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# State of Sustainable Business 2026

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# About This Research

# About This Research

In Spring 2026, GlobeScan and BSR conducted an online survey of BSR members and other corporate sustainability professionals to understand the state of sustainable business today and its evolution at BSR member companies over the last decade.



## Research Method and Topics

- The *GlobeScan/BSR State of Sustainable Business 2026* survey gathers insights from BSR members and other sustainability professionals at large companies.
- The 2026 survey offers a snapshot of sustainability professionals' views on operationalization, internal alignment, and external influences driving sustainability today.
- Some findings build on similar BSR/GlobeScan surveys from a decade ago to show meaningful shifts.



## About the Respondents

- The online survey gathered views of 124 sustainability professionals between April 14 and May 15, 2026.
- Survey respondents received direct invites from BSR member engagements and were also invited to participate by GlobeScan, drawing from both extensive networks of qualified senior corporate sustainability professionals.
- Survey questions also confirmed that all respondents are in senior positions and employed at companies earning USD 1 billion or more in revenue.

# About the Survey Respondents

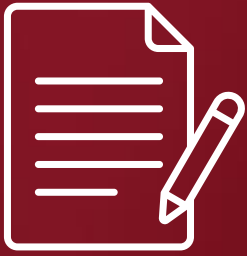
The findings in this report are based on a survey of  $n=124$  corporate sustainability professionals working at companies with US\$1 billion or more annual revenue. The distribution across sectors, regions, and job level is below:

Sector	Consumer products/retail	27%
	Technology	26%
	Financial services	10%
	Healthcare	9%
	Energy and extractives	7%
	Food, agriculture, and beverage	6%
	Industrials	6%
	Travel and tourism	2%
	Other	7%

HQ Region	North America <i>Canada, USA (95%)</i>	48%
	Europe <i>Denmark, Finland, France, Germany, Guernsey, Luxembourg, Netherlands, New Zealand, Norway, Sweden, Switzerland, UK</i>	39%
	Other regions <i>Australia, Hong Kong, Indonesia, Japan, São Tomé and Príncipe, Singapore, Thailand</i>	13%

Job Level	Vice president or above	24%
	Director	34%
	Manager or below	38%
	Other	4%



# Executive Summary

# Executive Summary

Sustainability professionals say their companies are moving from sustainability ambition to implementation, but with a narrower scope, constrained resources, and new governance challenges.



## Sustainability Enters a More Focused, Pragmatic Era

- Corporate sustainability is shifting from a period of ambition-setting and agenda expansion, to a narrower one focused on implementation, compliance and delivery.
- Companies are concentrating efforts on a smaller set of priorities where they can demonstrate meaningful progress and business relevance.
- Many organizations are reducing budgets and communicating less publicly.



## Compliance Demands Are Crowding Out Strategic Value Creation

- Regulatory requirements, along with reputation and customer expectations, are now the most important drivers of corporate sustainability efforts, surpassing traditional business drivers.
- Senior leaders view sustainability through this narrow risk-management and compliance lens; sustainability professionals continue to view it as a driver of long-term strategy and innovation.
- As a result, integration with core business functions beyond finance and legal has reversed, limiting opportunities to embed sustainability into business strategy and operations.



## Implementation Ambitions May Be Outpacing Investment

- While companies are increasingly focused on execution, it is misaligned with the level of investments and resources needed to support the required organizational capacity for effective delivery.
- Efforts are becoming more concentrated on direct operations and Tier 1 suppliers, with less attention to broader value-chain and systemic challenges, where most of the risks reside.
- Notably, companies view the greatest barriers to progress as internal—such as organizational alignment, governance, and capital allocation—rather than external policy or market constraints.



## Climate Risk Assessment Not Followed by Meaningful Adaptation

- Physical climate risk is now widely incorporated into enterprise risk management processes.
- However, most organizations have yet to translate risk assessments into clear adaptation strategies or operational responses.
- The challenge is shifting from understanding risk to building resilience.



## AI Adoption Is Accelerating Faster Than Governance

- Despite widespread adoption of AI, including for sustainability-related applications, governance and responsible AI practices have not kept pace with the technology's risks and impacts.

# Key 2026 State of Sustainable Business Survey Data

Regulation is the most important driver for **76%** of respondents in 2026 compared to **31%** in 2016; consumer/customer demand doubled from **21%** to **44%** and market growth dropped by over **40%**

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There is a significant disconnect between the **77%** of sustainability leaders who view sustainability as a core driver of long-term business strategy, and just **39%** of their senior executives

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Sustainability teams claim lower engagement with **11 of 16 business functions** over the past decade, with the steepest decline occurring in the CEO's office. In contrast, engagement with Legal, Risk Management, and IT grew as Investor Relations and the Board held steady

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While nearly **60%** of companies have integrated physical climate risk into risk management, only **30%** have adaptation plans for their operations and only **15%** for their supply chain

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**43%** of respondents expect U.S. influence on sustainability to decline over the next three years, compared with **62%** who expect the influence of the Asia-Pacific region to grow

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More than a quarter of companies (**27%**) are reducing sustainability investment while **90%** are maintaining or increasing sustainability implementation.

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Only **18%** of respondents expect their company's sustainability budget to increase in the next budgeting cycle, while **40%** expect budgets to remain flat and **25%** expect further decreases.

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Over **60%** say their companies take more sustainability actions than they communicate.

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**54%** of companies have adjusted or rescoped sustainability goals in the past 12–18 months, with more companies increasing ambition (**19%**) than reducing it (**13%**).

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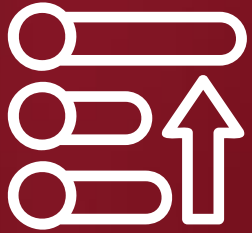
Human rights efforts are narrowing toward direct operations: management of Tier 2+ supply chain impacts fell by **13 percentage points** to **33%** since 2017, while own operations remain widespread (**79%**).

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**Only one in three respondent companies** have formal governance in place to manage environmental and social impacts of AI

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More than half (**56%**) of respondents expect corporate sustainability to be focused on delivering fewer, clearer priorities over the next five years.

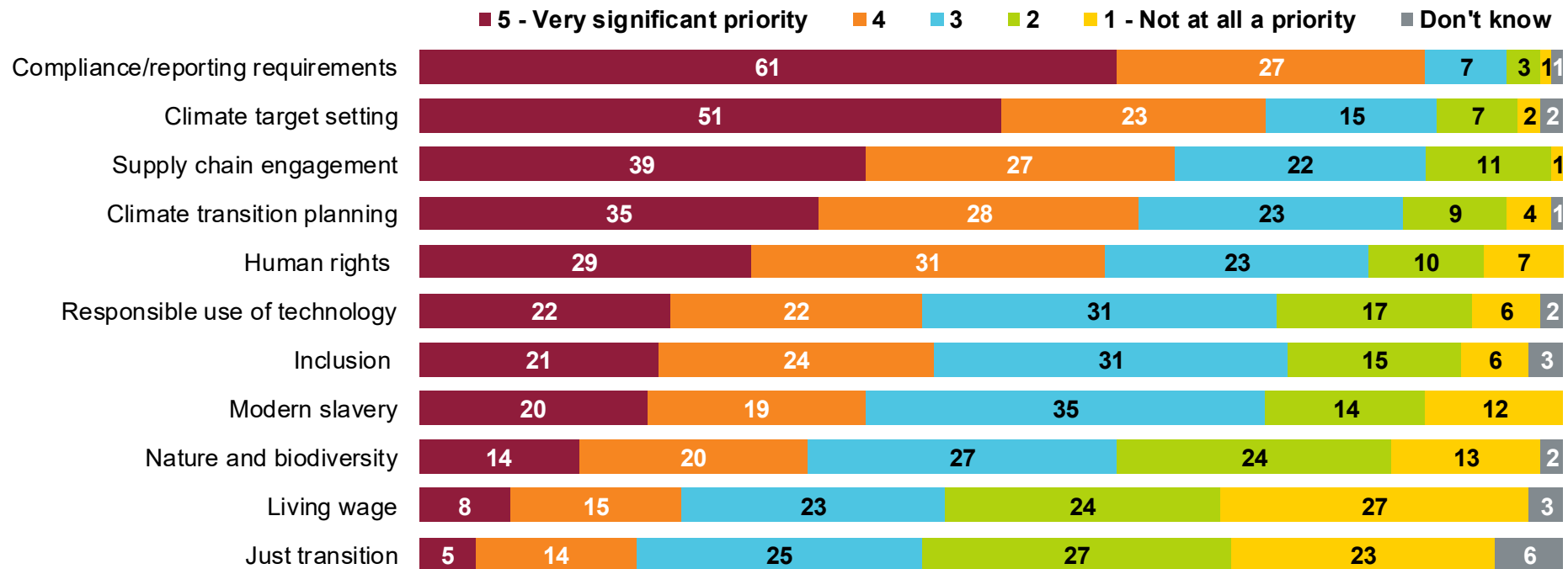


# Priorities and Drivers of Corporate Sustainability

# Sustainability professionals say their companies are focused on sustainability compliance/reporting and climate target setting over other topics.

## Sustainability Strategy Priorities

All Respondents, %, 2026



The findings suggest that reporting and compliance take up outsized resources compared to other topics that might deliver more strategic business value and impact.

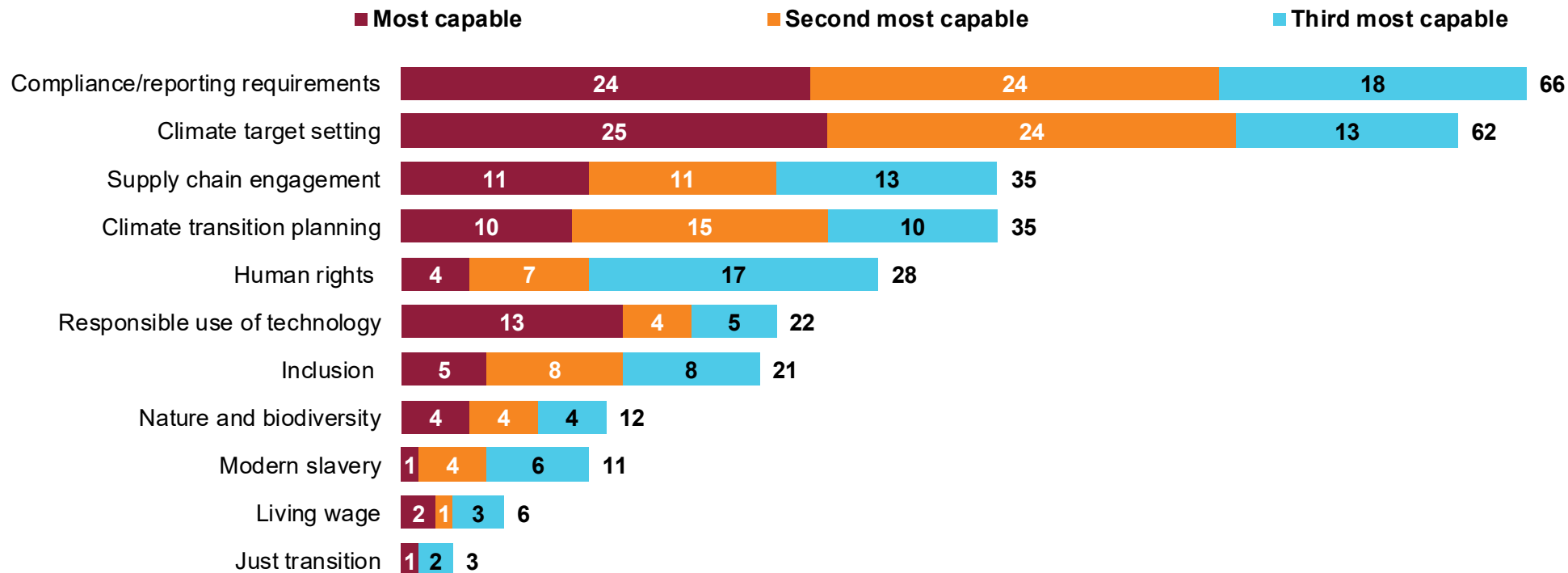
Notably, despite public attention and corporate investment in AI, responsible technology is not yet a significant priority for the majority of sustainability professionals.

