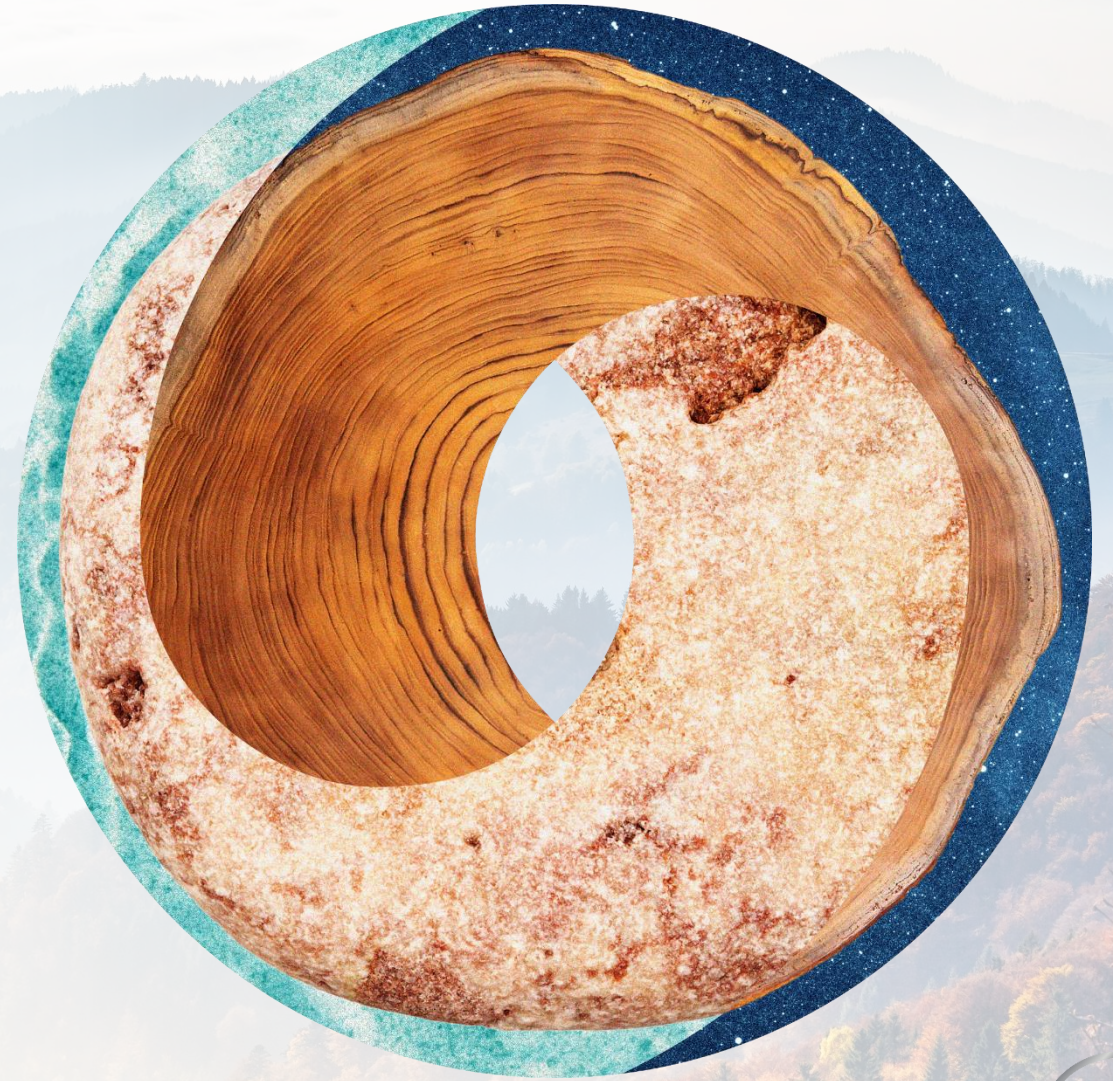




Deloitte 2024 CxO
Sustainability Report
Signs of a shift in business
climate action



September 2024



A letter from Jennifer Steinmann

This is the third consecutive year Deloitte has surveyed global CxOs on their sustainability and climate change efforts, and **we see early but critical indicators that executives are realizing the profound business opportunity in the transition to a low-emissions future.**

Reaching net-zero will transform nearly every aspect of the global economy, and the speed and scale of that transformation has accelerated in recent years (even though it remains less than what is needed to avert some of the worst impacts of climate change¹). Executives are realizing that transformation firsthand. **Many companies see direct financial and business benefits from their climate actions.** Most see company growth and climate action going hand-in-hand. Many say they are putting sustainability at the heart of their business strategy, and their sustainability investments are increasing.

We may be entering a new phase in corporate climate action, one where sustainability strategy goes beyond a focus on compliance, risk management, and stakeholder responsiveness. Instead, sustainability is increasingly serving as an engine for new value creation, a competitive differentiator, and a driver of innovation and transformation. We see this most clearly among the companies embracing a set of “needle-moving actions” to help drive impact inside and outside their organizations—evidence that a proactive, holistic approach to sustainability can lead to business value.

But **today’s leading companies alone can’t create the sustainable future we need.** To reach critical mass and accelerate the pace of the transition, the many companies in the “moderate middle”—those taking just a few high-impact actions—will need to extend the breadth and depth of their efforts. The good news is that these organizations are primed for action. Deloitte’s 2024 survey shows that they see the current and potential future impacts of climate change on their businesses and have already begun the sustainability journey in important ways. This middle group represents a sleeping giant; if it awakens, going from moderate to mobilized, it could create a true tipping point in corporate climate action and catalyze rapid advances.

Each organization’s sustainability journey is unique...and sometimes less than straightforward. However, we see that the dedication of business leaders to this effort is stronger than ever. The transition from awareness to action underscores a deeper understanding of the lasting benefits of investment in sustainability, not only for the environment but also for long-term business resilience and growth.



¹ UNEP, [Emissions Gap Report 2023](#), November 2023.

¹ UNFCCC Secretariat, [Technical dialogue of the first global stocktake. Synthesis report by the co-facilitators on the technical dialogue](#), United Nations Climate Change, September 2023



Jennifer Steinmann

Deloitte Global Sustainability Business Leader





Pages

1. Executive summary

4 – 5

2. Strategic priorities and challenges

6 – 12

3. Outlook and actions

13 – 17

4. The “moderate middle”

18 – 21

5. Recommendations: From moderate to mobilized

22 – 23

6. Methodology

24

7. Contacts

25

Executive summary (1 of 2)

Deloitte's 2024 CxO Sustainability Report, surveying over 2,100 executives across 27 countries on their views and strategies related to sustainability and climate change, marks a potential sea change in what benefits and opportunities companies see from their actions and underscores the staying power of sustainability on the business agenda.

Contrary to some headlines, our survey indicates there is no retreat from sustainability action by businesses. Instead, there is a notable increase in investment in sustainability efforts, and early but important signs that climate action is moving to the heart of many companies' overall business strategies.

- Climate change continues to be one of the top three priorities for CxOs, surpassing political uncertainty, supply chain challenges, and talent competition.
- Global CxOs are prioritizing and increasing investments in sustainability, with 85% reporting an increase in investments, up from 75% last year.
- CxOs anticipate that climate change will significantly impact their companies' strategies and operations over the next three years, with 70% expecting a high or very high impact, up from 61% last year. Nearly half (45%) say they are transforming their business model to address climate change and sustainability in a way that is central to the organization's strategy.

Companies are beginning to realize the business potential to drive value creation in the shift to a low-emissions economy. More CxOs are citing sustainability as a driver of new products, business models, and value creation overall, rather than a compliance or brand-building exercise.

- Executives see few trade-offs between business success and climate action. 92% of CxOs believe their company can grow while reducing greenhouse gas emissions, and 90% believe the world can achieve economic growth while reaching climate change goals.
- This year saw more CxOs citing direct environmental and business impacts rather than less tangible benefits. Customer loyalty, supply chain efficiency, and operating margins were seen more often than things like improved brand recognition and reputation.
- The most anticipated benefit of climate action CxOs expect to see over the next five years is in innovation around offerings and/or operations.



Climate action is an engine for innovation. While the need for innovation and technology investment might be seen as competing priorities to climate action, in reality, they are crucial drivers of sustainability efforts, enabling businesses to develop solutions that showcase the potential for new products and services that offer both environmental and business benefits.

