Deloitte.

Together makes progress

2025 C-suite Sustainability Report

Canada insights

October 2025

Table of Contents

Executive summary

In its fourth year, [Deloitte's 2025 Sustainability Report] survey of more than 2,100 C-suite executives spanning 27 countries explores the current state of corporate sustainability and how companies are evolving their sustainability approach.

Sustainability remains a top business priority. Companies continue to increase investments, particularly in sustainability technologies. A large majority of executives say their approach to sustainability either involves transforming their business model or embedding sustainability throughout their organization. And respondents indicated that they are not reducing their sustainability actions on account of either broader market conditions like economic uncertainty or competing priorities such as the need to invest more heavily in technology.

- Forty-five percent of respondents identify climate change/sustainability as a top three challenge for their companies in the coming year, on par with technology adoption and AI, and ahead of economic outlook and trade-related challenges.
- Eighty-three percent of respondents reported increasing their sustainability investments in the last year. Of those, 69% say their investments increased somewhat (6 – 19%), with an additional 14% saying they increased significantly (>20%)—nearly identical to last year.

Leaders recognize the business case and related benefits from corporate sustainability efforts. Revenue generation was the most frequently cited business benefit across a range of sustainability actions, followed by compliance-related outcomes, and finally cost savings and brand and reputation. Technology solutions have emerged as a key enabler of corporate sustainability efforts, and AI use is already ubiquitous.

- Across a range of sustainability initiatives respondents reported undertaking, very few (10% or less) said they had a negative impact on a variety of business outcomes, including revenue generation, cost reduction, brand and reputation, compliance and governance, and risk and resiliency.
- As it was last year, "Implementing technology solutions to help achieve sustainability goals" was one of the most-frequently cited action taken among respondents. Technology also came out on top when respondents were asked to rank their highest-priority initiatives.
- Eighty-one percent of respondents globally report they are already using AI to further their company's sustainability efforts.

Executive summary (continued)

There has been a slight decrease in the percentage of respondents that say they have undertaken a range of sustainability actions after several years of advancement.

- Compared to last year, fewer respondents say they are:
  - Tying senior leaders' compensation to sustainability performance: 36% vs. 43% (2025 vs. 2024)
  - Requiring suppliers and business partners to meet specific sustainability criteria: 38% vs. 47%
  - Decreasing operations emissions by purchasing renewable energy: 42% vs. 49%
  - Developing new sustainable products or services: 44% vs. 48%
  - Using more sustainable materials: 45% vs. 51%
  - Increasing energy efficiency: 45% vs. 49%
  - Implementing technology solutions: 46% vs. 50%

Both the obstacles and pressure for action have shifted from prior years. Relatively few executives said that cost or lack of policy support were key barriers to their sustainability efforts, instead pointing to challenges in measuring environmental impacts. Leaders report climate change as less disruptive to their business strategy and operations in the near term than they have in past years. In addition, respondents indicate pressure from various stakeholders has waned, and is not uniformly in the same direction, which may be a factor impacting companies.

- Executives indicate that most stakeholders continue to push for increased sustainability efforts, but there remains a minority that are pressing to reduce action, and pressure from stakeholders overall has decreased in recent years.
- Across nearly every major stakeholder group, fewer respondents today say they are feeling pressure to act on sustainability than in 2022. That includes shareholders (71% in 2022 to 58% in 2025), boards (75% to 60%), governments (77% to 58%), civil society (72% to 57%), customers (75% to 57%), and employees (65% to 54%).

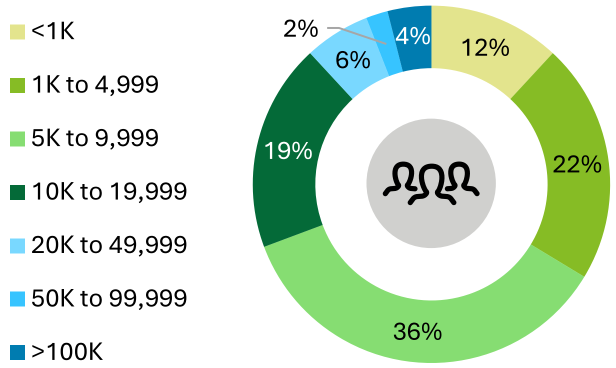
A set of sustainability actions is emerging as a de facto roadmap for leaders, based on multiple years of survey data, suggesting a path companies can follow to embed sustainability considerations into their strategy, operations, and innovation.

- Across multiple years, top actions taken have included:
  - Implementing technology solutions
  - Using more sustainable materials
  - Developing more sustainable products and services
  - Implementing operational efficiency measures
  - Tracking and disclosing sustainability metrics

