



Deloitte 2023 CxO Sustainability Report

Accelerating the Green Transition | France

Global summary

Over the last year, global executives have faced a number of challenges, including economic uncertainty, geopolitical conflict, supply chain disruptions, and talent shortages. While the vast majority of CxOs surveyed share the view that **the world can achieve global economic growth while also reaching climate change goals**, there continues to be a gap between actions and impact as organizations are slower to implement the “needle-moving” actions that embed sustainability into the core of their strategies, operations, and cultures, according to **Deloitte’s survey of more than 2,000 CxOs across 24 countries**.

- The following deck examines **how French executives stand out from their global counterparts** on key themes.

Key global findings:

When asked to rank the issues most pressing to their organizations, **many CxOs rated climate change as a “top three issue,”** ahead of seven others, including innovation, competition for talent, and supply chain challenges. In fact, only economic outlook ranked slightly higher. Many CxOs **(61%) said climate change will have a high/ very impact on their organization’s strategy and operations** over the next three years. **Some 75% said their organizations have increased their sustainability investments** over the past year, nearly 20% of whom say they’ve increased investments significantly.

CxOs are highly worried about climate change but also optimistic about their climate actions:

- **62% said they feel concerned about climate change all or most of the time.**
- Almost all respondents indicated their companies were negatively impacted by climate change in some way over the last year, and **82% of CxOs have been personally impacted.**
- **Yet, 78% feel somewhat or extremely optimistic** that the world will take sufficient steps to avoid the worst impacts of climate change.

Companies are feeling broad pressure to act across stakeholder groups—from the board/management to customers to employees:

- More than half of CxOs said **employee activism on climate matters has led their organizations to increase sustainability actions over the last year**—24% of which said it led to a “significant” increase.
- Regulation is also influential: **65% of CxOs said the changing regulatory environment has led their organization to increase climate action over the last year.**

ORGANIZATIONS ARE ACTING, BUT STRUGGLING TO MOVE THE NEEDLE



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

- For example, **21% of CxOs indicate their organizations have no plans to tie senior leader compensation** to environmental sustainability performance and **30% say they have no plans to lobby government** for climate initiatives.
- Additionally, when asked about how serious certain groups are about addressing climate change, **only 29% of CxOs said they believe the private sector is “very” serious.**
- And **only 46% say that ensuring a “just transition” is “extremely important”** to their organizations, and the view of its importance differs greatly by region and country.

Our report further explores the disconnects between ambition, action, and impact as well as steps CxOs can take to bridge the divide and accelerate progress to a green transition.

France country profile

- We surveyed **106 executives** in France.

France BUSINESS PROFILE:

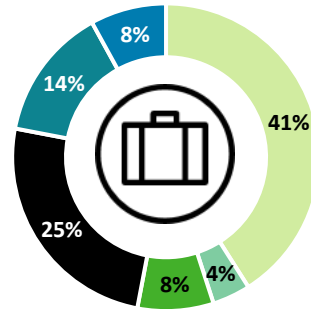


Number of Employees

- <1K: **8%**
- 1K to 4,999: **25%**
- 5K to 9,999: **21%**
- 10K to 19,999: **15%**
- 20K to 49,999: **17%**
- 50K to 99,999: **8%**
- >100K: **6%**

Job Title

- CEO
- CSO
- CFO
- CTO/CIO
- COO
- Other CXOs



Revenue



■ \$500M to \$999M ■ \$1B to \$1.99B ■ \$2B to \$4.99B ■ \$5B to \$9.99B ■ >\$10B



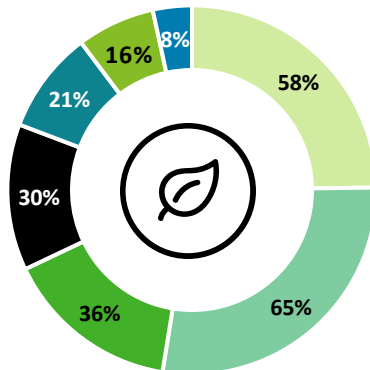
Industry



- Consumer
- Energy, Resources & Industrials
- Financial Services
- Life Sciences & Health Care
- Technology, Media & Telecom
- Other

