Ecologi

From risk to reward:

How UK businesses are building resilience to deliver long-term value

Climate Commitments Report 2026

in partnership with BusinessGreen™

Ecologi Climate Commitments Report 2026

Contents

01. Foreword

When we set out to undertake the 2026 edition of our Climate Commitments Report, our aim was to better understand how today's shifting political, economic and environmental realities are influencing business.

We wanted to explore how businesses are experiencing the impacts of climate change, whether they remain committed to their climate goals, and what this means for the pace and direction of corporate action.

Our findings paint a clear picture: climate impacts have become a present-day business reality. More than four in five organisations reported experiencing at least one climate-related shock in the past two years, and that these climate impacts are visible on the balance sheet. In response, organisations are increasingly viewing progress towards net-zero as a critical component of their long-term resilience, competitiveness and revenue protection.

This year's survey also points to a widening awareness gap between how business resilience and the natural environment are linked. Encouragingly, many organisations recognise the value of investing in nature within their value chain. However, a significant proportion still underestimate the extent to which their operations depend on healthy natural systems. This highlights an important challenge for the years ahead: helping businesses better understand and address nature-related risks alongside climate risks.

Despite a more complex and turbulent operating environment, the overall direction of travel remains positive. The overwhelming majority of businesses continue to recognise a strong business case for climate action, and many are actively working towards net-zero targets. At a time when the global climate finance gap remains substantial, our findings underline the vital role the private sector will play in mobilising investment and driving progress during the decisive years leading up to 2030.

This year's survey reflects a business community that is navigating uncertainty while increasingly recognising that climate action, resilience and long-term value creation are deeply interconnected.

Ecologi

Sam Jackson
Director of Climate
Science and Impact

Foreword

For the past few years, the green economy has been a confusing place. Talk of an 'ESG backlash' and a fracturing political consensus has fuelled the perception that sustainability is falling down the corporate agenda.

Yet climate impacts are increasingly obvious, and clean tech records are toppled weekly. Overcoming this disconnect is crucial to pushing sustainability back into the boardroom and accelerating climate action.

Fortunately, a new narrative is emerging as businesses recognise the strategic and commercial value unlocked through bolder sustainability efforts. This report reveals that any supposed softening of corporate climate engagement was based more on political headlines than the economic fundamentals driving the green economy for over a decade. Indeed, the business case for clean technologies and circular models is stronger now than ever.

This survey shows that a vast majority of business leaders understand climate change is a material risk already impacting operations and driving up costs. Consequently, decarbonisation and adaptation are widely recognised as essential tools for enhancing resilience in a volatile world. Clean technologies and environmental best practices consistently reduce costs and enhance competitiveness; the proof points are in, and the business cases are robust.

These trends will only intensify, as recent energy shocks demonstrate how sustainable business models play a crucial role in both bolstering resilience and generating rewards through reduced costs and new revenue streams.

Inevitably, challenges persist. Risk awareness, especially regarding nature, does not always translate into action, and economic headwinds can stall upfront investments. Policy frameworks also remain inconsistent. Yet, encouraging signs show clarity is returning to the corporate agenda. The risks are increasingly obvious, but so too are the rewards, and a large majority of leading businesses remain fully committed to seizing them.

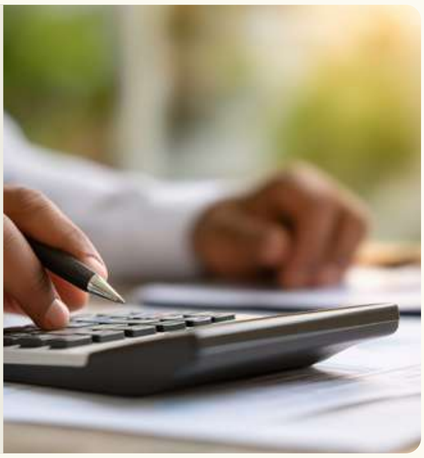
BusinessGreen™

James Murray
Editor-in-Chief

02.
Executive summary

The 2026 Climate Commitments Report delivers a clear verdict that **climate change is costing UK businesses**. It is a present-day financial reality. Across the UK private sector, environmental disruption is eroding revenue, reshaping strategy and rewarding those taking decisive action.

This report maps that journey across three defining pillars: **Risk**, **Resilience** and **Reward**.



Risk

The "climate-immune" business doesn't exist.

Nearly nine out of ten businesses report already dealing with the tangible fallout of environmental change, proving that environmental disruption is now near-universal.

This widespread exposure translates into **severe balance sheet damage**: **70% of UK businesses** report annual turnover loss of **more than 1%** in the past year due to climate-related impacts.

For more than half of this group, **40**% of businesses we surveyed, this loss has reached **6% or more** of their annual turnover.

Over a third of large companies (250-999 FTE) appear to carry disproportionate climate financial exposure, having placed themselves in the **6-10%** of annual turnover impact bracket.

Nearly a third (31%) of organisations report increased operational costs due to energy price volatility or resource scarcity.
This is further compounded by **28%** of businesses reporting an increased cost of raw materials and 22% suffering from direct supply chain disruptions.

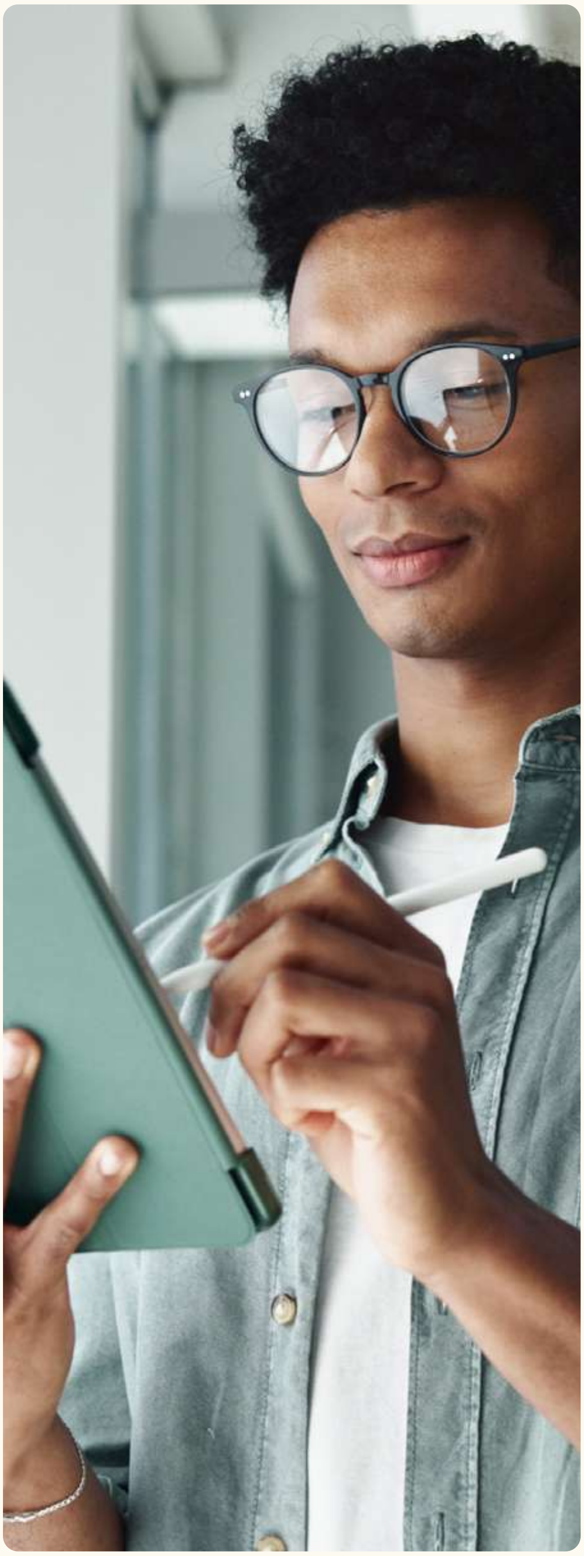
Resilience

To secure future cash flows, businesses are transforming sustainability into a practical defensive asset.

