $500 million deal to strengthen domestic rare earth supply chains.[36]

Abby Chicken, Head of Sustainability at Openreach, says: *"Energy security and independence have become much more important. Rising diesel prices in the UK have strengthened the business case for fleet electrification. At the same time, commodity-price volatility and potential supply constraints are increasing focus on inventory management, product life extension, reuse, recycling, and circularity."*

As **Figure 11** shows, nearly two-thirds (64%) of executives in our research identify energy and critical-resource security as key factors in their sustainability investments. More notably, 71% say securing access to critical resources such as energy, water, and materials now influences sustainability decisions more than emissions reduction targets alone.

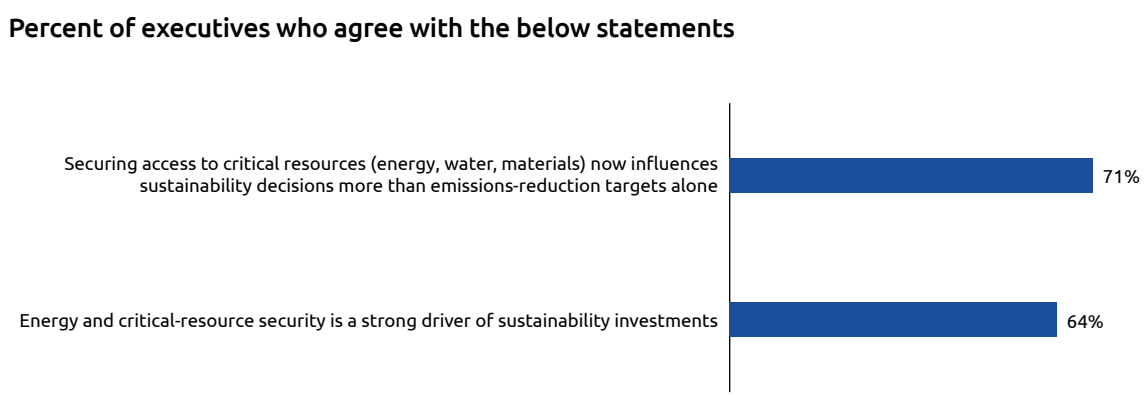


“Energy security and independence have become much more important. Rising diesel prices in the UK have strengthened the business case for fleet electrification. At the same time, commodity-price volatility and potential supply constraints are increasing focus on inventory management, product life extension, reuse, recycling, and circularity.”

Abby Chicken

Head of Sustainability at Openreach

Figure 11.
Access to critical resources is becoming a key driver of sustainability investment decisions



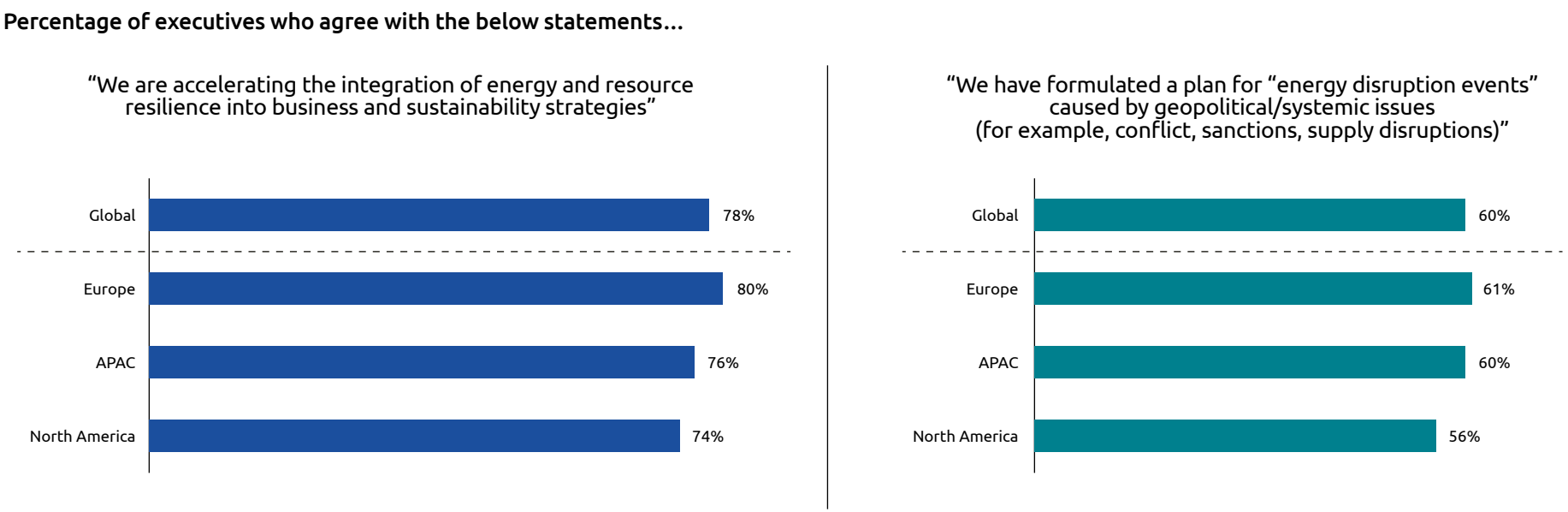
Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.

Organizations are preparing for a resource-constrained future

Concerns over energy disruption, material shortages, and resource availability increasingly influence organizational planning. Seven in ten executives (70%) say geopolitical disruptions have increased their organization's focus on operational efficiency and resource optimization. Meanwhile, 78% report the acceleration of efforts to integrate energy and resource resilience into business and sustainability strategies. Momentum is strongest in Europe, where 80% of executives report the same (see Figure 12).

In terms of practical preparation, 60% of organizations report that they have already developed plans to respond to energy disruption events (see Figure 12). This is also driving investments in energy security and business continuity. For example, in 2025 Schneider Electric launched a $7.5 billion initiative to help organizations deploy microgrids and distributed energy systems to maintain operations during power disruptions.[37]

Figure 12.
Energy and resource resilience is becoming a strategic priority across regions



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.



"Mitigation alone is no longer sufficient. As climate risks intensify, and challenges such as energy volatility, resource constraints, water scarcity, and supply chain disruptions become more pronounced, organizations must adapt to a new reality by embedding resilience into their operations, infrastructure, products, and value chains. Those that move early will be better positioned not only to manage disruption, but also to unlock innovation, strengthen competitiveness, and create long-term value."

Vincent Charpiot

Executive Vice President, Head of Group Sustainability Accelerator, Capgemini

2.2 Circularity is becoming a resilience strategy

Increasingly, organizations view circularity as a strategic business imperative. By reducing reliance on virgin materials and extracting greater value from existing resources, circular approaches improve efficiency and more effectively navigate a resource constrained operating environment.

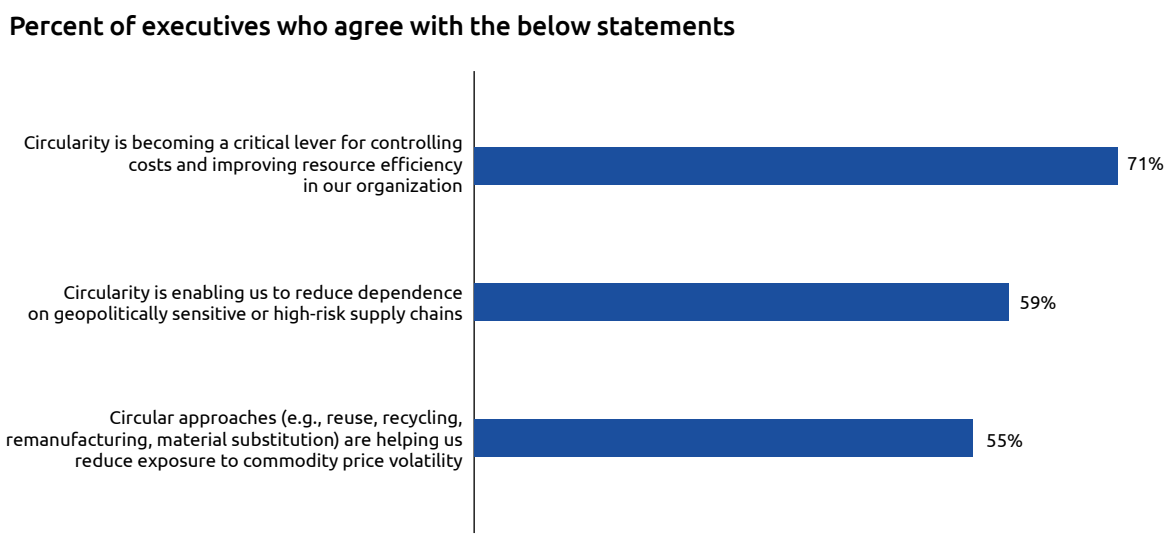
By mobilizing its supplier ecosystem and integrating data, financial, and physical systems for greater recovery and reuse, Schneider Electric's Evreux distribution center secured new sources of critical raw materials such as copper, silver, and rare earth elements. As a result, the center expanded its circular product offering to 38%, reduced Scope-3 emissions by 43%, cut single-use plastic by 40%, and lowered energy consumption by 18% within two years. The initiative also helped diversify sources of critical inputs and reduce their dependence on virgin material supply chains, strengthening resilience in an increasingly resource constrained environment.[38]

As **Figure 13** shows, among executives from manufacturing or asset intensive sectors:

- 71% say circularity is critical to controlling costs and improving resource efficiency. The sentiment is strong in the automotive (77% agree) and energy sectors (76%).
- In addition, 59% believe a circular approach can reduce dependence on geopolitically sensitive or high-risk supply chains. Here as well, most executives from the energy (66%) and the automotive (64%) industries agree. BMW announced the expansion of its closed-loop battery recycling system with SK Tes, recovering cobalt, lithium, and nickel from electric vehicle (EV) batteries and feeding them back into production.[39]
- More than half (55%) say a circular approach helps limit exposure to commodity price volatility. Only 35% of executives from agriculture and 34% from life sciences and healthcare agree, however.



Figure 13.
Circular economy strategies are a hedge against volatility



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 1,722 executives from all sectors except financial services and public sector.

Scaling circularity requires that organizations rethink how products are designed, sourced, manufactured, tracked, recovered, and reintroduced into value chains. Nearly half (45%) of all executives report that recent geopolitical disruptions have increased their organization's focus on circularity and material resilience. Likewise, half (50%) of manufacturing sector executives say their organizations are investing in solutions such as recycling, product redesign, and material substitution to reduce dependence on rare earths and other critical minerals.

59%

of executives believe a circular approach can reduce dependence on geopolitically sensitive or high-risk supply chains.



A discussion with

Raquel Guevara

GM Compliance, Governance and Sustainability, Manufacturing Devices Operations, Microsoft

How does Microsoft balance sustainability goals with geopolitical and supply chain pressures?

We remain committed to our 2030 sustainability goals. But the conversation has shifted from ambition to execution. Today, sustainability decisions are shaped by a much broader set of factors, including AI growth, rising energy demand, water availability, material constraints, evolving regulations, and supply chain complexity.

Constraints around materials and resources have accelerated our investments in circularity, including recycled aluminum and recycled rare earth materials, helping improve sustainability while reducing supply chain risk. Increasingly, sustainability and resilience are reinforcing each other, rather than competing for attention.

How does circularity translate into product design and business value?

For us, circularity starts at the design stage. We increasingly design products to be repairable by both technicians and end users. In our surface devices, we have expanded the number of replaceable components with every generation. We also use 100% recycled aluminum alloy in our newest surface devices, 100% recycled rare earth materials in specified components, and 100% recycled cobalt in the battery cell of certain models.

What has been particularly interesting is that circularity can create business value as well as environmental value. When we began developing our recycled aluminum capability within our ecosystem, it was more expensive than virgin aluminum. Over time, as supplier capabilities matured and the market developed, it became more cost competitive. We believe that most impactful circular initiatives deliver multiple benefits.

What does it take to make sustainability part of everyday business?

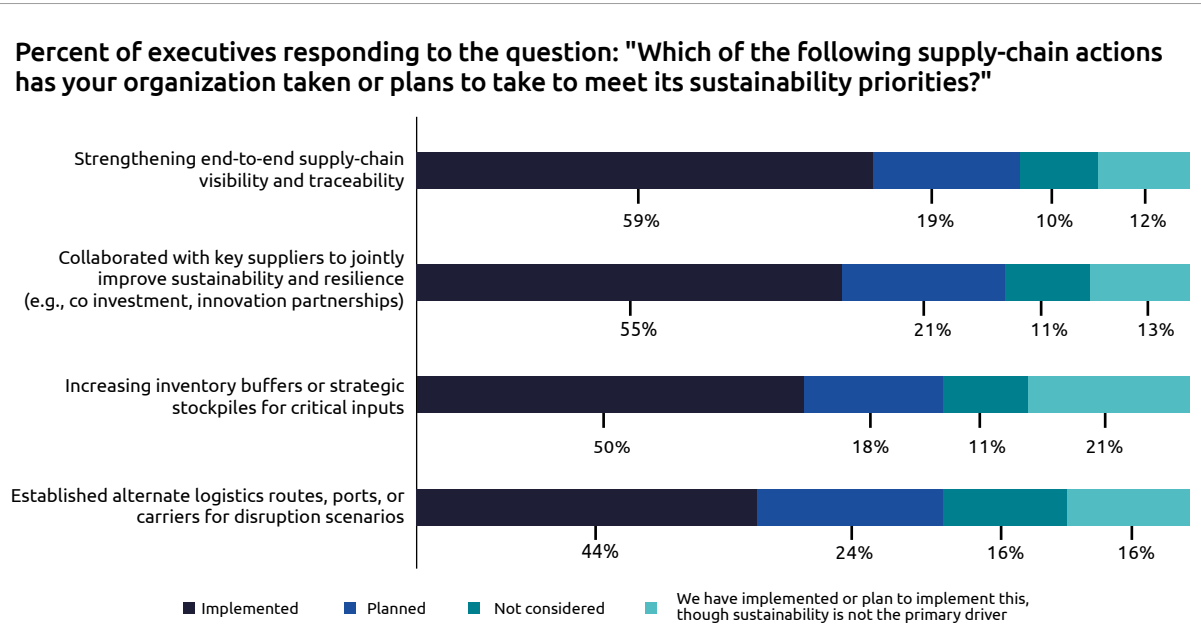
We need to treat sustainability as an operating discipline, not simply a reporting exercise. I often compare sustainability data with financial data. Both require integrity, traceability, and trust. The data must be robust enough to support business decisions, not just compliance requirements.

2.3 Sustainability is strengthening supply chain resilience

Organizations are investing in capabilities that improve both sustainability objectives and operational resilience. Increasingly, supply chain visibility, supplier collaboration, and logistics flexibility are helping organizations manage risks, respond to supply chain disruptions, and meet evolving sustainability requirements.

Sustainable supply chain leaders diversify their supplier networks, invest in visibility, create adaptable systems, and prioritize local partnerships. These capabilities not only support sustainability goals but also help organizations maintain continuity and adapt more effectively to supply chain disruptions. Samuel Shiroff, Senior Director, Global Sustainability and Corporate Giving at EnerSys, says: *"Many of our sustainability actions also reduce supply chain risk. Diversifying suppliers, shortening transportation distances, and evaluating climate-related vulnerabilities across our value chain help us strengthen resilience while advancing our sustainability goals."*

Figure 14.
Most executives report alignment of supply chain initiatives and sustainability priorities



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 1,722 executives from all sectors except financial services and public sector.



“Many of our sustainability actions also reduce supply chain risk. Diversifying suppliers, shortening transportation distances, and evaluating climate-related vulnerabilities across our value chain help us strengthen resilience while advancing our sustainability goals.”

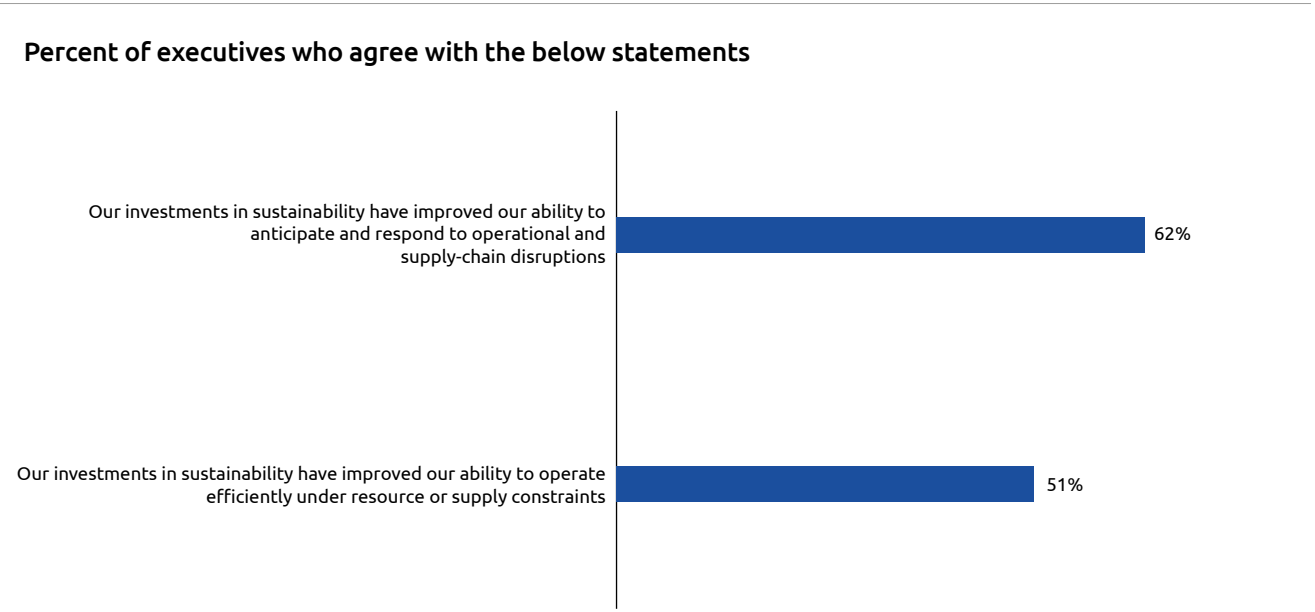
Samuel Shiroff

Senior Director, Global Sustainability and Corporate Giving, EnerSys

As **Figure 15** shows, nearly two-thirds (62%) of executives from manufacturing or asset-intensive sectors say sustainability investments have improved their ability to operate efficiently under supply constraints. Half (51%) report that these investments have enhanced their ability to anticipate and respond to operational and supply chain disruptions.

