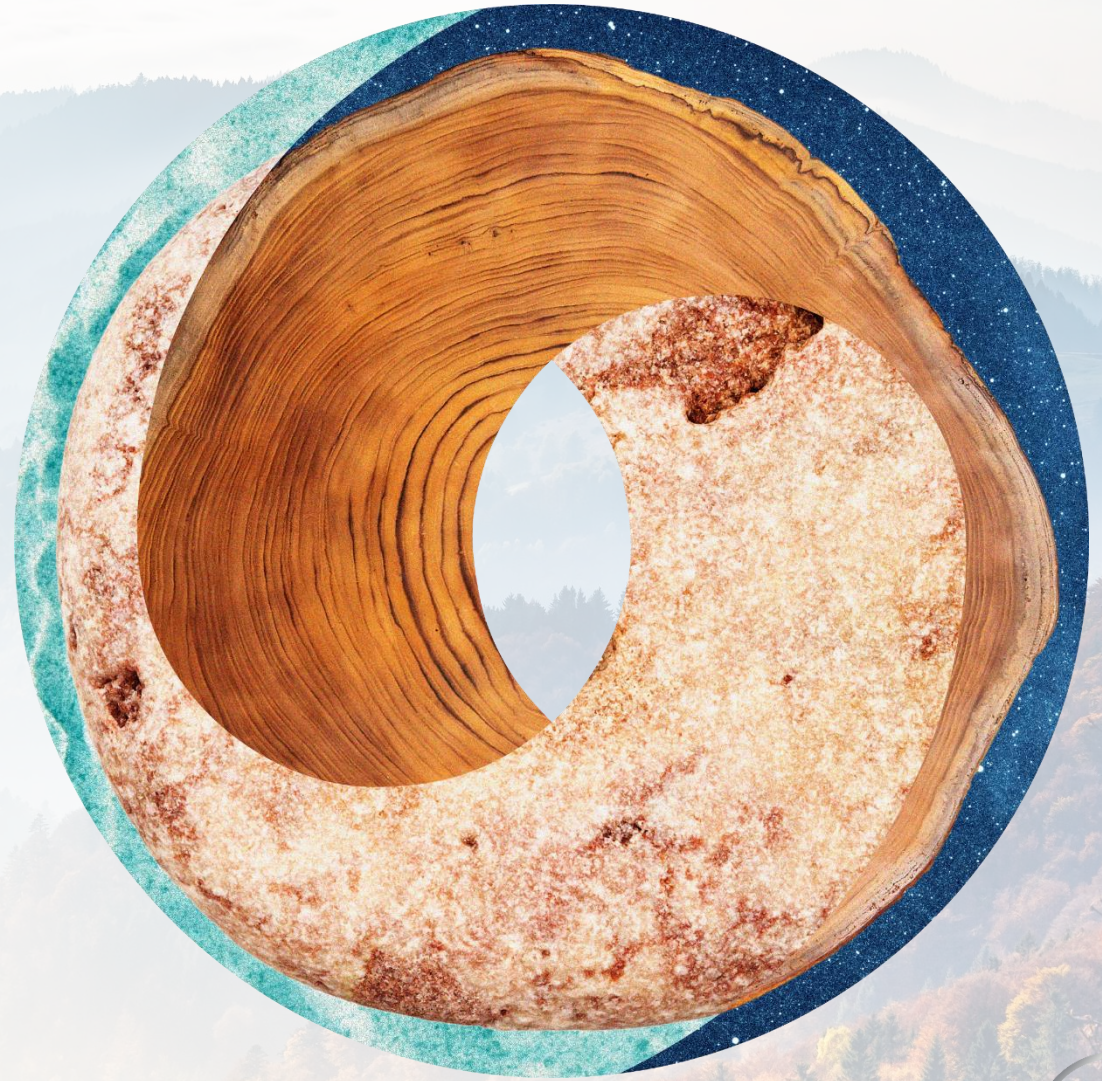




Deloitte 2024 CxO Sustainability Report

Brazil insights



September 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.

