

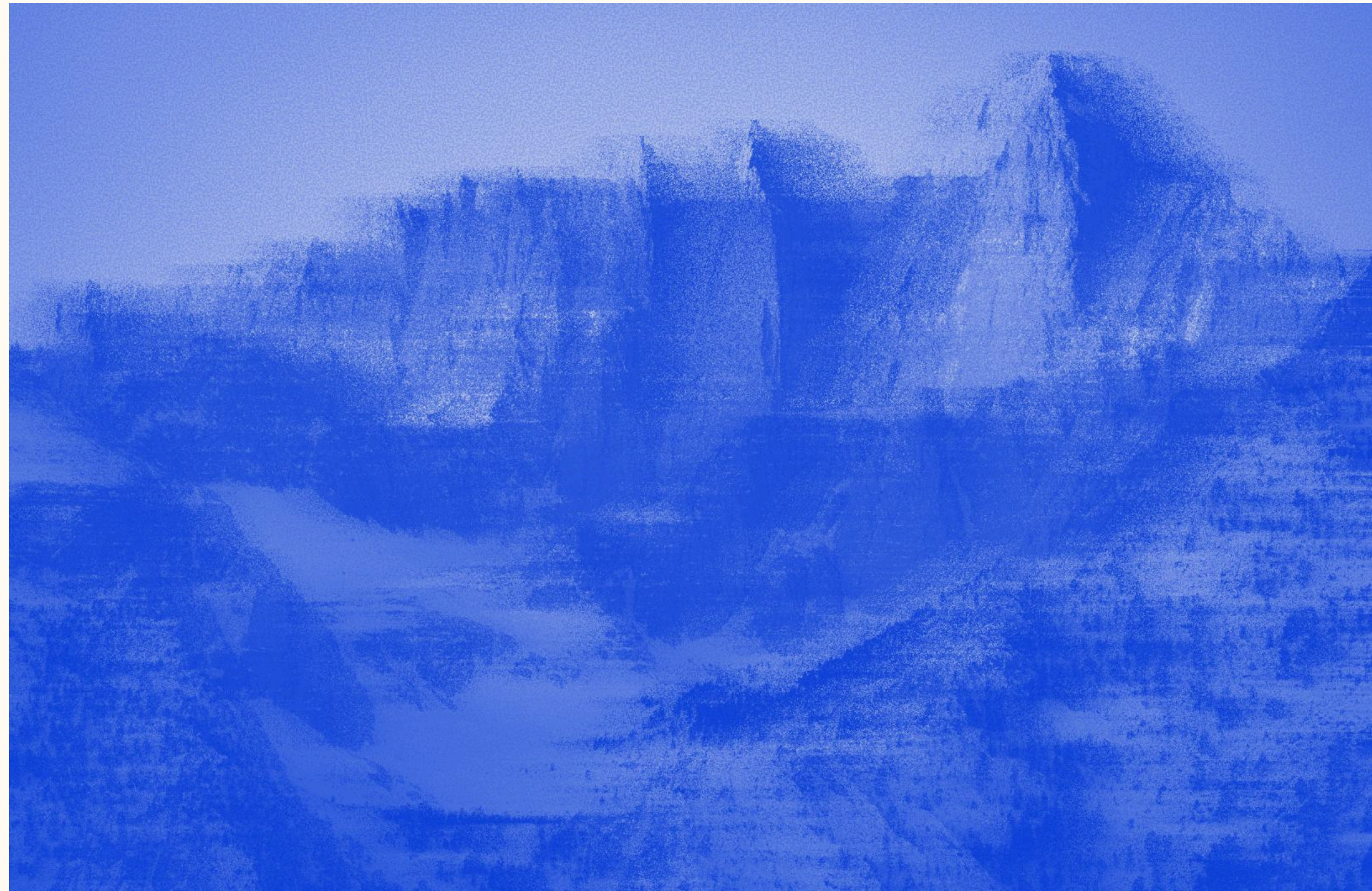


State of corporate sustainability 2026: AI edition

From cleaning data to drafting reports, 43% of sustainability teams use AI today, and nearly 60% plan to adopt it or expand their use cases in the next year.



Executive summary



At the close of each year, we ask hundreds of sustainability leaders to share their experiences, thoughts, and plans to understand shifts and developments in the field of corporate sustainability. This year, it was clear that respondents are wrestling with two things: artificial intelligence and policy volatility.

As we enter 2026, sustainability teams remain lean and frequently stretched, with a widening set of demands on their limited capacity, from regulatory changes to measurement complexity and stakeholder coordination. Most sustainability programs are reporting-driven, with the majority of time spent on data collection, analysis, and reporting, while decarbonization takes a backseat. Facing this need to rebalance work and drive efficiency, nearly 60% of respondents said they are using or plan to use AI for sustainability—but most are just getting started. And while the environmental impact of AI is a growing concern, it's not the primary barrier to adoption. Instead, among those not currently using AI, respondents cited accuracy and reliability, along with data and privacy concerns, as the most significant blockers.

AI is delivering real efficiency gains, but its use remains stuck in “intern mode”: helpful for summarizing documents and catching data errors, but not yet trusted to span the full strategy from data to decarbonization. Many teams want AI to support their decarbonization efforts—but don't yet trust its accuracy or reliability. Ambition is outpacing trust.

“If all AI does is make reporting more efficient, that alone wouldn’t justify building massive data centers—the prize needs to be bigger. It has to be about moving faster on decarbonization. We should be applying AI to the grand challenges of climate and sustainability that we’ve struggled with for years.”

Taylor Francis,
Co-founder, Watershed

Across the broader business landscape, AI adoption is rising fast: 88% of companies now use AI in at least one function, up significantly from 33% in 2023 (McKinsey 2023, 2025). But sustainability teams risk falling behind the rest of the business: In fact, under 45% report current AI use.

Bridging this gap matters—because AI’s potential in sustainability isn’t just theoretical. Done right, sustainability AI can compress months of analysis into a fraction of the time, pinpoint emissions hotspots, and unlock new levers for decarbonization.

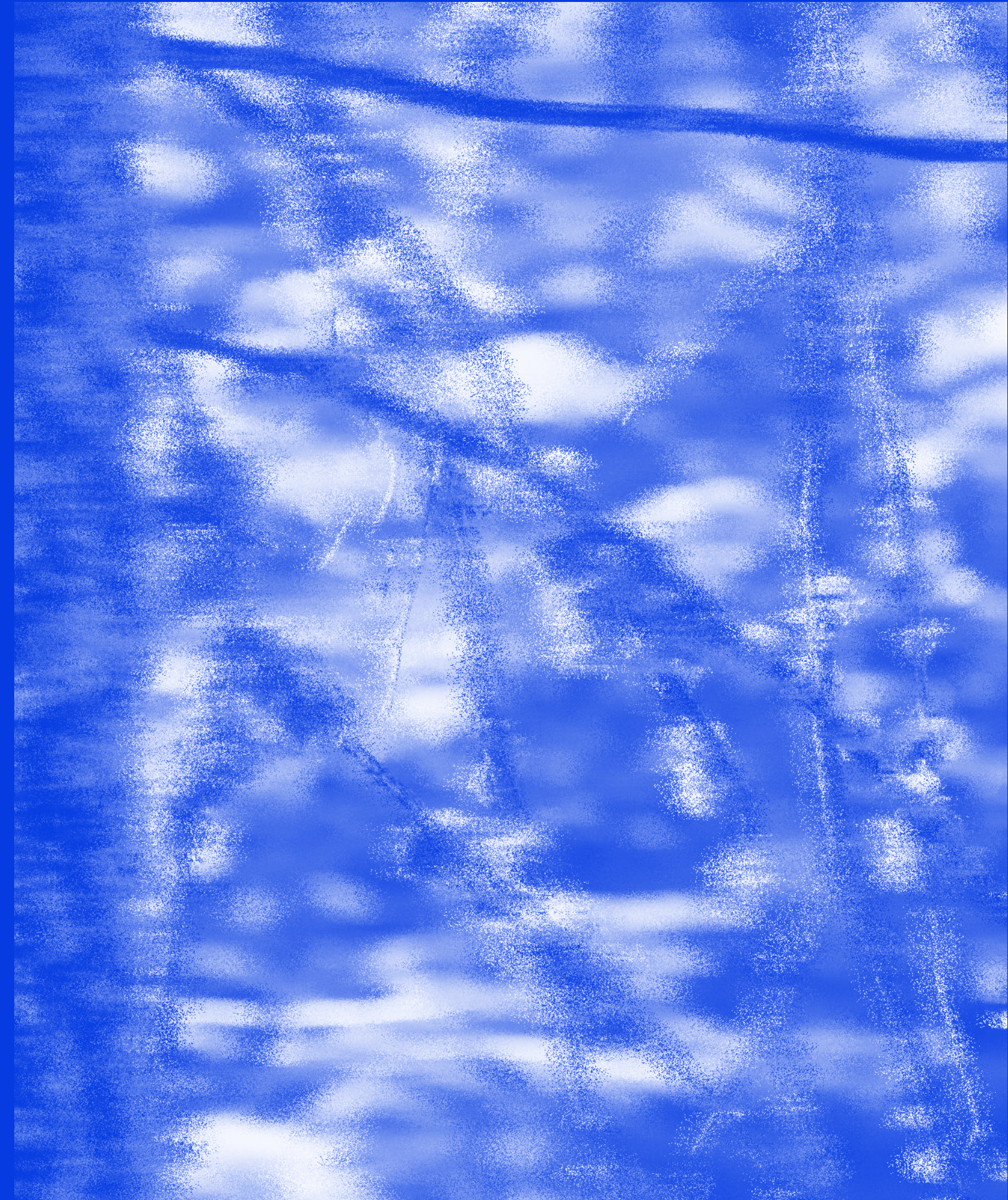
AI, deployed thoughtfully, could become one of the most powerful tools in the corporate sustainability toolkit.

