

Press release

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Swiss companies have increased their sustainability investments despite uncertainties – climate change must be part of the strategy

Less than half of the executives of Swiss companies see climate change as one of their top three priorities. The [Deloitte 2023 CxO Sustainability Report](#) also found that Swiss executives are more pessimistic than their global counterparts: More than a third expect climate change to have a far-reaching impact in the long term, and over a fifth do not think that economic growth is compatible with achieving climate goals. The survey also found that three-quarters of Swiss companies invested significantly more resources in sustainability in the past year. Nevertheless, it is essential that companies take a much more systematic approach to incorporating climate considerations into all of their corporate decisions and actions.

Last year, companies worldwide faced many challenges, including economic uncertainties, geopolitical conflict, supply chain disruptions and talent shortages. The auditing and consulting organisation Deloitte surveyed more than 2,000 executives (CxOs) in 24 countries (including Switzerland) in 2022 about their assessments of the effects of climate change and their responses to the phenomenon.

In Switzerland, climate change ranks as the third biggest challenge: 40% of respondents said it is a top-three priority for them over the next year, compared to 42% globally. Supply chain issues (44%) and economic uncertainty (44%) were the only two challenges considered to be more pressing by Swiss CxOs.

Climate investments increased

Climate change appears to be an important factor in the investment decisions of Swiss companies: A total of 75% (the same as the global figure) increased their sustainability investments. Some 28% (19% globally) even stated that they had increased investments significantly (i.e. by more than 20%) [see chart 1]. Almost all respondents said that their companies had been negatively affected by climate change over the last year. Swiss companies are feeling the effects of resource scarcity, the cost of climate change mitigation, the regulation of emissions and pressure from shareholders and civil society more strongly in comparison with the global average.

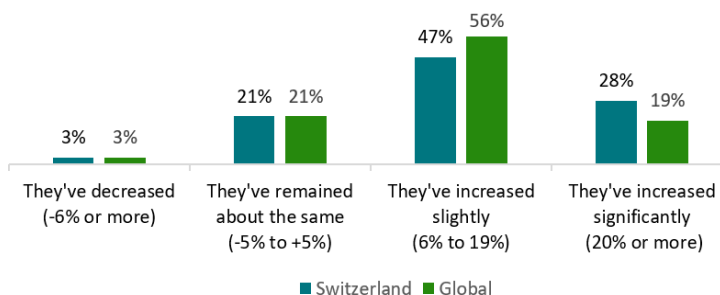


Chart 1: How have your investments in sustainability changed in the last year? (CH: n=75; Global n=2016)

Liza Engel, Chief Sustainability Officer and Managing Partner at Deloitte Switzerland, is critical: “There continues to be a big gap between the measures taken by companies and the impact these are having. Organisations are still too slow when it comes to embedding sustainability into the core of their strategy, their products and services, their operations and their corporate culture.” She adds: “In Switzerland, many executives are sceptical about whether society can avert the climate crisis. They have also spent far too long trying to make their existing business more sustainable, instead of completely overhauling their business models, focusing fully on sustainability and thus taking advantage of the big opportunities that still exist. The future will belong to those that manage to do so.”

Executives doubt seriousness

When asked how serious they think the private sector is about addressing climate change, only 12% of Swiss executives said “very serious”, compared to 29% globally. In response to the same question about the commitment of governments, only 20% said “very serious”, compared to 28% globally [see chart 2]. When the executives were asked if the worst impacts of climate change could be avoided, or if economic growth and achievement of climate goals were compatible, the number of positive answers was significantly lower in Switzerland than globally.



Chart 2: How serious do you think the private sector and governments are about addressing climate change? (Switzerland: n=75; global n=2016, "very serious" was the strongest agreeing response in all five categories)

Swiss companies are feeling pressure from a large number of stakeholders to act on climate change. However, in a global comparison, the values are lower across all categories. The most influential stakeholders mentioned by Swiss companies were regulators/government, civil society and their own board of directors.

Compared to international respondents, Swiss executives feel much less pressure from activist

employees or from banks. "Companies should not underestimate how important the financial sector is for the transition to net zero: Banks, insurance companies and asset managers are having to disclose the greenhouse gas emissions from their financial products in an increasingly precise manner. These obligations are putting more pressure on companies in the real economy," explains Reto Savoia, CEO of Deloitte Switzerland. "Companies are also reliant on loans and need strict business plans to manage the transition."

Tackling mistrust and using technology

When asked about which measures they have already taken, the most common responses of Swiss companies were using energy-efficient machinery (63%), increasing the efficiency of energy use in general (59%), training employees on climate change (53%) and reducing air travel (53%). Liza Engel advises companies to purposefully invest in technology solutions: "Climate technology of all kinds will play a decisive role in the future. Companies must continuously weigh up which technologies to invest in and how to use them effectively. The longer they wait to make these investments, the more it will end up costing them."

Organisations can also do something about the widespread mistrust and the frequently expressed accusation of greenwashing. "Companies must ensure that they publish relevant and reliable data for the measures they have taken, and that they stay up-to-date with regulatory requirements. Public support of political measures against climate change and mechanisms for combating greenwashing and fraud also build trust among customers and the public," says Engel. In addition, she recommends involving the board of directors and ensuring that its members acquire the necessary specialist knowledge. Engel also has the following advice for executives: "Influence and empower all your internal and external stakeholders, not least your suppliers."

Concern and fatalism a wake-up call

"The concern about climate change among executives, and the fatalism expressed by some, are a wake-up call for me. We must keep pushing ahead on the path we have embarked on and incorporate sustainability considerations into all corporate decisions at all levels. I am confident that the Swiss private sector has the necessary knowledge and the technical and financial possibilities. Thanks to our strong and innovative economy, Switzerland's outstanding education and research institutions, and our international links, we are perfectly positioned to do so," says Reto Savoia.

About the [2023 Deloitte CxO Sustainability Report](#):

The report is based on a survey of 2,016 C-level business leaders (executives). In Switzerland, 75 executives from companies with an annual turnover of more than half a billion US dollars took part, with all key industries represented proportionally in the sample. The survey was conducted in September and October 2022 in 24 countries. In total, 48% of respondents were from Europe/Middle East/Africa, 28% from North and South America and 24% from the Asia Pacific region. The research team also held select one-on-one interviews with global market leaders.



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