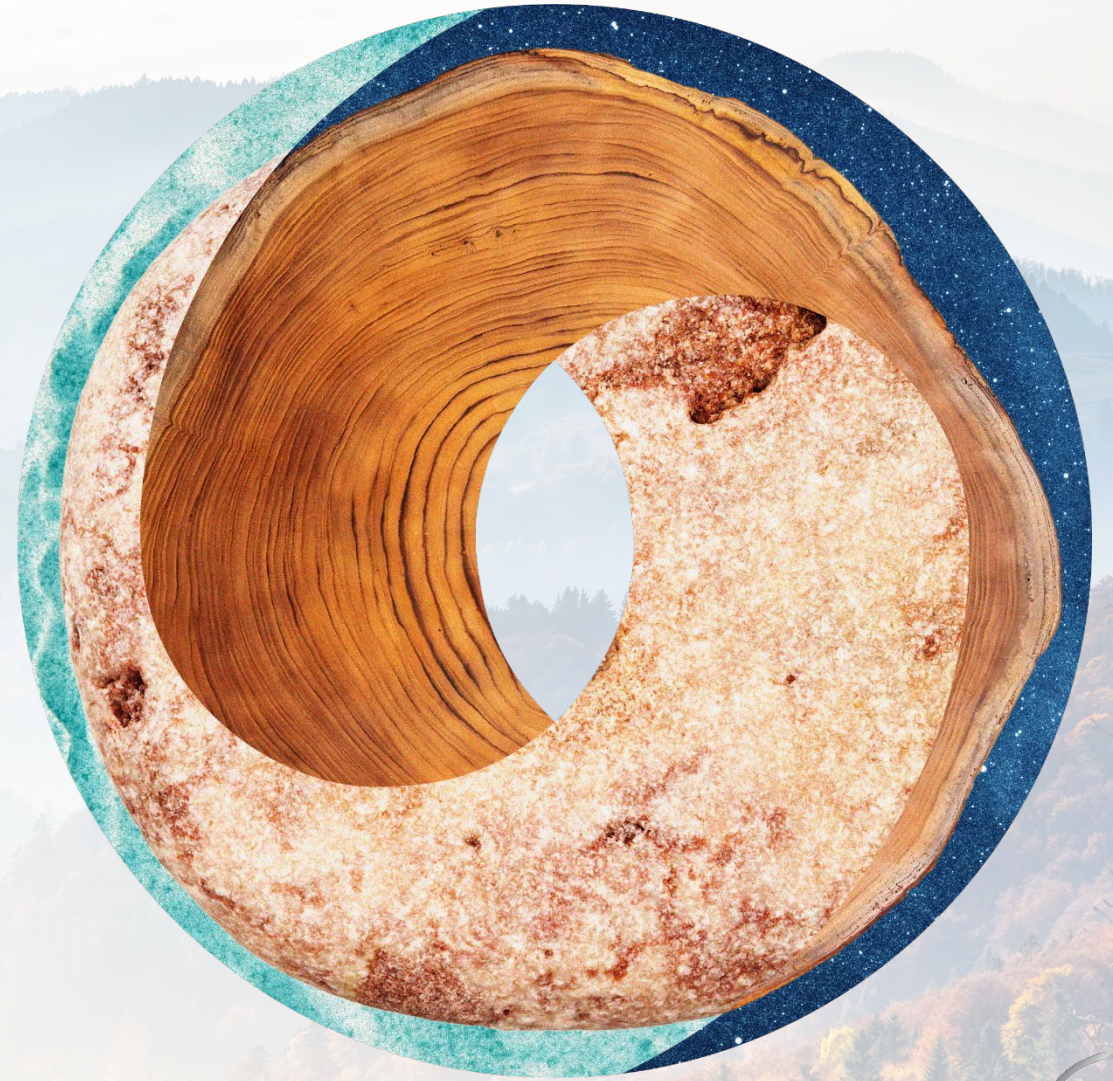




Deloitte 2024 CxO Sustainability Report

Technology, Media &
Telecom Industry insights



December 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.

Our survey indicates there is a notable increase in investment in sustainability efforts, and early but important signs that climate action 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 appearing 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 more CxOs citing 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 can be an engine for innovation. While the need for innovation and technology investment might be seen as competing priorities to climate action, they can be crucial drivers of sustainability efforts, helping 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” may not be 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 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.

