

The 2025 Disclosure Dividend in Europe



Assessing business resilience in a rapidly changing world



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Environmental risk is financial risk. As Europe seeks to strengthen its economic competitiveness, the impacts of climate change and nature loss are increasingly threatening economic resilience across all industries. No industry is exempt. The stakes are high: extreme weather alone is already costing the European Union's agricultural sector **€28 billion** annually.

Yet, as CDP data shows, within this challenge lies unprecedented opportunity. Acting on environmental risks makes good business sense – opening new markets, and with that, a new world of commercial opportunities. European companies investing in physical climate risk mitigation could gain **€10** return for every **€1** they invest in resilience, according to CDP's 2025 Disclosure Dividend analysis. And the return on investment isn't just a long-term gain. In 2024 alone, over 1,000 leading European companies disclosed having realized a combined **€359 billion** in financial value by acting on climate-related opportunities. However, a critical gap remains; whilst over **two-thirds** of companies identified climate-related opportunities last year, only **6%** reported having implemented tangible actions to address and access them.

Perhaps unsurprisingly, the most cited risks disclosed by European companies (**29%**) are policy-related – such as evolving environmental standards,

or changes to national legislation. As the impacts of climate change become an increasing reality, the cost of inaction is rising steadily. But so are the dividends available to those who decide to act fast and not lose time.

CDP data reveals that on average a European company stands to gain **€51.7 million** from opportunities in the green transformation. The cost to unlock this investment? **€7.8 million**—a **6.6x return**. The opportunities also vary by market. In France, the most reported opportunities lie in products and services, while in Germany it is in energy sources.

Market leaders are already pulling ahead but some are moving faster than others. In France, corporate revenue aligned with climate opportunities (**17%**) is nearly triple that of Germany (**6%**), with the European average at around **12%**. These variations likely reflect differences in the mix of sectors in an economy, company sizes and maturity of disclosure culture, as well as the degree to which policies incentivize or regulate a given sector.

For European companies, the strategic advantages are clear: environmental action is smart business. Against an ever-evolving regulatory backdrop, businesses are not waiting for certainty to act. The dividends lie in translating disclosure, supplier engagement and transition plans into impact. The business case for Earth-positive action has never been stronger.

Environmental opportunities far outweigh the costs to realize them

- Average environmental opportunities per company
- Average cost to realize those opportunities



Environmental action is smart business – but not enough companies are taking advantage



Europe

68% identified opportunities

6% have realized opportunities so far

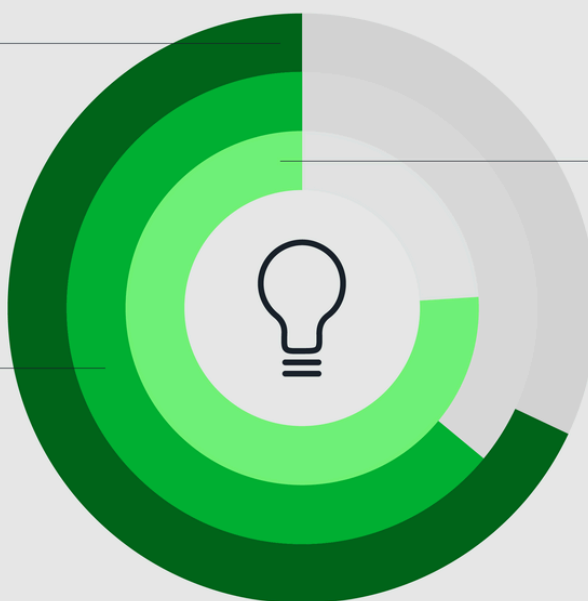
€359bn opportunities realized this reporting year

