

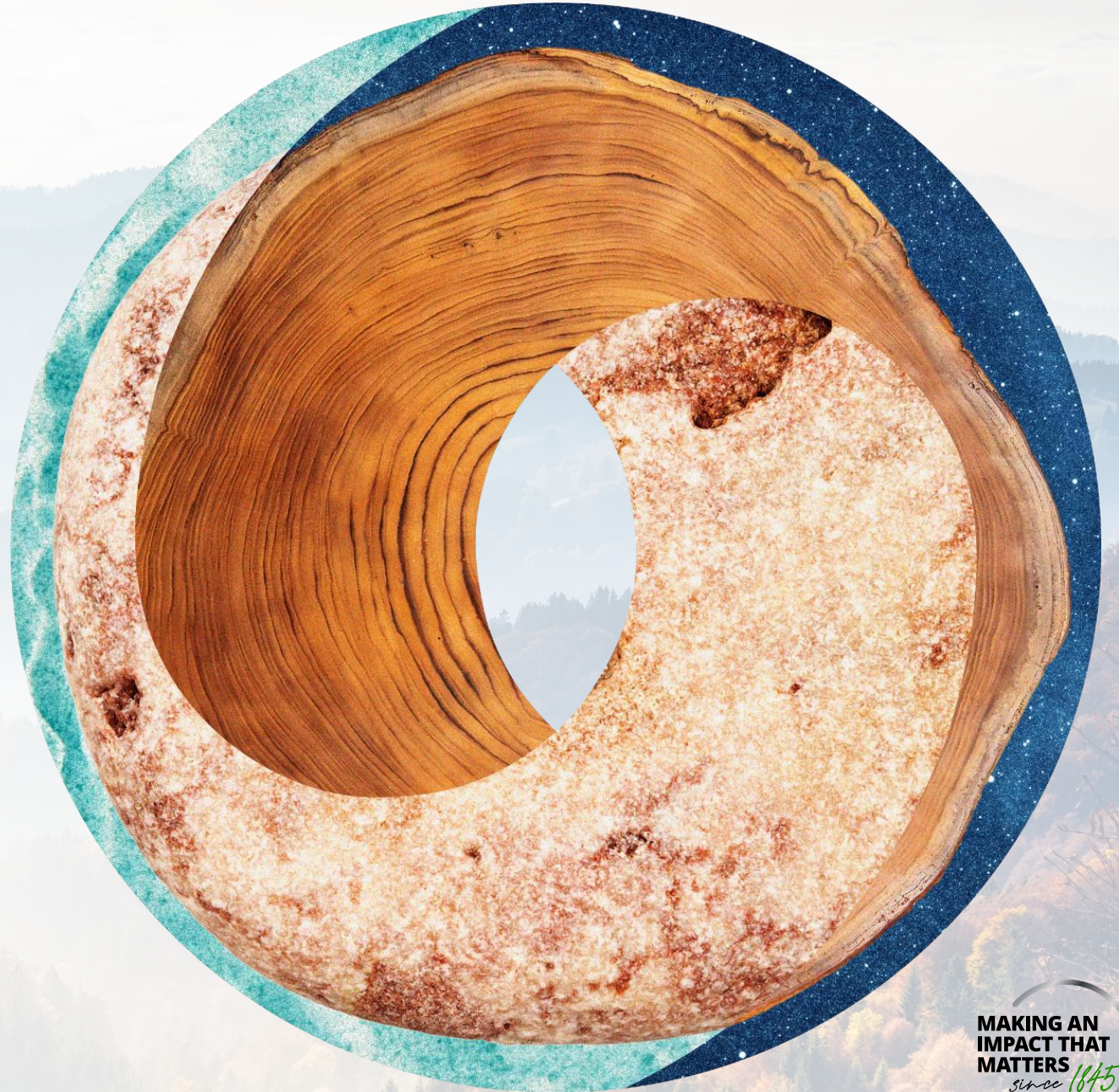


Deloitte 2024 CxO Sustainability Report

Signs of a shift in business climate action

Switzerland insights

September 2024



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IMPACT THAT
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Executive 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 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 challenges, 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 to drive value creation 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 more CxOs citing direct environmental and business impacts rather than less tangible benefits. Customer loyalty, supply chain efficiency, and operating margins were seen more often than things like improved brand recognition and reputation.
- The most anticipated benefit of climate action CxOs expect to see over the next five years is in innovation around offerings and/or operations.



