



Deloitte 2022 CxO Sustainability Report

The disconnect between ambition and impact | Nordics

Global summary

- CxOs' apprehensions about the planet's climate have increased over the last several months, as has their optimism that immediate action can make a difference. But there are multiple disconnects between these business leaders' opinions and motivations, the actions their organizations are taking, and the impact they're having, according to Deloitte's survey of over **2,000 CxOs across 21 countries**.
- The following deck examines **how Nordic executives stand out from their global counterparts** on key themes.

Key global findings:

Approximately **two-thirds of executives say their companies are very concerned about climate change** and 79% see the world at a tipping point to act—a number that was 59% in a similar [Deloitte survey](#) taken in early 2021. Their concern is influenced by the impact climate change is already having:

- **Almost all respondents (97%)** indicated their companies have already been negatively impacted by climate change, and about half said their operations have been affected (e.g., disruption to business models and supply networks worldwide).
- **Eighty-one percent of CxOs** have been personally impacted by a climate event (e.g., extreme heat, worsening storms, wildfires) over the last 12 months.
- Additionally, **stakeholder groups**—including regulators, shareholders, consumers, and employees—are all adding to the pressure to act.

Yet, there is a prevailing sense of optimism: **88% agreed that with immediate action, we can limit the worst impacts of climate change**. That figure was 63% eight months ago.

Business leaders who said they've taken at least **four of the five** most substantive sustainability actions serve as a model for tackling sustainability with efficiency and effectiveness, while reaping the benefits in return. Those actions are:



Developing new, climate-friendly products or services



Requiring suppliers and business partners to meet specific sustainability criteria



Updating or relocating facilities to make them more resistant to climate impacts



Incorporating climate considerations into lobbying and political donations



Tying senior leader compensation to sustainability performance



Disconnects exist between ambitions, actions, and impacts

While companies are acting, they are less likely to implement actions that demonstrate they have embedded climate considerations into their culture and have the senior leader buy-in and influence to effect meaningful transformation.

Additionally, CxOs continue to struggle with the short-term costs of transitioning to a low carbon future. The five lowest-ranked benefits of climate strategies cited by CxOs were: revenue from both longstanding and new business, asset values, cost of investment, and operating margins.

Our report further explores the disconnect between ambition and action, as well as steps CxOs can take to start to bridge the gap.

Nordic country profile

- We surveyed **148 executives** in Nordic countries (50 in Denmark, 25 in Finland, 20 in Iceland, 22 in Norway, and 31 in Sweden).

NORDIC BUSINESS PROFILE:

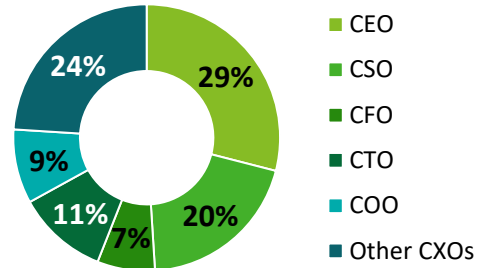


Number of Employees

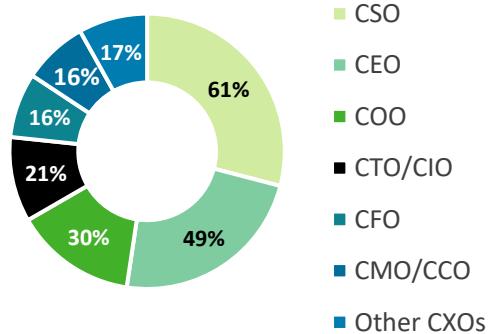
- <5K: **36%**
- 5K to 9,999: **20%**
- 10K to 19,999: **20%**
- 20K to 49,999: **12%**
- >50K: **12%**



