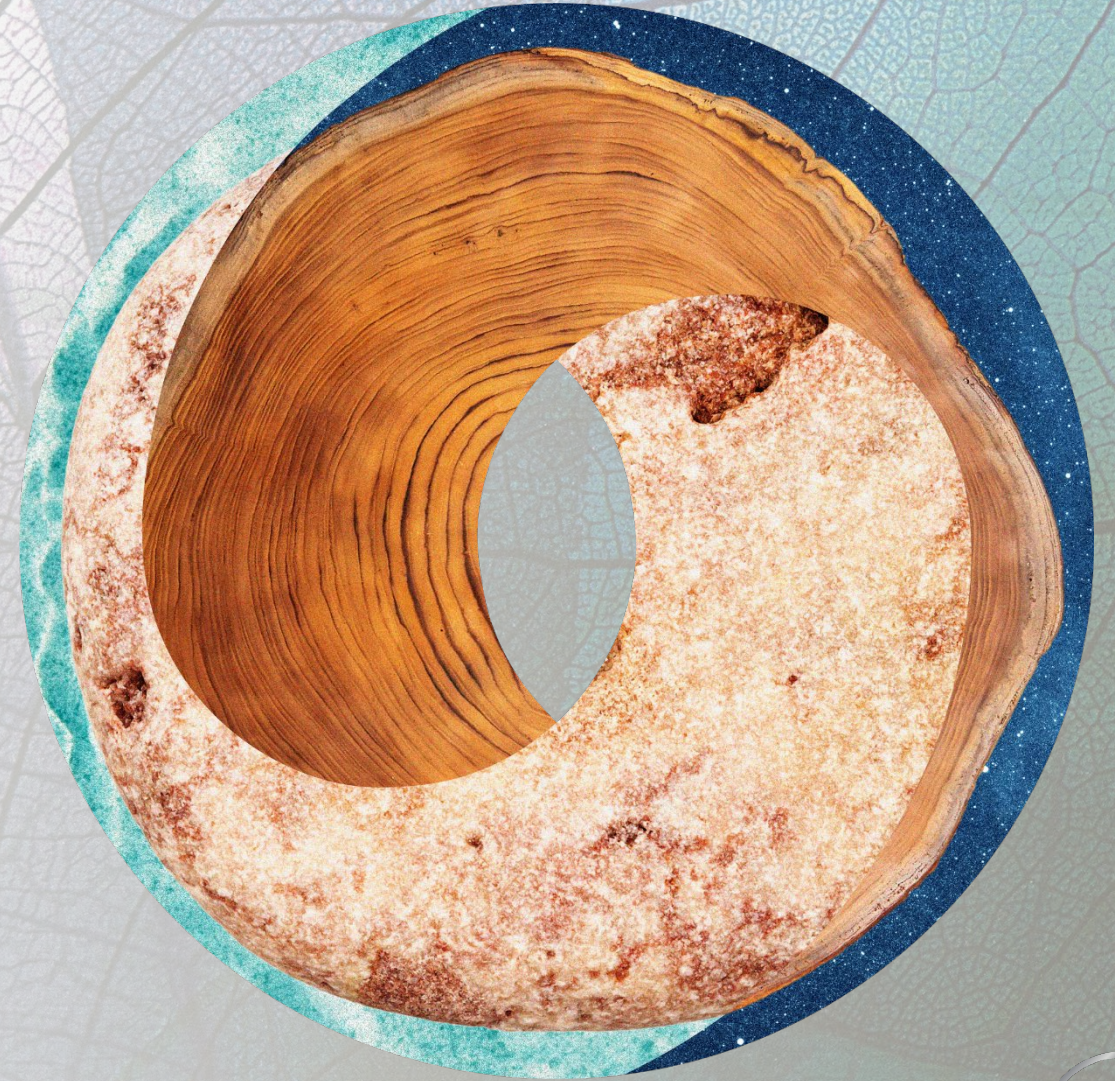


Deloitte.

**Deloitte 2024 CxO
Sustainability Report**

Canada insights



September 2024



Global findings 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 driving value creation and 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 issues, 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 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 a shift toward seeing more direct environmental and business impact, including customer loyalty, supply chain efficiency, and operating margins, rather than less tangible benefits such as improved brand recognition and reputation.
- The most anticipated benefit CxOs expect to see over the next five years is in innovation around offerings and/or operations.