83% of businesses agree that taking measurable steps towards net-zero is essential to protect future revenue and operational resilience.

Proactive planning is rapidly becoming the default corporate standard as **61%** of businesses have adopted a formal, structured approach to climate resilience.

Despite strong net-zero alignment, a dangerous operational disconnect is simultaneously widening across the market because only **58%** of businesses acknowledge that their operations **depend on nature and biodiversity to function** - a drop of 9 percentage points from what was reported in 2025.



However, businesses still face persistent barriers slowing their sustainability progress, including financial limitations (28%), high tool costs (26%) and time pressures (25%). But to build resilience, businesses that only measure and reduce their emissions remain vulnerable unless they take action to restore the wider ecosystems their operations depend on.

Reward

Corporate sustainability has transitioned from a compliance requirement into a significant driver of commercial value.

Of the **74%** of businesses reducing their emissions, nearly all report experiencing commercial benefits. Across all benefit categories, an average of **41%** of those businesses reported moderate to significant uplifts.

Commercial benefit	% Reporting it	Est. average uplift
Improved brand image and recognition	31%	+15.5%
Attracting more eco-conscious customers	30.6%	+14.6%
Increased revenue	22.8%	+14.4%
Competitive advantage	26.2%	+14.1%
Reduced costs and operational efficiency	27.9%	+13.4%

Firms reducing their emissions achieve a **15.5% average uplift in brand image** and a **14.1% boost in competitive advantage**. These sustainable practices also secure a **14.6% rise in eco-conscious customer attraction**, a **14.4% increase in revenue**, and a **13.4% reduction in operational costs**. Ultimately, purpose and profit have converged, allowing forward-thinking organisations to mitigate environmental risks and reap commercial rewards.

03.
Methodology

The insights presented in the 2026 Climate Commitments Report are derived from a comprehensive quantitative survey designed to capture the current state and future trajectory of sustainability initiatives within UK businesses. The research was commissioned by Ecologi and BusinessGreen and conducted by market researchers OnePoll in accordance with the Market Research Society's code of conduct.

Fieldwork was conducted online in April-May 2026, engaging a total of 1,600 UK business leaders. The sample was carefully structured to ensure robust representation across the UK business landscape.

To ensure the findings accurately reflect the diverse nature of the UK economy, participants were drawn from all 28 major UK economic sectors, providing a comprehensive overview of climate commitment trends. All participants are double opted-in to take part in research and are paid an amount depending on the length and complexity of the survey. This survey was overseen and edited by the OnePoll research team. Stringent quality control measures were implemented throughout the data collection process by OnePoll to guarantee the validity and reliability of the responses.

Where year-on-year comparisons are presented, these are based on comparative data from the 2024 and 2025 Climate Commitments surveys, which employed a consistent methodological approach.

1,600 Business owners

1,000 SMEs 1-249 FTE

400 Large businesses 250-1000 FTE

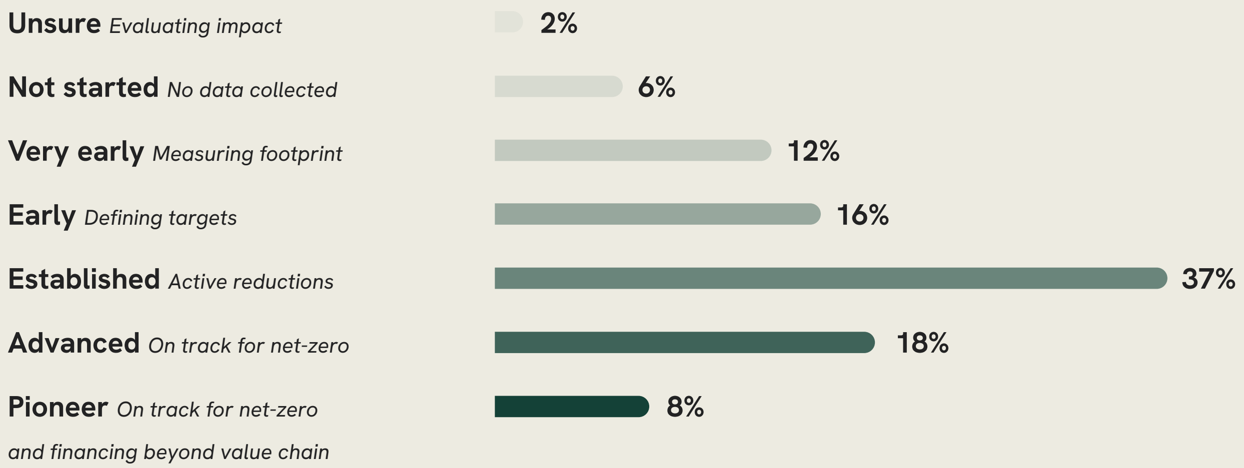
200 Enterprise businesses 1000+ FTE

28 Major UK economic sectors

OnePoll are **Market Research Society (MRS)** Company Partners, corporate membership of **ESOMAR** (the global voice of the data, research and insights community), and members of the **British Polling Council (BPC)**.

All research was conducted in compliance with their respective codes of conduct, ensuring ethical and rigorous data gathering and analysis. This robust methodology provides a credible foundation for the key findings and trends identified within this report.

Current progress of UK businesses on their sustainability journeys



To provide a deeper analytical layer, the 2026 survey introduced a new demographic question mapping corporate sustainability maturity across the UK private sector. Respondents were asked to self-describe their organisation's current progress by aligning themselves with specific operational milestones, ranging from initial carbon footprint measurement to pioneering environmental financing.

04. Risk

The reality of the present threat to businesses

Universal exposure to climate impacts

While **over 52% of businesses explicitly agree** that they are already being negatively affected by climate change, the underlying reality is significantly more pervasive than sentiment alone suggests. When asked to identify specific climate-related occurrences causing a negative business impact, a staggering **84%** of business leaders report having experienced at least one direct impact within the past two years. Only **2%** were unsure. This indicates a profound gap between perception and experience; while some may hesitate to label their situation as a "negative effect" in a broad sense, nearly **nine out of ten** businesses are already dealing with the tangible fallout of environmental change.

> The fact that only **13% of leaders** claim to have been entirely untouched confirms that climate risk is now a near-universal baseline for the UK private sector.