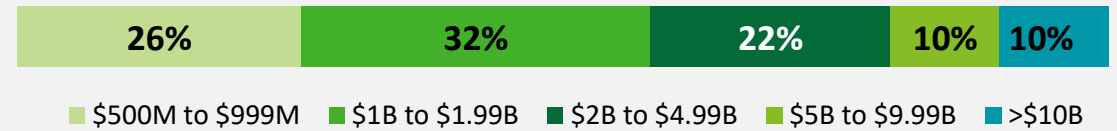
Job Title



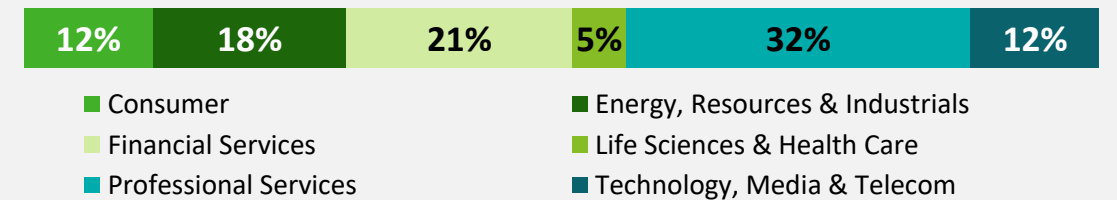
Position(s) at your company responsible for climate goals



Revenue (USD)



Industry

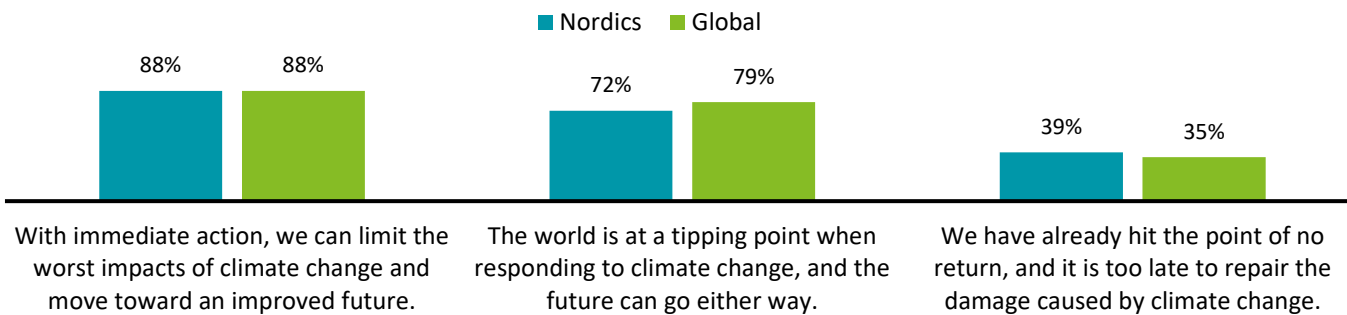


Most executives believe the world is at a tipping point for responding to climate change

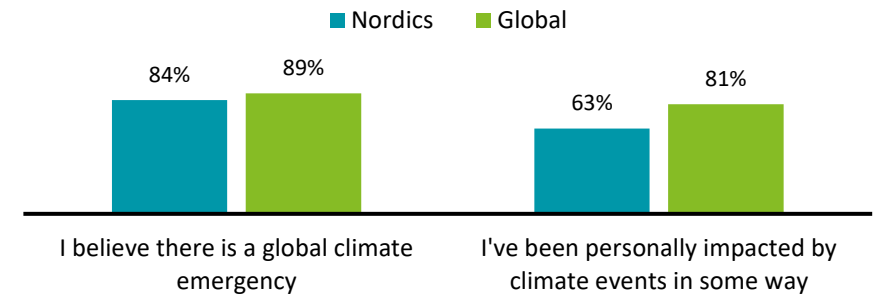
- 72% of Nordic executives today see the world at a tipping point for responding to climate change. Despite the gravity of the moment, there is a prevailing sense of optimism as 88% currently agree that with immediate action, we can limit the worst impacts of climate change and move toward an improved future. These numbers are generally on par with the global average.
- Compared to global CxOs, Nordic CxOs are significantly less likely to have been personally impacted by climate events. The Nordics are in the bottom five among polled countries in this category though they do cite severe flooding, extreme heat, and more frequent and powerful storms as top impacts they've personally felt.



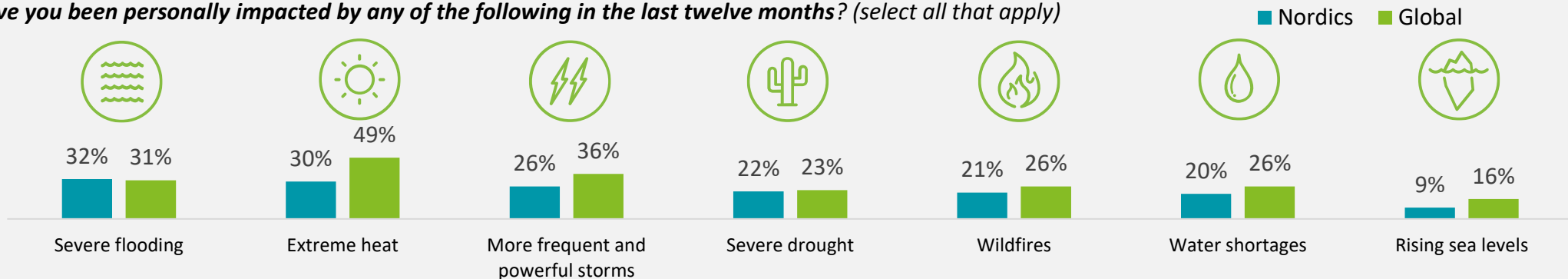
To what extent do you agree or disagree with the following statements related to the environment?