Global findings summary (2 of 2)

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 undertake this work 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. They are well-positioned to build on their existing efforts and to scale-up for even greater impact.

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 learn 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.

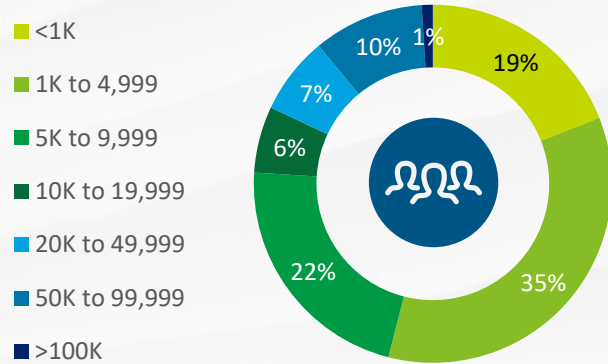


Canada country business profile

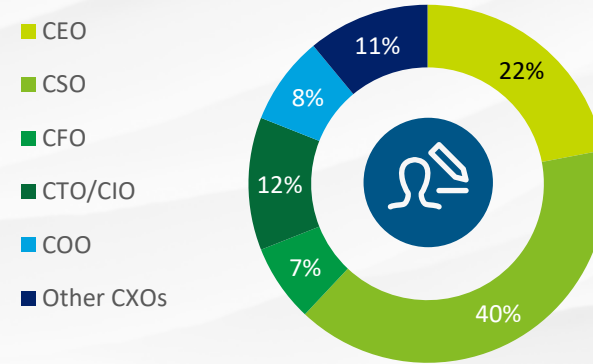
129 executives in Canada were surveyed



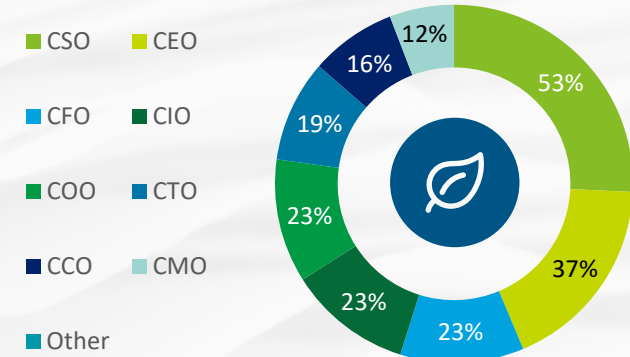
Number of employees



Job title



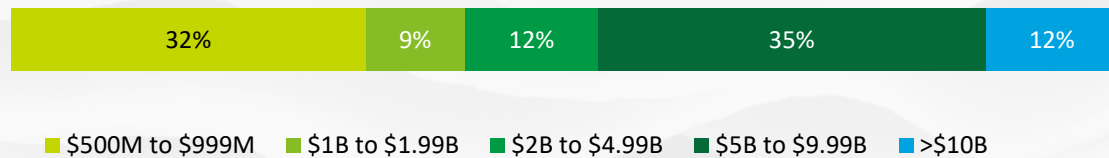
Position(s)* at your company responsible for climate goals



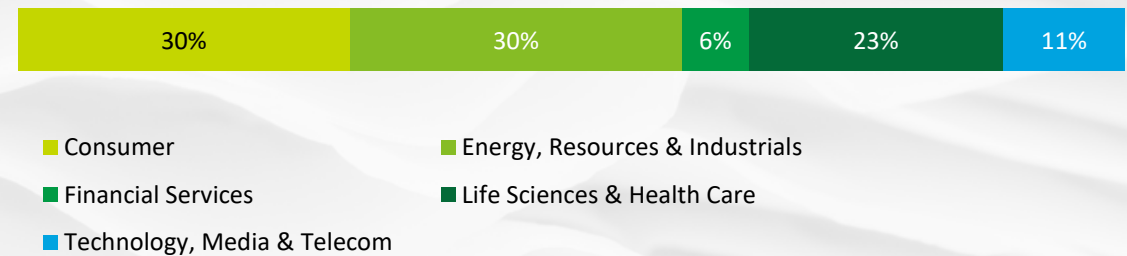
*Some respondents indicated multiple roles within the company have responsibility, resulting in the total percentage across roles exceeding 100%.