In this report, you will:

- Understand and benchmark against your peers’ use of AI and investment in sustainability in 2025.
- Learn how you should be using AI—responsibly and to drive meaningful impact.
- Benchmark your team’s growth and priorities against peers.

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Key Learnings

Regulations and environmental impact remain top priorities.

When asked about their program drivers, respondents most frequently selected compliance with current or upcoming regulations (77%) and reducing environmental impact (73%) as top motivators—highlighting the dual forces shaping corporate sustainability teams. This mirrors last year’s results, where environmental impact also topped the list—suggesting that while the policy landscape continues to evolve, climate ambition remains a constant driver.

Measurement and reporting dominate the calendar and budget

Sustainability teams report spending more time on measurement and reporting than on decarbonization or internal alignment. These reporting demands are essential, but often repetitive and ripe for automation. Reporting also dominates budgets, as 37% of respondents expect to spend the largest portion of their budget over the next five years on complying with mandatory or voluntary disclosures.

Sustainability teams are small.

Half of respondents report teams of just 1–5 people doing significant ESG work. While most say resourcing is keeping pace with company growth, 41% now report falling behind—a sharp shift from last year, when nearly 80% said budgets and staffing were keeping up or pulling ahead.

AI adoption is concentrated in low-risk, back-office tasks.

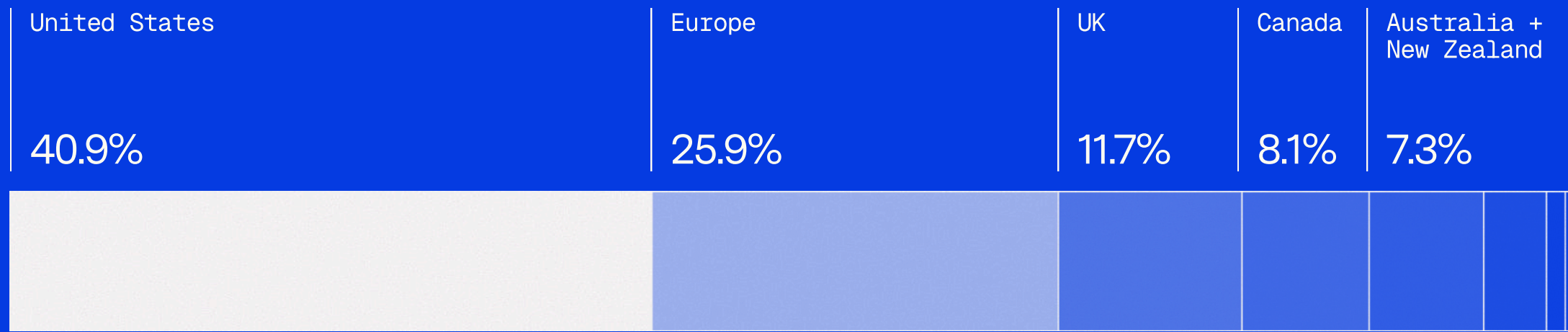
Today, 29% of sustainability teams use AI for data ingestion and quality checks, and 24% for reporting automation. But fewer than 12% are using it for supplier engagement or decarbonization—highlighting a gap between where AI is easiest to deploy and where it could drive the most impact for the planet.

Intent to adopt is high, but AI’s full potential has not been realized.

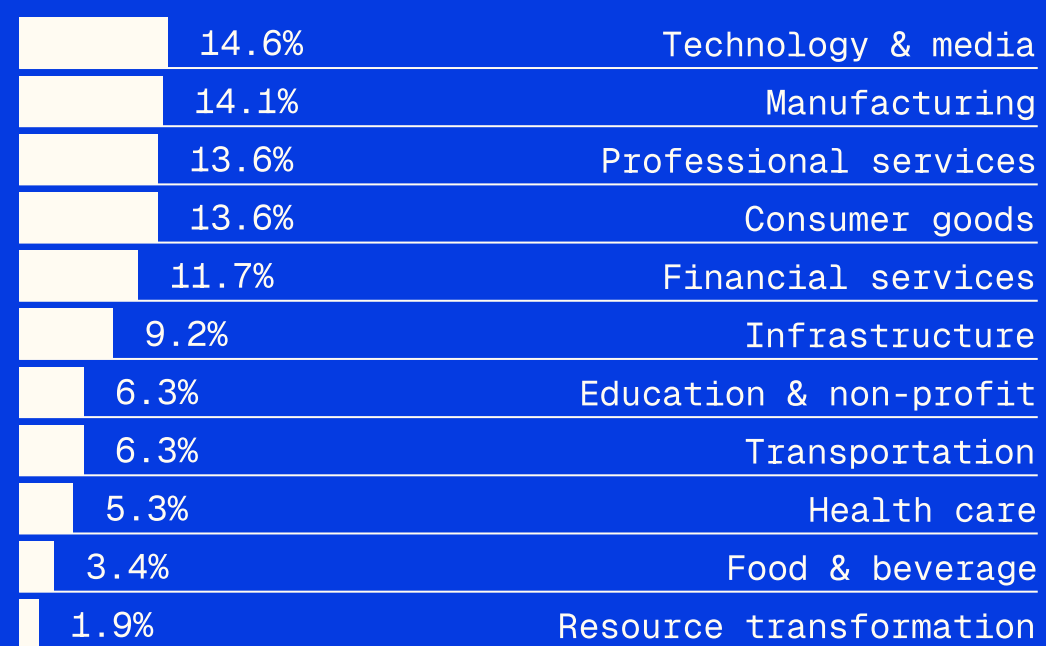
Across use cases, more than half of teams are using or plan to adopt AI in the next year, yet current usage for any specific use case rarely exceeds 25%. The ambition is there, but meaningful implementation still lags, and only 21% of teams that use AI say that it has delivered significant time savings.

Trust is the biggest barrier to AI adoption.

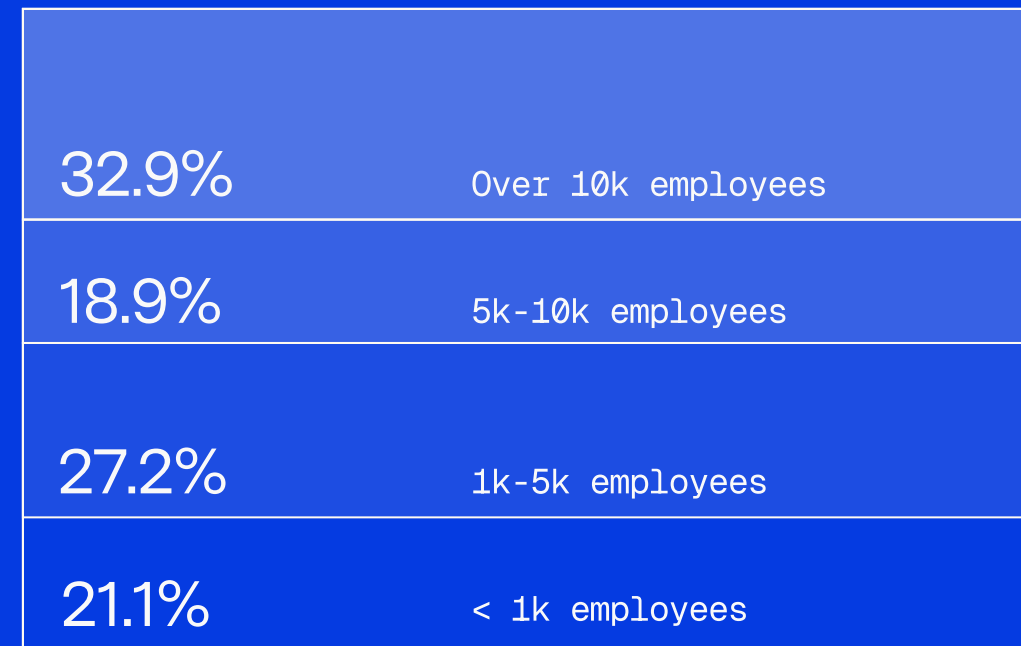
The top reported blockers to AI use weren’t environmental or bureaucratic—they were trust and readiness: accuracy and reliability were the top concerns, followed by data and privacy, user skills gaps, and budget/ROI concerns.



Response by industry



Company size



Methodology

We surveyed more than 230 sustainability professionals worldwide from a variety of company sizes and industries.*

More than 48% were from organizations headquartered in North America; another 38% were based in EMEA (including Europe, the UK, and the Middle East); and 11% were based in Australia, New Zealand, and Asia. The organizations included a mix of Watershed customers and non-customers.

In addition to analyzing thousands of data points from the survey and our own benchmark data, we conducted interviews with sustainability professionals and industry experts to gain qualitative insights into the data and its implications.

*Survey ran between December 2025 and January 2026, with results published in February 2026.