To what extent do you agree or disagree with the following statements related to the environment?



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



Respondents express concern and say their companies have been affected by climate change

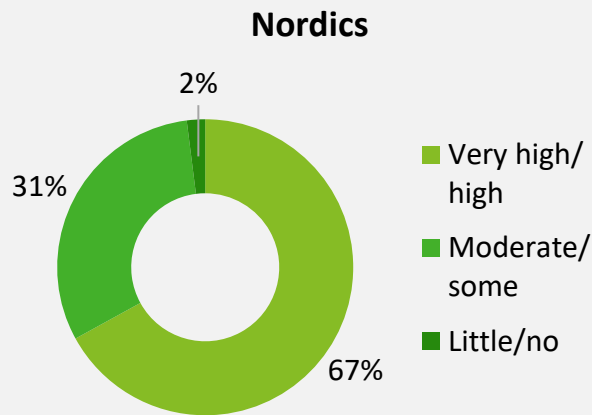
- Nordic CxOs are closely aligned with their global counterparts in their concern about climate change. A majority of them are focused on incorporating climate into their strategies and operations over the next three years.
- Nordic companies are more likely than the overall average to feel the regulatory impacts of climate change, but less likely to feel the operational impacts of climate-related disasters.



How concerned is your organization about climate change?

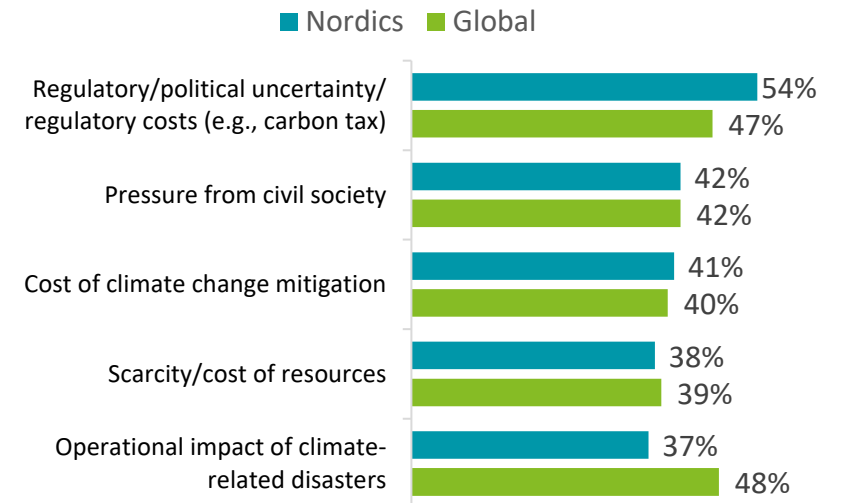


To what degree do you expect climate change to impact your company's strategy and operations over the next three years?



What are the top climate change issues already impacting your business? (select all that apply)

97% of Nordic respondents who say their company has already been impacted by climate change (compared to 97% globally)