Executive 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 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.

This 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 apply 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.



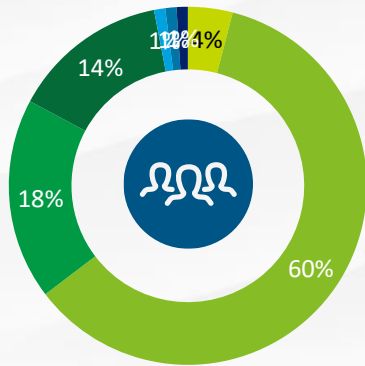
Switzerland country business profile

77 executives were surveyed in Switzerland



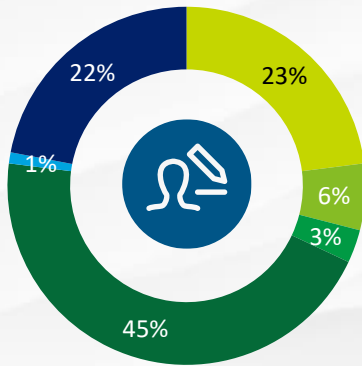
Number of employees

- <1K
- 1K to 4,999
- 5K to 9,999
- 10K to 19,999
- 20K to 49,999
- 50K to 99,999
- >100K



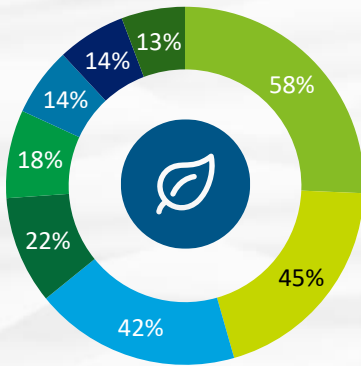
Job title

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



Position(s) at your company responsible for climate goals

- CEO
- CTO
- CSO
- CCO
- CFO
- CIO
- CMO
- COO



*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



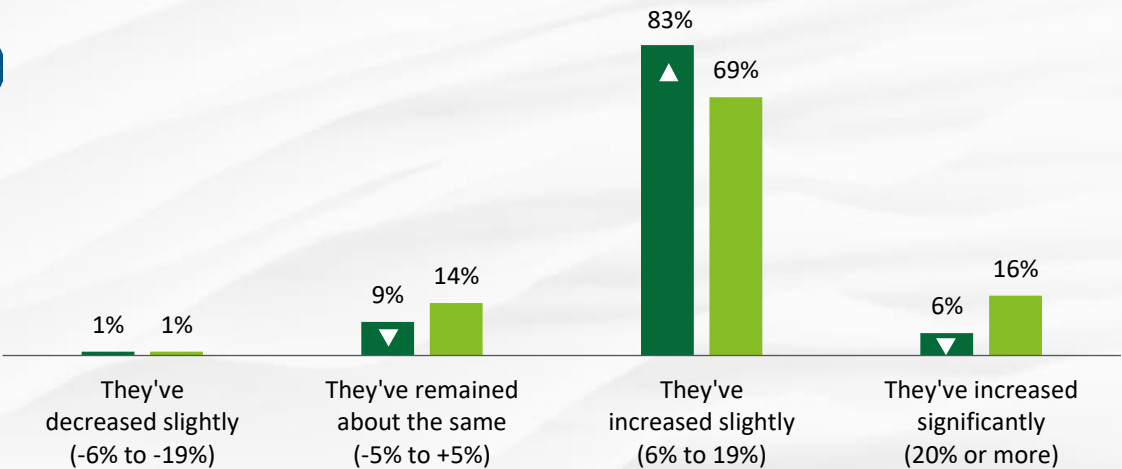
What does your organization see as the most pressing issues to focus on over the next year? (rank nine options in order of importance)



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



How have your sustainability investments changed over the last year?