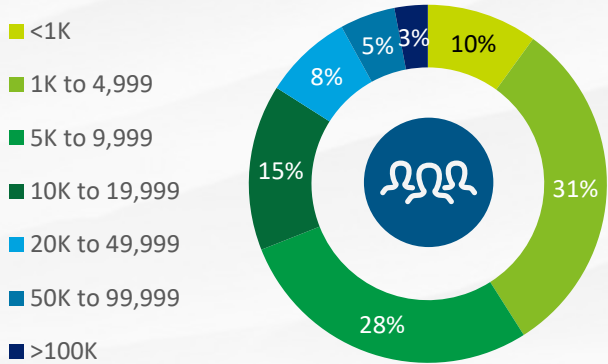
This report provides a view of the current climate action landscape among CxOs globally and explores the latent potential of that middle cohort: what actions they’re already taking, what challenges they face, and what lessons they can learn from leading companies that are modeling what a holistic approach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



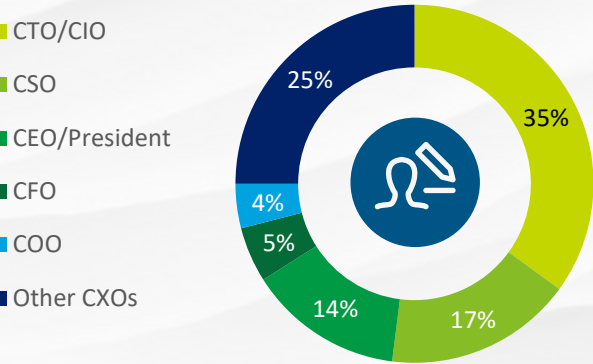
Technology, Media & Telecom business profile

425 executives in the Technology, Media and Telecom (TMT) industry were surveyed

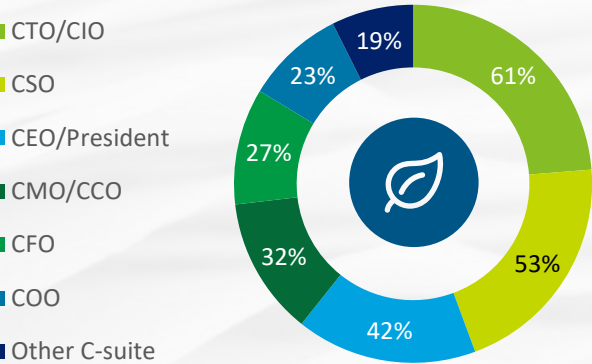
Number of employees



Job title



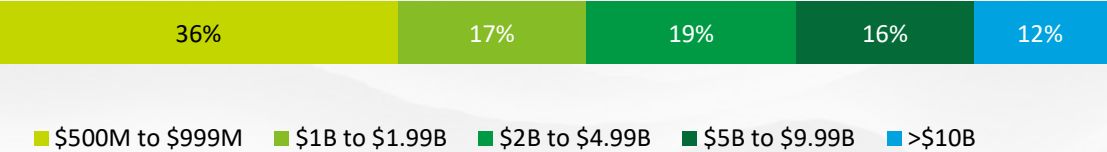
Position(s) at your company responsible for climate goals



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



Revenue (US\$)