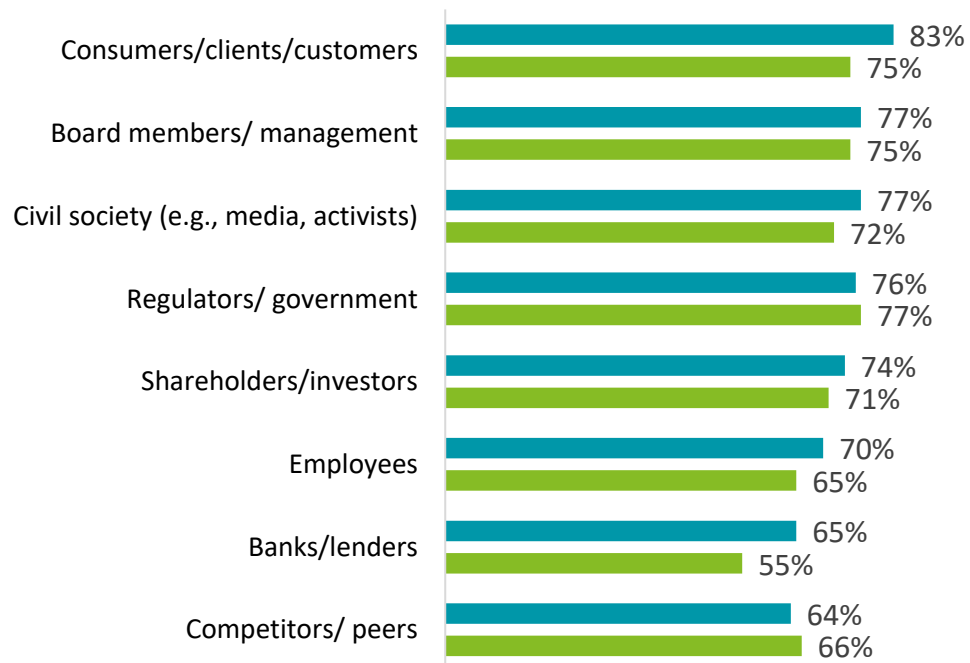
Stakeholders are pressuring companies to act; CxOs believe government also shares responsibility

- Nordic companies are feeling slightly more pressure to act on climate from most of their stakeholder groups, compared to the global average. The top forces of stakeholder pressure cited were consumers/clients, civil society, and board members/management.
- They also are more likely to think their country’s national government is doing a good job mitigating the impacts of climate change compared to the global average, ranking in the top 10 among countries polled. However, Nordic CxOs are slightly less likely than the global average to vote for candidates for elective office who support actions to address climate change.



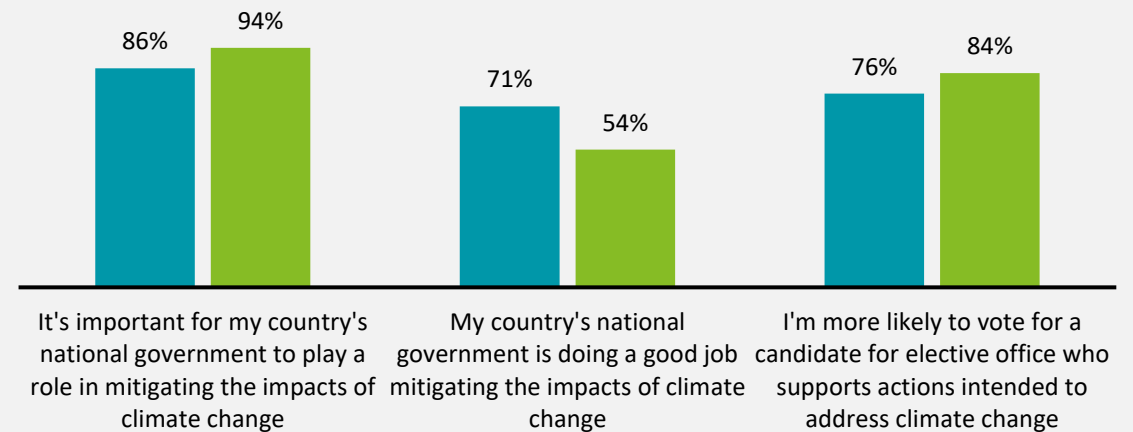
To what extent does your company feel pressure (to a large/moderate extent) to act on climate change from your stakeholders? (select all that apply)

■ Nordics ■ Global



% agree/ strongly agree with the following statements related to government’s role in mitigating climate change

■ Nordics ■ Global



At a global level, there are disconnects between CxOs' ambitions and the actions their companies are taking

- Nordic companies are generally less likely to have taken certain sustainability actions compared to the global average. They also are less likely to have undertaken the tougher actions defined by Deloitte's analysis – with one exception: requiring suppliers and business partners to meet sustainability criteria.

