



Deloitte 2022 CxO Sustainability Report

The disconnect between ambition and impact | India

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 India's 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.

India country profile

- We surveyed **163 executives** in India.

INDIA BUSINESS PROFILE:

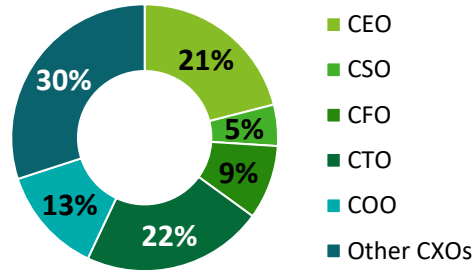


Number of Employees

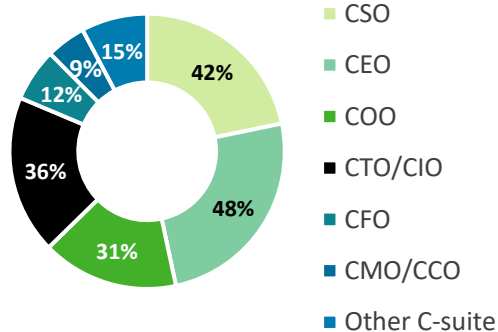
- <5K: **32%**
- 5K to 9,999: **24%**
- 10K to 19,999: **10%**
- 20K to 49,999: **12%**
- >50K: **21%**



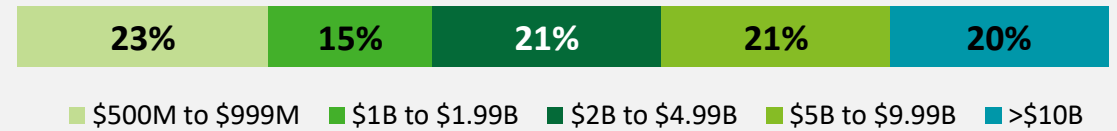
Job Title



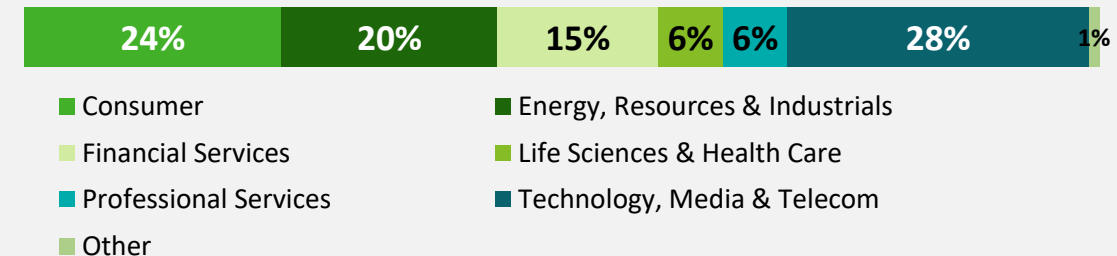
Position(s) at your company responsible for climate goals



Revenue (USD)