■ Switzerland ■ Global

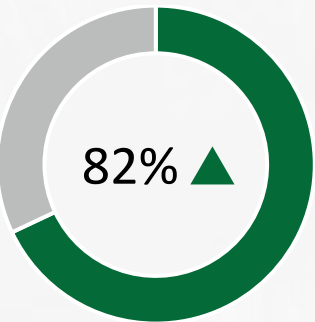
Climate change has grown as a top priority for CxOs in Switzerland over the past year. Swiss organisations rated this as a slightly more pressing issue than innovation and economic outlook.

- While societal crises are lowest on the list, it has grown from last year.
- CxOs in Switzerland reported increasing their sustainability investments over the last year, well above the global average—indicating their seriousness about climate action.

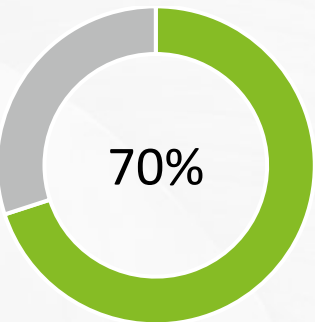
▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable.



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



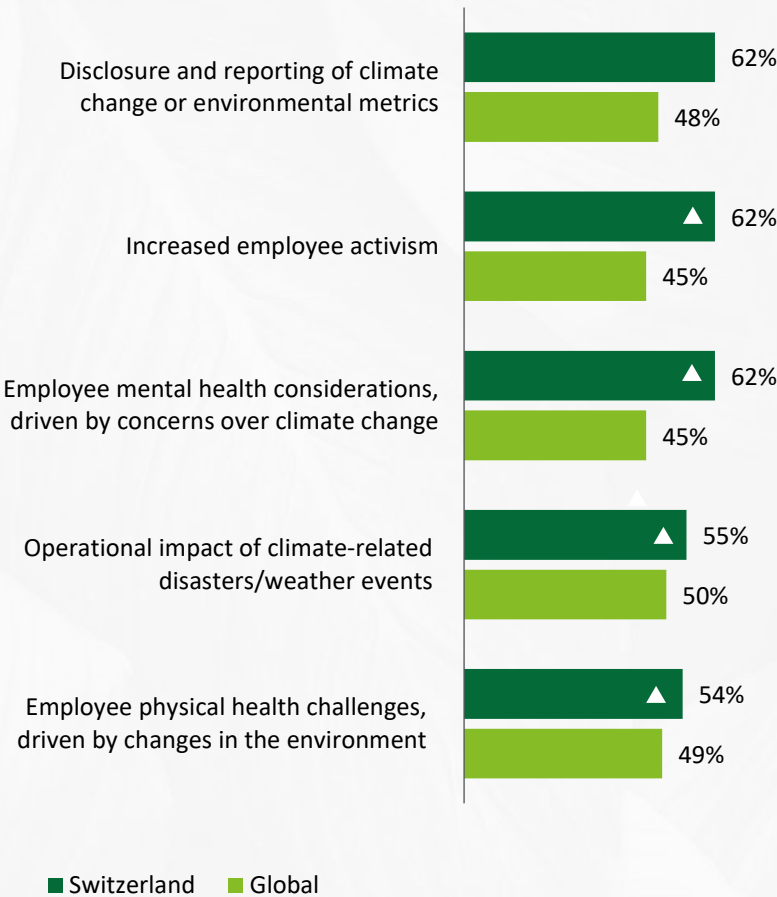
Switzerland



Global



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



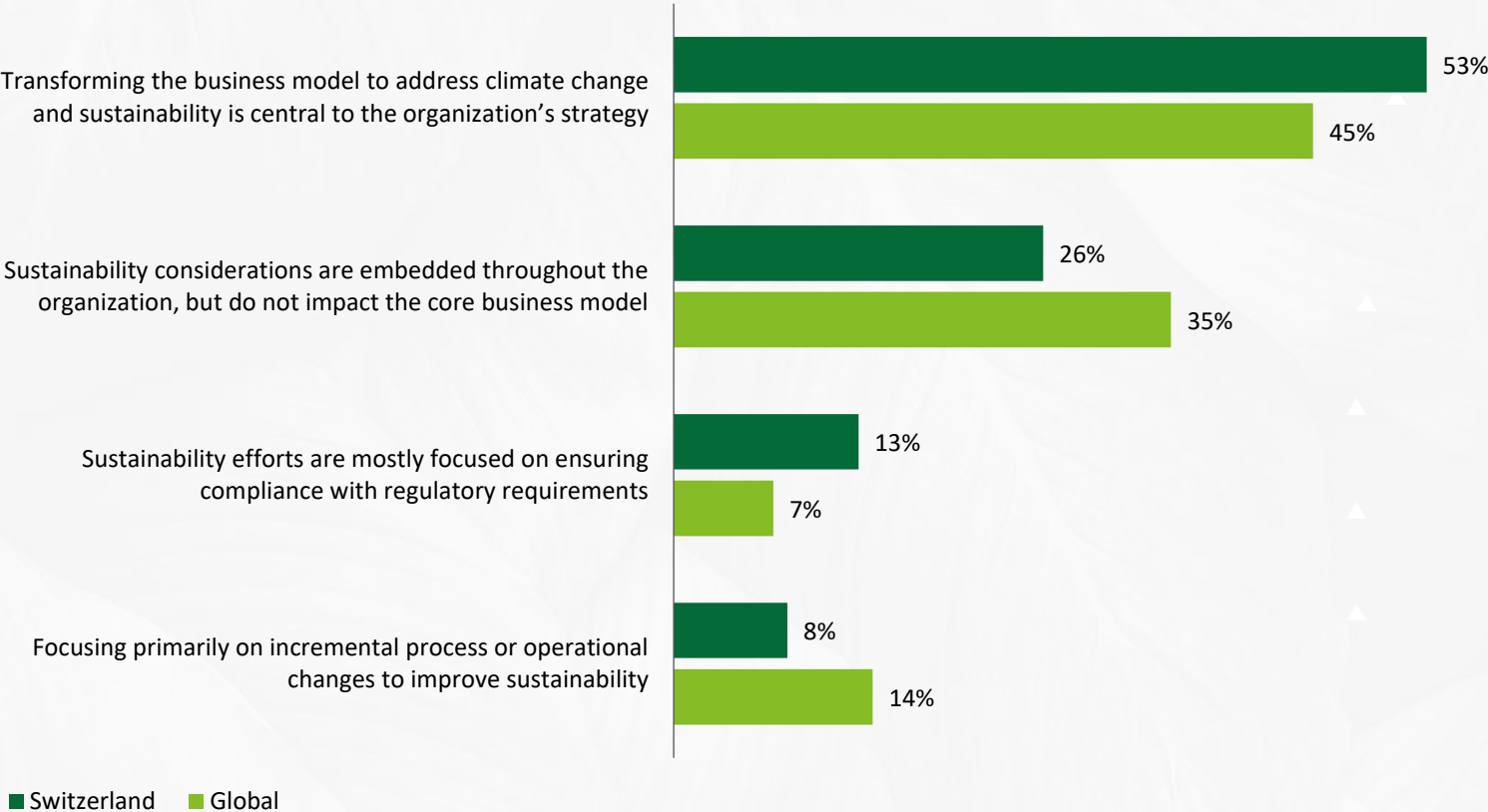
82% of CxOs in Switzerland expect that climate change will impact their companies’ strategies and operations to a high/very high extent in the next three years. This is a noticeable increase compared to 2023.