- Innovation [including Artificial Intelligence (AI)] ranks ahead of climate change as the number one most pressing challenge for CxOs over the next year, with 38% listing it in their top three.
- 50% of CxOs have already begun implementing technology solutions to help achieve climate or environmental goals, with another 42% expecting to in the next two years. More than half of those who are already leveraging technology say they are using it to develop more sustainable products and services.
- Among leading organizations, 85% are developing new climate-friendly products or services, emphasizing the link between innovation and climate action.

Sustainability is an enduring part of the business agenda, but “holding the line” isn’t sufficient. The landscape of climate action among businesses is highly uneven. While leading companies are driving change inside and outside their organizations, an even greater number have taken few if any of the most-impactful actions. As the world moves toward a net-zero economy, their “go-slow” approach risks leaving them at a competitive disadvantage.

- Despite recognizing the looming impact of climate change on their operations and strategy, there is still a significant portion (27%) of organizations that have taken minimal or no “needle-moving actions.”

The majority of companies that were surveyed are neither leaders nor laggards, but have a critical opportunity to drive broader and deeper action. This “moderate middle” group represents a sleeping giant; if it awakens, it could tip the balance of corporate climate action and drive rapid change.

- More than half of organizations (56%) are focusing on two to three needle-moving actions. Many of these organizations fall into two categories: those that are pursuing *the business of sustainability*—serving the emerging green economy—and those focused on *becoming a sustainable business*—addressing their own environmental footprint and influencing the broader ecosystem, from supply chains to society.

This report provides a view of the current climate action landscape among CxOs globally and explores the latent potential of that middle cohort: what actions they’re already taking, what barriers they face, and what lessons they can apply from leading companies that are modeling what a holistic approach to sustainability might look like to catalyze broader and deeper action within their organizations to unlock value.



Strategic priorities and challenges



“I have the commitment to integrate sustainability, finance and business. These three things have to be fully integrated. If they are not integrated, you will not build a competitive advantage and will have a lot of frustration and dilemmas within the organization.”

– **Juvenio Maeztu, Deputy CEO, Management Board Member and CFO, Ingka Group (IKEA)**

“The evolution for us has been going from being quite operationally focused and quite focused on energy as a big problem to solve, to expanding our strategy to also look at Google as an information and an innovation company and seeing the major opportunity we have to unlock the power of our technology to enable businesses, policymakers, individuals to achieve their sustainability goals and objectives.”

– **Kate Brandt, Chief Sustainability Officer, Google**

“Sustainability is part of our core values and overall strategy. And our efforts go beyond decarbonization, to also include our Tackle Hunger program, employee safety and overall wellness.”

– **John Ferguson, President and Chief Executive Officer, Purolator**

“There are plenty of challenges and distractions that can serve to slow us down, however our ambition and commitments remain strong, as we have made sustainability a core part of our business strategy. And it helps to have our Executive Chairman and CEO fully committed to this sustainability effort.”

– **Randy Huffman Ph.D., Chief Food Safety and Sustainability Officer, Maple Leaf Foods**

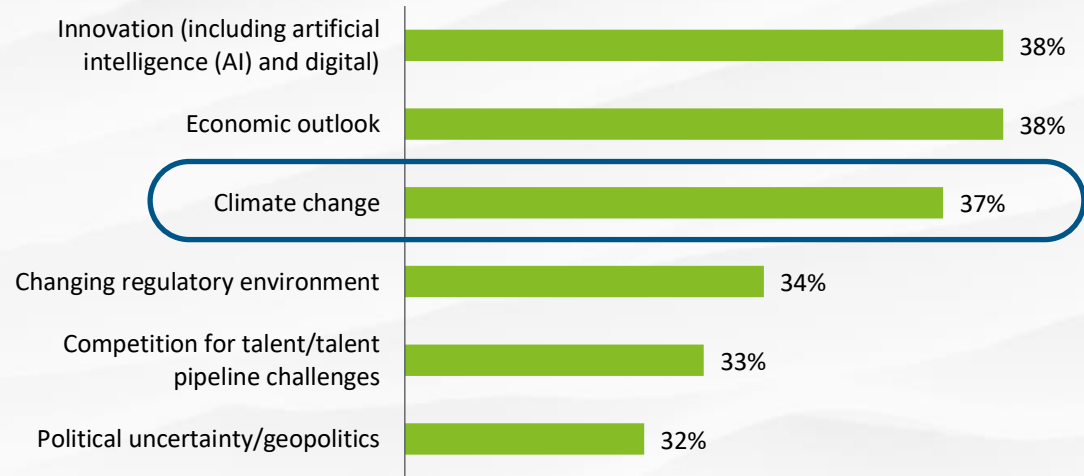
“In terms of ESG impact, we continue to see strong emphasis from our customers – even to the point of requesting greater ESG support and services from us. We don’t see that letting up any time soon. People are not backing off commitments, but are expecting us to have more detailed accountability and continue to communicate how we’re supporting our customers’ commitments.”

– **Mary Jacques, Executive Director, Global ESG and Regulatory Compliance, Lenovo**

Climate change remains a top priority and investment is increasing



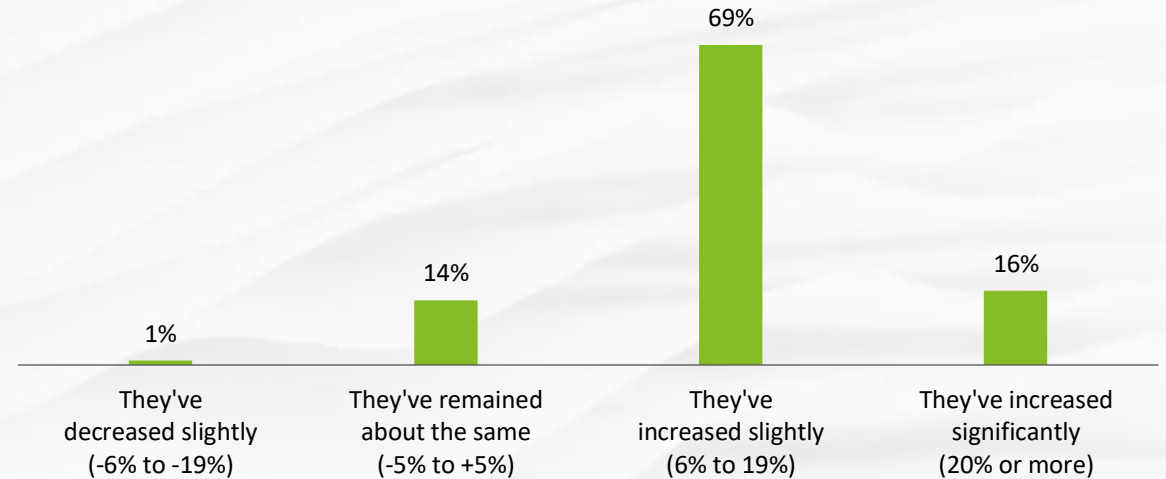
What does your organization see as the most pressing issues to focus on over the next year? (rank nine options in order of importance)



■ % ranked in the Top 3



How have your sustainability investments changed over the last year?



Global CxOs prioritize sustainability despite other challenges, with increased investments and a focus on climate change.