Germany

64% identified opportunities

5% have realized opportunities so far

€87.5bn opportunities realized this reporting year



France

76% identified opportunities

7% have realized opportunities so far

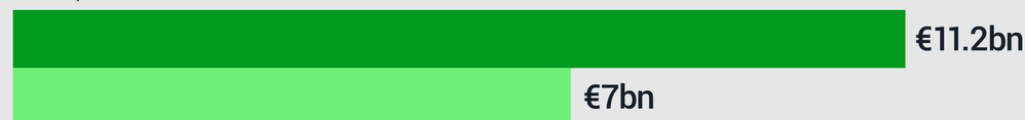
€6bn opportunities realized this reporting year

The data is clear; by cutting emissions you cut costs

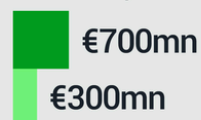
■ Annual savings linked to emissions reduction initiatives

■ Emissions savings from most popular initiative

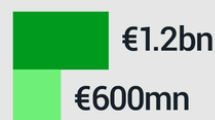
Europe



Germany



France



Top emissions saving initiative:

Europe
Energy efficiency in production processes

Germany
Energy efficiency in production processes

France
Energy efficiency in production processes

Note on methodology

This analysis uses data derived from a subset of over 24,800 organisations that submitted environmental issue response data via CDP during the 2024 disclosure cycle. In this analysis, Europe refers to the European Union and the European Free Trade Association. The median benefit-cost ratio is based on companies' self-reported estimates of the potential financial impact of physical climate risks over medium and long-term horizons (whichever is higher), and the associated response costs. Figures vary widely across companies within the same industry, likely due to differences in geography, size, risk exposure, and methodologies.

Version 1



Version 1, a global digital transformation provider with its roots in Ireland, has embedded climate resilience and sustainability into its business strategy with the help of CDP. With over 3,400 employees across four continents, the company supports clients across application modernisation, data and AI, and cloud migration – while aligning with and benefiting from corporate environmental expectations.

CDP as a catalyst for transformation

Version 1 began reporting through CDP in 2022, when it first got a B- score. Since then, the company has made significant progress and achieved an A- climate change score in the last two consecutive years – well above the industry average and a reflection of the company's growing maturity in climate risk management and transparency.

"The CDP framework has been instrumental in helping us understand and apply global best practices in climate risk management and environmental transparency", says Helen Lambe, Environmental Sustainability Lead at Version 1. "Achieving an A- score for two consecutive years has not only validated our efforts but also delivered real business value."

Beyond financial gains, such as a syndicated loan benefitting from a significant interest margin reduction, CDP reporting has enhanced investor confidence – particularly for majority shareholder, Partners Group, which prioritizes ESG alignment – and strengthened Version 1's competitive positioning in global public and private sector contracts.

CDP disclosure has also supported readiness for evolving regulations such as the Corporate Sustainability Reporting Directive (CSRD). "For us, CDP is more than a reporting mechanism; it's a catalyst for resilience, accountability and long-term value creation", Lambe summarises.

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Helen Lambe, Environmental Sustainability Lead, Version 1

Building resilience through strategy and governance

At the heart of Version 1's climate strategy is a commitment to building resilience – ensuring that its business, its customers and the critical systems the company supports can adapt and thrive in a changing climate.

"In 2024, we undertook a comprehensive climate scenario analysis, aligned with TCFD recommendations, to assess transition and physical risks across different warming pathways", Lambe explains. As a result, the insights are now embedded in Version 1's enterprise risk management and strategic planning, enabling the company to navigate uncertainty with confidence.

Discovering opportunities through disclosure

On the other side of the risk analysis, CDP has also helped Version 1 uncover opportunities. As a digital transformation company, Version 1 is supporting organisations with enterprise management systems and complex ESG data reporting, particularly through platforms such as Oracle EPM.

The company is also helping customers innovate to decarbonise their business models, applying technology to increase efficiency, reduce emissions and build resilience across value chains.

"It's an exciting time to be at the intersection of technology and sustainability, where the twin transitions – the simultaneous shift to a digital and net-zero economy – is unlocking new opportunities for innovation, resilience and long-term value", says Lambe. "As these two forces converge, we see enormous potential to help our customers transform responsibly and shape a more sustainable future."



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