- The number of CxOs expecting and already experiencing climate impacts has grown since 2023, confirming the serious nature of this challenge.
- Disclosure and reporting, increased employee activism, and employee mental health considerations lead the way.

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



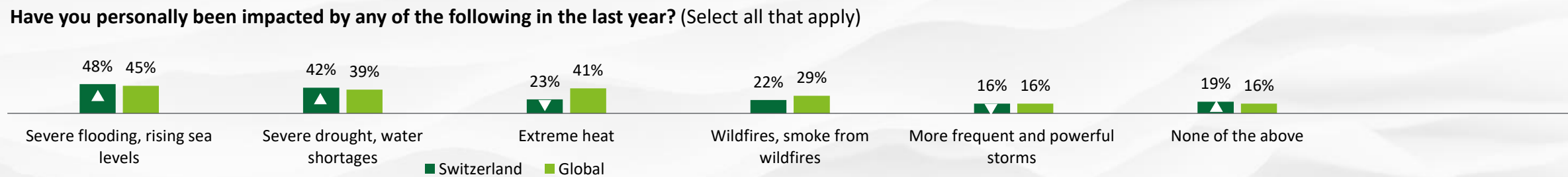
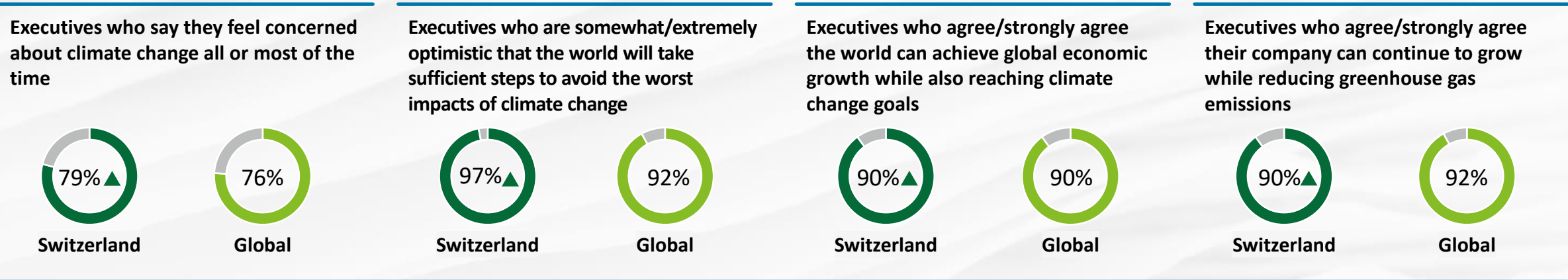
Which of the following statements best describes your company's current approach to environmental sustainability and climate change challenges? (Select one)



Over half of Switzerland CxOs indicate they are transforming business models to address climate change (higher than the global average).

- This is one of the highest ratings of any country. Notably, United Arab Emirates (64%), Japan (55%), Italy (55%), and China (53%) are also among these countries.