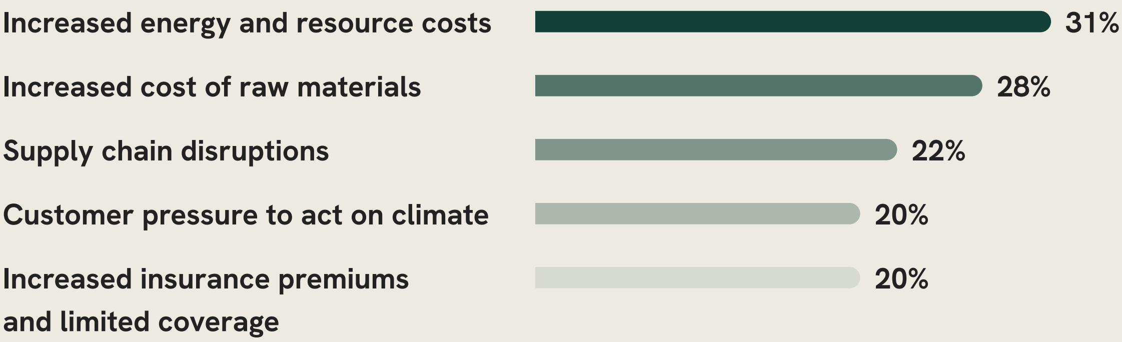
Structural climate impacts on the supply chain

Climate change is hitting businesses where it hurts most - costs and operations. **Nearly a third** of organisations are already seeing higher running costs due to energy price spikes and resource shortages, while 28% are paying more for raw materials and **22**% have experienced direct disruptions to their supply chain.

On top of this, **20%** of businesses are finding it harder or more expensive to get insurance cover, as the financial risk of climate change gets factored into premiums. The pressure is not only coming from the market, with **20%** of businesses reporting that customers are actively demanding more credible action on climate.

> Put simply, climate change is no longer a future risk.
> It is a present-day business cost.

Top 5 climate-related impacts reported



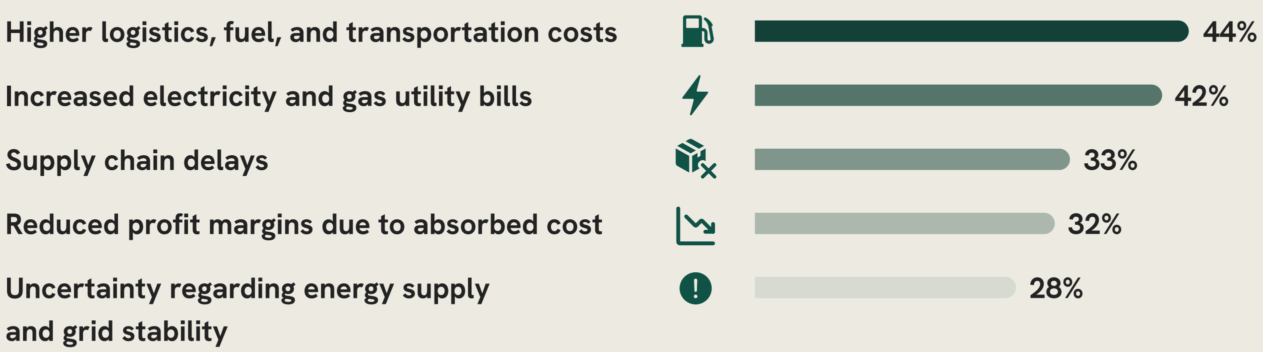
Spotlight

Geopolitical conflict has turned the energy landscape into a critical stress test for resilience. This year, the crisis in the Middle East manifested through higher logistics and fuel costs (44%) and increased utility bills (42%), squeezing overheads. These costs, alongside supply chain delays (33%), have directly impacted the bottom line, with **32%** of businesses reporting reduced profit margins.

Conversely, this pressure acted as a catalyst; **31%** of firms have prioritised implementing low-cost energy efficiency measures and a further **27%** are accelerating their transition to renewables in response. This suggests that energy security and climate resilience are now inextricably linked as businesses move to insulate their margins from global market fluctuations.

13% **of businesses have yet to take any specific action, leaving them increasingly exposed as energy volatility worsens.**

Top 5 impacts on businesses from the ongoing energy crisis



Top 5 energy crisis responses from businesses

A measurable drain on corporate revenue

Perhaps the most notable finding in 2026 is the measurable drain climate change is exerting on corporate turnover.

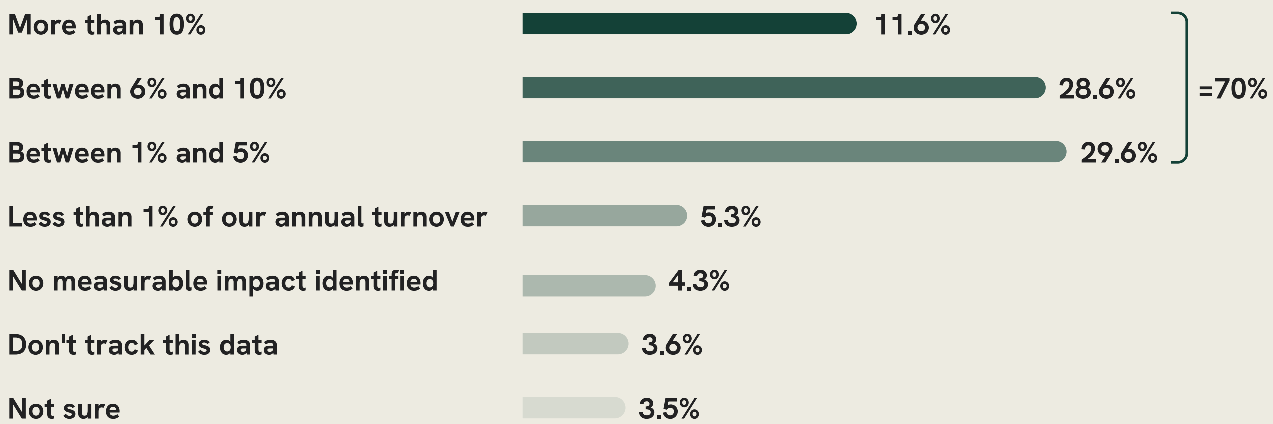
70% of organisations identified a **negative impact on their annual revenue of 1% or more**.

40% of businesses reported that this **loss has reached 6% or more of their annual turnover**.

A measurable drain on corporate revenue

Large companies (250-999 FTE) appear to carry disproportionate climate financial exposure. **37%** place themselves in the 6-10% of annual turnover impact bracket, higher than SMEs and enterprises. Enterprise companies skew towards the lower 1-5% bracket, likely reflecting greater operational diversification and more developed risk management infrastructure.

Percentage of businesses' annual turnover negatively impacted by climate-related costs over the past year



For the **11.6%** of organisations already losing more than **10%** of their turnover, the financial cost of environmental change has transitioned from a theoretical risk to a critical strategic hurdle. The data also highlights the increasing financial maturity of the UK market; only **4%** of leaders said they are failing to track these costs, signalling that climate resilience is no longer an elective metric, but a core priority for the modern CFO.

The nature blind spot and growing disconnect

While climate impacts are becoming increasingly visible on the balance sheet, corporate perception has not kept pace with environmental reality.

> **58%** of businesses acknowledge that their **operations depend on nature and biodiversity** to function.

This is a drop of 9 percentage points since our 2025 report. This decline is striking given that over half of firms say they are being negatively affected by climate change.

The implication is that businesses have a dangerous blind spot: they are feeling the financial consequences of ecological break-down without connecting those consequences to their root cause. **One third** of organisations fail to recognise their reliance on natural systems such as water cycles, soil stability, and pollination, the very systems that underpin supply chain continuity and physical asset value.

This contradicts the 2026 IPBES assessment, which rules nature dependency a baseline business risk. Driven by a global imbalance of $7.3 trillion spent destroying nature versus $220 billion restoring it, the **42%** of unaware UK businesses face severe exposure as tightening international reporting standards begin to price nature-blind organisations out of global supply chains and capital markets.