Which of the following actions/adaptations has your company already undertaken as part of its sustainability efforts?
(select all that apply of up to 15 actions)



TOP ACTIONS TAKEN

57%

Using more sustainable materials (e.g., recycled materials, lower emitting products) *Global = 67%*

55%

Use energy-efficient or climate-friendly machinery, technologies, and equipment *Global = 57%*

53%

Increasing the efficiency of energy use *Global = 66%*

53%

Purchasing renewable energy directly, contractually or through green certificates *Global = 48%*

49%

Reducing the amount of air travel post-pandemic *Global = 55%*



HARDER TO IMPLEMENT, NEEDLE-MOVING ACTIONS*

47%

Developing new climate-friendly products or services *Global = 49%*

51%

Requiring suppliers and business partners to meet specific sustainability criteria *Global = 46%*

39%

Updating/relocating facilities to make them more resistant to climate impacts *Global = 44%*

39%

Incorporating climate considerations into lobbying/ political donations *Global = 40%*

32%

Tying senior leaders' compensation to sustainability performance *Global = 37%*

*As defined by Deloitte's analysis

Benefits of climate strategy and obstacles that impede impact

- Nordic CxOs listed brand recognition and reputation, employee moral and well-being, and customer satisfaction as the top-three benefits of their climate efforts. The bottom three were investor returns/satisfaction, innovation around offerings/operations, and asset values.
- Nordic CxOs were less likely to cite costliness and near-term business issues as challenges to driving sustainability efforts.



I strongly believe my company's current sustainability efforts have/will have a positive impact on the following (select all that apply)

▲ TOP FIVE BENEFITS SELECTED

46%

Brand recognition and reputation
Global = 49%

43%

Employee morale and well-being
Global = 42%

41%

Customer satisfaction (e.g., meeting client expectations)
Global = 46%

40%

Employee recruitment and retention
Global = 35%

40%

Addressing climate change
Global = 43%

▼ BOTTOM FIVE

32%

Cost of investment
Global = 30%

32%

Revenue from longstanding businesses
Global = 28%

32%

Asset values
Global = 31%

32%

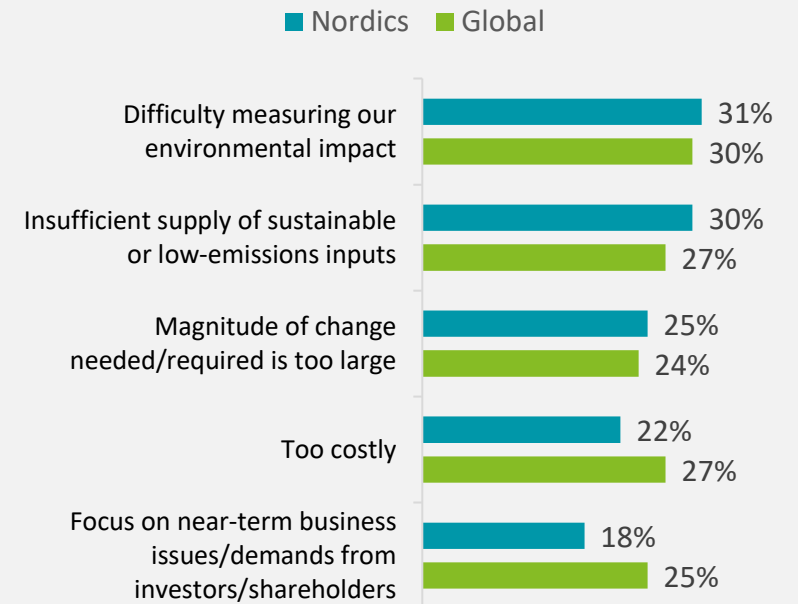
Innovation around offerings and/or operations
Global = 39%

27%

Investor returns and/or satisfaction
Global = 34%



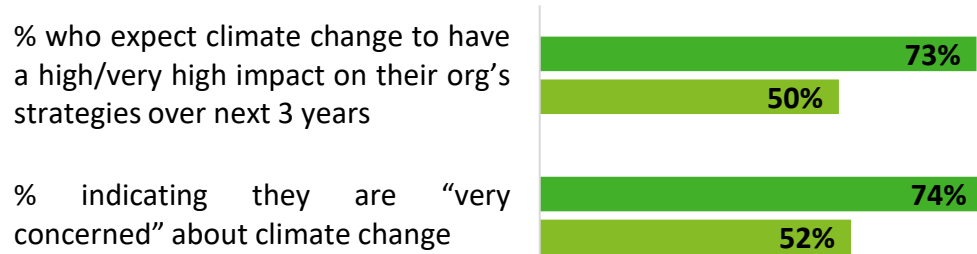
Top five obstacles to driving sustainability efforts (Select top 2)



