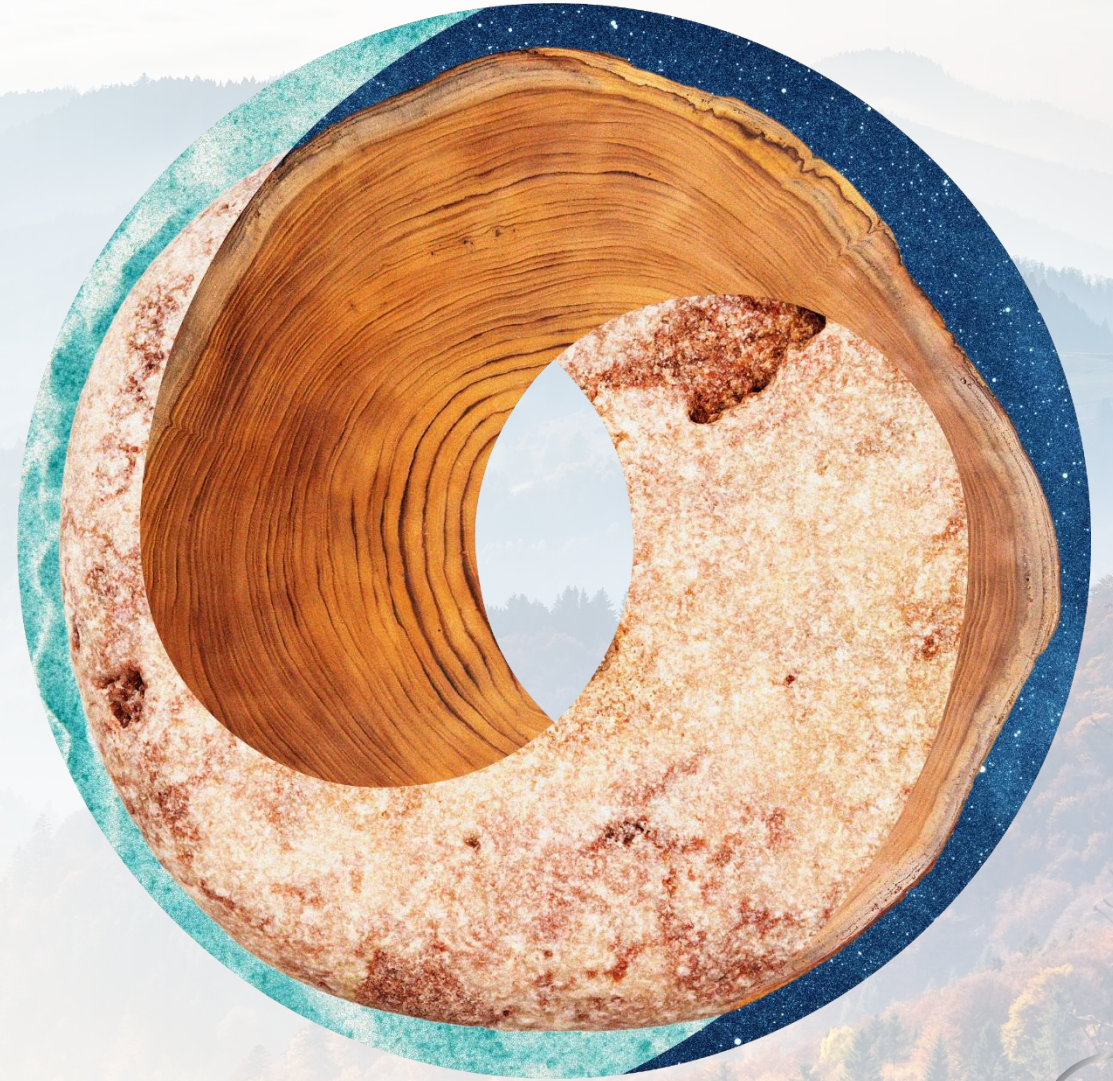


Deloitte.

**Deloitte 2024 CxO
Sustainability Report**

Asia Pacific insights



November 2024



Global findings summary (1 of 2)

[Deloitte's 2024 CxO Sustainability Report](#), surveying over 2,100 executives across 27 countries on their views and strategies related to sustainability and climate change, marks a potential sea change in what benefits and opportunities companies see from their actions and underscores the staying power of sustainability on the business agenda.

Contrary to some headlines, our survey indicates there is no retreat from sustainability action by businesses. Instead, there is a notable increase in investment in sustainability efforts, and early but important signs that climate action is driving value creation and moving to the heart of many companies' overall business strategies.

- Climate change continues to be one of the top three priorities for CxOs, surpassing political uncertainty, supply chain issues, and talent competition.
- Global CxOs are prioritizing and increasing investments in sustainability, with 85% reporting an increase in investments, up from 75% last year.
- CxOs anticipate that climate change will significantly impact their companies' strategies and operations over the next three years, with 70% expecting a high or very high impact, up from 61% last year. Nearly half (45%) say they are transforming their business model to address climate change and sustainability in a way that is central to the organization's strategy.

Companies are beginning to realize the business potential in the shift to a low-emissions economy. More CxOs are citing sustainability as a driver of new products, business models, and value creation overall, rather than a compliance or brand-building exercise.

- Executives see few trade-offs between business success and climate action. 92% of CxOs believe their company can grow while reducing greenhouse gas emissions, and 90% believe the world can achieve economic growth while reaching climate change goals.
- This year saw a shift toward seeing more direct environmental and business impact, including customer loyalty, supply chain efficiency, and operating margins, rather than less tangible benefits such as improved brand recognition and reputation.
- The most anticipated benefit CxOs expect to see over the next five years is in innovation around offerings and/or operations.



Global findings summary (2 of 2)

Climate action is an engine for innovation. While the need for innovation and technology investment might be seen as competing priorities to climate action, in reality, they are crucial drivers of sustainability efforts, enabling businesses to develop solutions that showcase the potential for new products and services that offer both environmental and business benefits.

