



## Deloitte 2023 CxO Sustainability Report

Accelerating the Green Transition

## A letter from Joe Ucuzoglu and Jennifer Steinmann

If there was any doubt that climate change is an enduring part of the business agenda, 2022 should put it to rest. Around the globe, we experienced increasing weather-related events that impacted our people, our businesses, and our economies. At the same time, we also saw increasing alignment across the business community around the need to address climate change and share a responsible path toward a decarbonized economy.

Amidst a year of continued uncertainty, disruption, and competing business challenges, leaders ranked the threats posed by climate change as a top issue in Deloitte's latest global C-suite (CxO) survey, second only to the economic outlook.

Consistent with conversations we've had with business leaders, the majority of CxOs remain optimistic that the world will take sufficient steps to avoid the worst impacts of climate change and agree with the sense of urgency to take action. The good news is that even as we look ahead to an uncertain economic cycle in the year to come, C-suite leaders remain committed to investing in sustainability and climate change initiatives. Further, there is a broad recognition that progress towards solutions will require collaboration across the entire ecosystem of private, public, and non-profit organizations.

As we consider the journey to a low-carbon future, we know the path forward will take time, it will require businesses investment, and it will be driven by new and innovative technologies and creative approaches. There are important challenges the business community will need to help address from finding ways to balance short-term costs with long-term benefits, to establishing new ways to measure environmental impact and progress.

Our survey tells us that CxOs believe that both their organizations and the global economy can continue to grow while reaching climate goals and reducing greenhouse gas emissions. The private sector has the know-how, influence, and scale to bridge the gap to this more equitable and sustainable future.

Accelerating the green transition requires that C-suite executives lead the path forward and take action now. The concern that leaders feel about climate change should serve as a catalyst for continued action. We have a once-in-a-generation opportunity to reorient the global economy for more resilient long-term prosperity.

Together, we can build vibrant economies that are sustainable well into the future.

Joe Jen



**Joseph B. Ucuzoglu**  
Deloitte Global CEO



**Jennifer Steinmann**  
Deloitte Global Sustainability  
& Climate Practice Leader

## Executive summary

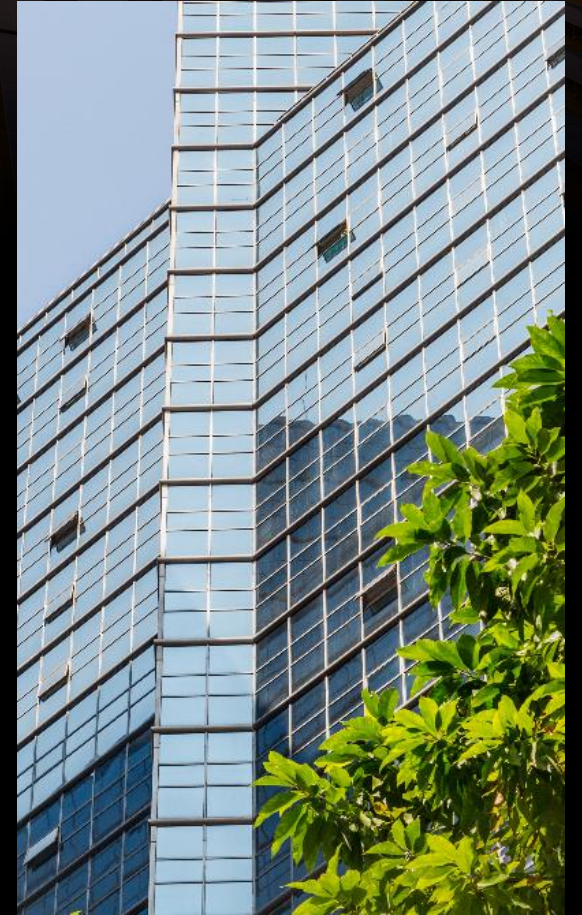
Over the last year, global executives have faced a number of challenges, including economic uncertainty, geopolitical conflict, supply chain disruptions, and talent shortages, among others. Despite these headwinds, CxOs indicate that concern over climate change continues to be a top priority for their organizations. While the vast majority of CxOs surveyed share the view that the world can achieve global economic growth while also reaching climate change goals, there continues to be a gap between actions and impact as organizations are slower to implement the “needle-moving” actions that embed sustainability into the core of their strategies, operations, and cultures.

When asked to rank the issues most pressing to their organizations, many CxOs rated climate change as a “top three issue.”

- **Climate change ranked ahead of seven others**, including innovation, competition for talent, and supply chain challenges. In fact, only economic outlook ranked slightly higher.
- Many of them **(61%) said climate change will have a high/very high impact on their organization’s strategy and operations** over the next three years.
- **Some 75% said their organizations have increased their sustainability investments** over the past year, nearly 20% of whom say they’ve increased investments *significantly*.

CxOs are highly worried about climate change but also optimistic about climate action:

- **62% said they feel concerned about climate change all or most of the time.**
- Almost all respondents indicated their companies were negatively impacted by climate change in some way over the last year, and **82% of CxOs have been personally impacted.**
- Yet, **78% feel somewhat or extremely optimistic** that the world will take sufficient steps to avoid the worst impacts of climate change.





## Executive summary

Companies are feeling broad pressure to act across stakeholder groups—from the board/management to customers to employees:

- More than half of CxOs said **employee activism on climate matters has led their organizations to increase sustainability actions over the last year**—24% of which said it led to a “significant” increase.
- Regulation is also influential: **65% of CxOs said the changing regulatory environment has led their organization to increase climate action over the last year.**

As seen [last year](#), while companies are taking action, it is less likely they are implementing actions that demonstrate they have embedded climate considerations into their cultures and have the senior leader buy-in and influence to effect meaningful transformation.