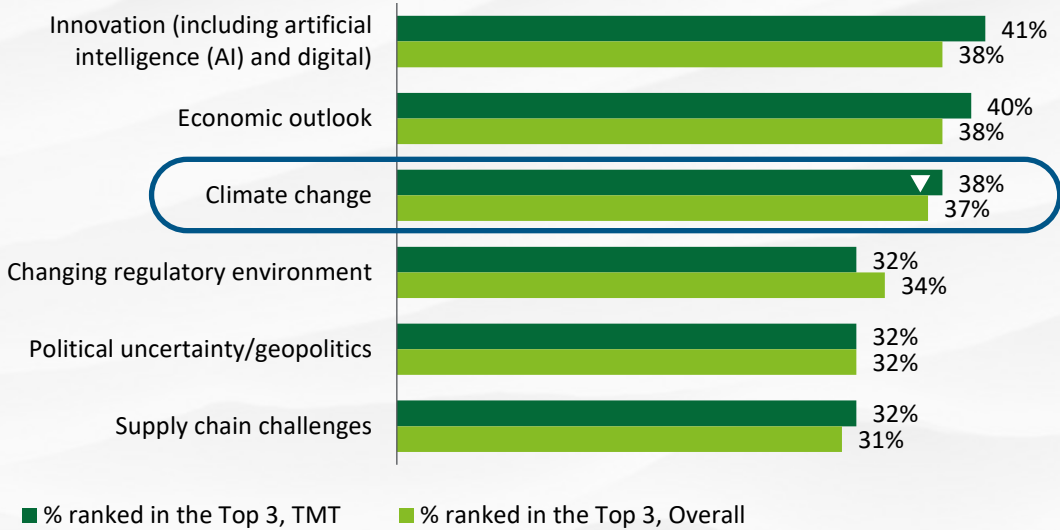
Sectors



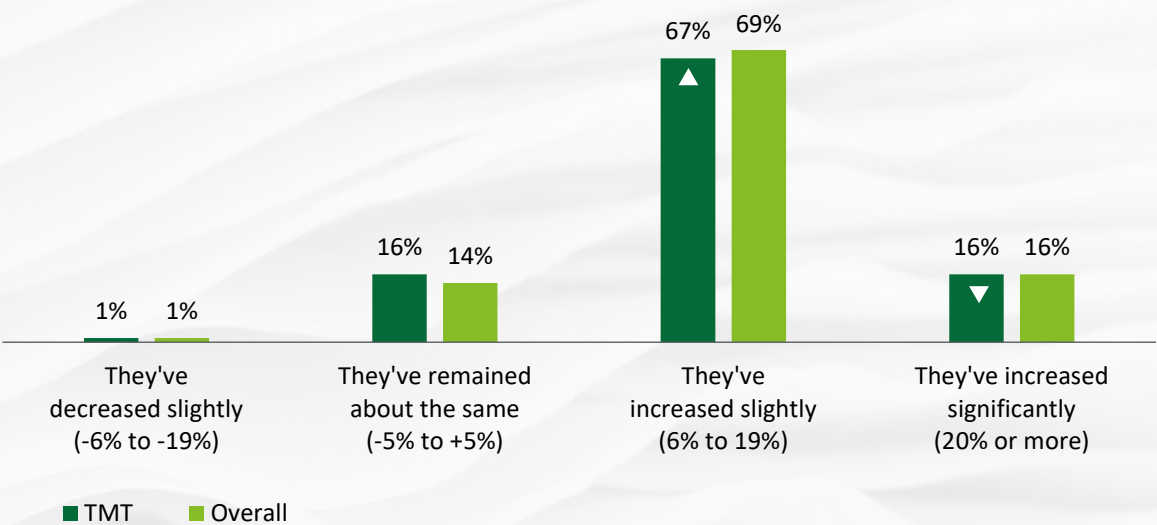
Climate remains a top priority despite many pressing issues



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?



Despite receiving a lower ranking compared to 2023, climate change remains a top priority for organizations in the TMT industry. TMT executives ranked climate change as a higher priority than changing regulatory environments, political uncertainty/geopolitics, and supply chain challenges.

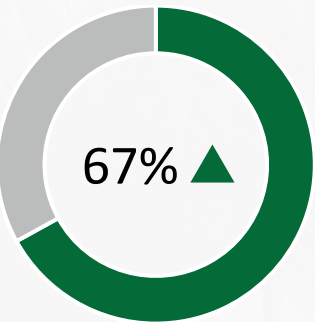
- Climate change ranked behind innovation and the economic outlook as a top priority, demonstrating the growing significance of this issue for businesses.
- Similarly, CxOs in the TMT industry have largely reported increasing their sustainability investments over the last year. This commitment to sustainability investments aligns closely with their peers across industries.

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

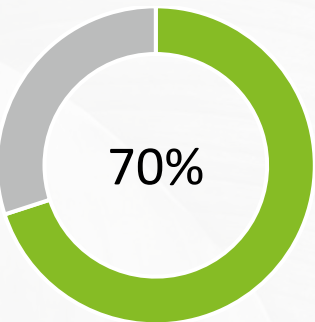
Climate change’s impact on strategies and operations is growing