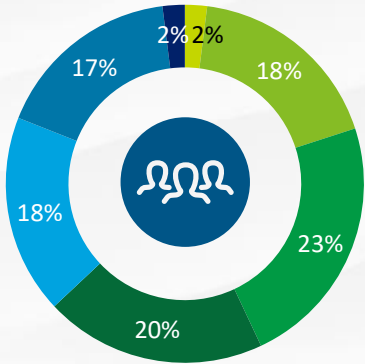
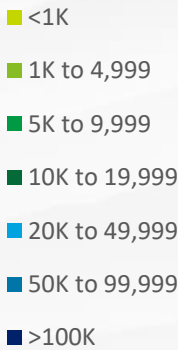
This report provides a view of the current climate action landscape among CxOs globally and explores the latent potential of that middle cohort: what actions they’re already taking, what barriers they face, and what lessons they can learn from leading companies that are modeling what a holistic approach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



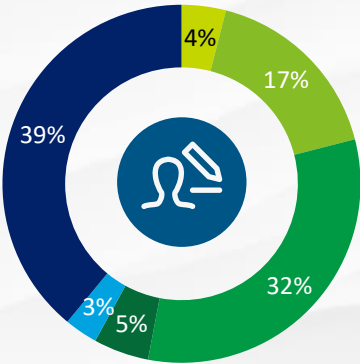
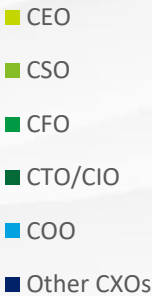
Brazil country business profile

125 executives in Brazil were surveyed

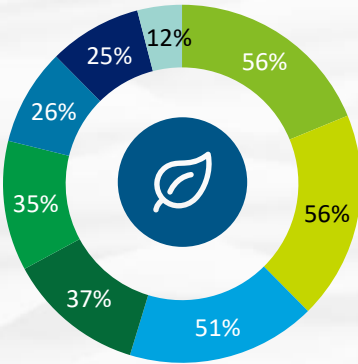
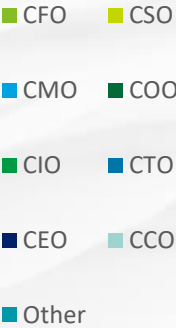
Number of employees



Job title



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



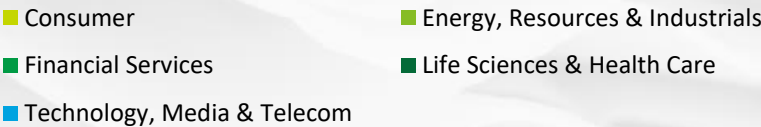
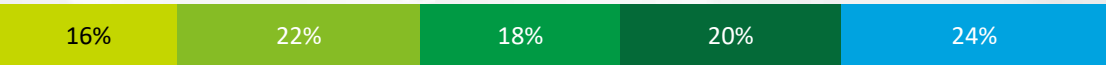
*Some respondents indicated multiple roles within the company have responsibility, resulting in the total percentage across roles exceeding 100%.



Revenue (US\$)



