

Executive Summary

With an increasing number of catastrophic, climate-related events affecting populations and geographies, today's business leaders are increasingly aware of the immediacy of climate change and the need to act on environmental issues. While businesses are starting to take action, the current level of action often doesn't match the scale and urgency of executives' stated business and moral concerns. A Deloitte Global survey of 350 executives worldwide conducted between November 2019 and January 2020 reveals that while executives believe business is doing enough to address climate change and environmental issues, leaders are struggling to elevate this topic to the level of business imperative.

For environmental efforts to have a lasting impact, they need to become an integral part of growth strategies. While companies are able to fit environmental-sustainability initiatives within their short-term business priorities, they are still not viewing these programs as inherent, long-term parts of their businesses, and they often lack support and buy-in from the top.

For example, two-thirds of executives surveyed said they anticipate their organizations making cutbacks in their environmental efforts in the event of an economic downturn. And 38% say lack of buy-in and/or accountability from the CEO or other senior leaders is preventing their companies from taking more concrete actions to address climate change.

The following findings highlight executives' greatest concerns when it comes to environmental sustainability, the actions they are taking in response, the gaps in progress, and recommendations for how organizations can make environmental sustainability fundamental to their operations.



The case for change

69%

say business in general is very concerned about climate change

78%

say their organizations' employees are very concerned about climate change

77%

say their organizations' management and boards of directors are very concerned about climate change

84%

say they are very concerned about climate change on a personal level from a moral/ethical perspective; less than 1% say they aren't personally concerned at all about climate change

91%

of executives say their businesses have felt the impact of climate change



Current and future motivators for environmental-sustainability efforts

Top factors currently motivating companies' environmental-sustainability efforts:



37%

Recognition that business needs to make up for a lack of governmental support in some countries

35%

Pressure from investors/ shareholders

34%

Accountability to achieve publicly stated environmental goals

Biggest environmental sustainability/climate change issues already impacting or threatening to impact business:



41%

Climate-related disasters/weather events

34%

Scarcity and the cost of resources

34%

Increased insurance costs or lack of insurance availability

Top factors that would motivate future environmental-sustainability investments:



34%

A direct negative impact to business

33%

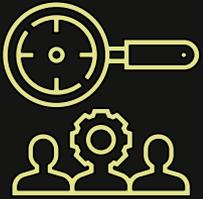
Investor or shareholder demands

31%

Increased spotlight on the issues (e.g., UN actions, etc.)

Business confident in its current role and taking action... but current level of action often doesn't match the scale and urgency of executives' stated concerns

Businesses are taking action ... but is it sufficient?



43%

Using more environmentally-sustainable materials

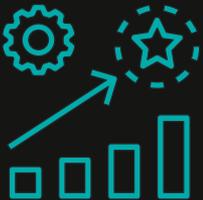
39%

Adopting public policy positions that promote environmental sustainability

37%

Encouraging more environmentally-sustainable practices with employees

Starting to see some results (though primarily from a business impact lens vs. actual environmental progress)



59%

Positive impact on company's revenue growth

51%

Positive impact on company's profitability

48%

Positive impact on customer satisfaction/meeting client expectations

38%

Positive impact on recruitment efforts

37%

Measurable impact on the environment (e.g., reduced emissions)

Executives are beginning to take action on a personal level—but the majority of action tends to be focused on encouraging others or considering options rather than making substantive changes



61%

Encouraged co-workers, family, and friends to be more environmentally sustainable

56%

Engaged in environmental advocacy or activism

49%

Considered environmental sustainability in personal purchasing decisions

Executives say their organizations are setting certain environmental targets and believe companies should be transparent and accountable for their efforts



More than a third (**35%**) of executives say they have set carbon-reduction goals

Nearly all (**88%**) executives say they have set environmental goals in areas other than carbon

Of the executives who say their organizations have identified specific environmental targets or goals, **90%** say they are on track to meet those goals

Of the roughly 10% of executives who say they are not on track to meet their specific environmental goals, **52%** attribute these hurdles in part to cultural challenges and performance challenges



69%

believe companies should be required to publish their environmental-sustainability progress