Industry

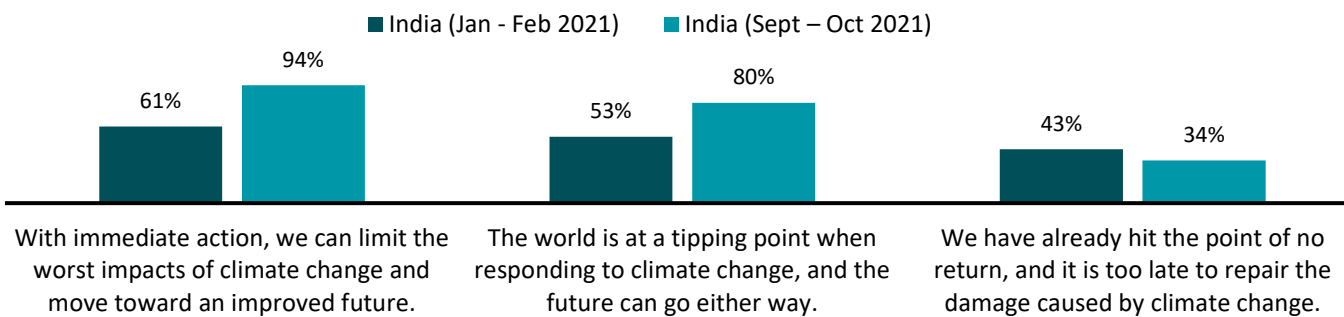


Most executives believe the world is at a tipping point for responding to climate change

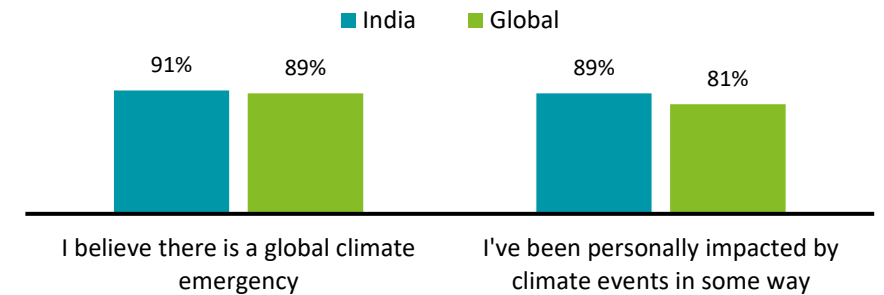
- Like global executives, concern about climate change has increased over the past few months for Indian CxOs: 80% of Indian executives today see the world at a tipping point for responding to climate change compared to just 53% eight months ago. Despite the gravity of the moment, there is a prevailing sense of optimism as 94% currently (compared to 61% eight months ago) agree that with immediate action, we can limit the worst impacts of climate change.
- Compared to global CxOs, Indian CxOs are slightly more likely to have been personally impacted by climate events in some way over the past year, citing extreme heat, water shortages, and severe flooding as top impacts. They are also more likely than global CxOs to have experienced more frequent and powerful storms as well as rising sea levels.



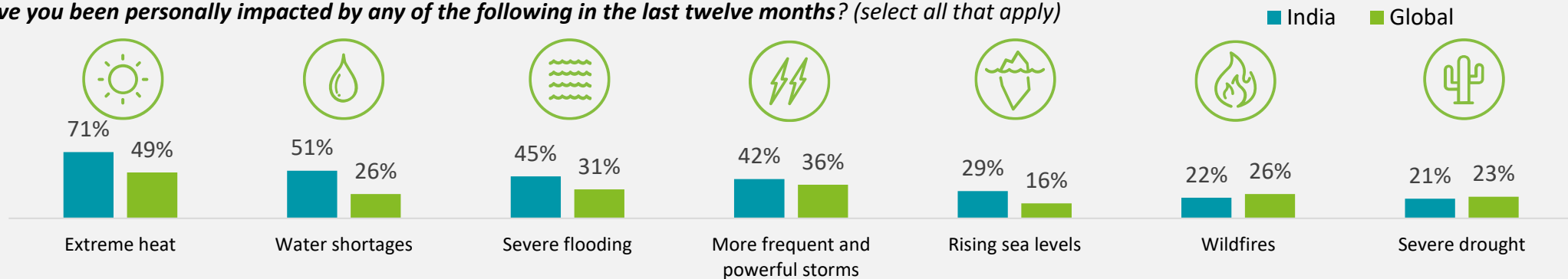
Do you agree or disagree with the following statements related to the environment?