- For example, **21% of CxOs indicate their organizations have no plans to tie senior leader compensation to environmental sustainability performance, and 30% said they have no plans to lobby government for climate initiatives.**
- Additionally, when asked about how serious certain groups are about addressing climate change, **only 29% of CxOs said they believe the private sector is “very” serious.**
- And **only 46% said that ensuring a “just transition”\* is “extremely important”** to their organizations, and the view of its importance differs greatly by region and country.

Our report further explores the disconnects between ambition, action, and impact as well as steps CxOs can take to help bridge the divide and accelerate progress to a green transition.

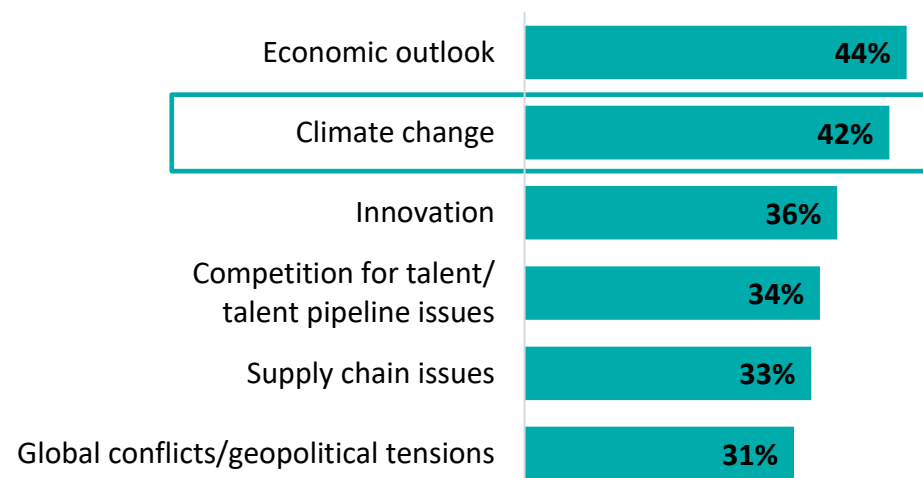
*\*A just transition seeks to ensure that the substantial benefits of transitioning to a green economy are shared widely, while also supporting those who stand to lose economically—whether countries, regions, industries, communities, workers, or consumers.*



## Climate remains a top priority despite many pressing issues



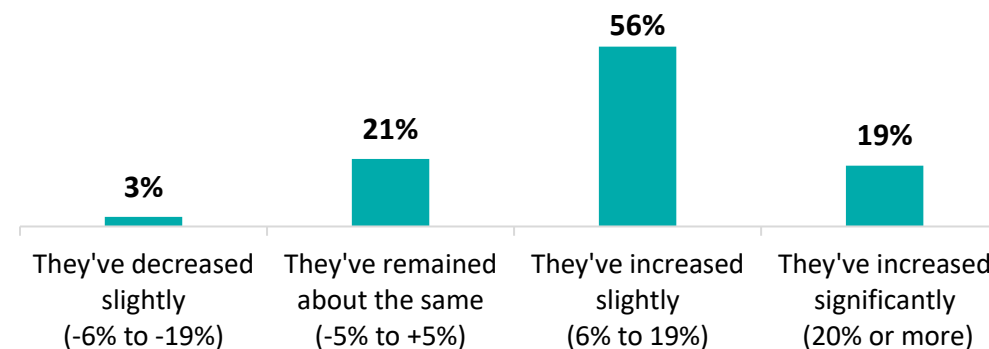
**What does your organization see as the most pressing issues to focus on over the next year? (rank in order of importance)**



■ % ranked in the Top 3



**How have your sustainability investments changed over the last year?**



### Climate change is now an enduring part of the business agenda

- Instead of retrenching amid inflation, geopolitical crises, and an energy crunch, CxOs indicate they've accelerated their sustainability efforts over the last year. When asked to rank the issues most pressing to their organizations, 42% of CxOs rated climate change as a "top three issue" with only economic outlook ranking higher.
- The importance of climate change is also seen in organizations' investments over the past year: 75% say their organizations have increased their sustainability investments, nearly 20% of whom say they've increased investments "significantly."
  - Countries most likely to have increased investments "significantly": the UAE (34%); Brazil (31%); Italy (29%).
- Only 3% say they've decreased sustainability investments over the past year. The most common reasons for a decrease were concern over an economic downturn and the effects of the Russia-Ukraine conflict.

## What leaders are saying about prioritizing sustainability in a time of disruption

“The disruption of the past few years has exposed cracks in the world’s systems and shown us the things that need to be addressed. Focusing on the planet and contributing to a more restorative future not only makes us more resilient and flexible, but it’s also the right and only thing to do.”

– **Nikki Neuburger, Chief Brand Officer, lululemon**

“It is a dynamic environment these days, and one of the biggest challenges we have faced recently is the European energy crisis. We are confident that it also presents an opportunity for us to expedite our transition to renewable energy. It will help us not only by reducing our negative impact on the environment, but also it can help us materially reduce costs.”

– **Natalie Knight, Chief Financial Officer, Ahold Delhaize**

“While it might seem like the shocks of the last couple of years would impact the acceleration of ambition on climate, corporates and institutions continue to take progressive action. On the positive side, we’re seeing significant momentum in terms of the flow of capital into renewables and new decarbonization technologies.”

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

“Business leaders of today and the future need to be able to navigate disruption with much less information. ESG and environmental sustainability are important elements of creating a strong, resilient business that can be adaptable to change.”

