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Headline: Climate change: The other crisis we can't ignore

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It is difficult to concern ourselves with the effects of climate change, observable and tangible as they are, when so many are struggling to find medical care for their loved ones during this resurgent coronavirus disease 2019 (Covid-19) pandemic. The challenge of our time is having to face two equally serious crises, both with tremendous impact on human lives and no quick, easy fixes. And yet it is imperative that we keep an eye on our climate-related goals even as we work to manage the current health crisis because the problem is too big to set aside.

Over the last few years, businesses have increasingly prioritized their sustainability initiatives as climate-related disasters drove home the magnitude of the crisis. Their efforts will continue to be crucial in mitigating the worst impacts of climate change. Recently, for example, news came out that only three companies are responsible for 46 percent of packaging waste found in the Philippines following a global brand audit of plastic wastes. And 91 percent of the waste are non-recyclable.

Deloitte has been tracking how businesses are approaching the climate crisis in order to get a better reading on the changing sentiments surrounding this threat, and to support the conversation on the business case for tackling climate change. In January and February this year, Deloitte surveyed 750 executives worldwide on their biggest concerns when it comes to climate change and how the Covid-19 pandemic has affected their efforts at securing a more sustainable future. Here are some of the key findings from that study.

Executives are concerned about climate change

Executives are concerned about the issue but admit the pandemic has stalled their sustainability efforts. An overwhelming 82 percent of the respondents said their organizations are either "concerned" or "very concerned" about climate change, and 60 percent believe the world is at a tipping point for responding to the climate crisis. Despite the gravity of the situation, however, 65 percent of executives admitted they have had to cut back on their environmental sustainability initiatives in some way due to the pandemic. Thankfully, though, none of the respondents said they would stop their efforts completely with no plans to resume. In fact, 68 percent of the respondents said they would continue some of the personal behavior changes they have made to limit their own impact on the environment, including reducing personal travel.

Organizations are moving beyond awareness

Organizations are moving beyond awareness to more substantial environmental sustainability actions, and the shift is having a positive impact on stakeholder satisfaction and the bottom line.

In the past decade, actions regarding climate change have focused on education and awareness. This time around, when respondents were asked about their organizations' environmental sustainability efforts, the top three actions were more concrete: adopt public policy positions that promote sustainability; encourage or require suppliers to meet specific environmental-sustainability criteria; and use more sustainable materials. All surveyed organizations reported seeing positive benefits, most notably in the areas of customer satisfaction (49 percent), employee recruitment and retention (47 percent), and financial metrics such as profitability and revenue growth (46 percent).

Considering these positive outcomes, we expect more leaders to weave their sustainability pledges into their organizational culture and brand identity moving forward.

Most executives feel businesses and governments can do more

Even as the private sector struggles with the impact of the coronavirus pandemic, particularly here in the Philippines where as of this writing the capital is once again under enhanced community quarantine or ECQ, 81 percent of executives who were surveyed believe businesses should make even greater efforts to protect the environment. Seventy-two percent said governments should do the same, and it looks like the public sector is on the same page. Looking at climate change concerns by industry, the Deloitte survey revealed that executives from government and public services were most concerned about climate change, with 89 percent of them saying their organizations were either “concerned” or “extremely concerned.” This was followed by the consumer (88 percent) and life sciences and health care (81 percent) industries.

External pressure plays a key role in driving environmental sustainability actions

When it comes to intensified action on climate change, respondents are looking to stakeholders for their cues. Asked what would motivate their organization to increase sustainability efforts, 38 percent of respondents cited “investor” or “shareholder demands,” while 35 percent said “increased societal and employee activism.” Thirty-two percent would be motivated by the intensification of climate-related disasters, while only 15 percent would be motivated by boycotts of their business. This should be encouraging for businesses that are already embedding sustainability in their evaluation of partnerships, alliances, and vendor relations. The effort is making an impact and needs to be sustained in order to lead to bigger, more meaningful gains in altering the course of climate change.

Overall, Deloitte’s climate check survey paints a picture of determination within the business community to act now to address the climate crisis. And while the coronavirus pandemic has stalled some of the sustainability efforts of organizations, it has also highlighted the importance of large-scale collective action in making a positive impact on the environment. Big as the twin crises the world now faces, there is hope among leaders that there is still a path towards a more sustainable future.

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