Part I

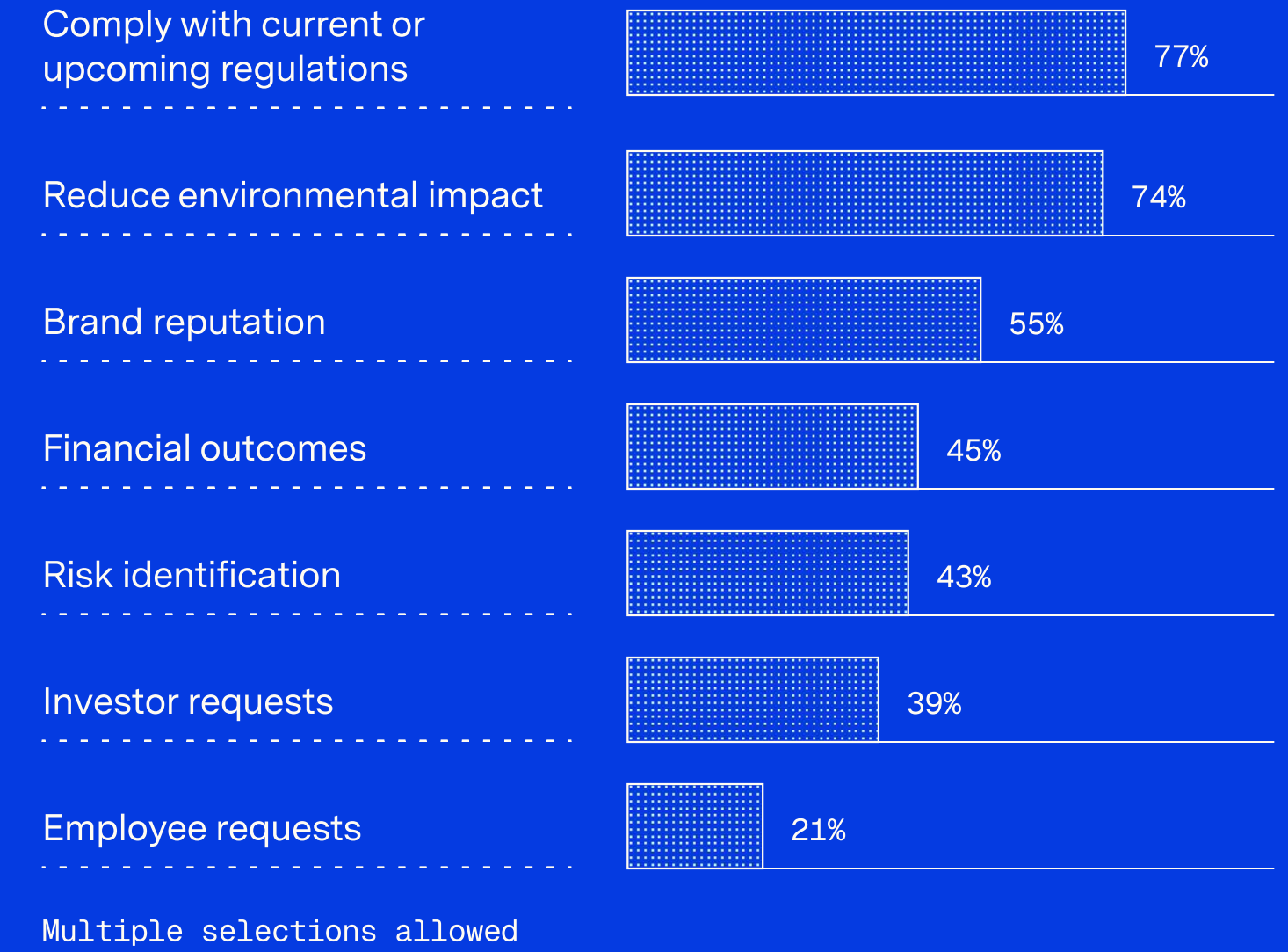
**The state of
sustainability
programs in 2026**

Sustainability teams are balancing compliance demands with climate ambition.

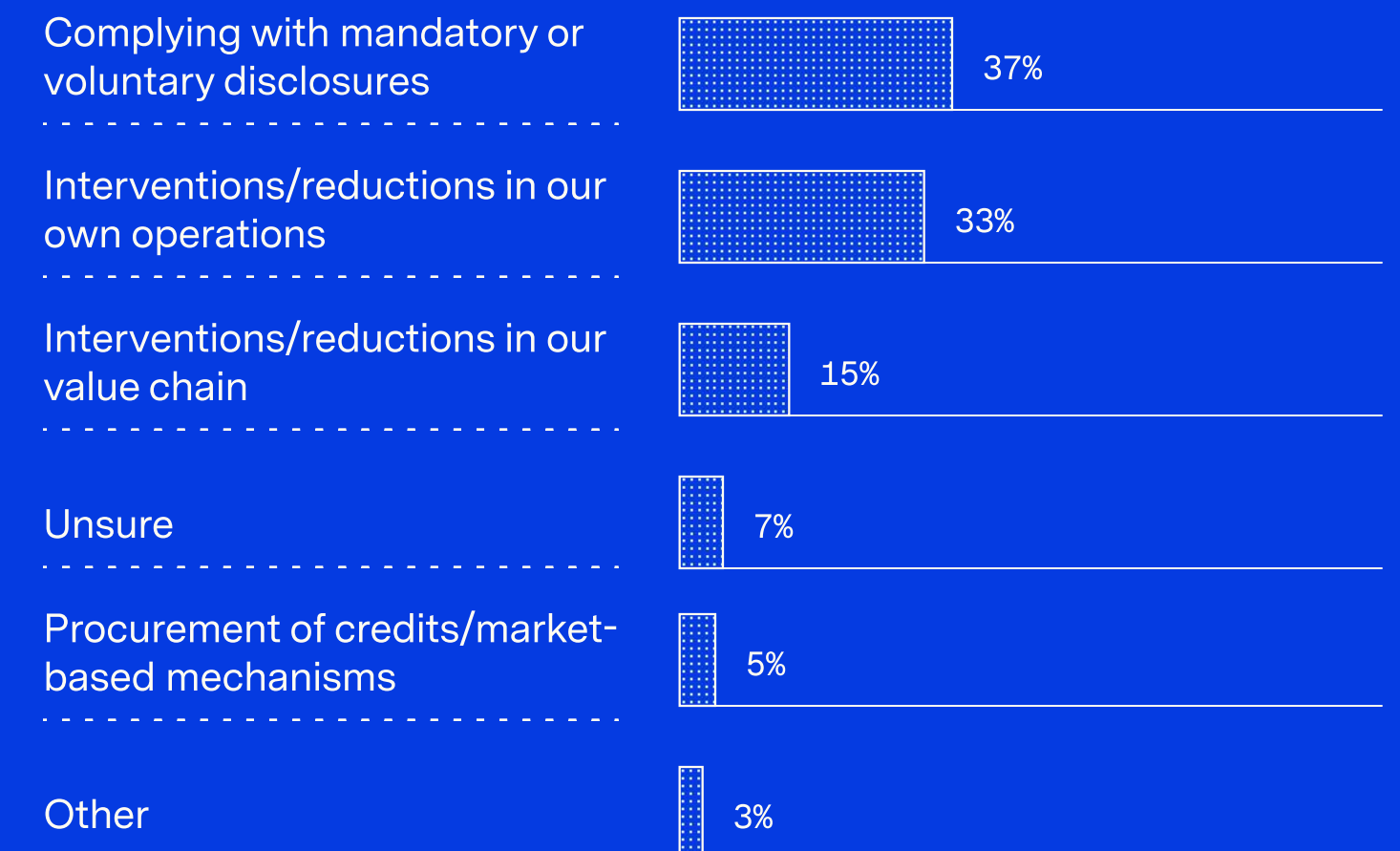
Environmental impact and regulatory compliance are neck-and-neck as top drivers of sustainability programs in 2026. This echoes last year’s results, signaling that for many teams, climate goals remain just as important as meeting mandates.

But this parity between impact and compliance is more aspirational than operational. While teams say reducing environmental impact is a top priority, the highest fraction of teams report that most of their time and projected budget still go toward data collection and disclosure—not driving emissions reductions. Teams want to do more, but continue to spend time on resourcing and reporting.