Position(s) at your company responsible for climate goals

- CSO
- CEO
- COO
- CTO/CIO
- CFO
- CMO/CCO
- Other C-suite

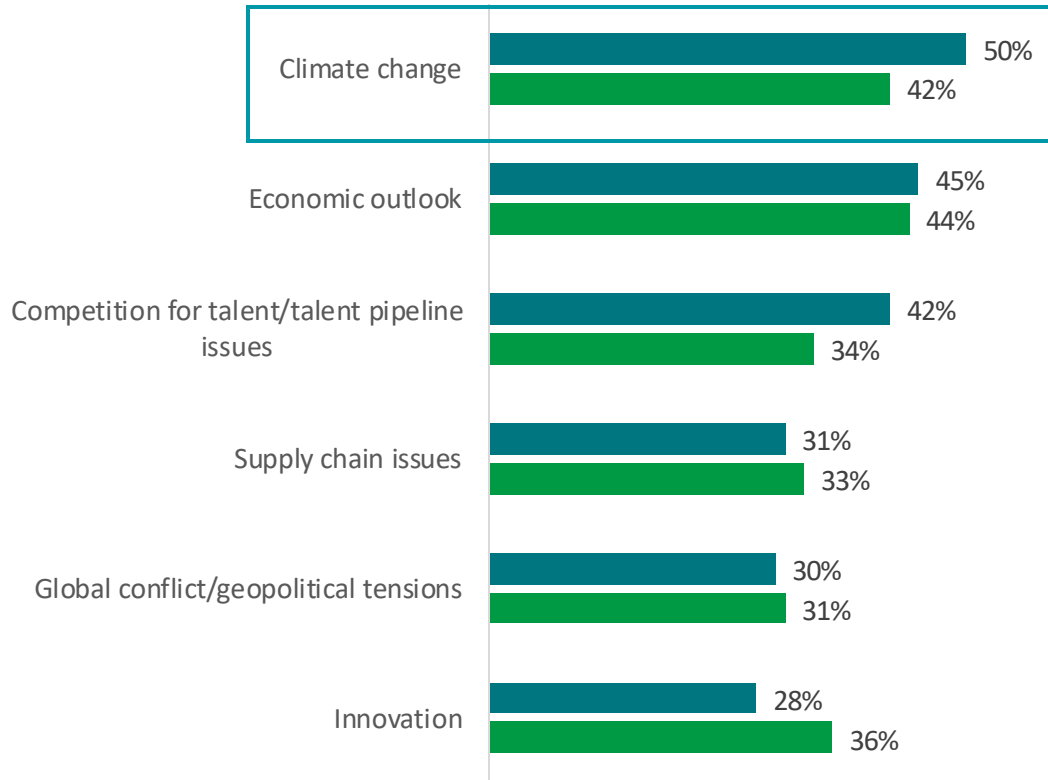


Climate remains a top priority despite other pressing issues

- French CxOs ranked climate change as the most pressing issue for their organizations over the next year: 50% of French executives called it a “top three priority” compared to 42% of executives globally.
- The significance of climate change is reflected in French organizations’ investments over the last 12 months: 77% have increased their sustainability investments (compared to 75% globally), with 19% indicating they’ve increased investments significantly.