- Innovation [(including Artificial Intelligence (AI))] ranks ahead of climate change as the number one most pressing challenge for CxOs over the next year, with 38% listing it in their top three.
- 50% of CxOs have already begun implementing technology solutions to help achieve climate or environmental goals, with another 42% expecting to undertake this work in the next two years. More than half of those who are already leveraging technology say they are using it to develop more sustainable products and services.
- Among leading organizations, 85% are developing new climate-friendly products or services, emphasizing the link between innovation and climate action.

Sustainability is an enduring part of the business agenda, but “holding the line” isn’t sufficient. The landscape of climate action among businesses is highly uneven. While leading companies are driving change inside and outside their organizations, an even greater number have taken few if any of the most impactful actions. As the world moves toward a net-zero economy, their “go-slow” approach risks leaving them at a competitive disadvantage.

- Despite recognizing the looming impact of climate change on their operations and strategy, there is still a significant portion (27%) of organizations that have taken minimal or no “needle-moving actions.”

The majority of companies that were surveyed are neither leaders nor laggards, but have a critical opportunity to drive broader and deeper action. This “moderate middle” group represents a sleeping giant; if it awakens, it could tip the balance of corporate climate action and drive rapid change.

- More than half of organizations (56%) are focusing on two to three needle-moving actions. Many of these organizations fall into two categories: those that are pursuing the business of sustainability—serving the emerging green economy—and those focused on becoming a sustainable business—addressing their own environmental footprint and influencing the broader ecosystem, from supply chains to society. They are well-positioned to build on their existing efforts and to scale-up for even greater impact.

The global report provides a view of the current climate action landscape among CxOs globally and explores the latent potential of that middle cohort: what actions they’re already taking, what barriers they face, and what lessons they can learn from leading companies that are modeling what a holistic approach to sustainability might look like to catalyze broader and deeper action within their organizations to unlock value.



Asia Pacific findings summary

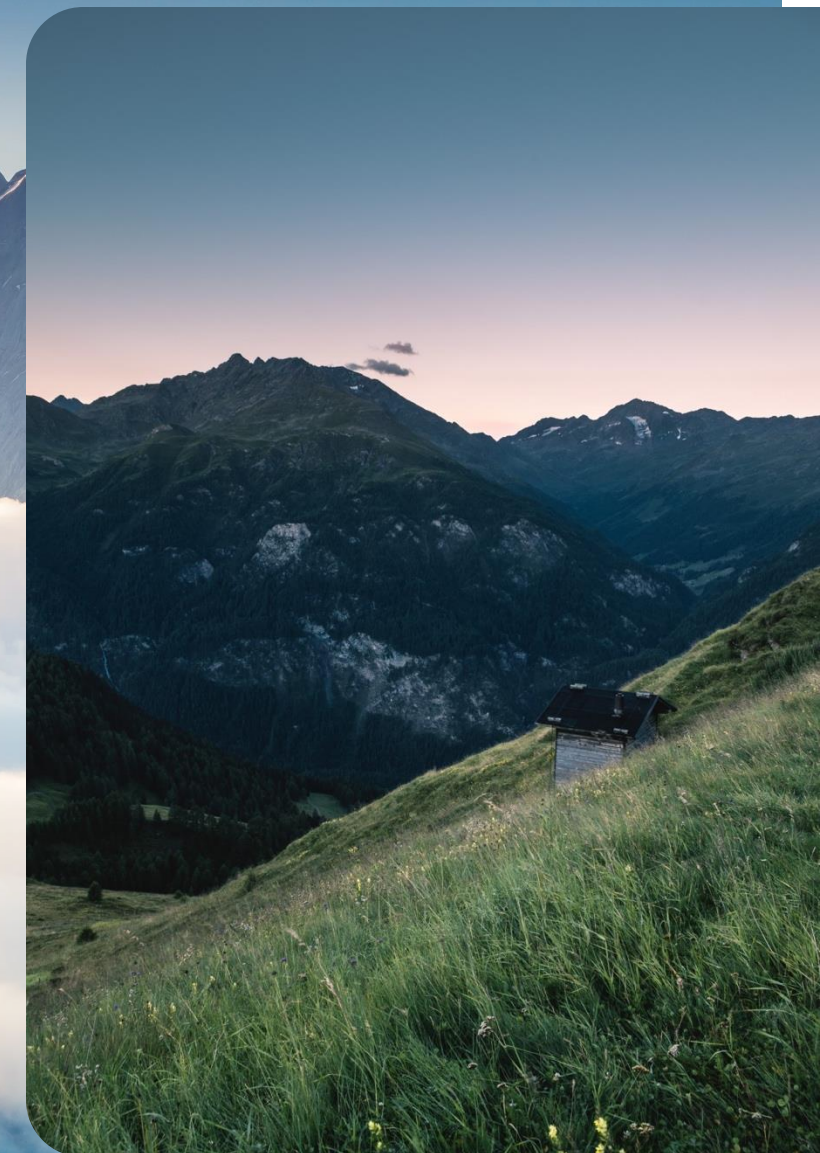
This snapshot report, based on insights from 582 executives across Asia Pacific (APAC), highlights the region's growing focus on sustainability. The report reflects how companies are integrating climate goals into their strategies, while facing challenges that vary by industry.

Despite global economic uncertainties, APAC executives are increasing their sustainability investments, with 83% reporting an uptick in the last year. Climate change is among the top concerns, with 36% of executives ranking it as a priority. Additionally, 69% expect climate change to significantly impact their strategies and operations within the next three years.

- More APAC companies are treating sustainability as a business driver rather than just a compliance issue. 93% believe they can grow while reducing emissions, and 47% are transforming their business models to integrate sustainability.
- APAC businesses are seeing direct benefits from sustainability, including improved customer satisfaction and loyalty (39%), and revenue from new businesses (38%).
- APAC CxOs also see climate change as a significant business risk as the operational impact of climate-related disasters or weather events currently affects 53% of APAC companies.

Executives across APAC report pressure from stakeholders, particularly in Financial Services, where regulators and shareholders are driving climate action. In all industries, the demand for sustainability progress is mounting, and APAC companies are responding with a broad range of climate initiatives.