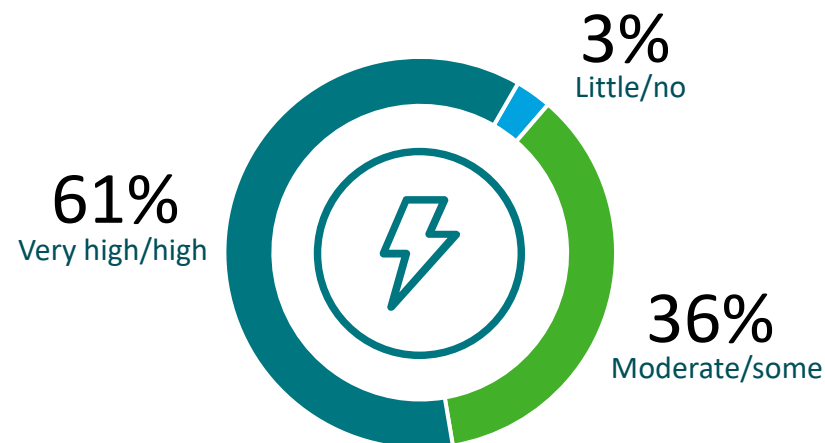
– **Sunya Norman, Vice President of ESG Strategy, Salesforce**

“The last couple of years have challenged every industry, but we have remained committed to our sustainability priorities throughout and have continued to make significant progress. We believe sustainability and social impact are among our greatest strengths as a brand, and they’re central to our people-driven values.”

– **Robert McGibney, Executive Vice President and Chief Operating Officer, KB Home**

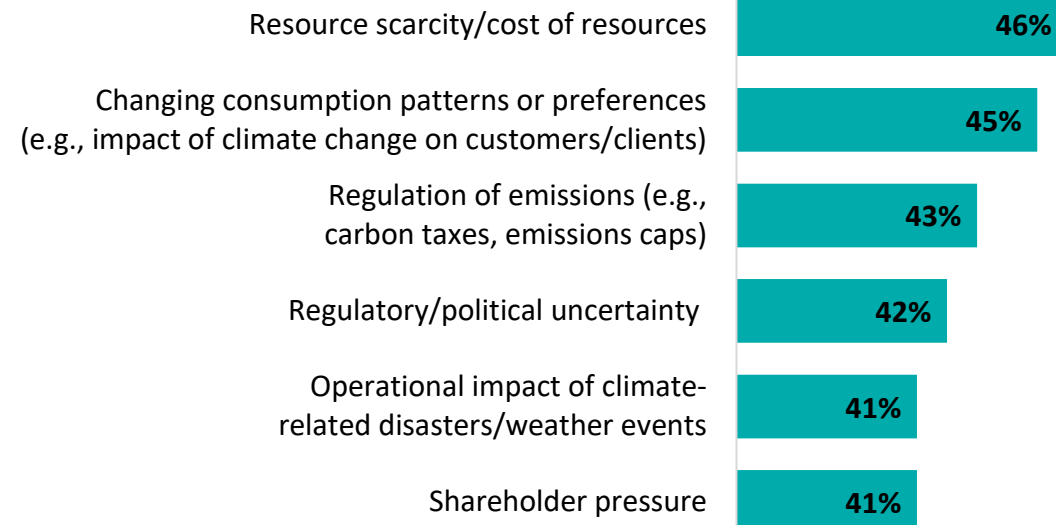
## Almost every organization has felt the impacts of climate change

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



### Top climate issues already impacting companies

(select all that apply)



### Climate change is affecting companies in myriad ways

- Almost all respondents indicated climate change has impacted their organizations over the past year. In a year where the Russia-Ukraine conflict has caused supply chain disruption and resource issues, CxOs also identified climate change as a driver of high costs and resource scarcity. Organizations are also contending with changes in consumer demand, regulations, political uncertainty, and operational impacts related to climate disasters and weather events.
  - Resource scarcity is most keenly felt in the UAE (64%), Germany (58%), and France (55%). However, it is less of an issue in the Americas region, where it ranked fifth.
  - Shareholder pressure was the top issue cited by the largest companies surveyed (those with 50,000+ employees).
- Additionally, around a third of CxOs said climate change is negatively affecting their employees' physical (37%) and mental (32%) health. Employee physical health was especially a concern in Asia-Pacific (APAC) countries where 44% of CxOs cited this as a current issue.

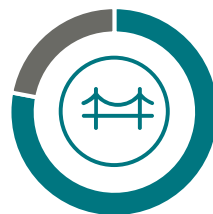


## CxOs are worried about climate change but optimistic about climate action



62% say they **feel concerned about climate change** all or most of the time

Gen Zs and millennials feel similarly: **nearly 75% of both generations** say that climate change contributes to their feelings of anxiety or stress.\*



78% are somewhat/ extremely optimistic **the world will take sufficient steps to avoid the worst impacts of climate change**

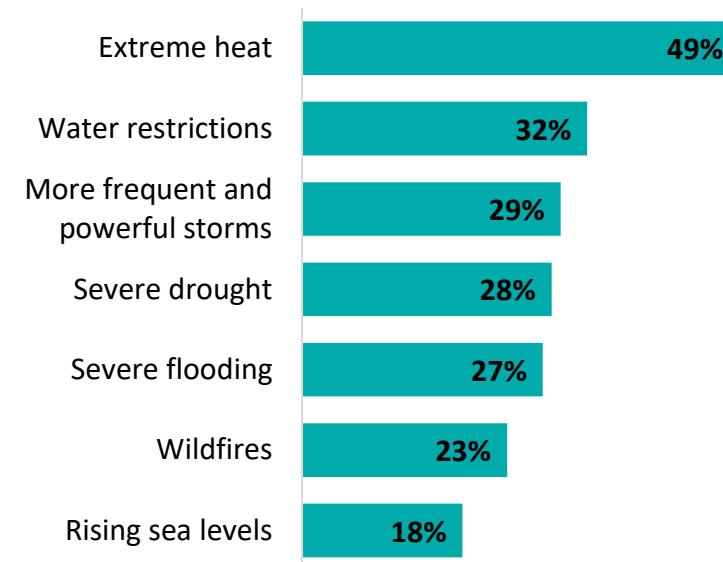


84% agree/strongly agree **the world can achieve global economic growth while also reaching climate change goals**

*\*The Deloitte Global 2022 Gen Z and Millennial Survey*



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



### Concern around climate change

- 78% are somewhat or extremely optimistic that the world will take sufficient steps to avoid the worst impacts of climate change. Despite this optimism, 62% say they feel concerned about climate change all or most of the time.
  - 20% of respondents say they feel concerned about climate change “all of the time.” This highly concerned group is more likely than the average respondent to indicate that their organizations have already been impacted by climate issues, they are feeling much more pressure from their stakeholder groups, and they are much more likely to have been personally impacted by a climate event over the past year.
- 82% of executives say they’ve been personally impacted by climate events in some way, with extreme heat the most frequently-cited issue. This number jumps to 95% for the highly concerned group.