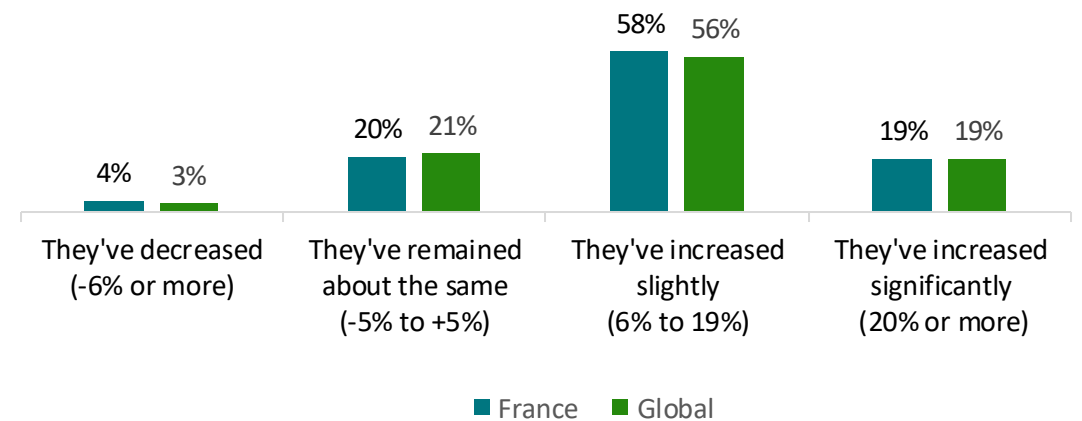
What does your organization see as the most pressing issues to focus on over the next year? (rank in order of importance)



■ % ranked in the Top 3, France ■ % ranked in the Top 3, Global



How have your sustainability investments changed over the last year?



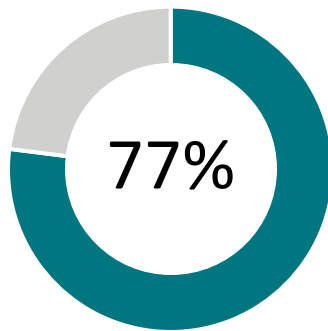
■ France ■ Global

Organizations feel the impact of climate change

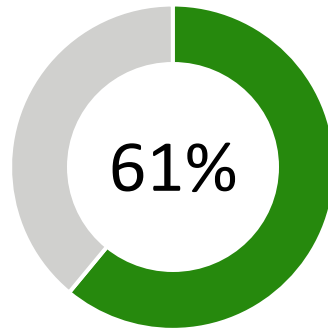
- 77% of French executives say climate change is likely to impact their companies' strategies and operations to a "high/very high" degree over the next three years, which is significantly higher than the global average.
- Almost all respondents indicated climate change has impacted their organizations over the past year. French organizations are more likely than the global average to feel the following negative effects of climate change: resource scarcity/cost of resources, regulatory/political uncertainty, and regulation of emissions.



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



France



Global



Top climate issues already impacting companies
(select all that apply)

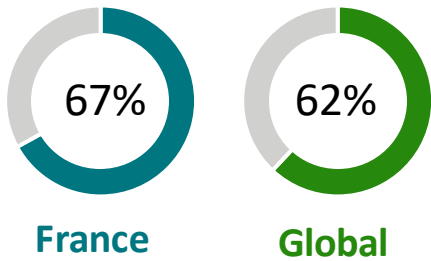
France	Global	
55%	46%	Resource scarcity/cost of resources
50%	42%	Regulatory/political uncertainty
47%	43%	Regulation of emissions
42%	45%	Changing consumption patterns or preferences (e.g., impact of climate change on customers/clients)
41%	41%	Shareholder pressure
41%	33%	Reputational damage

CxOs are worried about climate change but optimistic about climate action

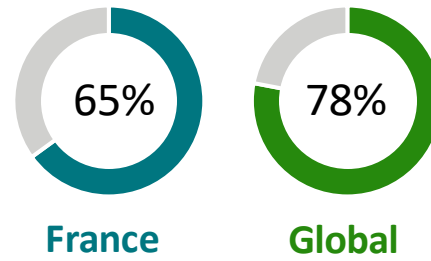
- 65% of French CxOs report being somewhat/extremely optimistic the world will take sufficient steps to avoid the worst impacts of climate change. However, 67% feel concerned about climate change all or most of the time. French CxOs are also optimistic (though less so than the global average) that the world can achieve global economic growth while also reaching climate change goals.
- 90% of French CxOs (compared to 82% of global) say they've been personally impacted by climate events in some way over the past year with extreme heat, severe drought (at nearly double the global average), and water restrictions the most frequently-cited issues.