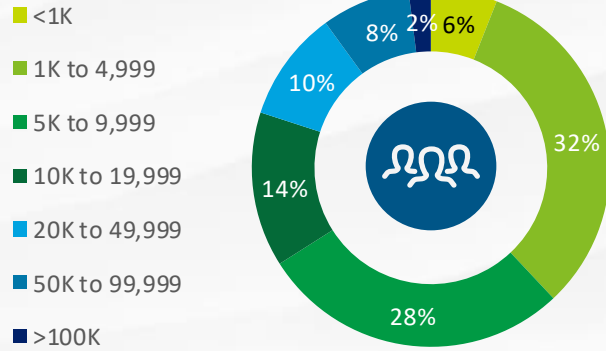
- APAC CxOs are prioritizing climate equity, with 55% of executives identifying it as critical to their sustainability efforts. Companies are working with local communities and retraining workers for green jobs, particularly in sectors like Financial Services and Technology.
- APAC companies are adopting a broad range of sustainability actions, from the use of sustainable materials to implementing technology solutions. Consumer sector companies, in particular, lead the way in adopting sustainable materials (57%).
- Harder-to-implement initiatives, such as reconfiguring operations or tying senior leadership's compensation to sustainability performance, are gaining traction. Reconfiguring operations to be more climate-resilient is a focus for 46% of APAC companies, mirroring global trends.



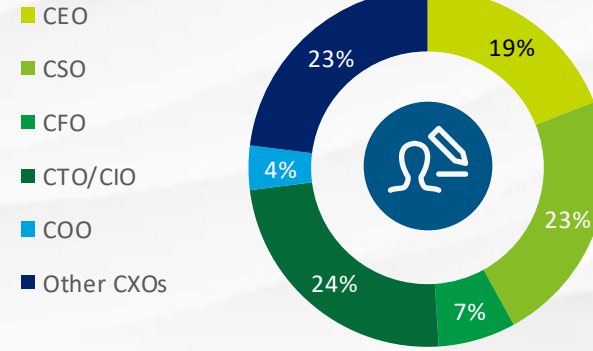
APAC business profile

582 executives in APAC were surveyed (Japan (n=139), Korea (n=59), India (n=157), Australia (n=102) and China (n=125))

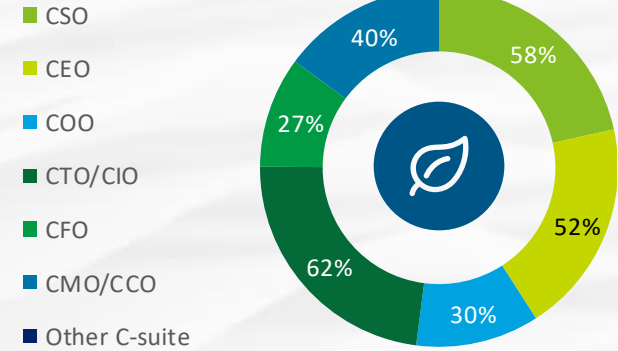
Number of employees



Job title



Position(s)* at your company responsible for climate goals



*Some respondents indicated multiple roles within the company have responsibility, resulting in the total percentage across roles exceeding 100%.



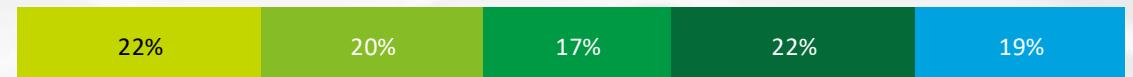
Revenue (US\$)



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



Industry

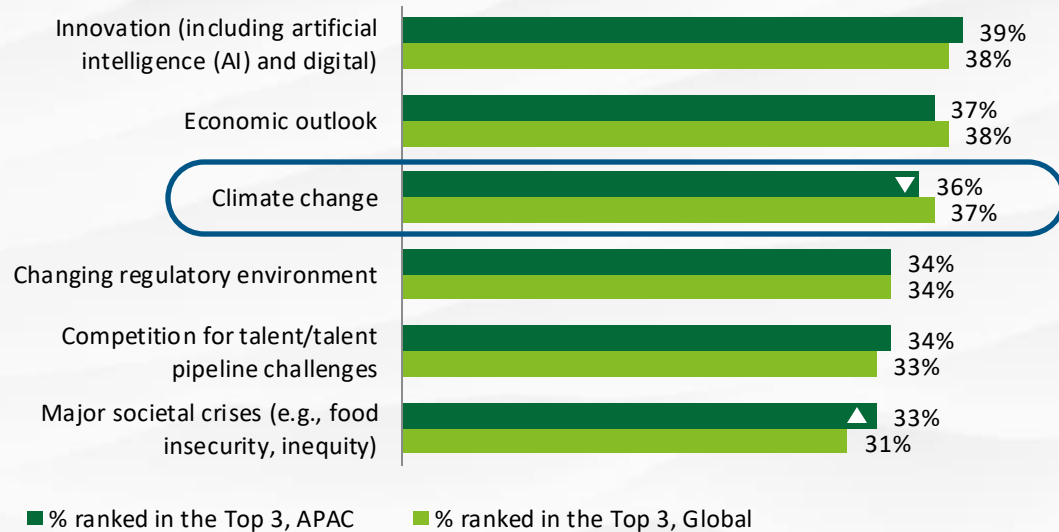


■ Consumer ■ Energy, Resources & Industrials
 ■ Financial Services ■ Life Sciences & Health Care
 ■ Technology, Media & Telecom