Q1. How much of a priority are each of the below topics in relation to your company's sustainability strategy? n=124

# Compliance/reporting and climate target setting are the areas that respondents feel their companies are most capable of addressing.

## Organizational Readiness and Capability

All Respondents, Total Mentions by Rank, %, 2026













Q2. Consider your company's level of organizational readiness and capability in each of the topic areas listed below. Please select and rank up to three areas where your company is most capable of delivering results, with 1 being the area your company is most capable of addressing. *n*=124

**In a marked shift from 2016, corporate sustainability today is driven by regulatory requirements, reputational risks/benefits, and consumer/customer demand, with some core business drivers becoming less influential.**

## Sustainability Drivers

All Respondents, Total Mentions, %, 2026 vs 2016

	2026	2016	% Change
 Regulatory requirements	76%	31%	+45
 Reputational risks/benefits	60%	68%	-8
 Consumer/customer demand*	44%	21%	+23
 Operational risks/benefits	35%	47%	-12
 Investor interest	24%	23%	+1
 Market growth opportunities	20%	35%	-15
 CEO interest	14%	21%	-7
 Talent recruitment, employee engagement, and retention	12%	19%	-7
 Product and process innovation	8%	21%	-13
 Budget/cost reduction	3%	13%	-10

The increasing levels of regulation relevant to companies' sustainability efforts around the world over the past 10 years means that companies have become increasingly focused on compliance over other drivers.

With an increasing emphasis on identifying the business value of sustainability today, it is notable to see the decline in business drivers such as "market growth opportunities", "talent", "product and process innovation" and "budget/cost reduction", compared with 2016.

\*The "Consumer/customer demand" category was written as "Consumer demand" in 2016.

Q30 [2016 Q3T]. Which of the following are the most important drivers for your company's sustainability efforts? 2026: n=124, 2016: n=287

- Indirectly commercial
- Core business drivers

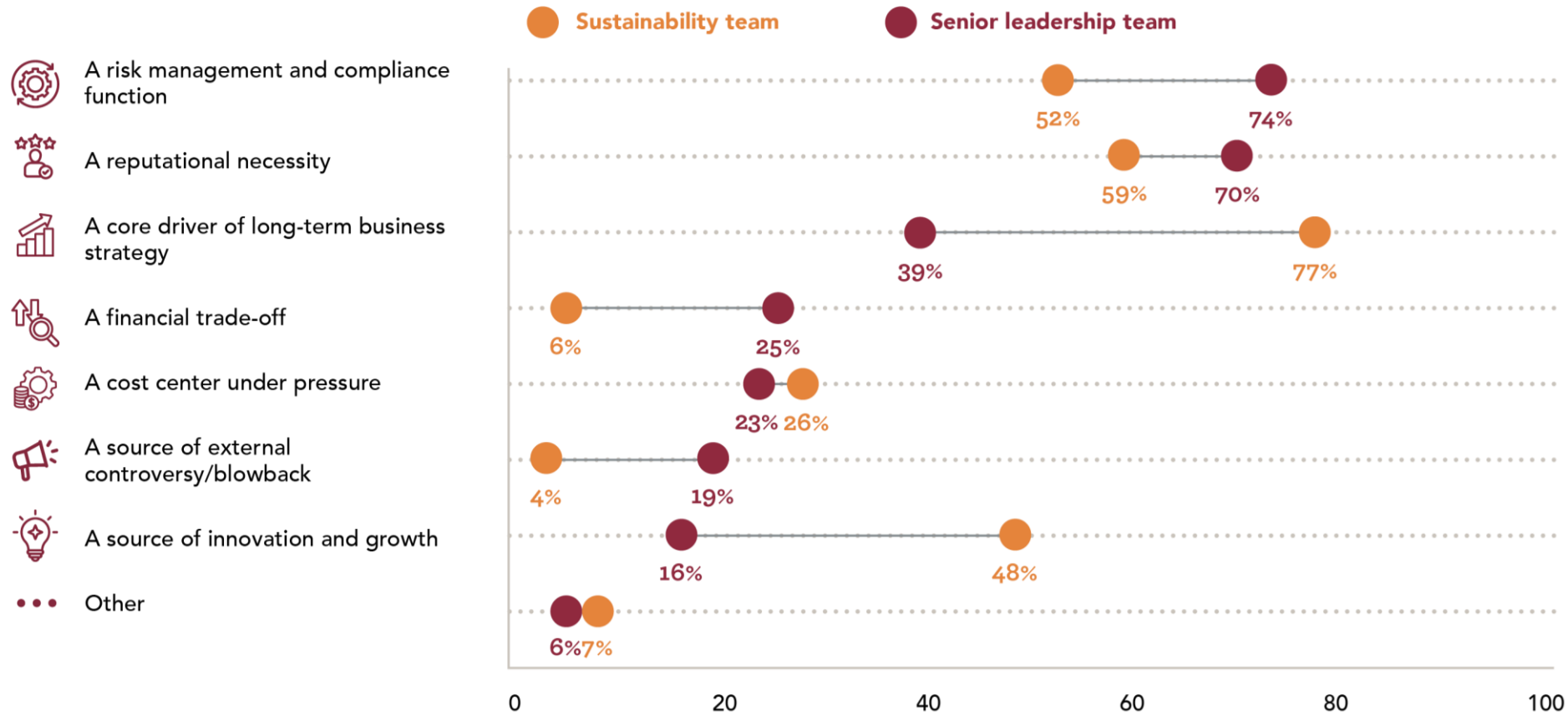


# Engagement with Sustainability Across the Business

# Respondents say senior leadership teams view sustainability mostly as risk management or compliance, while sustainability teams view it as a core driver of long-term business strategy.

## Views on Sustainability by Senior Leadership and Sustainability Teams

All Respondents, Total Mentions, %, 2026



Both senior leaders and sustainability teams view sustainability as necessary for maintaining business reputation.

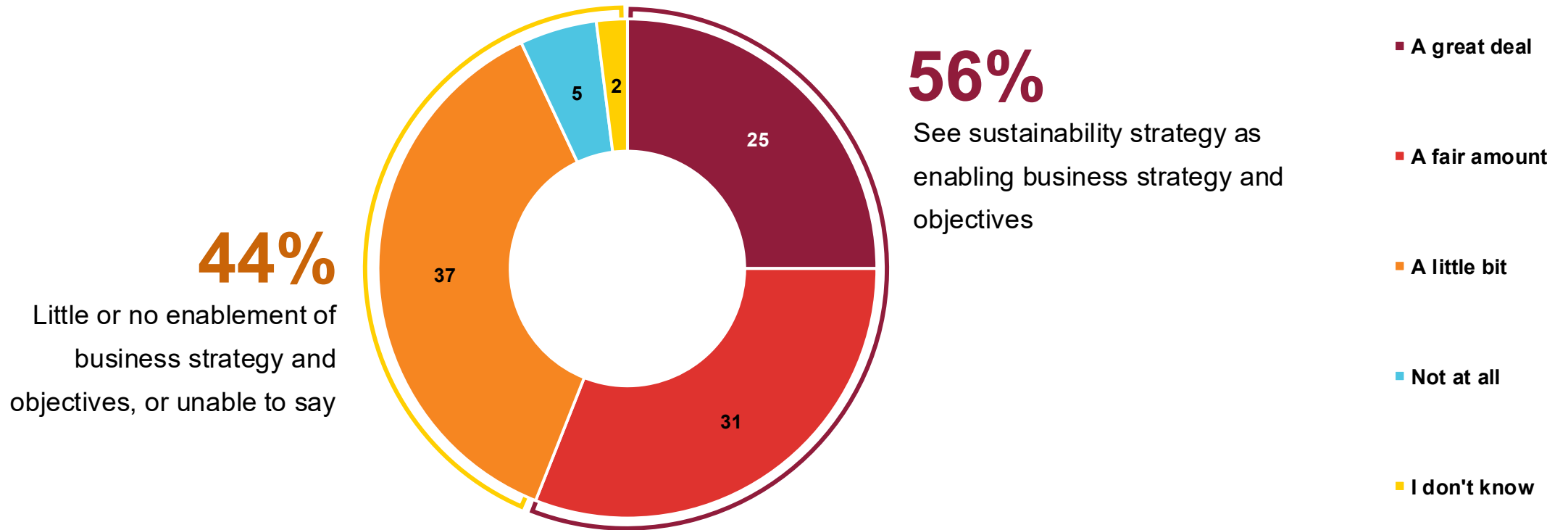
This is the common ground from which both groups can operate, though they approach the topic from different vantage points (risk management/ compliance versus long-term strategy and innovation).

Q3. We're interested to know how sustainability is viewed by sustainability teams and by wider leadership at your company. From the list below, please select up to three that best reflect how sustainability is seen by your company's... n=124

**More than half of respondents see sustainability strategy as enabling their company's business strategy and objectives, while a significant proportion (44%) see less alignment or are unsure.**

### Sustainability Strategy Enabling Business Strategy/Objectives

All Respondents, %, 2026



Q31. How much, if at all, does your company's sustainability strategy enable your business strategy and enterprise objectives? n=124