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



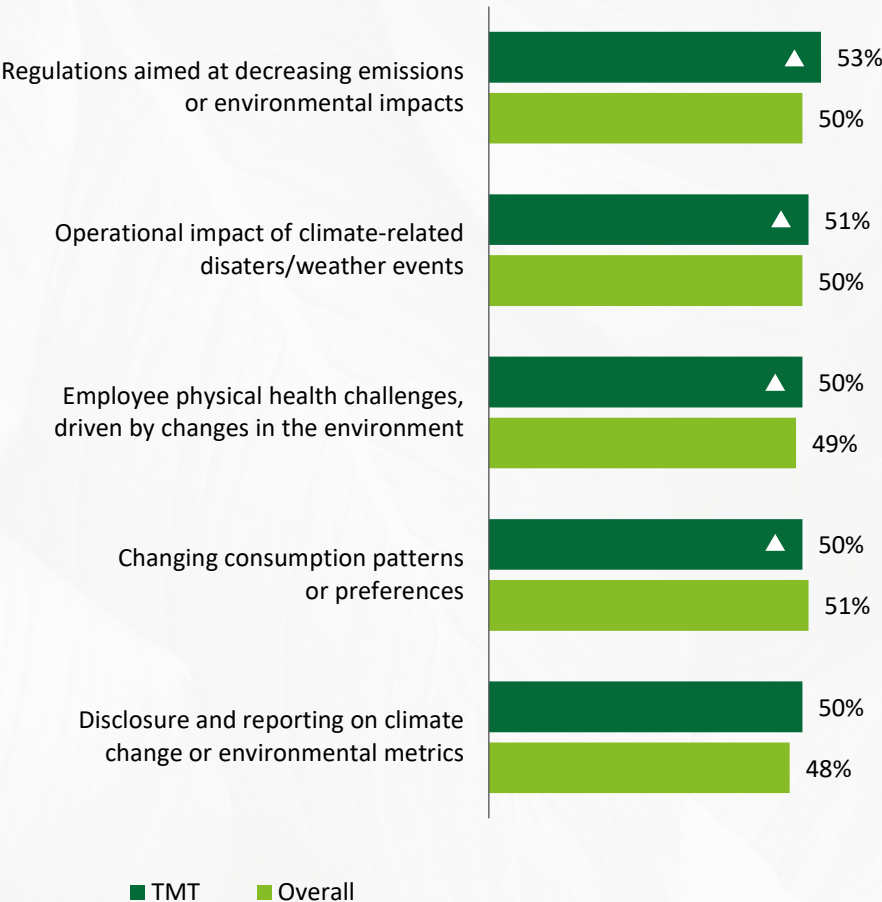
TMT



Overall



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



67% of CxOs in the TMT industry 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.

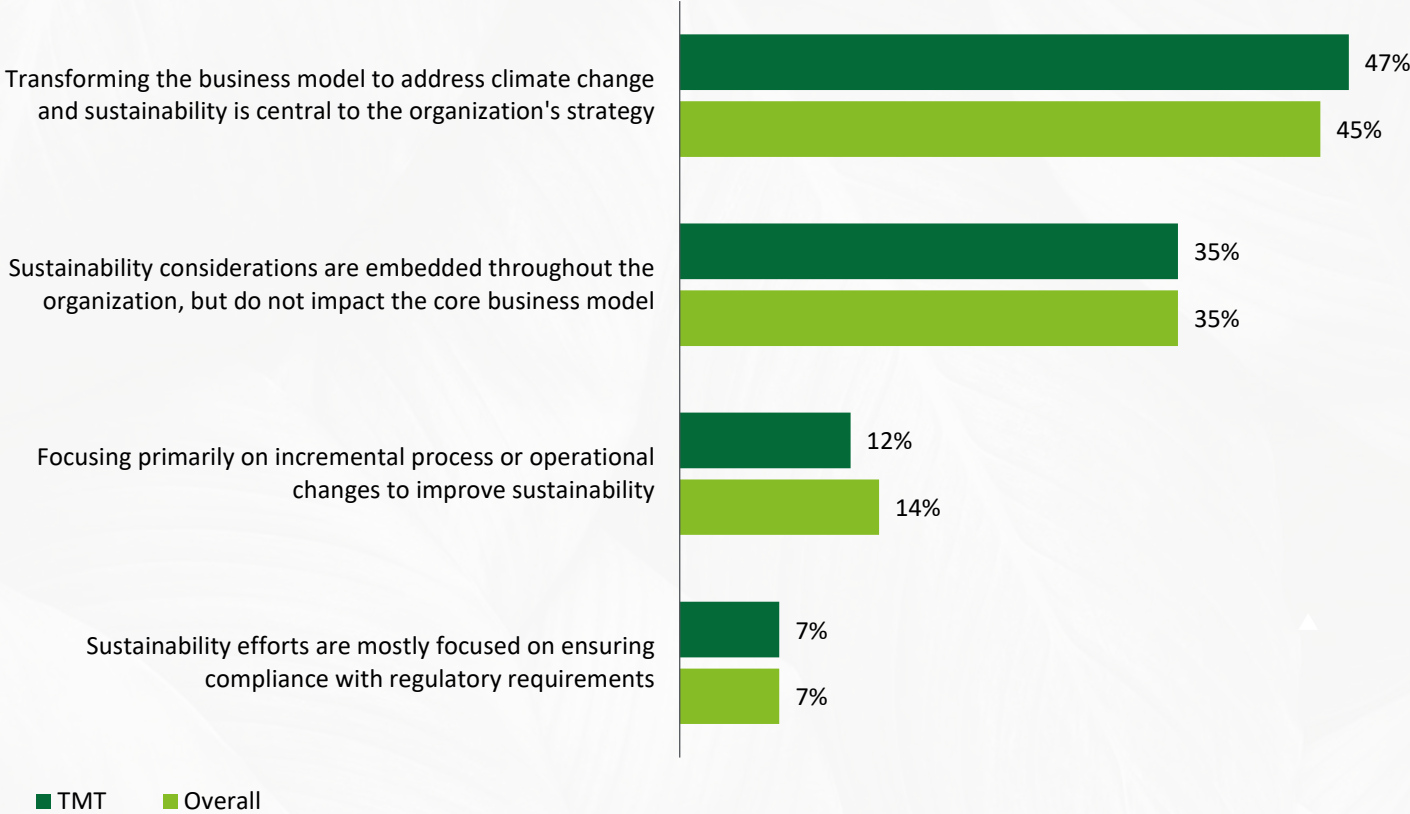
- The number of CxOs expecting and already experiencing climate impacts has grown since 2023, confirming the serious nature of this challenge.
- Regulations aimed at decreasing environmental impacts are a top focus for TMT executives, with 53% already experiencing this impact. Operational impacts from climate-related disasters, employee physical health challenges driven by changes in the environment, and changing consumption patterns and preferences have also grown in impact in the last year.