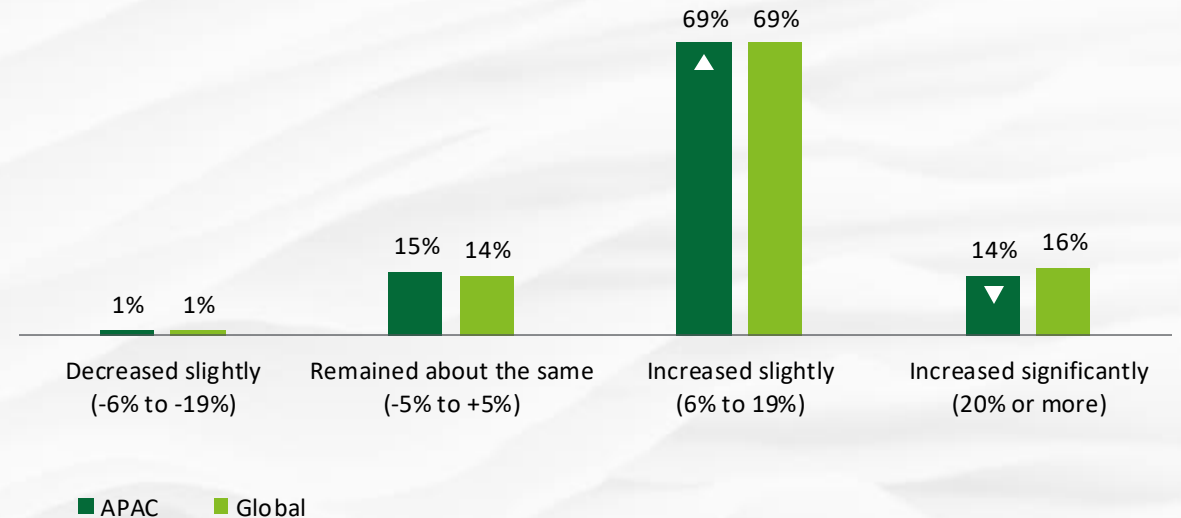
Climate remains a top priority despite many pressing issues



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



How have your sustainability investments changed over the last year?



APAC companies largely align with global trends in terms of prioritizing innovation, climate change, and sustainability investments. However, certain industries show distinct priorities, with Financial Services emphasizing innovation and regulatory changes more, while ER&I downplays climate change compared to other sectors.

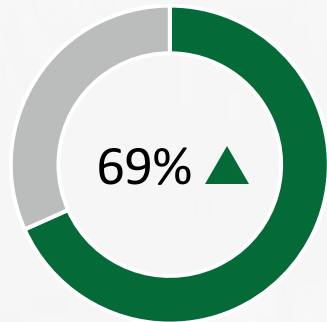
- In the APAC region, innovation, including AI and digital technologies, takes center stage as the top issue for 39% of executives, closely aligning with the global figure of 38%.
- When it comes to climate change, it remains a priority, though slightly lower than the previous year, with 36% of APAC companies ranking it as a top issue, almost mirroring the global figure of 37%. However, Life Sciences & Health Care executives place slightly more importance on this at 39%, while ER&I trails at 33%

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

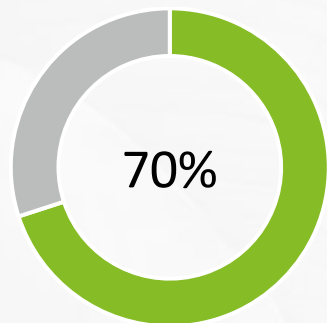
Climate change's impact on strategies and operations is growing



Executives who expect climate change to impact their company's strategy and operations to a high/very high extent over the next 3 years



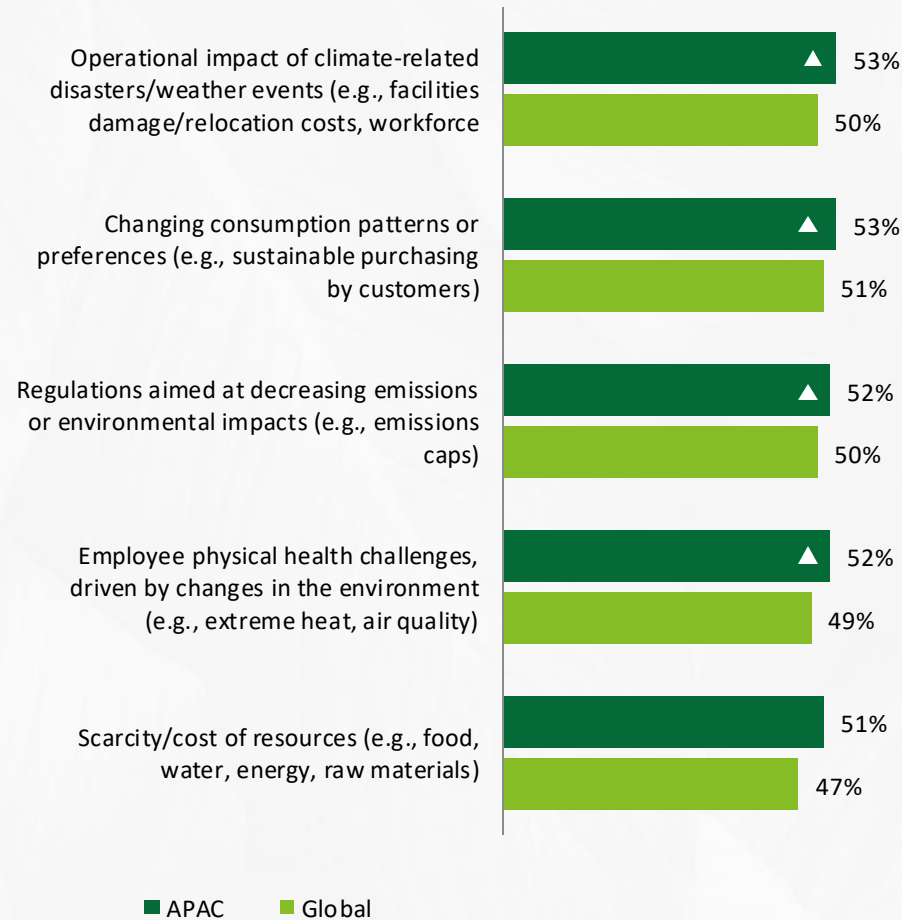
APAC



Global



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



APAC executives anticipate roughly the same impact from climate change as the global average, with Life Sciences & Health Care and Financial Services industries leading the concern.