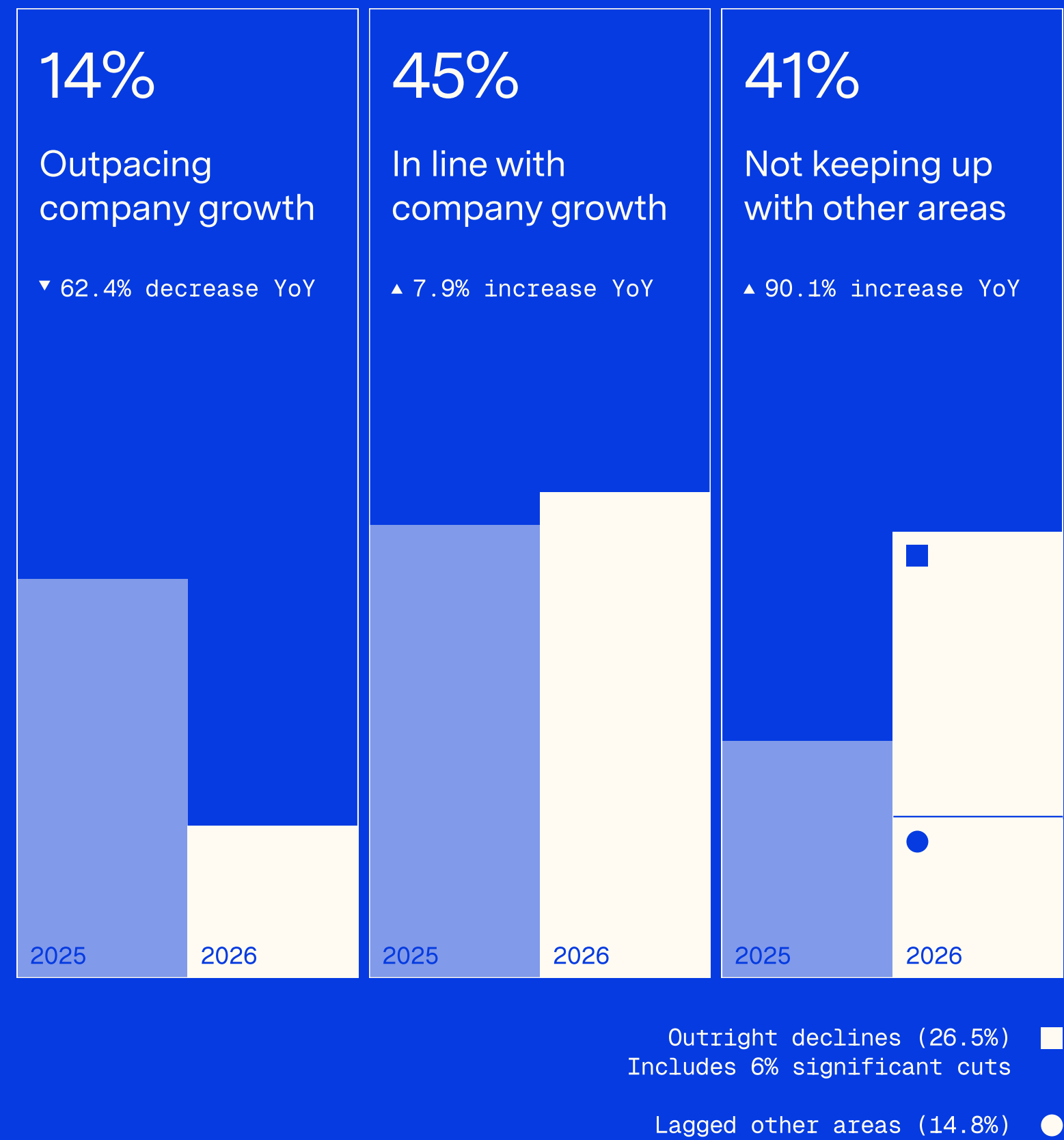
What are the main drivers of your sustainability program?



Where do you expect the largest portion of your sustainability budget over the next five years?



Resourcing for sustainability teams year over year



Sustainability resourcing has remained relatively stable in 2026.

While most teams say sustainability budgets are holding steady, two in five report falling behind relative to broader company resourcing. Only a small minority are seeing outsized growth.

Resourcing for sustainability teams has mostly held steady. In 2026, 45% of respondents say their budgets and staffing grew in line with company growth, and just under 14% of teams report outpacing growth in the rest of the company. For those who reported a slight or significant decrease in resourcing, trends hold steady across the US, Europe, and UK.

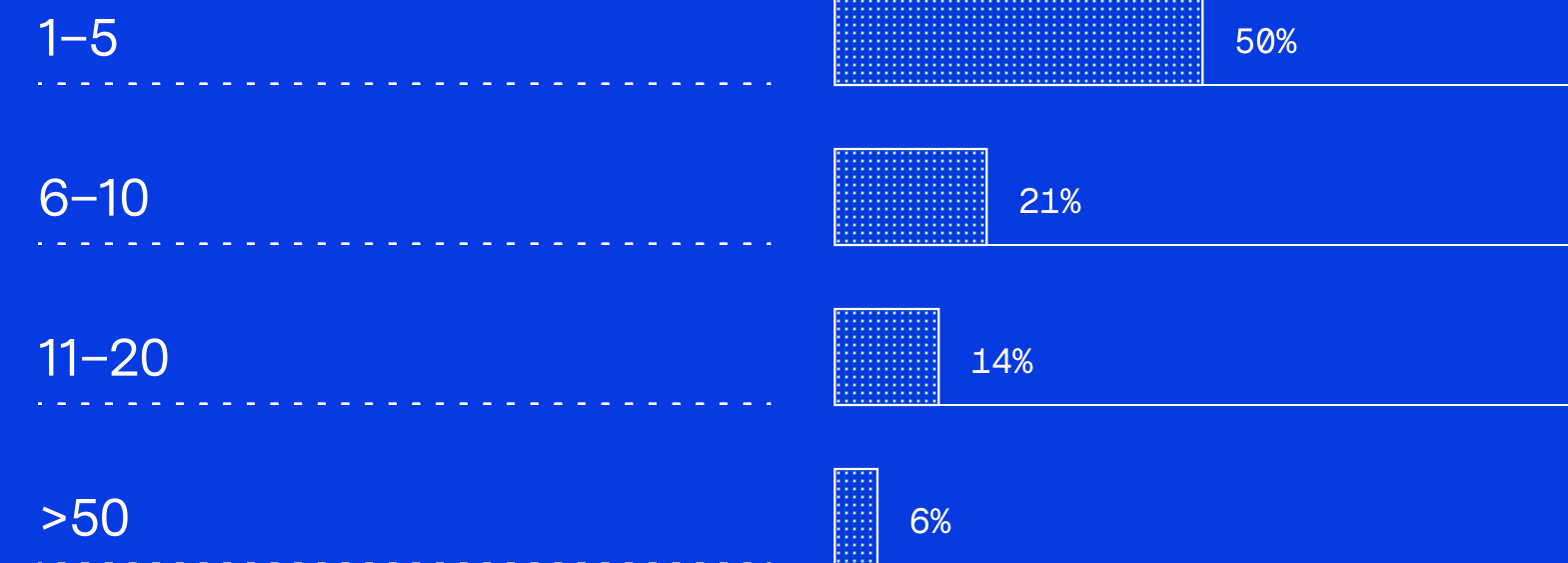
This marks a shift from last year, when 78% of respondents said their budgets and staffing had grown on pace with—or faster than—their broader organizations. More teams are reporting resource stagnation or decline amid competing business priorities.

Sustainability teams remain small—but are accomplishing big things.

Half of respondents report that only 1–5 full-time employees spend at least 20% of their time on sustainability or ESG, while another 21% report 6–10 employees and only 6% say they have more than 50. This is consistent with our 2025 survey results, when 53% of teams also reported having 1–5 employees. Despite their size, these teams are navigating complex regulations, coordinating across departments, and driving real sustainability work—often with limited time.

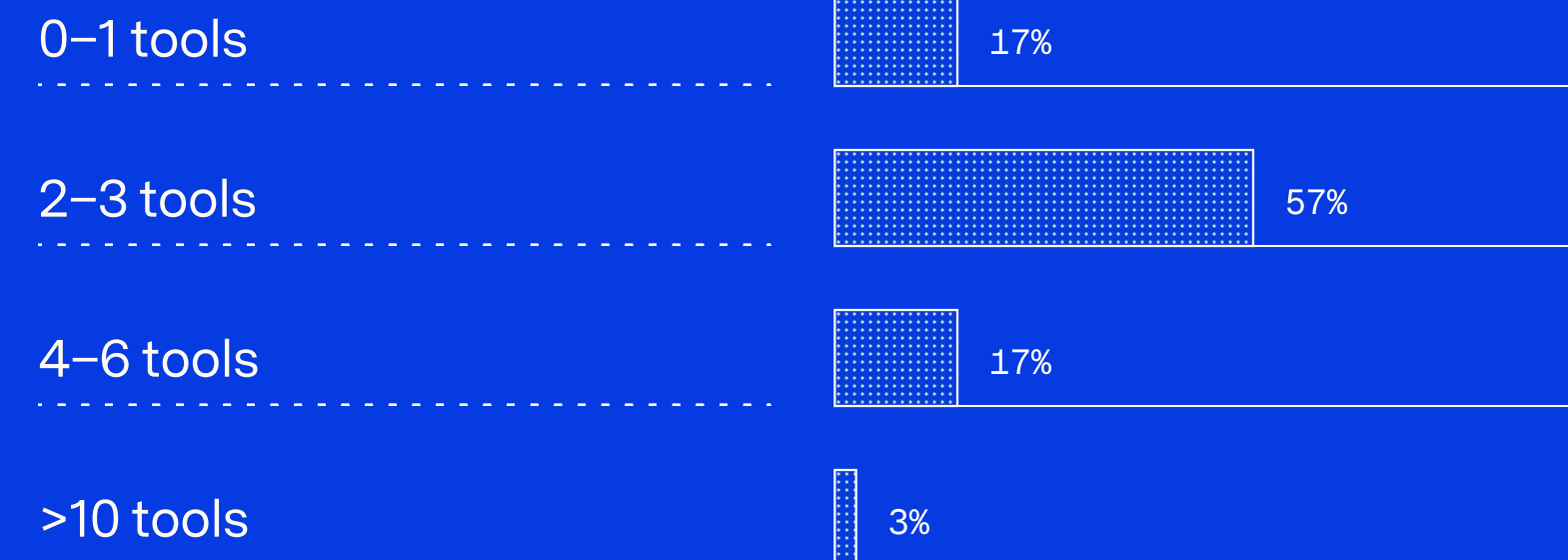
Most programs run across multiple systems: 57% of teams rely on 2–3 tools to manage their work, and another 17% use 4–6. While few report full-blown tool sprawl, multi-system workflows are the norm—potentially creating friction in areas like data collection and disclosure readiness.

Average size of sustainability teams



Employees spending ≥20% of time on sustainability/ESG

Distinct tools used to run sustainability programs



Sustainability teams are operating under growing expectations—but without the resources, clarity, or infrastructure to keep up.