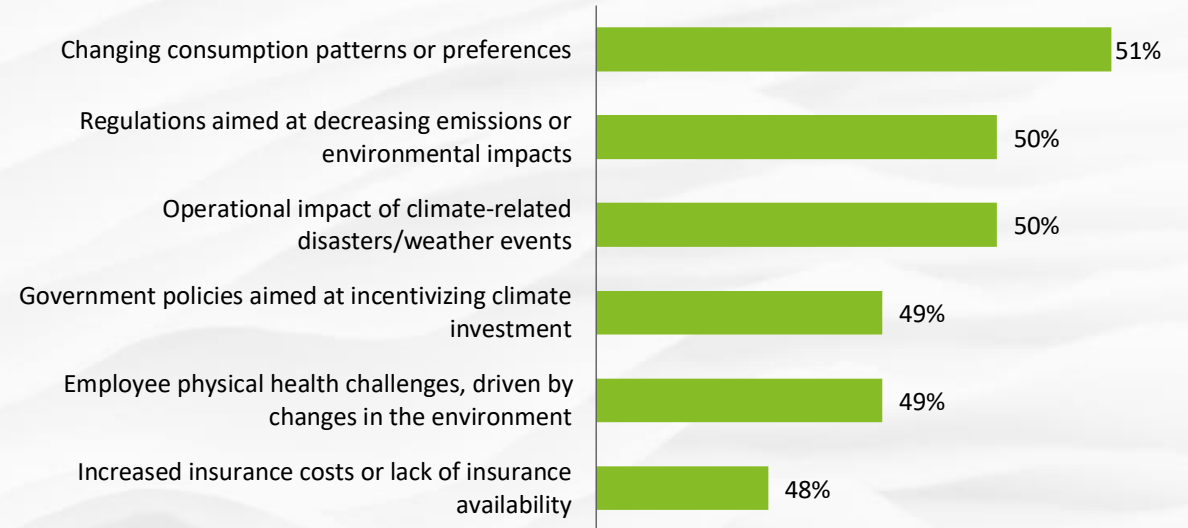
- Climate change continues to be a top-three priority for CxOs, surpassing political /geopolitical uncertainty, changing regulatory environment, and talent competition. This commitment remains strong even amidst ongoing turmoil.
- Innovation overtook both economic outlook and climate change since last year, when it ranked third place in order of most pressing issues.
- 85% of companies have increased their sustainability investments over the past year, reflecting a dedication to long-term environmental goals despite economic uncertainties. Only 1% reported a decrease in investments.
- Sustainability investment is accelerating—there was an increase of 10 percentage points over the 2023 survey in respondents reporting that they have either slightly or significantly increased their sustainability investments in the last year.



To what degree do you expect climate change to impact your company's strategy and operations over the next three years? (Select one)



Top climate issues already impacting companies (Select all that apply)



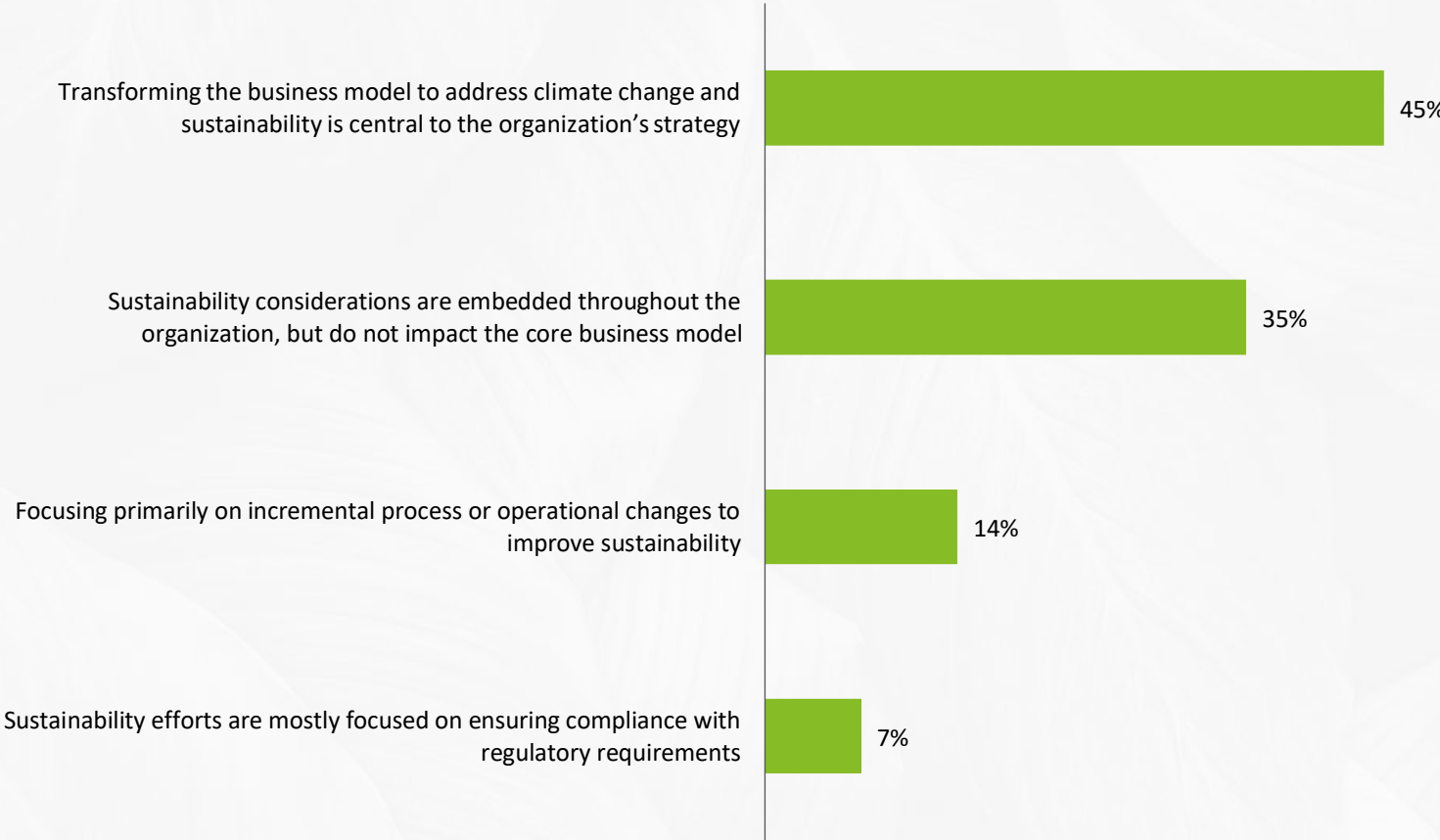
Organizations are increasingly recognizing the profound impact of climate change on their strategies and operations, both today and in the near-future.

- A significant 70% of companies now expect climate change to heavily impact their strategy and operations, up from 61% in 2023. Climate change is a core business issue, and as the transition to a low-emissions economy unfolds, more companies are seeing the risks and opportunities.
- Several key climate issues are already affecting companies, driving the need for proactive measures. Top issues include:
 - 1. Changing consumption patterns:** 64% of respondents in a March 2024 Deloitte survey* of global consumers said they'd changed their purchase behaviors to help address climate change, up from 53% a year earlier.
 - 2. Regulatory pressures:** Organizations are seeing impacts from a rapidly-evolving sustainability reporting landscape and the rollout of industrial policy aimed at accelerating the energy transition.
 - 3. Operational impacts of disasters:** As climate-related weather events grow more frequent and severe, adaptation and resilience are becoming increasingly important.

* Deloitte US ConsumerSignals Survey, March 2024



Which of the following statements best describes your company's current approach to environmental sustainability and climate change challenges? (Select one)



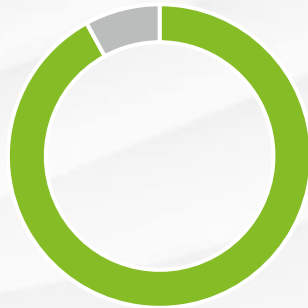
Organizations have varying approaches to sustainability and climate change, with a strong focus on transforming business models and embedding sustainability considerations throughout their operations.

- 45% of companies are transforming their business models to address climate change and sustainability as a central part of their strategy, demonstrating a strong commitment to integrating sustainability into core business functions.
- Additionally, 35% of organizations have embedded sustainability considerations throughout the organization, although these efforts do not yet impact the core business model. This indicates a widespread acknowledgment of the importance of sustainability.
- On the other hand, 14% of companies focus primarily on incremental process or operational changes to improve sustainability, indicating a more cautious or gradual approach.

