



The Sustainability Transformation Monitor 2026, published by the Bertelsmann Foundation, Mercator Foundation, University of Hamburg, and Peer School for Sustainable Development, shows that sustainability is strategically anchored in many companies and remains a top priority. However, the momentum of transformation is noticeably slowing down. Uncertain political conditions and a lack of economic incentives are slowing down investment, while a clear business case is often still lacking. At the same time, more and more companies are tracking their emissions and setting climate targets. Based on a survey of 822 organizations from the real and financial sectors, the STM analyzes how closely sustainability, investment, and financing are linked in German companies and where new momentum is needed.

BACKGROUND AND OBJECTIVES OF THE STM

With its goal of climate neutrality by 2045, the German government has committed itself to a profound transformation of the economy and society and, as part of its sustainability strategy, is committed to the 17 goals of the United Nations' Agenda 2030. The programs of most established political parties and the position papers of leading business associations also recognize the fundamental need for a more sustainable and competitive economy. Nevertheless, there are considerable differences in terms of design, speed, and the political instruments used. These differences are particularly evident in the debate over how to achieve these goals. The Sustainability Transformation Monitor (STM) accompanies the process and provides stakeholders from business, politics, and society with an empirical data basis for developing the "how". Specifically, the STM examines key issues along two dimensions:

1. Transformation within companies: What is the status of sustainability transformation in companies, how is it changing over time, and what factors promote or inhibit this process?
2. Transformation financing: How are the real and financial economies interlinked in order to provide the capital required for the transformation?

To answer these questions, STM conducts an annual comprehensive survey of companies from the real and financial sectors. The survey targets individuals who are responsible for sustainability issues within their organizations and who oversee their implementation.

KEY RESULTS

Transformation with substance, but without tailwind

1.

From momentum to consolidation

The structural anchoring of sustainability in companies remains high: around 70 percent of companies have anchored responsibility at board or management level, and sustainability management continues to be the norm. However, new progress in anchoring the issue in companies is generally slower than in the previous year and is only particularly noticeable in medium-sized companies.

This reveals a consolidation effect: some companies have now implemented previously announced measures to embed sustainability in their organizations, while others have suspended such plans.

For example, the proportion of companies that are actively planning to take a strategic approach to sustainability in the future has fallen by around ten percentage points: around six percentage points are attributable to companies that have now implemented their plans, and around four percentage points to companies that have postponed their plans.

KEY RESULTS

2.

More companies are collecting climate data – plans for achieving targets are stagnating

The proportion of companies, banks, and investors that track their greenhouse gas emissions has risen again. 86 percent of the companies and banks surveyed in the real economy now say they track their greenhouse gas emissions at least partially. At the same time, the scope of the data tracked is increasing and, especially in large organizations, increasingly includes upstream and downstream stages of the value chain.

Climate targets are predominantly being maintained or further developed in the real economy. The proportion of companies with corresponding targets is around 59 percent. Among banks, this proportion has risen noticeably from 46 percent in the previous year to 65 percent. However, the existence of concrete plans to achieve climate targets (here: transition plans) is stagnating. Around 41 percent of companies continue to state that they are “in planning.” The issue of biodiversity has so far only been addressed substantially only by a relatively small number of companies and remains a niche topic.

3.

Sustainability is being deprioritized – planning uncertainty and a lack of incentives are major obstacles

Social and political discourse has changed significantly. For 59 percent of companies, the current debates are causing sustainability to lose priority internally. Compared to the previous year, there is thus a clear shift away from prioritizing sustainability. Although future employees and management remain the key drivers of sustainability transformation, their importance is noticeably declining. The media is also losing importance as a driver.

The decline in the importance of politics for sustainability transformation is particularly evident. Its ranking as a driver has fallen by 31 percentage points year-on-year.

At the same time, obstacles are becoming increasingly relevant, particularly uncertain political and regulatory conditions (+30 percentage points) and a lack of political and regulatory pressure (+32 percentage points). Where political pressure is easing, companies are once again asking themselves about the business case for sustainability. However, around 83 percent of companies have yet to see this business case. Although 43 percent of respondents see financial added value for their companies here, this is still lower than the associated costs. It is therefore hardly surprising that a lack of economic incentives is cited as another key and rapidly growing obstacle (+20 percentage points).

4.

Banks continue to position themselves as transformation partners – relevance of sustainability in financing discussions declines

Sustainability remains present in financing practice but has so far had only a limited impact as a catalyst for transformation. Only 30 percent of companies and 37 percent of banks rate sustainability as important in their discussions with each other. In both groups, its importance is also declining (-8 and -9 percentage points, respectively). While all of the major banks surveyed already see themselves as facilitators of transformation in the real economy, around two-thirds of medium-sized and smaller institutions are still in the process of developing the necessary skills and structures.