A notable example is Unilever's investment in small-holder farmers across 13 crops in seven countries through regenerative agriculture, training, and livelihood programs intended to improve farm resilience and productivity. This improves the long-term security and stability of critical raw-material supplies, while reducing vulnerabilities within Unilever's agricultural value chain.[40]

Figure 15.
Sustainability investments combat supply disruptions and constraints



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 1,722 executives from all sectors except financial services and public sector.



"Climate tech is no longer solely about decarbonization. It is becoming a strategic lever for resilience, resource security, and sustainable growth. Organizations that harness data, AI, and climate technologies to optimize energy, materials, and operations will be better positioned to create long-term value in an increasingly uncertain world."

Florent Andrillon

Global Lead Climate Tech, Capgemini



03 Value creation is fueling sustainability investment

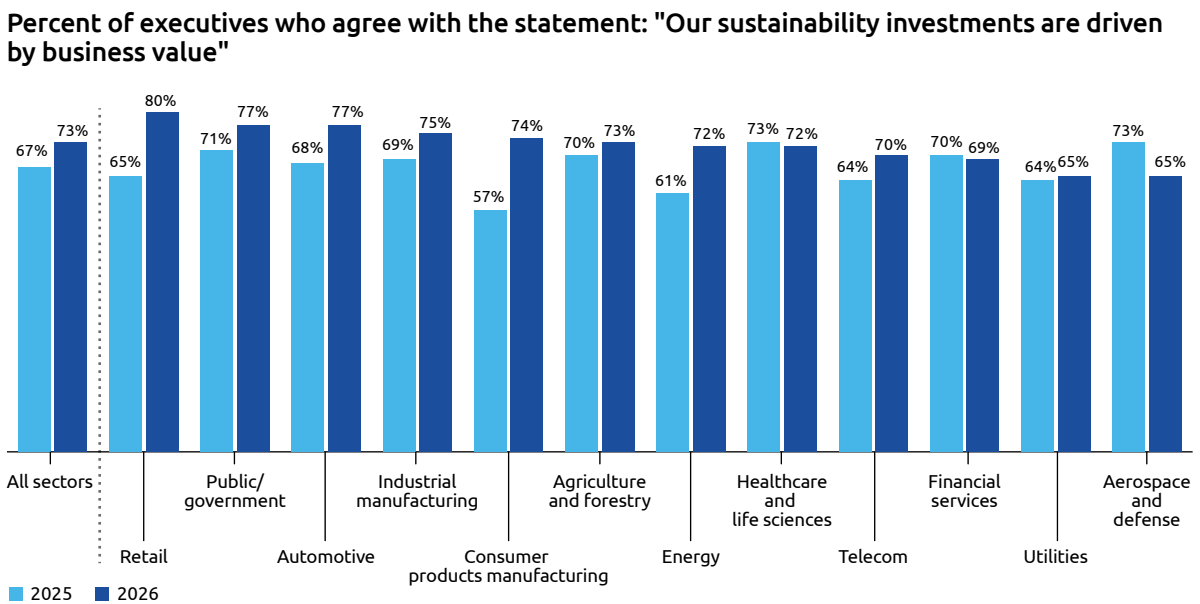
3.1 Sustainability is delivering greater business value

Organizations are reporting stronger sustainability returns

As organizations strengthen resilience across operations and supply chains, many are finding that sustainability investments also create value through improved performance, efficiency, and growth. Organizations are increasingly evaluating sustainability investments based on their contribution to business performance and financial outcomes.

As **Figure 16** shows, nearly three-quarters (73%) of executives cite business value creation as a key driver of sustainability investments, up from 67% in 2025, while fewer than half (48%) cite the conviction that sustainability is simply the right thing to do. This reflects a shift from a values-driven to a *value-driven* agenda. Capgemini and Sweep's 2026 joint report also highlights that 86% of organizations see sustainability transformation as a growth opportunity.[41] The value is coming from multiple sources, including improved energy and resource efficiency, stronger supply chain resilience, reduced risk exposure, and the development of more sustainable products and services.

Figure 16.
Executives increasingly view sustainability through a business-value lens



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives, March 2025, N = 2,146 executives.

This confidence is backed by results:

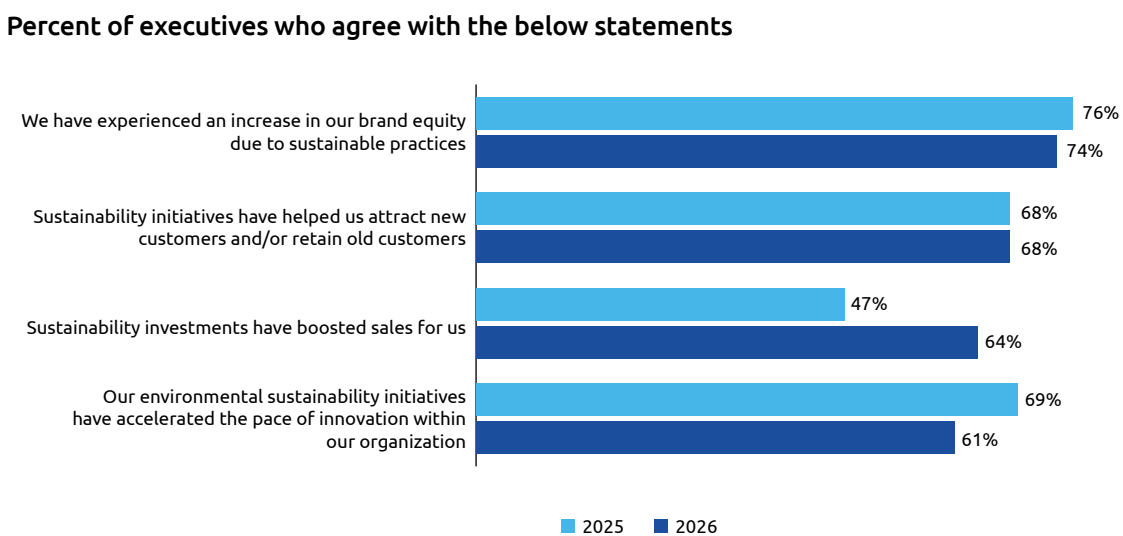
- Almost seven in ten (**69%**) organizations report that sustainability initiatives have generated a **net-positive return on investment (ROI)**, up from 49% in 2025
- At the same time, **67%** of organizations say these initiatives have helped **reduce operational costs**, at an average 6% over the past year
- Only **24%** of organizations say the **cost of sustainability initiatives outweighs the benefits**

The broader economics of sustainability reinforce these experiences. According to the International Renewable Energy Agency (IRENA), more than 90% of utility-scale renewable capacity added globally in 2025 was cheaper than the lowest-cost new fossil fuel alternative.[42] Installed renewables helped avoid an estimated $480 billion in fossil-fuel costs, while reducing exposure to energy-price volatility.[43]

Sustainability is strengthening growth and competitiveness

Beyond operational benefits, sustainability is increasingly contributing to growth and competitive differentiation. Nearly two-thirds of executives (64%) say sustainability investments have boosted sales, a significant increase from 47% in 2025 (as shown in Figure 17), highlighting the growing commercial advantages.

Figure 17.
Sustainability is increasingly viewed as a driver of competitive advantage



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives, Capgemini Research Institute, Sustainability business value survey, March 2025, N = 1,001 executives.

For many consumer brands, the next revenue opportunity is not selling more products but capturing value from products that are already being resold. Circular models help convert secondary-market activity into new revenue and customer touchpoints. For example, IKEA processed nearly 686,500 used products through its Buy Back program in FY25 (up from 495,000 in FY24) and is expanding its second-hand marketplace across Europe, illustrating how brands can capture value from product lifecycles that previously generated little direct revenue.[44]

Sustainability is also helping organizations strengthen their market position. More than two-thirds (68%) report that sustainability initiatives have helped attract new customers and retain existing ones, while 74% say sustainable practices have enhanced their brand equity, remaining mostly unchanged from 68% and 76% in 2025, respectively.

A director at a major U.S. utility specializing in zero-emissions power generation, says: *"We want to be an energy partner that helps customers understand where their power comes from, manage emissions, evaluate renewable and carbon-free options, and navigate policy changes. If we do not make that shift, customers will go elsewhere."*

In addition, 61% of executives say sustainability initiatives have accelerated innovation within their organizations. But scaling these opportunities will require organizations to embed sustainability more deeply into innovation, product development, and commercial decision-making.

3.2 Sustainability investment momentum remains strong

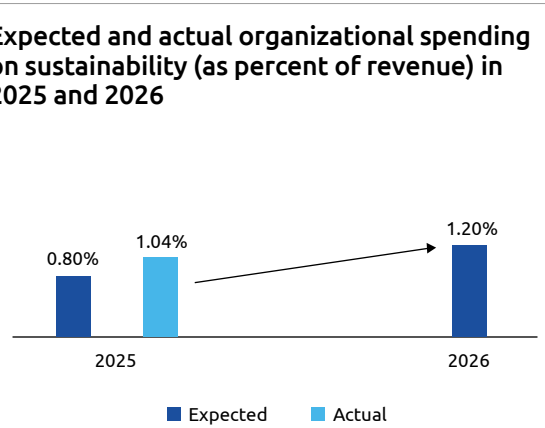
Organizations continue to increase sustainability investment

Despite geopolitical tensions, economic uncertainty, and competing business priorities, sustainability spending continues to increase. Organizations are backing their sustainability ambitions with tangible financial commitments, and in many cases investing beyond what they had originally anticipated. As **Figure 18** shows:

- Last year, organizations expected to allocate 0.8% of revenue to sustainability initiatives in 2025
- However, actual spending reached 1.04% of revenue, surpassing earlier projections, with telecom (1.14%), agriculture (1.14%), energy (1.13%), and consumer products manufacturing (1.13%) reporting the highest levels of investment
- Organizations anticipate increasing sustainability spending to 1.2% of revenue in 2026, signaling confidence in the long-term strategic value of these investments. Expected spending is highest in telecom (1.31% of revenue), agriculture (1.30%), energy (1.29%), and utilities (1.29%)

An impressive 83% of organizations in our research expect to increase sustainability investments over the next 12–18 months, unchanged from a year ago. Moreover, only 11% of organizations report deprioritizing sustainability and decarbonization initiatives.

Figure 18.
Organizations are investing more in sustainability than initially planned



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 701 organizations, June–July 2025, N = 716 organizations.



Organizations are beginning to invest systematically in sustainability.

Organization	Sector	Investments
DHL Group	Logistics & transportation	DHL announced plans to invest **€160 million** (around $185 million) in France during 2026–27, including investments in fleet electrification, charging infrastructure, low-emissions logistics, and decarbonization.[45]
lululemon	Apparel & retail	Canadian athletic apparel retailer lululemon **invested in a** fund to help its suppliers achieve the equivalent of **100% renewable electricity** in China by 2030. This supports its goal to reduce Scope-3 emissions intensity by 60% while decarbonizing its supply chain.[46]
L'Oréal	FMCG/ consumer goods	In April 2025, L'Oréal announced a new sustainability accelerator program, endowed with **€100 million** over five years, to scale breakthrough solutions in sustainable ingredients, packaging, manufacturing, and water-resilience technologies.[47]
Amazon	ICT/technology	Amazon announced three **new wind projects** in India. The organization said it has now enabled 53 solar and wind projects in India and continues investing in renewable energy as part of its Climate Pledge commitments.[48]
Rio Tinto	Mining & metals	Rio Tinto announced plans to invest more than **$35 million** in a green iron demonstration plant using electric heating and hydrogen-reduction technologies to help decarbonize steelmaking.[49]
TotalEnergies	Energy & Utilities	TotalEnergies invested **$11.6 billion** in 2025 to expand its Integrated Power business, increasing renewable power capacity to 30.2 GW and advancing a 64.1-GW pipeline through acquisitions and development of solar, battery storage, and offshore wind projects.[50]
Aditya Birla Group	Indian multinational conglomerate	Aditya Birla Group acquired Shell's Indian renewable energy platform Spring Energy for **$1.8 billion**, expanding its renewable energy portfolio and accelerating its clean-energy ambitions.[51]
RGreen Invest/ Arverne	Energy & utilities	In July 2026, RGreen Invest committed **€52.4 million** to French energy organization Arverne to support the expansion of geothermal energy solutions, demonstrating continued interest in low-carbon energy solutions and energy security.[52]

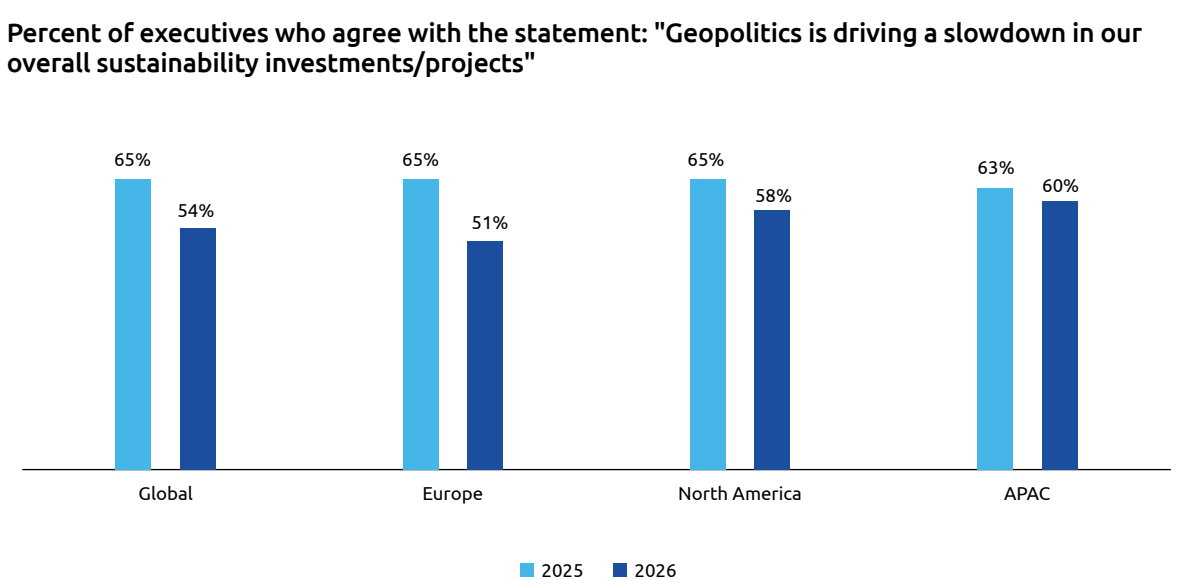
Disruptions are reshaping, not derailing, investment plans

Despite pervasive business uncertainty, the share of executives who say geopolitical disruption is slowing sustainability investments has fallen from 65% in 2025 to 54% in 2026. The drop is even more pronounced in Europe (65% to 51%).

Organizations increasingly recognize the role of sustainability in strengthening long-term resilience and competitiveness. Our data shows that geopolitical disruptions are reshaping sustainability efforts, with relatively few executives reporting a rollback of key sustainability initiatives:

- Only 23% of executives say geopolitical disruptions have led to delays or scaling back of circular-economy programs
- Just 36% report greater reliance on carbon-intensive energy or materials
- 57% say disruptions have accelerated investment in local, resilient, and sustainable supply chain
- 60% report faster progress on priority sustainability goals
- 70% say disruptions have increased their focus on operational efficiency and resource optimization

Figure 19.
Fewer executives report that geopolitics is slowing sustainability investments



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives, June–July 2025, N = 2,146 executives.

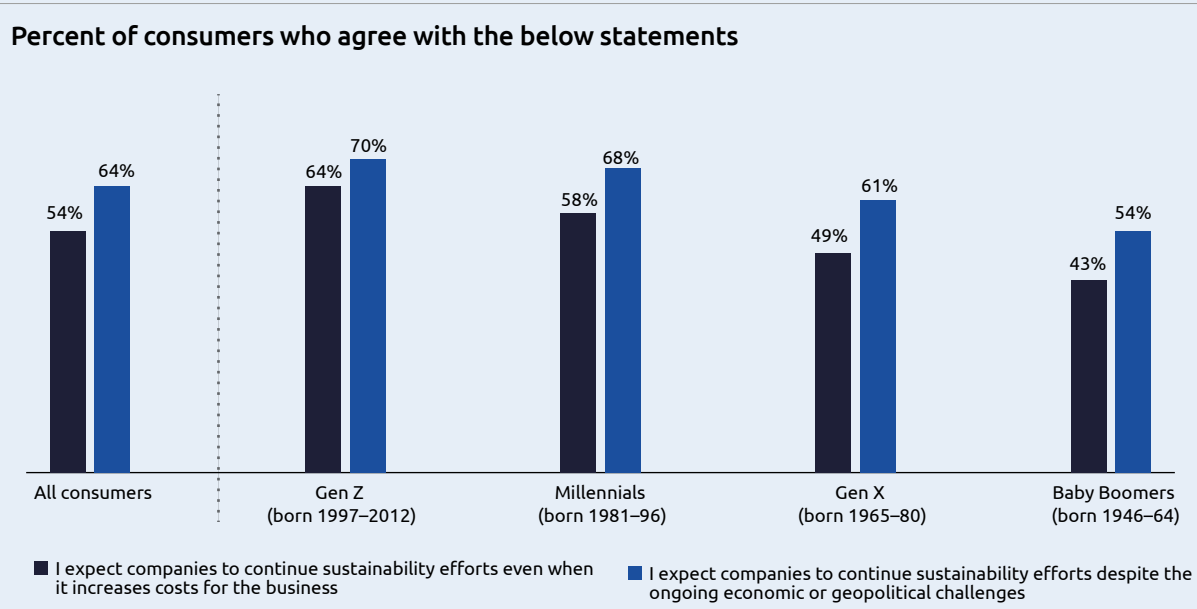


Consumers expect corporate action and communication

Consumers expect organizations to fulfill sustainability commitments. Nearly two-thirds (64%) say they expect organizations to continue sustainability efforts, despite ongoing economic and geopolitical challenges, while more than half (54%) expect these efforts to continue, even at increased cost. These expectations are particularly pronounced among younger consumers, with Gen Z and Millennials expressing the strongest support for ongoing corporate sustainability efforts (see **Figure 20**).