Even as sustainability becomes more central to business strategy—84% of respondents report receiving requests for sustainability data from investors, customers, or vendors—the same headwinds continue to hold teams back. Survey respondents pointed to a tight cluster of challenges: limited capacity, evolving regulations, poor data quality, and the time-intensive nature of reporting—largely echoing the concerns we heard in 2025. The burden of reporting, in particular, remains a dominant concern. Teams are wrangling fragmented data, navigating inconsistent standards, and responding to shifting regulations—often with little time left to focus on more strategic, high-impact work.

Beyond reporting, deeper structural gaps persist: difficulty accessing primary supplier data, limited executive support, outdated infrastructure, and constrained budgets.

Most common challenges teams are facing in achieving their sustainability goals in 2026



Trends: comparing 2025 to 2026

- Data quality and usability frustrations have grown.
- Executive buy-in continues to lag, leaving teams reactive.
- Team capacity is stretched thin, amplifying burnout risk.
- Regulatory complexity (especially in the US) is a bigger concern than in 2025.

Part II

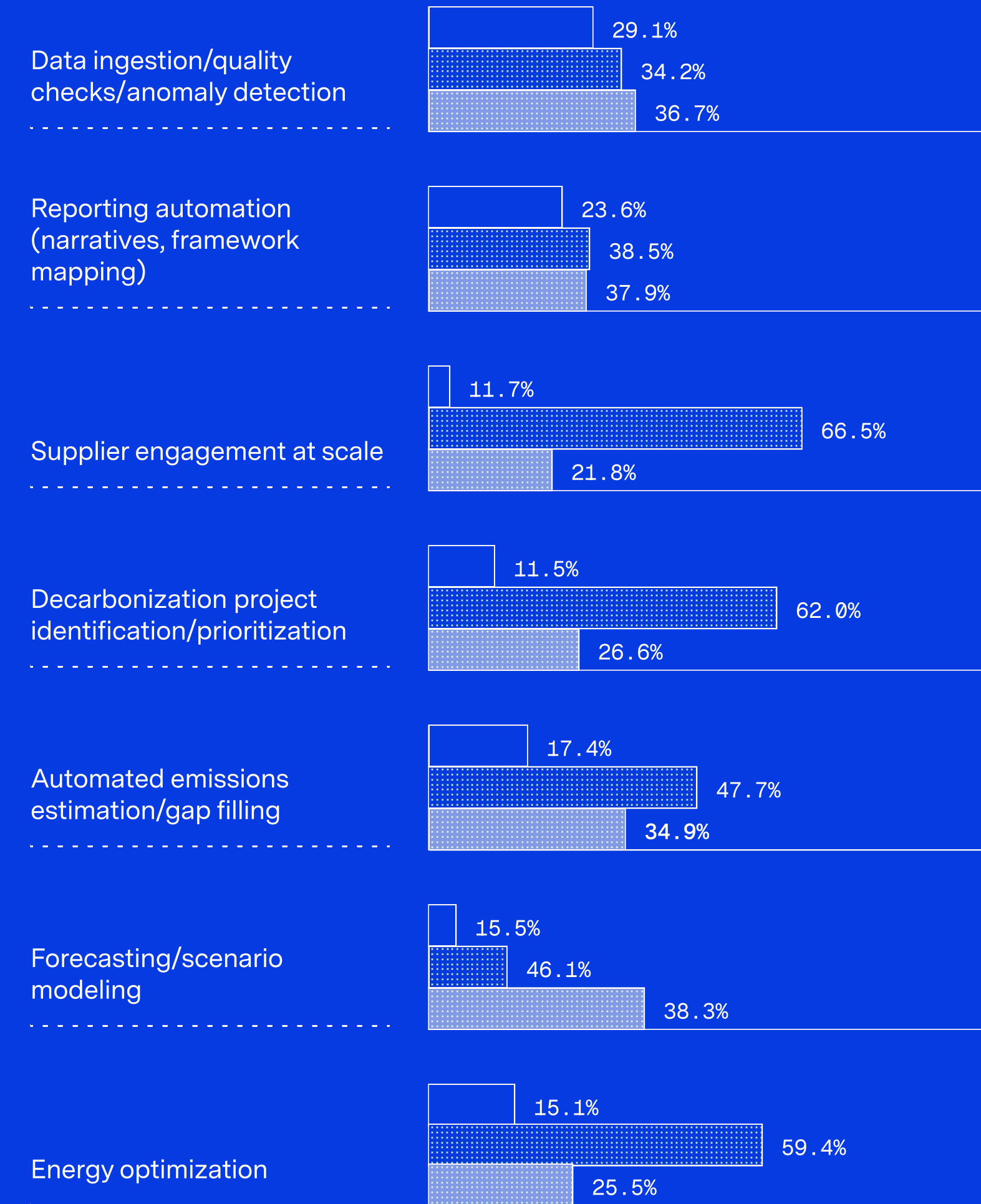
AI in sustainability

Against a backdrop of big ambitions and limited resources, AI offers sustainability teams real promise—but its impact is still taking shape.

In 2025, AI entered the workforce rapidly, with most respondents reporting that they are using or plan to use AI in the next 12 months. However, adoption remains broad but shallow, focused on repetitive, high-effort tasks like data cleaning and reporting automation. This mirrors patterns seen across industries, where organizations initially capture value from “low-hanging fruit” use cases before scaling to deeper, more complex applications (McKinsey).

With sustainability teams still buried in measurement and reporting, AI’s biggest near-term value lies in freeing up time for higher-impact work—and as confidence and skills grow, we expect sustainability AI to move from foundational tasks toward strategic functions like decarbonization planning and forecasting. But AI’s first job in sustainability is to break the measure-and-report bottleneck.

Teams currently use AI for:



Sustainability teams are eager for AI to do more.

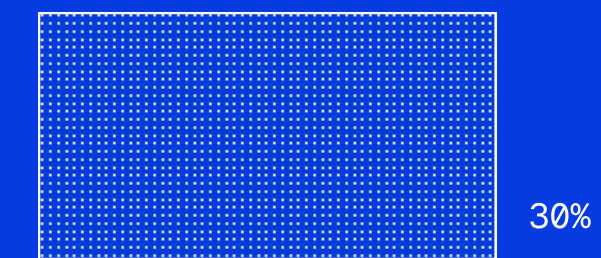
The leap to more strategic AI applications—like supplier engagement or decarbonization planning—is still emerging, in part because those workflows require more specialized intelligence. Generic AI tools have been adopted more broadly and they excel at generalized, repetitive tasks common across industries, such as data ingestion, validation, and anomaly detection. By contrast, purpose-built sustainability AI—capable of accelerating strategy and unlocking new decarbonization insights—is still maturing and working its way into mainstream use.

While most teams using AI report some time savings, only 21% say the gains are significant. Many are still learning where and how to integrate AI into their workflows, and the majority are sticking to lower-stakes use cases.

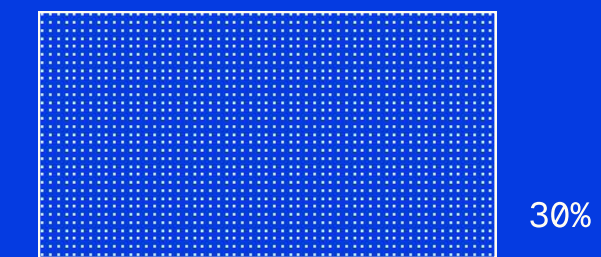
Yet the desire to deploy AI is clear: many respondents report wanting to see AI support in strategic, sustainability-specific work. Of those, 30% say they want AI to support decarbonization efforts, and 26% hope to use it for energy management. These are high-impact areas—but today, usage in both still hovers under 15%.

What else would you like to see AI support?

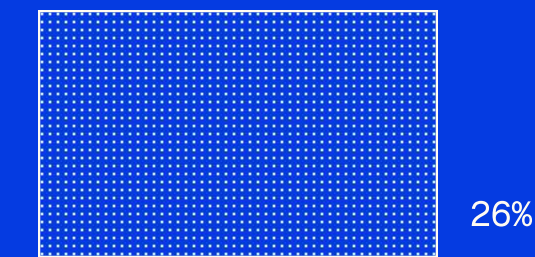
Decarbonization ideas



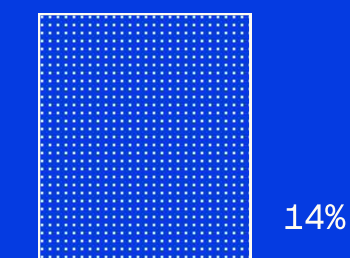
Other initiatives for environmental impact



Energy management



I don't trust AI for these areas



If you do not use AI, what are the top blockers?

Accuracy/reliability



Data/privacy concerns



Skills/training



Budget/unclear ROI



Environmental concerns



Policy/guardrails not in place



No clear use case



Procurement/security review



Other



Participants could choose up to three responses.

But trust is still catching up to ambition.

The restrained use of AI tools in sustainability isn't due to a lack of interest—it appears to be driven by accuracy, data security, and reliability concerns. We see that teams tend to adopt AI first in lower-risk, more generalized workflows, while holding back on applications that directly inform sustainability strategy or regulatory decisions.

Nearly 30% of teams use AI for data ingestion and quality checks, and 24% for reporting automation. But usage drops to roughly 15% or less for forecasting, energy optimization, supplier engagement, and decarbonization planning—despite these being the areas where teams say they desire AI support.

The top blockers cited by respondents not currently using AI were accuracy and reliability (52%), data and privacy risks (43%), and internal skills gaps (37%).

Accuracy and reliability topping the list of concerns underscores a consistent challenge with AI in business.