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Many organizations take comprehensive approaches to corporate sustainability



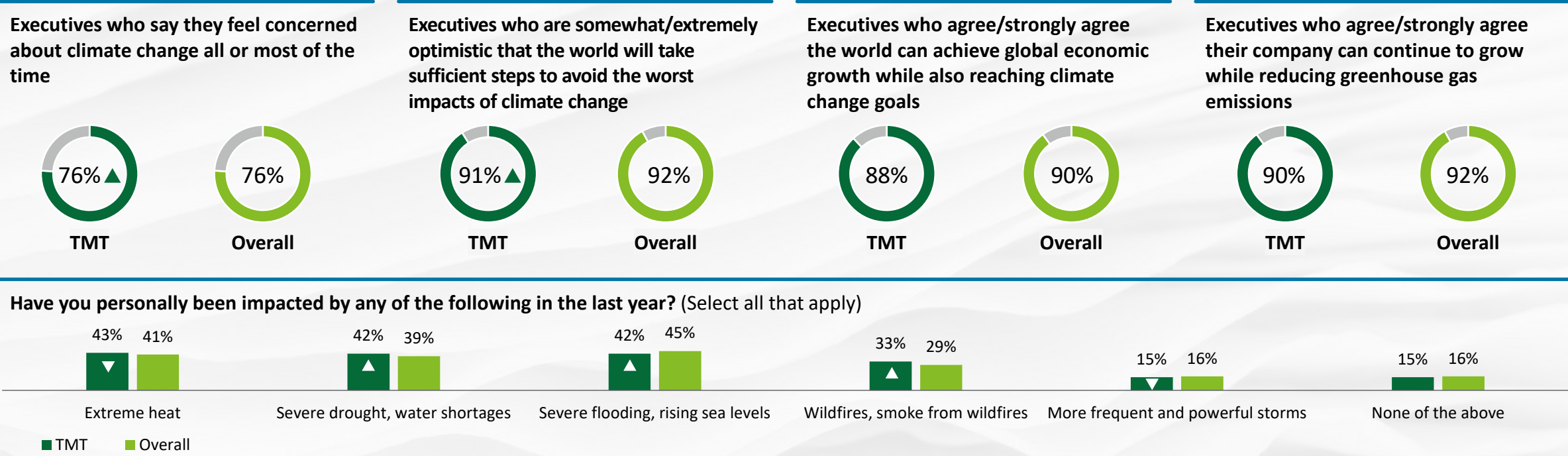
Which of the following statements best describes your company's current approach to environmental sustainability and climate change challenges? (Select one)



Nearly half of the organizations in TMT indicate that they see transforming their business model to address climate change and sustainability as an integral part of their strategy. Roughly one-third of the organizations have embedded sustainability considerations throughout the organization but do not impact the core business model.

- In TMT, 12% of executives report focusing primarily on incremental process or operational changes to improve sustainability, and even fewer report focusing mostly on regulatory compliance.