Furthermore, 71% of consumers expect organizations to communicate transparently about their sustainability efforts, despite increased risk of criticism (51% of executives say their organizations have become more cautious about communicating sustainability ambitions publicly).

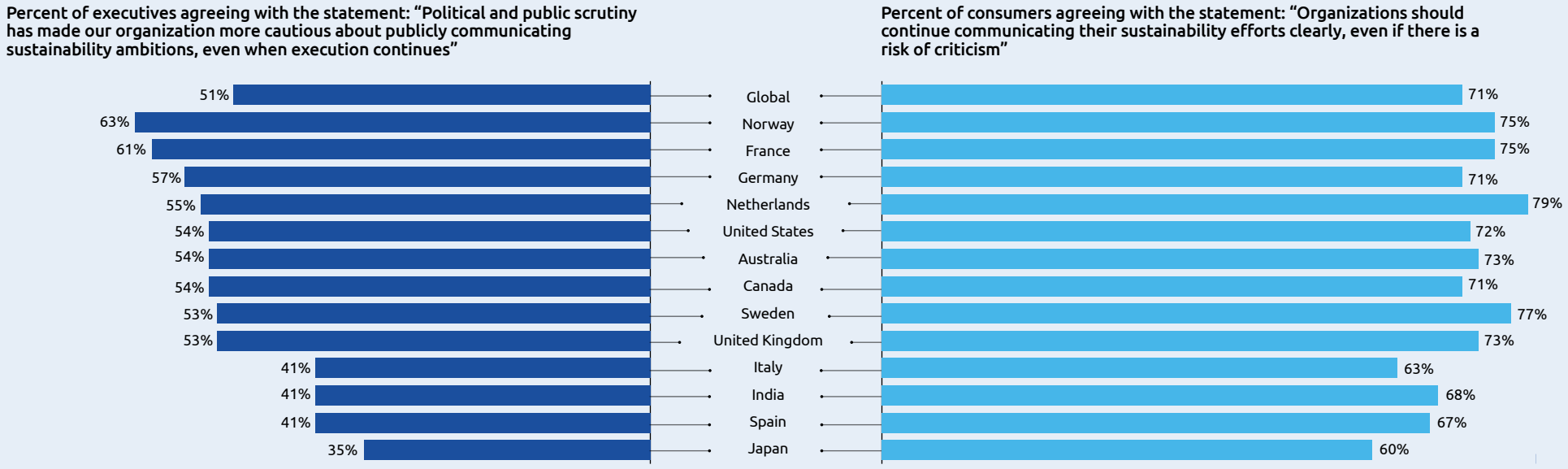
Figure 20.
Gen Z and millennial consumers expect organizations to maintain sustainability commitments, despite economic and geopolitical pressures



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 6,500 consumers.

Figure 21.

Consumer demand for sustainability transparency remains strong



Source: Capgemini Research Institute, Sustainability business trends. survey, June–July 2026, N = 2,100 executives, N = 6,500 consumers.



04 Sustainability ambitions are outpacing execution

4.1 Despite continued investment, sustainability maturity retreats

While ambition continues to burn brightly, organizational progress on sustainability has slowed. Our sustainability maturity index fell from 111 in 2025 to 105 in 2026, marking a second consecutive year of decline.

Our sustainability maturity index tracks and compares the progress of organizations progress over the past four years across 93 questions in our sustainability framework, with 2022 as the base year. An index value of 100 indicates that a result matches the baseline average; an index of 200 means the result is double the average; and an index of 50 means it is half the average. For more details on the questions used in the index, please refer to the Appendix.

As Figure 22 shows, the move from planning and target-setting towards large-scale implementation is proving problematic.



Figure 22.

Sustainability index, 2022-26

	2022 Base	2023 Index	2024 Index	2025 Index	2026 Index
Global average	100	112	122	111	105

Country	2022 Base	2023 Index	2024 Index	2025 Index	2026 Index	Sector	2022 Base	2023 Index	2024 Index	2025 Index	2026 Index
Australia	100	106	124	105	100	Aerospace and defense	100	111	113	116	101
Canada	100	113	119	114	105	Automotive	100	116	121	129	110
France	100	95	114	93	97	Consumer products manufacturing	100	115	127	112	113
Germany	100	99	95	101	101	Energy	100	108	118	101	94
India	100	124	109	104	105	Financial services	100	108	138	113	104
Italy	100	100	148	127	117	Healthcare and life sciences	100	121	133	100	113
Japan	100	99	129	123	113	Industrial manufacturing	100	116	116	104	103
Netherlands	100	120	142	114	107	Public/government	100	119	123	100	98
Spain	100	95	129	131	117	Retail	100	105	128	110	100
Sweden	100	119	125	107	107	Telecom	100	110	115	106	99
UK	100	111	121	107	104	Utilities	100	103	108	89	86
US	100	109	118	120	104						

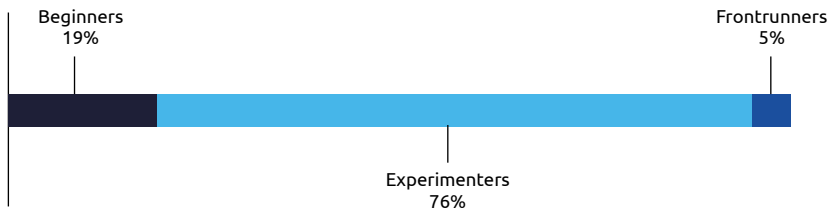
Source: Capgemini Research Institute, Sustainability transformation trends survey, August–September 2022, N = 2,004 executives; August–September 2023, N = 2,001 executives; June–July 2024, N = 1,859 executives; June–July 2025, N = 1,851 executives; June–July 2026, N = 1,818 executives.
* Norway is excluded as it was not covered in the 2022 research.
** Agriculture and forestry are excluded as they were not covered in the 2022 or 2023 research.

The maturity distribution reinforces this trend. While only 19% of organizations remain beginners, just 5% qualify as frontrunners, leaving a striking 76% stuck in the experimenter stage. What distinguishes leading organizations is their ability to translate strategy into action through stronger visibility, cross-functional coordination, and disciplined execution. The large concentration of organizations in the 'experimenter' stage suggests difficulty in achieving consistent delivery to a high standard. As a result, momentum remains uneven, execution fragmented, and meaningful enterprise-wide impact elusive.

5%

of organizations qualify as frontrunners

Figure 23.
Sustainability maturity assessment



To gain a sense of organizational progress, we mapped their sustainability maturity across three dimensions:

- **Value chain processes:** These include sourcing, R&D/product design/innovation, manufacturing, and logistics, as well as the use of technology for sustainability.
- **Sustainability enablers:** This dimension relates to organizations' getting their people to buy into their sustainability cultures, supported by corporate functions such as IT, finance and accounting, and sales and marketing.
- **Tech accelerators:** This dimension refers to the adoption of digital technologies and pathways to accelerate sustainability transformation.

We identified three cohorts:

1. Front-runners: Significant progress along the three dimensions
2. Experimenters: Low maturity in one or two dimensions
3. Beginners: Low maturity across the three dimensions

Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 606 organizations.

4.2 Net zero commitments are becoming harder to deliver

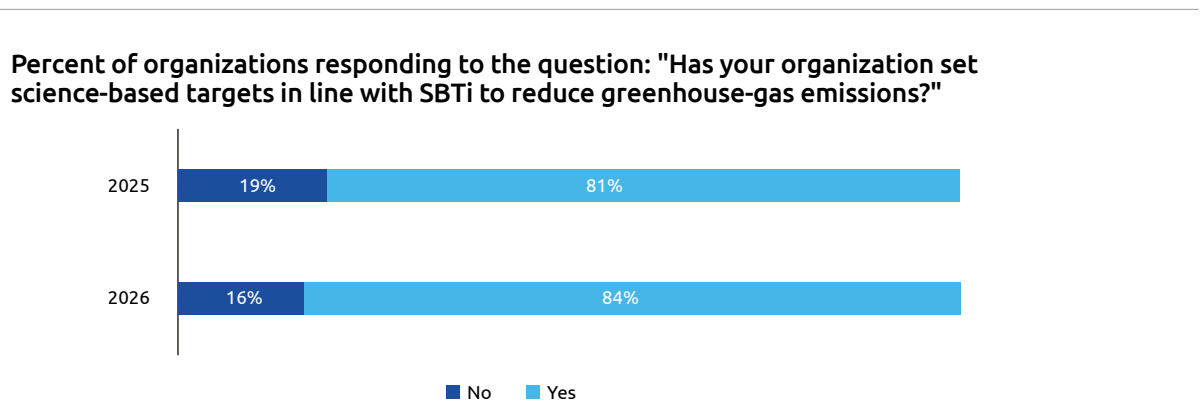
The widening ambition-execution gap is perhaps most visible in net zero journeys. In 2026, 84% of organizations say they have set science-based targets, almost unchanged from 81% in 2025. But translating commitments into measurable emissions reductions is increasingly difficult.

Two-thirds (66%) of organizations acknowledge that aligning sustainability efforts with science-based targets is challenging. Ankit Todi, Chief Sustainability Officer at Mahindra Group, says: *"There is a clear shift toward pragmatic short-term decision-making in sustainability. Rather than talking about distant targets, organizations are now focusing much more on what can actually be done in the next three to five years."*

The gap becomes even clearer when looking at actual progress:

- Only 42% of organizations are on track to meet 2030 or interim targets. Half (50%) of executives say their organization is behind their 2030 or interim emissions reduction targets.
- More organizations are also falling behind their net zero goals, increasing from 1% in 2025 to 11% in 2026.

Figure 24.
Adoption of science-based targets remains consistently high



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 701 organizations, June–July 2025, N = 716 organizations.



"There is a clear shift toward pragmatic short-term decision-making in sustainability. Rather than talking about distant targets, organizations are now focusing much more on what can actually be done in the next three to five years."

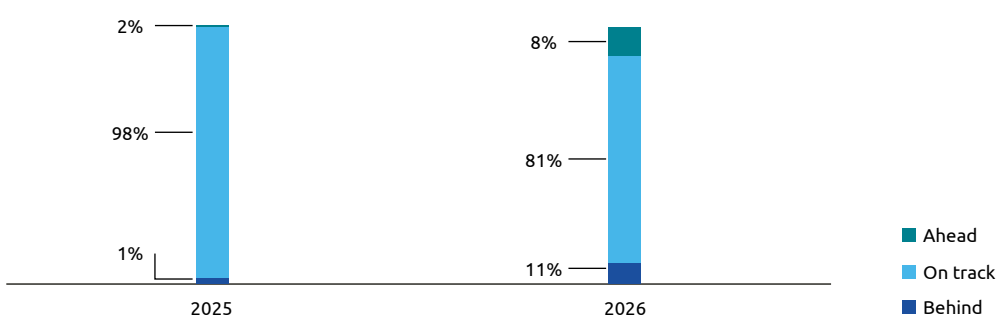
Ankit Todi

Chief Sustainability Officer at Mahindra Group



Figure 25.
More organizations are behind on net zero goals

Percent of organizations responding to the question: "What is your organization's current progress towards meeting its net zero goals?"



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 701 organizations, June–July 2025, N = 714 organizations.

Many organizations are reassessing the pace and feasibility of their transition plans, with 29% postponing their net zero objectives, compared with only 8% in 2025. Murray Auchincloss, CEO at BP, acknowledged that his organization was too optimistic when setting early climate targets: *"Our optimism for a fast transition was misplaced. We will be very selective in our investment in the transition, including through innovative capital-light platforms. This is a reset BP, with an unwavering focus on growing long-term shareholder value."*[53]

4.3 Operational barriers are slowing sustainability progress

With fragmented data, limited oversight, and growing external dependencies, emissions reductions are proving difficult for sustainability teams to deliver at scale.

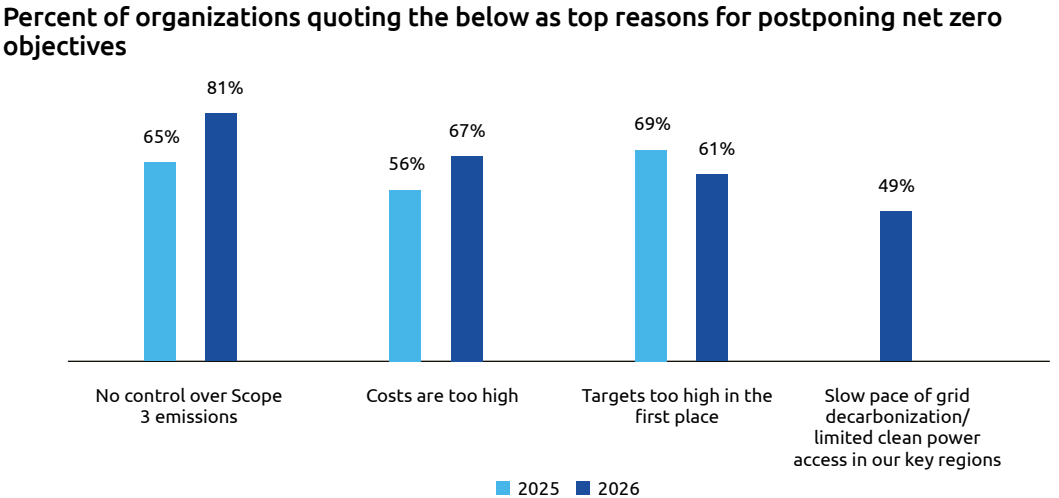
- Among organizations postponing their net zero objectives, **81% cite a lack of control over Scope-3 emissions**, up sharply from 65% in 2025. As emissions increasingly sit across suppliers, partners, logistics networks, and product use, progress depends on influencing a much broader ecosystem

- **Two-thirds of organizations (67%) say sustainability initiatives are becoming too expensive**, up from 56% in 2025. Economic uncertainty and competing investment priorities mean organizations face tougher trade-offs in funding sustainability efforts
- At the same time, fewer organizations now point to overly ambitious targets as the primary issue, with the proportion falling from 69% to 61%. This suggests **the challenge is shifting from target-setting to execution**
- Nearly half of organizations (49%) cite the **slow pace of grid decarbonization and limited access to clean power in key regions** as obstacles to progress, highlighting how sustainability outcomes increasingly depend on factors beyond an organization's direct influence

Taken together, the findings suggest that future sustainability progress will depend on organizations' ability to modernize their foundations for execution. Greater visibility across value chains, stronger governance and orchestration, sustainability-led innovation, and tighter integration of sustainability into day-to-day operations will be critical.

Figure 26.

Real-world constraints are slowing delivery



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 206 organizations who are postponing their net zero commitments, June–July 2025, N = 127 organizations who are postponing their net zero commitments.



"Sustainability is increasingly about building resilience into the way businesses operate. The opportunity is to use technology not only to reduce environmental impact, but to improve efficiency, strengthen resource resilience, and turn sustainability ambitions into measurable business outcomes. The organizations that bring these priorities together will be better equipped to navigate disruption while continuing to create long-term value"

Neelam Gupta

Group Sustainability CoE Lead, Capgemini

Regulations are driving a new wave of investments in sustainability transparency and traceability

Requirements such as the EU's Corporate Sustainability Reporting Directive (CSRD), the Ecodesign for Sustainable Products Regulation (ESPR), including Digital Product Passports (DPPs), Environmental Product Declarations (EPDs), and the Packaging and Packaging Waste Regulation (PPWR) are increasing demand for auditable sustainability data, supply-chain transparency, product traceability, and product-level environmental reporting. At the same time, increasingly stringent chemical and material compliance requirements, such as REACH, are placing greater emphasis on material transparency and lifecycle data management. In response, organizations are investing in the systems, data foundations, and reporting capabilities needed to comply transparently with a rapidly evolving regulatory landscape.