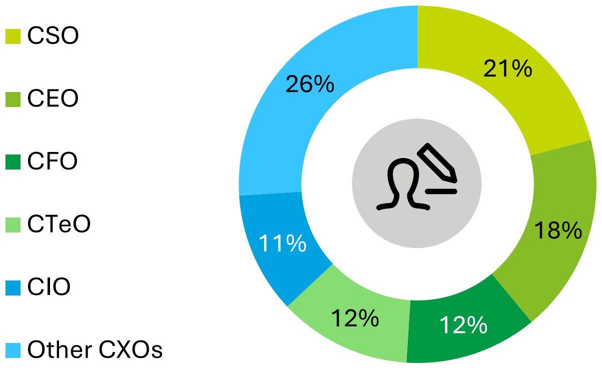
Canada country business profile

128 executives in Canada were surveyed

Number of employees

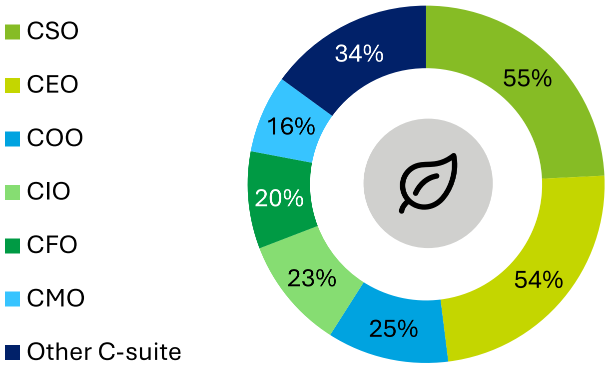


Job title



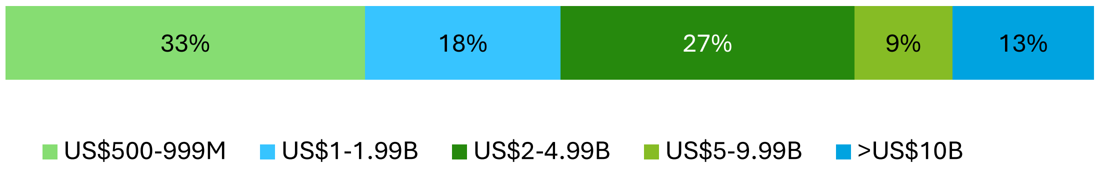
Note: CTeO is Chief Technology Officer

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

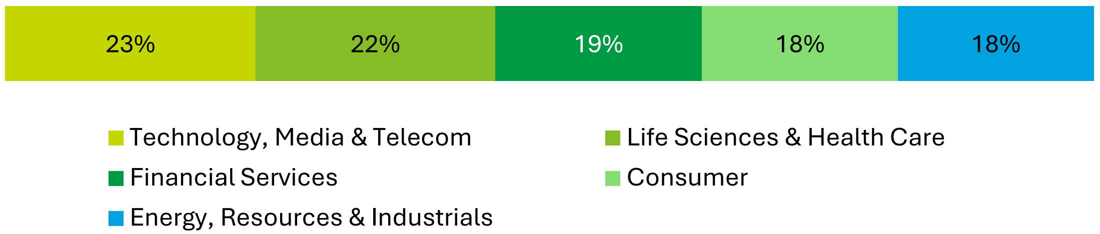


*Some respondents indicated multiple roles within the company have responsibility, resulting in the total percentage across roles exceeding 100%.

Revenue (US$)



Industry



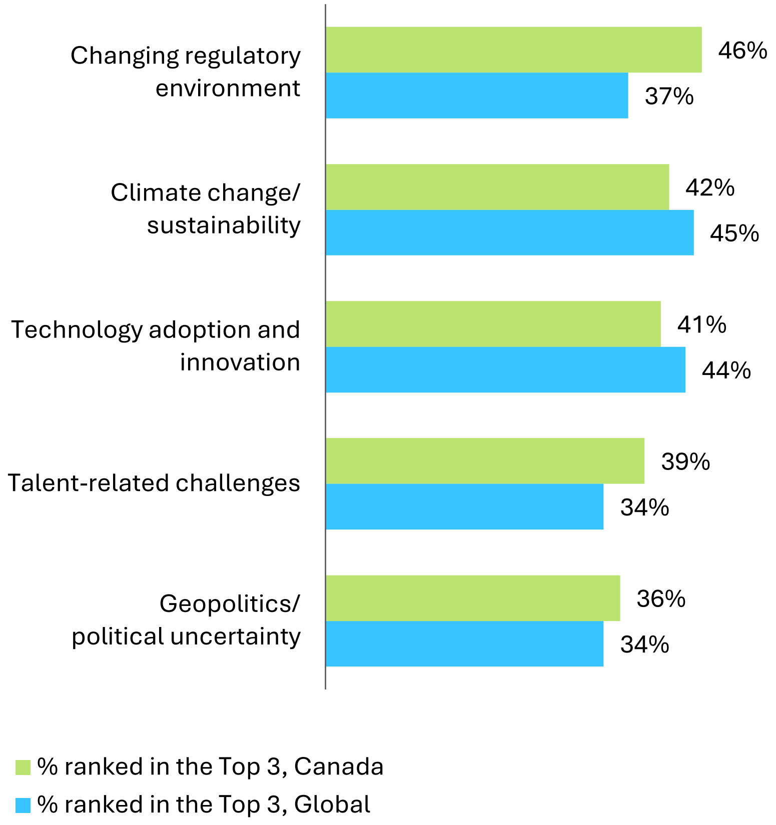
Note: source for all charts is Deloitte Global.

Sustainability as a business priority

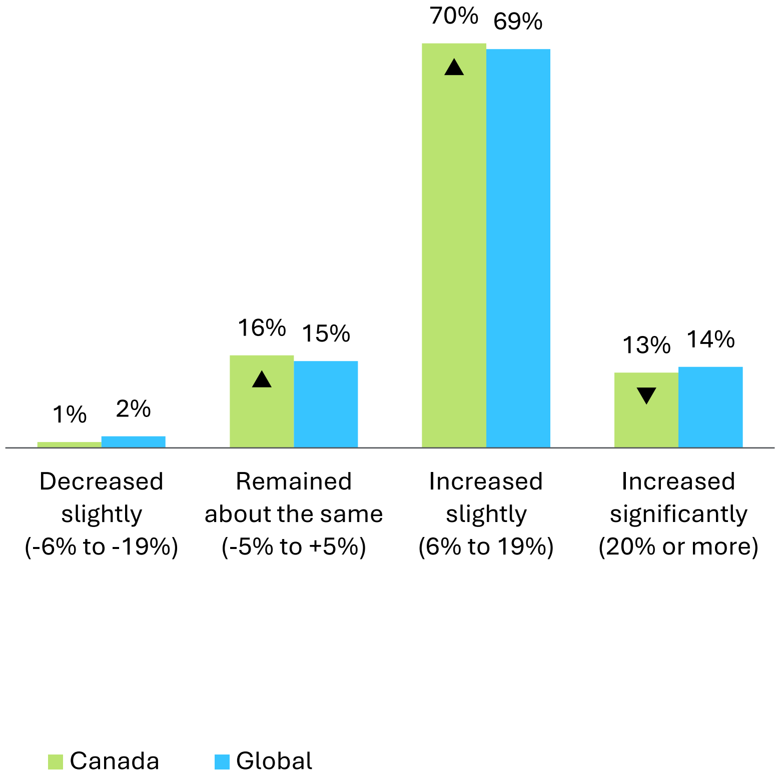
Canadian executives are balancing regulatory pressures with growing sustainability investments.