## What leaders are saying about their climate concerns

"I am equal parts optimistic and concerned. On the positive side, with the work I do, I have the privilege to see the changes that are beginning to happen in the sustainability arena: I see adaptation beginning to scale in places like South Africa for instance, where there were hardly any solar panels to be seen a few years back. Now, everywhere you look, homes and businesses are being powered by the natural abundance of solar energy. So the power of human resilience in the face of challenge gives me hope."

**– Marisa Drew, Chief Sustainability Officer, Standard Chartered**

"There are many promising signals: behaviors are shifting and people and companies want to reduce their footprints. There are joint targets, objectives, and efforts and the momentum is just amazing. The journey will be long and the road bumpy, but I am confident we'll get there by embarking individuals and communities on a constructive and enjoyable journey. Together, we'll have the courage to make changes from a business and political perspective."

**– Patrick Sochnikoff, Global Chief Diversity, Equity & Inclusion Officer and Group Senior Vice President, Corporate & Social Responsibility, Sodexo**

"While we don't always have a map to navigate the unknown, we have a moral compass. The deeper you go into your moral compass and the 'why', the easier the 'what' and 'how' become. We have a lot of work to do, but we can make it. Humanity has never had so much knowledge, resources, and intelligence than it does today to solve these problems."

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

"I'm very optimistic: I've seen a real change in mindset over the last several years. Stakeholders are pushing and things are shifting. While we need increased investment and action from everyone, the appetite is there and I think some of the technological advances we've seen will be influential."

**– Mary Jacques, Director of Global ESG, Lenovo**

"As far as the future of the environment, I am in the optimistic camp. I think there are challenges ahead of us but I believe that if companies take their responsibilities seriously, there is big progress that can be made. I am also particularly excited because I know that when we get certain critical mass behind these initiatives, it'll drive accelerated growth and improvement."

**– Natalie Knight, Chief Financial Officer, Ahold Delhaize**

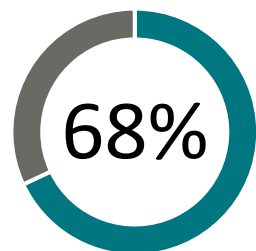
## Companies feel broad pressure from stakeholder groups



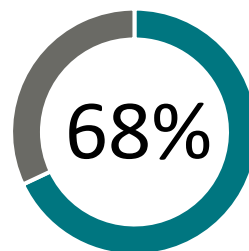
To what extent does your company feel pressure to act on climate change from your stakeholders?

*(select all that apply)*

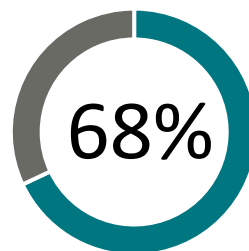
■ Feel pressure to a large/moderate extent



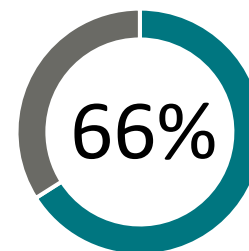
Board members/  
management



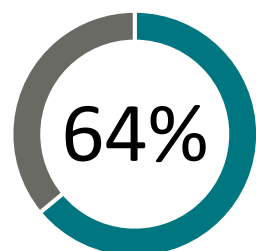
Regulators/  
government



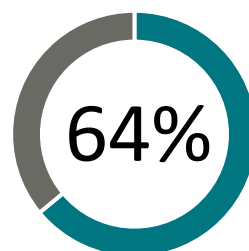
Consumers/clients



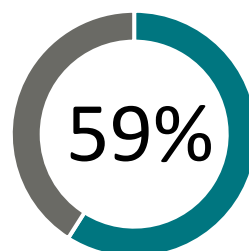
Shareholders/  
investors



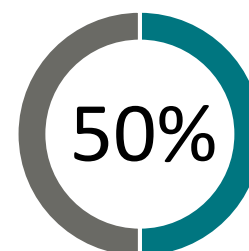
Employees



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



Competitors/  
peers



Banks/  
lenders

### Pressure from all sides

- Companies are feeling a moderate-to-large degree of pressure to act on climate change from many different stakeholder groups—from the board/management to customers to employees.
- Employees have become an increasingly influential group: More than half of CxOs said employee activism on climate matters has led their organizations to increase sustainability actions over the last year—and 24% said employee activism led to a “significant” increase.
- Regulation is also influential: 65% of CxOs said the changing regulatory environment has led their organizations to increase climate action over the last year.

## What leaders are saying about stakeholder pressure

“Sustainability is a huge factor in recruiting talent into our company. We employ a lot of very young, smart people, and when they're interviewing with us, one of the first questions they ask is about sustainability and what we're doing to have a positive impact on the planet and in the communities that we serve.”

– **Duncan Fulton, Chief Corporate Officer,  
Restaurant Brands International (RBI)**

“Customers across regions have high expectations for the products they purchase and companies they choose to do business with. ESG metrics are increasingly an important part of their decision-making process. They also want the most value out of our products: this means looking at circular processes to extend product life, making products repairable, and offering solutions like asset recovery services that make recycling easier.”

– **Mary Jacques, Director of Global ESG, Lenovo**

“Stakeholder interest has skyrocketed on sustainability topics over the past two years, and this interest has been very valuable for us because it has challenged us to take on more responsibility where we believe there is big opportunity, and it has accelerated our thinking.”