Unilever announced one of the largest global rollouts of GS1 Digital Link-enabled 2D barcodes across 45,000 stock-keeping units (SKUs). The organization explicitly linked the initiative to preparation for the EU's DPP requirements and broader product transparency regulations.[54]

As **Figure 27** shows:

- Four out of five executives (80%) say regulatory compliance drives sustainability investments, up from 71% in 2025.
- Nearly three-quarters (74%) of organizations are increasing spending on sustainability data, transparency, and reporting capabilities to support more accurate and auditable disclosures.
- Beyond internal reporting, regulatory expectations are extending deeper into the value chain. Consequently, 65% of executives say regulations are driving investments in traceability, enabling organizations to monitor and verify sustainability performance across suppliers and operations.
- More than seven in ten organizations (72%) are investing in digital systems to support sustainability data capture and reporting, while 66% are enhancing product-level environmental footprint reporting capabilities. Mars, a US pet care and confectionary manufacturer, partnered with Wholechain to harness blockchain-enabled traceability and standardized sustainability data sharing for seafood ingredients used by its pet-food business.[55]

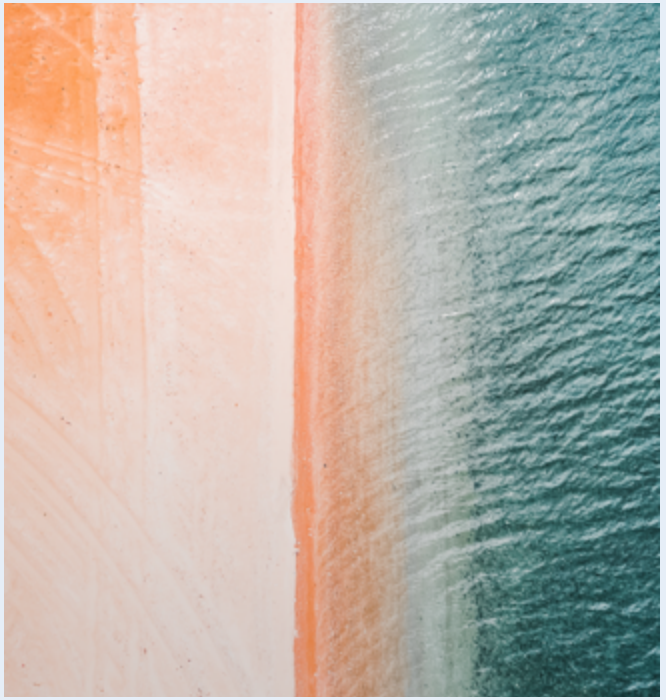
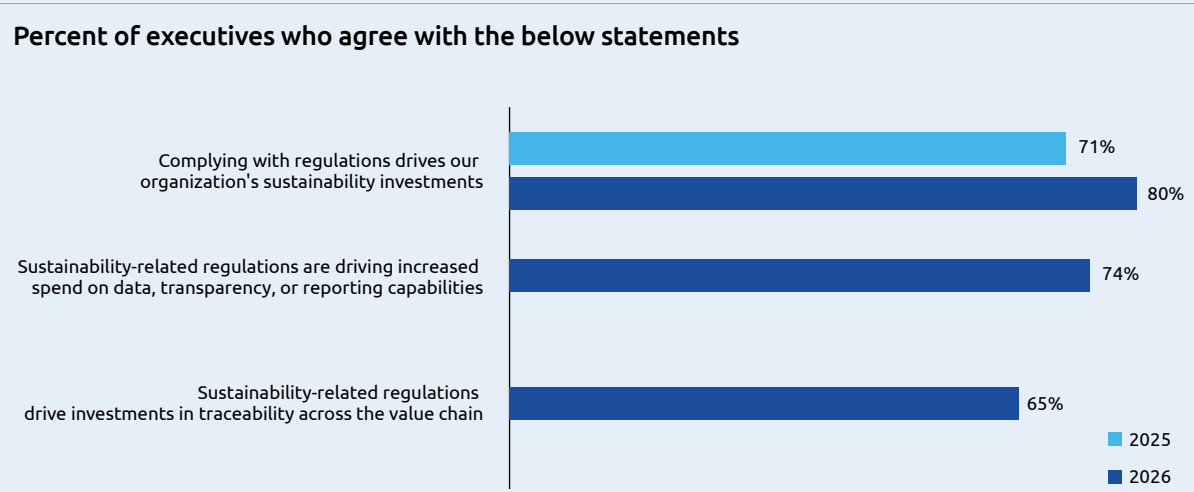


Figure 27.
Regulations are increasingly driving sustainability investments



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives; Sustainability business value survey, March 2025, N = 1,001 executives.

Execution challenges are limiting the impact of compliance investments

Yet organizations continue to struggle with the foundational capabilities required to manage sustainability data at scale:

- Nearly nine in 10 executives (87%) cite fragmented supplier data as a challenge, while 71% report limited visibility beyond Tier-1 suppliers.
- Two-thirds of executives (66%) point to inconsistent data standards, and 60% highlight difficulties integrating legacy systems, hindering the creation of reliable and connected sustainability datasets.
- 70% cite cost and ROI uncertainty, underscoring the difficulty of balancing compliance demands with broader sustainability objectives.

These findings suggest that regulatory compliance and sustainability foundations are becoming increasingly intertwined. While regulations are accelerating investment in reporting, transparency, and traceability capabilities, many organizations continue to face obstacles in establishing the connected data ecosystems needed to support them effectively. Addressing these gaps will be critical not only for meeting evolving regulatory requirements, but also for enabling more reliable insights, better decision-making, and stronger sustainability performance across the enterprise.

05 AI is becoming the execution engine for sustainability

As organizations scale AI, its environmental footprint is becoming harder to ignore, increasing demand for energy, water, and digital infrastructure. At the same time, AI is emerging as a powerful tool to help organizations accelerate sustainability outcomes, strengthen resilience, and close the sustainability execution gap.

5.1 Sustainable AI is gaining prominence, but implementation remains nascent

AI is increasing organizations' environmental footprint

As organizations shift from experimentation to enterprise-scale deployment of AI, they are embedding the new technology across customer service, software development, operations, decision-making, and business processes. This creates significant new value opportunities. Our previous research revealed that adoption of Gen AI surged from 6% in 2023 to 30% in 2025, with 93% of organizations across sectors now exploring, piloting, or partially/fully enabling Gen AI capabilities. Moreover, in 2025, 14% of organizations had already deployed AI agents at partial or full scale, while another 23% were piloting them. Among those scaling AI agents, nearly 45% were also piloting or expanding multi-agent systems.[56]

But scaling AI also requires computing power, energy, water, and infrastructure, bringing its environmental footprint into sharper focus.

- Our recent research on data centers highlights that electricity consumption related to AI training and inferencing is expected to rise from 25% to 60% of total data-center electricity demand in the next three to five years.[57]
- Research from UC Riverside and Caltech suggests that large US data centers can consume more than 1 million gallons of water per day, while some facilities under development have reportedly been allocated up to 8 million gallons per day.[58] In the UK, the government's Digital Sustainability Alliance highlights that AI is predicted to increase global water usage from 1.1bn in 2025 to 6.6bn cubic meters by 2027.[59]
- Beyond energy and water demands, AI is also creating new circularity challenges. The rapid refresh cycle for AI-optimized servers, GPUs, and other computing hardware is expected to increase electronic waste, with estimates suggesting Gen AI could create 1.2–5 million metric tons of e-waste by 2030, which is around 1,000 times more than was produced in 2023.[60]

Our research shows that organizations are already experiencing these impacts. Nearly half (45%) of executives say AI has significantly increased their organization's greenhouse gas emissions. Our previous research highlighted that organizations measuring their Gen AI-driven emissions expect them on average to rise from 2.6% to 4.8% of total internal operational carbon emissions over the next two years. Furthermore, 42% of organizations previously said that Gen AI has led them to re-evaluate their original sustainability commitments/goals.[61] Moreover, in our current research, 35% of executives say the growth of digital and data-intensive infrastructure has significantly increased their organization's water usage.

Nina Indina, Strategy and Innovation Lead and Programme Director Digital Twin at Vice Presidency for Infrastructure and Sustainability ETH Zürich, says: *"The full environmental price tag on AI is extremely high, from material intensity and energy use to water consumption, pollution, and waste. These trade-offs are not yet well understood or effectively managed at a systemic level."*

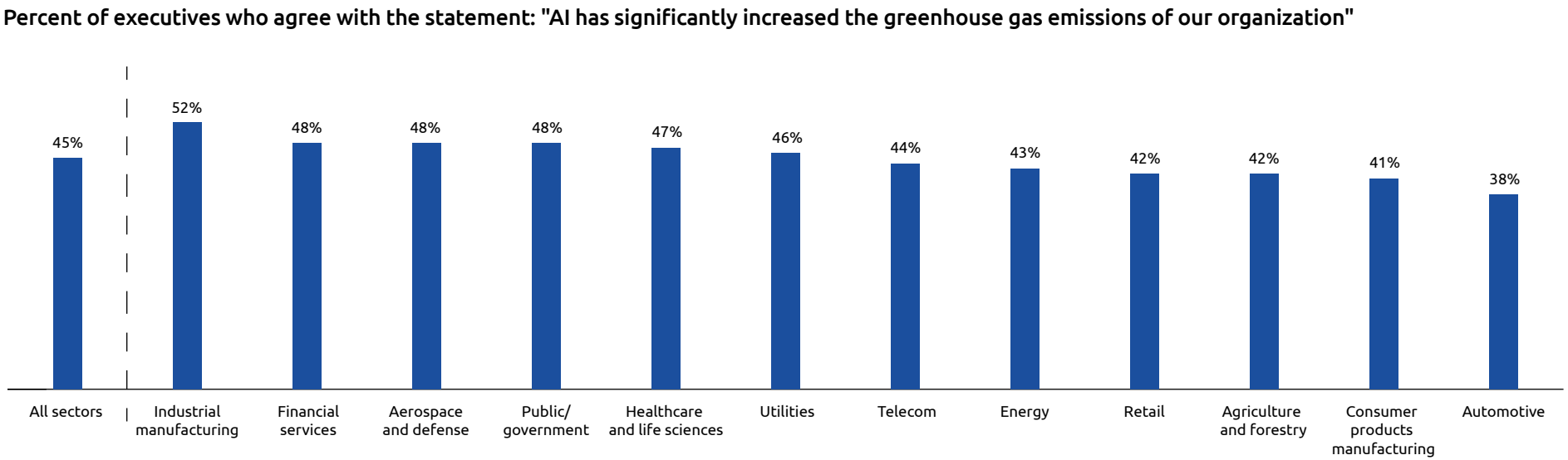


“The full environmental price tag on AI is extremely high, from material intensity and energy use to water consumption, pollution, and waste. These trade-offs are not yet well understood or effectively managed at a systemic level.”

Nina Indina

Strategy and Innovation Lead and Programme Director Digital Twin at Vice Presidency for Infrastructure and Sustainability ETH Zürich

Figure 28.
45% of executives say AI has significantly increased their organization's greenhouse gas emissions



Note: This figure reflects executives' perceptions of AI's impact on organizational greenhouse gas emissions. Reported views may be based on estimates, observations, or internal assessments, and do not necessarily imply that AI-related emissions are formally measured.

Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.

Sustainable AI governance is improving, but measurement lags behind

As executives become more aware of AI's resource implications, sustainability is becoming part of discussions about AI strategy, deployment, and long-term value creation. Boardrooms are paying greater attention to how AI affects energy demand, infrastructure needs, resource availability, and operating costs. Seven in ten (70%) executives say the impact of AI and Gen AI on sustainability is now a topic of discussion in their boardroom, up from 57% in 2025.

Encouragingly, organizations are embedding sustainability considerations into AI at design, deployment, and management stages:

- Nearly half (46%) of executives say their organization optimizes AI systems, including models, data usage, and computing infrastructure, to reduce environmental impacts
- 41% say environmental impact is systematically considered during digital and IT solution design
- More than half (54%) have also implemented governance frameworks to guide responsible deployment of AI

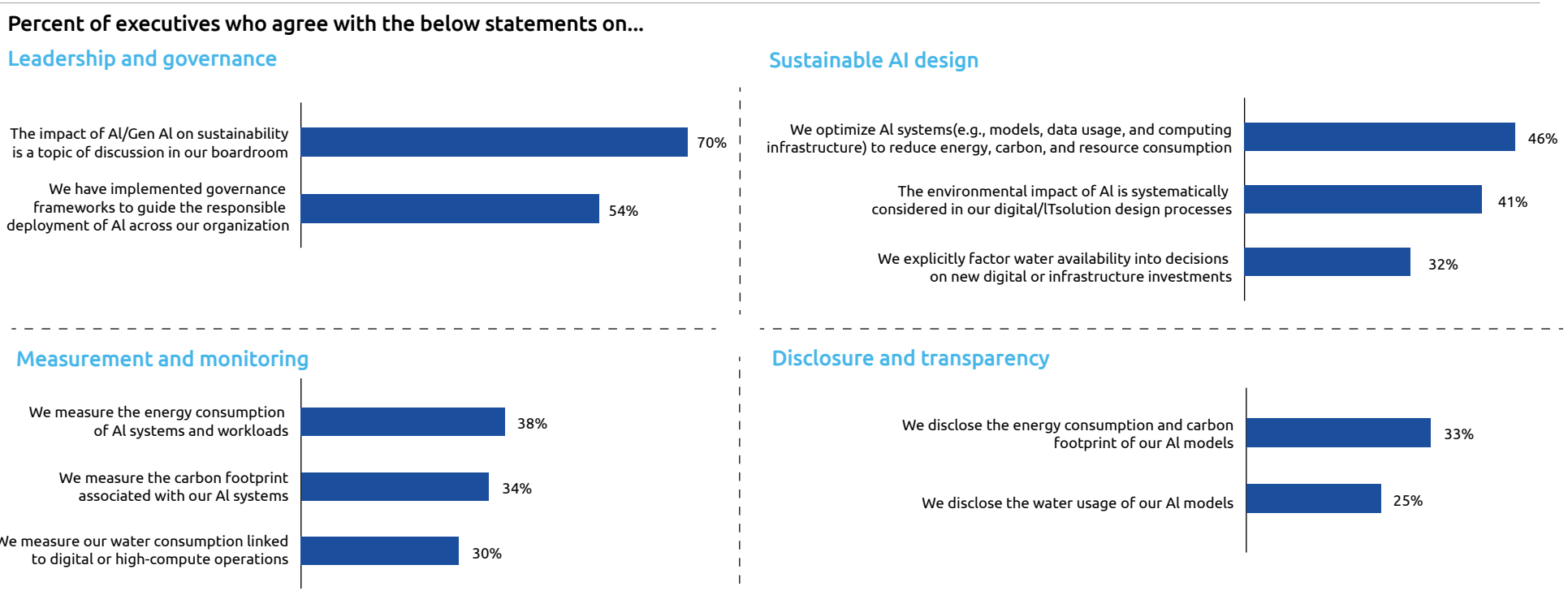
However, key gaps remain in measurement and accountability. Many organizations still lack the visibility, metrics, and processes to fully understand and manage AI's environmental footprint as adoption scales. For example:

- Just 38% of executives say their organization measures the energy consumption of AI systems and workloads, while fewer (34%) measure the AI carbon footprint
- Water considerations are even less mature, with only 32% explicitly factoring water availability into decisions regarding new digital or infrastructure investments

The complexity of measuring AI impacts across models, workloads, cloud environments, and technology providers exacerbates the challenge. Our research finds that 60% of executives cite measuring the upstream footprint of AI as a significant issue because of limited transparency from AI providers.

The maturity gap is particularly evident in external reporting. While 78% of consumers believe organizations should be transparent about the environmental impact of their digital services, disclosure remains limited. Only 33% of executives say their organization discloses the energy consumption or carbon footprint of AI models, while just 25% disclose AI-related water usage.

Figure 29.
While sustainability progress is real, measuring and reporting is lagging



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.

Overall, organizations are beginning to build the foundations of sustainable AI through governance frameworks, design considerations, and optimization measures. However, measurement, reporting, and enterprise-wide oversight are failing to mature at the same pace. As AI scales across increasingly autonomous and agentic systems, organizations will require a sustainable AI control plane that provides visibility of resource consumption, supports governance and compliance, and enables the optimization of AI's environmental footprint.

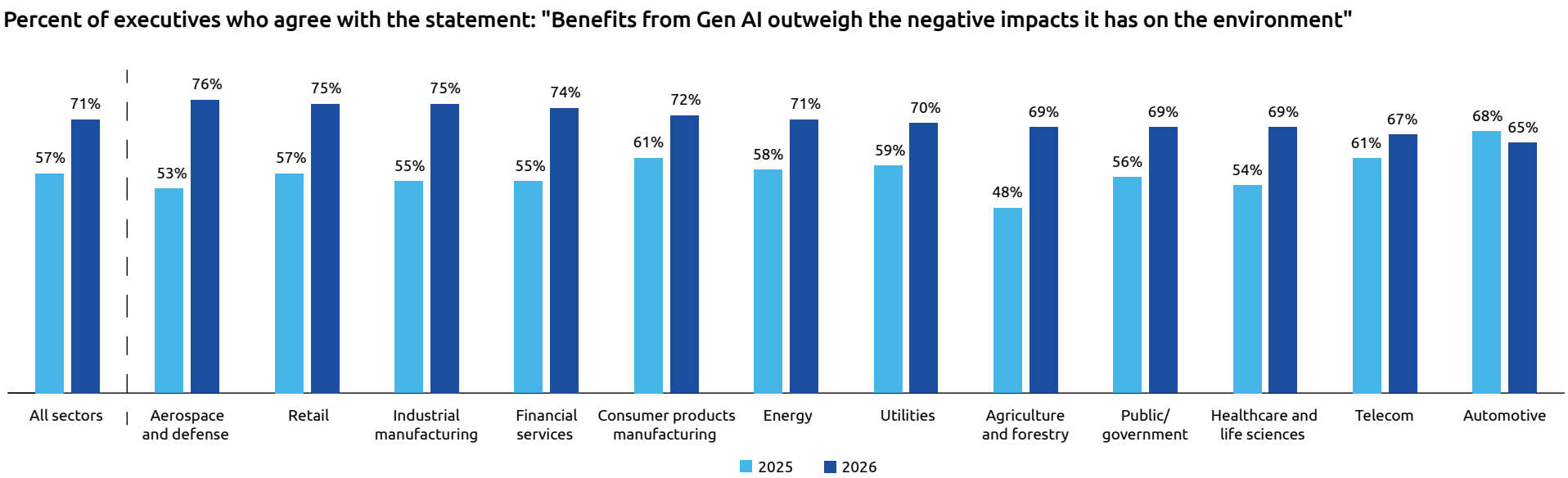
5.2 AI is transforming sustainability ambition into action

Confidence in AI's sustainability value is growing

Nearly three in four (71%) executives say the benefits of Gen AI outweigh its negative environmental impacts, up from 57% in 2025. In fact, among the 38% of organizations that measure AI's environmental impact, 72% report that the benefits of generative AI outweigh its negative environmental effects.



Figure 30.
Confidence in Gen AI's net positive value has strengthened across sectors



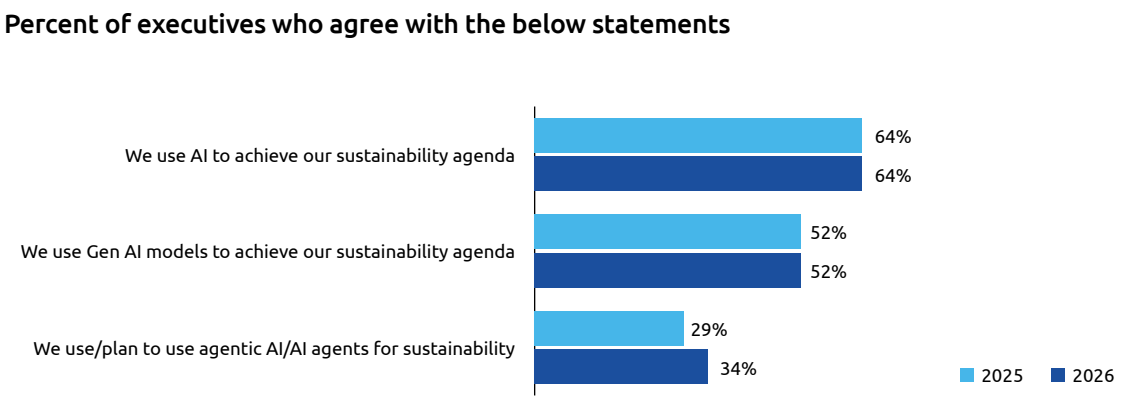
Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives, June–July 2025, N = 2,146 executives.