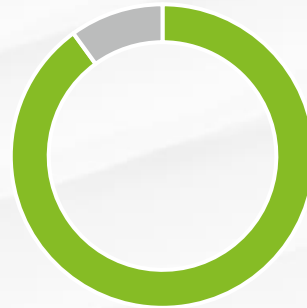
CxOs see few trade-offs between business success and climate action



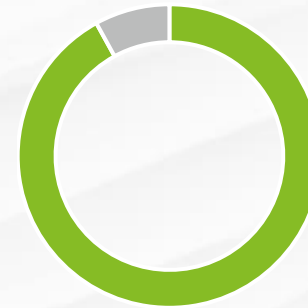
76% say they **feel concerned about climate change** all or most of the time



92% are somewhat/extremely optimistic **the world will take sufficient steps to avoid the worst impacts of climate change**

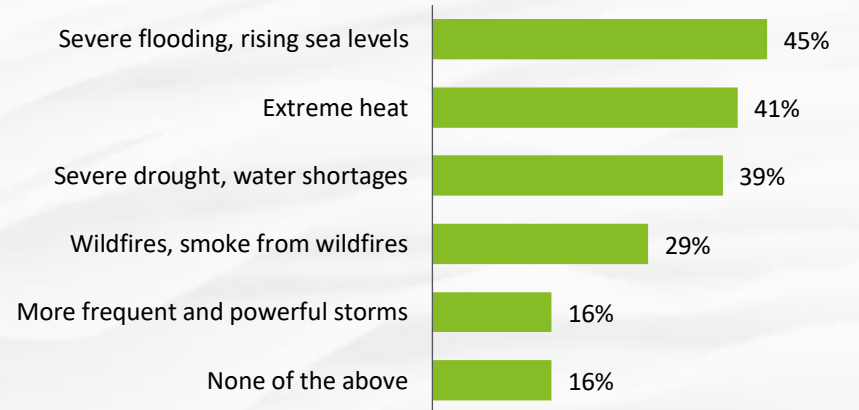


90% agree/strongly agree **the world can achieve global economic growth while also reaching climate change goals**



92% agree/strongly agree **their company can continue to grow while reducing greenhouse gas emissions**

Have you personally been impacted by any of the following in the last year? (Select all that apply)



CxOs' views reflect the dual reality of climate change. 2023 was the hottest year on record,¹ and many scientists doubt whether the 1.5° C goal is still achievable.² At the same time, 2023 saw record expansion of renewable energy, electric vehicles, and other key climate technologies as the transition accelerated.³

- 76% of respondents report feeling concerned about climate change all or most of the time, indicating a high level of awareness and stress regarding its impacts. This is up considerably from last year, when only 62% reported feeling this way. This concern is likely driven by direct experiences with climate-related events over the past year, such as severe flooding and rising sea levels, extreme heat, and severe drought or water shortages.
- At the same time, CxOs are expressing even more optimism about the world taking sufficient steps to avoid the worst impacts of climate change, with 92% reporting they feel somewhat/extremely optimistic compared to only 78% last year.
- What's more, 92% of CxOs believe their company can continue to grow while reducing greenhouse gas emissions and 90% believe the world can achieve global economic growth while also reaching climate change goals.

¹ National Oceanic and Atmospheric Administration (NOAA), "2023 was the world's warmest year on record, by far," January 2024

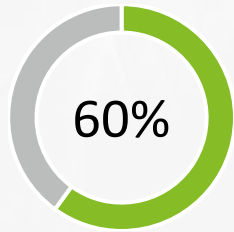
² Robin D. Lamboll, et al., "Assessing the size and uncertainty of remaining carbon budgets," Nature climate change, 2023

³ International Energy Agency (IEA), World Energy Outlook 2023, October 2023, License: CC BY 4.0 (report); CC BY NC SA 4.0 (Annex A)

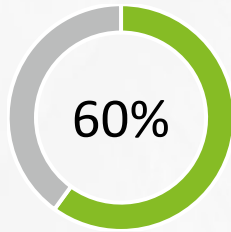
Companies feel broad pressure from stakeholders



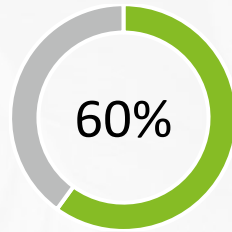
To what extent does your company feel pressure to act on climate change from your stakeholders?
(Select all that apply)



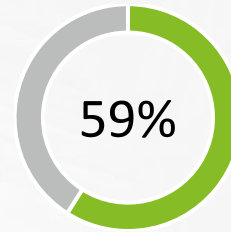
Regulators/
government



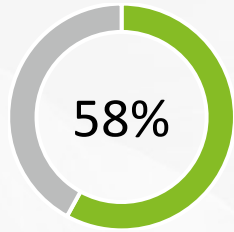
Board members/
management



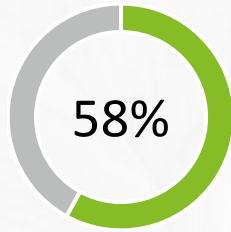
Shareholders/
investors



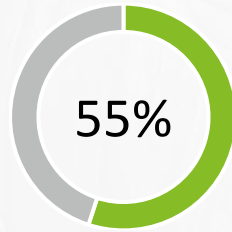
Consumers/clients/
customers



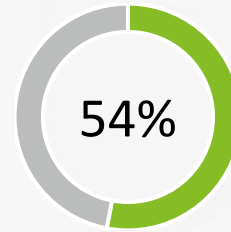
Competitors/peers



Civil society (e.g.,
media, activists)



Banks/lenders



Employees

■ Feel pressure to a large/moderate extent

79%*

Across all stakeholder groups, an average of 79% are pressuring companies to **INCREASE** climate action.

* Number represents average across all stakeholder groups of those who selected Somewhat or Significantly increase climate action.

Organizations face significant pressure from multiple internal and external stakeholders to address climate change, creating a complex and demanding landscape.

- Regulators/government: 60% of companies feel moderate to significant pressure from regulators to enhance their climate action efforts. This pressure is predominantly aimed at increasing climate action (80%), reflecting stringent regulatory expectations and compliance requirements.
- Board members/management: 60% of companies also report substantial pressure from their board members and management teams.
- Shareholders/investors: Shareholder and investor pressure is keenly felt by many companies.

The vast majority of stakeholder pressure is aimed at increasing climate action. Relatively little seeks to get companies to do less.



Top five obstacles cited to driving sustainability efforts (Select top two)

Top five obstacles

21%

Lack of sustainable solutions or insufficient supply of more sustainable inputs

21%

Lack of political support and action for necessary change

19%

Concern taking a stance could alienate a subset of customers or employees

18%

Focus on near-term business challenges/ demands from investors/ shareholders

18%

Lack of customer/client demand for sustainable goods and services

When asked about the top obstacles to deploying environmental sustainability efforts, CxOs cited a dozen obstacles to furthering their sustainability efforts, with no clear standouts, highlighting the complex challenges in achieving environmental goals.

- One of the primary obstacles is the lack of sustainable solutions or insufficient supply of more sustainable inputs, which 21% of companies identify as a major barrier. This shortage can hamper the ability of organizations to fully implement sustainable practices across their operations.
- Another equally significant obstacle is the lack of political support and action for necessary change, also cited by 21% of companies. Without strong political backing, it can be challenging for businesses to make the substantial changes required to meet sustainability targets.

“First and foremost, we see climate change action as a secular, macro trend that influences our customers’ economics and ability to operate. We need to hold ourselves to a certain standard of action to be able to help our customers with their own climate journey, reduce pressures they are experiencing, and help find opportunities for them. We do NOT see this as a nice to have. It is the logical imperative to make sure that we stay in business, we help our customers stay in business, and we can capture net new market growth and opportunity.”

– Sophia Mendelsohn, Chief Sustainability and Commercial Officer, SAP

“Sustainability cannot be a luxury for the few, it has to be affordable for the many. Otherwise, it will never create a big impact for society.”

– Juvencio Maeztu, Deputy CEO, Management Board Member and CFO, Ingka Group (IKEA)

“To hit our net zero pathways, we need to scale renewables, particularly in the emerging markets, but we've also got to scale the next wave of climate technologies, both in decarbonization and power generation. We have created incubators and are investing heavily into climate technology companies. We have spent millions investing in things like vertical farming, hydrogen, carbon capture to name a few. We are pushing a lot of capital into the early venture stage of the process.”

– Daniel Hanna, Global Head of Sustainable Finance for the Corporate and Investment Bank, Barclays

“While the core of our sustainability strategy has been focused on reducing carbon emissions from our supply chain and on raising livestock without the use of antibiotics, we have also started working on issues around deforestation risk and water conservation, realizing that we can have a positive impact on the environment within our supply chain.”

– Randy Huffman Ph.D., Chief Food Safety and Sustainability Officer, Maple Leaf Foods

“We signed the HHS (U.S. Department of Health and Human Services) pledge in the fall of 2022 to reduce our scope 1 and 2 carbon emissions 50% by 2030. Based on the current executed strategies, we should meet that goal by 2026 and have been able to achieve these results in a rational and financially responsible manner.”