– **Natalie Knight, Chief Financial Officer, Ahold Delhaize**

“Sustainability is not only about climate; it's about social issues as well. And both are equally important. We need to work on all these things because they are interdependent, and we need to work for all at the same time. But we also need to work with other stakeholders like the government and civil society. One organization alone can't do everything, but everyone must do something.”

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

“Our board is very engaged, and we track and report progress to them through our Corporate Responsibility, Sustainability & Governance Committee of our Board of Directors and during our quarterly board meetings. This group is an important resource for us and regular communication and reporting enables us to not only lean on them for support and guidance when opportunities emerge, but to also celebrate when we meet and exceed our goals.”

– **Nikki Neuburger, Chief Brand Officer, lululemon**



## Many organizations express concern about a “just transition,” but focus is uneven among countries

To what extent does climate equity or ensuring a “just transition”<sup>\*</sup> factor into your company’s sustainability efforts?

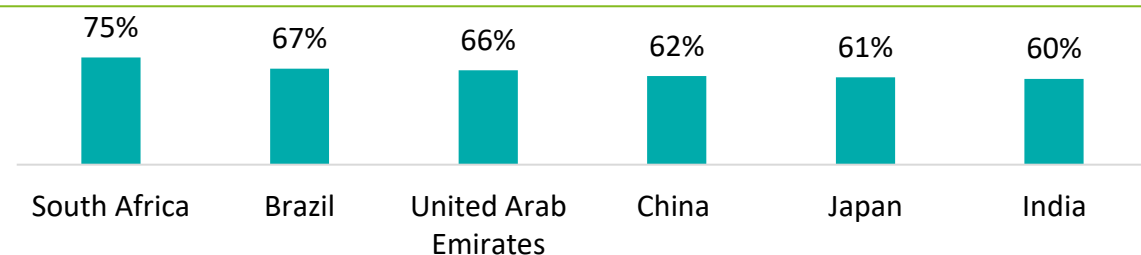
46%

say it is “extremely” important

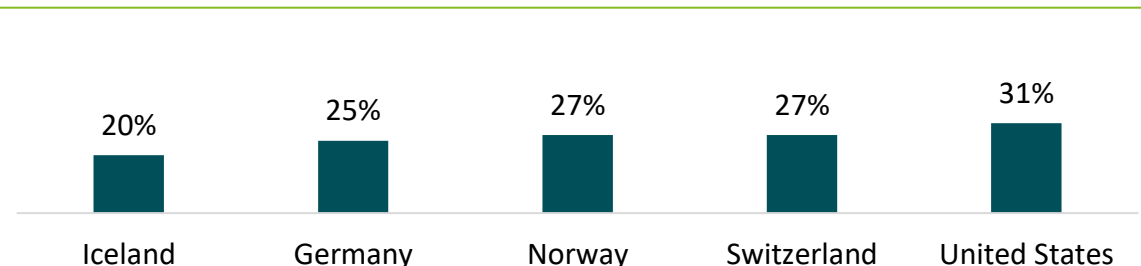


<sup>\*</sup>A **just transition** seeks to ensure that the substantial benefits of transitioning to a green economy are shared widely, while also supporting those who stand to lose economically—whether countries, regions, industries, communities, workers, or consumers.

### ▲ Countries most likely to see this issue as extremely important



### ▼ Countries less likely to see this issue as extremely important



### Uneven concern

- 46% of CxOs say that ensuring a “just transition” is “extremely important” to their organizations. The view of its importance differs greatly by region and country:
  - APAC is especially focused on a “just transition” with 57% of APAC CxOs saying, “it’s extremely important.” Countries most likely to see this issues as extremely important: South Africa (75%), Brazil (67%), the UAE (66%), China (62%), Japan (61%), and India (60%). Additionally, 76% of the “highly concerned group” of CxOs (referenced on page 8) are especially focused on a “just transition.”
  - The countries least likely to see it as “extremely important”: Iceland (20%), Germany (25%), Norway (27%), Switzerland (27%), and the US (31%).

## What leaders are saying about a “just transition”

“A ‘just transition’ is extremely important in times of crisis and difficult circumstances, and it’s extra important that we as a society focus on bringing everyone along. In the mortgage market, some of our clients are struggling with their home energy bills and are also having difficulties with sustainability in their homes, so our approach is to support them with their bill obligations and find different ways of assisting them in their sustainability transition.”

– **Tjeerd Krumpelman, Global Head of Reporting, Regulations & Stakeholder Management, ABN AMRO Bank**

“Climate disruption is going to dramatically increase the number of climate migrants in the coming years. This year, we hired around 1,500 refugees, 62% of whom were women, in 12 countries. While this is a challenging social issue, it also gives us the opportunity to help by employing those who have had to leave their homes and communities. We are currently partnering with [Tent Partnership for Refugees](#) and [Catalyst](#) on a three-year mentorship program to support refugees in our employment.”

– **Patrick Sochnikoff, Global Chief Diversity, Equity & Inclusion Officer and Group Senior Vice President, Corporate & Social Responsibility, Sodexo**

“One of the biggest climate change issues are the social consequences. In the future, climate change will challenge many millions of people in the world. Our response to that is to do our part to reduce inequality and create a positive impact on our clients, people, and communities.”

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

“We have a big footprint in the developing markets where energy access and energy transition requirements are acute. However, despite the urgent need to promote decarbonization and sustainable energy supplies, we are focused on the concept of a ‘just transition.’ This means mobilizing capital at scale to help tackle societal challenges like climate change, while making sure we’re doing it in a way that doesn’t leave people or economic prosperity behind.”

– **Marisa Drew, Chief Sustainability Officer, Standard Chartered**

“We’re already experiencing the effects of climate change, which harm every individual, company, and nation, but it disproportionately affects the poorest and most vulnerable, amplifying global inequality. That’s why Salesforce has unveiled climate justice policy priorities to promote inclusive policies and ensure that the world’s transition to net zero prioritizes equality.”