# Sustainability has dropped significantly among the perceived priorities of the CEO in the last decade.

## Sustainability on CEO's Corporate Agenda

All Respondents, %, 2026 vs 2016



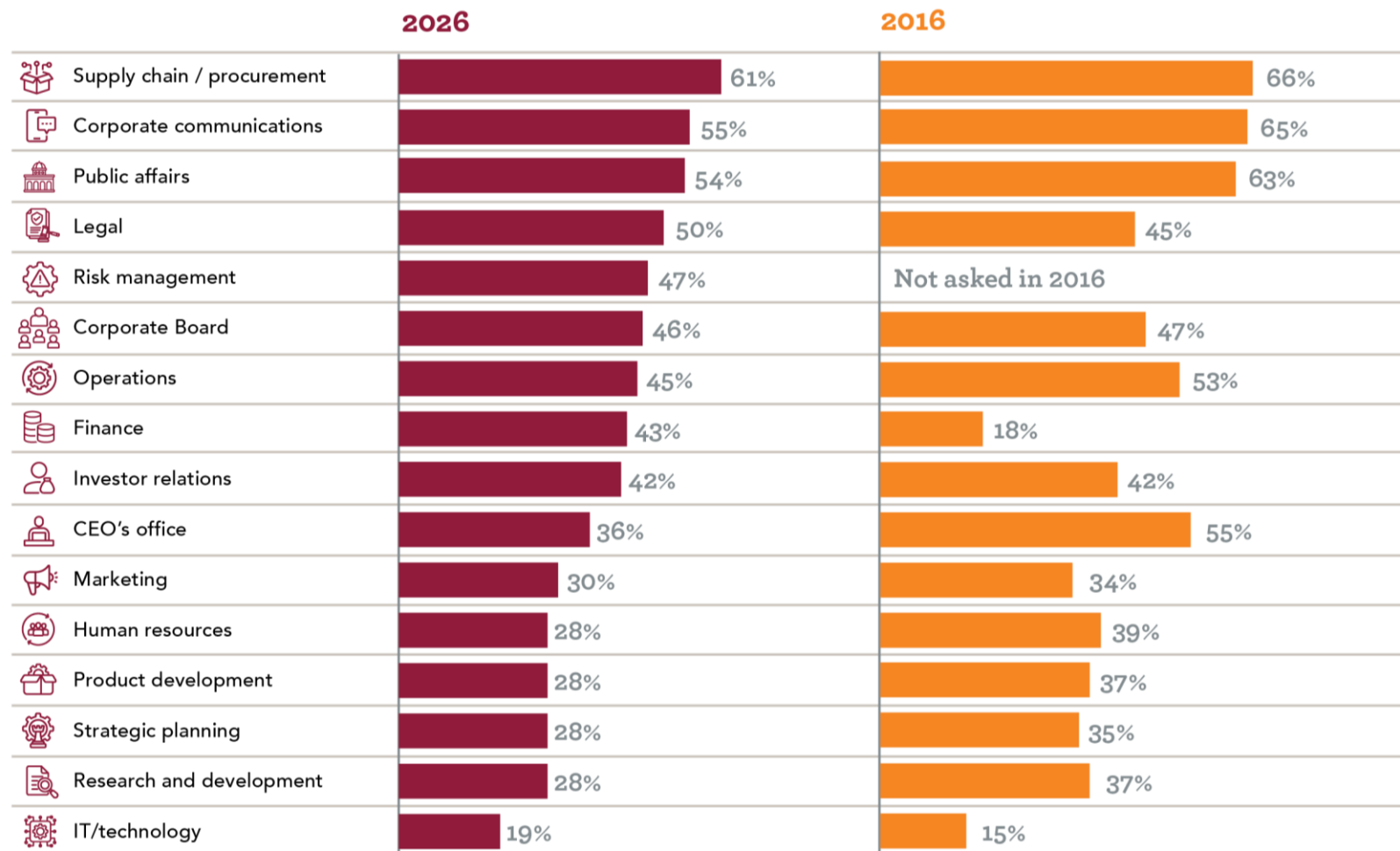
say sustainability is a top-three priority for the CEO

Q32. In considering your CEO's involvement with sustainability, where do you believe sustainability falls on their corporate agenda? 2026 n=124, 2016 n=287

# Integration with Finance, Legal and IT has increased in the last decade, while integration with every other core business function has decreased. Only Investor Relations and Board engagement held steady.

## Engagement with Sustainability Function

All Respondents, Very Engaged (4+5 on a 5-point Scale), %, 2026 vs 2016



Q33 [2016 Q7T]. Please rate the level of engagement that each of the following functions within your company has with your company's sustainability function. 2026 n=124, 2016: n=287

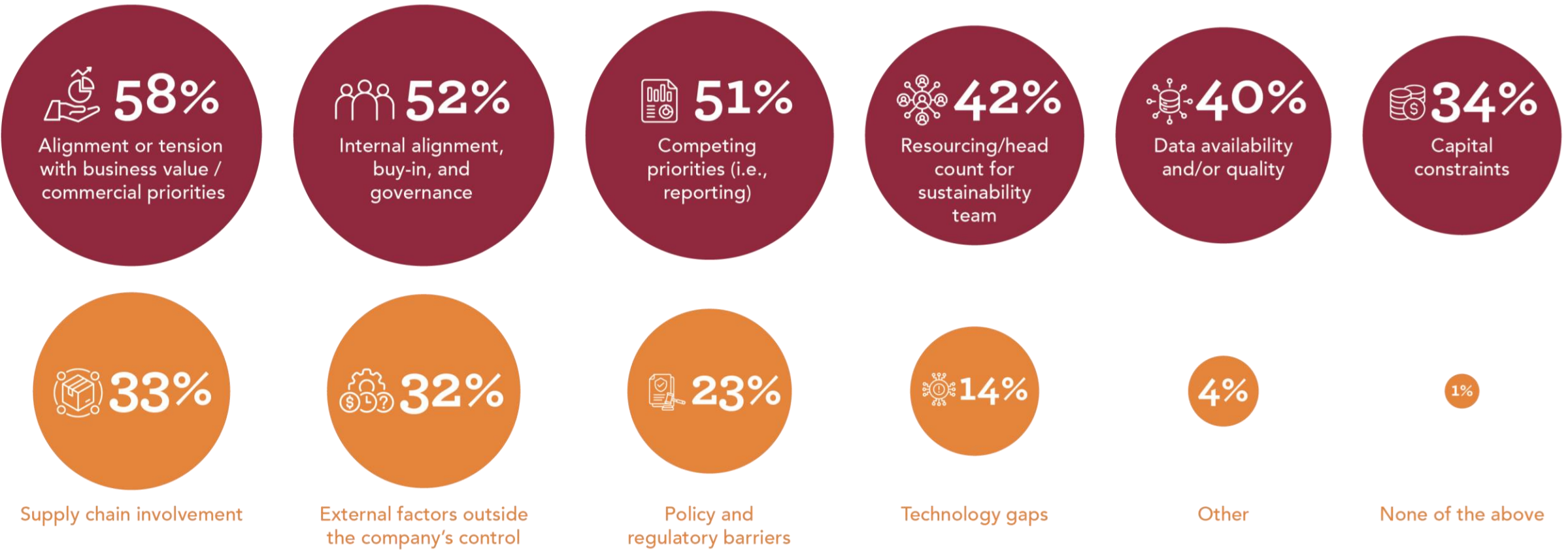
Engagement with the sustainability function has broadly decreased across businesses since 2016.

The rise in engagement with legal, IT, and especially finance, alongside the relatively high level of engagement with risk management, is consistent with increased reporting and compliance requirements.

# The most common barriers to sustainability progress are internal and less about capital constraints, factors outside the company's control, or policy issues.

## Challenges in Making Progress on Sustainability

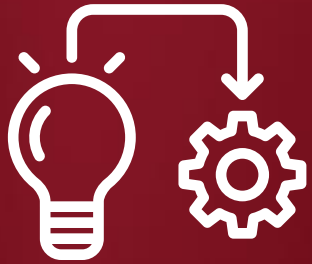
All Respondents, Total Mentions, %, 2026



Q9. What are your company's biggest challenges with making progress on your sustainability objectives? n=124

External factors

Internal factors



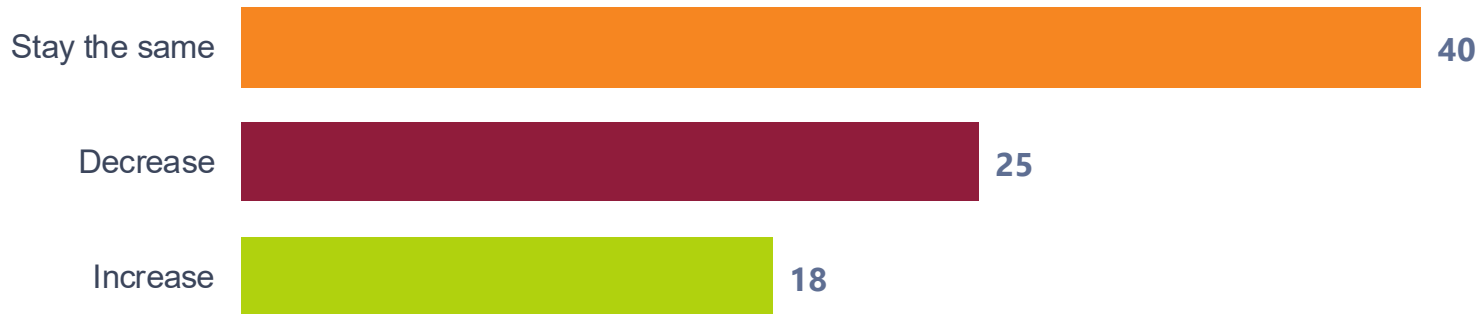
# Implementation, Ambition, Investment

# Few respondents expect sustainability budgets to grow in the next business cycle following largely stable or decreased budgets since 2025.

## Changes to Current and Next Sustainability Budget

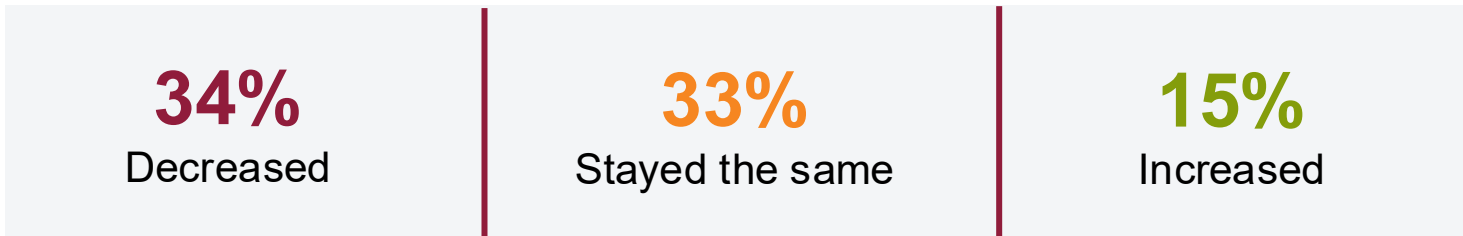
All Respondents, %, 2026

In the next budgeting cycle, sustainability budgets will. . .



Only 18% of respondents anticipate sustainability budgets will grow in the coming year.

Changes to sustainability budgets since 2025



Q18. How much, if at all, did your company's sustainability budget change from 2025 to 2026? n=124

Q19. How much, if at all, do you anticipate your company's sustainability budget to change in the next budgeting cycle? n=124

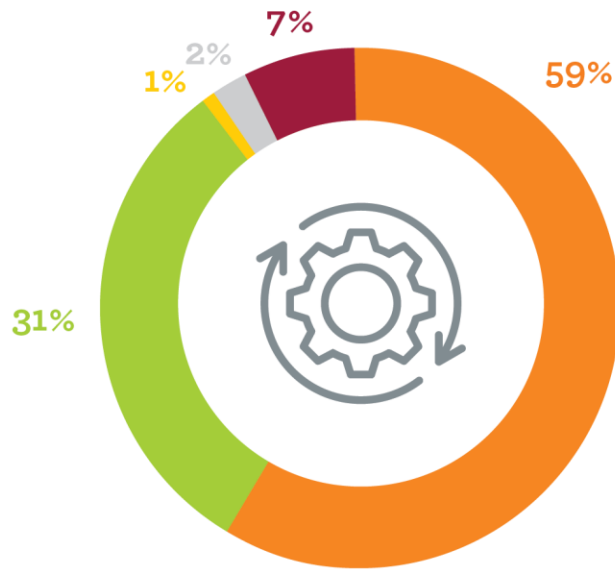
**Most respondents say their companies are maintaining or accelerating sustainability implementation, but without the resource investment to match. This sets up the potential for a large say/do gap in the future.**