– Paul Rathbun, Chief Financial Officer, AdventHealth

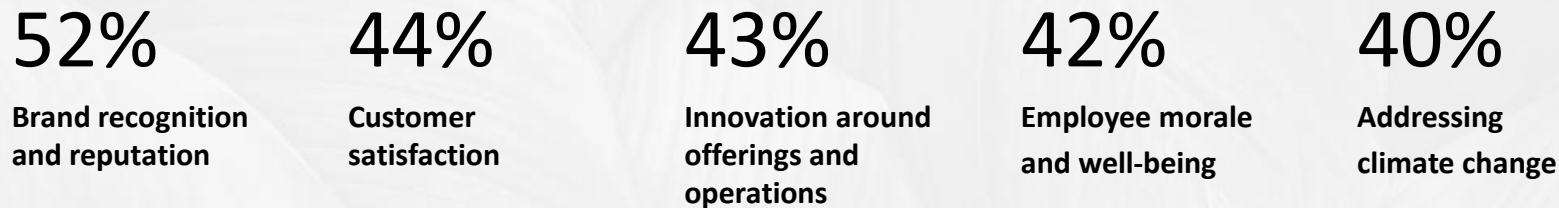


What have been some of the greatest benefits of your sustainability efforts to your business so far?
(Select top five)

Top five benefits selected – 2024



Top five benefits selected – 2023



Compared to last year, CxOs report experiencing a wider range of benefits across the board—and importantly are starting to see the impact on the broader climate challenge.

- In 2023, there was a considerable delta between the top and bottom five benefits, with addressing climate change ranking fifth, 12 points behind the top benefit of brand recognition and reputation. This year, there is a much more even distribution across the ranking of benefits, and addressing climate change placed first at 39%.
- In previous years, the financial benefits of climate action ranked the lowest. This year's results indicate organizations are making progress toward linking tangible financial benefits with sustainability initiatives.



Top benefits expected in the next 5 years (Select top five)

Top benefits selected



Bottom four selected



Organizations anticipate a range of benefits from their sustainability efforts over the next five years, with a strong focus on innovation and climate change mitigation.

- Innovation in offerings and products is the most-often cited benefit of sustainability actions. This highlights the role of sustainability in helping to foster creativity and development of new products and services, addressing both climate change and their top priority, innovation.
- Addressing climate change remains a top benefit, with businesses continuing to prioritize efforts to reduce their environmental impact. The ability to recruit and retain talent is also expected to improve as companies become more attractive to employees who value sustainability.
- Even relatively less-cited benefits, such as boosting employee morale, were still cited as important by many CxOs, underscoring the wide range of potential upsides they see.



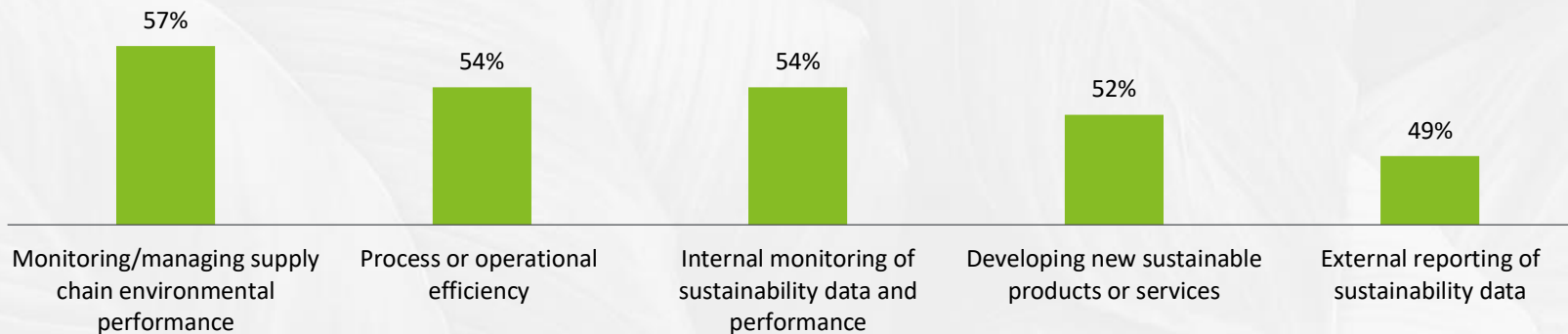
Which of the following actions/adaptations has your company already undertaken as part of its sustainability efforts? (Select all that apply)

Top actions taken



Breakdown of technology solutions selected by those implementing that action

In which areas is your company implementing or planning to implement technology solutions to help achieve climate or environmental goals?

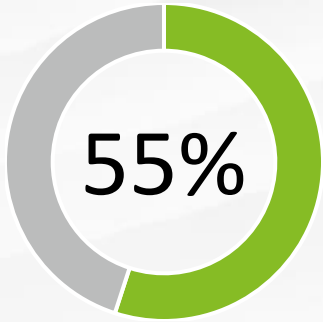


Organizations are actively implementing a range of sustainability actions, spanning suppliers, operations, products, and more.

- Many companies are adopting the use of more sustainable materials, reflecting a widespread shift toward environmentally friendly resources.
- Implementing tech solutions to help achieve climate goals has risen to the top 5 actions for 2024. Companies are leveraging technology in several key areas, particularly in the supply chain.
- In tackling harder-to-implement but crucial initiatives, companies are engaged in developing new climate-friendly products or services, highlighting the complexity and importance of these actions.
- Additionally, implementing specific sustainability criteria on suppliers and business partners ensures that the entire supply chain adheres to environmental standards. To enhance climate resilience, many organizations are modifying their operations, infrastructure, and supply chains.



To what extent does climate equity or ensuring a just transition* factor into your company's sustainability efforts?



say it is “extremely” important

**A just transition seeks to ensure that the substantial benefits of transitioning to a green economy are shared widely, while also supporting those who stand to lose economically—whether countries, regions, industries, communities, workers, or consumers.*



How is your organization factoring climate equity or ensuring a just transition into its sustainability efforts?



Organizations are prioritizing climate equity and a just transition as critical components of their sustainability strategies.

- **Significance of climate equity:** 55% of organizations consider climate equity and ensuring a just transition as extremely important in their sustainability efforts. This is up significantly from last year's 46%. This highlights a strong, growing commitment to not only addressing environmental impacts but also ensuring that the benefits of a low-emissions economy are distributed fairly.
- **Community engagement:** 54% of companies say they are working with local communities to help mitigate climate change vulnerability, demonstrating a focus on reducing the adverse impacts of climate change on at-risk populations. Additionally, 53% say they are engaged with local communities to help address historic environmental inequities.
- **Green Workforce development:** More than 800 million jobs globally are highly vulnerable to climate extremes and economic transition impacts, according to Deloitte Global modeling, [Work toward net zero](#). 49% of organizations are preparing workers to transition to green jobs, helping address that challenge and emphasizing the importance of workforce development in a sustainable economy.

“I've seen companies in all different stages of the journey within the corporate sustainability world — going from being more of a compliance exercise, to more of an operational exercise, to getting into the supply chain, to really then thinking about what the business opportunity is, and finally with new reporting requirements coming back full circle to regulatory issues again being prominent.”

– **Kate Brandt, Chief Sustainability Officer, Google**

“We have been on our ESG journey for many years and continue to make progress in all areas. Our aim is to be at the forefront, to be a market maker, creating a more sustainable and inclusive future for all.”

– **John Ferguson, President and Chief Executive Officer, Purolator**

“I see this as a curve. We are not at the peak and many people say it's too early, too early, too early, but suddenly it's too late. That's why I think you have to take the decision a bit before it's fully financially optimal. This is a way to build the economies of scale and financial resilience.”

– **Juvenio Maeztu, Deputy CEO, Management Board Member and CFO, Ingka Group (IKEA)**

“A key theme that we've spotted is that there's a missing middle of capital right now to help scale up this next wave of climate technologies. Where we see a lot of companies struggling is at this stage in between, where they are too big for venture, but they're not yet established enough for the larger infrastructure funds to get involved. I think the two areas where we see opportunities to unlock a lot more activity is one, this missing middle of capital and then two, around transition plans and transition finance.”

– **Daniel Hanna, Global Head of Sustainable Finance for the Corporate and Investment Bank, Barclays**

“People are expecting you to have more than just words. You actually have to be able to show progress. It doesn't have to be a straight line, but you should have a plan to make progress over time and to meet your goals. And that's a statement not just about our customers, but also investors, analysts, and others. There is more and more of an expectation that you have some substance behind your commitments .”

