

Press release

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In a global comparison, Swiss companies consider climate change to be more serious

Executives (CxO) of Swiss companies agree: climate change is real and is having tangible negative impacts on their business. Compared to the international average, almost twice as many executives in Switzerland believe that climate change has already caused irreversible damage. The [2022 Deloitte CxO Sustainability Report](#) also shows that Swiss companies agree there is an urgent need to tackle climate change. Although they feel more pressure from their various stakeholders than companies in other markets do, they implement fewer actions.

Deloitte asked more than 2,000 executives in 21 countries (including Switzerland) about how serious they think climate change is and what they are doing to mitigate it. Eight out of ten (79%) respondents believe that the world has reached a tipping point for responding to climate change – in Switzerland, this opinion is shared by as many as nine out of ten (89%) respondents. An even clearer majority (91%) of Swiss CxOs view the current situation as a climate emergency.

Almost all respondents are therefore in favour of immediate action to mitigate the most harmful effects of climate change. In addition, executives of Swiss companies are much more pessimistic about the consequences of climate change than their counterparts in other markets: 60% believe that climate change has already caused irreversible damage – this compares to a global average of just 35%.

Strong pressure to step up efforts

The respondents in Switzerland feel under pressure to do more about climate change, particularly from their own board of directors. They also feel strong pressure (although not as much) from clients and shareholders. At global level, however, the most pressure comes from regulators. In Switzerland, this is only the fourth most cited source of pressure, followed by the company's own employees. Compared to the global average, Swiss companies are also more likely to believe that their own government is doing a good job of mitigating climate change (Switzerland 76%, global 37%).

According to the report, Switzerland is lagging behind with needle-moving actions in particular. The gap is widest when it comes to developing new, climate-friendly products and tying senior leader's compensation to specific sustainability goals (Switzerland 23%, global 54%).

Sustainability as a reputation driver

Marcel Meyer, Head of Sustainability Services at Deloitte, explains: "To make a real difference, you have to know where the leverage is greatest. Our report identifies a range of actions that are much more effective than others. These include requiring suppliers and business partners to meet sustainability criteria, incorporating climate considerations into lobbying, focusing on developing climate-friendly products and services and – in particular – defining sustainability-linked performance targets for the management team. It is on this last point in particular that many Swiss companies need to catch up." (See chart below)

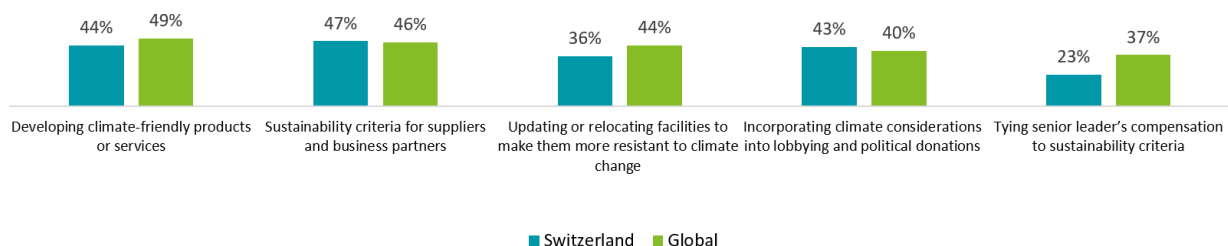


Chart: Which needle-moving actions has your company undertaken as part of its sustainability efforts?

A clear discrepancy can be seen between actions with an internal effect and ones with an external effect. The Swiss respondents generally rate the effects of their sustainability efforts on their own company much more positively than the global average. This is particularly true with regard to reputation (60% vs. 49%), employee morale and well-being (51% vs. 42%) and recruitment (48% vs. 35%). "Our study suggests that many Swiss companies' efforts to tackle sustainability are motivated mainly by protecting their reputation. This is a worrying trend, because climate protection serves their own interest – namely to preserve and increase the value of their company over the long term," adds Marcel Meyer.

Biggest hurdle: short-sighted investors

When implementing sustainability actions, Swiss executives tend to encounter different difficulties than their counterparts in other markets. They consider the main challenges to be a focus on near-term demands from shareholders and investors (33% vs. 25%) and a lack of buy-in from line managers (20% vs. 12%). Costs play a less important role in Switzerland (19% vs. 27%).

Reto Savoia, CEO of Deloitte Switzerland and member of the management of Deloitte North and South Europe, believes that the management teams are on the right track: "We all know by now that a change of direction toward climate neutrality can only be achieved through bold and concerted action. Nevertheless, many Swiss companies find it difficult to incorporate fundamental climate considerations into their culture and strategy. Switzerland is not doing badly when it comes to climate protection. Still, I believe that the Swiss economy should be leading by example on climate issues. Thanks to our strong and innovative economy and Switzerland's outstanding education and research institutions, we are perfectly positioned to do so."

About the 2022 [Deloitte CxO Sustainability Report](#)

The report is based on a survey of 2,083 C-level managers (executives). In Switzerland, 75 executives of large companies took part. The survey was conducted in September and October 2021 in 21 countries in the regions of Europe, South Africa, North and South America, and Asia Pacific. All key industries were represented in the sample. The research team also held selected interviews with global market leaders.



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