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



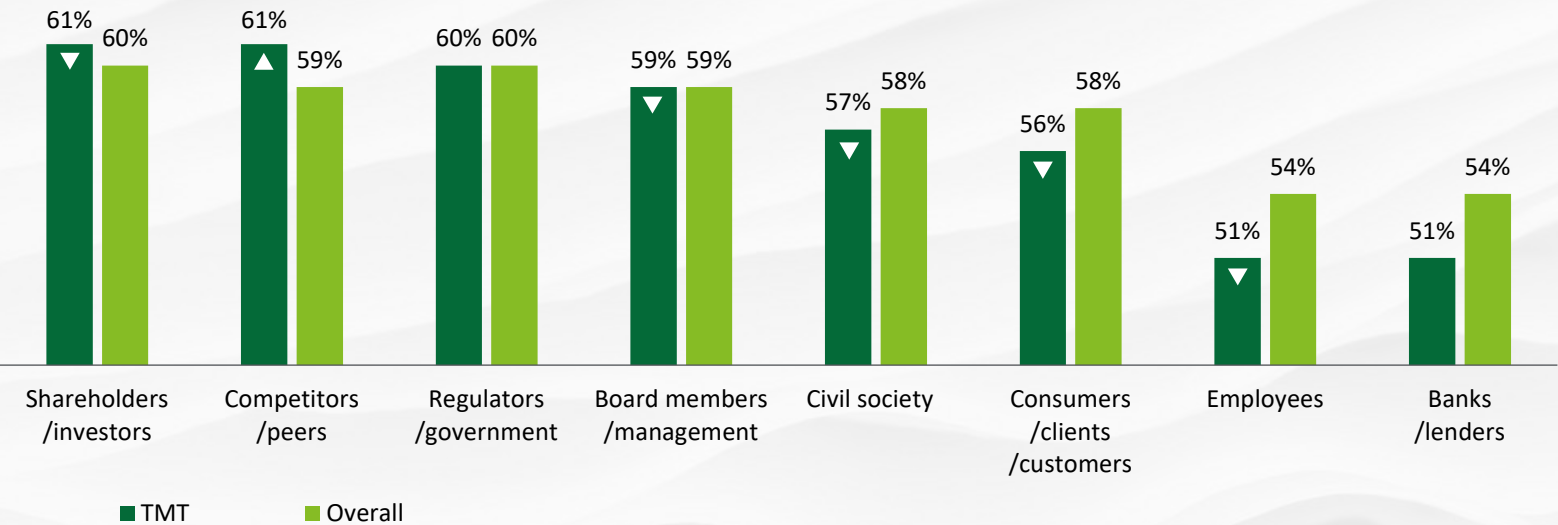
76% of CxOs in the TMT industry report feeling concerned about climate change all or most of the time, indicating equal levels of concern to the overall average. This is up considerably from last year, when 65% reported feeling this way. This concern is likely driven by direct experiences with climate-related events over the past year, such as extreme heat, severe drought or water shortages, and severe flooding or rising sea levels.

- Despite growing levels of concern, CxOs are also reporting higher levels of optimism compared to 2023, perhaps indicating strong levels of confidence in the potential benefits of climate action.

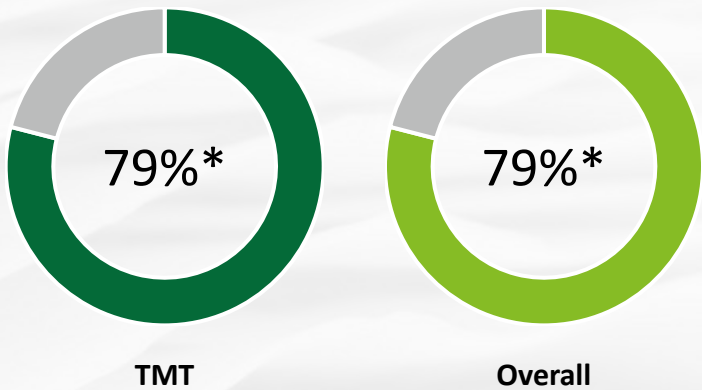
Companies feel broad pressure from stakeholder groups



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



Average percentage of 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.

Organizations in the TMT industry and across sectors are reporting similar levels of pressure from various stakeholder groups, especially from their shareholders/investors, competitors/peers, and regulators/governments.