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)

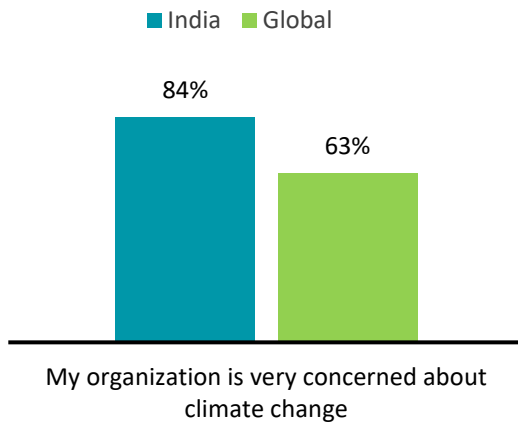


Respondents express concern and say their companies have been affected by climate change

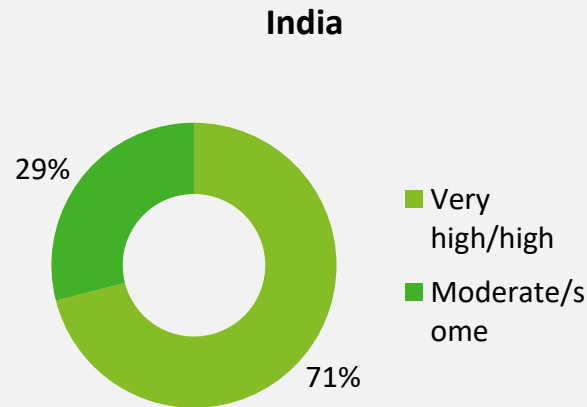
- Indian CxOs indicate their companies are more concerned about climate change than the global average (ranking in top 5 among polled countries), and they're more focused on incorporating climate into their strategies and operations over the next three years.
- The top climate issue already impacting Indian organizations is employee health issues, which is 22% more of a concern than for global companies. Indian companies are slightly more likely than global companies to feel the operational impacts of climate change and a need to modify industrial processes.



How concerned is your organization about climate change?

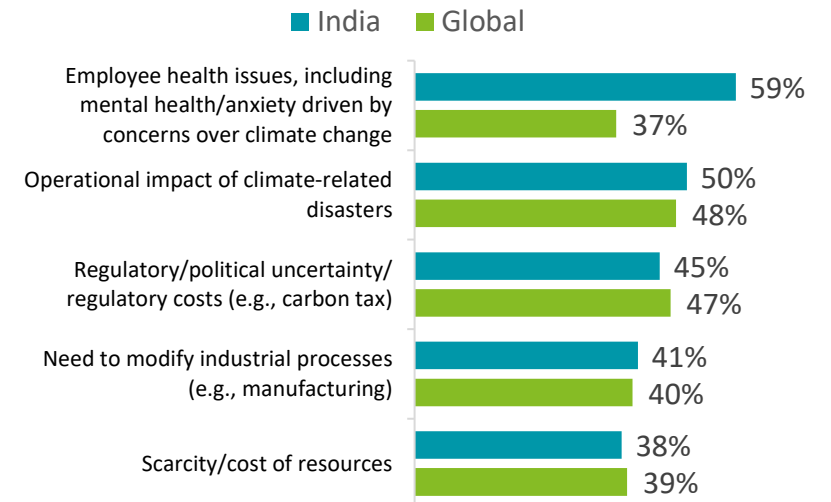


To what degree do you expect climate change to impact your company's strategy and operations over the next three years?



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

96% of Indian respondents who say their company has already been impacted by climate change (compared to 97% globally)