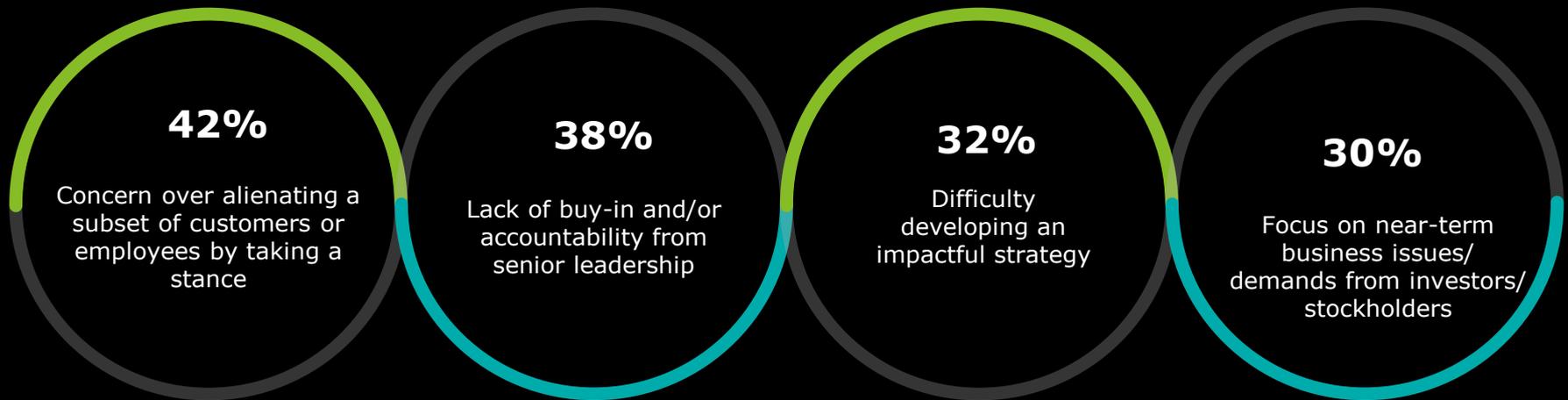


90%

say there should be consequences for not meeting company environmental-sustainability goals in a timely fashion

Yet challenges remain ... so what's preventing more meaningful action?

What is holding back company leadership from taking more concrete actions to address climate change?



And in the event of an economic downturn:



66%

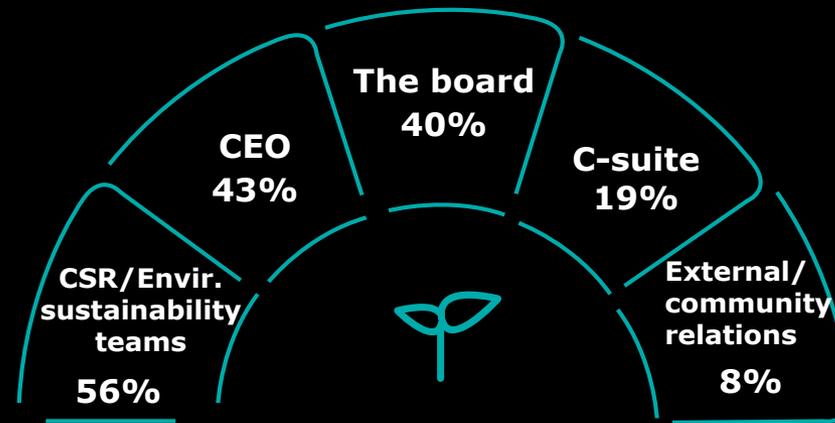
of executives believe their companies would have to scale back environmental-sustainability efforts, at least somewhat

31%

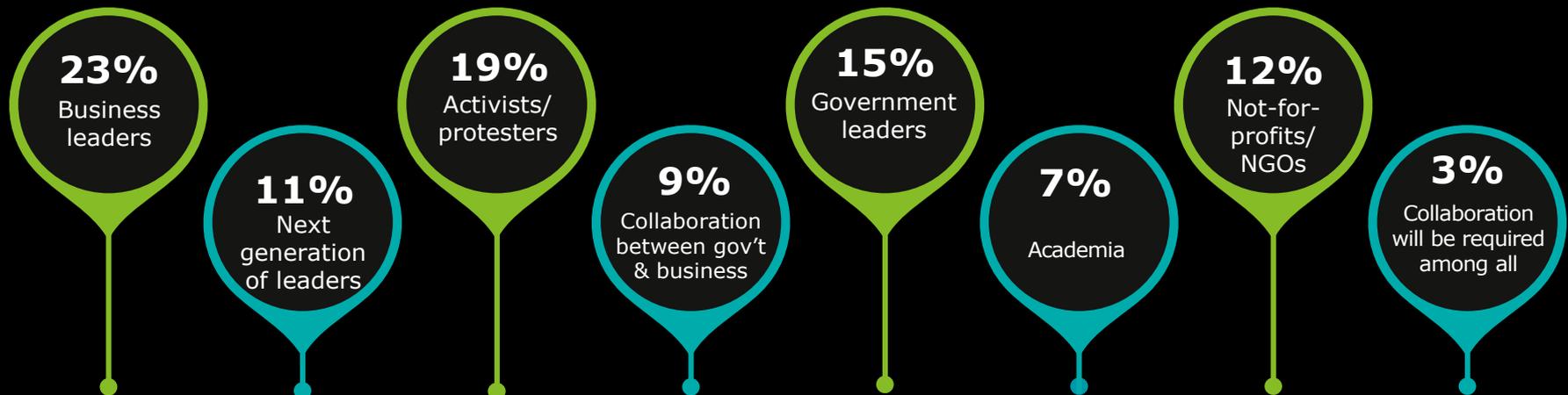
of executives believe these scale backs could be significant or absolute

Taking the lead: Implementing environmental-sustainability efforts

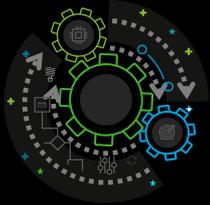
Who is responsible for setting environmental goals and driving accountability to meet them?



Who will be most successful at making progress on environmental sustainability?



About the survey



Methodology

These findings are based on a survey conducted by Forbes Insights and Deloitte Global of 350 executives from North America, Asia, Europe and Latin America. A majority of respondents (70%) were C-level executives. Respondents represented the consumer products, energy and resources, financial services, health care, telecommunications, life sciences, media, professional services, public sector, technology, and manufacturing industries. Respondents came from organizations with annual revenues of \$750 million or more, with 24% coming from organizations with \$5 billion or more in annual revenues. The survey was conducted between November 2019 and January 2020.

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