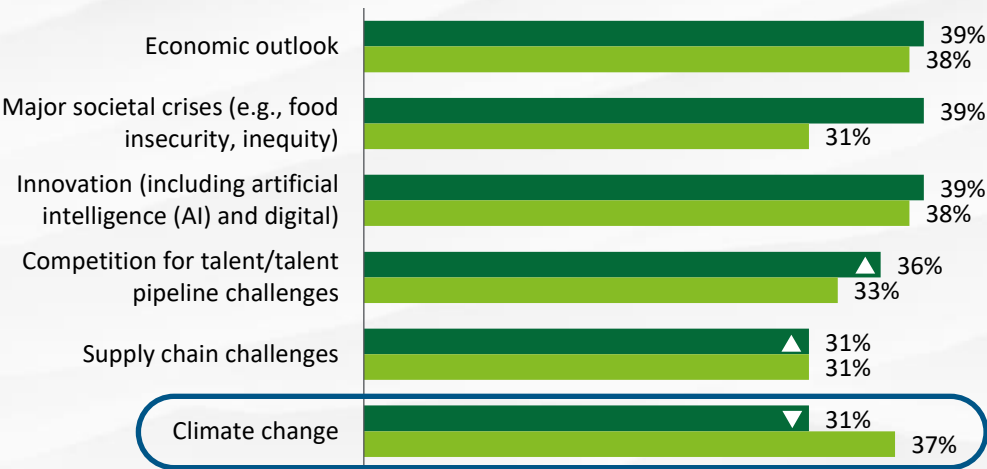
Industry



Climate remains a priority though slightly less so compared to other issues



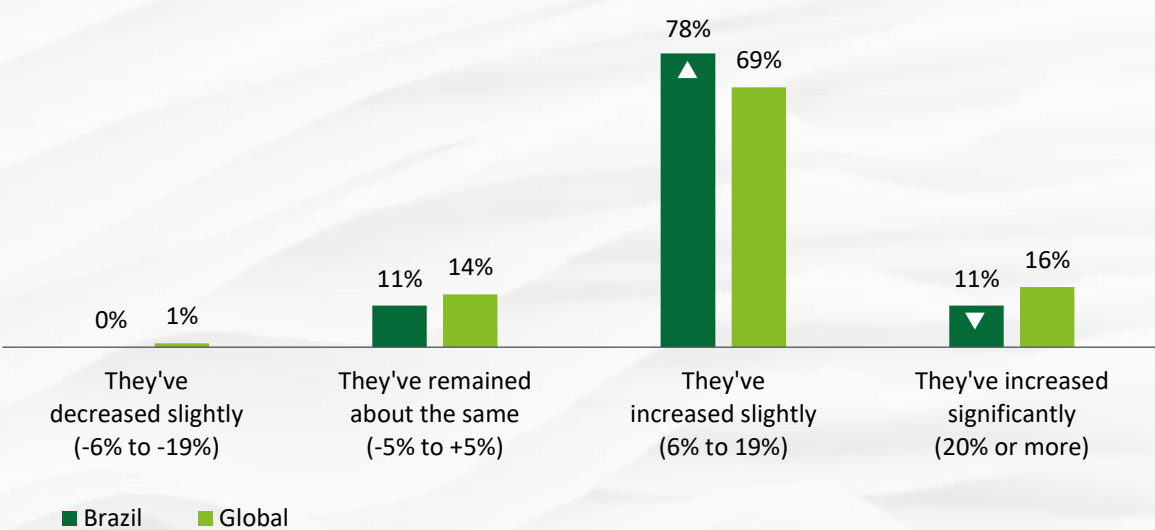
What does your organization see as the most pressing issues to focus on over the next year? (rank in order of importance)



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



How have your sustainability investments changed over the last year?



In Brazil, the economic outlook, major societal crises, and innovation (including AI and digital), are equally prioritized as the most pressing issues over the next year.

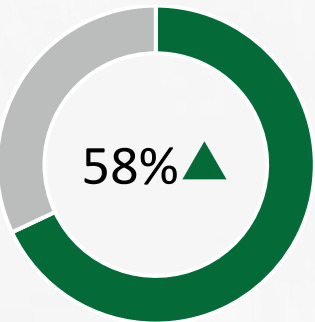
- 31% of Brazilian organizations rank climate change as a top priority, compared to 37% globally.
- Brazilian companies are ramping up their sustainability investments, with 78% reporting a slight increase over the last year, compared to 69% globally.

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

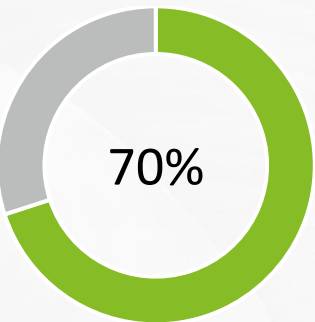
Climate change’s impact on strategies and operations is growing