Most AI tools today are powered by large language models (LLMs), which aren't deterministic and can generate hallucinations or falsehoods. That risk is easier to guard against in generic tasks like data ingestion or anomaly detection because these generic tasks span multiple industries and domains so there are more tools, benchmarks, and researchers working on these topics. Domain-specific challenges like decarbonization planning and emissions calculations are less common AI tasks, which is why they need domain-specific AI that features accuracy safeguards, clear traceability, and human-review workflows. If you can't trust your tools, any time saved will be lost to second-guessing and validating AI outputs. (See our [Sustainability AI principles](#) for a list of features to look for in AI tools to improve reliability.)



Many respondents also cited skills and training as top barriers to AI adoption. More advanced workflows like supplier engagement, decarbonization planning, or energy optimization are highly technical, often tied to real costs, and carry material risk. For teams managing regulatory filings and disclosures, the stakes are too high to adopt tools they're not fully trained on or confident in.

“Teams are eager to scale AI across their workflows, but they need more than a tool and some hype. They need confidence that it will hold up to scrutiny, especially in the most technical parts of the job.”

Yubing Zhang, Head of AI Products, Watershed

What sustainability AI should look like: Built for trust, designed for impact

As sustainability teams expand their use of AI—from data automation to decarbonization planning—the stakes are growing alongside the opportunities. Efficiency alone isn't enough. To unlock AI's full potential, companies need tools built for trust: with clear standards for oversight, transparency, and auditability.

Not all AI is up to the task. General-purpose tools may summarize a PDF or structure a table—but they aren't trained to navigate emissions factors, carbon accounting standards, or shifting disclosure rules. Sustainability isn't one-size-fits-all, and sustainability AI shouldn't be, either.

“In sustainability, AI isn't just about speed—it's about trust. These tools feed directly into disclosures, audits, and investment decisions. If they aren't transparent and explainable, they're not usable. Accuracy, oversight, and auditability aren't extras—they're the baseline.”

Yubing Zhang,
Head of AI Products, Watershed

At Watershed, we're building AI with sustainability intelligence at its core around 4 principles.

Encoded sustainability intelligence

- What's the underlying data, and how is it updated?
- Are the datasets peer-reviewed?
- Are climate experts involved in development and validation?
- For scope 3, how is consistency ensured across materials and industries?

Safeguards for accuracy

- Does the model use a multi-agent approach?
- What are the hallucination safeguards?
- Are regular accuracy scores published?

Transparency and explainability

- How does the tool explain its results and assumptions?
- Can users easily review and validate key inputs?

Human control and refinement

- Can users refine assumptions and override outputs?
- Is the full AI-human decision history recorded?

Part III

**Responsible
use of AI**

The environmental cost of AI is real.

Its compute demands are already straining power grids and water systems—especially as data centers are being built faster than clean energy projects can come online (MIT). Most of that energy use comes down to GPUs: the high-performance chips that power both training and day-to-day use of LLMs.

The vast majority of AI emissions—81%—come from the electricity needed to power the GPUs, while 17% come from electricity used to run the data centers that house those GPUs, and 1% from manufacturing the GPUs themselves (Tomlinson et al; AFL). Within that GPU electricity usage, there's an important distinction between training new models and inference, or the ongoing use of those models. As Steven Watson, Head of Measurement at Watershed, explains: "AI providers have spent a large sum of money and a large sum of electricity training these models, but most of the energy of the lifespan of these models comes from inference."

Inference means every query, every response, and every interaction; this accounts for more than 90% of GPU electricity use, while training accounts for less than 10% (Niu, C. et al; AWS). Ultimately, the environmental impact of AI will depend on where that electricity comes from. At the moment, data center construction is moving faster than renewable energy projects can get onto the grid, and many data center projects are relying on coal and natural gas (Berkeley Lab; Goldman Sachs). In fact, a recent report states that nearly two-thirds of the onsite power equipment planned for data centers is fueled by natural gas (Cleanview).

At the same time, AI offers real potential. It can ingest unstructured ESG data, map emissions factors, draft disclosures, automate supplier engagement, and surface decarbonization levers across operations and procurement. For ESG teams stretched thin, responsible AI use to move sustainability goals forward could be worth the environmental cost.

As sustainability professionals, it's critical to begin with a clear grasp of AI's environmental footprint—so you're equipped not just to use these tools yourself, but to lead your company in deploying them responsibly, without undermining your climate goals.

Responsible AI use for sustainability

Sustainable AI starts with smart decisions: choosing the right tools, setting clear internal standards, and keeping humans in the loop for high-stakes outputs. Watershed recommends treating AI like any high-impact system—with rigorous procurement, internal guardrails, and ongoing oversight.

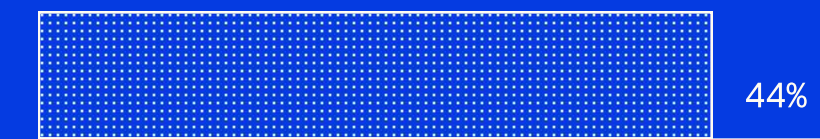
“We need to be equipped not only to use AI ourselves, but to guide our organizations in deploying it without undermining sustainability goals.”

Shaena Ulissi, Climate Scientist, Watershed

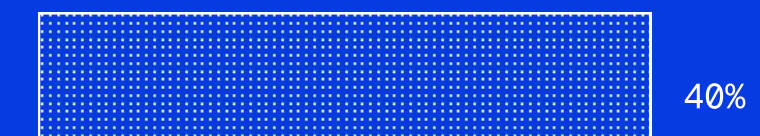
Encouragingly, teams are starting to apply this rigor: over 40% of survey respondents say model energy and water efficiency matter in procurement, as do ESG reporting and emissions transparency.

When procuring AI tools, which sustainability criteria matter?

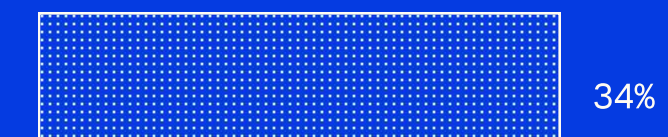
Whether the vendor has set targets to reduce the environmental impact of their AI development and training.



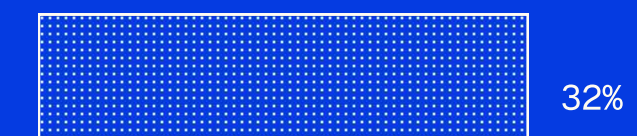
The energy and water efficiency of the underlying LLMs.



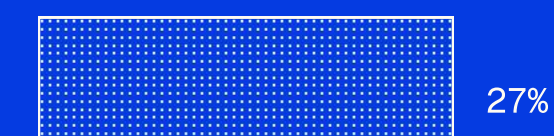
Whether the vendor measures and reports its emissions.



Whether the vendor conducts voluntary or mandatory ESG reporting.



Other



Respondents could make multiple selections.

Three ways to minimize AI's footprint

Leading companies, including Okta and Autodesk, are tackling AI sustainability from multiple angles. Here's what's working:

1. Use AI efficiently and intentionally

At Okta, Sr. Director of Sustainability & Responsible Tech Alison Colwell and her team apply four core principles to guide sustainable AI use: deploy AI where it adds real value, choose the right model for the task (not always the biggest), prompt efficiently to avoid unnecessary compute, and choose vendors with strong environmental practices. As Colwell puts it, “We are an AI-forward company. We’re definitely using AI—and we want to use it smartly, efficiently, meaningfully.” Newer models can often be faster, cheaper, and less energy-intensive—especially when matched to the right use case and scoped thoughtfully.

2. Partner with your cloud efficiency team

Autodesk’s Senior Sustainability Analyst, Jessica Mi, believes that sustainability and cloud efficiency teams are natural allies. “If we can operate our cloud in the most efficient and cost-saving way possible, we’ll be optimizing resource use and also saving emissions,” she explains. That alignment led to Autodesk’s *Translation Avoidance Initiative*. This initiative reduced both costs and emissions by 15% by shifting compute-heavy translation services from default to on-demand. Other effective levers that Autodesk is exploring include running workloads in lower-carbon regions, scheduling training during off-peak hours, and optimizing server usage.