### Recent Approach to Sustainability

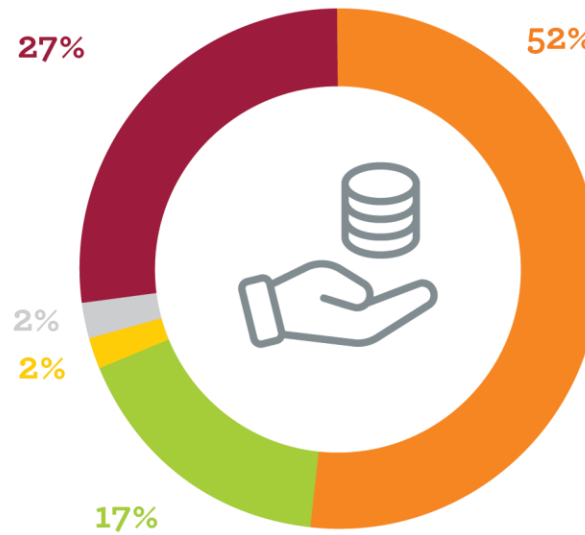
All Respondents, %, 2026



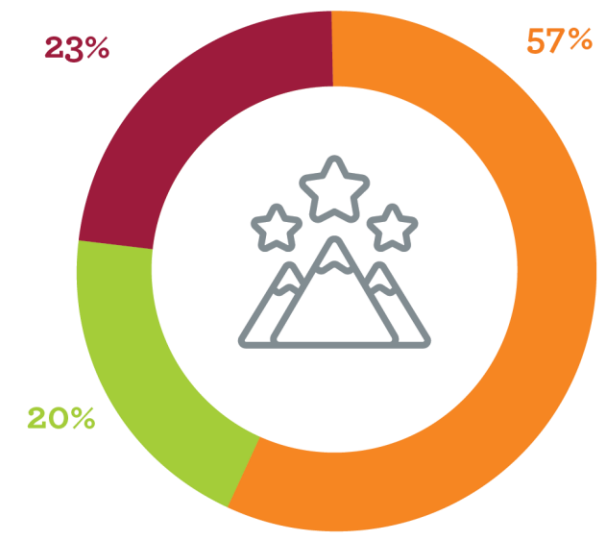
#### Implementation



#### Investment



#### Ambition

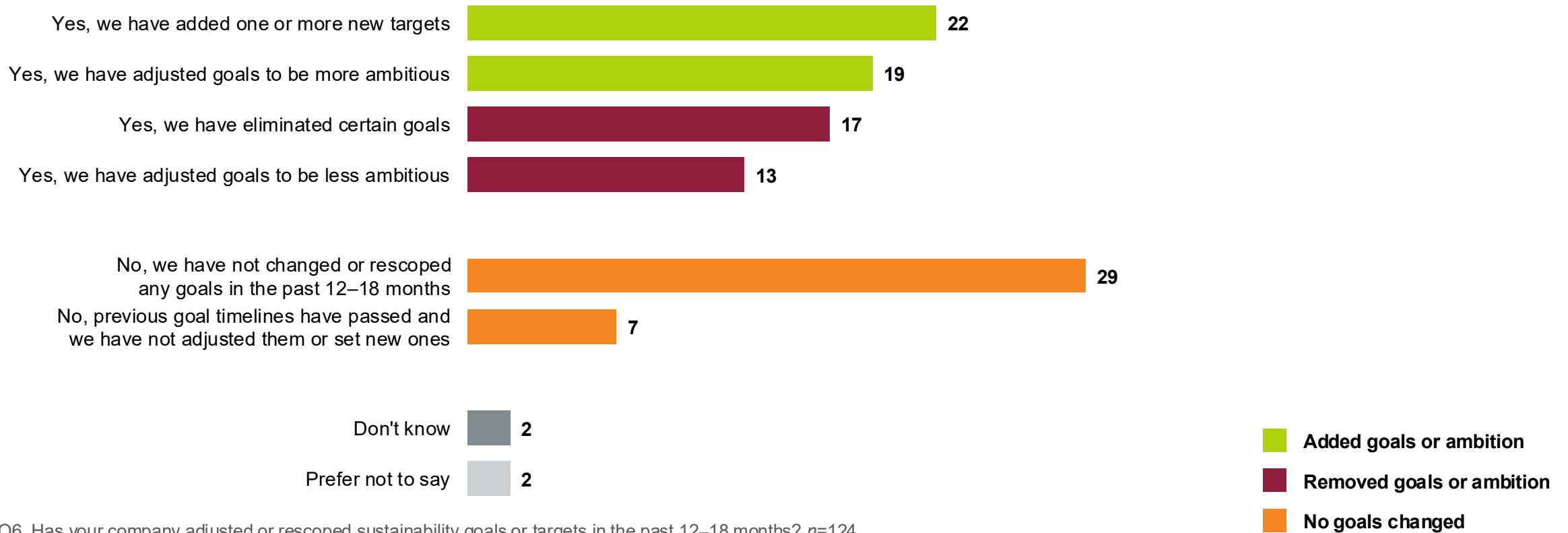


Q5. Thinking about your company's approach to sustainability over the past 12 months, how would you describe its ambition, investment, and implementation using the scale below? n=124

# Many companies have rescoped or adjusted sustainability goals in the past 12–18 months with mixed levels of ambition.

## Recent Sustainability Goal Adjustment/Rescope

All Respondents, Total Mentions, %, 2026



Q6. Has your company adjusted or rescoped sustainability goals or targets in the past 12–18 months? n=124

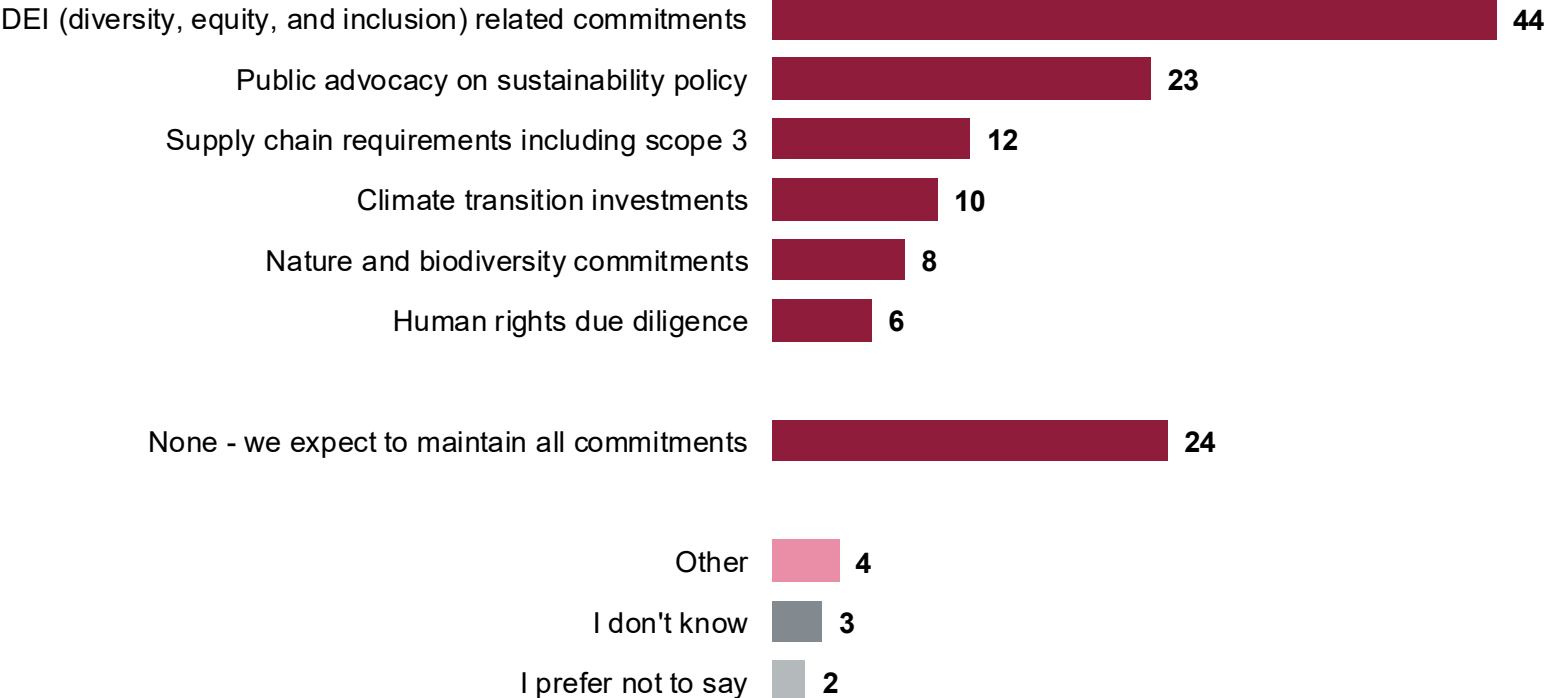
# More than two in three respondents feel one or more sustainability commitments are at risk of being scaled back at their companies with DEI as the most likely target.

## Sustainability Commitments at Risk

All Respondents, Total Mentions, %, 2026

# 71%

of respondents say one or more commitments are at risk of being scaled back

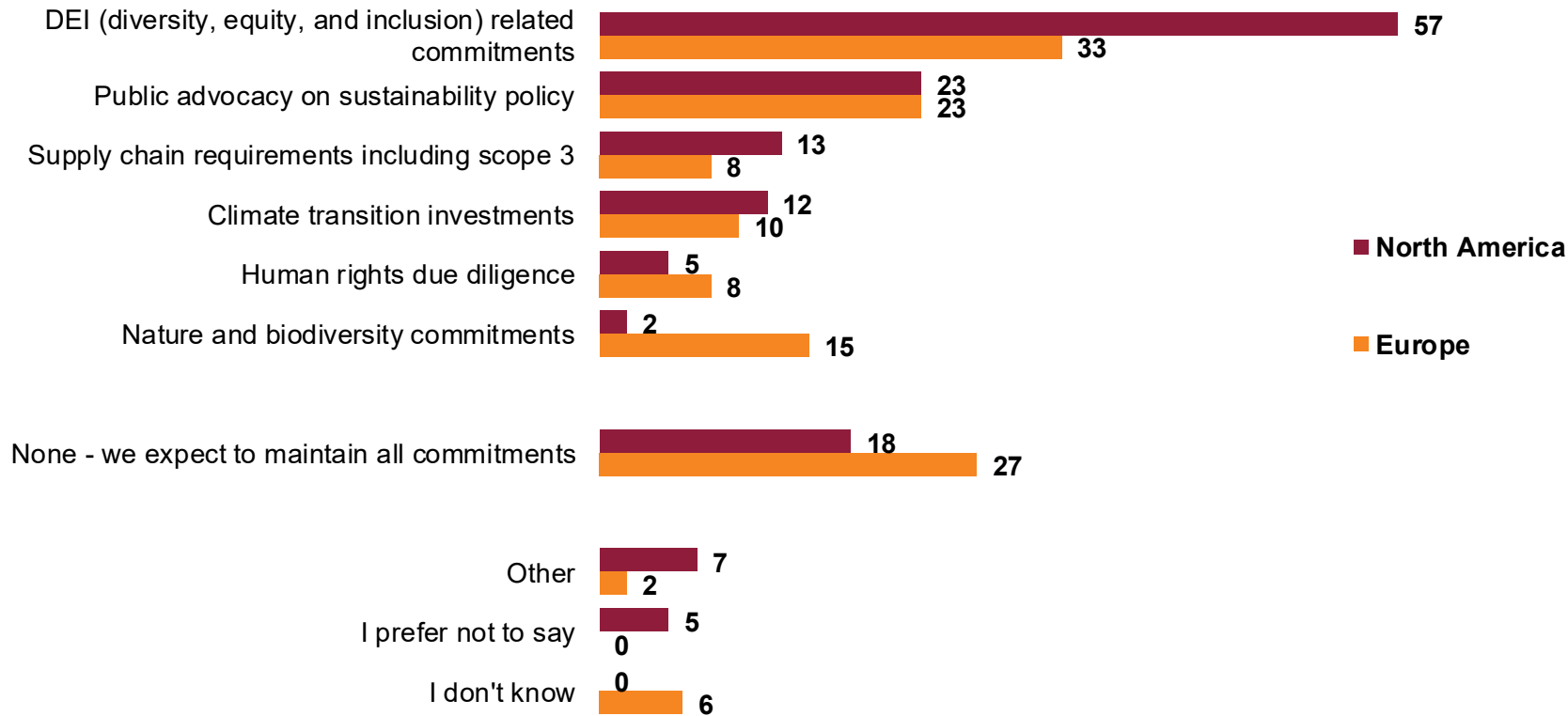


Q7. Which, if any, of your company's sustainability commitments and actions have been most at risk of being scaled back? n=124

# Corporate DEI commitments are seen as at-risk for nearly six in ten North American companies, compared to just one in three in Europe, where more respondents expect maintained commitments.