- Canadian leaders are more likely than their global peers to cite the changing regulatory environment as a top concern (46% vs. 37%). The challenge of regulatory complexity has increased in importance for Canadian companies since 2024.
- Climate change/sustainability and technology adoption/innovation (42% and 41% respectively) are seen as equally pressing priorities.
- While sustainability investments continue to grow both in Canada and globally, fewer Canadian organizations are reporting significantly increasing their investments compared to 2024.

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



How have your sustainability investments changed over the last year?



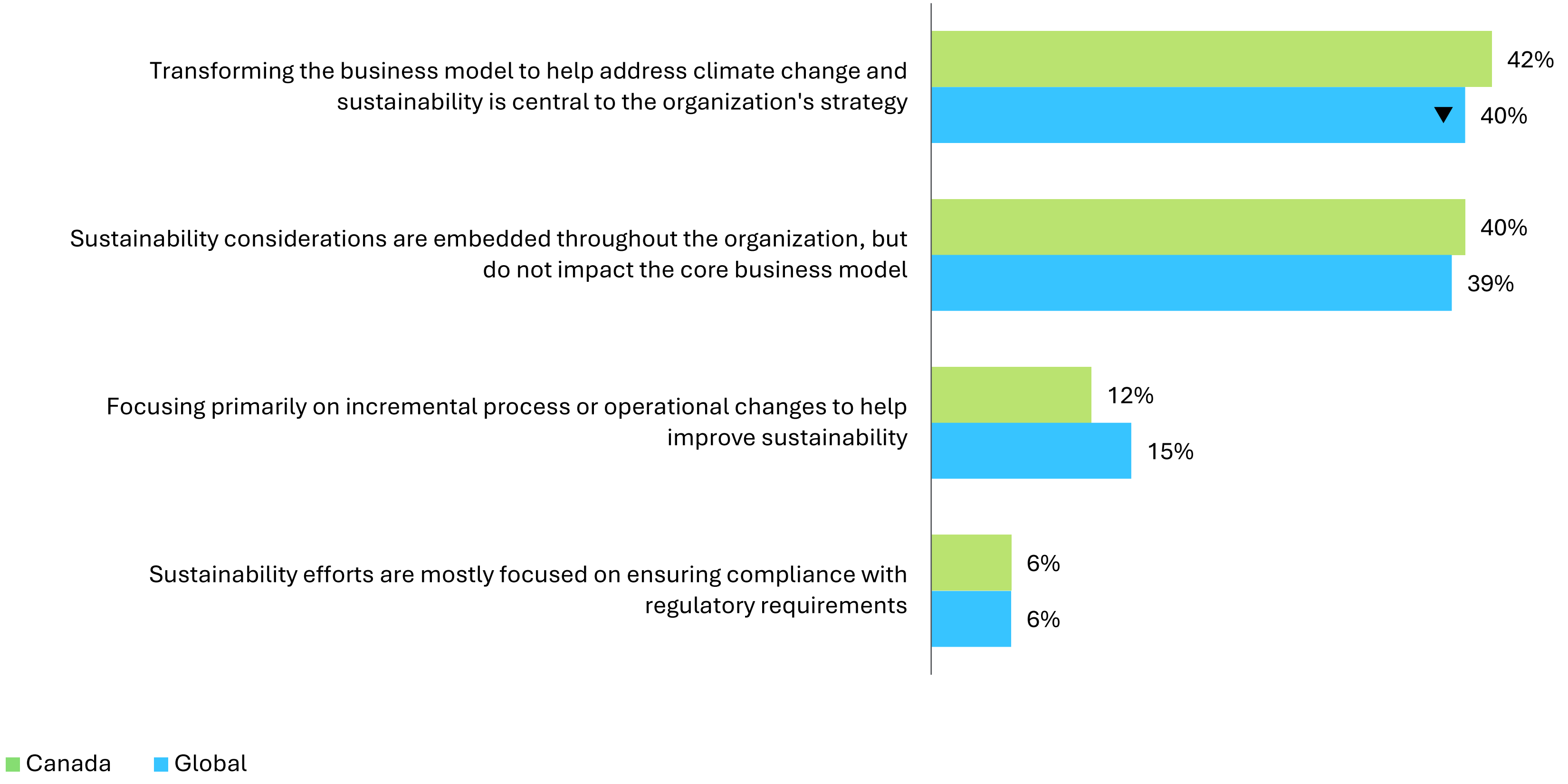
▲▼ Arrows indicate increases or decreases of 5 percentage points or more compared to 2024 where applicable.

Company approach to sustainability

Canadian organizations continue to embed sustainability deeply into strategy.

- Most Canadian organizations continue to see broad, organization-wide involvement in sustainability as their main approach, with 82% reporting that they have transformed their business model or have sustainability considerations embedded throughout the organization.
- Canadian companies are less likely to cite a primary focus on incremental changes or ensuring compliance as their approach to sustainability.

Which of the following statements best describes your company's current approach to sustainability? (select one)