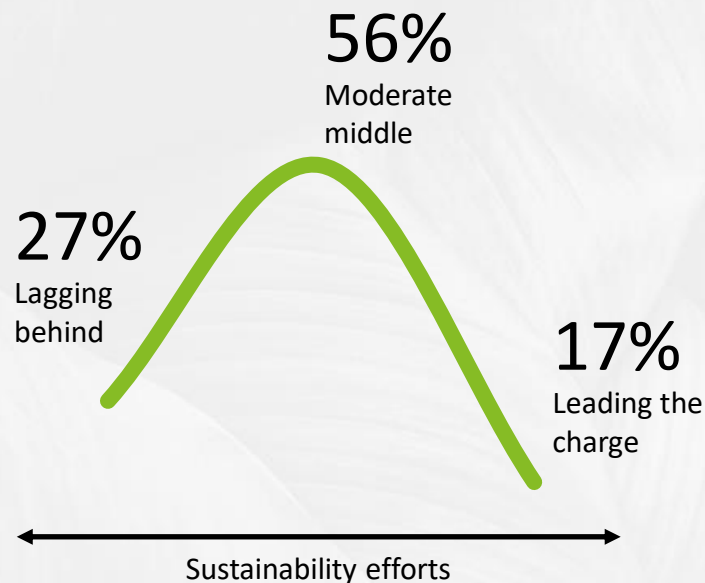
– **Mary Jacques, Executive Director, Global ESG and Regulatory Compliance, Lenovo**

A sizeable, moderate group of companies has the opportunity to scale up "needle-moving" efforts and impact

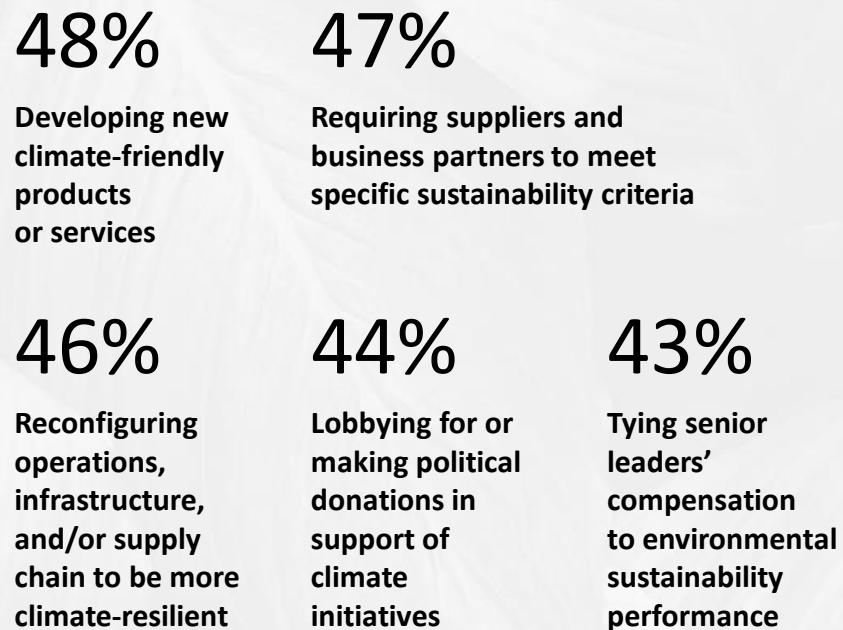


Which of the following actions/adaptations has your company already undertaken as part of its sustainability efforts? (Select all that apply)

Distribution of organizations by groups



Harder-to-implement, needle-moving actions*



* As defined by Deloitte Global analysis

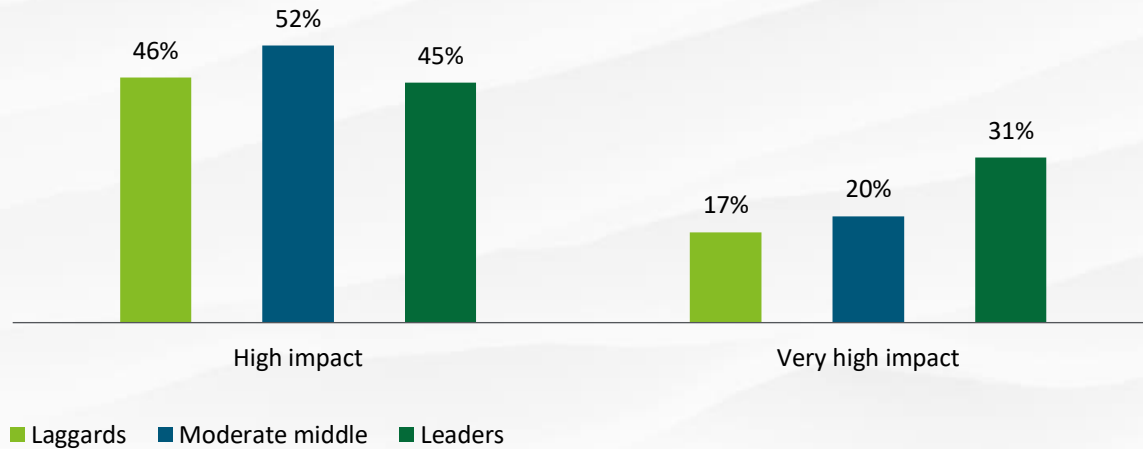
There is significant potential for organizations to scale up their efforts and achieve greater impact.

- **Leading the charge:** 17% of organizations are ahead of the curve, implementing four to five sustainability actions, demonstrating a holistic and proactive approach to environmental challenges. These organizations are also more likely (53%) to view their approach to environmental sustainability and climate change challenges as a transformation of their business model and as a central part of their strategy.
- **Moderate middle:** The majority of organizations (56%) are channeling their sustainability efforts into two to three critical actions, aiming to drive meaningful progress in key areas.
- **Lagging behind:** More than a quarter (27%) of organizations have taken minimal or no action, even though 63% of them also recognize the significant looming impact of climate change on their operations and strategy. To achieve the rapid changes needed to meet the Paris Agreement goals, these companies will need to accelerate their actions.

The moderate middle group is less likely to have made sustainability core to their strategy



To what degree do you expect the effects of climate change to impact your company's strategy and operations over the next 3 years? (Select one)



Which of the following statements best describes your company's current approach to environmental sustainability and climate change challenges? (Select one)



The perception of climate change's impact varies among different groups.

- The middle group of our bell curve stands out, with 52% expecting climate change to have a high impact on their strategy and operations over the next three years, and 20% anticipating a very high impact. This suggests a growing awareness and urgency within this segment. In contrast, laggards display less concern, with only 46% foreseeing a high impact and 17% anticipating a very high impact. Leaders, however, are more balanced in their outlook, with 45% expecting a high impact and a notable 31% anticipating a very high impact, indicating a strong recognition of climate change's significant effects.
- When it comes to addressing sustainability and climate change challenges, leaders lead the way with 53% stating that transforming the business model to address these challenges is central to their organization's strategy. The middle and lagging groups are less likely to have sustainability at the heart of the business, with 43% of each emphasizing business model transformation.