## Sustainability Commitments at Risk

North America vs Europe, Total Mentions, %, 2026



DEI is seen as the biggest commitment at risk for North American and for European companies, to a much lesser degree.

Just over a quarter of respondents at European companies expect that all commitments will be maintained, followed by public policy advocacy.

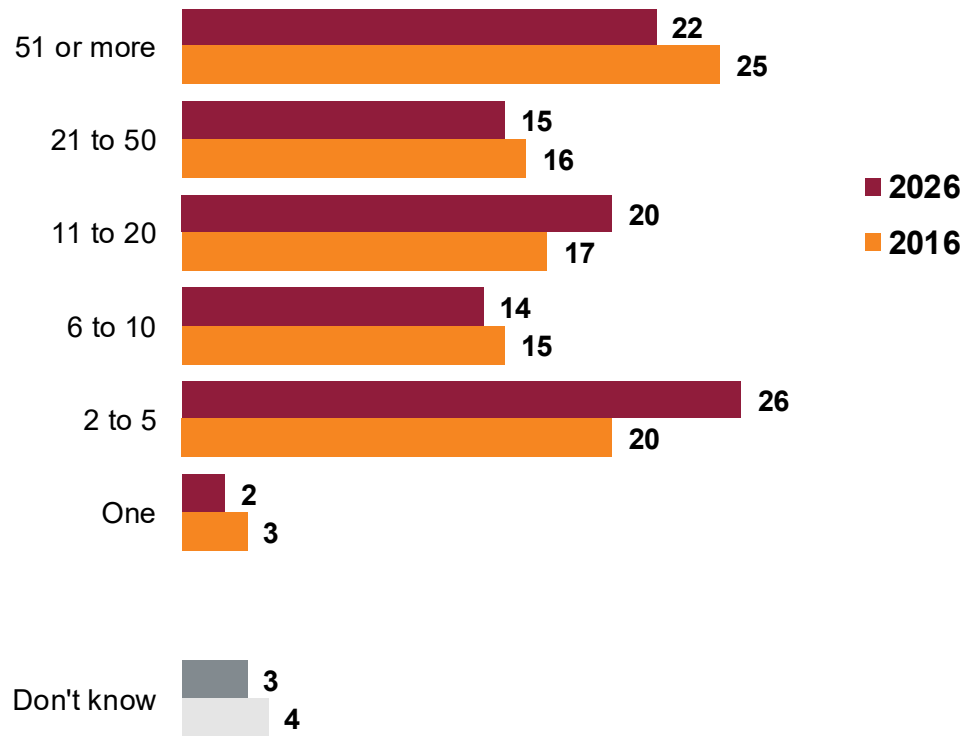
See Appendix for countries included in each region (page 42)

Q7. Which, if any, of your company's sustainability commitments and actions have been most at risk of being scaled back? North America n=60, Europe n=48

# Respondents report slightly smaller sustainability teams compared to a decade ago, with little expected growth in the next year.

## Sustainability Function Size

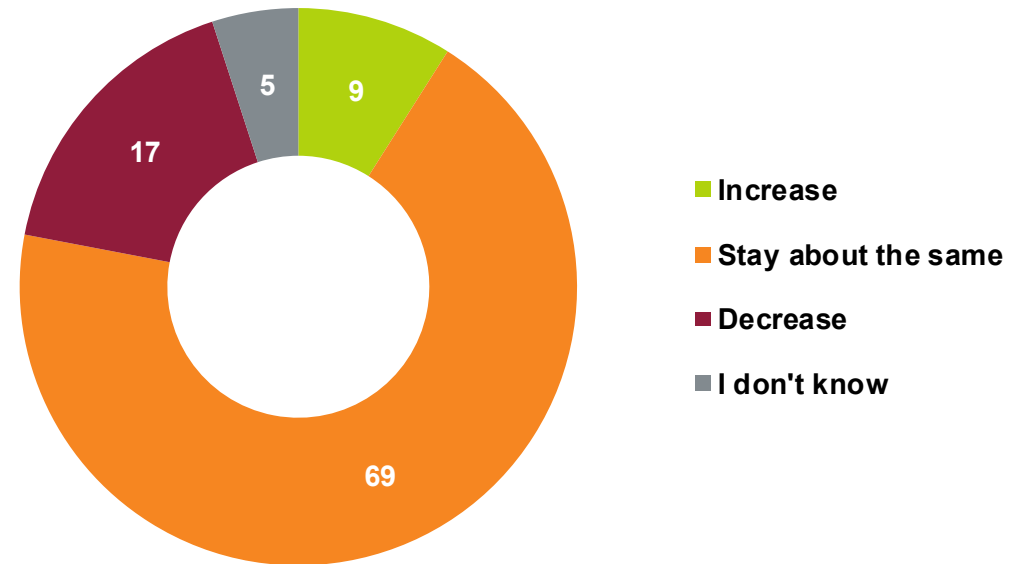
All Respondents, %, 2026 vs 2016



6DD [2016 Q5T]. How many people are employed in the sustainability function in your business?  
2026 n=124, 2016 n=287

## Expected Changes to Sustainability Headcount

All Respondents, %, 2026



Q20. Over the next 12 months, how much, if at all, do you expect your company's dedicated sustainability headcount to change? n=124



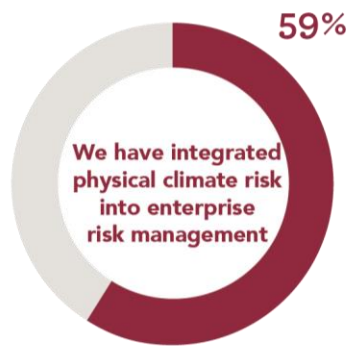
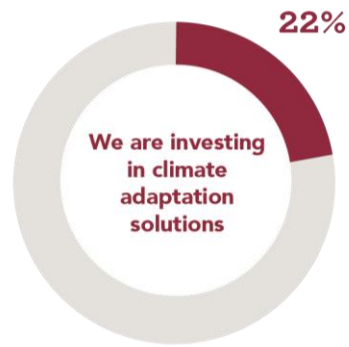
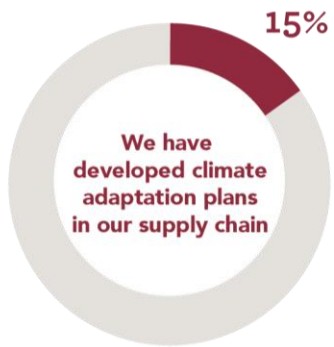
# Climate Change

# Physical climate risk is widely integrated into risk management among companies, but adaptation plans and solutions are still nascent.

## Physical Climate Risks

All Respondents, % Total Mentions, 2026

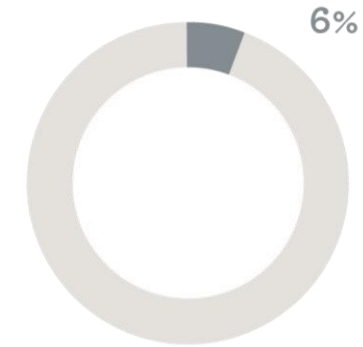
### Yes



### No



### Don't Know

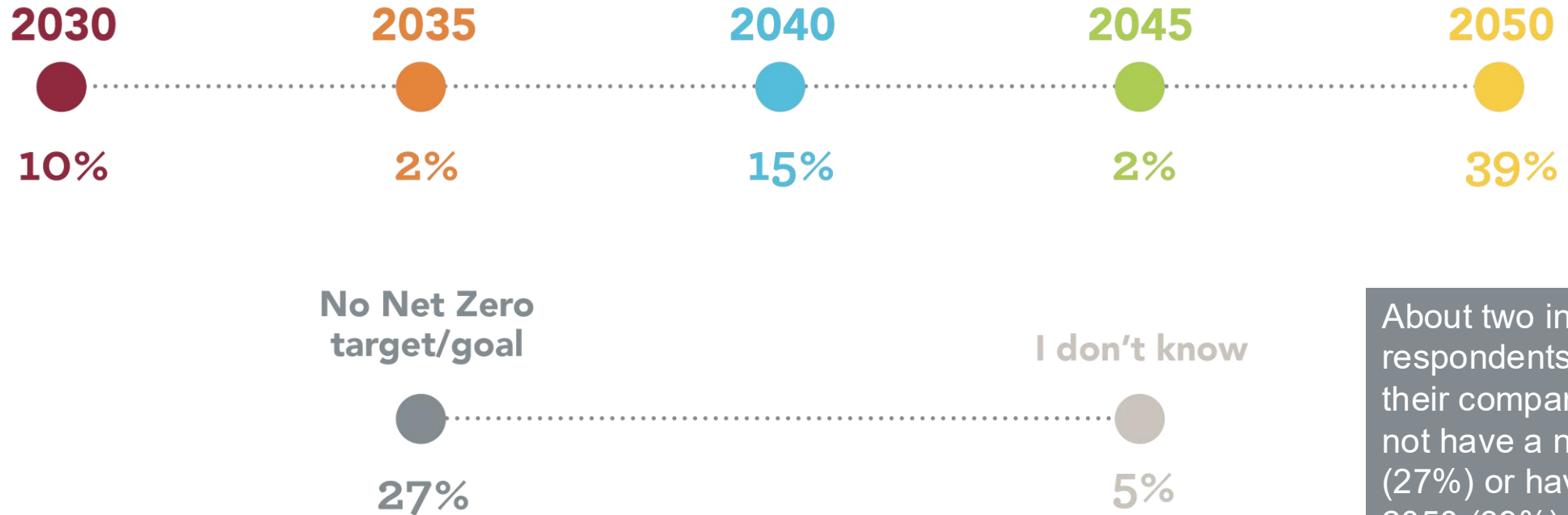


Q14. Is your company taking action on physical climate risks to the business? n=124

# Nearly three in ten companies do not have a Net Zero goal; 2050 is the most common target year among those that do.

## Net Zero Target Year

All Respondents, %, 2026



About two in three respondents (66%) say their companies either do not have a net zero goal (27%) or have one set for 2050 (39%).