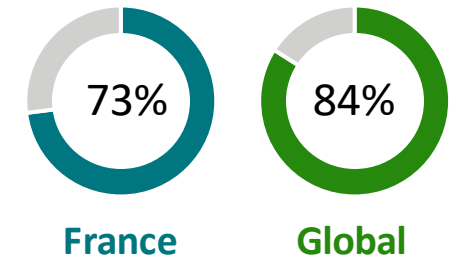
Leaders who say they **feel concerned about climate change** all or most of the time



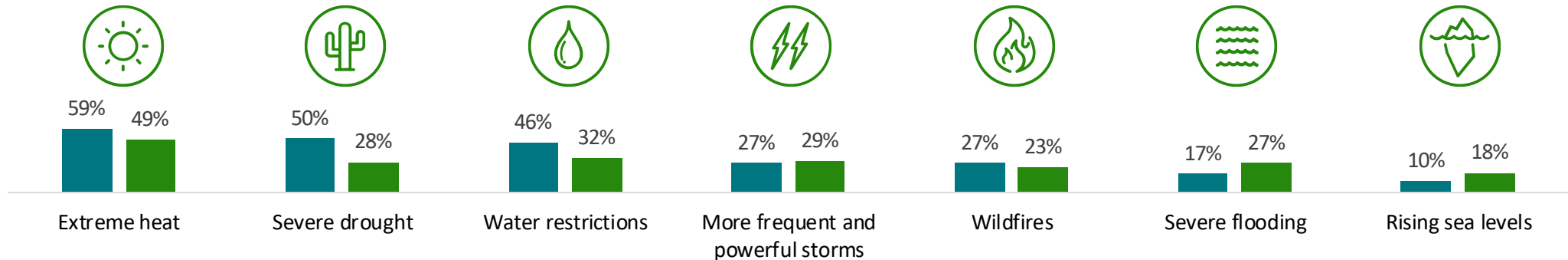
Leaders who are somewhat/extremely optimistic **the world will take sufficient steps to avoid the worst impacts of climate change**



Executives who agree/strongly agree **the world can achieve global economic growth while also reaching climate change goals**



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



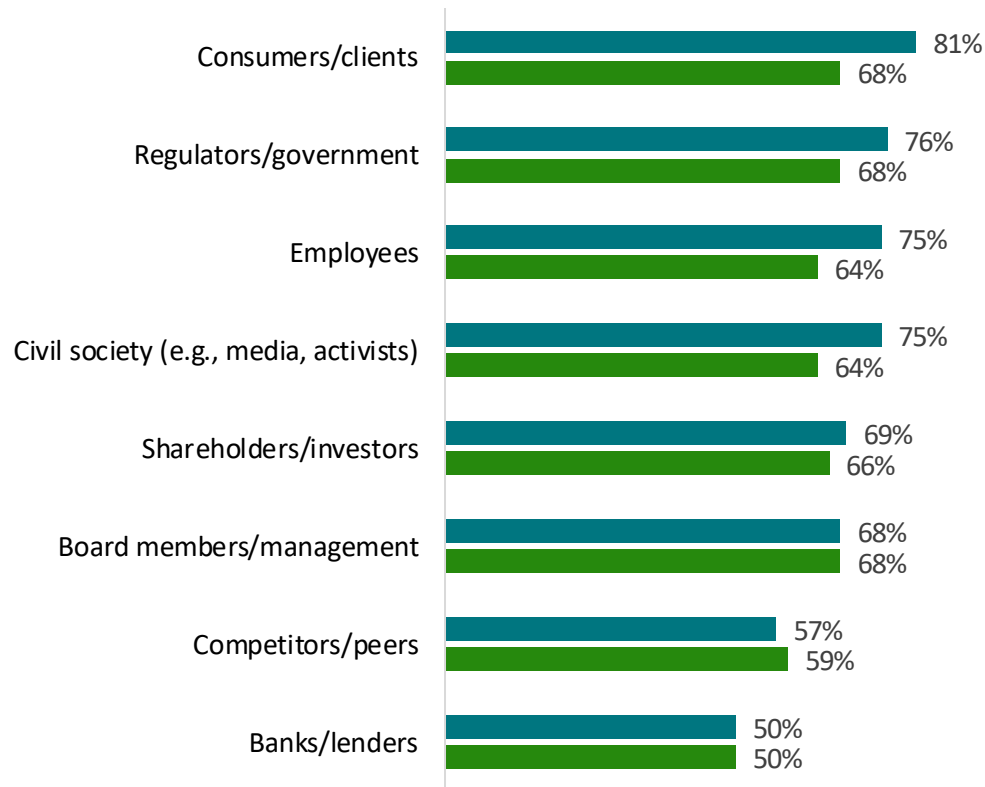
Companies feel broad pressure from stakeholder groups