The moderate middle can tip the balance of corporate climate action



Distribution of “moderate middle” group’s efforts

53%

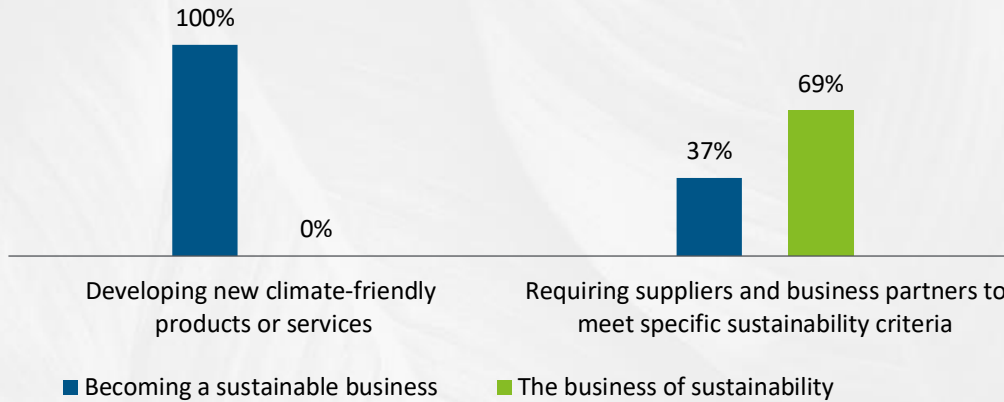
Becoming a sustainable business



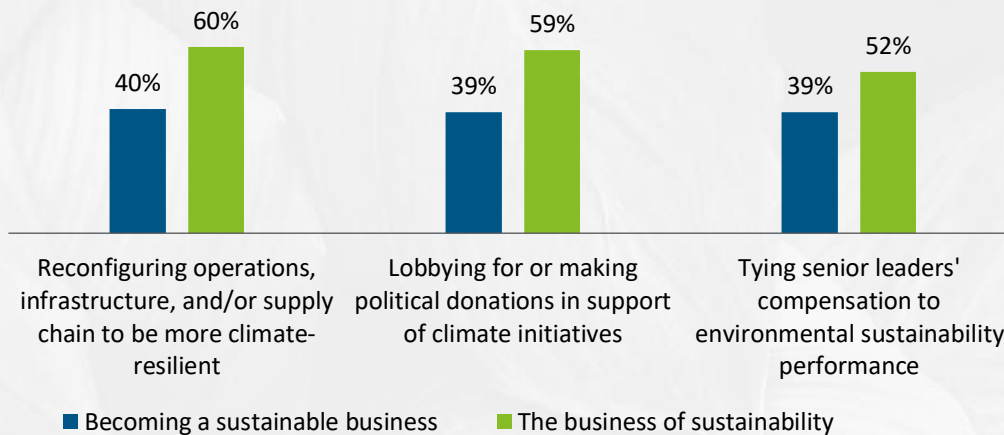
47%

The business of sustainability

Which of the following efforts has your company undertaken (or expects to undertake) as part of its environmental sustainability efforts?



Which of the following efforts has your company undertaken (or expects to undertake) as part of its environmental sustainability efforts?



The 56% of organizations that have undertaken two to three “needle-moving actions” anticipate a high impact of climate change on their business, have increased their investments slightly over the last year, and indicate feeling the pressure to a moderate or large extent from multiple stakeholders.

- The data reveals a clear delineation in the approaches and strategies between two separate camps within this group at the middle of the bell curve:
 - *The business of sustainability*: Those focused on new sustainability solutions, serving the emerging green economy
 - *Becoming a sustainable business*: Those focused on reducing their impacts and influencing others
- Leading organizations have brought these two approaches together into a holistic sustainability strategy. If the many companies that fall into the middle group expand their efforts, we could see a critical mass of businesses pushing for change on multiple fronts.

Recommendations: Moving from moderate to mobilized



“When you weigh all the other challenges to the business - energy crises, inflation, or economic uncertainty - you can trace the impacts of climate change to all these other worrisome trends. These problems are a manifestation of climate change, not a distraction from our climate activities.”

– **Sophia Mendelsohn, Chief Sustainability and Commercial Officer, SAP**

“Barclays sees an opportunity to build a franchise and a business around sustainability and decarbonization. In essence, this is now a total rewiring of the economy. And that rewiring is going to require capital and advisory activities - to help our clients find the opportunities in navigating the challenges around decarbonization.”

– **Daniel Hanna, Global Head of Sustainable Finance for the Corporate and Investment Bank, Barclays**

“There is a pretty strong recognition that climate change is really important. And not just from the business, but because it's the right thing to do personally.”

– **Mary Jacques, Executive Director, Global ESG and Regulatory Compliance, Lenovo**

“Our bondholders, the credit rating agencies, our employees and our communities all expected us to have a more comprehensive approach to environmental sustainability and, quite frankly, it was the right thing to do.”

– **Paul Rathbun, Chief Financial Officer, AdventHealth**

“Sustainability runs through everything we do. The products that we develop, the electric vehicles we use to deliver, our customer-centric focus, the ability to attract, retain, and engage with employees, and the changing landscape of our supply chain. Ultimately these ESG efforts are providing us with long-term sustainable competitive advantage.”

– **John Ferguson, Chief Executive Officer, Purolator**

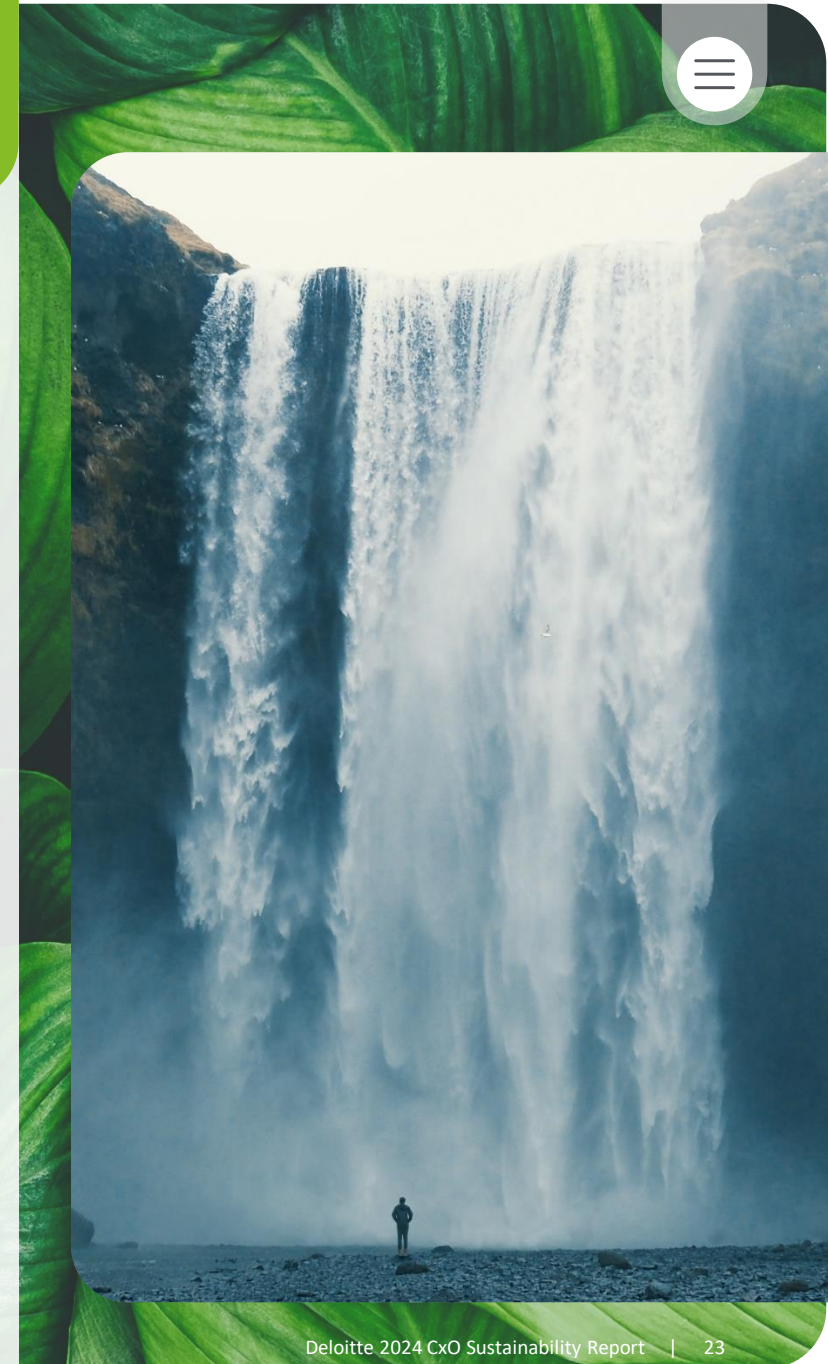
Recommendations

Moving from moderate to mobilized

After the hottest year on record¹ and with the evidence of the adverse impacts of climate change all around us, businesses must redouble their efforts. The focus should be on immediate and rapid cuts in emissions, building resilience amid a rapidly-warming world, and ensuring that the impacts of climate change and the energy transition do not fall disproportionately on the most vulnerable. In doing so, their sustainability actions can lead to a range of business benefits. The companies in the “moderate middle,” in particular, hold the potential to tip the scales—with benefits for both their businesses and the planet. To do so, they should take cues from leading organizations to:

- **Build on key strengths.** Some companies will likely be well-suited to the “business of sustainability”—driving the new products and services needed in the low-emissions economy, from solar panels and electric vehicles to regenerative food and carbon removal projects. Others may find it easier to be a multi-faceted “sustainable business”—embedding sustainability in key processes, and leveraging their influence with suppliers and policymakers. Both roles are critical, and the “moderate middle” can look to strengthen their efforts wherever they are currently focused.
- **Consider the full array of pathways to creating impact.** The “needle-moving actions” are hardly exhaustive, but they aim to reflect the breadth and depth of potential corporate climate impact. Organizations should think expansively about how they can extend the reach of their sustainability efforts, including with customers, employees, suppliers, policymakers, nongovernmental organizations, and community members. An organization’s influence and degrees of latitude may be greater than initially realized.
- **Collaborate beyond the four walls of the business.** To realize that broad reach, engage with a wide range of stakeholders—and even competitors—to amplify sustainability impacts. Collaboration across the supply chain can drive industry-wide improvements and foster innovation. For example, working with suppliers to help meet sustainability criteria can enhance the overall environmental performance of products. Partnering with regulators can help shape supportive policies, while collaborations with competitors can drive standard-setting and leading practices in sustainability.
- **Explore the full range of benefits to make the business case.** CxOs report a wide range of benefits from their sustainability actions. As companies look to up their ambition and adopt more “needle-moving actions,” leaders should think expansively about the gamut of tangible and intangible gains they could see. As market and regulatory demands continue to evolve, those who move proactively to put sustainability at the heart of their business will likely be well-positioned to thrive in the economy of the future.

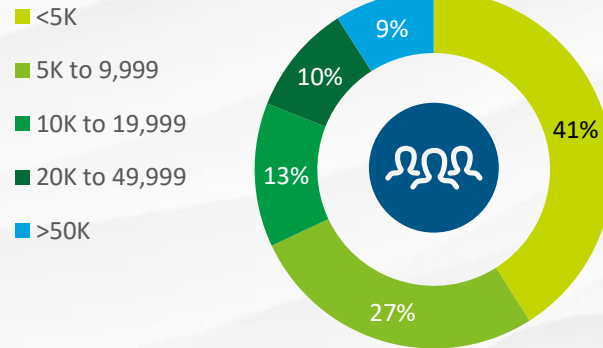
¹ National Oceanic and Atmospheric Administration (NOAA), “[2023 was the world’s warmest year on record, by far](#),” January 2024



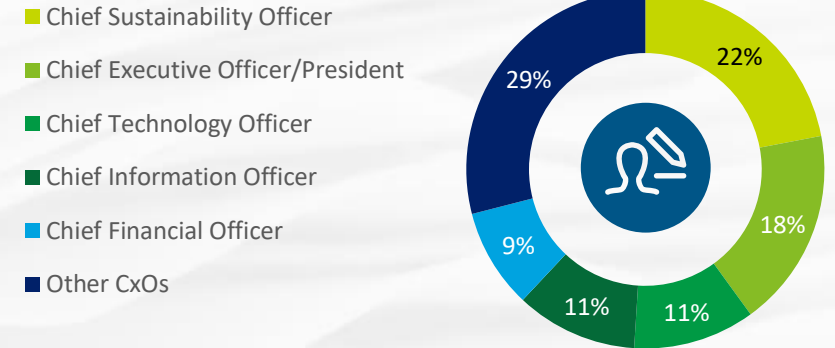


The report is based on a survey of 2,103 C-level executives, conducted by KS&R Inc. on behalf of Deloitte, and was administered in a double-blind manner during May and June 2024, ensuring impartiality and confidentiality for both respondents and researchers. The survey polled respondents from 27 countries*: 46% from Europe/Middle East/South Africa, 17% from North America, 9% from Latin America, and 28% from Asia-Pacific. Each of the major industry sectors were represented in our sample. Additionally, KS&R and Deloitte conducted select, one-on-one interviews with global industry leaders.

Number of employees



Job title



Revenue (US\$)



■ \$500M to \$999M
 ■ \$1B to \$1.99B
 ■ \$2B to \$4.99B
 ■ \$5B to \$9.99B
 ■ >\$10B or more



Industry



■ Consumer
 ■ Energy, Resources & Industrials
 ■ Financial Services
 ■ Life Sciences & Health Care
 ■ Technology, Media & Telecom

* Countries polled: Australia, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Iceland, Ireland, India, Italy, Japan, Korea, Mexico, Netherlands, Norway, Qatar, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom, United States.

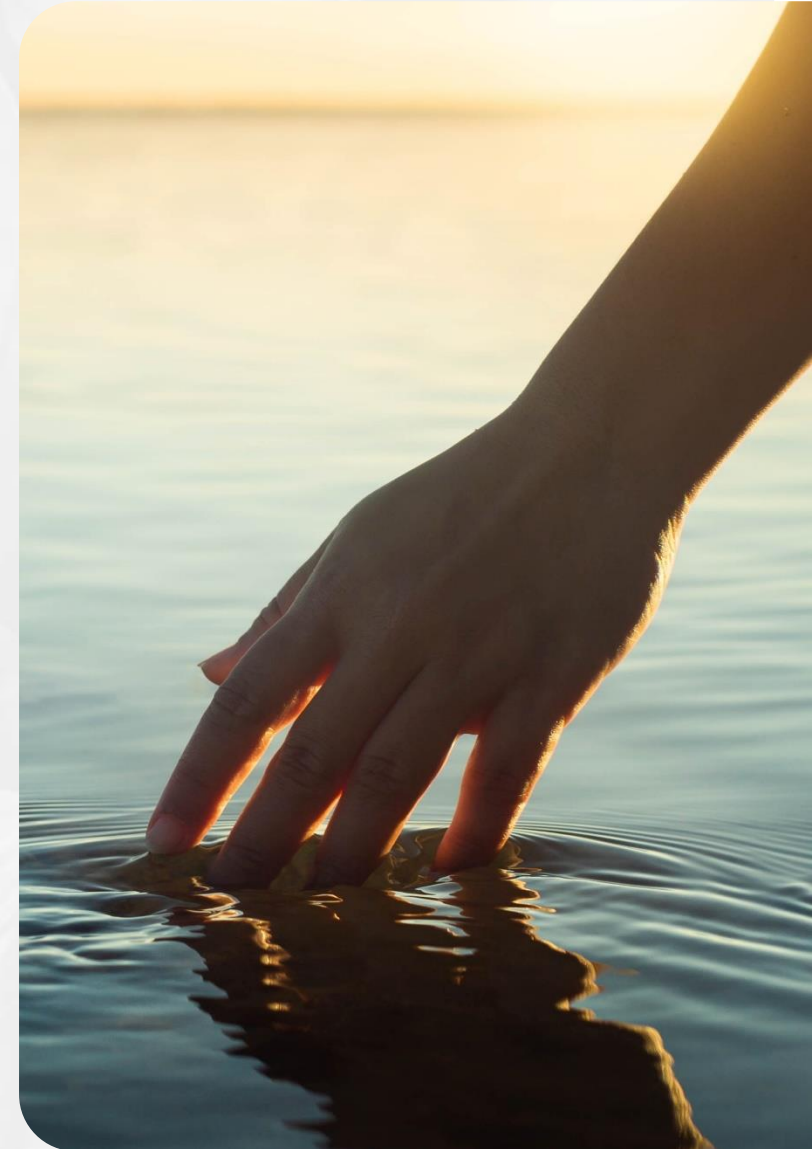
Contacts



Jennifer Steinmann
Deloitte Global Sustainability
Business Leader
jsteinmann@deloitte.com

A special thanks to the following individuals and partnering organizations who provided the support to make this report possible:

- | | |
|----------------------|-----------------------|
| Ashley Pampena | Meredith Mazzotta |
| Ashish Gupta | Maria Fernanda Castro |
| Blythe Aronowitz | Monika Wiszenko |
| Chaanah Crichton | Michelle Varney |
| Derek Pankratz | MikeWorldWide (MWW) |
| Dilip Krishna | Pia Basu |
| Grzegorz Jurczynszyn | Rachael Ballard |
| KS&R | Rebekah Susan Thomas |
| Kristen Sullivan | Stephanie Anderson |
| Leon Pieters | Steve Dutton |
| Lesley Stephen | Sue Harvey Brown |
| | Tracey McQueary |





About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society, and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 457,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (DTTL), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.