At the same time, demand from the real economy has been limited so far. Sustainability is now anchored in risk management at most banks, but the depth of implementation varies greatly depending on the size of the institution. Looking to the future, both banks and companies expect sustainability to play a greater role in corporate financing. However, at 45 percent, support for this expectation is lower in the real economy than among banks (79 percent) and continues to decline on both sides.

KEY RESULTS

5. Most companies are well equipped for reporting – and will continue, even without mandatory requirements.

The EU omnibus procedure for sustainability reporting has led to a slowdown or temporary suspension of the reporting process at most companies. At the same time, around 59% of companies that will be required to report from 2027 onwards already feel well or very well prepared for the CSRD; only around 18% consider themselves inadequately prepared.

75 percent of companies that will no longer fall within the scope of the CSRD in the future say they intend to continue publishing a sustainability report. The voluntary VSME standard in particular is gaining significant importance among companies with up to 1,000 employees and is viewed positively by the majority in terms of its cost-benefit ratio.

55% of companies that plan to report according to the VSME standard already consider themselves well prepared for this. Data availability has improved in many areas, particularly in the fields of climate protection and the circular economy.

6. Sustainability is broadly anchored in investment practice

Sustainability-related investment approaches are almost universally established among investors: nearly all respondents have overarching approaches to responsible investing (around 96 percent) and formalized exclusion guidelines (93 percent). However, differentiating elements such as asset class-specific guidelines, clearly defined stewardship and proxy voting guidelines, or outcome guidelines are less commonly systematically anchored.

The EU taxonomy and the SDGs are predominantly used as reference frameworks for identifying sustainability outcomes of investment activities. Although around 87 percent of investors say they practice stewardship, the strategic depth varies considerably. The integration of climate risks is increasingly systematic and over longer time horizons, especially among larger investors. At the same time, around 74 percent of investors explicitly market their products as ESG-compliant or sustainable.

In summary, the STM26 shows that sustainability transformation remains structurally anchored in many organizations and that the data basis is steadily improving. At the same time, however, the transformation is losing momentum amid uncertain political and economic conditions. The next phase of the transformation will depend crucially on whether sustainability can be more closely linked to investment, financing, and competitiveness—and whether politics, finance, and the real economy can work together to create reliable conditions for this transition. Transformation is and will remain a task of coordination between the real economy, the financial sector, and politics.

NEED FOR ACTION

Recommended actions for politics and the economy

Four recommendations for political action

- **Strengthen economic incentives politically:** Strengthen price signals and market incentives (e.g., reliable CO₂ price paths, reduction of climate-damaging subsidies, investment premiums).
Goal: Create planning security and make investments in transformation economically attractive.
- **Create demand:** Use public procurement and standards as a lead market (e.g., circular products, social criteria).
Goal: Enable scaling and secure early markets for sustainable solutions.
- **Establish planning security:** Create long-term, consistent transformation paths with clear interim targets and stable regulatory guidelines – fewer short-term changes of course, more reliability.
Goal: Reduce investment reluctance due to uncertainty.
- **Ensure proportionality and implementation orientation in reporting:** Strengthen the VSME standard as a practicable standard for SMEs and focus reporting more strongly on control and implementation benefits.
Goal: Use data instead of tying up resources.

Four recommended actions for the economy

- **Translate sustainability into a strategic value driver:** Systematically link sustainability with cost reduction, risk management, supply chain stability, access to capital, and market opportunities – not as an additional topic, but as part of the core strategy.
Goal: Counteract deprioritization through an opportunity-oriented approach.
- **Consistently integrate data into decisions:** Incorporate existing climate, resource, and supply chain data into management, investment decisions, purchasing, product development, and financing.
Goal: Turn professionalization into impact.
- **Actively shape dialogue with financing partners:** Introduce sustainability data, target paths, and investment plans early on and in a structured manner into the dialogue with financing partners in order to achieve better conditions and planning security.
Goal: Strategically utilize new financing opportunities.
- **Leverage cooperation and scaling:** Tackle transformation challenges together – through industry solutions, supply chain cooperation, and regional networks, especially where resources are scarce.
Goal: Increase efficiency.

OUTLOOK

Sustainability quo vadis?

The Sustainability Transformation Monitor 2026 highlights a key area of tension in the current transformation: the institutional foundations have been laid – sustainability is anchored in the governance of many companies, structured through reporting, and more easily measurable than ever before thanks to data. At the same time, the transformation is losing momentum. Political and regulatory uncertainty, limited human and financial resources, and a business case that is often not yet viable are leading to strategic projects being increasingly postponed or implemented only hesitantly.

This decoupling is particularly evident in financing: sustainability goals and investment decisions have so far been only weakly linked, and sustainable finance is not yet having the necessary steering effect. Without clear, reliable signals from politics and markets, the transformation threatens to enter a phase of waiting and stagnation. To avoid this risk, a new phase of focus is now needed: less fragmentation, more strategic prioritization, stable political framework conditions, and economic levers that make sustainability effective again as an investment and competitive factor.

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Full Study



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