Within Ecologi's 3Rs Framework, comprehensive climate action requires all three pillars: **Reduce**, **Restore**, and **Report**.
But by focusing exclusively on carbon reduction, businesses are effectively operating on one pillar. The Restore pillar, which addresses ecosystem health and nature-based resilience, is being treated as optional rather than as a fundamental operational dependency. This omission creates a structural "ambition-action gap": supply chains remain highly exposed to ecological risks that decarbonisation alone cannot resolve and that gap will only widen as nature-related risks intensify in the years ahead.

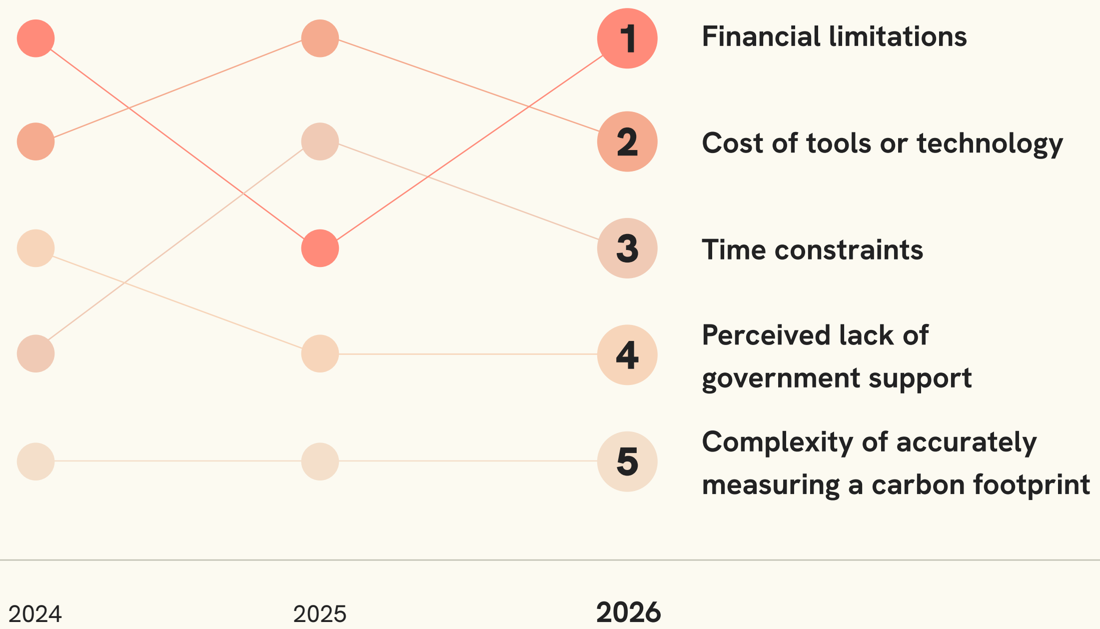
Understanding why this gap persists requires looking at the structural barriers that continue to slow progress across the market.

Spotlight

Persistent financial and operational barriers

Top 5 barriers faced around sustainability in 2026

Tracking the top 5 barriers over 3 years



Persistent financial and operational barriers

> Despite increasing climate urgency, roadblocks remain remarkably consistent. Over the last three years, **financial limitations** (28%) and the **high cost of technology** (26%) have solidified as the primary hurdles. While tech costs have eased slightly since 2025, affordability remains a significant barrier for the broader market.

Operational friction also stalls momentum. **Time constraints** burden **25%** of businesses as leaders balance sustainability with commercial pressures. This is exacerbated by a perceived lack of external assistance, with **21%** of firms citing **insufficient government incentives or policy support**.

Finally, a technical gap persists: 21% of businesses still **cannot accurately measure their carbon footprint**. Although this has improved since 2025, the fact that nearly one-fifth of the market remains "data-blind" highlights a systemic lack of accessible reporting tools, stalling the transition from ambition to verified action.

05. Resilience

Safeguarding future revenue

Net-zero as a commercial shield

83% of businesses agree that taking measurable steps towards net-zero is **essential to protect future revenue**.

Leaders recognise transitioning to net-zero is a baseline commercial requirement to safeguard asset value and insulate future cash flows from climate-driven margin erosion.

SMEs vs larger businesses

Most UK businesses agree that taking steps towards net-zero is good for business, but the strength of that conviction varies. Among **enterprise-sized companies (1,000+ FTE)**, **55%** strongly agree. Among **SMEs**, that drops to **32%**, with most opting for "somewhat agree" instead. The gap likely reflects lived experience. Larger businesses have had more resources and scale to see sustainability translate into tangible returns.

The emergence of a carbon-literate majority

Measuring emissions is part of business-as-usual for the majority of UK firms. With **42%** of businesses measuring consistently and **35%** starting in the last year, a significant **77%** of the market is actively tracking its emissions.

Conversely, a tiny fraction remains completely disengaged: Only **4%** of businesses have **never measured their carbon footprint** and have no intention to do so.

From baseline measurement to open transparency

The fact that a combined **84%** of businesses that measure their carbon footprints publicly disclose their footprint (with 28% disclosing in the last reporting year for the first time) signals that data transparency is rapidly becoming an operational default.

> **24%** of businesses are leveraging this transparency to actively lead wider climate action.

This supports that once measurement is mastered, public disclosure becomes a powerful tool for brand differentiation and stakeholder engagement.

The distinction between public targets and formal validation

> **12%** of organisations have had both their near and long-term targets formally validated by an independent body.

The data tells an encouraging story on ambition, but a more complicated one on accountability. While only **10%** of businesses have set no emissions reduction targets at all, **24%** are keeping their targets strictly internal.

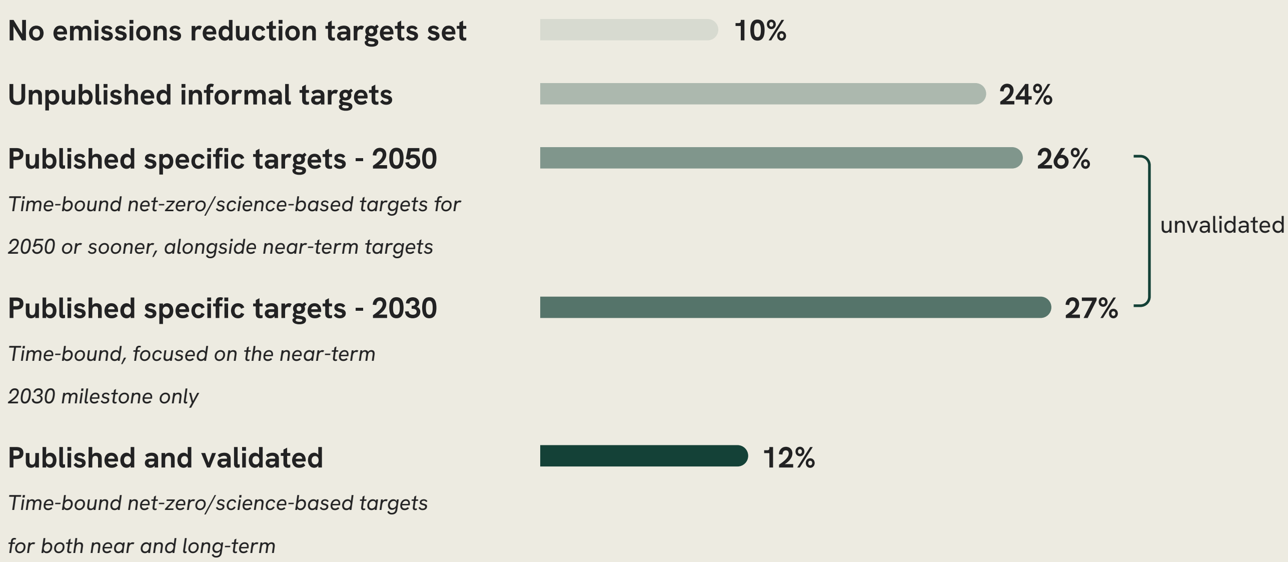
These undisclosed commitments are a missed opportunity since targets that remain internal are rarely subject to the external scrutiny that tends to drive meaningful progress. According to CDP, companies that publicly disclose their environmental data reduce their direct emissions by 7-10% on average within just two years of doing so, suggesting that the act of going public with a commitment meaningfully changes how seriously it is pursued.