AI is rapidly becoming key to sustainability transformation. As Figure 31 shows, nearly two-thirds (64%) of executives say their organization uses AI to advance its sustainability agenda, including Gen AI (52%) and use or planned use of agentic AI (34% up from 29% last year).

34%

of executives say their organization uses or plans to use agentic AI/ AI agents to advance its sustainability agenda

Figure 31.
One-third of executives say their organization already uses or plans to use agentic AI for sustainability



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives, June–July 2025, N = 2,146 executives.

AI is creating value across sustainable products, processes, and operations

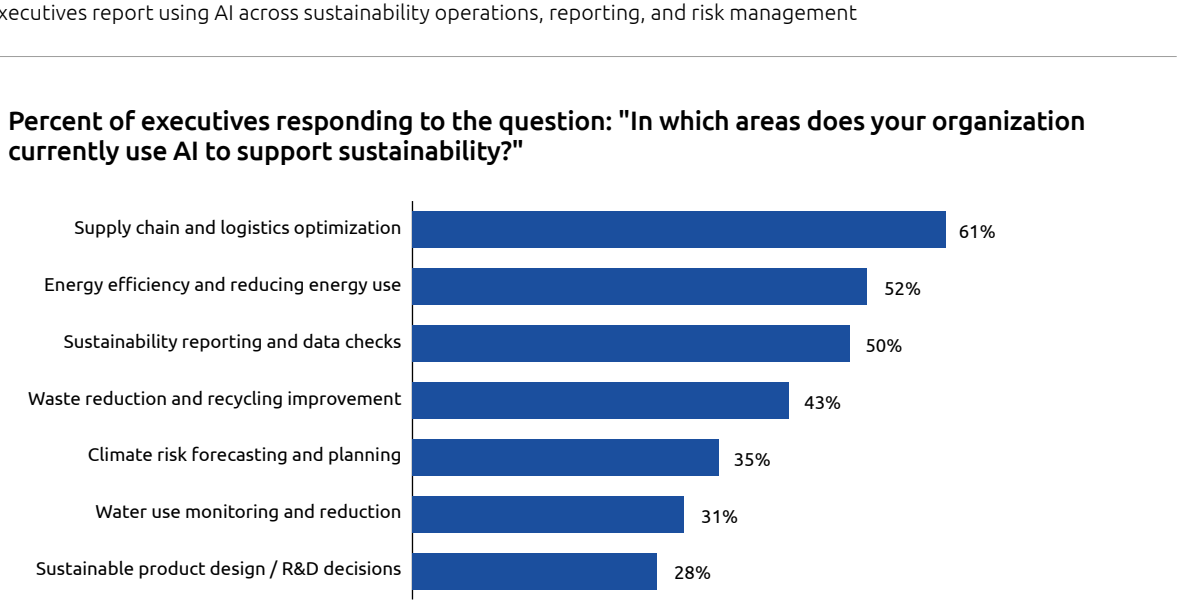
AI can help organizations embed sustainability into core business functions. The opportunity is not simply to accelerate existing processes but to restructure them around a human-AI workforce that can detect issues, analyze trade-offs, recommend actions, and trigger workflows across the value chain.

This can create value in two ways:

- **Better business and sustainability outcomes:** faster decisions, lower emissions, reduced waste, stronger compliance, greater resilience, and better resource planning
- **Lower cost of operations:** through automation, process redesign, improved data quality, and reduced manual effort in sustainability-related activities

This value is especially powerful when AI is applied across connected processes, rather than to isolated use cases. For example, by combining emissions, supplier, logistics, and procurement data, organizations can attain better sourcing decisions, lower-carbon transportation choices, and more accurate reporting. Our research shows that AI already helps organizations across a broad range of sustainability use cases.

Figure 32.
Executives report using AI across sustainability operations, reporting, and risk management



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.

AI for sustainable operations

AI can help organizations optimize operational processes that directly affect energy use, logistics, resource consumption, waste, and operating costs. Amit from Cox Conserves shares an example: *"At Cox, we are already using AI for practical sustainability use cases, such as waste characterization. Historically, a person would have had to inspect a dumpster to understand the waste streams from an operation. We now use AI to analyze a picture of a dumpster's contents and automatically categorize the type of waste."*

61%

of executives say their organization uses AI for supply chain and logistics optimization

As **Figure 32**, above, shows:

- 61% of executives say their organization uses AI for supply chain and logistics optimization
- 52% use AI for energy efficiency and reducing energy use
- 43% use AI for waste reduction and recycling improvement
- 31% use AI for water use monitoring and reduction

More advanced AI capabilities can continuously monitor environmental risks, orchestrate actions across functions, optimize resource consumption, identify sustainability trade-offs, and support faster operational decisions. Leading organizations are already demonstrating how AI, Gen AI, and emerging agentic AI capabilities can support more sustainable operations:



Supply chain and logistics optimization	• Unilever's Beauty and Wellbeing factory in Tinsukia, India, has deployed more than 50 AI-powered initiatives across its supply chain. Machine learning (ML) cut frozen planning periods from 14 days to one day, while AI-enabled vision systems cut production changeover times by 85%. The site also uses AI-powered digital twins to test sustainable packaging alternatives, helping reduce virgin plastic use in packaging by 21%.[62] • General Mills' end-to-end logistics flow uses Gen AI and agentic AI to talk system to system, improving communication with one of the organization's biggest retail partners and optimizing truck utilization. To date, these measures have reduced their carbon footprint by over 15,000 tons.[63]
Energy efficiency	• In the telecoms sector, Ericsson's and Vodafone's trials of AI-enabled energy efficiency in 5G radio units reported a 33% reduction in daily power consumption and a 70% reduction during low-traffic hours.[63] In 2024, Virgin Media O2 used Internet of Things (IoT) and AI to track data center cooling performance, saving £1 million per year in energy costs.[64] • Developed by Capgemini and Schneider Electric, our AI-driven Energy Command Center monitors all building assets that consume energy, including data centers and critical environments such as labs and electronic assembly areas. It provides information about energy usage and makes suggestions on areas to improve. Based on our results, this tool alone typically reduces energy consumption by 30%.[65] • Bosch SDS deployed an AI-powered energy management solution that provides real-time monitoring, optimization, and alerts, helping reduce energy costs by 12%, improve indoor comfort, and increase the use of renewable energy.[66]
Waste reduction	• In the US, Kroger, along with regional grocery chains such as Loblaws, Piggly Wiggly, and Gelson's, use AI-driven dynamic pricing to identify perishable products nearing the end of their shelf life and apply targeted discounts. The approach has reduced food waste-related shrink by an average of 27% while helping drive additional customer traffic and sales.[67] • ArcelorMittal applies AI across the entire scrap lifecycle, from procurement and sorting to impurity analysis and quality prediction. AI tools help determine how recycled scrap can be blended to produce advanced steel with consistent properties, supporting both cost efficiency and significant CO_2 reduction.[68]
Water use monitoring	Schneider Electric uses AI to support sustainable water management, applying AI-based leak detection and circular water strategies to reduce industrial water consumption and improve resource efficiency across operations.[69]

AI for sustainability intelligence and reporting

AI is also becoming central to sustainability data management, disclosure, and compliance. AI can reduce manual effort in data collection, improve data-quality checks, detect anomalies, support audit trails, and accelerate readiness for sustainability regulations. Our previous research on sustainable Gen AI also identifies environmental, social and governance (ESG) reporting, supplier sustainability reporting, lifecycle assessment, and ESG scenario planning as 'quick win' use cases for Gen AI in sustainability.[70]

The Carbon Disclosure Project (CDP), one of the world's leading environmental reporting platforms, requires organizations to process large volumes of emissions data. Since CDP reporting often involves coordination across multiple teams and suppliers, agentic systems reduce the administrative burden and improve data quality. Sustainability professionals are able to shift focus from reporting to designing strategies that strengthen resilience and deliver on ESG commitments. Omni Helicopters International successfully reduced their CDP reporting time by 75% using agentic AI-based solutions.[71]

As **Figure 32** shows above, half of the executives (50%) in our research say their organization uses AI for sustainability reporting and data checks. Capgemini and Sweep's 2026 joint report corroborates these findings, highlighting that 44% of organizations use AI for sustainability data collection and 45% for data analysis.[72]

AI for sustainability risk management and decision support

AI can also help organizations pivot to forward-looking decision support. Sustainability data becomes more strategic, helping organizations anticipate risks, allocate resources, and plan for resilience. More than one-third (35%) of executives say their organization is currently using AI for climate-risk forecasting and planning. We see several examples emerging:

- AI-powered platforms such as Pano AI help businesses and governments to identify early-stage wildfires by combining sensor networks and predictive modelling to protect assets and infrastructure, including critical ecosystems.[73]
- Australia-based seed producer, Advanta Seeds, uses ClimateAi's AI-powered climate forecasting platform to identify harvest and supply chain risks ahead of competitors. Early warnings of adverse weather enabled the organization to adjust harvest schedules, avoid significant losses, and accelerate seed distribution, contributing to a 5–10% increase in sales.[74]
- Volvo Group uses AI agents to analyze 6 million part level data points against more than 2,000 emissions factors, enabling 1,500 buyers to identify and prioritize supplier decarbonization opportunities across the value chain.[75]
- Using NVIDIA's Earth-2 platform, global insurer, AXA, is generating thousands of hypothetical hurricane scenarios to better understand the likelihood and severity of extreme weather events. The resulting climate-risk intelligence supports more forward-looking risk assessment, resilience planning, and product design.[76]

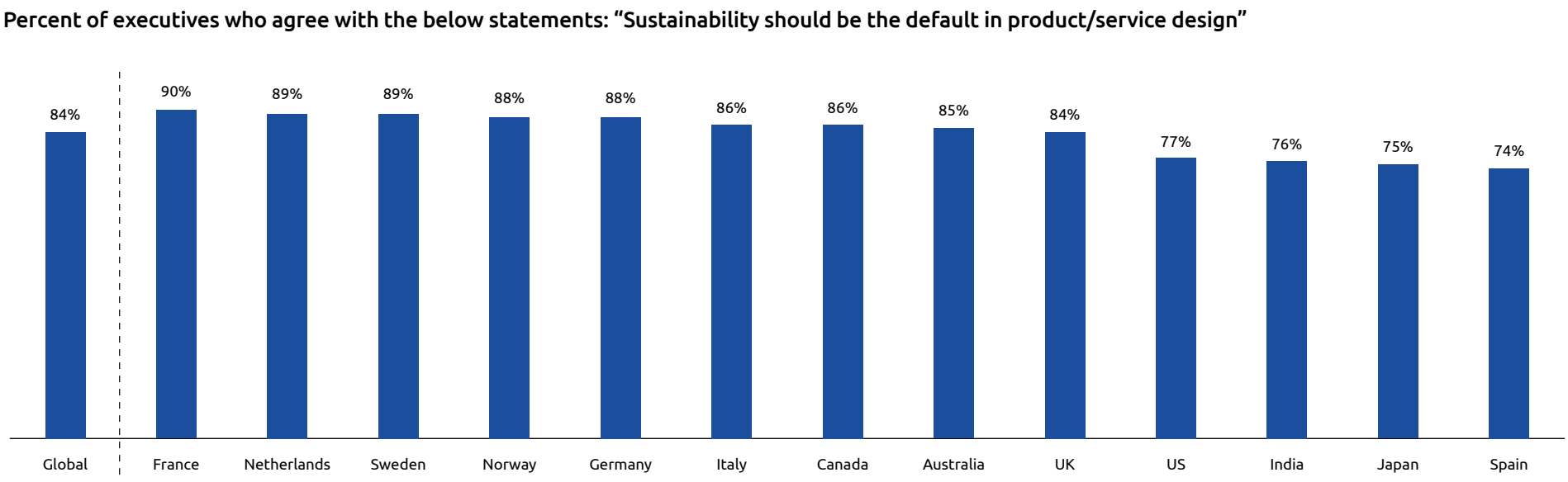
The next wave of sustainability execution is likely to be ecosystem-led. Advanced climate AI models, geospatial intelligence, and industry-specific risk engines can help organizations move from static sustainability reporting to dynamic decision support.

AI for sustainable products and services design and development

Despite current low take-up (28% of executives in our survey), we believe there is a significant opportunity to use AI to accelerate innovation-led sustainable product design, lifecycle assessment, material substitution, packaging optimization, circular design, and new sustainability-enabled products and services.

Growing climate and resource pressures, as well as rising consumer expectations (see Figure 33) are driving organizations to embed sustainability into products and services by design.

Figure 33.
Consumers want sustainability designed into products, not as an opt-in



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 6,500 consumers.

AI can help move sustainability upstream into product, engineering, procurement, and R&D processes, where many environmental impacts are determined.

- For example, developing new battery technologies typically takes years of trial-and-error experimentation. Scientists at Pacific Northwest National Laboratory used AI to screen 32 million possible inorganic materials. They narrowed the field to 18 promising candidates in just 80 hours – up to 500,000 times faster than traditional methods.[77]
- King's College London and Swansea University use Vertex AI to design nature-inspired, sustainable materials such as self-healing asphalt. In a lab test, their biobased microcapsules healed a pavement crack in just 50 minutes.[78]
- Siemens used AI-powered generative design tools to redesign a robot gripper, reducing the part count by 84% and weight by 90%. This offers potential savings of up to three tons of CO2 emissions per robot per year and showcases how AI can accelerate sustainable product design and optimize resource use.[79]

Data foundations remain the biggest barrier to scaling AI for sustainability

The main barriers to AI for sustainability are largely around data access, quality, governance, and integration. Sustainability use cases rely on data from across the enterprise, spanning environmental performance, resource consumption, supply chains, risk management, finance, and operations. Yet these data sources often remain fragmented, inconsistent, and difficult to connect (see Figure 34).

Our previous Sustainable Gen AI report also found similar challenges. Only 37% of executives say their organization has the right data-management tools and technologies for Gen AI, while just 33% say they evaluate and monitor data quality for Gen AI.[80] Marc H. Solomon, Senior Analyst, Chief Technology Officer, The Hartford Insurance Group, says: *"AI can only add value to ESG reporting when the data foundations are strong. The biggest constraint is still uneven quality, fragmented inputs, and the need for consistency. Organizations need systems that can surface these constraints and a standard process to load, map, validate, and publish ESG data, so reporting outputs are transparent, understandable, and audit ready."*

As organizations apply AI to climate adaptation, resource management, resilience planning, and regulatory compliance, they need connected, governed, and auditable data across functions. Building these foundations often requires breaking down silos between sustainability, operations, procurement, finance, risk, and IT. As a result, sustainability initiatives are becoming a catalyst for creating enterprise-wide data foundations that can support both sustainability objectives and broader AI adoption.



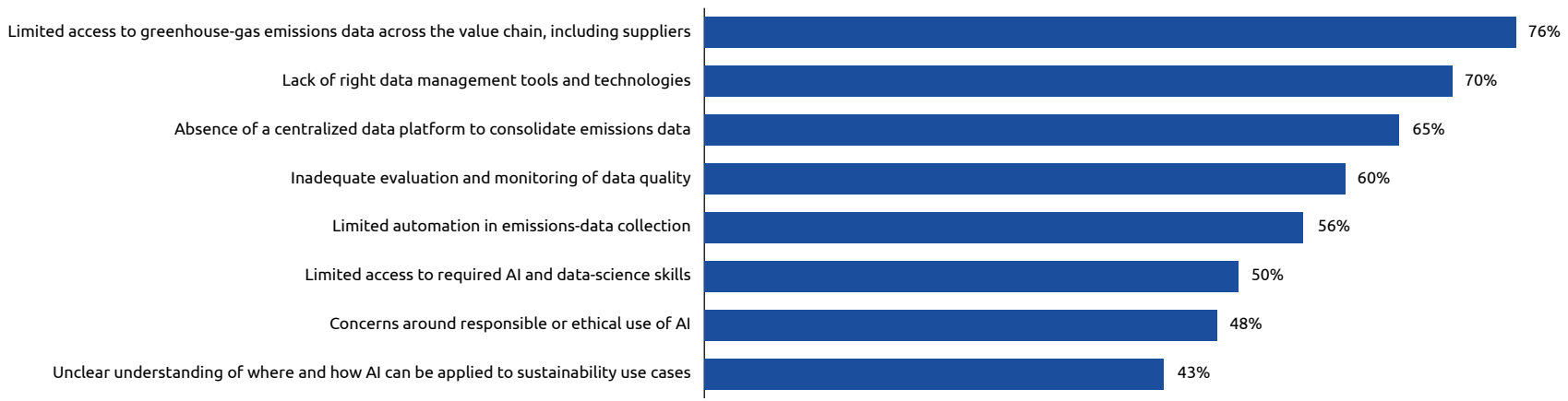
“AI can only add value to ESG reporting when the data foundations are strong. The biggest constraint is still uneven quality, fragmented inputs, and the need for consistency. Organizations need systems that can surface these constraints and a standard process to load, map, validate, and publish ESG data, so reporting outputs are transparent, understandable, and audit ready.”

Marc H. Solomon

Senior Analyst, Chief Technology Officer, The Hartford Insurance Group

Figure 34.
Data and technology foundations remain the biggest barriers to scaling AI for sustainability

Percent of executives responding to the question: "What are the top challenges for your organization in implementing AI to accelerate sustainability transformation?"



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives.



"The challenge is not whether organizations should adopt AI, but how they can scale it responsibly. Sustainable AI requires engineering choices that balance performance, cost, and environmental impact across the entire AI lifecycle, from infrastructure and models to operations and end-user adoption."

Corinne Jouanny

Executive Vice President, Portfolio and Intelligent Industry Lead for Southern Central Europe, Capgemini



06 Actions for a resilient and sustainable future

With organizations recognizing the link between sustainability, business resilience and competitiveness, they must now focus on delivering meaningful and measurable impact.