Revenue (US\$)



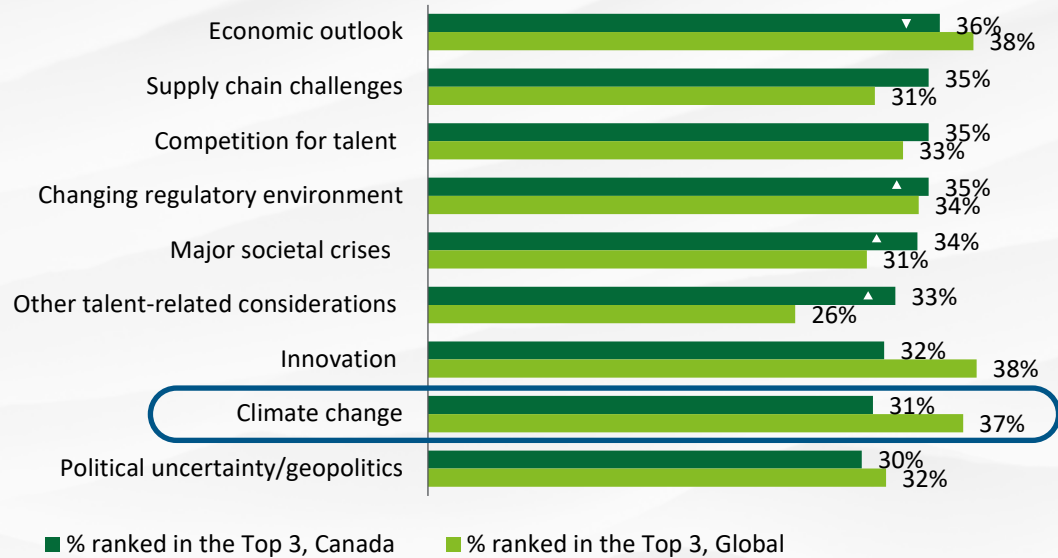
Industry



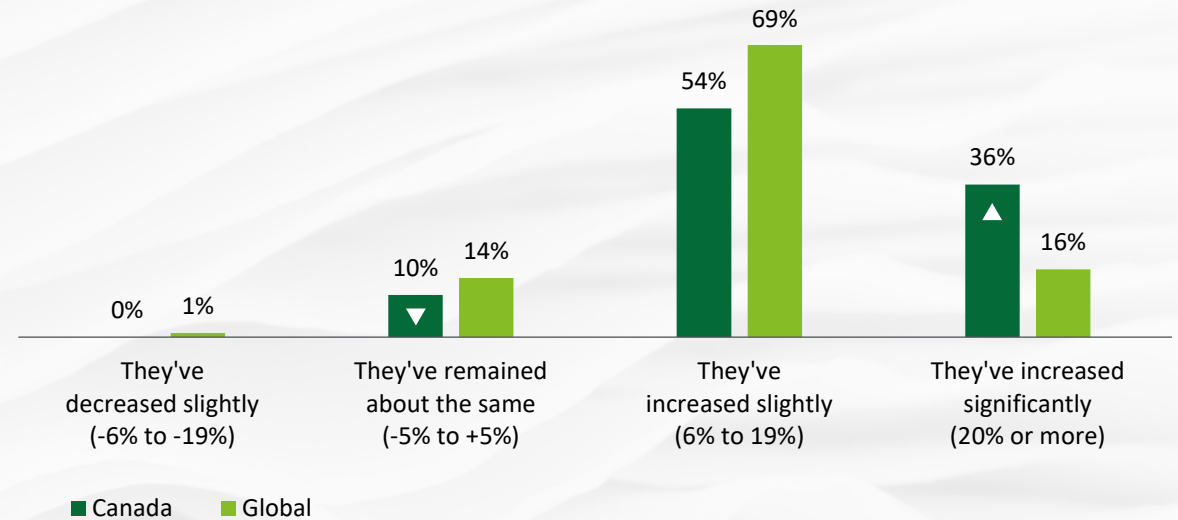
Climate remains a priority despite many pressing issues



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



How have your sustainability investments changed over the last year?



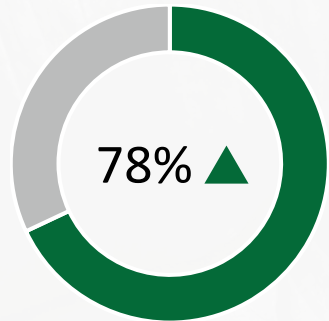
Canadian organizations are facing several pressing issues, with economic outlook being the top concern, followed closely by supply chain challenges and competition for talent.