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



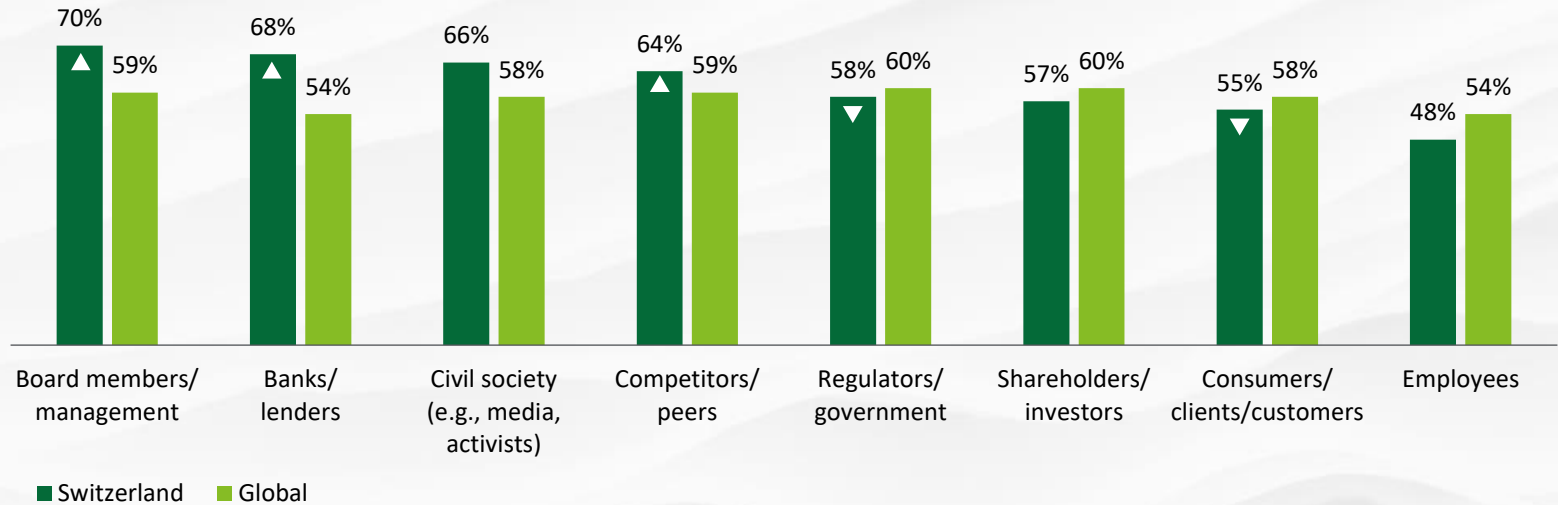
79% of CxOs in Switzerland report feeling concerned about climate change all or most of the time, indicating a high level of awareness and worry regarding its impacts. This is up considerably from last year, and slightly higher than the global average.

- This concern is likely driven by direct experiences with climate-related events over the past year, such as severe flooding/rising sea levels, and severe drought/water shortages.
- Despite growing levels of concern, CxOs are also reporting higher levels of optimism compared to 2023, perhaps indicating stronger levels of faith in the potential benefits of climate action.

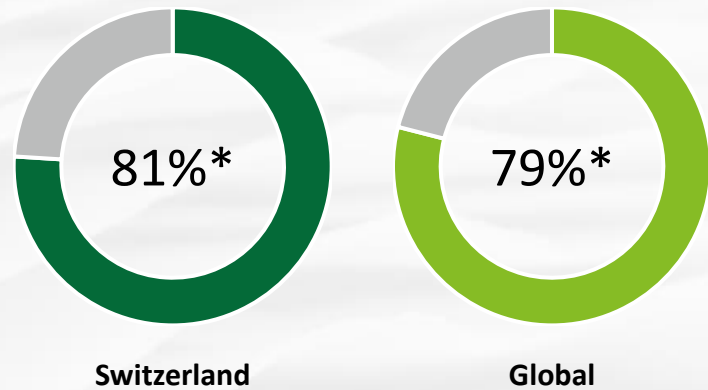
Companies feel broad pressure from stakeholder groups



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



Average percentage of organisations 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.

Organisations in Switzerland trend slightly higher on pressure from leading stakeholders—board members, banks and civil society.