- For CEOs, this means embedding sustainability into business strategy, resilience planning, and growth decisions
- For CSOs, this means shifting from commitments and reporting toward execution, value creation, resilience, and measurable outcomes
- For CFOs, it means prioritizing investments that strengthen competitiveness, manage risk, and deliver measurable returns
- For COOs, this means building resilience across operations, supply chains, and critical resources while improving operational efficiency and continuity
- For CDOs/CIOs, this means establishing the data, AI, and technology foundations needed to accelerate sustainability outcomes and govern AI's environmental footprint
- For CTOs this means establishing design and engineering processes, methodologies and tools to allow products to be developed with build-in sustainability and circularity measures
- For boards, this means strengthening oversight of climate adaptation, resource security, AI governance, and sustainability execution

This requires a two-pronged approach: strengthening the strategic foundations that undergird long-term sustainability performance, while harnessing emerging digital technologies to accelerate and scale outcomes.





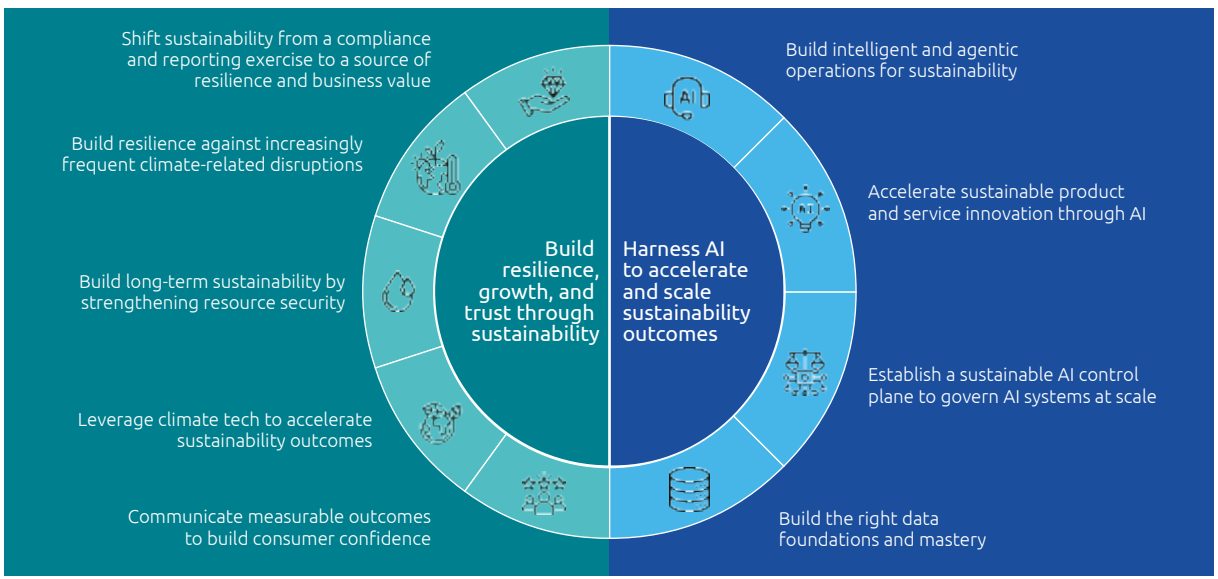
“Companies can collectively and confidently step up the sustainability maturity curve. We’ve invested in the easier mitigation steps. Creating higher value opportunities today may require putting investment dollars into climate adaptation. These may be bigger bets, but we've never been in a better position to pair data with AI tools to make more informed and sustainable, business decisions.”

Kevin Eckerle

Head, Environmental Affairs, Bayer Consumer Health



Figure 35.
Key actions to advance sustainability efforts



WW

6.1 Build resilience, growth, and trust through sustainability

Organizations must embed sustainability principles into core business decision making, building resilience against emerging risks, securing access to critical resources, and building stakeholder trust.

The following recommendations highlight key priorities for translating sustainability ambitions into lasting business value and competitive advantage:

Shift sustainability from a compliance and reporting exercise to a source of insights, resilience and business value

As sustainability intertwines with business performance, organizations should embed it into core business systems, processes, and decision-making, positioning it as a driver of growth, resilience, and long-term competitiveness.

Organizations must:

- Integrate sustainability objectives into **corporate strategy, business planning**, and **investment decisions**
- Link sustainability priorities to **specific business outcomes**, including growth, cost efficiency, resilience, risk mitigation, and innovation
- Identify and **prioritize sustainability-driven value pools** across products, services, operations, and supply chains
- Embed **sustainability considerations** into product development, manufacturing, sourcing, procurement, and customer value propositions to drive impact across the value chain
- **Quantify the positive financial implication**s of sustainability initiatives to strengthen business cases and guide resource allocation
- Use **sustainability data and insights** to improve operational performance, resource productivity, and strategic decision-making
- Foster **collaboration** across sustainability, finance, operations, risk, and business functions to align priorities and investments. Laurie Thomas, Director of Windows and Devices Sustainability, Microsoft says, *"Sustainability has to be embedded into the operating models. It is not the job of a sustainability team. It is the job of every team that is part of that business model."*
- Establish **governance, executive ownership, and accountability mechanisms** that integrate sustainability into enterprise decision-making and execution

Build resilience against increasingly frequent climate-related disruptions

Organizations must strengthen their ability to anticipate, withstand, and recover from climate-related disruption. A proactive approach can safeguard critical assets and sustain long-term business continuity.

To strengthen resilience against climate-related disruptions, organizations must:

- **Assess climate risks** across assets, operations and supply chain to identify vulnerabilities and priorities
- Incorporate **climate/resilience scenarios** into strategic planning, capital/investment allocation, and risk-management processes
- **Strengthen critical infrastructure, facilities and operations** to withstand climate-related disruptions
- Enhancing **visibility** into supply chain risks through **climate-related data, monitoring, and early-warning mechanisms**
- Establish **governance, accountability, and performance metrics** to ensure climate risks and resilience priorities are consistently managed over time

Build long-term sustainability by strengthening resource security

Organizations must adapt to reduce their dependence on increasingly scarce natural resources. Building greater resource security can help improve resilience, support business continuity, reduce environmental impacts, and strengthen long-term sustainability performance.

To build a more resilient and resource-efficient business, organizations must:



“Sustainability has to be embedded into the operating models. It is not the job of a sustainability team. It is the job of every team that is part of that business model.”

Laurie Thomas

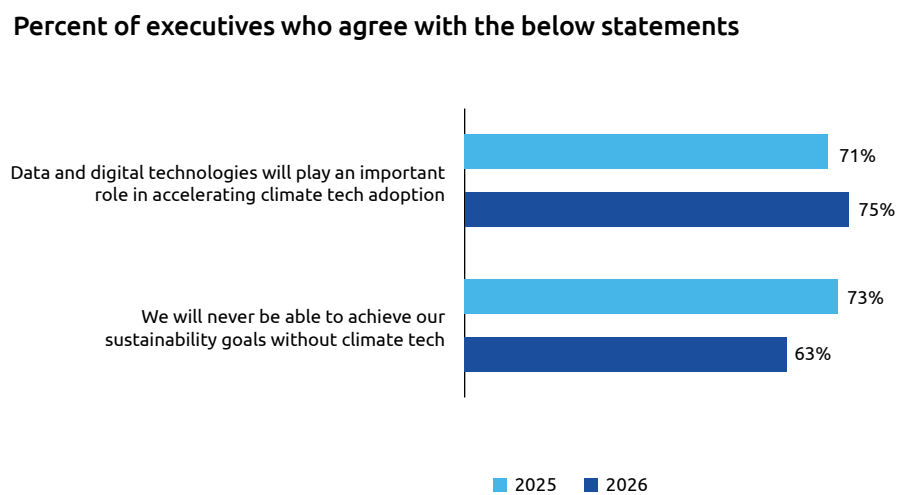
Director of Windows and Devices Sustainability, Microsoft

- **Map risks and dependencies** related to constrained resources (including water, energy, raw materials, and critical minerals) across operations and supply chains
- Embed resource security considerations into risk management, business continuity, and investment planning
- **Set targets** to improve resource efficiency and reduce reliance on constrained resources
- Invest in **circular approaches** including reuse, recycling, resource recovery and **renewable energy generation**
- Strengthen **stewardship of high-risk resources, particularly water**, through supplier engagement and collaboration
- Improve **monitoring and reporting** of resource use, risks, and performance

Leverage climate tech to accelerate sustainability outcomes

Climate tech[81] is a vital tool for helping organizations improve visibility into sustainability performance, optimize resource use and accelerate progress toward environmental goals. As Figure 36 indicates: executives recognize the importance of these technologies:

Figure 36.
Executives continue to see climate tech and digital capabilities as critical to achieving sustainability goals



Source: Capgemini Research Institute, Sustainability business trends survey, June–July 2026, N = 2,100 executives, March 2025, N = 2,146 executives.

To maximize impact, organizations should move beyond isolated tech deployments and focus on integrating climate technologies into their broader sustainability and business strategies. To translate climate tech investments into measurable sustainability outcomes, organizations must:

- **Scale mature technologies** that support decarbonization, emissions management, and resource efficiency
- **Invest in emerging/next-generation climate innovations and pilot new solutions** that can address future sustainability challenges. Highlighting the importance of balancing near-term impact with long-term innovation. Ankit Todi from Mahindra Group says: *"Organizations should scale solutions that have already reached commercial maturity while continuing to invest in innovation for emerging sustainability challenges."*
- Develop **skills, governance, and partnerships** to maximize the value of climate tech investments
- **Feed in data, analytics and AI** to improve sustainability measurement, monitoring and decision making

Communicate measurable outcomes to build consumer confidence

As stakeholders scrutinize sustainability claims, organizations must demonstrate progress through transparent, evidence-based communication. Building trust requires that organizations produce clearly articulated measurable outcomes, supported by reliable data and third-party validation where appropriate.

To build and maintain consumer trust, organizations must ensure sustainability claims and communications that are:

- **supported by measurable outcomes and verifiable data**
- guaranteed accurate by **governance and review processes**
- aligned across **products, brands, reports, and stakeholder channels**
- backed by **recognized certifications, reporting standards, and third-party assurance**

Alexandra Mornet, Director of sustainability at Pandora Crafting and supply, says: *"Credible sustainability communication depends on more than disclosure. It requires standardized reporting, robust assurance processes, and transparent evidence that stakeholders can trust.".*

6.2 Harness AI to accelerate and scale sustainability outcomes

Achieving sustainability goals requires new capabilities that can embed sustainability into how organizations operate, innovate, and make decisions. AI, including agentic AI, can operationalize sustainability at scale by integrating environmental, operational, and business objectives into daily workflows.

Build intelligent and agentic operations for sustainability

Organizations cannot address sustainability challenges solely through isolated use cases, manual interventions, or periodic reporting. They require intelligent operations that can continuously monitor conditions, anticipate risks, coordinate decisions, and execute at scale.

Organizations should:

- **Embed AI and agentic systems into sustainability-critical processes** such as emissions management, climate adaptation, resource optimization, supplier engagement, regulatory reporting, and compliance management
- **Integrate sustainability intelligence into operational systems, enterprise workflows and tools employees already use,** making sustainability considerations a seamless part of everyday decision-making
- **Use AI to continuously monitor and predict** climate, energy, water, resource, and supply chain risks, enabling proactive interventions
- **Deploy networks of specialized AI agents** that can collaborate across functions to identify opportunities, coordinate actions, and optimize sustainability and operational outcomes
- **Scale proven AI use cases** across business functions to improve resilience, efficiency, productivity, and sustainability performance
- **Establish cross-functional operating models and governance structures** to move AI for sustainability from pilots to enterprise-scale adoption

Agentic AI can structure intelligent sustainability operations capable of continuously sensing, reasoning, coordinating, and acting across complex business environments. This enables organizations to improve resilience, accelerate decision-making, optimize resource use, and scale sustainability outcomes more effectively..

Accelerate sustainable product and service innovation through AI

To meet rising sustainability expectations, organizations must reimagine the design, development and delivery of products and services. Our recent engineering, research and development (ER&D) pulse report shows that 58% of executives consider sustainability a key component of their product design processes, up from 22% in 2022. A further 43% report conducting regular environmental impact assessments as part of product design, up from 26% in 2022.[82]

AI and agentic AI can identify opportunities to reduce environmental impact, improve resource efficiency, and accelerate innovation across the entire product lifecycle.

Raquel Guevara from Microsoft adds: *Raquel Guevara from Microsoft adds: "AI is helping us rethink sustainability across the product and infrastructure lifecycle. One example is Microsoft Azure Quantum team's applied advanced AI, along with expertise from the Department of Energy's Pacific Northwest National Laboratory (PNNL), to identify a new material, unknown to us and not present in nature, with potential for resource-efficient batteries. The use of AI to accelerate battery-material discovery: work that could have taken humans years was completed in days through AI-enabled modeling, helping identify a new material choice that could potentially be industrialized and commercialized."*

Organizations should:

- **Use AI to design lower-carbon, resource-efficient, and circular** products and services
- **Apply AI-driven simulation, digital twins, and lifecycle assessment tools** to evaluate environmental impacts earlier in the design process
- **Leverage AI to identify alternative materials, optimize resource use, and reduce waste** across the product lifecycle
- **Embed sustainability, engineering, data, and digital teams into a common innovation process** to accelerate the development of sustainable offerings



“Credible sustainability communication depends on more than disclosure. It requires standardized reporting, robust assurance processes, and transparent evidence that stakeholders can trust.”

Alexandra Mornet

Director of sustainability at Pandora Crafting and supply



Establish a sustainable AI control plane to govern AI systems at scale

As organizations scale AI and agentic systems, the challenge shifts from AI adoption to governed execution at scale. Without visibility of AI usage, resource consumption, and business impact, organizations risk escalating AI costs, higher energy and water consumption, fragmented governance, and unintended sustainability consequences. Our previous research highlighted that 62% of executives believe that setting the right guardrails and governance for sustainable development/deployment of Gen AI would reduce the environmental impact of Gen AI.[83]

Organizations should establish a sustainable AI control plane to:

- **Provide visibility of AI consumption, costs, and sustainability impacts,** including energy, emissions, water use, infrastructure utilization, and AI-related spending and unit economics
- **Optimize AI workloads and model usage,** balancing performance, business outcomes, sustainability outcomes, and total cost of operations
- **Establish enterprise-wide governance and guardrails for AI systems,** including accountability, transparency, policy enforcement, traceability, and auditability
- **Manage AI risk and compliance,** ensuring that AI systems operate securely, responsibly, and in line with regulatory and organizational requirements
- **Monitor and orchestrate agentic systems,** overseeing agent performance, decision-making, collaboration, and human oversight across the AI ecosystem
- **Measure business and sustainability value realization,** helping organizations understand where AI is delivering measurable outcomes and where interventions are required

Increasingly, rather than isolated AI applications, organizations will manage a growing digital workforce. A sustainable AI control plane enables organizations to govern this workforce

A sustainable AI control plane enables organizations to govern this workforce effectively, optimizing costs, managing risks, and ensuring that AI-driven value creation is aligned with sustainability objectives.

Build the right data foundations and mastery

As organizations move from AI pilots to agentic systems, successful scaling depends on the quality, accessibility, governance, and business context of the underlying data. Sustainability introduces additional complexity because much of the required data originates outside the enterprise, while the methodologies used to calculate sustainability metrics are often fragmented across business functions and systems. Without trusted, connected, and standardized data foundations, organizations risk fragmented and poorly governed AI deployment resulting in higher cost and limited business insights.

Organizations should:

- **Define a sustainability data strategy** that aligns data investments, governance, and architecture with sustainability and business outcomes. Prioritize the internal and external data sources, data products, and capabilities required to support AI-enabled sustainability decisions and execution.
- **Integrate internal and external sustainability data into a trusted data foundation –** combining operational, financial, and value-chain data into a common platform to improve coverage, granularity, traceability, and decision-making.
- **Standardize sustainability methodologies, metrics, and business rules across the enterprise** to ensure that emissions, climate, water, resource, and other sustainability measures are calculated consistently across functions, business units, and systems
- **Build semantic and contextual layers** that encode sustainability metrics, business rules, and domain knowledge. This provides the context AI systems need to generate reliable insights, support decision-making, and execute sustainability actions at scale.
- **Establish strong data governance** with clear accountability for quality, auditability, traceability, and stewardship. Given the interdependencies between AI, data, and technology, collaboration between the chief AI officers (CAIO), chief information officers (CIO), and chief data officers (CDO) is essential.
- **Optimize data operations** by reducing data waste and improving the sustainability efficiency of data storage, movement, and processing.



"As climate impacts become more visible and resource pressures intensify, resilience is becoming the lens through which organizations are reshaping sustainability strategies. This is not a departure from decarbonization, but an evolution of the agenda that connects emissions reduction, adaptation, resource security, and long-term business performance."

Sol Salinas

Executive Vice President, Head of Sustainability for the Americas, Capgemini

Conclusion

While no less urgent, the sustainability imperative is undergoing a profound shift. As geopolitical uncertainty, resource constraints, climate risks, and technological disruption reshape the global landscape, organizations must reset their measures of sustainable success. Long-term environmental commitments are no longer the sole focus. Equally important is an organization's ability to remain resilient, adapt to change, and create value in a more volatile world.

The coming years will require organizations to make difficult trade-offs, navigate competing priorities, and manage ever more complicated markets, value chains, and operations. Success will depend on the ability to embed sustainability principles into core business decisions, strengthen resilience against climate and resource-related risks, accelerate the adoption of technologies that enable measurable sustainability outcomes, collaborate across value-chain ecosystems, and build trust through transparent and credible action. AI and data are powerful enablers of sustainability transformation, helping organizations optimize operations, improve decision making, and unlock new opportunities for innovation. Realizing this potential will require organizations to balance AI-driven innovation with responsible management of its energy, water, and infrastructure demands.

More than just an environmental imperative, sustainability enables organizations to anticipate change, manage uncertainty, and create long-term value. In the years ahead the leaders will combine resilient sustainability strategies with AI-powered innovation, allowing them to thrive in an increasingly complex world.