- Climate change remains a priority, though slightly less emphasized compared to the global average.
- In terms of sustainability investments, there has been a notable increase in commitment. The percentage of Canadian organizations that have significantly increased their investments in sustainability has surged from 13% in 2023 to 36% in 2024.

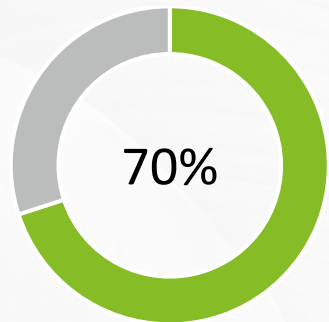
▲▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.



Executives who expect climate change to impact their company's strategy and operations to a high/very high extent over the next 3 years



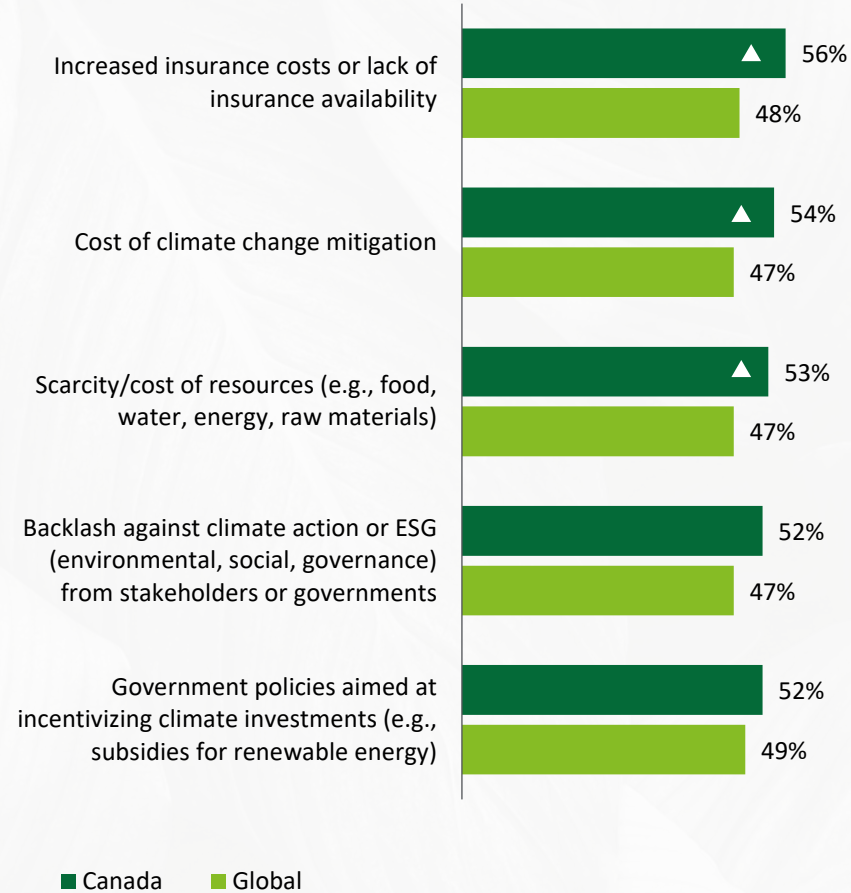
Canada



Global



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



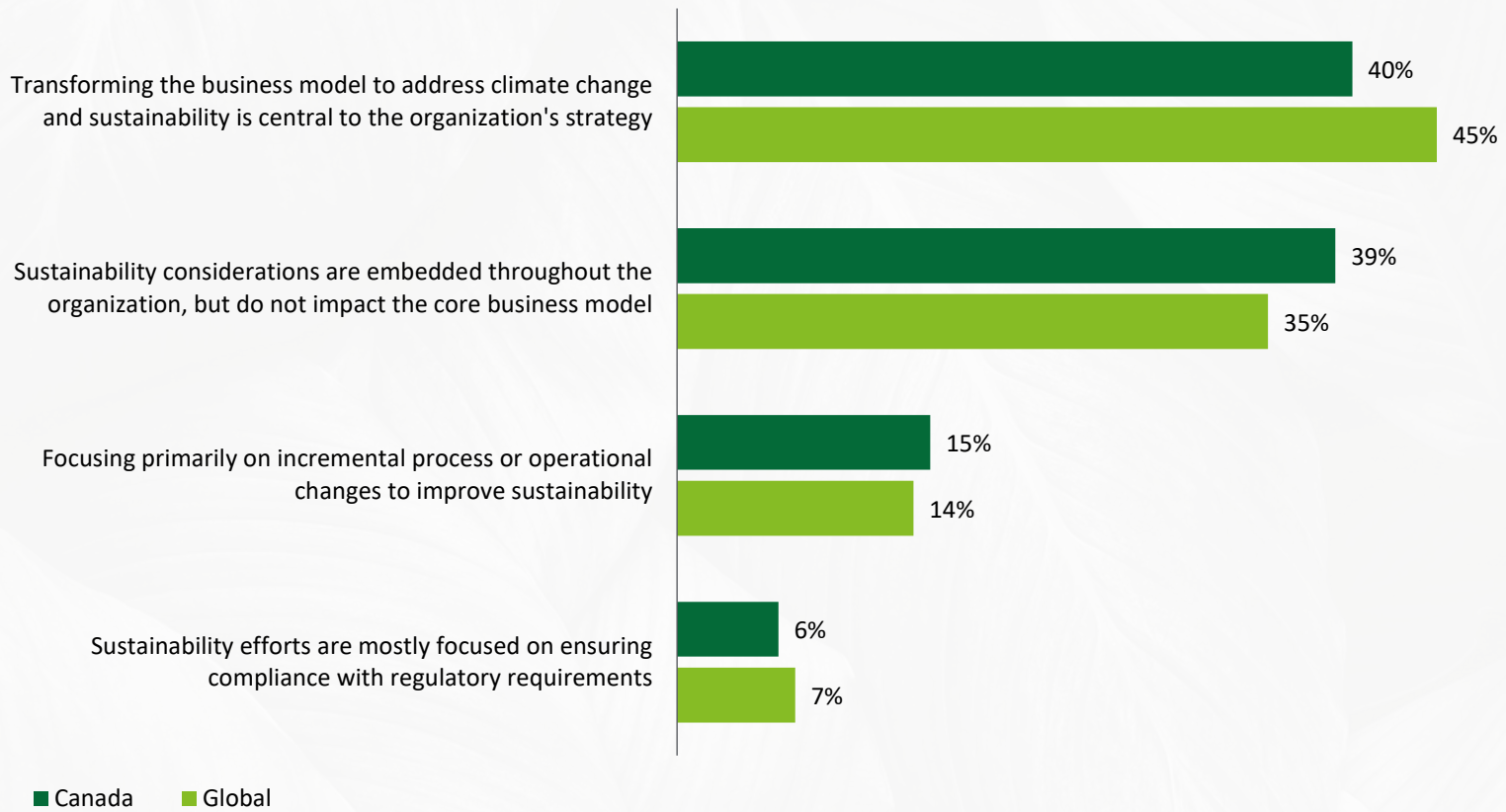
Canadian executives are increasingly recognizing the significant impact of climate change on their strategies and operations, with 78% expecting a high or very high extent of impact over the next three years, which is slightly higher than the global average of 70%.

- The top climate issues already affecting Canadian companies include increased insurance costs or lack of insurance availability, the cost of climate change mitigation, scarcity and cost of resources, and backlash against climate action or ESG initiatives.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.



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



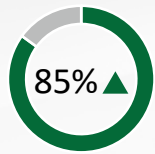
In Canada, organizations are adopting comprehensive approaches to corporate sustainability. A significant portion, 40%, report that transforming the business model to address climate change and sustainability is central to their strategy, similar to the global average.

- Sustainability considerations are embedded throughout 39% of Canadian organizations, slightly higher than the global average of 35%. This further indicates a strong commitment to integrating sustainability.
- Notably, only 6% of Canadian organizations report that their sustainability efforts are mostly focused on ensuring compliance with regulatory requirements, close to the global average.