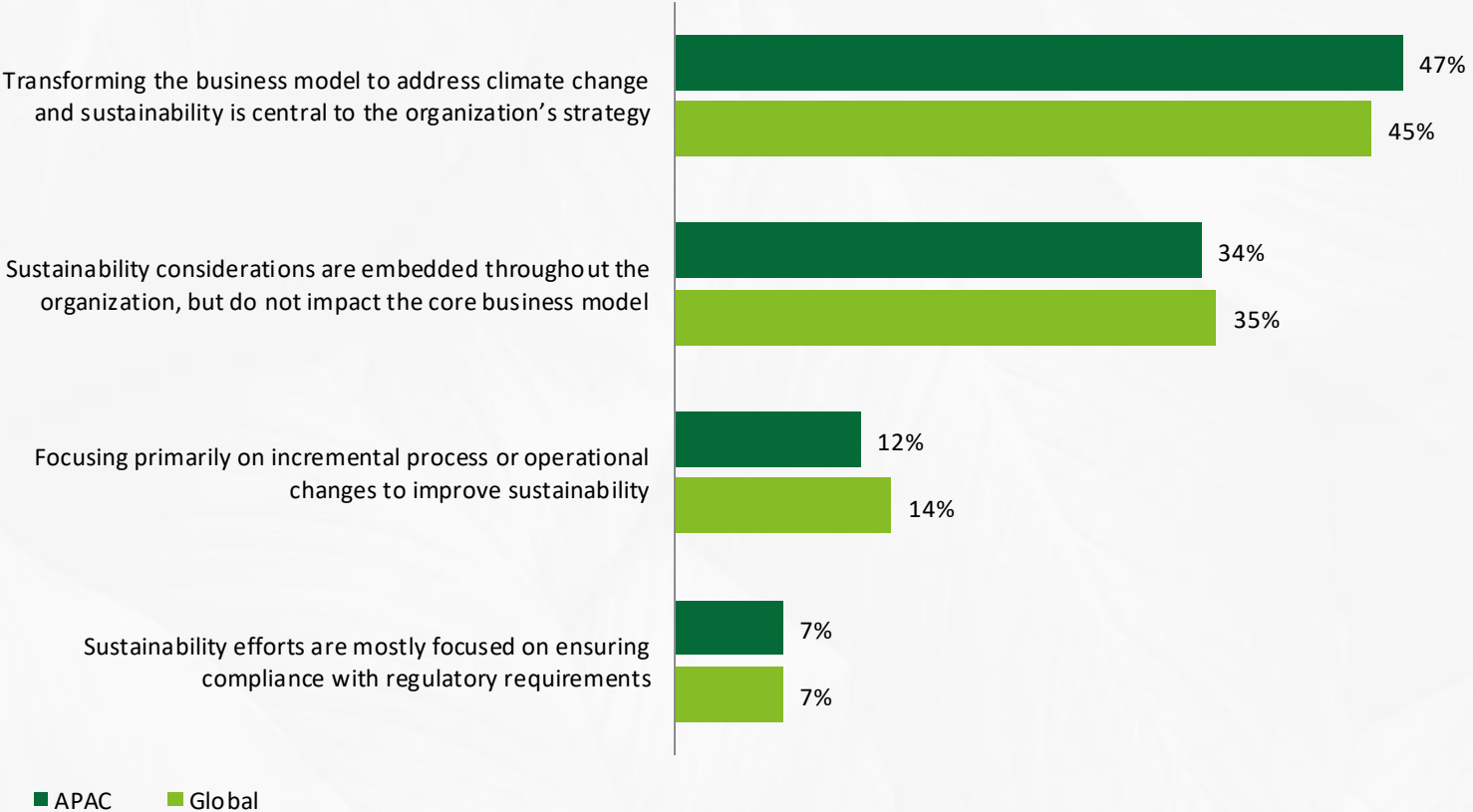
- Among C-suite, 79% of CSOs expect climate change to impact strategy while 65% of CEOs expect the impact.
- Looking at the climate issues already impacting companies, APAC and global data closely align. The operational impact of climate-related disasters or weather events affects 53% of APAC companies, slightly higher than the global 50%.
- Changing consumption patterns have a more pronounced impact in Financial Services (62%) and Life Sciences & Health Care (56%) industries, indicating these sectors are highly sensitive to customer preferences around sustainability.
- Operational impacts from climate disasters are most keenly felt in Energy, Resources & Industrials (59%) and Consumer industries (58%).

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Many organizations take comprehensive approaches to corporate sustainability



Which of the following statements best describes your company’s current approach to environmental sustainability and climate change challenges? (Select one)

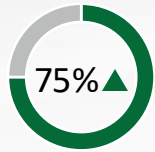


The APAC region sees a shift toward embedding sustainability into core business models. Nearly half of APAC executives recognize the need for transformational change, ensuring that climate considerations are central to their organization’s strategy.

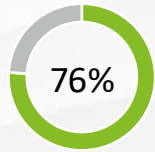
- Industries in the region, however, show different approaches to tackling this change. Technology, Media & Telecom (TMT) firms are leading the way, with 53% of companies committing to transforming their business models to integrate climate action at the strategic level. This forward-thinking approach contrasts with the Financial Services sector, where just 39% are focusing on transformative changes.
- Despite varying approaches, one thing is clear: APAC industries are working toward sustainability, albeit at different paces and through distinct strategies. Whether through broader transformation or smaller operational tweaks.

CxOs feel the impacts of climate change, yet are optimistic about the potential for effective action

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

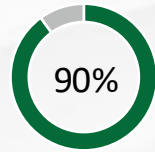


APAC

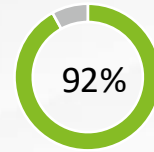


Global

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

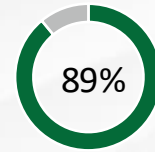


APAC

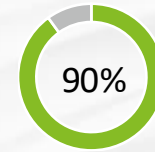


Global

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

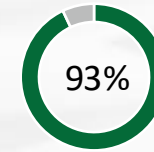


APAC

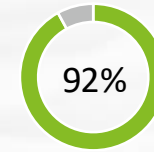


Global

Executives who agree/strongly agree their company can continue to grow while reducing greenhouse gas emissions



APAC



Global

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



In the APAC region, 75% of executives express concern about climate change all or most of the time, a slight increase from last year and almost on par with the global average.