Of the businesses that have gone public, the majority have yet to take the final step towards independent verification. A combined **53%** of firms have published ambitious near-term or 2050 targets without formal validation, representing a major regulatory and reputational grey zone.

The distinction between public targets and formal validation

The implication is clear: the UK private sector has made significant progress on target-setting, but publishing a target and verifying it are two very different levels of commitment. Closing that gap is the next frontier for corporate climate credibility.

Businesses' approach to setting emission reduction targets



Progress to net-zero

Currently, **37%** of businesses report having a strategy actively on track for **2050 or sooner**, a drop of 5 percentage points from our 2025 report. The remaining market is stalling; a combined **46%** of organisations have either set targets they currently think they are unlikely to meet (22%) or are working on a net-zero strategy but not sure when they will achieve it (24%).

SMEs vs larger businesses and enterprises

Around one in five businesses (**20-22%**) across all size bands have a 2050 net-zero strategy or target but think they are unlikely to achieve it. What separates large companies is their ability to execute.

58% of **enterprise businesses** report being **on track**, followed by **47%** of **large businesses**, versus just **30%** of **SMEs**. More concerning, **9.1%** of **SMEs** say they have **no plans to develop a net-zero strategy at all**.

This execution gap points to a structural need: businesses do not lack ambition, they lack credible frameworks for translating that ambition into defensible spending decisions. The Oxford Principles for Net Zero Aligned Carbon Offsetting represent one such framework, providing a science-led roadmap that moves corporate climate investment away from ad-hoc credit procurement towards a structured, credible and dynamic portfolio for the long term.

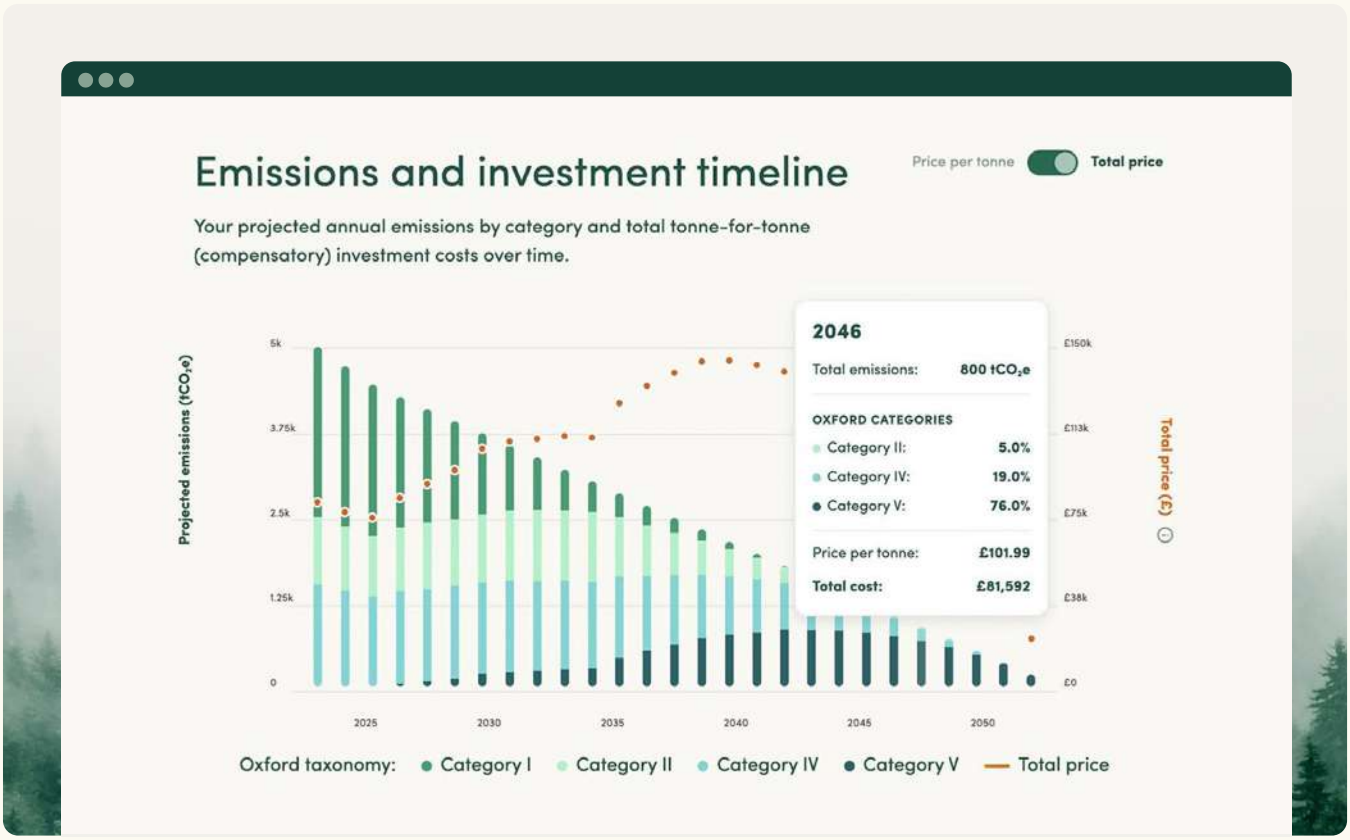
Spotlight

Credible carbon financing via the Oxford Principles

To bridge the net-zero execution gap, businesses require rigorous frameworks to guide their environmental spending safely. Ecologi’s carbon portfolio builder solves this hurdle by aligning corporate capital directly with the Oxford Principles for Net Zero Aligned Carbon Offsetting. Rather than buying carbon credits on an ad-hoc basis, businesses get a clear, science-backed plan that gradually shifts investment towards longer-term carbon removal.

This matters because nearly half of the market (46%) is uncertain if they will achieve their net-zero target by 2050. For the **74%** of businesses **actively cutting emissions**, having a trusted framework like this is what separates credible progress from reputational risk. It gives businesses a straightforward way to fund high-quality nature restoration, satisfy stakeholders, and protect their reputation for the long term.

If your business wants help building an Oxford Principles aligned portfolio get in touch with our team here.