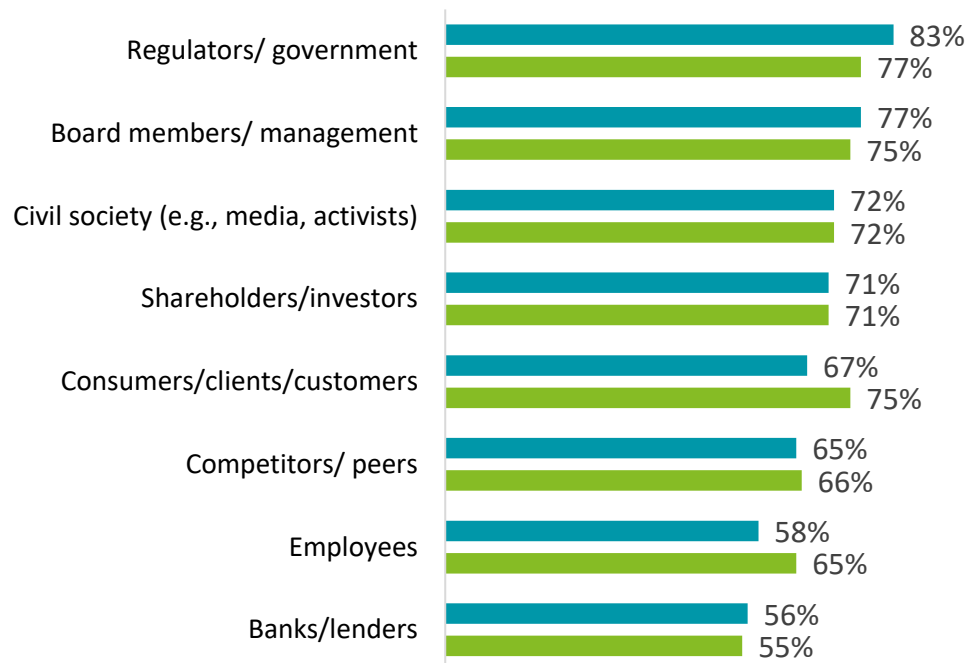
Stakeholders are pressuring companies to act; CxOs believe government also shares responsibility

- Indian companies are feeling more pressure to act on climate from regulators/government and board members/management than the global average.
- 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. Indian CxOs are also more likely than the global average to vote for a candidate for elective office who intends to take action to address climate change.



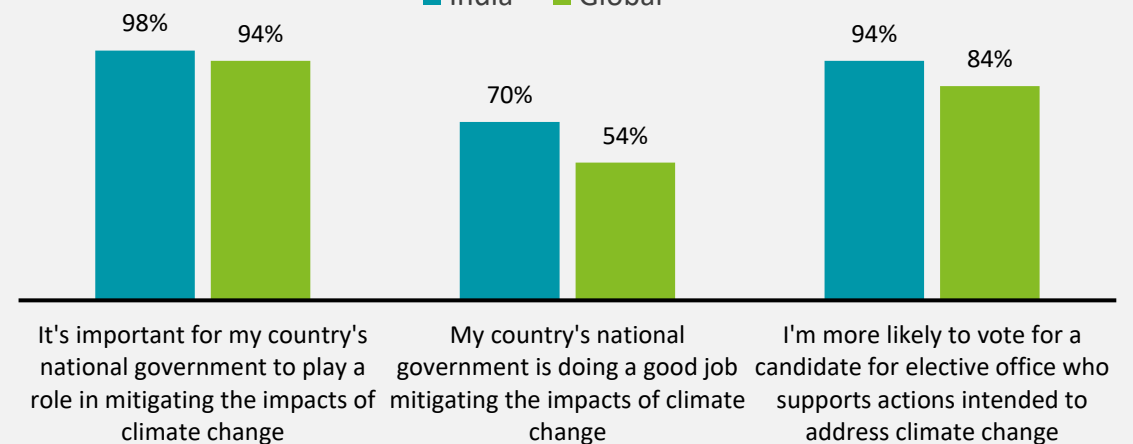
To what extent does your company feel pressure (to a large/moderate extent) to act on climate change from your stakeholders? (select all that apply)

■ India ■ Global



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

■ India ■ Global



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

- However, according to the polled CxOs, Indian companies are more advanced than the global average and are more likely to be implementing the tougher actions defined by Deloitte's analysis.
- Indian organizations are 5% more likely to have undertaken the development of new climate-friendly products or services and 4% more likely to have incorporated climate considerations into lobbying/political donations compared to the global average.