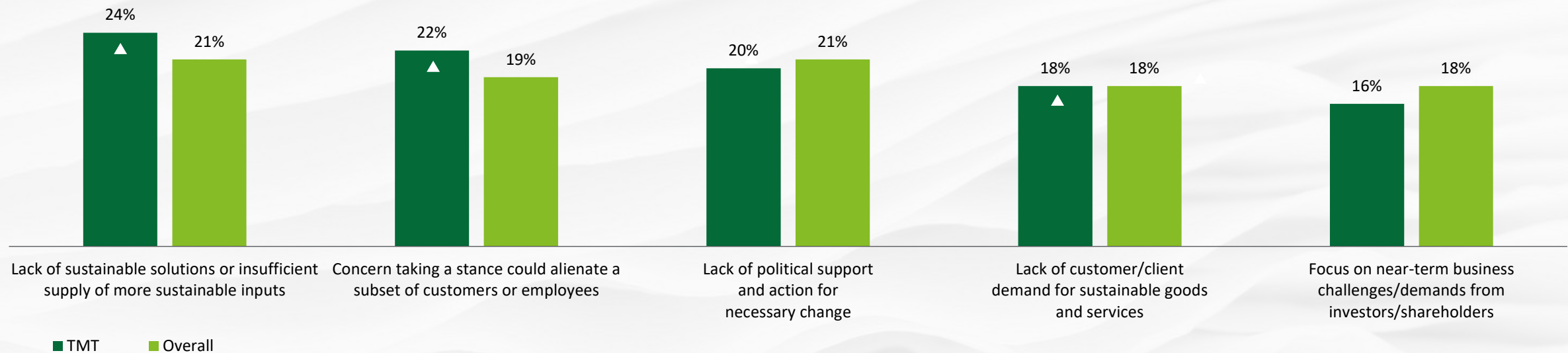
- Compared to 2023, though, several sources of pressure have decreased for TMT organizations.
- TMT organizations, like their peers across industries, are nevertheless feeling significant levels of pressure to increase their climate action, signaling a strong need for collective action worldwide.

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

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



Top five obstacles to driving sustainability efforts



Businesses are facing several challenges to their sustainability efforts, with a lack of sustainable solutions or inputs and concern over alienating customers or employees topping the list for TMT executives.

- While organizations in the TMT industry and across sectors face similar challenges, TMT organizations appear to struggle slightly more with a lack of sustainable solutions or inputs and concern over alienating customers or employees.
- Lack of customer/client demand for sustainable goods and services is also a growing challenge for organizations in the TMT space.

▲ ▼ 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 for TMT executives so far

39%

Long-term
organizational
resilience

Overall = 36%

39%

Supply chain
efficiency and/or
resilience

Overall = 37%

38% ▲

Asset values

Overall = 35%

38% ▼

Employee morale
and well-being

Overall = 37%

36% ▼

Customer
satisfaction and
loyalty

Overall = 38%

Top five benefits expected by TMT executives in the next five years

40%

Investor returns
and/or addressing
expectations

Overall = 35%

40%

Ability to recruit
and retain talent

Overall = 36%

38%

Supply chain
efficiency and/or
resilience

Overall = 36%

37% ▼

Customer
satisfaction and
loyalty

Overall = 36%

37% ▼

Brand recognition
and reputation

Overall = 36%

TMT organizations have begun to experience several benefits from their sustainability actions, especially with long-term organizational resilience and greater supply chain efficiency and resilience.

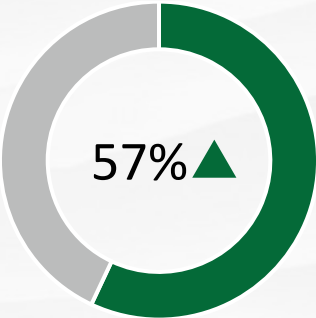
- Compared to their peers, TMT companies are slightly more likely to notice long-term organizational resilience and increased asset values.
- Over the next 5 years, investor returns and/or addressing investor expectations, and the ability to recruit and retain talent are expected to become top benefits for TMT companies.

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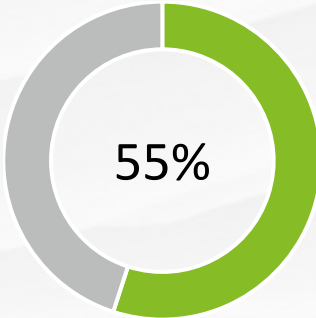
The importance of climate equity and a just transition in sustainability efforts continues to grow