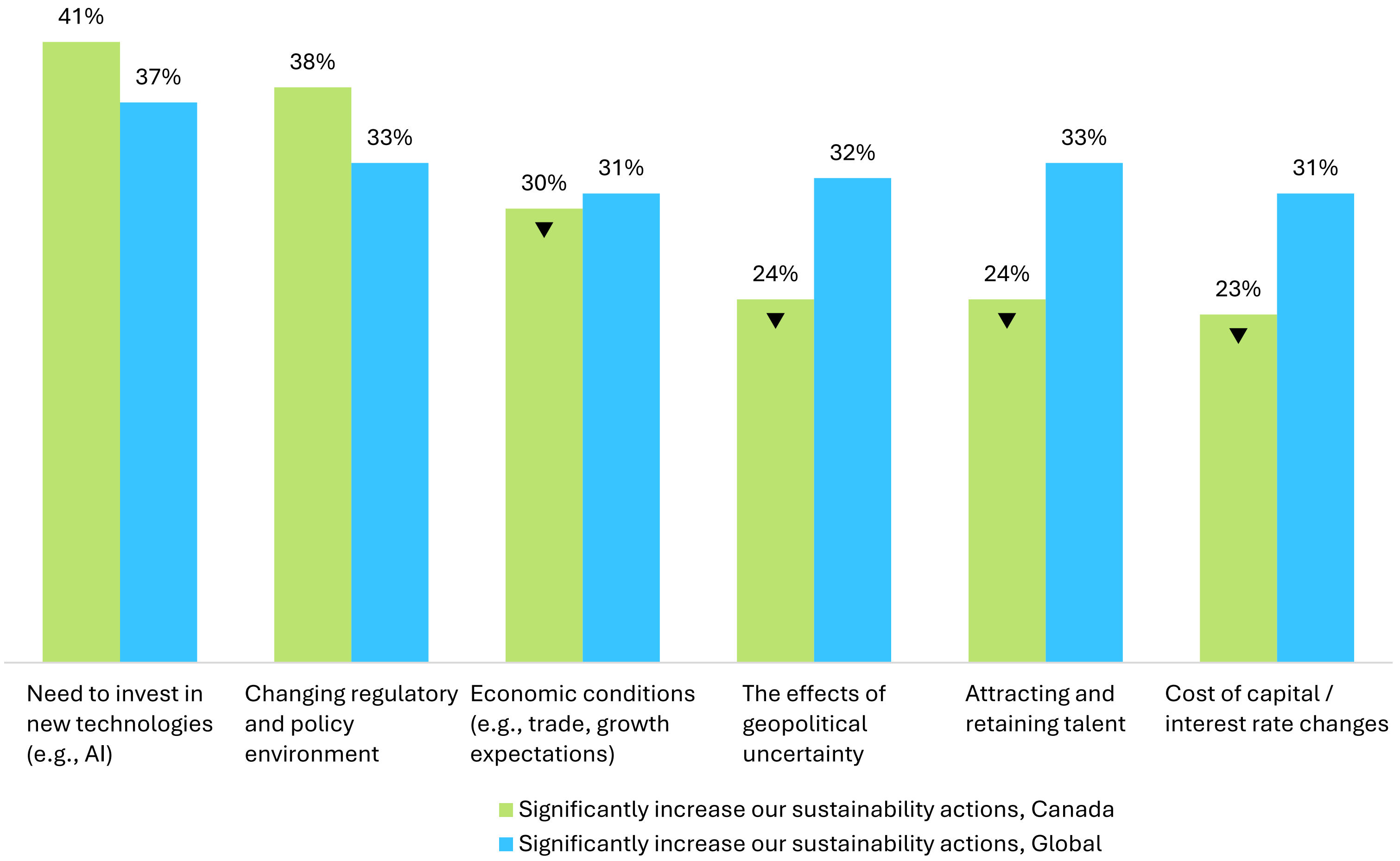
▲▼ Arrows indicate increases or decreases of 5 percentage points or more compared to 2024 where applicable.

Broader market conditions' and competing priorities' effects on sustainability actions

Canadian organizations see technology and regulation continuing to have a strong effect on increased sustainability action.

- In Canada, the need to invest in new technologies has not caused a decrease in sustainability action. In fact, 41% reported that they've significantly increased sustainability actions prompted by the need to invest. The changing regulatory environment also has a notable impact on significantly increasing sustainability action at 38%.
- The effects of several factors have lessened in that regard in 2025 including—economic conditions (30%), geopolitical uncertainty (24%), the cost of capital and interest rate changes (23%), all falling below the global average.

How have the following matters affected your organization's sustainability actions over the last year?



▲▼ Arrows indicate increases or decreases of 5 percentage points or more compared to 2024 where applicable.

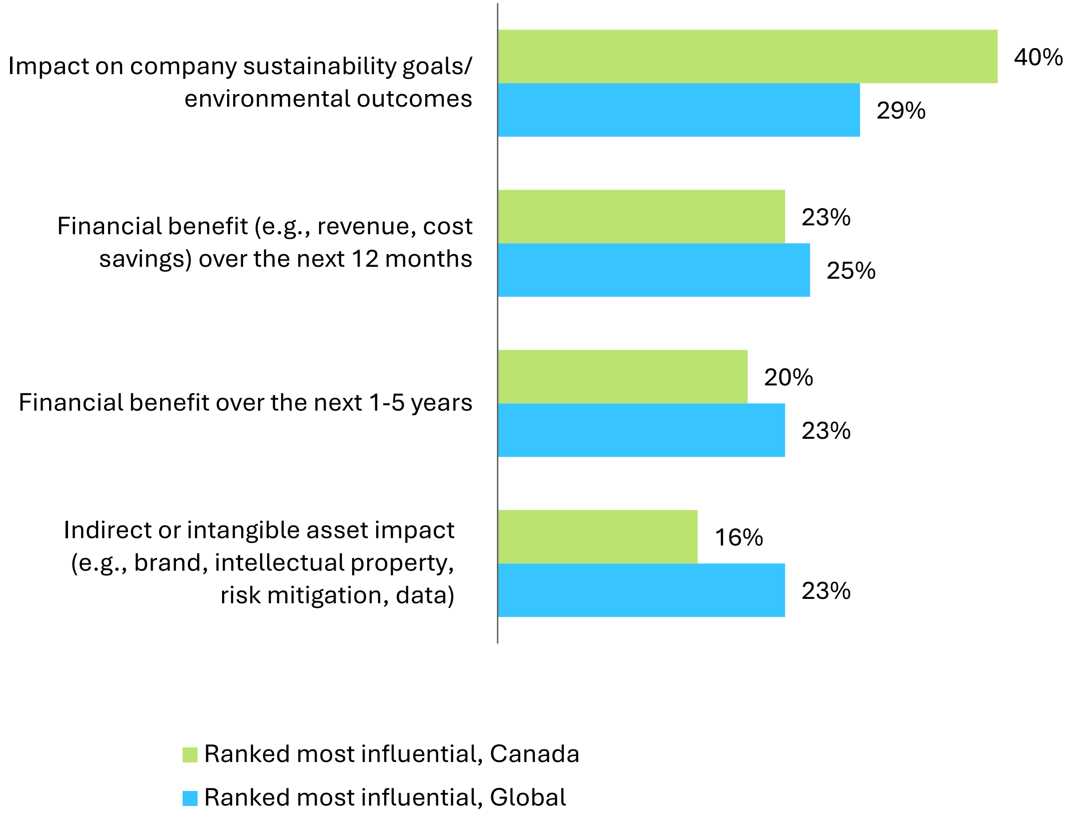
Business case and benefits from sustainability efforts

Canadian companies prioritize environmental outcomes, while global peers weigh financial returns more heavily when assessing sustainability actions.