Research methodology

We surveyed 2,100 executives employed at 701 organizations, each with more than $1 billion in annual revenue, across 13 countries in North America, Europe, and Asia-Pacific and in 12 industries and sectors.

Countries covered: Australia, Canada, France, Germany, India, Italy, Japan, the Netherlands, Norway, Spain, Sweden, the UK, and the US.

Industries and sectors covered included: aerospace and defense, agriculture and forestry, automotive, consumer products, energy, financial services, healthcare and life sciences, industrial manufacturing, retail, telecom, utilities, and the public sector/government.

Executives surveyed were director level and above. They were divided into the following profile groups:

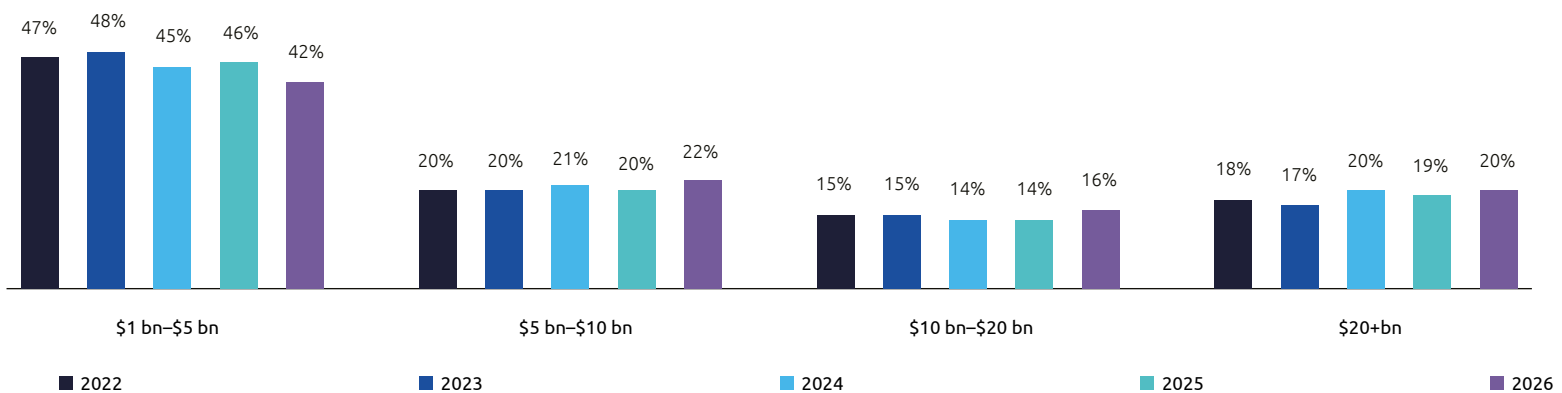
- Half (50%) were executives from corporate functions, including strategy, sustainability, sales and marketing, finance and accounting, IT, operations, and human resources.
- Half (50%) were executives from value chain functions, including innovation/R&D, product design and development, sourcing and procurement, supply chain and logistics, and manufacturing and production.

We surveyed an average of three executives from each organization. The global survey took place in June and July 2026. The distribution of executives and their organizations is provided in the following charts.

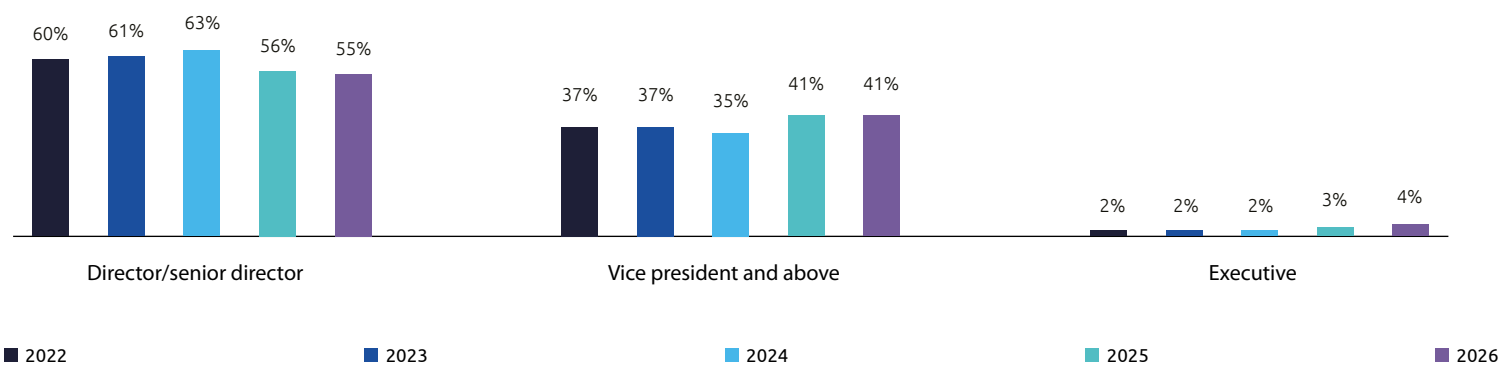
Across the 13 countries, we also conducted a survey of 6,500 consumers over the age of 18 across the 13 countries. Lastly, we conducted interviews with 15 senior executives at leading organizations globally.

The study findings reflect the views of respondents to our online questionnaire for this research and are intended to provide directional guidance. Please refer to the methodology for details of respondents and get in touch with a Capgemini expert to understand specific implications.

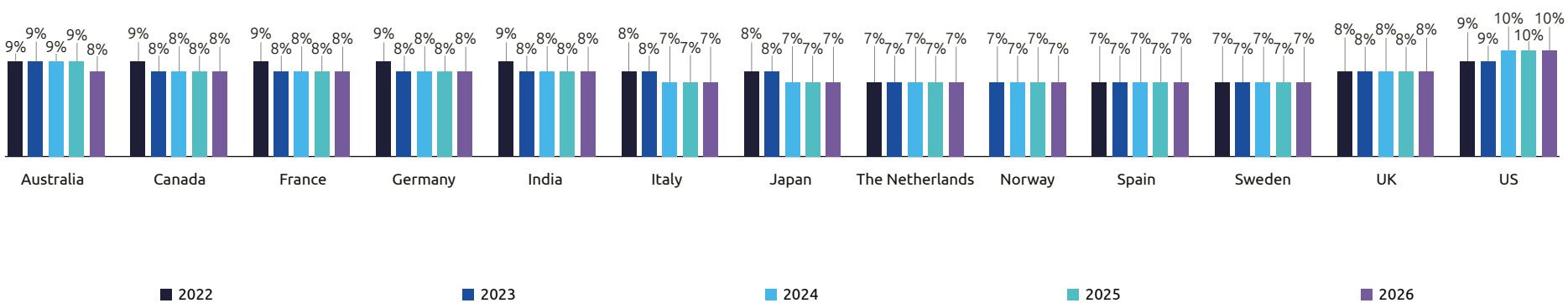
Percent of executives by organization enterprise-level revenue, in USD



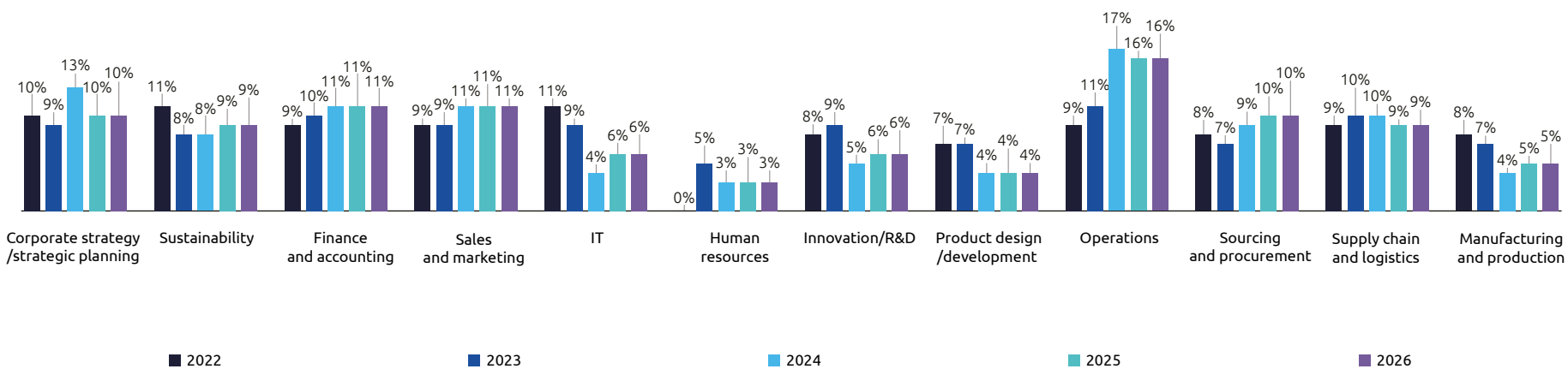
Percent of executives by job title



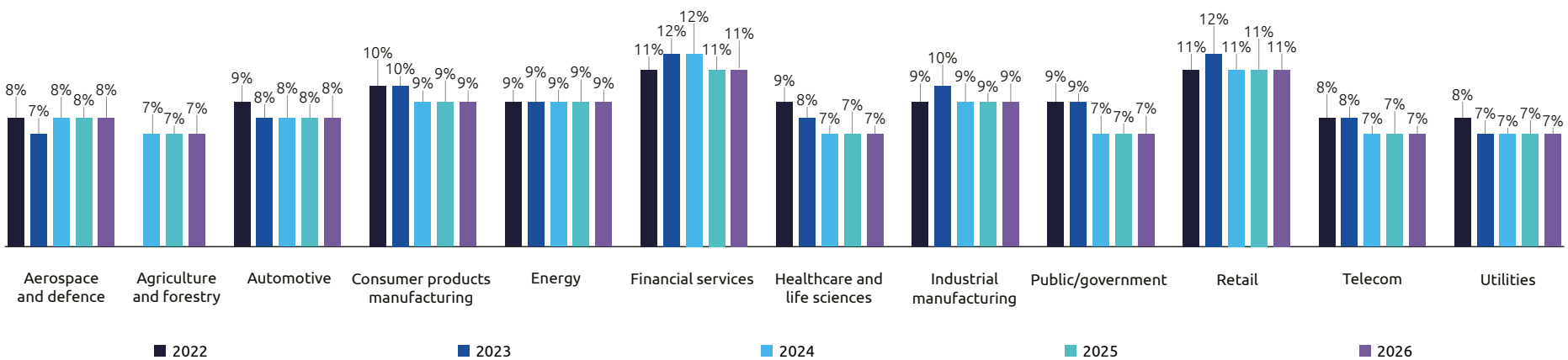
Percent of executives by location of headquarters of current organization



Percent of executives by business function of current organization



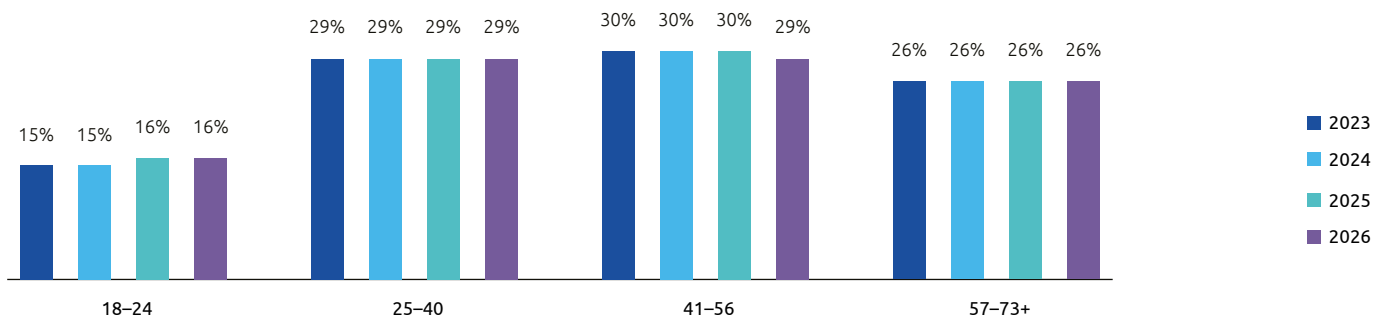
Percent of executives by industry of current organization



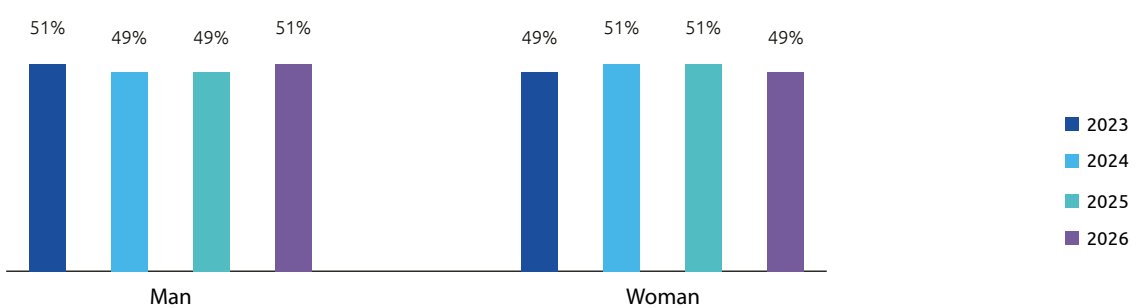
*'Utilities' includes electric utilities, gas utilities, water utilities, and waste management. 'Energy' includes oil and gas, alternative/renewable energy, and energy services. 'Consumer products manufacturing' includes apparel, footwear, household, and personal care. 'Financial services' includes retail banking and insurance.
**Agriculture and forestry was not included in the 2022 or 2023 surveys.
***Norway was not included in the 2022 survey
Source: Capgemini Research Institute, Sustainability business trends survey, August–September 2022, N = 2,004 executives, 668 organizations; August–September 2023, N = 2,151 executives, 718 organizations, June–July 2024, N = 2,152 executives, 727 organizations; June–July 2025, N = 2,146 executives, 716 organizations, June–July 2026, N = 2,100 executives, N = 701 organizations.

Consumer Survey:

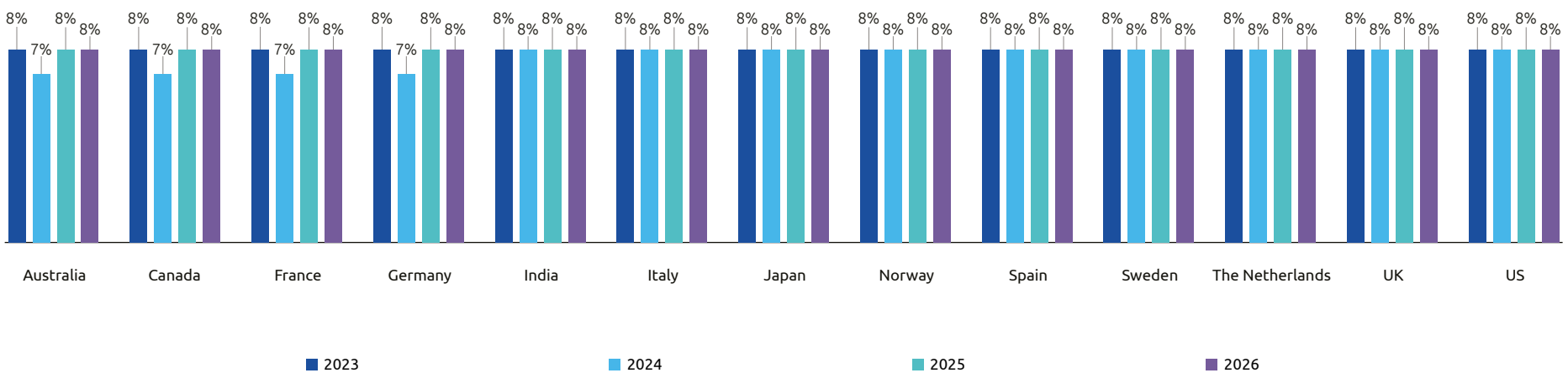
Percent of consumers by age group



Percent of consumers by gender identity



Percent of consumers by country of residence



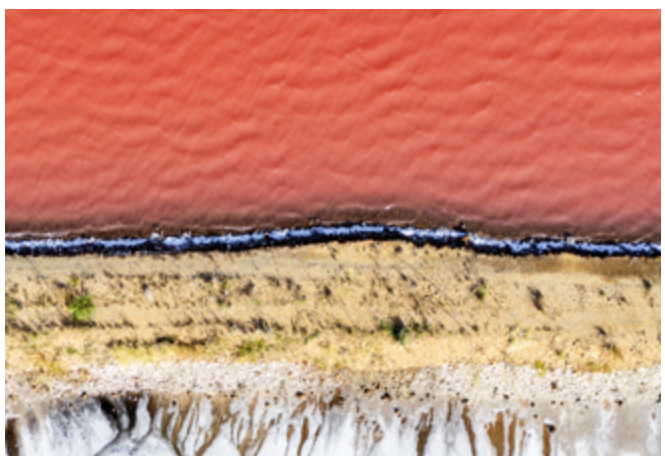
Capgemini Research Institute, Sustainability business trends survey, October 2023, N = 6,500 consumers; June–July 2024, N = 6,500 consumers; June–July 2025, N = 6,566 consumers, June–July 2026, N = 6,500 consumers.

Appendix

Who are the sustainability leaders?

As this research series shows, many organizations work on sustainability initiatives in silos, lacking overarching strategy or governance. Becoming a sustainable business is a long and complex process, demanding wholesale transformation. To gain a sense of where organizations are in their sustainability journeys and identify the leaders, we mapped their sustainability maturity across three dimensions:

- **Value chain processes:** These include sourcing, R&D/ product design/innovation, manufacturing, and logistics, as well as the use of technology for sustainability.
- **Sustainability enablers:** This dimension relates to organizations' getting their people to buy into their sustainability cultures, supported by corporate functions such as IT, finance and accounting, and sales and marketing.
- **Tech accelerators:** This dimension refers to the adoption of digital technologies and pathways to accelerate sustainability transformation.