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



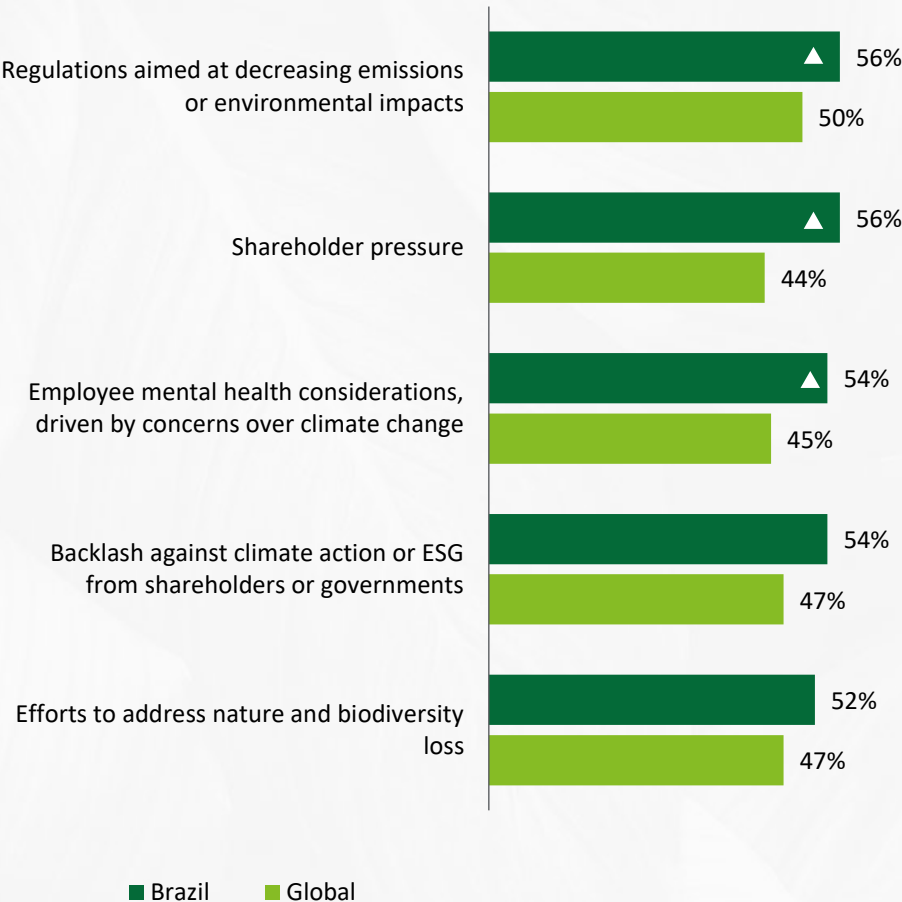
Brazil



Global



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



In Brazil, 58% of executives expect climate change to significantly impact their company's strategies and operations over the next three years, showing an increased concern compared to previous data. This is notably lower than the global expectation of 70%, indicating that while the expectation of impact is growing, it is not as pronounced as in other regions.