- Canadian organizations (40%) are more likely than their global counterparts (29%) to indicate impact on company sustainability goals or environmental outcomes is most influential in driving sustainability actions and investment decision-making.
- Global respondents on average put more emphasis on financial outcomes than Canadian companies when assessing sustainability actions. Global companies are slightly more likely to say financial benefit is a top driver for decision-making—and are considerably more likely to indicate their efforts have a positive impact on revenue generation (66% vs. 56%).

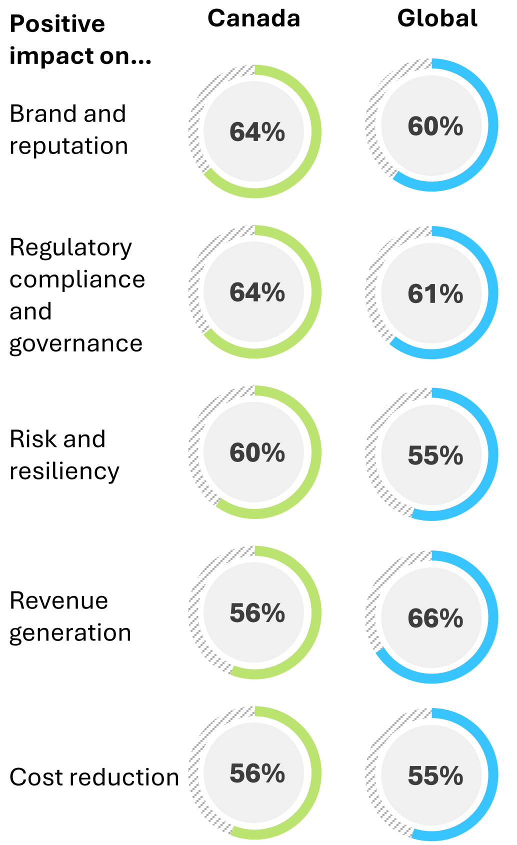
When assessing potential sustainability actions and investments, which outcomes are most influential in driving decision-making?

(rank in order of influence)



How would you assess sustainability efforts impact on the following dimensions?

(positive, neutral, negative)



Sustainability actions undertaken to meet environmental goals

Canadian organizations are emphasizing emissions reduction and stronger sustainability capabilities.

- The leading actions among Canadian companies include decreasing operational emissions through renewable energy (53%), tracking and analyzing environmental metrics (53%), and improving efficiency (52%).
- The development of sustainable products and services has fallen over the last year in Canadian companies.

Which of the following actions has your company undertaken as part of its sustainability efforts?

(select all that apply)

Top actions taken - Canada

53%	**53%** ▲	**52%**	**51%**	**49%** ▼
Decreasing operations emissions by purchasing renewable energy	Tracking and analyzing environmental metrics	Decreasing operations emissions through efficiency	Developing sustainability talent	Developing new sustainable products or services
In 2024 = 53%	**In 2024 = 45%**	**In 2024 = 53%**	**In 2024 = 50%**	**In 2024 = 55%**

Top actions taken - Global

46%	**45%** ▼	**45%**	**44%**	**44%**
Implementing technology solutions to help achieve sustainability goals	Using more sustainable materials	Decreasing operations emissions through efficiency	Developing new sustainable products or services	Tracking and analyzing environmental metrics
In 2024 = 50%	**In 2024 = 51%**	**In 2024 = 49%**	**In 2024 = 48%**	**In 2024 = 44%**

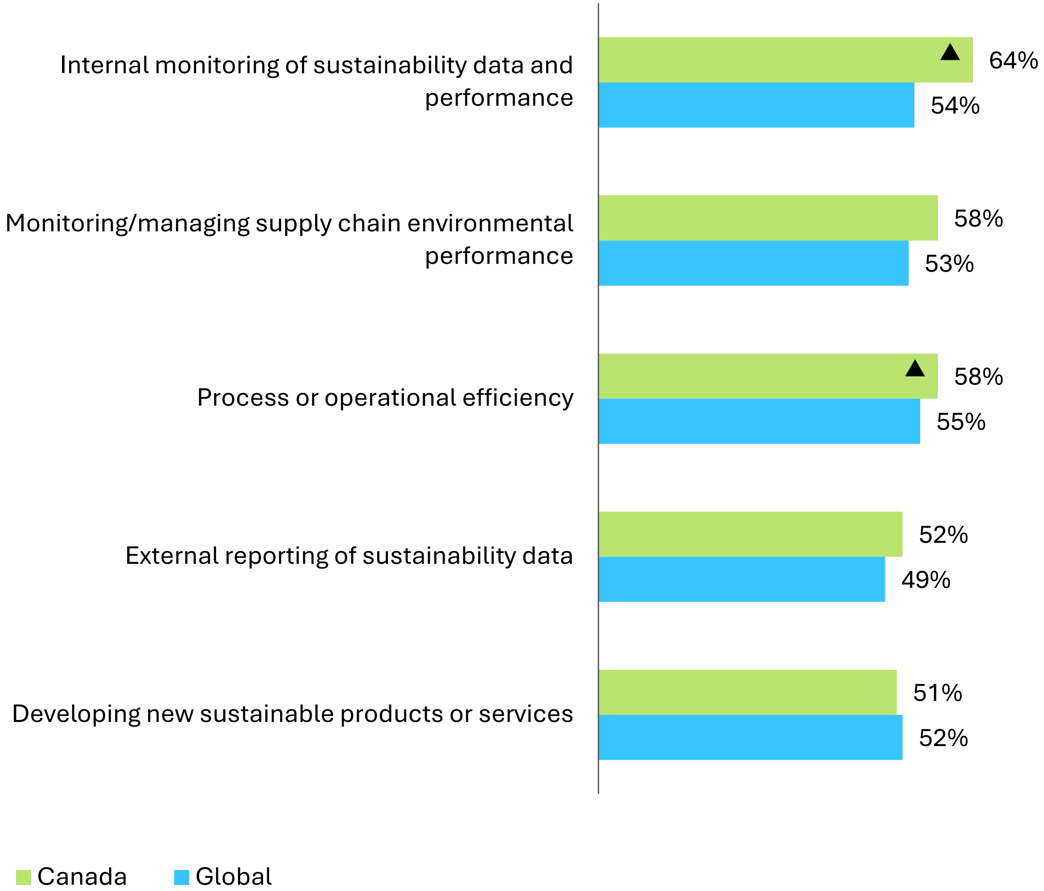
▲▼ Arrows indicate increases or decreases of 5 percentage points or more compared to 2024 where applicable.