– **Sunya Norman, Vice President of ESG Strategy, Salesforce**

While organizations are acting,  
they're struggling to move the needle



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

#### TOP ACTIONS TAKEN

59%

Using more  
sustainable materials  
(e.g., recycled  
materials, lower-  
emitting products)

59%

Increasing the  
efficiency of  
energy use (e.g.,  
energy efficiency in  
buildings)

54%

Using energy-  
efficient or  
climate-friendly  
machinery,  
technologies,  
and equipment

50%

Training  
employees on  
climate change  
actions and impacts

#### HARDER-TO-IMPLEMENT, NEEDLE-MOVING ACTIONS\* \*As defined by Deloitte's analysis

49%

Developing new  
climate-friendly  
products or  
services

44%

Requiring **suppliers  
and business  
partners** to meet  
specific sustainability  
criteria

43%

**Updating/  
relocating facilities**  
to make them  
more resistant to  
climate impacts

33%

**Tying senior leaders'**  
**compensation** to  
environmental  
sustainability  
performance

32%

Incorporating  
climate  
considerations into  
**lobbying/political  
donations**

Over a third of organizations  
haven't implemented more  
than one of five "needle-  
moving" sustainability actions

- Companies are less likely to implement actions that demonstrate they have embedded climate considerations into their cultures and have the senior leader buy-in and influence to effect meaningful transformation. For example, 21% of CxOs indicate their organizations have no plans to tie senior leader compensation to environmental sustainability performance and 30% say they have no plans to lobby government for climate initiatives.
- However, companies are acting: they are using more sustainable materials, increasing energy efficiency, training employees, and developing new climate-friendly products.
- They are also ramping up climate adaptation efforts: 43% are updating or relocating facilities to make them more resistant; 40% are purchasing insurance coverage against extreme weather risks; 36% are offering financial assistance to employees who have been impacted by extreme weather.



## What leaders are saying about the actions their companies are taking

“Our ambition is to be the greenest courier company in Canada. We’re currently focused on the electrification of our last-mile network, which has the most material impact given our size and scope. Many years ago, we got in early with hybrid-electric trucks for curbside deliveries and now we’re focused on electrifying our fleet for last-mile deliveries. In some urban areas, we’re making use of underutilized parking lots by placing ocean containers there as small distribution centers, which helps reduce noise pollution by reducing truck traffic.”

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

“This work requires constant progression and staying on the cutting edge to continue to make the most livable homes. We have a new innovative project that we call a ‘microgrid community’ focused on an area in California exposed to wildfires and potential blackouts. The community is all-electric-, solar-, and battery-powered, and the homes are certified as Zero Energy Ready. We’re working with University of California, Irvine to study the benefits and challenges of rolling out projects like this at scale, including how to drive the costs down for homeowners.”

– **Robert McGibney, Executive Vice President and Chief Operating Officer, KB Home**

“Our ‘Be Planet’ vision is to lead toward a climate-stable future where nature and people thrive, with three strategy focus areas: innovating low impact product; building and advancing circular systems; and reducing our manufacturing and operating impact. From a circular perspective, we’re thinking about designing differently, extending the life of products, creating a useful next life, and shifting where fiber inputs come from toward a full circular loop. As one example, last year we launched ‘Like New,’ a resale program in the US that allows our guests to participate in new circular models.”

– **Esther Speck, Senior Vice President of Global Sustainability, lululemon**

“Sustainability was not a top-of-mind issue until a couple of years ago. We got very serious about this, benchmarked ourselves against other retailers and consumer-facing companies, and then decided to focus on the areas that will have the biggest impact for our business and our guests.”

– **Duncan Fulton, Chief Corporate Officer, Restaurant Brands International (RBI)**

“We have a three-pillar climate action strategy that includes a focus on net zero, including Salesforce’s own emissions reduction goals as well as how we’re helping customers reach theirs; supporting nature-based solutions to build a nature positive future; and championing ecopreneurs through programs like [UpLink](#) to catalyze the best minds of our generation to solve these issues.”

– **Sunya Norman, Vice President of ESG Strategy, Salesforce**

## CxOs struggle to adopt initiatives with longer-term financial benefits



I strongly agree my company's current sustainability efforts have a positive impact on...  
(select top five)

### ▲ TOP FIVE BENEFITS SELECTED

52%

Brand recognition and reputation

44%

Customer satisfaction

43%

Innovation around offerings and operations

42%

Employee morale and well-being

40%

Addressing climate change

### ▼ BOTTOM FIVE

31%

Investor returns

29%

Revenue from new business

25%

Asset values

24%

Cost of investment

23%

Revenue from longstanding businesses

## Difficulty linking more tangible financial opportunities to climate initiatives

Like last year, CxOs chose brand recognition and reputation, customer satisfaction, and employee morale and well-being as three of the four top benefits of their companies' sustainability efforts, suggesting many CxOs see climate actions as a way to benefit stakeholder relationships.

- Overall, 40% believe their organizations' sustainability efforts will meaningfully address climate change.
  - Leaders in APAC rank this slightly higher at 42% (a top-three benefit), but this benefit falls to 6th place in Europe, Middle East, and Africa (EMEA) and 8th in the Americas.
- The lowest-ranked benefits (all financial) suggest CxOs continue to struggle to define the longer-term financial opportunities that sustainability measures offer.

## What leaders are saying about the benefits of their climate strategies

“Innovation is one essential benefit. We’re working with others in our industry to innovate new material fibers that deliver the performance properties and the look and feel our guests expect, with plant based or recycled content input for improved environmental impact. Environmental constraints drive really interesting innovation spaces that we believe are critically important for many reasons, including future resilience. Consumers also like to see the brands they love doing the right thing and working together on these fundamental issues.”

– **Esther Speck, Senior Vice President of Global Sustainability, lululemon**

“Everyone is getting behind environmental sustainability. The younger generations coming into the workforce want a sense that their employer is doing the right thing, and we fortunately have the right proof points. Customers are also looking for evidence that there’s real action, and they are increasingly requesting meetings with our sustainability engineers and experts to make sure our values align.”