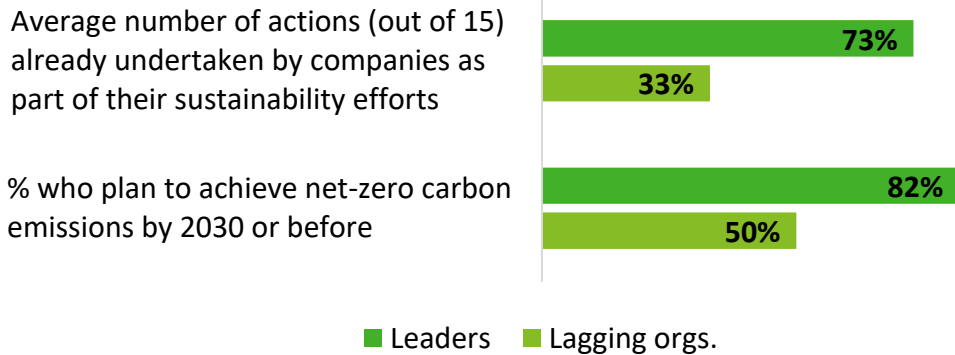
Actions and characteristics that set climate leaders apart

- The survey revealed a group of leading organizations—comprised of 19% of global CxOs—who have implemented at least 4 out of 5 of the “needle-moving” sustainability actions listed on slide 2. In Nordic countries, 16% of respondents are climate leaders.
- On the other hand, those organization who had only implemented one or zero of these leadership actions—35% of the global and 35% of Nordic organizations—have catching up to do.
- The benefits of being a climate leader rather than a lagging organization are clear, and they are evident in nearly every part of our survey.

Leaders are more concerned*

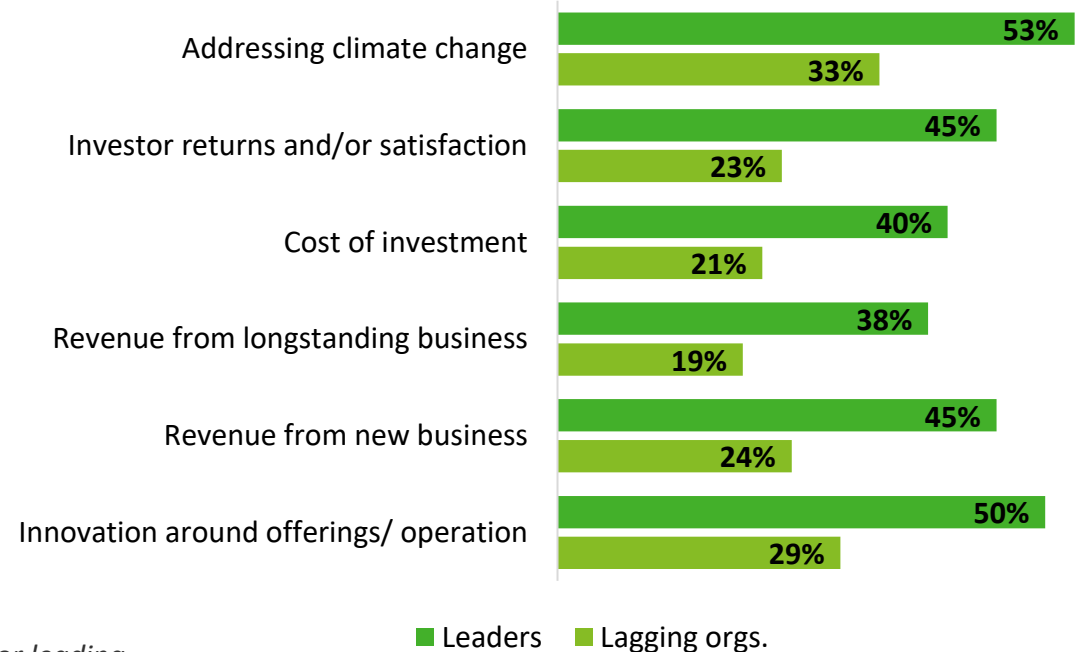


Leaders are more active*



Leaders see greater benefits to their climate strategy*

I believe my company's current environmental sustainability efforts have/will have a positive impact on...



*Note: Graphs on this page represent Global data, not country-level data. Country-level data for leading and lagging organizations would be too small of a number to be statistically accurate.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s more than 345,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

© 2022. For information, contact Deloitte Global.