Technology as an enabler of sustainability efforts

Canadian companies are leading with technology to strengthen sustainability performance.

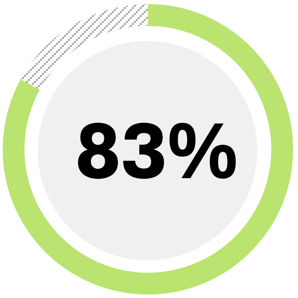
- Nearly two-thirds of Canadian organizations (64%) are implementing or planning technology solutions for internal monitoring of sustainability data and performance, up from 2024 and notably higher than the global average (54%).
- For AI, Canadian adoption is strong – 83% of executives report that their company is using AI to further their sustainability efforts, similar to the global average of 81%.

In which areas is your company implementing or planning to implement technology solutions to help achieve sustainability goals? (select all that apply)

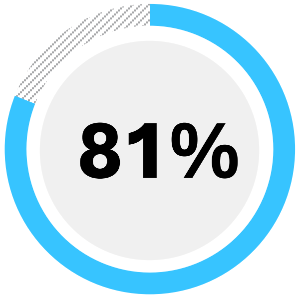


Note: Respondents include those that indicated their company has or plans to implement technology solutions

Has your company used AI to further its sustainability efforts?



Canada



Global

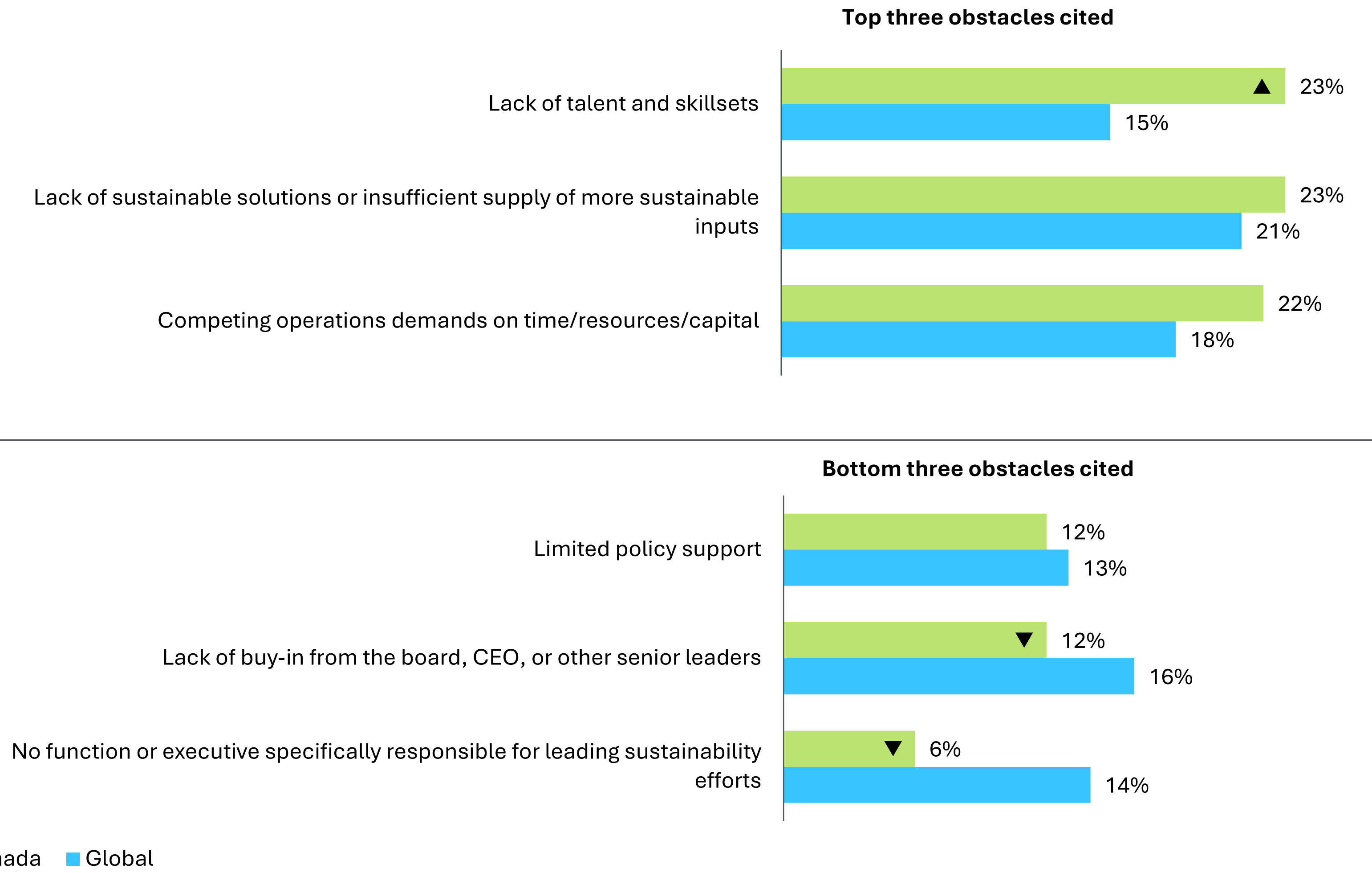
▲▼ Arrows indicate increases or decreases of 5 percentage points or more compared to 2024 where applicable.