- French CxOs are feeling pressure to act on climate change from several stakeholder groups at a higher rate than their global colleagues. In particular, French CxOs are significantly more likely than the global average to report feeling pressure from consumers/clients, regulators/government, employees, and civil society.
- Compared to the global average, a higher proportion of French executives feel that a changing regulatory environment along with employee activism helped lead to an increase in their organization's sustainability actions over the last year.



To what extent does your company feel pressure to act on climate change from your stakeholders?

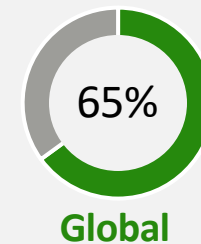
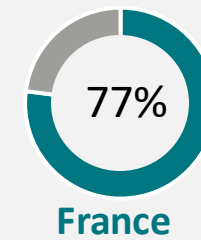
(select all that apply, to a moderate/large extent)



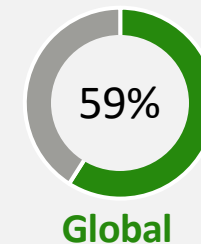
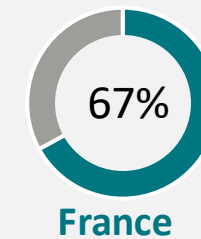
■ France ■ Global



Leaders who selected **changing regulatory environment** as a matter that slightly/significantly increased their organization's sustainability action over the last year.



Leaders who selected **employee activism** as a matter that slightly/significantly increased their organization's sustainability action over the last year.

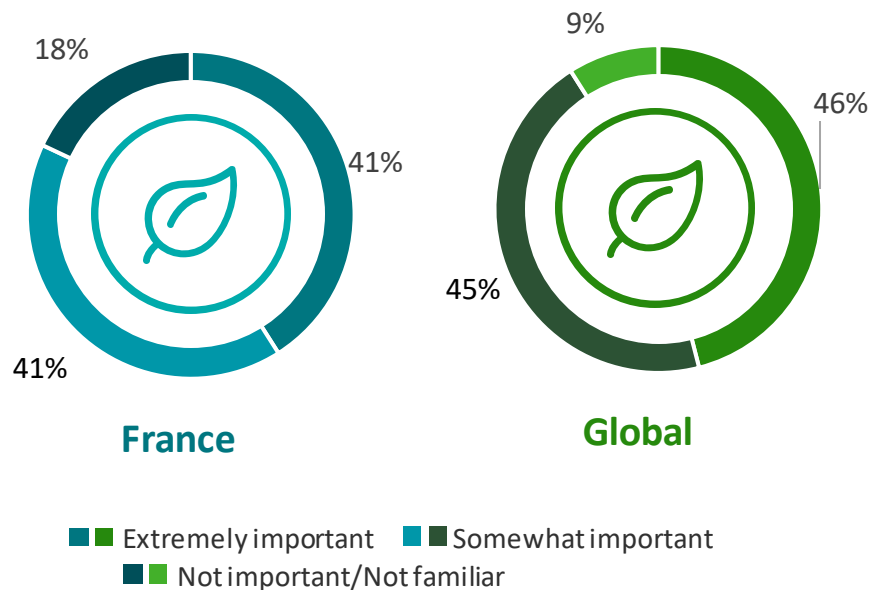


Many organizations express concern about a “just transition”, but focus uneven among countries

- 41% of French CxOs say that ensuring a “just transition” is extremely important to their organizations compared to 46% of global executives. Nearly one-fifth of French CxOs report that a “just transition” is either not important or they are not familiar with the term.
- France ranks in the bottom half (14th) of the 24 countries we polled when rating a “just transition” as extremely important.