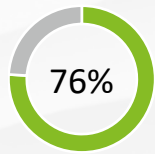
CxOs feel the impacts of climate change, yet are optimistic about the potential for effective action



Executives who say they feel concerned about climate change all or most of the time

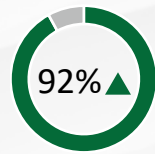


Canada

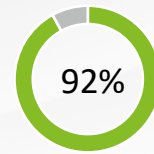


Global

Executives who are somewhat/extremely optimistic that the world will take sufficient steps to avoid the worst impacts of climate change

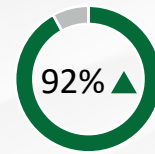


Canada

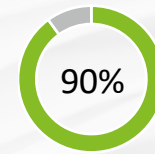


Global

Executives who agree/strongly agree the world can achieve global economic growth while also reaching climate change goals

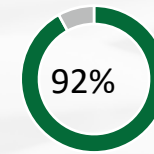


Canada

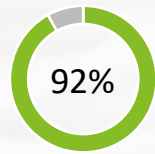


Global

Executives who agree/strongly agree their company can continue to grow while reducing greenhouse gas emissions



Canada



Global

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



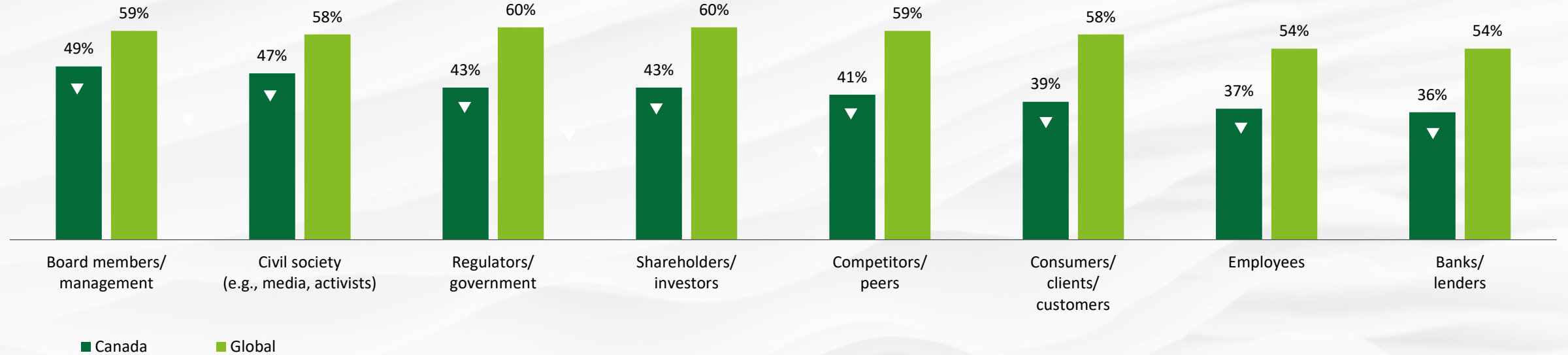
Canadian executives are increasingly concerned about climate change, with 85% expressing worry all or most of the time, a significant rise from 59% in 2023.

- Optimism about the world's ability to take sufficient steps to avoid the worst impacts of climate change remains high, with 92% of Canadian executives feeling somewhat or extremely optimistic, up from 74% in 2023. Similarly, 92% agree that global economic growth can be achieved while reaching climate change goals, compared to 81% in the previous year.
- In the past year, 54% of Canadian executives reported being personally impacted by severe flooding and rising sea levels, highlighting a significant concern for the region compared to the global average of 45%. While 33% of Canadian executives reported being personally impacted by wildfires and smoke from wildfires, which is slightly higher than the global average of 29% and up from 2023.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.



Executives who feel pressure from the following stakeholders to act on climate change to a moderate/large extent



Organizations in Canada are experiencing significant pressure from various stakeholders to take action on climate change. Executives report feeling pressure from stakeholders such as board members, civil society, and government regulators.

- This pressure to act on climate change in Canada is present, though slightly below the global average.
- Year-over-year changes indicate that the pressure across the board has decreased compared to the previous year. Despite these decreases, the overall pressure from stakeholders remains relatively strong, underscoring the importance of climate action for Canadian companies.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

A varied set of barriers adds further complexity to addressing climate action



Top five obstacles cited to driving sustainability efforts



Canadian organizations face a variety of obstacles in their sustainability efforts. A primary challenge is the lack of sustainable solutions or insufficient supply of more sustainable inputs, which hampers progress.