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

“85% of energy consumed during the lifecycle of a home comes from the day-to-day living in the home. That’s why our primary focus is on building highly efficient homes today that will provide reductions in daily consumption for decades and also save homeowners in utility costs. We also operate in some of the most water-challenged regions in America, so prioritizing water conservation is key.”

– **Robert McGibney, Executive Vice President and Chief Operating Officer, KB Home**

“Sustainability is a license to operate. We won't get any talent working for us if we don't have a strategy in place, and we won't get any new clients on board either.”

– **Jens Bjørn Andersen, Chief Executive Officer, DSV**

“Beyond the financial opportunity from the shift to green investments, there are broader benefits for firms engaging in sustainability from risk management to aligning to customer and employee expectations; in terms of attracting talent it's really important, particularly among younger colleagues.”

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



## Several obstacles to climate action remain



Top five obstacles to driving sustainability efforts  
(select top five)

### ▲ TOP FIVE OBSTACLES

24%

Difficulty  
measuring  
environmental  
impact

19%

Too costly

18%

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

17%

Lack of political  
support and  
action for  
necessary change

17%

Insufficient  
supply of low-  
emissions inputs  
(e.g., renewable  
energy)

How serious do you think the following groups are about addressing climate change?



29%

said they believe the **private sector** is “very” serious



28%

said they believe **governments** around the world are “very” serious

## Barriers to action and impact

- Nearly a quarter of CxOs said the difficulty of measuring their organizations’ environmental impact was a top barrier and nearly one-fifth cited cost and focus on near-term issues as barriers.
- Although 19% of CxOs indicate cost is a barrier to action, 91% also said they agree or strongly agree that “my company can continue to grow while reducing greenhouse gas emissions.”
- There is also skepticism around the seriousness of the private sector and governments to address climate change, which could perhaps be an indicator of concerns around greenwashing.
  - [Deloitte’s 2022 Climate Check survey](#) found that 66% of leaders agree that greenwashing has become a serious problem in their industries.

## What leaders are saying about obstacles to action

“The hard part is getting started, having the momentum, and making the initial investments. Once this is in place, it's easier to keep going, but when you first start it can be daunting because the manufacturing and technology are not always completely developed to support the effort.”

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

“Climate change, inequalities, polarization, the economic situation, and mental health are all very complex issues that are very interdependent and don't have a single solution. They require systemic change. But that doesn't mean we can sit back and say 'this isn't our problem.' As a company, we have the responsibility not only to create change, but also to have a positive influence around us.”

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

“Cost of inaction is often overlooked when talking about sustainability, but in reality, it is much greater than the cost of action from a risk, reputation, compliance, and stakeholder perspective.”

– **Tjeerd Krumpelman, Global Head of Reporting, Regulations & Stakeholder Management, ABN AMRO Bank**

“Sustainability is still expensive in the transportation industry. To go green, you must also invest, which means you sometimes need to sacrifice earnings. If there's no alignment with stakeholders on this, it can take courage to go out there and do the work.”

– **Jens Bjørn Andersen, Chief Executive Officer, DSV**

“None of us alone has all the answers. In some respects, we're all figuring it out as we go given the lack of precedent for the complexity of the climate and social challenges we face. That's why collaboration makes sense in the attempt to scale sustainable markets. This means coming together around a global set of standards on what best practice is or should be. If we can figure out some sort of common operating principles, at least we're driving in the same direction.”

– **Marisa Drew, Chief Sustainability Officer, Standard Chartered**

## Recommendations for organizations

Our 2023 survey shows that CxOs believe that both their organizations and the global economy can continue to grow while reaching climate goals and reducing greenhouse gas emissions. So, how can they help close the gap between ambition and impact, break through the barriers to greater action, and start to balance the near-term costs of climate initiatives with the long-term benefits? Here's how they can get started:



**Embed climate goals into the business' overall strategy and purpose:** Often what impedes action isn't lack of intention; it's the [choices and tensions](#) that CxOs and boards must navigate to clearly define their organizations' stance on climate action. By developing a holistic view of their sustainability goals, then integrating that view into their enterprise purpose and strategy, CxOs can reduce or eliminate stakeholder dissonance—and help ensure leaders focus on strategically-aligned climate action.



**Build trust by taking credible climate actions:** Our survey uncovered skepticism about private sector and government commitments to address climate change. Organizations can fight against such distrust by ensuring the data they report is relevant and reliable. Third parties like [The Science Based Targets initiative](#) and [CDP](#) offer guidance and widely recognized frameworks to set and measure credible climate action. Additionally, organizations should support policy interventions and enforcement mechanisms to eliminate greenwashing and fraud.



**Empower the board:** As stewards of their organizations, boards can play a vital role in guiding businesses toward a more sustainable future by ensuring that long-term views are captured in management decision-making. However, boards must know the right questions to ask—and where to push to find robust solutions. Deloitte, in association with the World Economic Forum and Climate Governance Initiative, has [prepared guides](#) with key insights from chairs leading climate action. These guides consider how key stakeholder groups are responding to a climate-driven future, help chairs understand the decarbonization road map, and how to realize value through a “just transition.”





## Recommendations for organizations



**Encourage stakeholder action:** Organizations can't drive change solely on their own; part of leading is enabling and influencing their stakeholders to act. For example, business leaders can collaborate with local and national governments in support of climate initiatives (something only 32% are currently doing, according to our survey) and work with their suppliers and business partners to meet specific sustainability criteria (something only 44% are doing). Leaders should also harness their employees' passion by offering climate trainings and involving them in their organization's sustainability work.