Q11. If your company has a Net Zero greenhouse emissions goal, what is its target year? n=124

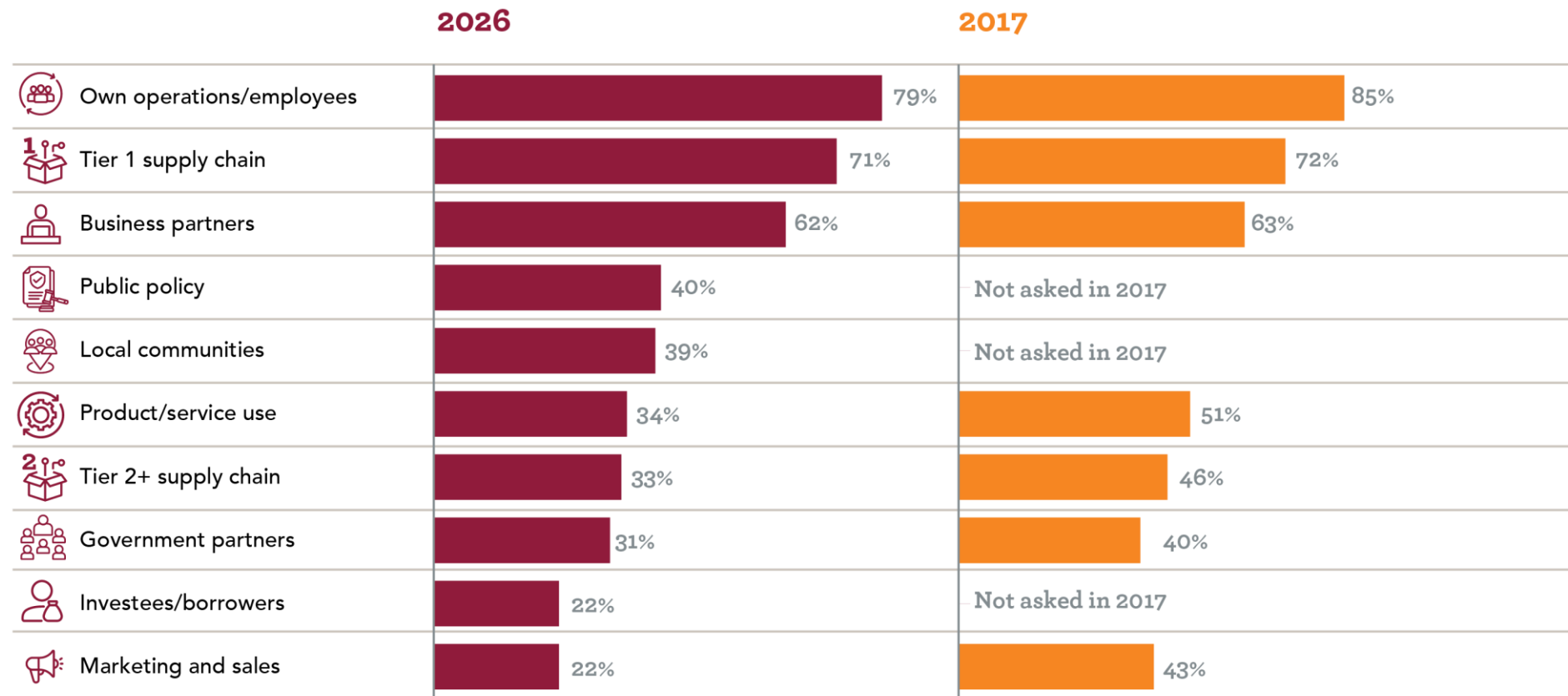


# Human Rights

## Companies' management of human rights is less comprehensive, and narrowing to focus only on direct employees, Tier 1 suppliers and other business partners compared with 2017.

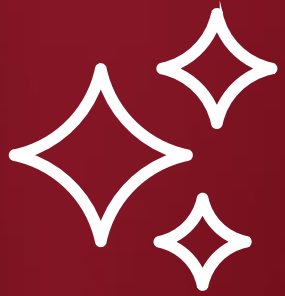
### Human Rights Management Throughout the Value Chain

All Respondents, % (4+5) on a 5-point Scale, 2026 vs 2017



The decline in human rights management across the tier 2+ supply chain is significant, as this is where workers within a company's value chain are most vulnerable.

Q34 [2017 Q13]. How much, if at all, does your company assess and manage human rights through each of the following elements of the value chain? 2026 n=124, 2017 n=272

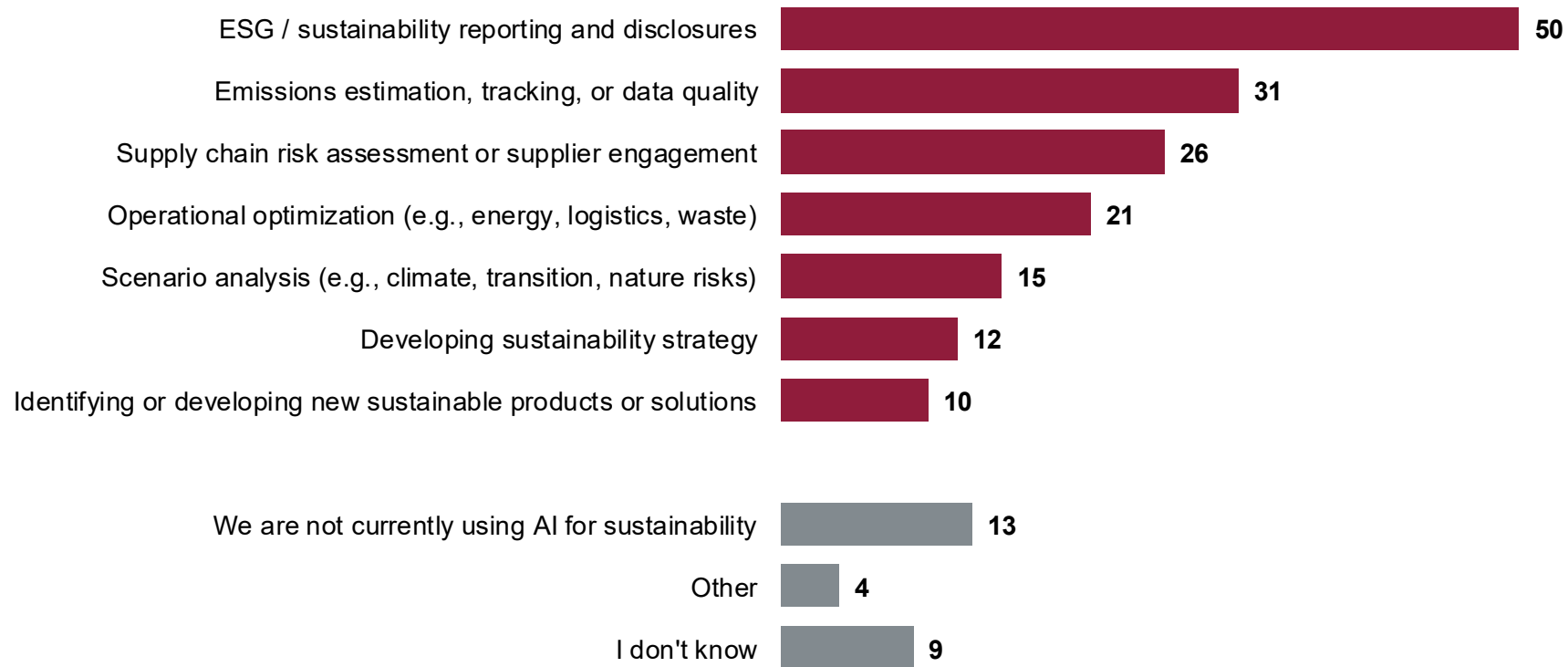


# Sustainability & AI

# Respondents are more likely to use AI for sustainability reporting and disclosures over other applications, with some early adopters in other areas.

## AI Usage to Address Sustainability Challenges

All Respondents, Total Mentions, %, 2026



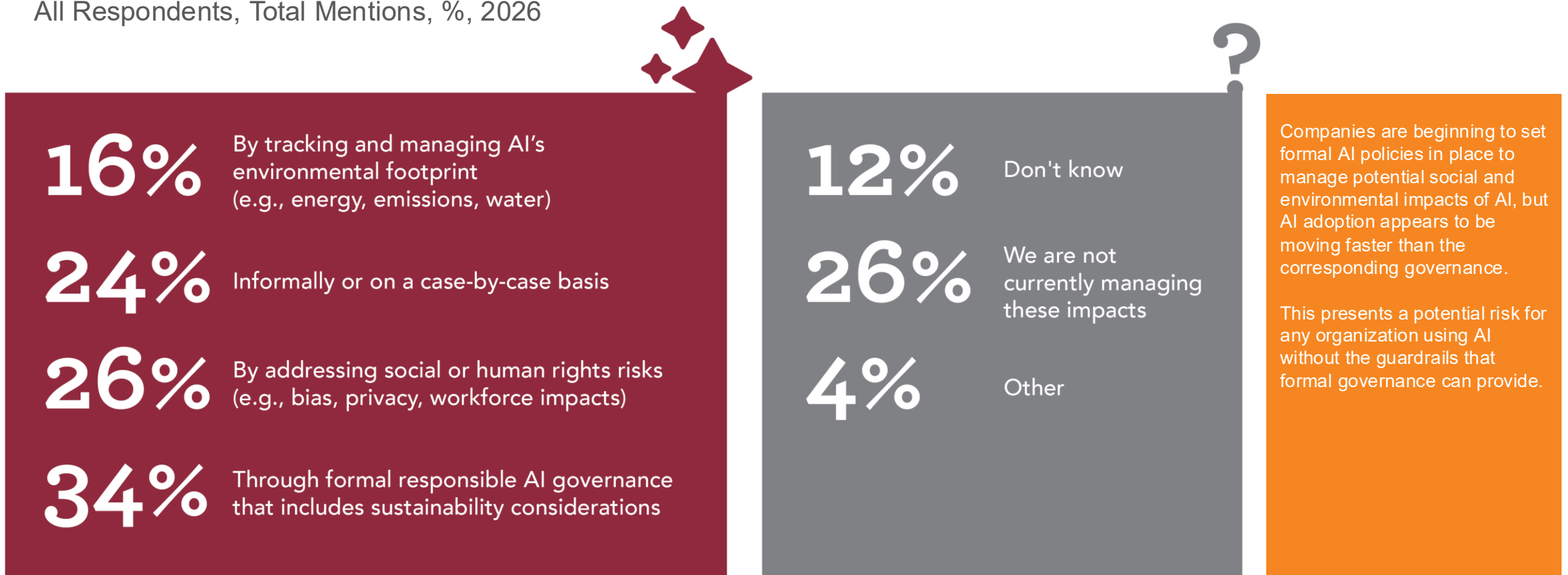
Half of respondents say their companies are using AI to assist with sustainability reporting and disclosures, and nearly one-third use it for estimating and tracking emissions. Other tasks have lower levels of adoption, but it is reasonable to expect AI usage to rise quickly in the next few years.

Q25. Is your company using AI to help address sustainability challenges in any of the following ways? n=124

# Managing environmental and social impacts of AI appears to be an ongoing development, with only one in three respondents saying their company has formal governance in place.