- Additionally, the absence of a dedicated function or executive responsible for leading environmental sustainability efforts continues to be a significant barrier, with more organizations highlighting this issue compared to last year.
- There is also a growing concern about the lack of customer or client demand for sustainable goods and services, indicating market dynamics that are not yet fully supportive of sustainability goals.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

The benefits of climate action have diversified and moved beyond recognition and reputation



Greatest benefits of sustainability efforts

Top four benefits so far

43% ▲

Operating margins
(e.g., cost efficiency
and productivity)

Global = 37%

42%

Employee morale
and well-being

Global = 37%

40%

Customer
satisfaction and
loyalty

Global = 38%

39% ▲

Revenue from
existing businesses

Global = 34%

Top four benefits expected in the next five years

42%

Long-term
organizational
resilience

Global = 36%

41% ▲

Revenue from new
businesses (e.g.,
new offerings)

Global = 36%

40%

Innovation around
offerings and/or
operations

Global = 36%

40%

Cost saving/lower
cost of capital

Global = 36%

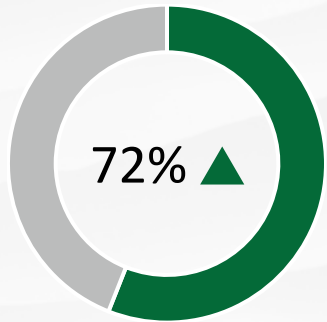
The benefits of climate action for Canadian organizations have diversified significantly, extending beyond mere recognition and reputation. A notable increase is seen in the appreciation of operating margins as a benefit of sustainability efforts, with 43% of Canadian organizations recognizing this advantage compared to 37% globally.

- Employee morale and well-being is another major benefit, cited by 42% of Canadian organizations, above global figures. This emphasis on workforce well-being underscores the integral role of sustainability in enhancing overall employee satisfaction and productivity.
- Looking forward, Canadian organizations expect long-term organizational resilience (42%) and revenue from new business ventures (41%) to be among the top benefits in the next five years.

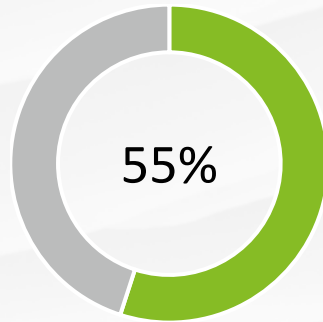
▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.



Executives who say climate equity and ensuring a just transition are extremely important in their companies' sustainability efforts



Canada



Global



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



Ensuring a just transition is considered a top priority for nearly three-quarters of the organizations surveyed in Canada and at the global level, indicating an increase in concern from 2023 (41% in Canada and 46% globally).

- Canadian organizations are actively working with local communities to mitigate climate change vulnerability and are aligning with global efforts by preparing workers for green jobs. They are also focusing on consulting with local communities and stakeholders on new projects and addressing historic environmental inequities.
- The efforts to direct investment to vulnerable communities and developing markets further underscore the commitment to ensuring that the transition to sustainable practices is inclusive and equitable.
- Canada is ranked 2nd among countries in terms of rating a just transition as extremely important.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

Organizations are implementing a range of sustainability actions to meet environmental goals



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

Top actions taken

55% ▲

Developing new climate-friendly products or services

Global = 48%

55%

Increasing insurance coverage to prevent against climate-relates risks (e.g., wildfires, sea level rise)

Global = 47%

53% ▲

Purchasing renewable energy directly, contractually or through renewable energy certificates

Global = 49%

53% ▲

Providing employees with subsidies/financial incentives to encourage sustainability-related purchases

Global = 46%

53%

Increasing energy efficiency (e.g., energy efficiency in buildings, equipment)

Global = 49%

Harder-to-implement, needle-moving actions*

55% ▲

Developing new climate-friendly products or services

Global = 48%

50% ▲

Reconfiguring operations, infrastructure, and/or supply chain to be more climate-resilient

Global = 46%

49% ▲

Lobbying for or making political donations in support of climate initiatives

Global = 44%

44%

Requiring suppliers and business partners to meet specific sustainability criteria

Global = 47%

40% ▲

Tying senior leaders' compensation to environmental sustainability performance

Global = 43%

Canadian organizations are significantly enhancing their sustainability efforts, focusing on developing climate-friendly products, increasing insurance coverage against climate risks, and purchasing renewable energy, while also implementing challenging actions like reconfiguring operations and linking senior leaders' compensation to sustainability performance.

- A significant focus is placed on developing new climate-friendly products or services, which shows a substantial year-over-year increase.
- In terms of more challenging, needle-moving actions, Canadian organizations are focusing on reconfiguring operations, infrastructure, and supply chains to be more climate-resilient. There is also a notable effort to lobby for climate initiatives and make political donations in support of these causes, showcasing an active engagement in shaping supportive policies.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

* As defined by Deloitte Global analysis



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