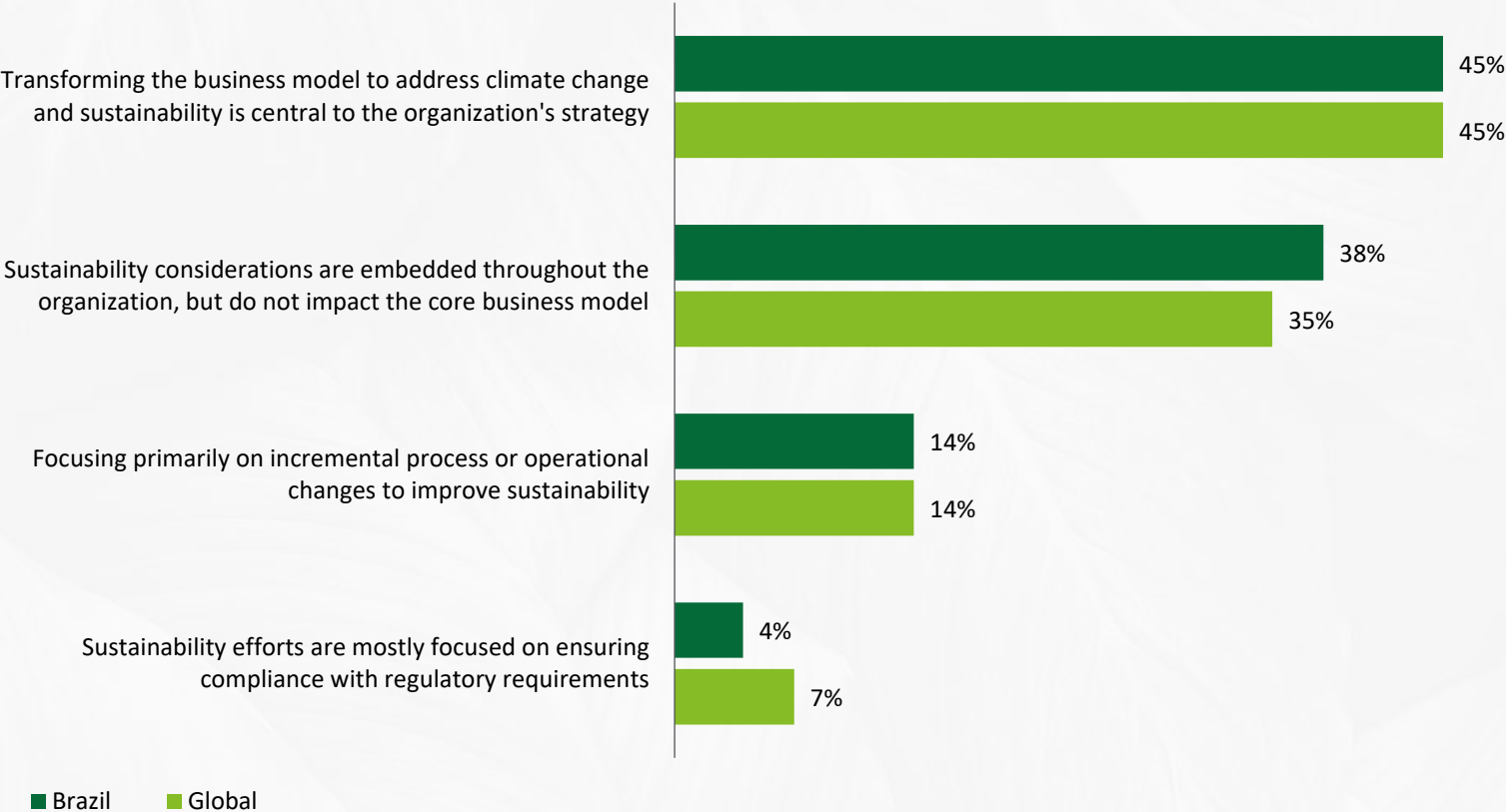
- Brazilian companies report higher impact from regulations aimed at decreasing emissions, shareholder pressure, and employee mental health considerations related to climate change.
- These issues are more pronounced in Brazil than globally, highlighting the unique challenges Brazilian companies face in balancing regulatory compliance, stakeholder expectations, and employee well-being.

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

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)



In Brazil, 45% of organizations view transforming their business model to address climate change and sustainability as central to their strategy. This aligns with the global trend, where an equal percentage of organizations prioritize this approach, indicating recognition of the importance of integrating sustainability into core business strategies.

- A slightly higher percentage of Brazilian organizations (38%) have embedded sustainability considerations throughout their operations without impacting the core business model, compared to the global average.
- Only 4% of Brazilian organizations focus their sustainability efforts primarily on ensuring compliance with regulatory requirements, which is lower than the global average. This may indicate a more proactive stance among Brazilian companies in addressing sustainability beyond mere compliance.

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



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



A significant majority of Brazilian CxOs express concern about climate change, with 83% reporting that they feel concerned all or most of the time. This is notably higher than the global average of 76%, indicating a heightened awareness and worry regarding climate impacts in Brazil.