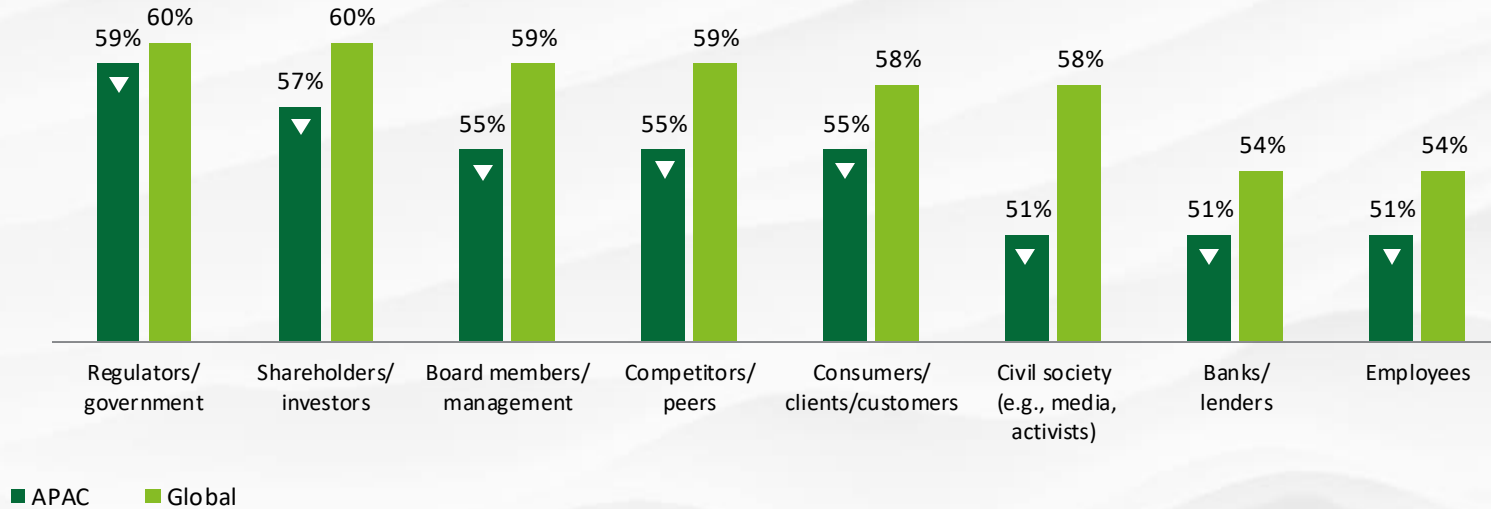
- However, this sentiment varies significantly by industry, with Consumer sector executives leading at 83% and Financial Services trailing behind at 62%. This shows a heightened awareness in sectors closely tied to consumer behavior and public perception, while industries like Financial Services may perceive climate risks to be less immediate or direct.
- Notably, 93% of APAC executives (compared to 92% globally) believe their companies can continue to grow while reducing emissions, with Energy, Resources & Industrials executives demonstrating the highest confidence at 97%.
- Among C-suite, CSOs (95%) are the most optimistic and CFOs least (85%) that the world will avoid the worst impacts of climate change.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

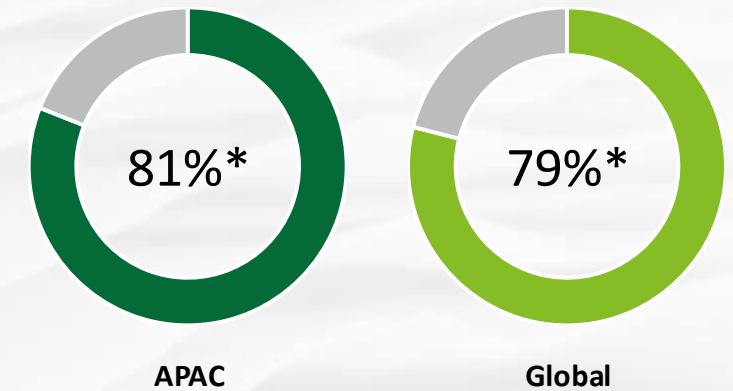
Companies feel broad pressure from stakeholder groups



Executives who feel pressure from the following stakeholders to act on climate change to a moderate/large extent



Average percentage of organizations feeling pressure across stakeholders' groups to increase climate action



* Number represents average across all stakeholder groups of those who selected Somewhat or Significantly increase climate action.

While the pressure to act on climate change is broadly felt, the intensity and sources of that pressure vary across sectors, with financial services facing the most considerable challenges, especially from regulatory bodies and financial institutions.

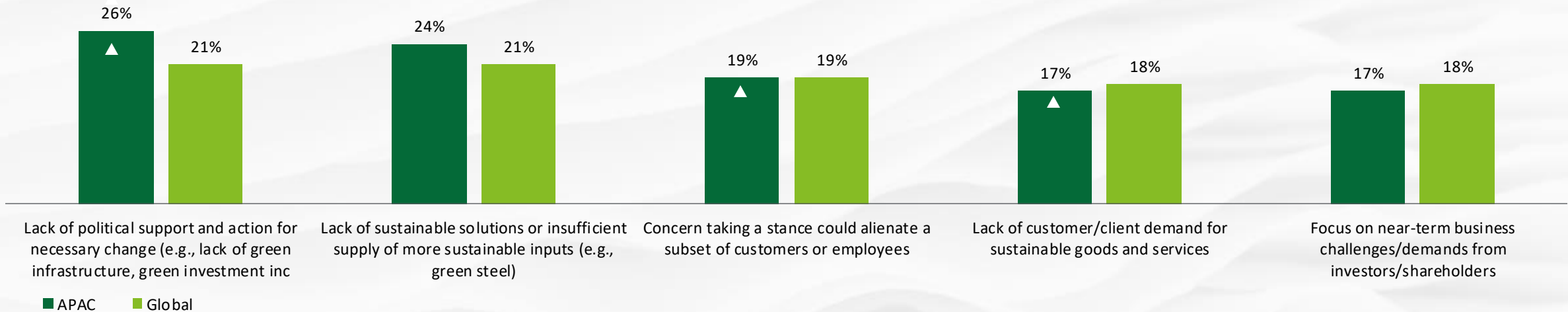
- The Financial Services industry faces the most intense pressure, particularly from shareholders/investors (66%), banks/lenders (63%), and regulators/government (68%). This outpaces other sectors such as Technology, Media & Telecom, which report comparatively lower pressure from these same groups.
- The nature of stakeholder pressure is consistent across industries, with most sectors seeing an overwhelming push to increase climate action. Financial Services leads the way, with 83% of executives stating that the pressure from stakeholders is centered on increasing climate change efforts, closely followed by Life Sciences & Health Care (82%).