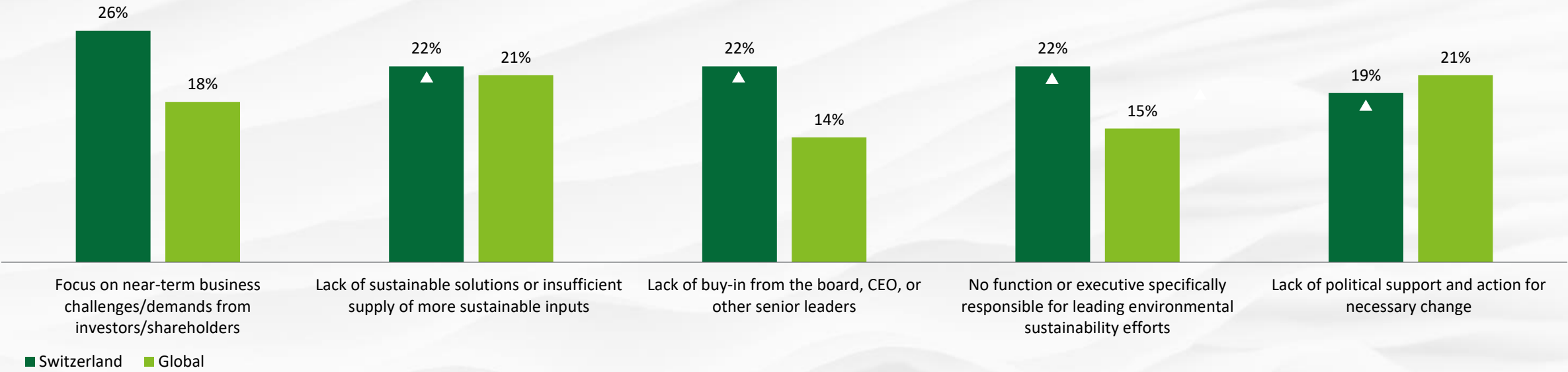
- Compared to 2023, board members and banks are sources of higher pressure now in 2024.
- A significant amount of pressure from stakeholders to increase their climate initiatives is reported in Switzerland (81%) as well as globally (79%), indicating a need for strong collective action around the world.

▲ ▼ 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



Businesses are facing several challenges to their sustainability efforts, with focus on near term business challenges, lack of sustainable solutions, lack of buy-in from board members, and not having an executive/function responsible for sustainability efforts topping the list for Switzerland firms.

- Switzerland trends higher than the global averages for nearly every challenge.
- Switzerland also reports growing challenges in four of these obstacles—lack of sustainable solutions, lack of buy-in from board, no executive responsible, and lack of political support.

▲▼ 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

48% ▲

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

Global = 37%

43% ▲

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

Global = 35%

40% ▲

Addressing climate
change

Global = 39%

39%

Ability to recruit
and retain talent

Global = 34%

38% ▲

Revenue from
existing businesses

Global = 34%

Top five benefits expected in the next five years

44% ▲

Innovation around
offerings and/or
operations

Global = 38%

43% ▼

Brand recognition
and reputation

Global = 36%

42% ▲

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

Global = 36%

42%

Ability to recruit
and retain talent

Global = 36%

40% ▲

Revenue from
existing businesses

Global = 34%

Addressing climate change is not the top benefit for Swiss CxOs, but rather operating margins and revenue from new businesses.

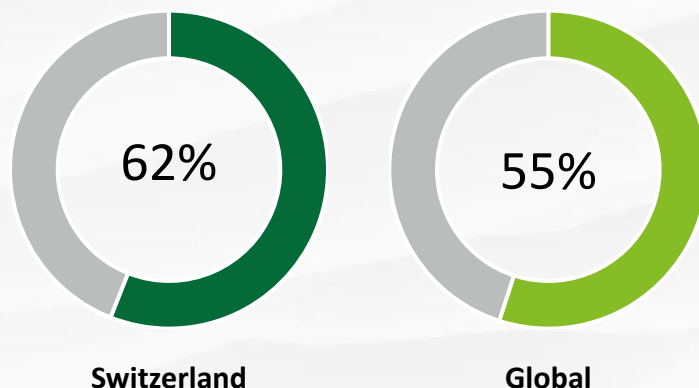
- Additional benefits experienced by Swiss organisations include ability to recruit talent and revenue from existing businesses.
- Over the next five years, Swiss organisations indicate innovation around offerings and brand recognition are expected benefits of sustainability efforts.