## Managing Environmental and Social Impacts of AI

All Respondents, Total Mentions, %, 2026



Q26. How is your company managing the potential environmental and social impacts of AI? n=124

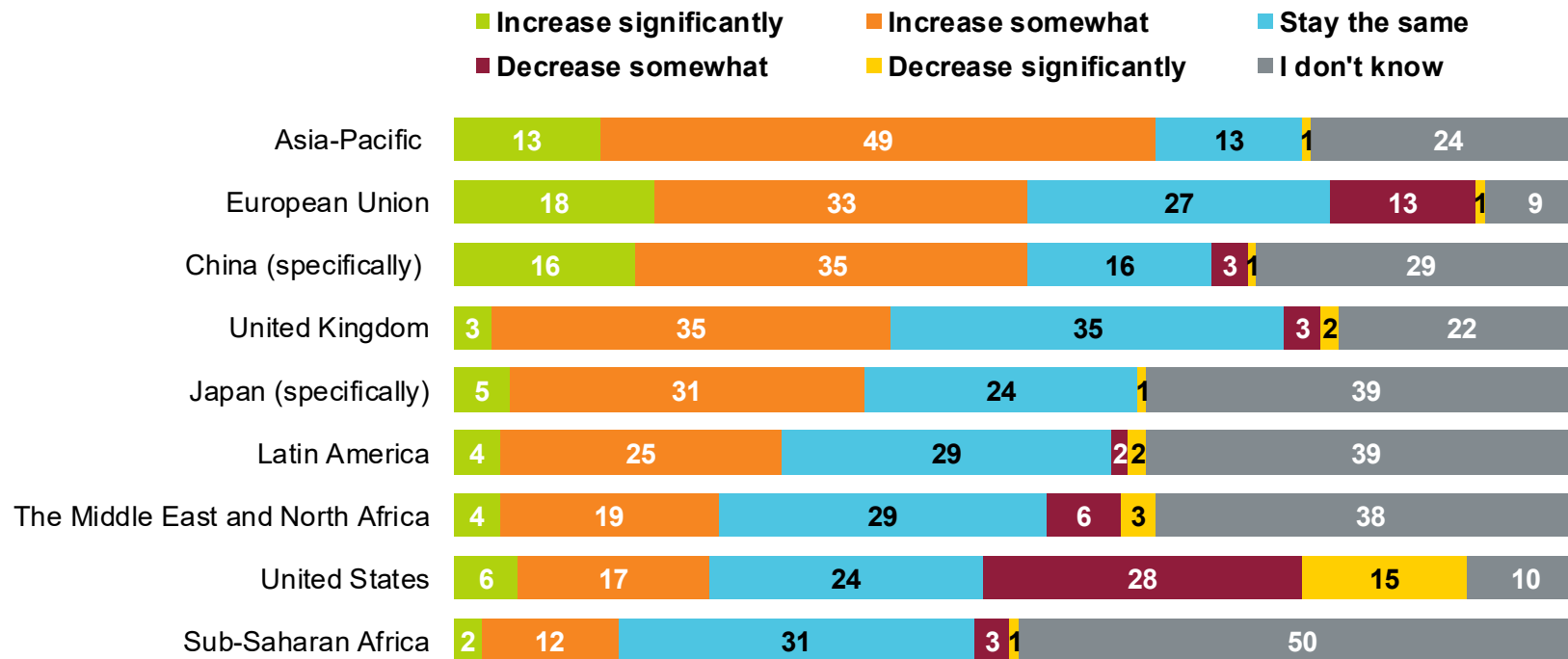


# Future Expectations

## Respondents expect the US influence on sustainability to decrease over the next three years, while that of Asia-Pacific and the European Union is predicted to grow.

### Change in Regional Influence on Sustainability

All Respondents, Total Mentions, %, 2026



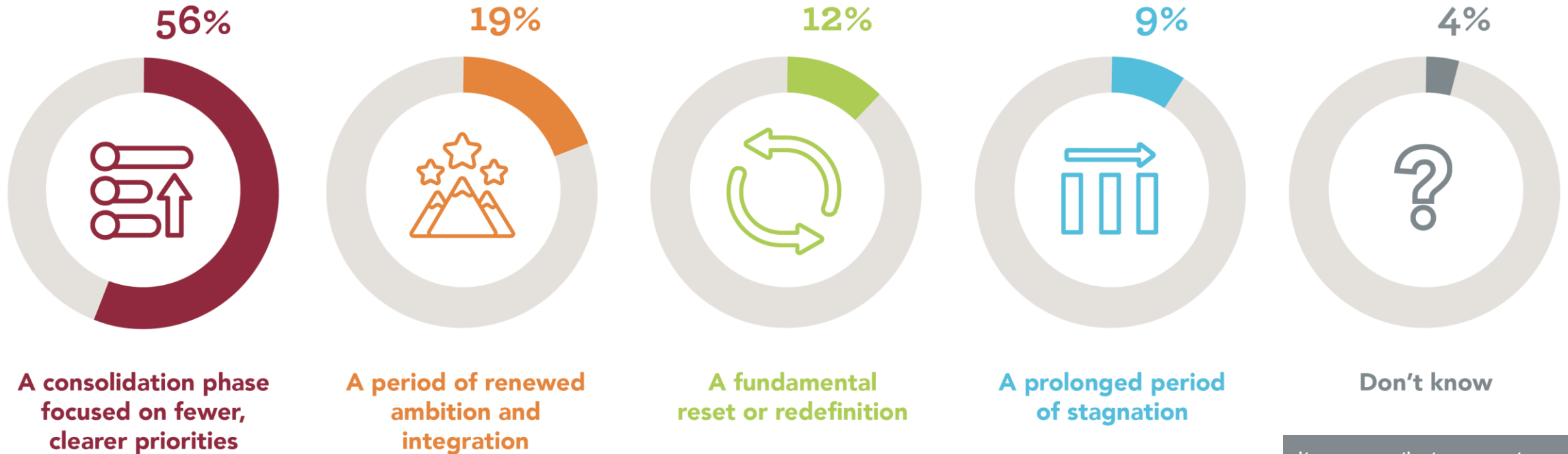
On average, nearly one in three participants (29%) say they are unsure how a given region will exert influence over sustainability matters in the next three years.

Q35. How much, if at all, do you think regional influences on sustainability will change over the next 3 years? For each of the regions or countries below, please use the scale to best describe whether you feel its influence on sustainability will decrease, say the same, or increase. n=124

# Most respondents expect the next phase of corporate sustainability will focus on delivering fewer, clearer priorities over the next five years.

## Next Phase Of Corporate Sustainability

All Respondents, Total Mentions, %, 2026



It appears that corporate sustainability is in a consolidation phase, reacting to the geopolitical changes, instability, and risk factors that it has faced over the past few years.

Q23. Looking ahead to the next five years, which of the below best describes your view of the next phase of corporate sustainability? n=124

# Closing Thoughts

## A More Pragmatic Era for Sustainability: Time to Act

### Make Fewer Priorities Matter More

As companies narrow their sustainability efforts to a smaller set of strategic priorities, this can be viewed either as a rollback or as an opportunity for real, tangible progress aligned with the business. Make it the latter with disciplined execution, clear accountability, collaboration with internal and external partners, and transparency about progress and challenges. Those that can translate focus into credible results will be better positioned to maintain momentum, secure continued investment, and strengthen stakeholder confidence.

### Build the Capacity to Deliver

As sustainability priorities shift toward implementation, compliance, and delivery, organizational capacity is becoming a critical determinant of success. Companies that align resources, capabilities, and investment with implementation demands will be better positioned to translate commitments into real action and progress.

### Make Sustainability Strategically Indispensable

While sustainability professionals often view sustainability as a driver of long-term value creation and innovation, senior leaders increasingly view it through the lens of risk management and compliance. Closing this gap will be critical to sustaining executive support and investment. Sustainability teams can do so by starting with enterprise priorities rather than a list of ESG topics, identifying where sustainability is a critical enabler, dependency, or source of competitive advantage. Companies that anchor sustainability in performance, resilience, growth, and competitiveness will be better positioned to demonstrate strategic relevance and mobilize organizational action.

# APPENDIX

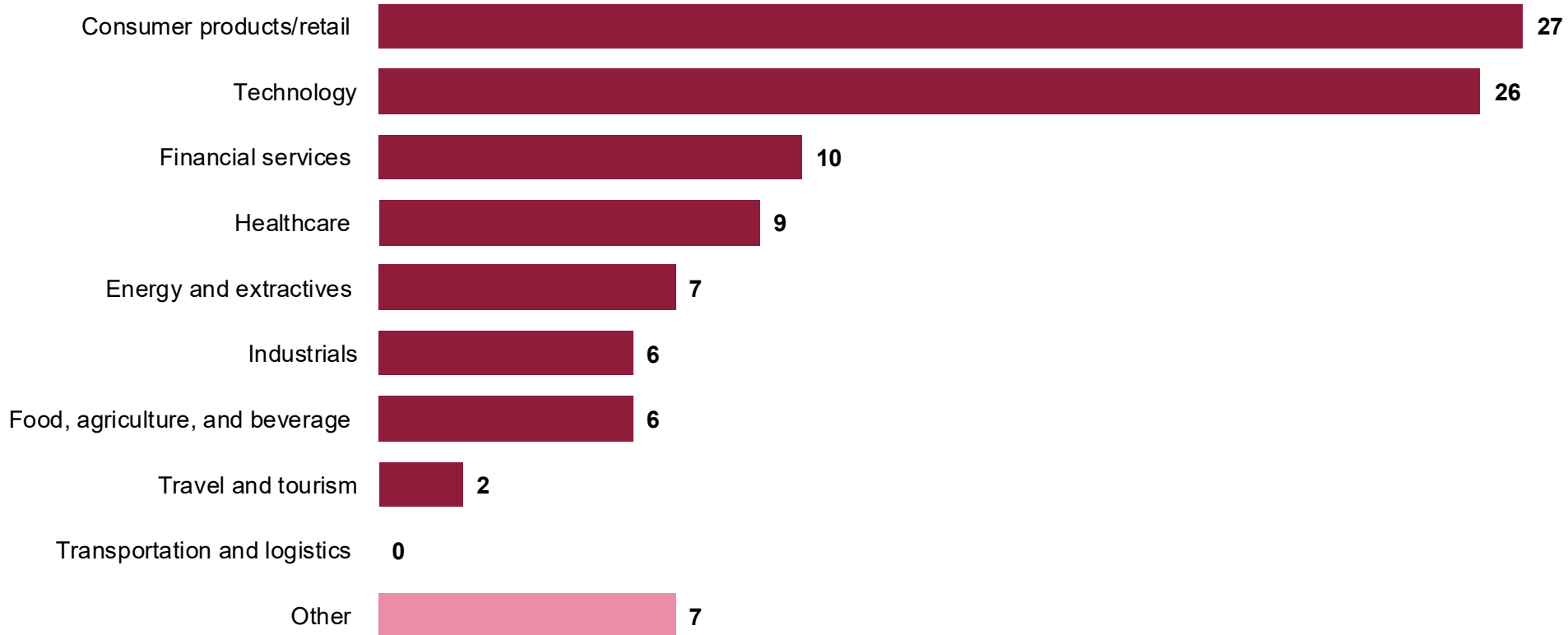


# Respondent Profile

# Which of the following best reflects your organization's industry sector?

## Company Industry or Sector

All Respondents, %, 2026



1DD. Which of the following best reflects your organization's industry sector? n=124