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

A varied set of barriers adds further complexity to addressing climate action



Top five obstacles cited to driving sustainability efforts



In the APAC region, companies are facing a range of obstacles that add complexity to their sustainability efforts. The lack of political support and action for necessary change is seen as the top challenge, cited by 26% of APAC executives, slightly higher than the global average of 21%, and higher than the previous year.

- Notably, industries like Life Sciences & Health Care (29%), Energy Resources & Industrials (28%), and Financial Services (28%) are particularly vocal about this challenge, while the Technology, Media & Telecom industry expresses less concern (21%).
- The absence of sustainable solutions or a sufficient supply of sustainable inputs, such as green steel, ranks as the second most significant barrier in APAC. Energy, Resources & Industrials stand out, with 27% of executives identifying this as a key hurdle, whereas Consumer and Financial Services report lower concern.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

The benefits of climate action have diversified and moved beyond recognition and reputation



Greatest benefits of sustainability efforts

Top five benefits so far

39%

Customer satisfaction and loyalty

Global = 38%

38%

Addressing climate change

Global = 39%

38% ▲

Revenue from new businesses (e.g., new offerings)

Global = 35%

37%

Operating margins (e.g., cost efficiency and productivity)

Global = 37%

37% ▲

Asset values (e.g., intellectual property and operating assets)

Global = 35%

Top five benefits expected in the next five years

39%

Supply chain efficiency and/or resilience

Global = 36%

37%

Investor returns and/or addressing expectations

Global = 35%

37% ▲

Asset values (e.g., intellectual property and operating assets)

Global = 35%

37% ▼

Customer satisfaction and loyalty

Global = 36%

37%

Revenue from existing businesses

Global = 34%

While customer loyalty and climate action are seen as immediate gains from sustainability efforts in APAC, future priorities center on supply chain resilience and asset value growth, with noticeable industry-specific differences in expectations.

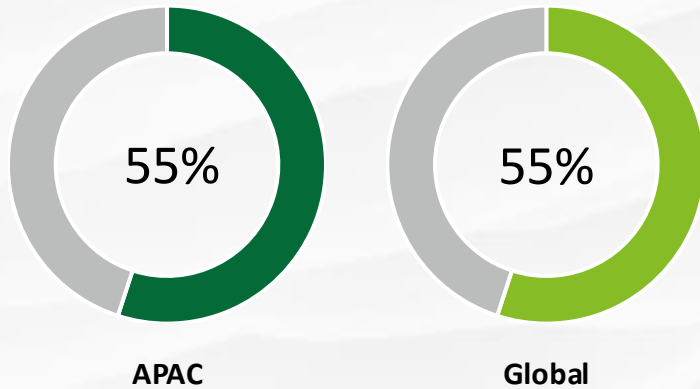
- In APAC, executives view customer satisfaction and loyalty as a key benefit of sustainability efforts, slightly outpacing the global figure. When broken down by industry, Financial Services (47%) leads, while Life Sciences & Health Care (32%) lags.
- Looking ahead, the emphasis shifts toward improving supply chain efficiency and resilience as a critical benefit expected in the next five years. Technology, Media & Telecom (45%) and Consumer (44%) sectors are particularly focused here, while Financial Services (29%) remains less concerned.
- Interestingly, CEOs in APAC mention revenue from new businesses as their top benefit so far, while CFOs believe it's brand recognition.

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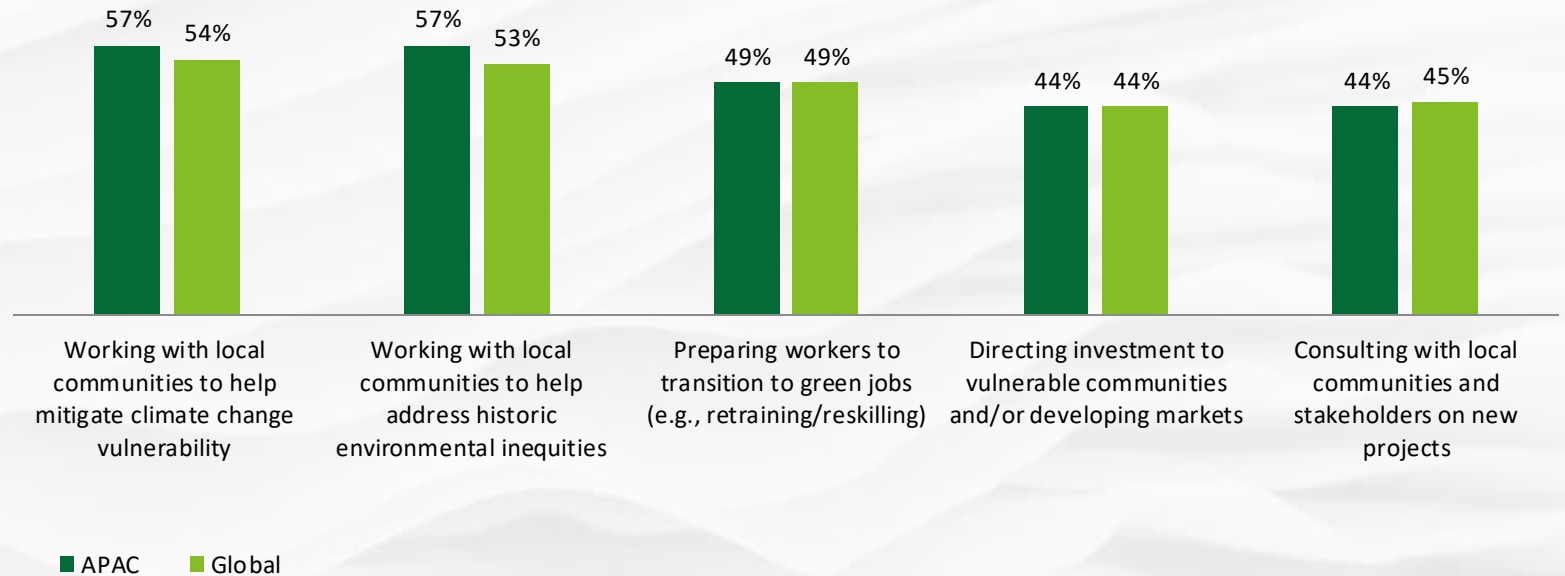
The importance of climate equity and a just transition in sustainability efforts continues to grow



