



The Deloitte On Cloud Podcast

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Title: Deloitte's Jamie Sawchuk on balancing sustainability with growth and innovation

Description: In this episode, Deloitte Canada partner Jamie Sawchuk—a leader on sustainability and climate change—discusses why he thinks that mitigating climate change and pursuing corporate sustainability efforts don't have to be at odds with business growth and innovation. Why? Jamie thinks it's because next-gen tech solutions like Generative AI, coupled with community sustainability initiatives, can both mitigate the effects of climate change and drive the innovation that powers long-term growth.

Duration: 00:09:41

Jamie Sawchuk:

Welcome back to the On Cloud podcast. I'm Jamie Sawchuk. I'm your host for today's Knowledge Short episode. I'm a partner in Deloitte Canada and our Global Alphabet Google Alliance sustainability and climate leader focusing on climate change mitigation, energy transition, and creating sustainable communities.

As we all know, the world is getting hotter. Last year was the hottest year on record and July was the hottest month in recorded history. We're seeing record wildfires, devastating floods, and stronger storms. The impacts are obvious, with 85% of CXOs indicating they have personally felt the impact of climate change. At the same time, families are struggling and economies around the world are trying to figure out how to grow and create opportunities for future generations. While some might feel we're faced with a no-win choice – save the planet or drive growth and opportunity – I don't see it that way. I believe we can create sustainability and economic opportunity. I'm optimistic about the future, and today, I want to share five reasons for that optimism.

First, I'm not the only one that's optimistic. We recently surveyed 2,100 CXOs and found over 90% of those leaders believe the world can achieve economic growth and reach our climate goals. Eighty-five percent of them are increasing their investments in sustainability. And 45% of them are transforming their business model to address climate change and sustainability in a way that is central to their strategy. We're seeing leaders increasingly focused on sustainability and economic growth.

Second, innovators are mitigating climate change. I live in British Columbia, Canada, and last year we experienced one of our worst wildfire seasons on record: 18.5 million hectares burnt, more than three times the area of England. And while Canada's cold winters usually put out our fires, over 100 zombie fires burnt through the winter and flared up again in the spring. And in this area, I look to California for innovation and inspiration. After the disastrous 2018 California wildfires, innovators began using AI-enabled geospatial platforms to mitigate climate risks and adapt to climate change. Think about the trees in our communities that are weakened by drought conditions. When the wind comes up, there's an increased risk that that tree blows into a power line and starts a fire. Innovators are now using AI and drone, LiDAR, and satellite data – essentially geospatial data – to identify trees close to the power lines and take action before a tree falls on the line. At scale, California innovators are mitigating 85% of their wildfire risks before they occur. They're using this same technology to drive 10 to 50% operational efficiencies and increase asset resiliency.

On the flooding front, we're seeing coastal communities grappling with an increased risk of flooding due to rising sea levels. Historically, communities have built to the 100-year flood level, which the high-water mark that might have occurred once every 100 years. Well, that type of planning doesn't work as well when sea levels are rising, and the flooding will be worse in the next 10 years than it has been in the last 100. In response, innovators are now using AI-

enabled geospatial platforms – think of an AI-enabled digital twin – to model future-looking scenarios and then use those models to help build a new generation of sustainable resilient infrastructure.

My third reason for optimism is actually our communities. According to *Science Direct*, cities and their supply chains consume about 80% of the world's energy and produce more than 60% of the world's GHG (Greenhouse gas) emissions. Clearly, cities will be ground zero to securing a sustainable future. However, cities are also grappling with how to accelerate housing, improve livability, increase public safety, and invest in critical infrastructure. Further, they struggle to balance these priorities within tight financial budgets. In response, innovative communities are leveraging new generative design, essentially living new master plans of their communities to accelerate planning, digital permitting approvals, and incentivize sustainable development. These modern takes on city planning make use of Gen AI and geospatial data to evolve in real time with the latest population trends, market needs, and environmental changes. These cities are building density, creating more livable communities, and removing both embedded and operational carbon to make those communities sustainable.

Fourth, I see new technologies helping us transition off of fossil fuels. At COP28, the world signaled the deliberate intention to move away from fossil fuels. How are we doing? In Canada, road transportation is responsible for 84% of Canada's transportation-related GHG emission and 21% of all Canadian GHG emissions. Innovative transportation companies are using cloud platforms and IoT sensors to create strategies and roadmaps to transition to zero-emission vehicles in a cost-effective manner. On the energy front, we are seeing record growth in renewable energy like wind and solar, which is wonderful.

At the same time, innovative power utilities are leveraging new technologies, such as dynamic load management, to work with customers to shift loads to off-peak hours, such as charging your EV overnight, dynamic line ratings to squeeze more capacity out of the existing transmission infrastructure, and AI-enabled digital twins to optimize technology and grid infrastructure investments. These technologies are helping enable a resilient energy transition.

Fifth, I see the cycle coming around using renewable energy to power Gen AI. I believe in our collective ability to harness new technologies to advance prosperity and that we have the means to do so equitably. I also recognize that AI is energy-intensive. In response, I see AI companies investing billions in renewable energy to decarbonize their business model and power AI.

In summary, I see innovators leveraging cloud-based technologies like AI and geospatial platforms within strong ethical and trust-building frameworks. This is enabling those innovators to mitigate climate risks, catalyze energy transition, create resilient communities, and drive sustainable growth. I ask each of you to activate your personal passion to make a difference and figure out how you can help make an impact in your community and your organization. Working together, we can bring a prosperous and sustainable future to life. While the future is far from certain, I'm excited to see what the future brings.

Thanks for listening to this week's Knowledge Short on sustainability. If you've enjoyed this podcast, make sure to like us, rate us, and subscribe. You can also check out past episodes at DeloitteOnCloudPodcast.com, all one word. Until next time, thanks for having me, be climate-friendly, and make a difference. Thank you.

Operator:

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