3. Use procurement to drive efficiency

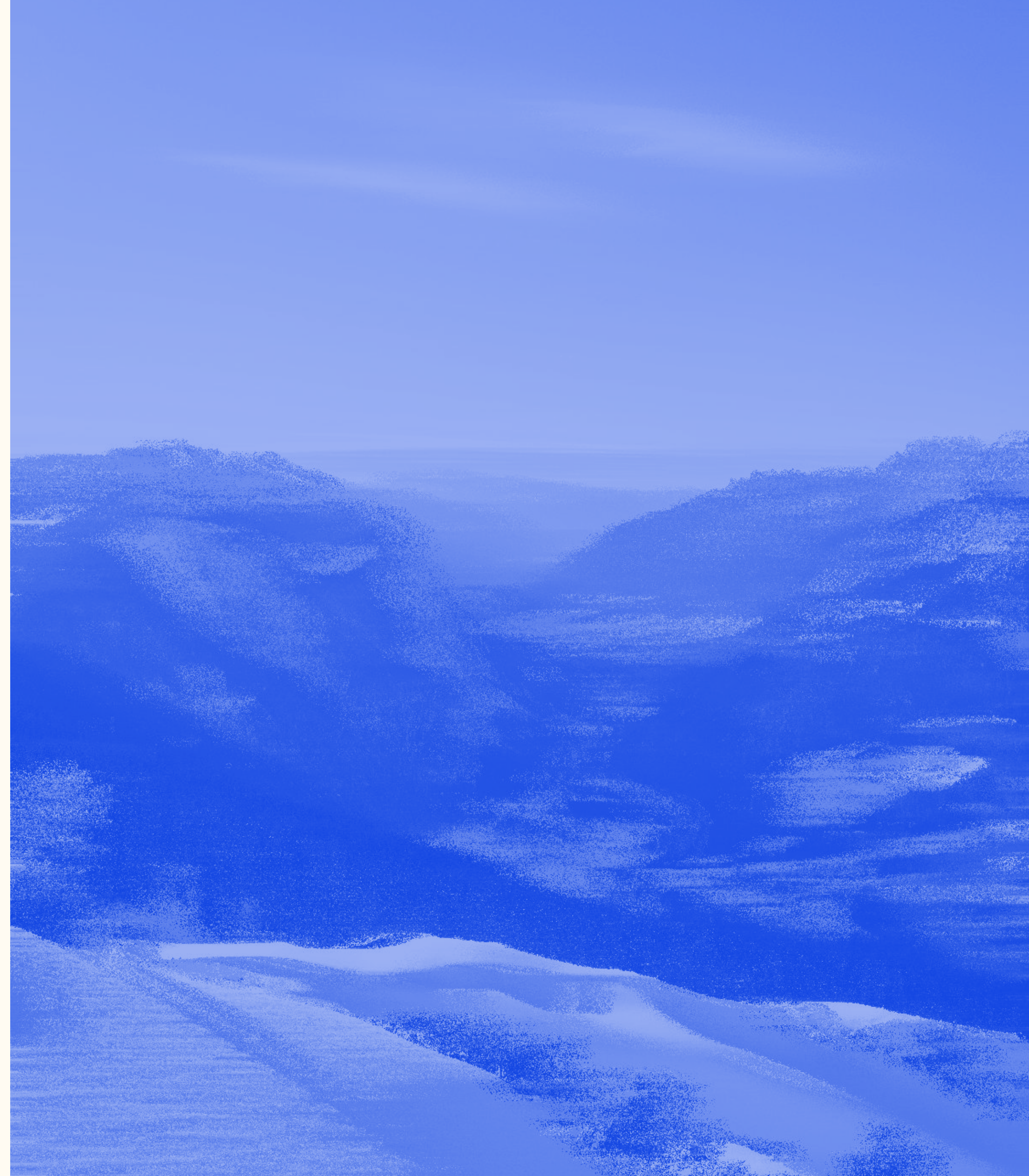
Procurement can reward vendors that disclose data and demonstrate progress. When evaluating AI providers, leading companies look for emissions transparency, credible renewable energy strategies, and clear climate commitments. Some go further—signaling publicly that sustainability and disclosure influence vendor selection, helping shift the market over time.

Measuring AI emissions: Start simple, stay transparent.

Only 6% of sustainability teams report estimating or reporting emissions from AI use today, but nearly a third plan to. The gap reflects the fact that this technology is still relatively new, and two persistent challenges prevent quick accounting for the carbon cost of AI: limited access to data and the absence of widely accepted methodologies for measuring AI emissions. This stems from:

1. A lack of standard units: Should emissions be measured per token, query, or another activity metric?
2. Variability in emissions intensity across AI queries: Certain models and queries are more emissions-intensive than others.

As of today, few LLM providers offer visibility into the energy or water behind each query. But even in the absence of that data, you can use cloud methodologies to get a directional sense of the energy demand from the AI tools you use.



How to estimate AI emissions using cloud methodologies

Even without a universal methodology, sustainability teams can do a lot today to isolate AI emissions. This early data can act as the foundation for estimating AI emissions now, and once there is an accepted methodology, your team will be prepared to align to it.

1. Track AI usage.

Start by logging the specific AI tools and models your company is using. Capture usage metrics such as the number of tokens processed or queries made, as well as the duration and frequency of use.

2. Estimate energy consumption.

Look at the energy intensity of the AI model (some vendors share an “AI energy score”), the underlying hardware (e.g., GPU instance types), and the location of the data center or where employees are using the tools—this determines the grid’s carbon intensity.

3. Add embodied carbon.

Don’t stop at operational emissions. Include emissions from the production and lifecycle of the hardware (embodied carbon), especially GPUs and other high-power chips.

4. Use cloud methodologies as a guide.

Apply principles from cloud emissions tracking. Autodesk, for example, uses Watershed to track cloud region (to reflect grid carbon intensity), cloud service and workload type (e.g., training vs. inference), and server instance type (e.g., GPU-based instances).

“As a result of building this robust data infrastructure within Watershed, we’re able to closely monitor our cloud emissions and identify workloads associated with AI development and training.”

Jessica Mi, Senior Sustainability Analyst, Autodesk

5. Prepare for a future standard

While today’s estimates are rough, building this data infrastructure now means you’ll be ready to align once formal emissions factors and methodologies emerge.

“This is a stopgap until a standard exists. We are advocating for AI emissions factors, and working towards a future state with a third-party assured Greenhouse Gas Protocol methodology.”

Alison Colwell, Sr. Director of Sustainability & Responsible Tech, Okta

Part IV

**Sustainability,
refocused:
A vision for 2026**

Where the time goes: Measurement, action, and alignment

Sustainability teams today are spread across three core demands: measurement, action, and alignment.

Measurement and reporting: 8.3 months

Measurement dominates the sustainability calendar, with teams spending more than 8 months a year—three of them on data gathering alone—validating and packaging ESG data for disclosures. It’s essential work, but repetitive, time-intensive, and ripe for automation. We know measurement *can* be completed much more quickly with the tools available today; Watershed customers often complete the full process—from data collection to a full footprint—in a matter of weeks. But many teams may not be taking advantage of the efficiencies of software alone, let alone AI tools.

Action and environmental impact: 7.3 months

Action work gets almost as much time, but it’s spread across several levers. Operational decarbonization sees the most consistent investment, with teams spending an average of 3.5 months on it. Clean power procurement only takes on average 1.7 months, signaling a largely transactional approach and revealing that few companies are using proactive strategies to hedge against volatility in the long term.

The pattern from respondents is clear: measurement takes more time than anything else. Many teams spend as much time collecting data as decarbonizing—a tough tradeoff for teams that want to focus on impact.



“Most sustainability teams don’t do this work to report—they do it to reduce emissions. But measurement, compliance, and disclosure are the backbone of a lot of programs, and that work still takes up most of the year.

Measurement is important, but it’s not the end goal—it’s what enables action. Most teams want to move faster, reduce their company’s climate impact, and feel a real sense of urgency. The challenge is getting to that decarbonization stage sooner, and giving teams the time and tools to focus on what they’re here to do.”

Eric Nevalsky,
Sustainability Advisor, Watershed

The future state: AI as a multiplier for sustainability

Today, most sustainability teams are still in the early stages of AI adoption—focused on repetitive, high-effort tasks like data ingestion and reporting. While AI is still in “intern mode,” the ambition is clear: teams want to use AI not just to speed up their work, but to strengthen outcomes, especially in high-impact areas like forecasting, supplier engagement, and decarbonization planning.

To get there, teams first need to build trust in how AI performs on the fundamentals. That starts with tools that are accurate, explainable, and built for sustainability reporting. The slower uptake in areas like decarbonization planning isn’t because teams lack ambition; it’s because they know the stakes are high, and because this is a new frontier for AI.

“The vast majority of use cases we’re seeing today are grounded in foundational emissions work—things like data ingestion and reporting drafts. The real unlock for sustainability comes when AI starts supporting strategic decisions—helping teams plan decarbonization pathways, prioritize suppliers, or model the long-term impact of operational changes.”

Yubing Zhang,
Head of AI Products, Watershed

AI doesn't just stand to save sustainability teams time—it has the potential to unlock entirely new ways of working.

Today, the most mature and widely adopted AI use cases are in foundational tasks like data ingestion and anomaly detection. However, as the complexity and sophistication of work increase, the potential for time savings from AI—and real innovative breakthroughs—also increases. High-value tasks such as building the business case for sustainability initiatives require deep analysis and complex synthesis, and are therefore difficult to scale through human effort alone.

Bringing AI into these more advanced workflows is where experts expect the biggest gains—not just in efficiency, but in impact. And the opportunity goes beyond automation. As teams expand their skillsets and purpose-built sustainability AI continues to mature, AI will help surface deeper insights from emissions data at a scale previously impossible.

Finally equipped to understand and explore their emissions data on a massive scale, teams can identify decarbonization levers and pursue more creative, high-impact initiatives across energy planning, procurement, and product design. At its full potential, sustainability AI will enable teams to shift from busywork to impact, focusing their time where it delivers the greatest climate value.

“Extracting numbers from a utilities PDF might be tedious, but it’s still a quick task,” says Steven Watson, Head of Measurement at Watershed. “Where AI really changes the equation is in complex problems like decarbonization scenarios—work that requires deep research and cross-functional synthesis, and simply doesn’t scale well with human-only approaches. That’s where we see the largest opportunity for time savings.”