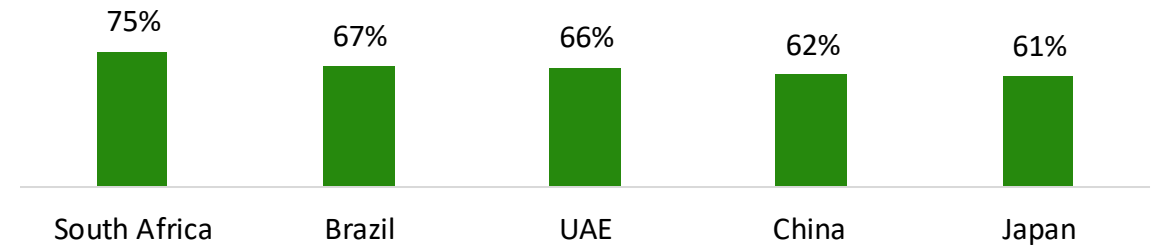


To what extent does climate equity or ensuring a “just transition”* factor into your company’s sustainability efforts?

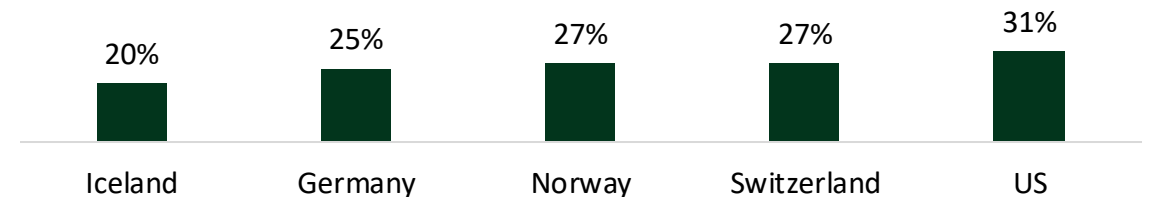


*A **just transition** seeks to ensure that the substantial benefits of transitioning to a green economy are shared widely, while also supporting those who stand to lose economically—whether countries, regions, industries, communities, workers, or consumers

▲ Countries most likely to see this issue as extremely important



▼ Countries less likely to see this issue as extremely important



France ranks 14th among countries rating a “just transition” as extremely important

While organizations are acting, they're struggling to move the needle

- A majority of French companies have already undertaken several actions as part of their sustainability efforts. Increasing the efficiency of energy use, reducing the amount of air travel, and training employees on climate change actions and impacts were the top actions, all of which French CxOs report at a higher level than the global average.
- 30% of French CxOs believe that the private sector is “very serious” about addressing climate change. However, only 15% feel that the world’s governments are very serious about the issue, significantly lower than the global average of 28%.

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



TOP ACTIONS TAKEN

64%

Increasing the efficiency of energy use (e.g., energy efficiency in buildings)
Global = 59%

58%

Reducing the amount of air travel
Global = 47%

57%

Training employees on climate change actions and impacts
Global = 50%

56%

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

56%

Using energy-efficient or climate-friendly machinery, technologies, and equipment
Global = 54%



HARDER TO IMPLEMENT, NEEDLE-MOVING ACTIONS* *As defined by Deloitte's analysis

56%

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

52%

Requiring suppliers and business partners to meet specific sustainability criteria
Global = 44%

37%

Updating/relocating facilities to make them more resistant to climate impacts
Global = 43%

31%

Incorporating climate considerations into lobbying/political donations
Global = 32%

30%

Tying senior leaders' compensation to environmental sustainability performance
Global = 33%