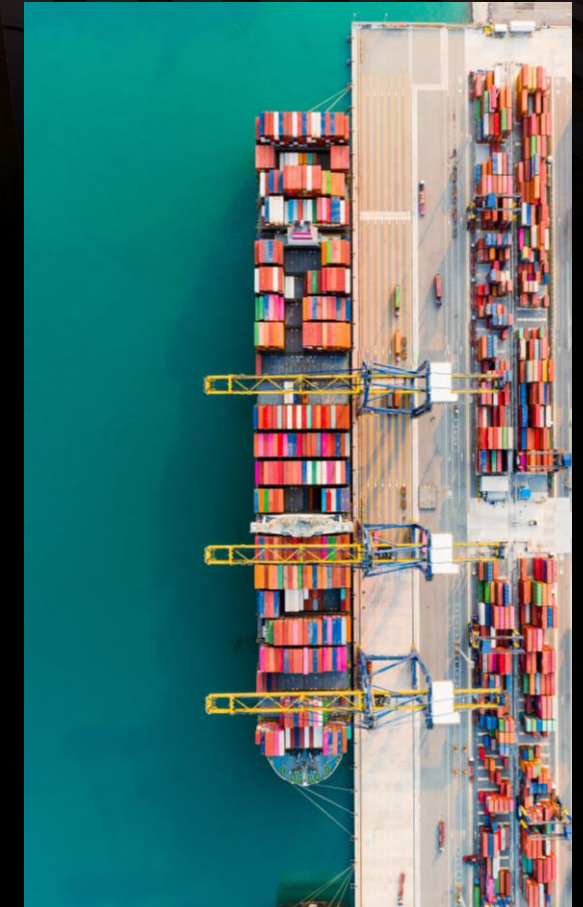
**Consider the long-term opportunity:** Nineteen percent of those surveyed cited the cost of climate initiatives as a barrier to increased action; yet, [research from Deloitte](#) has found that climate inaction could cost the global economy US\$178 trillion over the next 50 years. On the other hand, it could gain US\$43 trillion over the same period by rapidly accelerating the transition to net-zero. Although investing in the necessary change today may cause temporary financial discomfort, effective investments will pay off in the long run, especially as demand for sustainable products and services increases.



**Invest in today's (and tomorrow's) technologies:** Climate technology—whether it's electrification, sustainable aviation fuel, or carbon capture—plays a vital role. But understanding which technologies to invest in, how to find them, and how to deploy them effectively can be daunting, especially when each industry, geography, and organization requires its own path forward. [GreenSpace Tech by Deloitte](#) is uniquely positioned to tackle this challenge by helping businesses scan, assess, and connect to innovators and emerging and existing climate tech globally, and formulate effective strategies to apply those cutting-edge solutions.



**Collaborate to drive systems-level change:** The pace of transformation needed requires a coordinated approach between sectors and industries and throughout supply chains and regions. One company can only do so much when the necessary infrastructure (e.g., electric charging stations, renewable energy) is in low or uneven supply. System-wide engagement with industry peers committing to accountability can help drive rapid behavioral change. Government, business, and society must work together to achieve their shared sustainability objectives.



## Methodology

The report is based on a survey of 2,016 C-level executives. The survey, conducted by KS&R Inc. and Deloitte, during September and October 2022, polled respondents from 24 countries: 48% from Europe/Middle East/South Africa; 28% from the Americas; 24% from Asia-Pacific.\* All major industry sectors were represented in our sample. Additionally, KS&R and Deloitte conducted select, one-on-one interviews with global industry leaders.

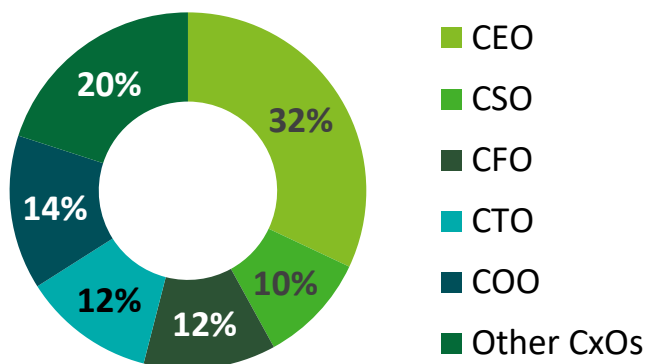


### Number of employees

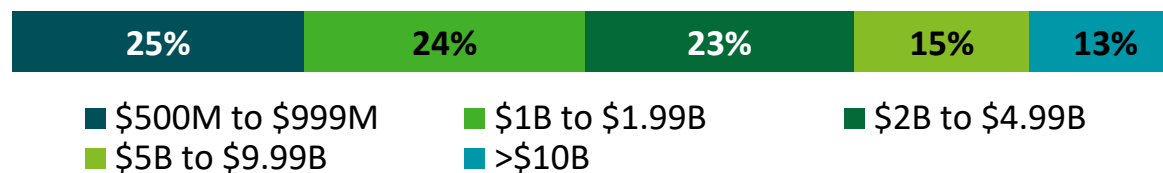
- <5K: **43%**
- 5K to 9,999: **22%**
- 10K to 19,999: **14%**
- 20K to 49,999: **10%**
- >50K: **11%**



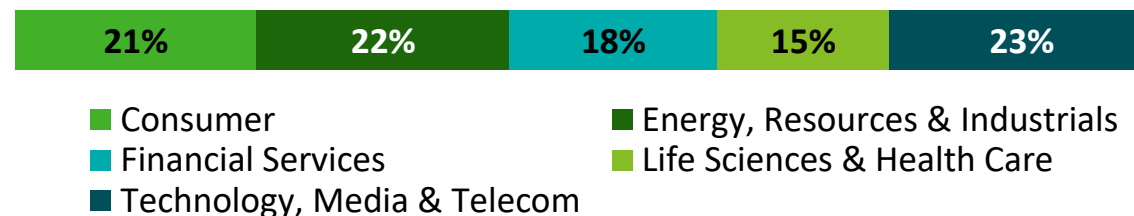
### Job Title



### Revenue (in USD)



### Industry



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



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