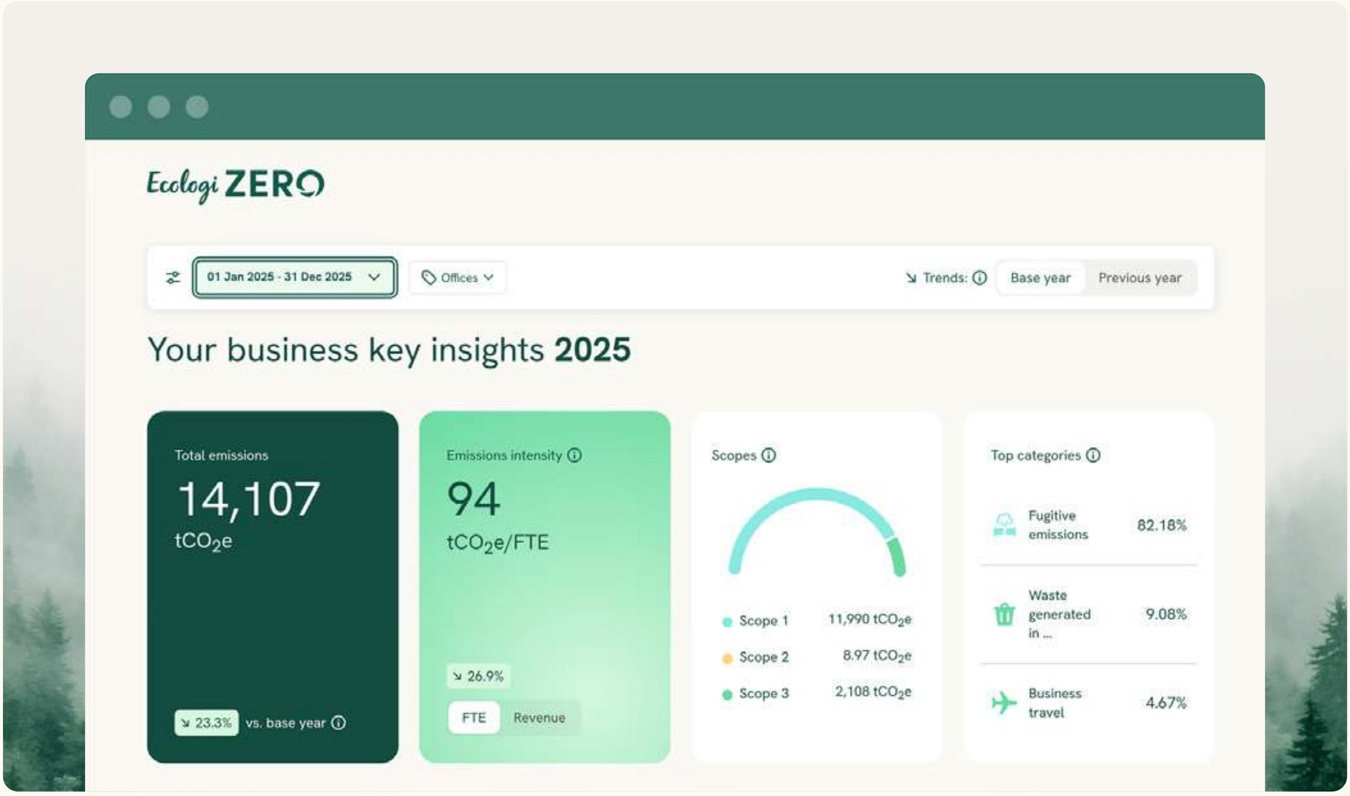
Reducing emissions is business-as-usual

74% of businesses are **actively cutting their emissions**.

This includes **38%** of firms that began reduction efforts just within the past year, highlighting a massive, recent wave of corporate mobilisation likely driven by the immediate financial pressures of energy volatility and supply chain shocks.

However, a **10%** holdout of businesses explicitly **state they see no business case for reducing emissions**. In a market where nearly three-quarters of peers are actively decoupling their operations from carbon, this minority faces several commercial risks:

- Being increasingly priced out of green supply chains
- Facing escalating compliance penalties as regulations tighten
- Struggling to access capital from climate-conscious lenders and investors

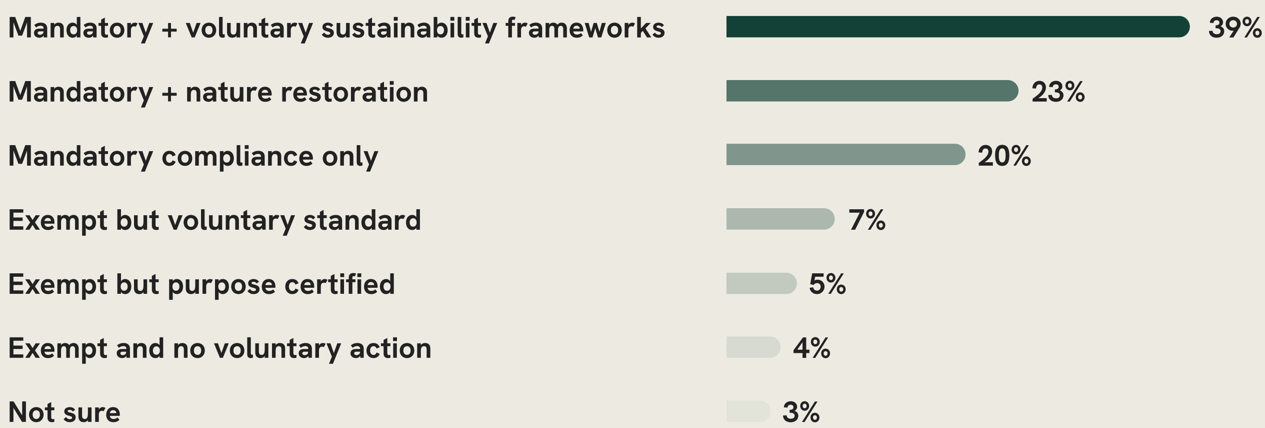


Progress on carbon footprint reduction

Sustainability compliance as the new operational baseline

Sustainability standards have become an important operational baseline, with **89%** of businesses aligned with statutory regulations or voluntary frameworks. Within this majority, a progressive **23%** tier treats legal minimums as a mere stepping stone, actively investing in broader nature restoration projects. Furthermore, **39%** of organisations combine mandatory reporting with rigorous independent frameworks like SBTi or ISO 14068-1.

Businesses’ current corporate sustainability compliance status



The integration of climate risk into corporate strategy

Mitigating climate risk has become an operational necessity.

61% of organisations have adopted a structured approach to climate resilience.

Within this group, **43%** of firms have embedded resilience directly into their overarching sustainability plans, while **18%** deploy standalone strategies. **14%** do not have a dedicated climate resilience strategy but are planning to develop one, and **8%** have taken tactical steps to enhance the resilience of their assets and supply chains without a formal strategy.

7% of businesses have no plans to develop a climate resilience strategy.