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



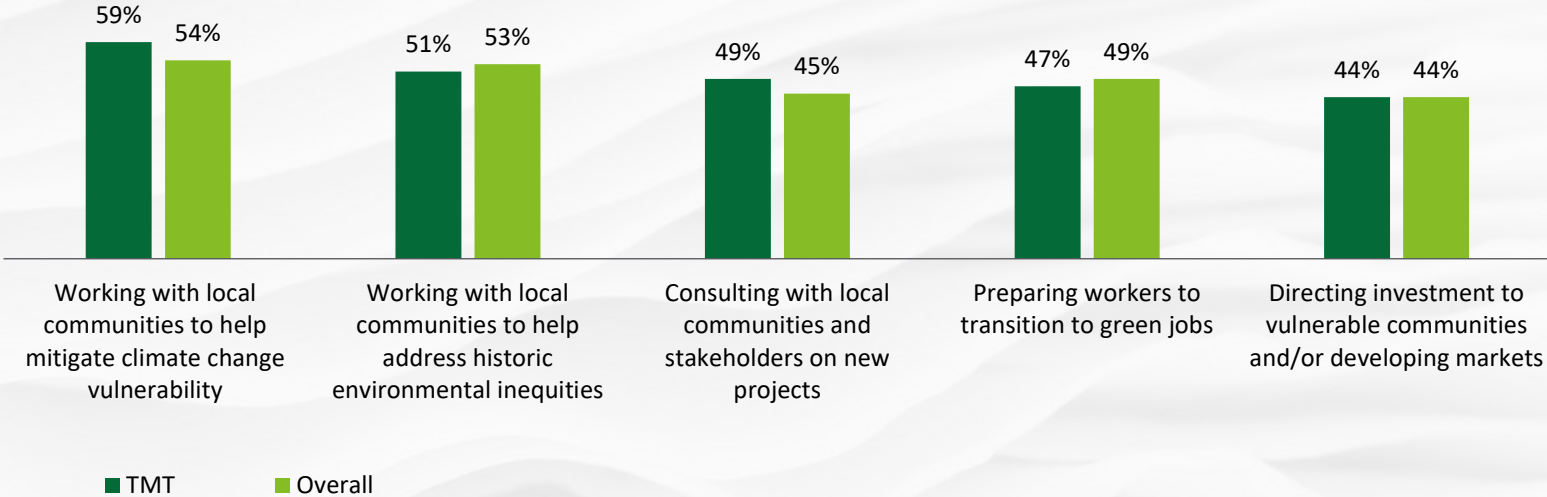
TMT



Overall



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 over half of the organizations surveyed in the TMT industry and overall, indicating an increase in concern from 2023 (47% in TMT and 46% overall).

- The majority of TMT organizations report making efforts to work with local communities to help mitigate climate change vulnerability.
- Many companies also indicate working with local communities to help address historic environmental inequities, consulting with local stakeholders on new projects, and preparing workers to transition to green jobs.

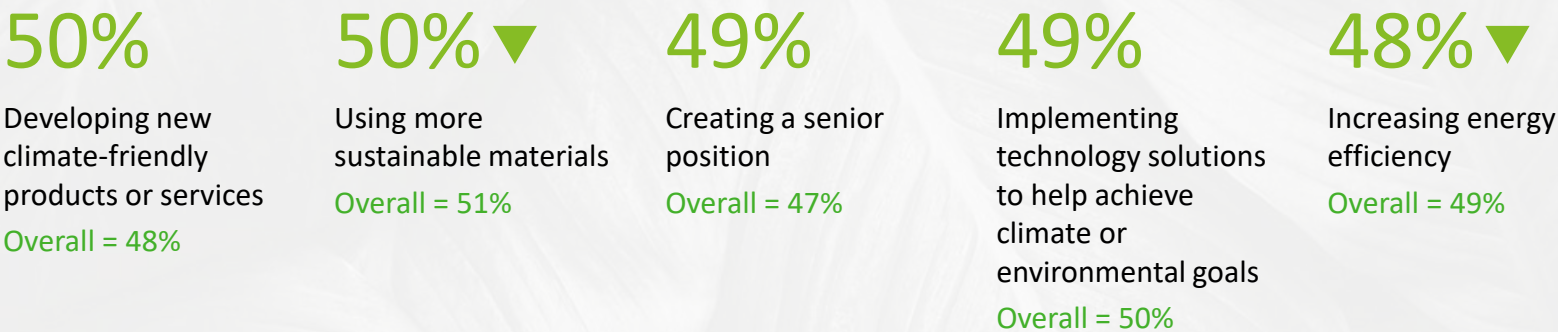
▲ ▼ Arrows indicate increases or decreases of 5% or more compared to 2023 where applicable

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 by TMT executives



Harder-to-implement, needle-moving actions*



* As defined by Deloitte Global analysis

50% of TMT organizations have begun to act on developing new climate-friendly products and services and using more sustainable materials. Creating senior positions to help focus on sustainability, implementing technology solutions to help achieve environmental goals, and increasing energy efficiency are also common approaches.

- When it comes to implementing technology solutions, TMT leaders are most likely to cite efforts to monitor supply chain environmental performance and internal sustainability data and performance.
- The number of TMT organizations taking part in harder-to-implement, needle-moving actions has grown considerably since 2023, particularly around reconfiguring operations, infrastructure, and supply chains, tying senior leaders' compensation to sustainability performance, and lobbying in support of climate initiatives.

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