Obstacles to sustainability action

Talent and resource constraints top the list of obstacles for Canadian companies.

- Lack of available talent is the main obstacle to sustainability deployment in Canada (23%), considerably higher than global (15%).
- Unlike their global counterparts, Canadian companies do not struggle nearly as much with leadership constraints. Lack of buy-in from executives (12%) and lack of sustainability leadership (6%) are at the bottom of potential obstacles and have even fallen from 2024.

What are the top obstacles to deploying sustainability efforts at your organization? (select top two)



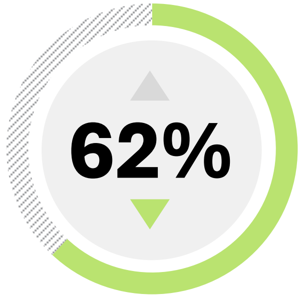
▲▼ Arrows indicate increases or decreases of 5 percentage points or more compared to 2024 where applicable.

Impacts on business strategy and operations

Canadian executives still expect climate change to shape business strategy, but immediate pressures are easing.

- Nearly two-thirds (62%) of Canadian leaders anticipate climate change will significantly impact their company's strategy and operations over the next three years, similar to the global average (60%), but lower than in 2024.
- Top sustainability matters already impacting businesses are fairly evenly spread and in most cases higher than global averages.

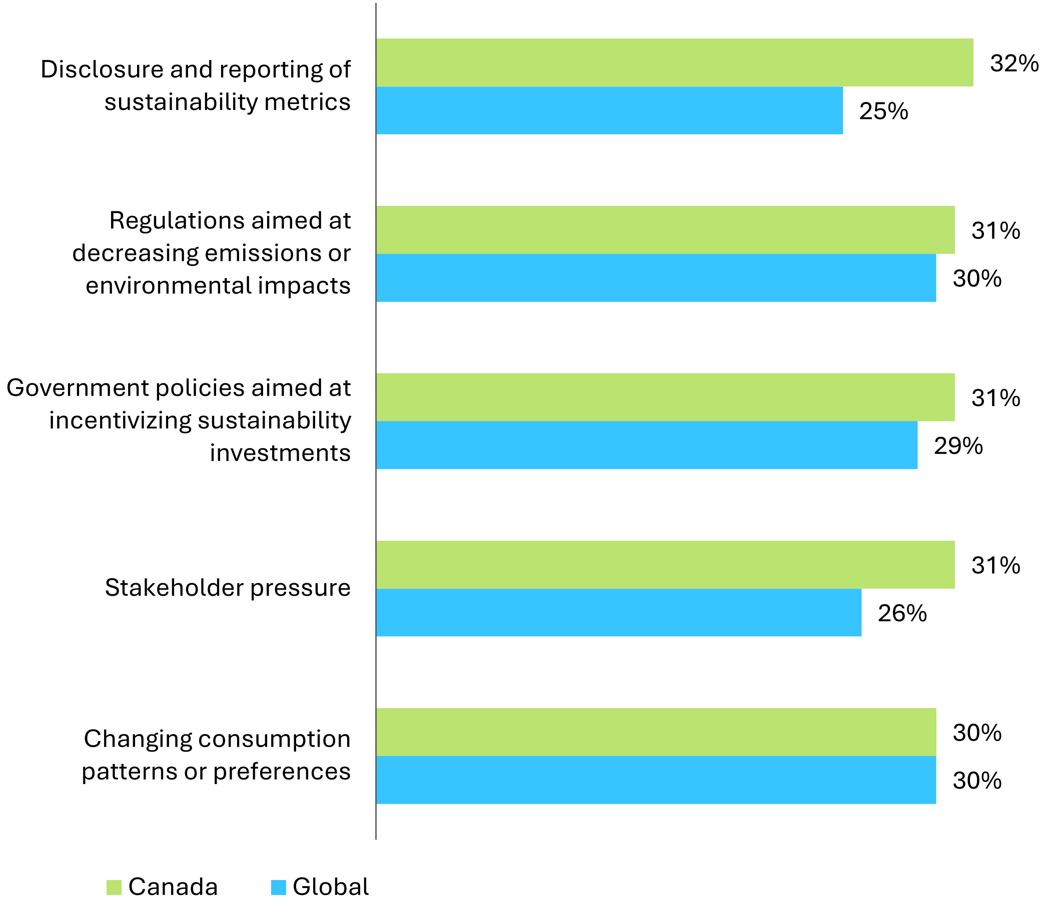
Executives who expect climate change to impact their company's strategy and operations to a high/very high extent over the next 3 years



Canada

Global

What are the top sustainability matters that are already impacting your business? (select top three)