# In which country is your company headquartered?

## Respondents' Company Headquarters, by Region

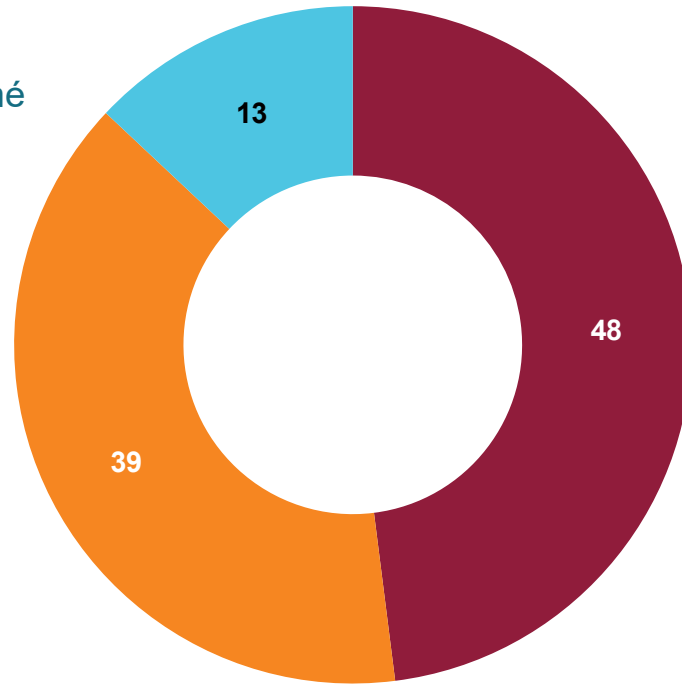
All Respondents, Countries Grouped into Regions, %, 2026

### Other countries

Australia, Hong Kong, Indonesia, Japan, São Tomé and Príncipe, Singapore, Thailand

### European countries

Denmark, Finland, France, Germany, Guernsey, Luxembourg, Netherlands, New Zealand, Norway, Sweden, Switzerland, UK



### North American countries

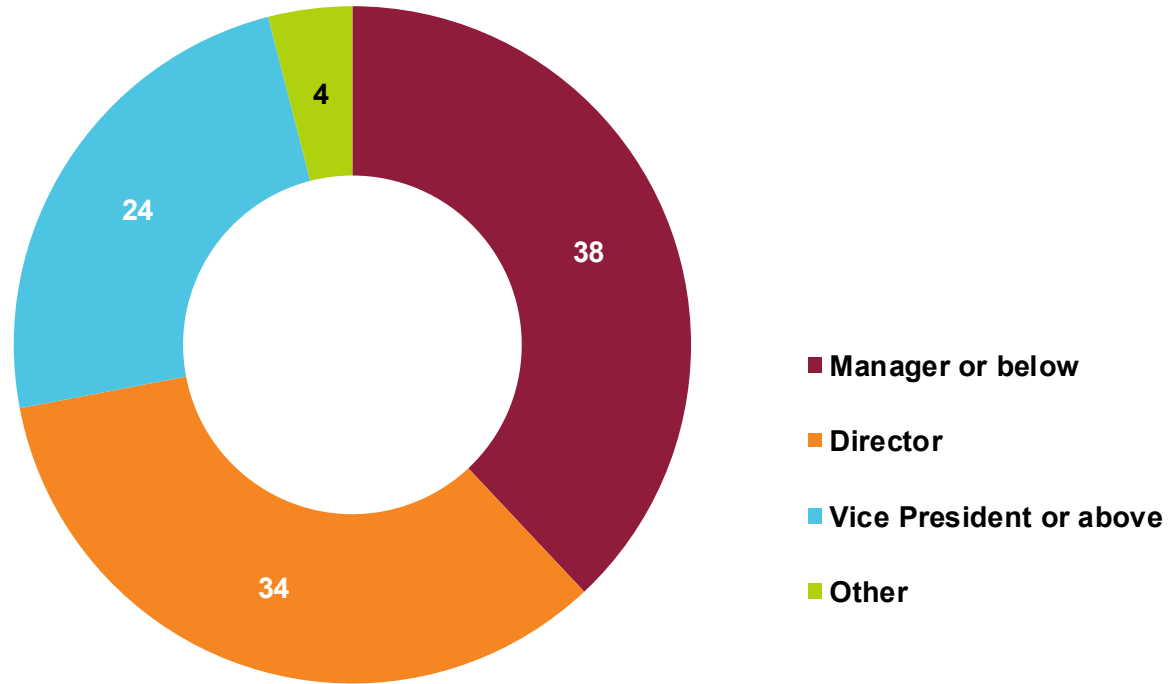
Canada, USA (95%)

2DD. In which country is your company headquartered? n=124

# Which of the following best describes your job level or position?

## Job Level or Position

All Respondents, %, 2026

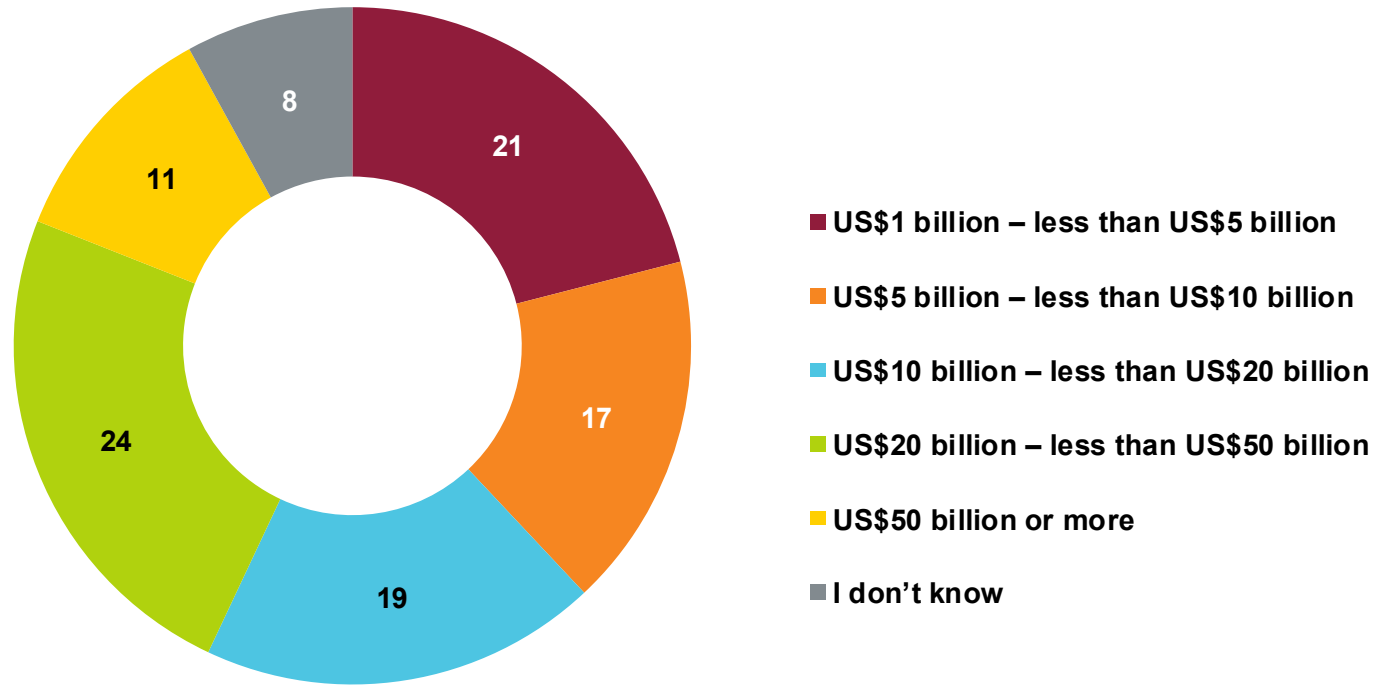


4DD. Which of the following best describes your job level or position?  $n=124$

# What is the annual revenue of your company?

## Company Revenue

All Respondents, %, 2026

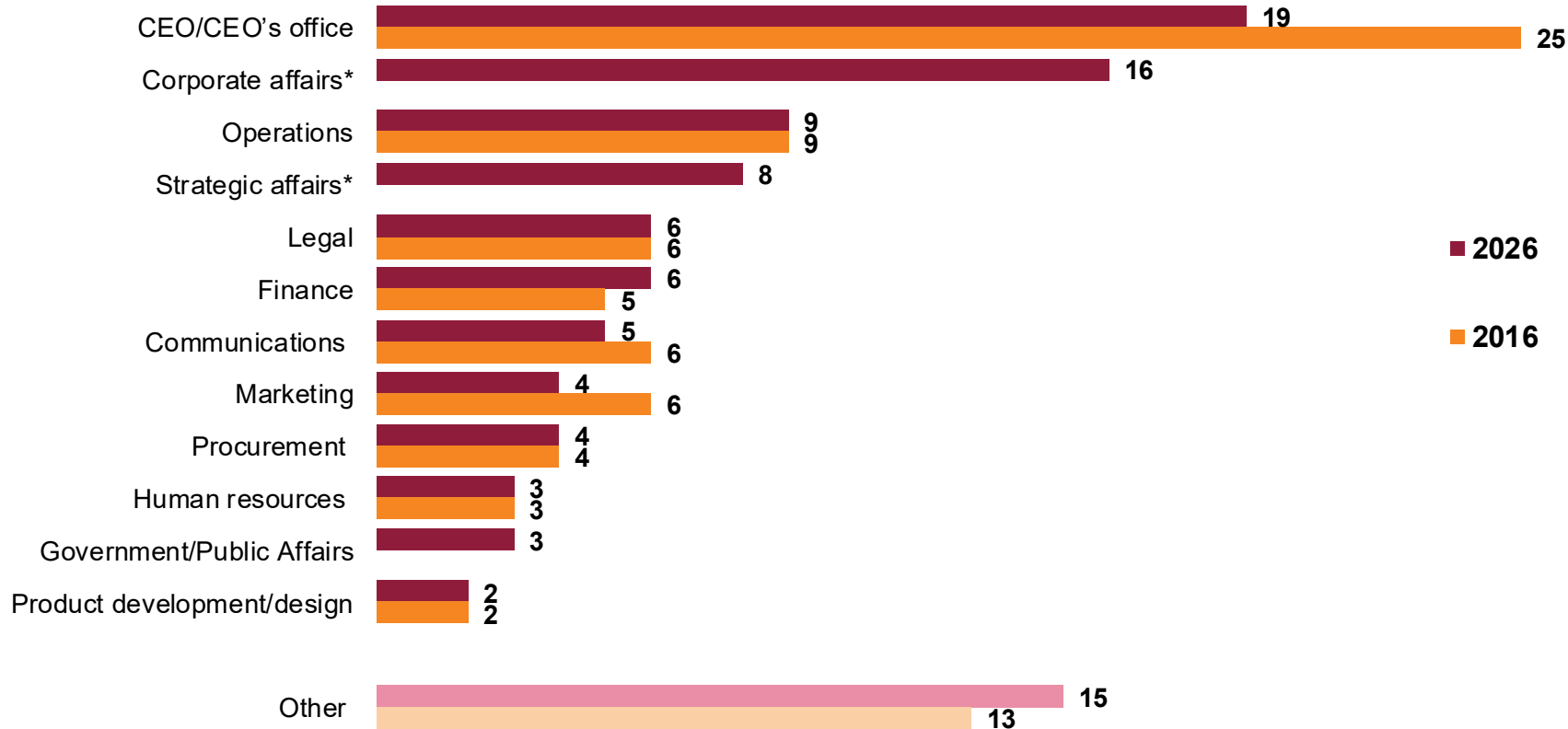


5DD. What is the annual revenue of your company? n=124

# Which of the following does your sustainability function directly report to?

## Sustainability Function Reporting Structure

All Respondents, Total Mentions, %, 2026 vs 2016



\*2016 survey asked about "Corporate/strategic affairs" 2026 survey asked about 'Corporate affairs' and 'Strategic affairs' separately.

7DD [2016 5T]. Which of the following does your sustainability function directly report to? 2026: n=124; 2016: n=287

# Thank you

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BSR® is a sustainable business network that provides global insights, strategic advisory services, and collaborations to nearly 300 member companies in Asia, Europe, and North America. BSR® helps its members to see a changing world more clearly, create long-term value, and scale impact.

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