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

75%

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

74%

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

71%

Training employees on climate actions and impact *Global = 57%*

67%

Creating a senior position (e.g., Chief sustainability Officer) or function responsible for driving sustainability initiatives *Global = 53%*

66%

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



HARDER TO IMPLEMENT, NEEDLE-MOVING ACTIONS*

54%

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

46%

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

47%

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

44%

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

38%

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

*As defined by Deloitte's analysis

Benefits of climate strategy and obstacles that impede impact

- Indian CxOs listed brand recognition and reputation, customer satisfaction, and addressing climate change as the top three benefits of their climate efforts (ranking them significantly higher than the global average). The bottom three benefits were asset values, employee recruitment and retention, and revenue from new businesses.
- Indian CxOs were more likely to cite measurement and insufficient supply of low-emissions inputs as challenges to driving sustainability efforts, but less likely to be concerned about cost or focus on near-term business issues.



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

67%

Brand recognition and reputation
Global = 49%

62%

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

61%

Addressing climate change
Global = 43%

60%

Employee morale and well-being
Global = 42%

49%

Innovation around offerings and/or operations
Global = 39%

▼ BOTTOM FIVE

42%

Investor returns and/or satisfaction
Global = 34%

42%

Revenue from longstanding business
Global = 28%

40%

Asset values
Global = 31%

40%

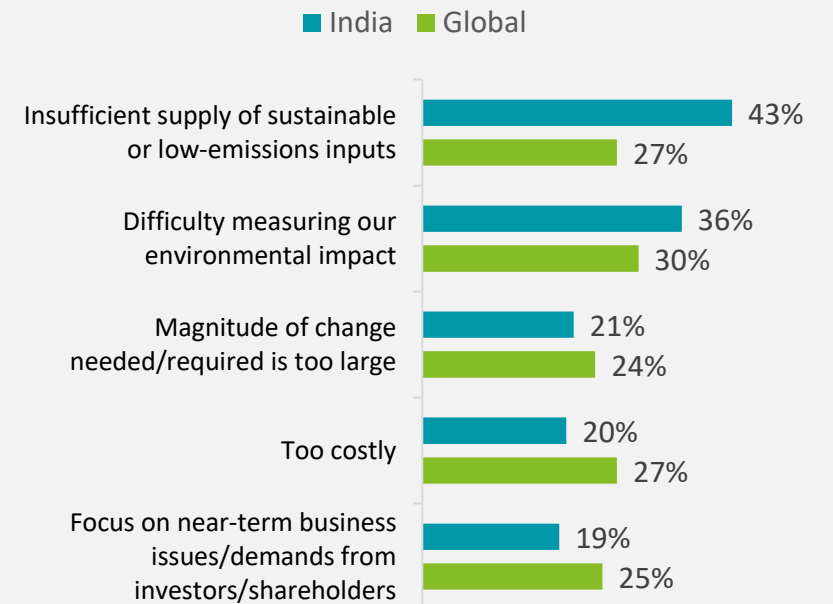
Employee recruitment and retention
Global = 35%

39%

Revenue from new businesses
Global = 32%



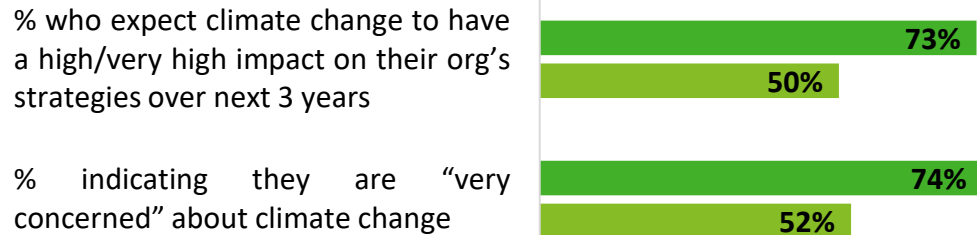
Top five obstacles to driving sustainability efforts (Select top 2)