The building blocks of sustainability transformation

Value chain processes	Sustainability enablers	Tech accelerators
Sourcing	Vision and leadership	AI/ML
Innovation/R&D/product design	Talent	Automation
Manufacturing and production	Culture	AR/VR
Operations	IT	Collaboration tools
Logistics	Finance and accounting	3D printing
Technology	Sales and marketing	Digital twins
		IoT/IIoT
		Robotics
		Hydrogen
		Gigafactories
		Electrification
		Smart grids
		Bioeconomy
		Carbon capture, utilization, and storage

Source: Capgemini Research Institute analysis.

We identified three cohorts:

1. **Front-runners:** Significant progress along the three dimensions

2. **Experimenters:** Low maturity in one or two of the above three dimensions

3. **Beginners:** Low maturity along the three dimensions

Our framework includes nearly 80 statements to assess the maturity of the organizations across the three dimensions.

Maturity assessment statements and year-on-year data

Questions asked in each of the four years and used to calculate the sustainability maturity index among organizations in our survey.

Statement	2022	2023	2024	2025	2026
N = executives	2,004	2,001	1,859	1,851	1,818
Vision and leadership (asked to corporate functions)	% of executives who agree with the statement				
N = corporate function executives	1,003	1,076	1,003	1,002	919
Top leadership share a common vision of how the business needs to change to become sustainable	58%	69%	68%	60%	67%
The sustainability vision is well integrated into the core strategy of the organization	52%	55%	58%	68%	53%
We have defined a corporate purpose that extends to the environment and society (i.e., purpose meaning a reason for being beyond profit)	55%	57%	63%	68%	73%
Sustainability aspects are considered in corporate decisions across the organization	56%	61%	68%	58%	51%
We have a sustainability task force with representatives from all functions of the organization	53%	55%	63%	54%	45%
We have a clearly defined priority list of sustainability initiatives to be implemented in the next three years	49%	61%	68%	62%	58%
Sustainability is part of each of our C-suite executives' agenda	64%	59%	66%	55%	49%
We are redesigning our business/operating model, so it is more sustainable	37%	57%	62%	50%	38%
We use third-party sustainability indices to benchmark our progress on sustainability (e.g., Dow Jones Sustainability Index)	50%	42%	54%	57%	51%
We have a strategy to transition to renewable energy for all sources (i.e., a switch from conventional to renewable energy for electricity, fuel, heating)	54%	60%	68%	60%	74%

Circularity (i.e., a product is created with its own end-of-life considered; once the user is finished with the product, it goes back into the supply chain instead of the landfill) is a key component of our sustainability strategy	58%	56%	65%	55%	53%
We have internal governance policies and procedures relating to environmental and social sustainability	48%	59%	59%	72%	66%
We use an external third-party to help disclose our environmental impact (e.g., CDP Worldwide)	54%	49%	58%	63%	45%
We have set up an internal carbon pricing to aid our decision-making for new projects	45%	57%	59%	34%	34%
Talent (asked to corporate functions)	% of executives who agree with the statement				
N = corporate function executives	1,003	1,076	1,003	1,002	919
Upskilling/reskilling on hard sustainability skills (e.g., renewable energy, carbon accounting, environmental science/engineering, data analysis/visualization) is a top priority for our organization	41%	52%	60%	65%	62%
Upskilling/reskilling on soft sustainability skills (e.g., leadership, innovation, communications, design thinking) is a top priority for our organization	50%	48%	56%	58%	53%
We actively recruit and hire new talent with strong sustainability skills	47%	64%	63%	54%	57%
We train our employees to adopt sustainable practices in-office	50%	64%	74%	64%	73%
We equip our employees with tools to support their low-carbon transition (e.g., giving reusable water bottles to reduce single-use plastic, utilities tracker for carbon footprint)	41%	52%	59%	47%	46%
We train employees on the importance of sustaining the environment	52%	69%	73%	64%	66%
Employees have sustainability KPIs that they are evaluated against as part of performance management	46%	46%	59%	52%	46%
Leaders have sustainability KPIs that they are evaluated against as part of performance management	60%	62%	65%	59%	54%
We have employees with eco-design and sustainable design skills	51%	62%	71%	67%	60%

Culture (asked to corporate functions)	% of executives who agree with the statement				
N = corporate function executives	1,003	1,076	1,003	1,002	919
Employees understand how our business impacts the environment along the value chain	58%	67%	69%	60%	62%
We encourage research and experimentation to develop new initiatives for sustainability	55%	53%	61%	60%	54%
We provide autonomy to employees to develop new solutions to sustainability challenges	50%	59%	62%	54%	41%
We actively collaborate with interested stakeholders, including customers, investors, academia, and governments, to develop and promote sustainable approaches	48%	55%	57%	67%	66%
Our leaders are focused on profit at the expense of our environmental footprint	29%	39%	41%	52%	41%
All of our sustainability reporting and claims are backed by robust audited data	58%	61%	70%	55%	58%
Technology (asked to value chain functions)	% of executives who agree with the statement				
N = value chain function executives	1,001	1,000	923	919	899
We measure the environmental impact of technologies before using them	52%	66%	71%	58%	55%
We use technology to minimize landfill usage efficiently (e.g., smart waste management for tracking, sorting sing robots for recycling, using AI/ML to reduce waste)	53%	47%	55%	54%	57%
We use technology such as AI, automation, or digital twins to achieve our sustainability agenda	58%	54%	63%	51%	51%
We are using IoT/IIoT to monitor/reduce energy consumption	56%	57%	61%	62%	71%

We e use 3D printing to produce less waste and save fuel required for transport (asked only for industrial manufacturing/CP/LS/auto/telecom/A&D)	**40%**	**60%**	**57%**	**53%**	**49%**
We use digital technologies (e.g., AR/VR, collaboration tools) to reduce travel needs of employees	**54%**	**54%**	**59%**	**59%**	**44%**
We use blockchain/smart contracts to make our supply chain more sustainable	**43%**	**56%**	**58%**	**33%**	**37%**
We use tools such as supply chain control tower for monitoring and measuring our ESG metrics	**53%**	**65%**	**65%**	**46%**	**53%**
We use AI/ML to optimize data center utilization	**43%**	**53%**	**56%**	**64%**	**46%**
We are able to measure and collect data on all our Scope 1 and Scope 2 emissions	**60%**	**61%**	**66%**	**73%**	**76%**
We are able to measure and collect data on all our Scope 3 emissions	**60%**	**51%**	**58%**	**54%**	**34%**
Sustainability-related data is available and shared across the entire organization (e.g., functions, business units, employees, managers)	**43%**	**56%**	**68%**	**61%**	**61%**
Sustainability-related data is available to interested stakeholders external to the organization (e.g., investors, activists, governments, consumers)	**48%**	**58%**	**66%**	**71%**	**49%**

Sourcing (asked to value chain functions)	% of executives who agree with the statement				
N = value chain function executives	1,001	1,000	923	919	899
We consider the ESG ratings and environmental pledges taken by suppliers during supplier selection	50%	66%	63%	69%	64%
We are working with our tier-1 suppliers to identify measures for reducing their carbon emissions	57%	52%	58%	58%	54%
We are working with our tier-2 and tier-3 suppliers to identify measures for reducing their carbon emissions	54%	50%	60%	46%	43%
We use suppliers who have validated SBTI targets to procure raw materials	51%	57%	65%	51%	35%
We make a concerted effort to source raw materials locally	50%	63%	64%	64%	49%
We are working toward reducing deforestation in our supply chain	55%	60%	62%	48%	45%
Innovation/R&D/product design (asked to value chain functions)	% of executives who agree with the statement				
N = value chain function executives	1,001	1,000	923	919	899
We are reducing the use of packaging material in our products (Not asked for public/energy/utilities)	49%	59%	62%	70%	72%
We are designing products so they can serve their originally intended functions longer (i.e., lifetime extension as opposed to planned obsolescence, in which products are designed to fail after a specific time) (Not asked for public/energy/utilities)	57%	47%	55%	55%	59%
We use AI/data analytics to aid in the discovery of optimal raw materials (Not asked for public)	52%	55%	61%	49%	64%
We follow sustainable prototyping and testing processes (e.g., use of additive manufacturing or 3D printing) (Not asked for public/retail/energy/utilities)	46%	56%	62%	41%	50%
We are redesigning products to remove fossil fuel feedstock sources (such as coal) (Not asked for public/retail/energy/utilities)	47%	62%	69%	50%	52%
We are redesigning products to have a lower impact on forests	44%	59%	67%	50%	60%
We are building solutions to reduce the environmental footprint of our end users/customers	51%	57%	63%	53%	55%
We perform LCA (life cycle assessment) on all of our products/services	54%	55%	56%	59%	43%

Manufacturing (asked to value chain functions)	% of executives who agree with the statement				
N = value chain function executives	1,001	1,000	923	919	899
We are minimizing over-production and waste in the production process (Asked for industrial manufacturing/CP/LS/auto/telecom/A&D)	60%	73%	67%	72%	63%
We are shifting our manufacturing footprint to places/locales with low carbon alternatives	55%	57%	63%	40%	44%
We are redesigning processes, so they consume less energy (e.g., improving process heating in the production process, powering down equipment at the end of the day)	50%	55%	62%	66%	72%
We measure the energy consumption of our industrial processes	43%	64%	71%	76%	52%
Operations (asked to value chain functions)	% of executives who agree with the statement				
N = value chain function executives	1,001	1,000	923	919	899
We use responsible recyclers who do not export our e-waste to developing countries or improperly dispose of it	52%	65%	62%	60%	58%
We are reducing food waste in our operations (e.g., by improving accuracy of forecasting, clearer expiration dates)	48%	43%	53%	66%	46%
We have implemented a water stewardship program (i.e., using water in a way that is socially equitable, environmentally sustainable, and economically beneficial)	55%	64%	75%	53%	52%
We actively work to recover waste (i.e., using waste as an input material to create useful products as new outputs)	54%	66%	75%	57%	73%
We take back end-of-life products from customers to use them in the remanufacturing process/upcycle	52%	53%	64%	44%	46%
Recycling products is a core aspect of our manufacturing strategy	53%	62%	72%	58%	66%
We monitor the conversion of natural ecosystems (i.e., changes owing to deforestation) on our owned/managed lands	47%	59%	60%	42%	33%

We invest in conserving natural habitats (such as rainforests)	43%	56%	66%	51%	42%
We have smart systems in place to monitor and reduce energy consumption (e.g., sensors to optimize heating in buildings)	54%	58%	65%	69%	51%
We are adopting plant-based food in our operations (e.g., offering only vegetarian meals/snacks in office, promoting plant-based diets to employees/customers)	50%	38%	42%	51%	34%
Logistics (asked to value chain functions)	% of executives who agree with the statement				
N = value chain function executives	1,001	1,000	923	919	899
We use analytics for optimizing logistics to reduce travel and associated emissions	48%	72%	72%	68%	68%
We have adopted eco-friendly transportation strategies to reduce emissions (e.g., use of low-carbon fuels, electric vehicles, replacing old fleets with more energy-efficient ones)	62%	56%	64%	55%	54%
We have dedicated reporting from our transportation suppliers on the carbon impact of their services	54%	66%	67%	59%	49%
IT (asked to corporate functions)	% of executives who agree with the statement				
N = corporate function executives	1,003	1,076	1,003	1,002	919
We know how much carbon our technology (i.e., digital tools, apps, IT systems, data centers) emits	55%	65%	65%	51%	67%
We use a green cloud architecture for our data centers (which reduces power consumption)	48%	45%	54%	62%	55%
We eco-design our IT applications (i.e., designing for the lowest environmental impact such as using "sleep modes" on laptops)	50%	56%	55%	36%	37%
We identify energy-intensive applications and take steps to improve their energy performance	51%	58%	67%	55%	61%
We have green policies for IT hardware and services procurement (e.g., environmental disclosure for IT vendors)	52%	52%	62%	56%	53%
We include a carbon emissions assessment when allocating IT spend	51%	58%	58%	33%	41%
Our organization has a sustainable IT strategy and roadmap	56%	61%	66%	59%	46%

Finance and accounting (asked to corporate functions)	% of executives who agree with the statement				
N = corporate function executives	1,003	1,076	1,003	1,002	919
We include an assessment of environmental externalities when evaluating projects to fund (e.g., pollution that might be caused by the project that diminishes property values or health of people in the surrounding area)	47%	55%	67%	53%	61%
We report our sustainability impacts (e.g., water usage, GHG emissions, hazardous waste produced) along with our financial performance, on a quarterly/annual basis	46%	55%	58%	67%	73%
We have assets invested in ESG portfolios (i.e., funds that incorporate screening criteria for environmental, social, and governance issues, or invest in socially responsible companies)	57%	60%	65%	71%	55%
We have made fossil fuel divestment pledges (i.e., accelerating adoption of the renewable energy transition through the stigmatization of fossil fuel organizations)	55%	59%	68%	33%	42%
We invest in carbon offsets (such as purchase of credits or increase in carbon storage through tree planting, land restoration) to balance out our carbon emissions	54%	52%	61%	56%	53%
We have our sustainability data audited by a third party	50%	54%	61%	72%	65%
We have leveraged debt with the interest rate indexed on our ESG performance/KPIs	49%	53%	67%	57%	46%

Sales and marketing (asked to corporate functions)	% of executives who agree with the statement				
N = corporate function executives	1,003	1,076	1,003	1,002	919
We educate customers about the importance of adopting sustainable practices	50%	67%	64%	73%	73%
We follow external guidelines on responsible communication and advertising to avoid greenwashing	49%	51%	54%	59%	60%
We offer competitive pricing to encourage more people to consume/purchase sustainable products/services	59%	57%	48%	58%	55%
We communicate a carbon footprint for every product/service we sell	59%	60%	65%	49%	47%
We measure how our organization's digital presence impacts our carbon emissions	50%	56%	61%	39%	43%
We consider environmental sustainability when designing our branding and marketing campaigns (e.g., fewer physical events)	56%	63%	65%	55%	66%

Source: Capgemini Research Institute, Sustainability Transformation Trends Survey, August–September 2022, N = 2,004 executives; August–September 2023, N = 2,001 executives; June–July 2024, N = 1,859 executives; June–July 2025, N = 1,851 executives.

*Norway is excluded as it was not covered in the 2022 research.
**Agriculture and forestry is excluded as it was not covered in the 2022 or 2023 research.

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For over two decades, Miguel has guided organizations through our era's central paradox: capturing economic value while securing the environmental and social foundations for future prosperity. Partnering with Fortune 500 executives, governments, and foundation boards, he inspires and empowers leaders to build Net Positive futures. His work spans unlocking the voluntary carbon market, building urban resilience towards climate and humanitarian crises across Europe, the Americas, and Asia via Rockefeller's 100 Resilient Cities, and assembling coalitions for Red Cross operations in Mexico. Miguel has engaged global audiences at academic and business forums, including Harvard Kennedy School, the University of Michigan's Erb Institute, and AmCham Portugal. Known for making complex challenges actionable and forging inclusive teams, he also founded Impact MÁS to bring diverse voices to the table where our planet's future is decided.



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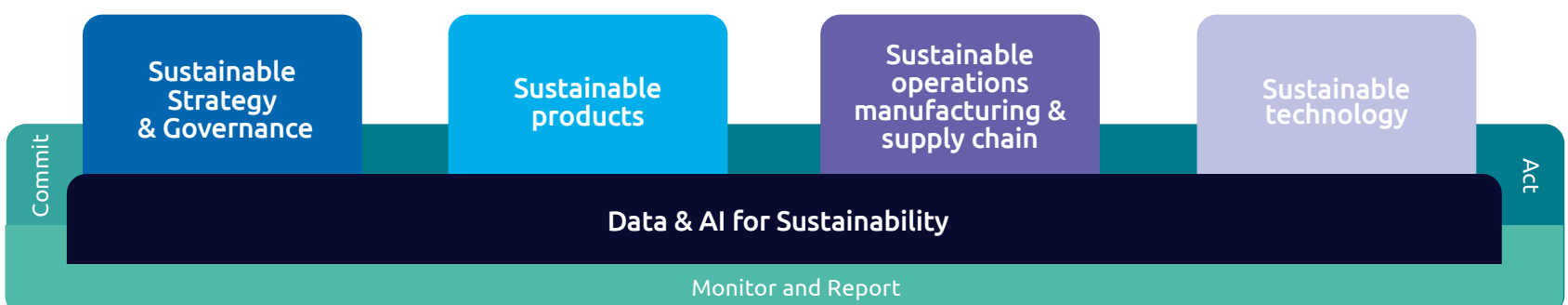

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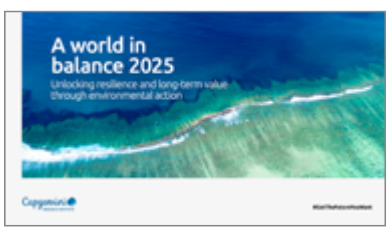

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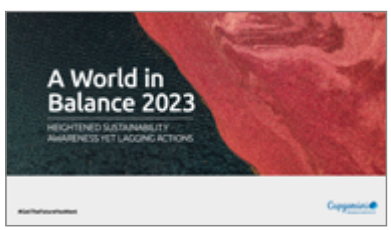

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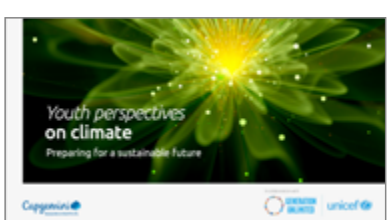

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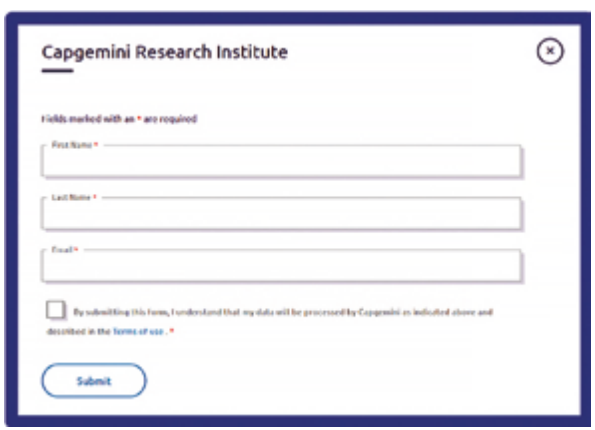

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