Executives who say climate equity and ensuring a just transition are extremely important in their companies' sustainability efforts



How is your organization factoring climate equity or ensuring a just transition into its sustainability efforts?



In APAC, executives are prioritizing climate equity and ensuring a just transition within their sustainability efforts. 55% of APAC executives report that these issues are of critical importance, aligning with global figures. CFOs are the highest (63%) while CTOs/CIOs are the lowest (46%).

- The significance of climate equity shows consistent relevance across various industries, with notable attention from executives in Consumer, Financial Services, and Technology, Media & Telecom industries, all at 57%. The Energy, Resources & Industrials industry lags behind slightly at 49%.
- However, specific actions such as worker retraining and investment in vulnerable communities show significant variability, with Financial Services and Technology, Media & Telecom leading in various initiatives, while sectors like Life Sciences & Health Care and Consumer exhibit more modest efforts in some areas. These disparities indicate room for improvement in more holistic and inclusive sustainability strategies across all industries in the region.

▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.

Organizations are implementing a range of sustainability actions to meet environmental goals



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

Top actions taken

52% ▼

Using more sustainable materials
Global = 51%

50%

Implementing technology solutions to help achieve climate or environmental goals
Global = 50%

47% ▲

Increasing hiring of sustainability roles at multiple levels
Global = 45%

47%

Including monitoring of climate risk in corporate governance processes
Global = 48%

47% ▲

Purchasing renewable energy directly, contractually or through renewable energy certificates
Global = 49%

Harder-to-implement, needle-moving actions*

46%

Reconfiguring operations, infrastructure, and/or supply chain to be more climate-resilient
Global = 46%

46% ▲

Lobbying for or making political donations in support of climate initiatives
Global = 44%

45% ▼

Developing new climate-friendly products or services
Global = 48%

44% ▲

Tying senior leaders' compensation to environmental sustainability performance
Global = 43%

43%

Requiring suppliers and business partners to meet specific sustainability criteria
Global = 47%

* As defined by Deloitte Global analysis

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Sustainability actions in APAC are focused on addressing both short-term and long-term goals. The top actions taken by companies reveal a strong alignment with global trends, particularly in the use of more sustainable materials and implementing technology solutions to achieve climate or environmental goals.

- However, industry-level variations highlight that certain sectors are ahead in particular areas. The Consumer industry, for instance, leads in the adoption of sustainable materials at 57%, significantly ahead of Energy, Resources & Industrials (48%), Life Sciences & Health Care (47%).
- Looking at the harder-to-implement actions, APAC organizations are increasingly focusing on strategic, high-impact areas. Reconfiguring operations, infrastructure, and supply chains to be more climate-resilient is a key area, with 46% of organizations in APAC adopting this measure, mirroring the global percentage.

▲ ▼ Arrows indicate increases or decreases in percentage compared to 2023 where applicable.

APAC Industry Comparisons

	Consumer	Energy, Resources & Industrials	Financial Services	Life Sciences & Health Care	Technology, Media & Telecom
Most Pressing Issues Over the Next Year	Highest focus on competition for talent	--	Highest focus on innovation	Highest focus on climate change.	--
% Who Increased Sustainability Investments Over the Last Year	88%	86%	79%	84%	79%
% Expect Climate Change To Impact Their Company's Strategy	67%	66%	71%	74%	68%
Corporate Approach to Sustainability	--	Highest focus on transforming business model	Lowest focus on transforming business model	Highest focus on regulation compliance	--
Feelings About Climate Change	Most concerned about climate change	--	Least concerned about climate change	--	Least likely to believe in global economic growth while also reaching climate change goals

APAC Industry Comparisons

	Consumer	Energy, Resources & Industrials	Financial Services	Life Sciences & Health Care	Technology, Media & Telecom
Pressures from Stakeholders to Act on Climate	Highest pressure from civil society	--	Highest pressure from investors	Highest pressure from management	Highest pressure from competitors
Obstacles to Sustainability Efforts	Highest difficulty measuring impact	Highest difficulty finding sustainable solutions	--	Higher political support needed	--
Climate Equity & Just Transition	Lowest on working with local communities to help mitigate climate change vulnerability	--	Highest percentage investing in vulnerable communities	Equal focus on mitigating climate vulnerability and addressing historic inequities	Highest focus on working with local communities
Top Actions Taken or Expected for Sustainability	Highest use of sustainable materials	Highest renewable energy purchase	Highest lobbying for climate initiatives	Highest (tied) percentage of reconfiguring operations	--
Top Benefits of Sustainability	Highest benefit on addressing climate change	--	Highest benefit on customer loyalty	Lowest benefit on customer loyalty	Highest benefit in investor returns

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