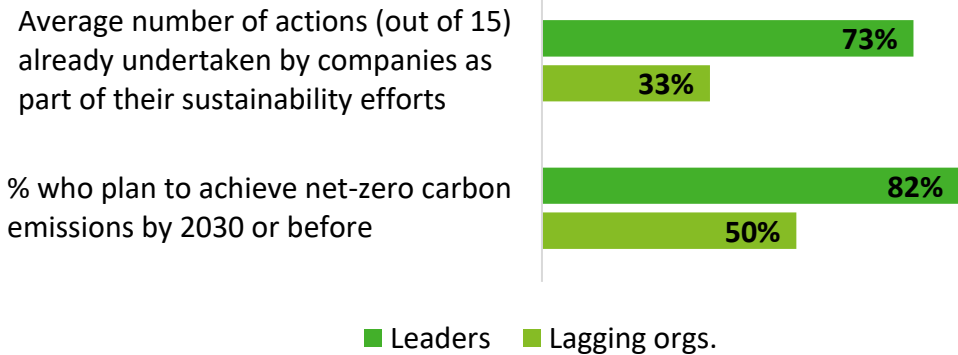
Actions and characteristics that set climate leaders apart

- 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 India, 23% 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 36% of Indian 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*

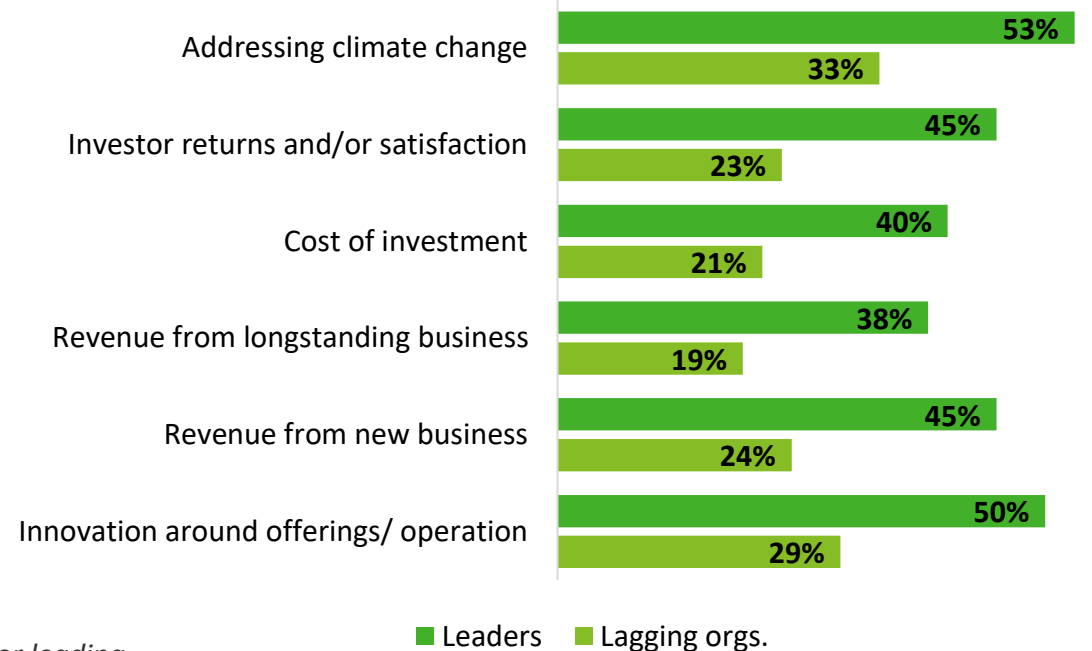


Leaders are more active*



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.



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