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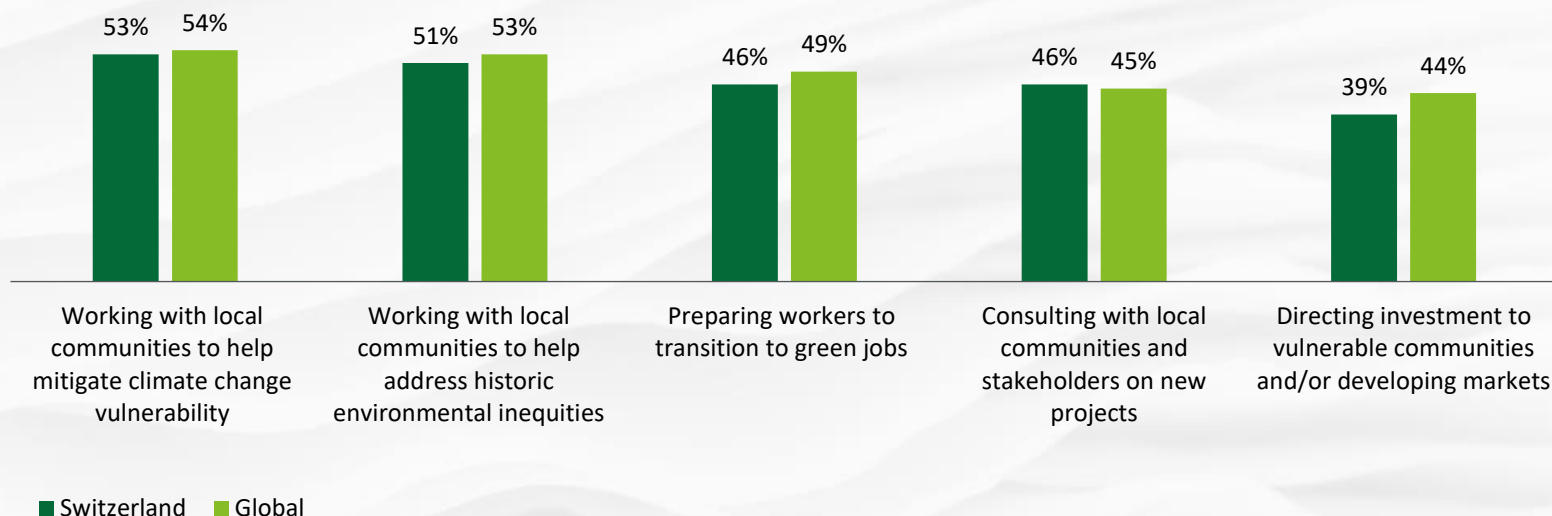
The importance of climate equity and a just transition in sustainability efforts continues to grow



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?



Ensuring a just transition is considered a top priority for 62% of the organisations surveyed in Switzerland—higher than the overall global average, indicating an increase in focus from 2023.

- Half or more of the Swiss organisations surveyed report efforts to work with local communities to mitigate climate change and work with local communities to help address historic inequities.

Organisations 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

58% ▲

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

58% ▲

Using more sustainable materials
Global = 51%

57% ▲

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

56% ▲

Expanding an existing position (e.g., CFO) to incorporate leadership on sustainability initiatives
Global = 44%

53% ▲

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

Harder-to-implement, needle-moving actions*

57% ▲

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

49% ▲

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

49% ▲

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

49% ▲

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

49% ▲

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

* As defined by Deloitte Global analysis

Swiss organisations are making sustainability efforts at a higher rate than the global average and track higher year over year from 2023.

- Purchasing renewable energy, using sustainable materials and developing new climate-friendly products lead the list.
- The number of Swiss organisations taking part in harder-to-implement, needle-moving actions has grown considerably since 2023, and tend to run higher than the global average.

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