Spotlight

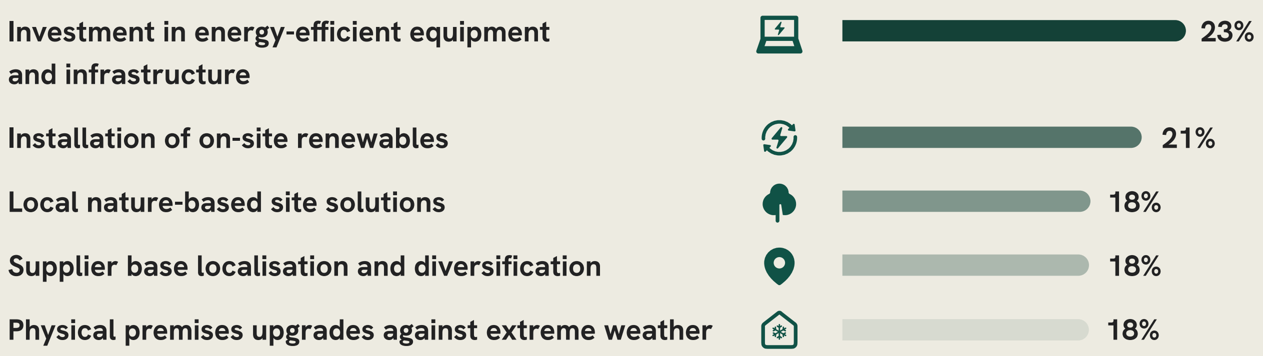
The transition to tangible asset protection

Corporate climate action has transitioned into concrete asset protection, with a heavy emphasis on direct, physical interventions. Over the past two years, **23%** of organisations have invested in **energy-efficient infrastructure**, **21%** have installed **on-site renewables**, and a consistent **18%** have **implemented physical upgrades against extreme weather**, **electrified heating** or operations, or deployed local **nature-based solutions**.

Simultaneously, businesses are re-engineering their commercial frameworks to absorb shocks: **18%** are localising supplier bases and collaborating with peers to address supply chain vulnerabilities.

4% of businesses remain entirely inactive. Proactive, multi-layered risk mitigation is now the baseline standard for commercial survival.

Top 5 actions businesses have taken to minimise or mitigate negative climate-related impacts



Nature as a strategic shield

75% of businesses agree that an investment in nature within the geography of their operations is an investment in their business's resilience.

That recognition is encouraging. But it sits in uncomfortable tension with the nature blind spot identified in the Risk section: **a significant proportion of businesses are building resilience strategies without first acknowledging that their operations depend on nature and biodiversity to function at all**.

Businesses cannot protect dependencies they do not acknowledge. For those firms, investments in energy efficiency or supply chain diversification will only go so far. Without addressing underlying ecological risks, such as watershed degradation, soil depletion, or biodiversity loss within their operating geography, their **resilience frameworks remain partial at best and dangerously exposed at worst**. By investing in nature-based solutions within their immediate geography, such as restoring local wetlands for flood protection, companies can actively fortify their physical assets against climate shocks and build resilience from the ground up.

Top 5 business approaches for climate and nature action

Employee engagement and education	30%
Site and supply chain resilience improvements	28%
Setting internal science-based carbon pricing budgets	25%
Community climate justice and advocacy support	25%
Verified carbon credit investments	23%

Nature as a strategic shield

When evaluating environmental initiatives, **40%** of organisations value UK-based and global climate solutions and nature restoration projects equally, closely followed by **39%** who explicitly favour projects based in the UK, whilst only **16%** prioritise global projects.

If organisations were to fund nature restoration, preferences reveal a shift towards decentralised, structured financing over single CSR lines. To ensure long-term stability, businesses favour setting internal science-based carbon prices (24%), allocating revenue percentages (21%), using procurement budgets (20%), or creating customer-linked propositions (18%).

7% of businesses had no interest in funding nature restoration.

While **23%** would use traditional CSR or ESG budgets, equal proportions would unlock operational funds through facilities (22%) or employee engagement (22%). Crucially, **22%** would fund restoration through collaborative industry funds like Ecologi's Media in Service of Nature, and **19%** via marketing budgets. That appetite for collaborative, commercially-embedded funding models is already being met in practice. The Media in Service of Nature initiative, demonstrates how industry coalitions can turn existing commercial budgets into meaningful restoration finance, without requiring businesses to create new budget lines.

Spotlight

Media in Service of Nature

Co-founded by climate action platform **Ecologi**, telecom provider **giffgaff**, and media agency **MG OMD**, the Media in Service of Nature movement is a pioneering initiative transforming how the advertising sector funds environmental recovery. Instead of relying on isolated CSR initiatives, the coalition encourages brands, agencies, and media owners to embed nature restoration directly into their marketing ecosystems by pledging a **minimum of 0.1% of their campaign ad spen**d to verified UK ecosystems.

This open-source framework aims to **raise over £200 million by 2030**, enough to restore an area the size of Greater Birmingham. Already unlocking £250,000, the initiative has funded 10 UK projects spanning peatland, native woodland, and wildflower meadow restoration. By aligning environmental action with commercial advertising, the movement proves that corporate media budgets can simultaneously drive business growth, protect physical infrastructure, and restore critical local biodiversity.

Initiatives like this illustrate a broader market shift: nature restoration is no longer treated as a cost centre. When embedded into commercial ecosystems, it becomes a mechanism for **brand differentiation**, **stakeholder engagement**, and **supply chain protection** simultaneously.

If your business would like to get involved, get in touch with our team here

06. Reward

Reaping the commercial benefits

Spotlight

The commercial evolution of sustainability drivers

Reviewing survey results over three years reveals that corporate motivations for sustainability have expanded from an initial focus on brand enhancement into a core engine for business expansion. While **protecting and enhancing brand reputation** was the clear standout motivator in 2024 at **29%**, it has now levelled out into a joint priority alongside **driving business growth and exploring new market opportunities**, with both tying as the leading drivers in 2026 at **25%**.

Interestingly, immediate commercial pressures like **attracting and retaining customers** saw a slight dip over the period (falling from 25% in 2024 to 21% in 2026), whereas **building climate resilience and risk mitigation** has remained remarkably consistent, holding steady at **23%** in 2026. This data implies that modern businesses see sustainability as a multi-dimensional reward mechanism - one that simultaneously elevates brand equity, captures competitive advantage (19%), and unlocks commercial revenue.

Top 5 motivations to be sustainable in 2026

Tracking the top 6 biggest motivations for businesses to become more sustainable over the past 3 years

What drives the boardroom to commit to sustainability

The factors predicted to motivate boardrooms to invest in sustainability reveal a striking parity between commercial strategy and moral imperative.

> **30%** of respondents believe their boards would be motivated by unlocking new growth opportunities (reinforced by **27%** eyeing long-term revenue).

Ethics remain a powerful lever, with **29%** stating their leadership would invest simply because it is the right thing for the planet.

Paired with the identical **28%** anticipated to be driven by climate adaptation and regulatory compliance, the implications are clear: future boardroom buy-in will not rely on a binary choice between purpose and profit. Instead, senior leadership would likely be motivated by a holistic triad, viewing environmental action simultaneously as a commercial launchpad, an ethical anchor, and a mandatory risk shield.

Top 5 drivers of corporate climate action beyond baseline compliance

The commercial imperative of going beyond compliance

When organisations move beyond the minimum regulatory requirements, they are enacting a necessary strategy for long-term commercial survival.

> 36% of businesses believe it is **important to address climate issues beyond legal requirements**.

The immediate runners-up are deeply strategic. Equal proportions (32%) recognise that exceeding compliance is vital for attracting top talent and stable investment, while maintaining customer trust.

The operational and financial implications are clear. Leaders link over-compliance to risk management and culture, with **30%** insulating supply chains against disruptions and **31%** reflecting internal demands to be a force for good. Ultimately, going beyond the minimum drives profitability (28%), secures first-mover advantages (25%), and unlocks high-value contracts (21%), proving proactive leadership is a key mechanism for corporate reward.