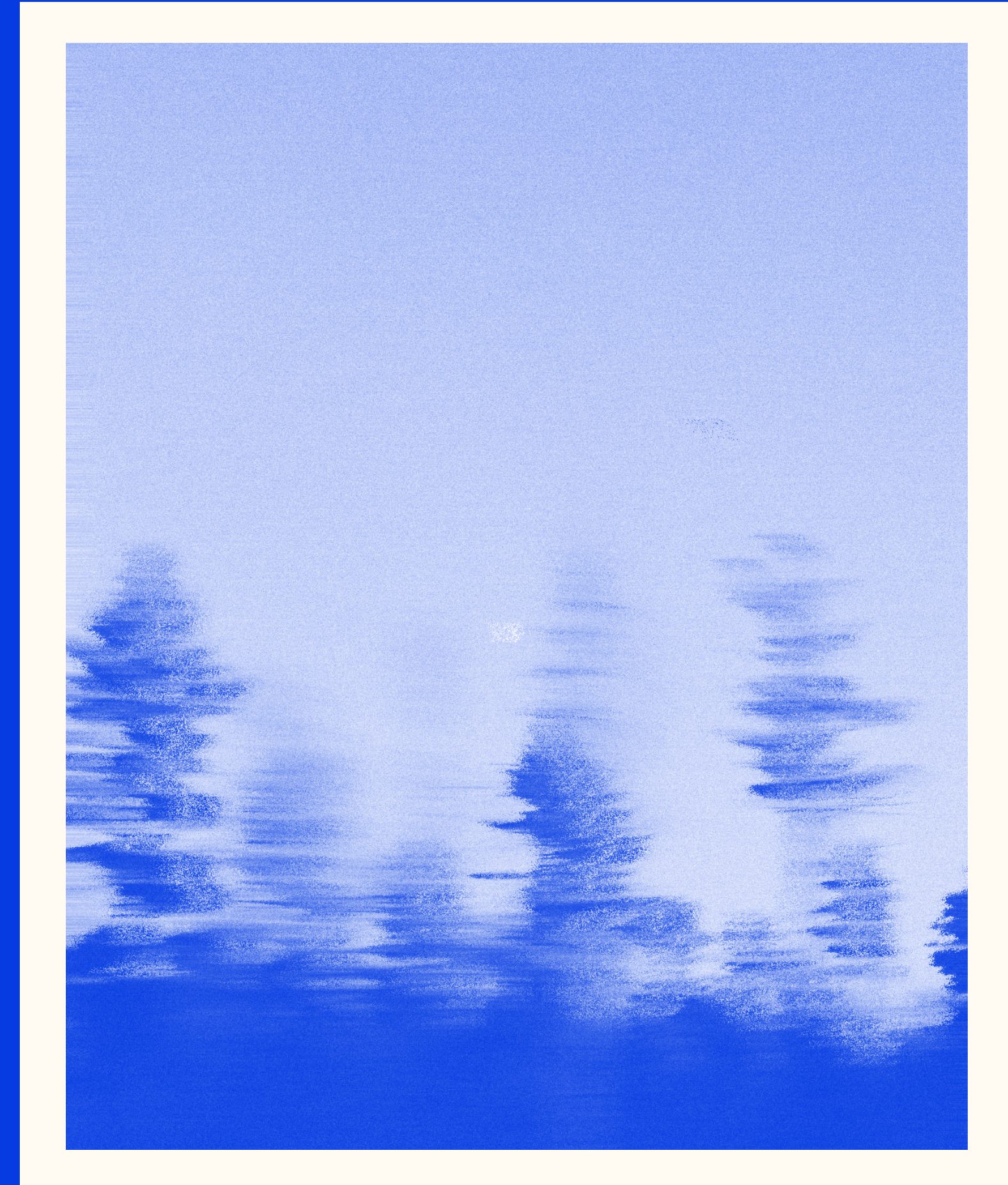
Part V

Sustainability AI in action

Sustainability AI: From potential to practice

AI's promise in sustainability isn't just theoretical; it's already delivering results. Across sectors, real teams at real companies are beginning to harness AI not only to move faster, but to act smarter. From compressing emissions modeling timelines to surfacing previously invisible supplier insights, leading teams are shifting focus from data prep to decarbonization.

The examples that follow show what this looks like in practice: smarter material choices, deeper supplier visibility, and faster experimentation with product footprints.



Specialized

From “what if” to real insight in seconds: AI allows teams to test ideas from across the organization—like material swaps—without deep research. Specialized Bicycle Components uses Watershed Product Footprints to account for details like the use of recycled and bio-based materials.

“Before, I would have to go on a deep dive to find information I didn't actually have. Now we just put it into AI-enhanced Product Footprints and see the answer.”

Nadia Carroll,
Product and Engineering Sustainability Lead,
Specialized





Albany International

Turning product data into a digital lab: For custom products and R&D-heavy processes, AI helps quickly test material changes and design ideas to find what's worth pursuing.

“We can quickly test what a material change might look like in terms of the product footprint—and decide if it’s worth pursuing.”

Anna Yates,
Corporate EHS & Sustainability, Albany International



Medallia

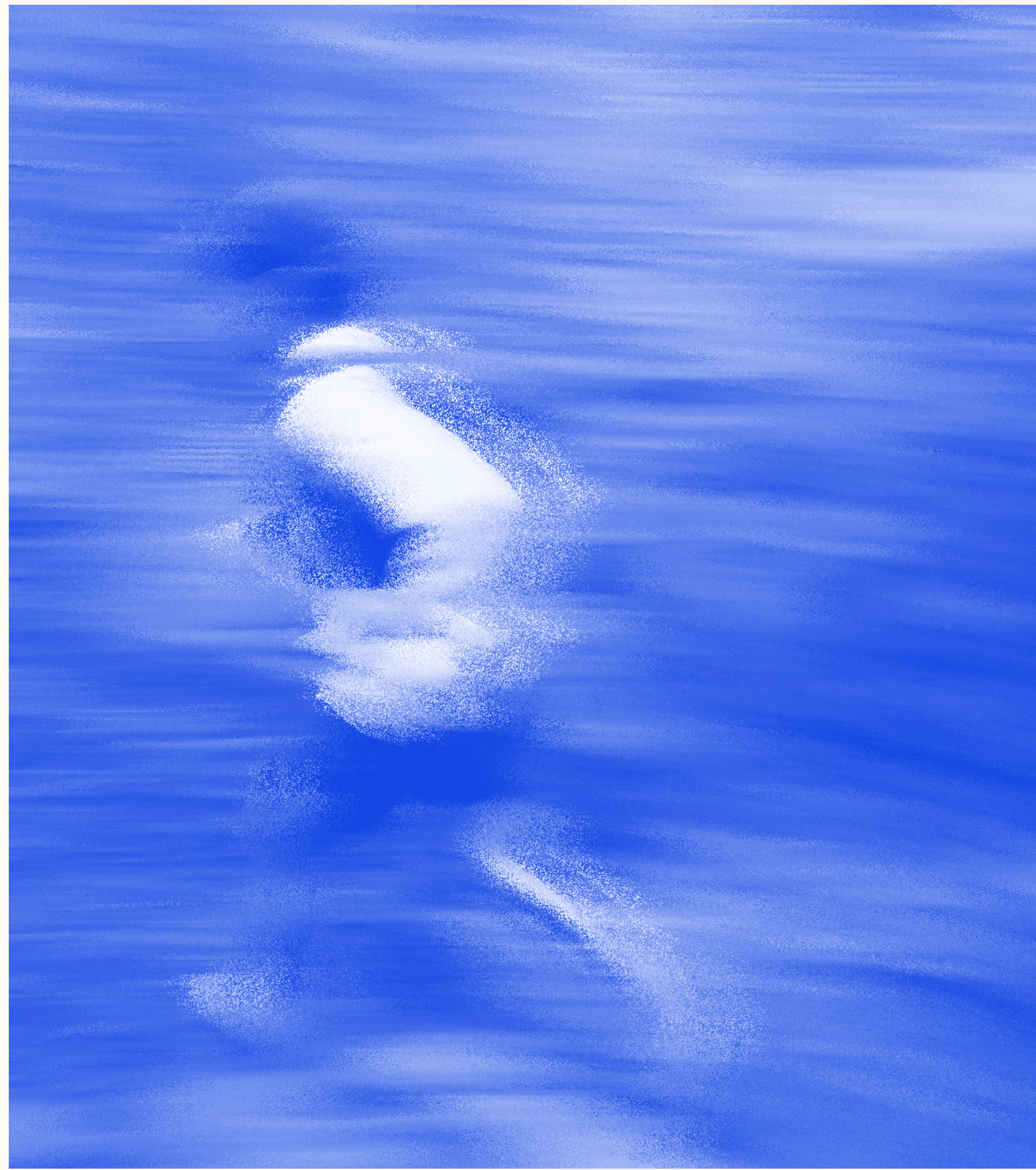
Medallia used Watershed's AI-enhanced report builder to help draft a risk report for California's SB 261.

“Generating our first climate risk report was much faster than I expected. We were able to do our climate risk analysis from scratch very quickly and start reporting it to CDP. Then we used Watershed to reconfigure our responses from CDP into a TCFD report that could be compliant with the California bill.”

Heather Jin,
Global Head of Social Impact and Sustainability, Medallia



Conclusion: A snapshot in motion



This report offers a snapshot of corporate sustainability at a turning point.

Today, in early 2026, AI is emerging as a new lever for sustainability teams—just as they face growing demands from regulators, investors, and their own climate ambitions. The tools are getting better. The pressure is getting higher. And the gap between intention and impact is coming into sharper focus.

Sustainability leaders—especially those who’ve spent years building programs under tight constraints—know that meaningful change doesn’t come from hype. It comes from structure, standards, and steady progress. AI alone won’t deliver that. But deployed with care, it can help.

The promise of AI in sustainability is real: not just faster work, but better decisions. The foundation is being built now—by teams who are moving early, asking hard questions, and setting a higher bar for what responsible AI looks like.



The enterprise
sustainability platform

watershed.com/demo