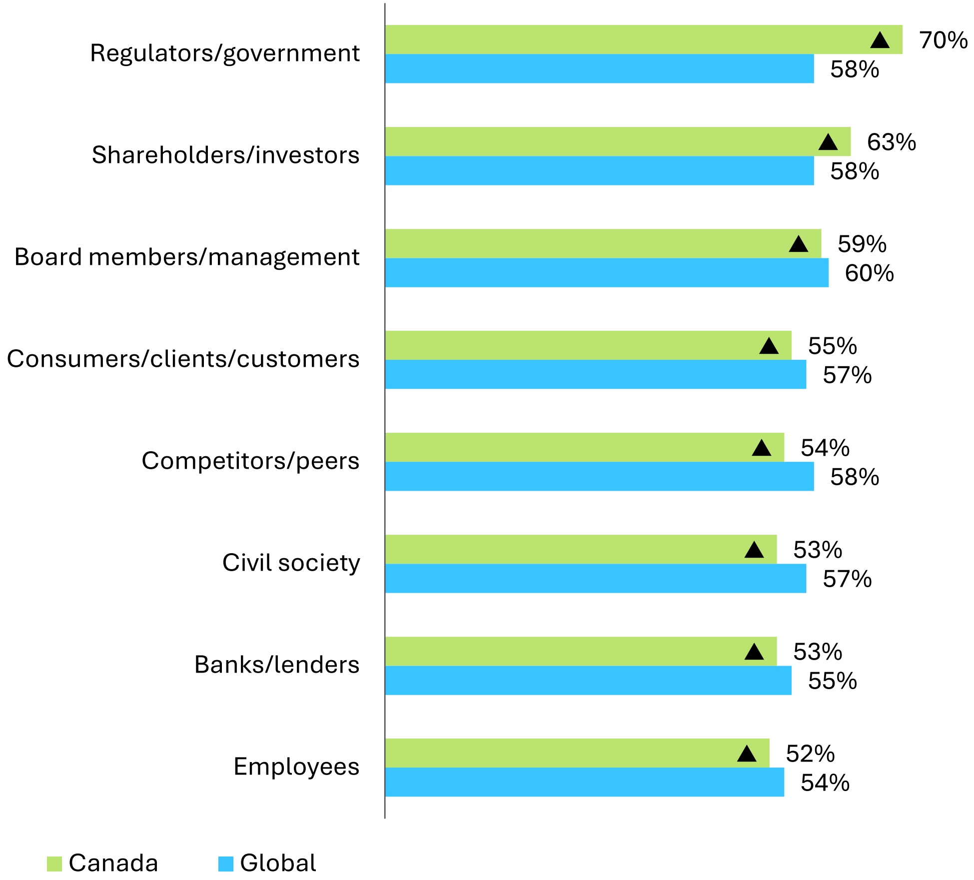
▲▼ Arrows indicate increases or decreases of 5 percentage points or more compared to 2024 where applicable.

Stakeholder pressure on sustainability

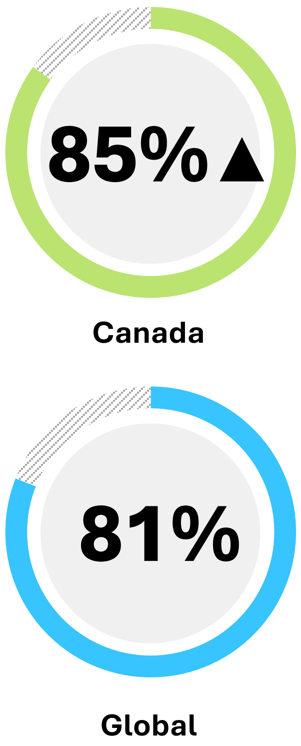
Canadian companies face broad stakeholder pressure to accelerate sustainability action.

- 85% of organizations in Canada experience stakeholder pressure to increase action, slightly higher than the global average and an increase from 2024.
- Compared with last year, pressure has increased across nearly all stakeholder groups in Canada.
- Regulators and government authorities are the strongest source of pressure in Canada (70%), followed by shareholders and investors (63%), and board members and management (59%).

Executives who feel pressure from the following stakeholders to a moderate/large extent to increase or decrease their efforts in addressing sustainability



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



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

▲▼ Arrows indicate increases or decreases of 5 percentage points or more compared to 2024 where applicable.

A roadmap of sustainability actions is emerging

Based on multiple years of survey data, a de facto roadmap appears to be emerging around a set of sustainability actions, offering companies a potential path to embed sustainability considerations into strategy, operations, and innovation. Across multiple years, top actions taken have included:

- **Implementing technology solutions**
- **Using more sustainable materials**
- **Developing more sustainable products and services**
- **Implementing operational efficiency measures**
- **Tracking and disclosing sustainability metrics**

Navigating the future of corporate sustainability: Key questions for c-suite leaders

The current corporate sustainability landscape is dynamic. Policy and regulatory conditions are changing around the world, the economics of key sustainability solutions continue to shift, and the impacts of a changing environment are growing more acute—set against a backdrop of changes in the broader business environment.

Today's dynamic conditions provide an opportunity for organizations to reevaluate their sustainability ambition, strategy, investments, initiatives, and execution to help ensure they both meet their sustainability goals and further build resilience into their organizations. To guide that effort, leaders can consider:

1. **Which sustainability matters are material for their business and stakeholders? Where can the organization create real value and impact? Where are they best positioned to move the needle on key metrics?**

2. **What resources is their organization willing and able to commit? Budget, talent, executive support, organizational capital—what is the level of support available?**

3. **How patient is their organization? How patient are their key stakeholders? Are they prepared to wait 5–10 years for results, and/or are short-term wins needed?**

4. **What level of risk and uncertainty can their business tolerate? What volatility (regulatory, reputational, physical) can the organization absorb?**

5. **What are the dependencies? Would this action require policy shifts, technology breakthroughs, demand guarantees, and/or ecosystem alignment?**

Contacts

Usha Sthankiya
Managing Partner,
Sustainability and Climate
Deloitte Canada
usthankiya@deloitte.ca

Nathan Steeghs
Partner, Sustainability & Climate
Deloitte Canada
nsteeghs@deloitte.ca

Sheri Penner
Managing Partner,
Purpose & Sustainability
Deloitte Canada
spenner@deloitte.ca

Jennifer Steinmann
Deloitte Global Sustainability
Business Leader
jsteinmann@deloitte.com

Deloitte.

Together makes progress

About Deloitte

Deloitte provides audit and assurance, consulting, financial advisory, risk advisory, tax, and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and service to address clients' most complex business challenges. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Our global Purpose is making an impact that matters. At Deloitte Canada, that translates into building a better future by accelerating and expanding access to knowledge. We believe we can achieve this Purpose by living our Shared Values to lead the way, serve with integrity, take care of each other, foster inclusion, and collaborate for measurable impact.

To learn more about Deloitte's approximately 412,000 professionals, over 14,000 of whom are part of the Canadian firm, please connect with us on LinkedIn, Twitter, Instagram, or Facebook.

Designed and produced by the Agency | Deloitte Canada. 25-12346900