France 30% Global 29%

said they believe the private sector is “very” serious



France 15% Global 28%

said they believe governments around the world are “very” serious

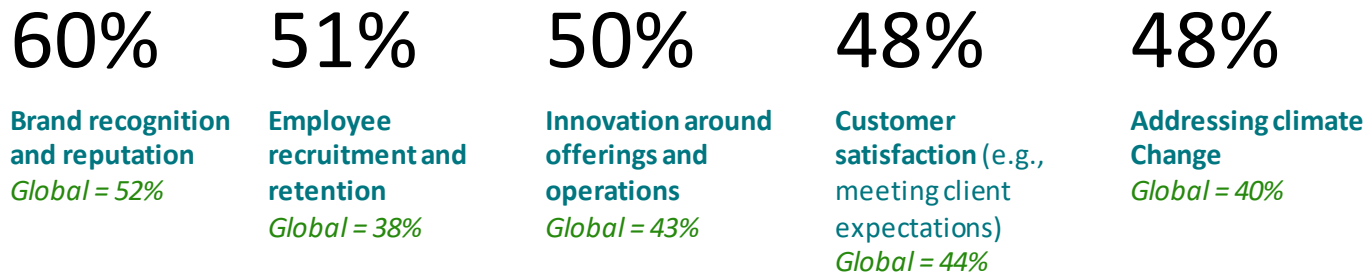
Benefits of climate strategy and obstacles that impede impact

- French CxOs see brand reputation, employee recruitment/retention, innovation around offerings, and customer satisfaction as the top benefits of their current sustainability efforts. Like the global population, French CxOs are much less likely to see the more tangible, financial benefits of their current climate efforts.
- French CxOs cite difficulty measuring impact, focus on near-term priorities, and costs their top barriers to more climate action.



I strongly believe my company's current sustainability efforts have a positive impact on the following (select top 5)

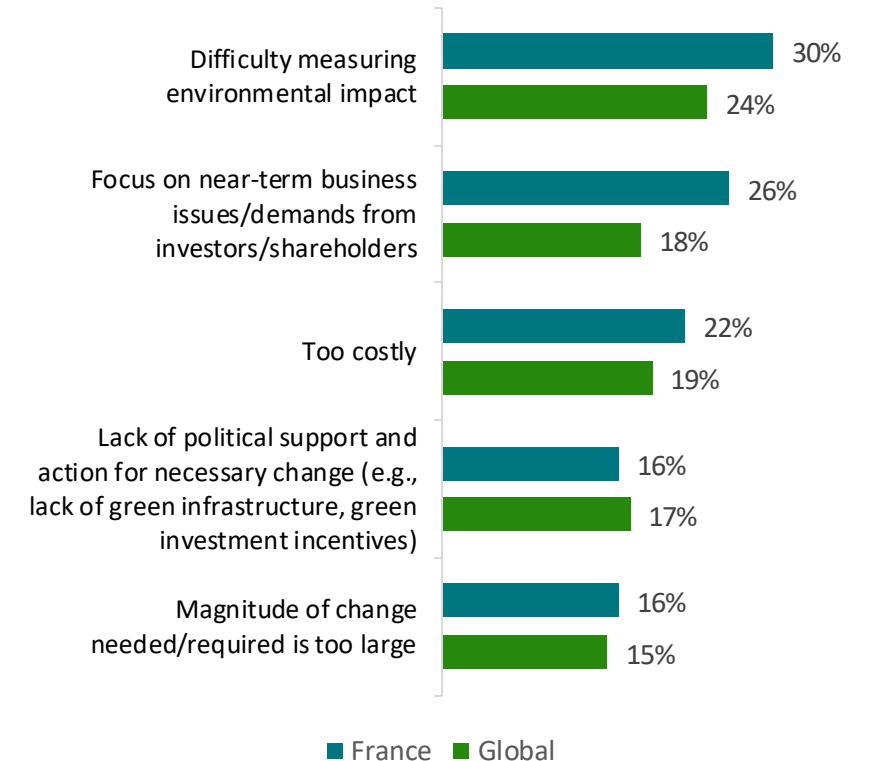
▲ TOP FIVE BENEFITS SELECTED



▼ BOTTOM FIVE



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





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.

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, personnel 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. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2023. For information, contact Deloitte Touche Tohmatsu Limited.