The financial rewards of decarbonisation

Of the **74%** of businesses reducing their emissions, nearly all (96%) report experiencing commercial benefits. Across all 12 benefit categories, an average of 41% of those businesses reported moderate to significant uplifts.

Nearly a third of businesses reported an average **uplift of 15.5%** to their **brand image**, closely followed by an equivalent proportion **attracting more eco-conscious customers** at an average **14.6% uplift**. Similarly, nearly a quarter of businesses experienced an estimated **14.4% increase in total revenue**.

> 32.4% of enterprise companies (1,000+ FTE) report significant revenue uplift from sustainability initiatives, compared to just **10.2%** of SMEs.

The financial rewards of decarbonisation

Crucially, these findings help to dismantle the myth that sustainability damages profitability. Over a quarter of organisations reported an average **13.4% improvement in operational efficiency and cost reduction**, proving that cutting carbon simultaneously streamlines resource use. Over a quarter of businesses also report a **14.1% boost in competitive advantage**. Taken together, it shows that cutting carbon makes businesses more competitive, more efficient, and more profitable in the long term.

Top 5 commercial benefits of becoming more sustainable and reported uplift

Commercial benefit	% Reporting it	Est. average uplift
Improved brand image and recognition	31%	+15.5%
Attracting more eco-conscious customers	30.6%	+14.6%
Increased revenue	22.8%	+14.4%
Competitive advantage	26.2%	+14.1%
Reduced costs and operational efficiency	27.9%	+13.4%

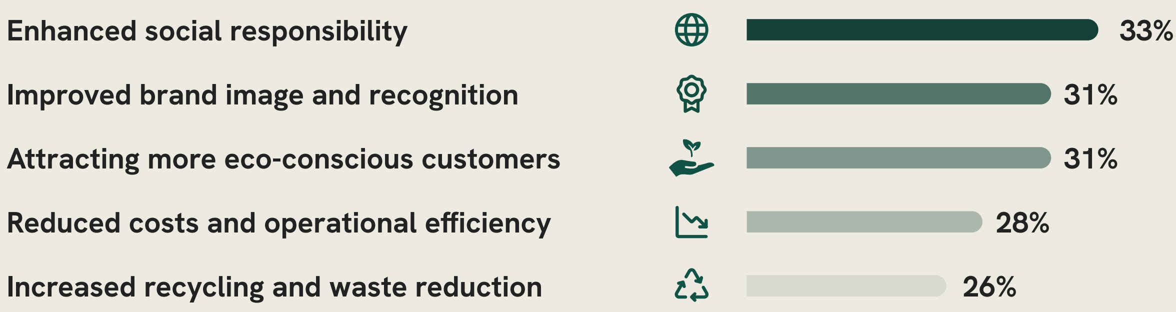
Sustainability strengthens commercial and financial credibility

Benefit	% Reporting it	Est. average uplift
Investor and stakeholder confidence	23.7%	+13.9%
Winning more contracts and business	22%	+13.5%
Access to capital and funding	19.5%	+14.5%

Sustainability delivers measurable social, operational and workforce benefits

Benefit	% Reporting it	Est. average uplift
Enhanced social responsibility	32.7%	+15.3%
Increased recycling and waste reduction	26.4%	+15.1%
Increased productivity and innovation	25.2%	+15.3%
Employee loyalty and motivation	25.1%	+14.1%

Top 5 benefits of becoming more sustainable in 2026



Spotlight

Benefits are maturing into consistent, long-term business value

The three-year trajectory of sustainability benefits reveals a market transitioning from tactical "quick wins" towards embedded operational value. In 2024, rewards were concentrated in localised environmental management, with increased recycling (46%) and waste reduction (44%) topping the chart.

By 2026, while circularity remains important (26%), the benefits have matured into broader assets: enhanced social responsibility leads at **33%**, followed closely by improved brand image (31%) and attracting eco-conscious customers (31%).

This shift signals that the benefits of sustainability are maturing and becoming more predictable. The headline spikes seen in 2025, where brand image reached **43%** and innovation **40%**, have settled, but what has emerged in their place is more valuable: a consistent, balanced set of returns across reputation, operations, and customer growth.

Cost reduction, now reported by **28%** of businesses, has become a reliable and repeatable outcome, reflecting the fact that businesses further along in their sustainability journey are reaping steady, compounding rewards.

Tracking the top benefits of businesses becoming more sustainable over the past 3 years

In 2024, 'Increased recycling and waste reduction' were listed as two separate answers, then combined in the following years. 'Improved investor and stakeholder confidence' was included from 2025 onwards.

07. Conclusion

As environmental instability drains 6% or more of annual turnover for 40% of businesses surveyed, climate action has clearly begun to transform from a discretionary CSR initiative into a baseline financial defence strategy.

The cost of inaction is no longer theoretical, it is appearing on balance sheets across every sector and every size of business.

Encouragingly, UK businesses are rising to the challenge. Over **70%** of firms are measuring their footprint and reducing emissions, while progressive organisations are beginning to confront the nature blind spot. But progress is uneven.

The **10%** of businesses that see no case for reducing emissions face severe commercial consequences: in a market where nearly three-quarters of firms are actively decoupling their operations from carbon, they will increasingly be priced out of green supply chains, face escalating compliance penalties, and struggle to access capital from climate-conscious lenders.

For those moving forward, the financial case is clear. By embedding nature funding directly into operations through internal carbon pricing, procurement, and collaborative industry funds like Media in Service of Nature, businesses are fortifying their supply chains from the ground up. For businesses reducing emissions and integrating sustainability into their operations, it unlocks an average **14.4%** uplift in revenue and a **13.4%** gain in operational efficiency.

The implications for boardrooms are definitive: **the businesses that thrive tomorrow will be those that take a hard look at where their organisation is vulnerable today**. That means understanding their exposure to climate risk, decoupling their supply chains from high-emission and fossil fuel dependencies, and building the operational resilience to withstand a more volatile world.

Ecologi's 3Rs Framework helps organisations measure and reduce emissions, restore nature, and report progress transparently, **turning a systemic environmental threat into a lasting commercial advantage**.

08. About Ecologi and BusinessGreen

Ecologi B Corp is the UK's most trusted climate action platform. We inspire and empower businesses to reduce and measure their emissions using industry endorsed protocols, restore our planet through funding best-in-class climate solutions and report on their progress to net-zero.

We work with over 16,000 businesses including Co-op, O2, BAFTA Albert, ITV, Ubisoft, Oracle, Capgemini, Mulberry and 270+ B Corps. Our community has collectively funded the planting of over 95 million trees, the avoidance or removal of 4.2 million tonnes of CO_2 and over 6 million m^2 of habitat conserved and restored.

We're science-led and impact driven, aligned to the SBTi and Oxford Principles and guided by our Impact team and expert independent climate committee. We support leading industry standards including Gold Standard, VCS, Puro and 3rd party quality assessments. We're a proudly certified B Corp, in the Top 5% for Environment and Governance with an average 4.8 rating on Trustpilot.

Find out more at www.ecologi.com

BusinessGreen helps sustainability executives, green entrepreneurs, investors, campaigners, and policymakers stay informed with timely news, strategic analysis, and thought leadership focused on the transition to a low-carbon economy.

Our mission is to inform, connect, and inspire our members as they navigate the opportunities and challenges of the green industrial revolution.Through trusted journalism, expert insight, and industry engagement, BusinessGreen supports the acceleration of the net-zero transition and a healthier, cleaner, more resilient global economy.

Find out more at www.businessgreen.com