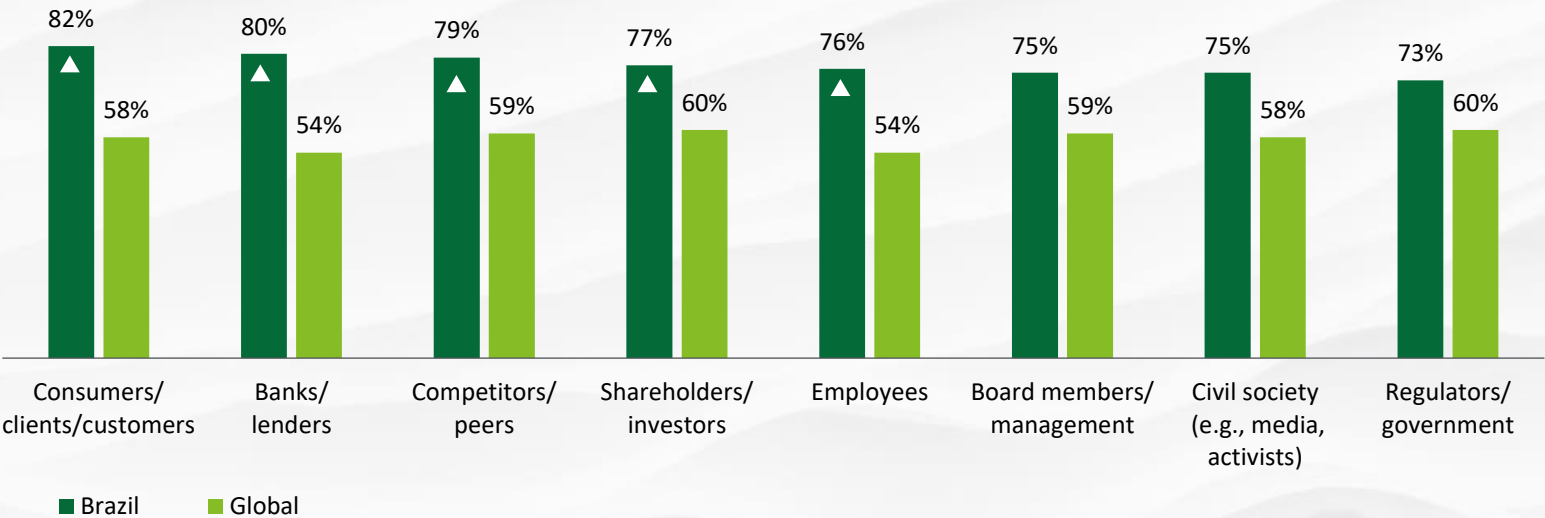
- Brazilian executives are also highly optimistic, with 94% believing that the world will take sufficient steps to avoid the worst impacts of climate change.
- A considerable portion of Brazilian executives have been personally impacted by climate-related events. Notably, 56% experienced severe flooding and rising sea levels, and 46% faced severe drought and water shortages, both of which are higher than the global averages. This direct experience with climate events likely contributes to the heightened concern and urgency observed among Brazilian CxOs.

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

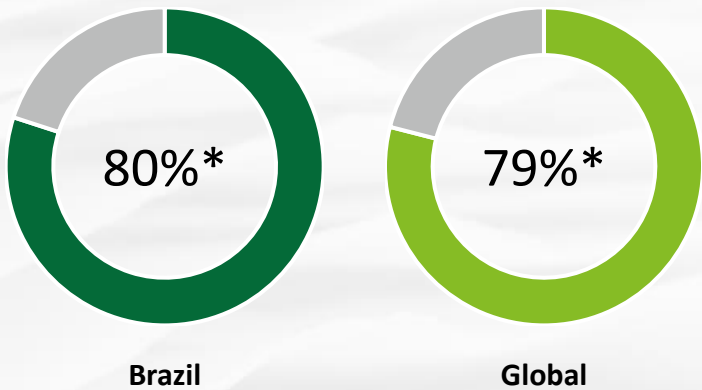
Companies feel broad pressure from stakeholder groups



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.

Brazilian executives report experiencing significant pressure from a variety of stakeholders to take action on climate change. This pressure is particularly notable from consumers and clients, with 82% of Brazilian executives indicating moderate to large pressure compared to 58% globally.

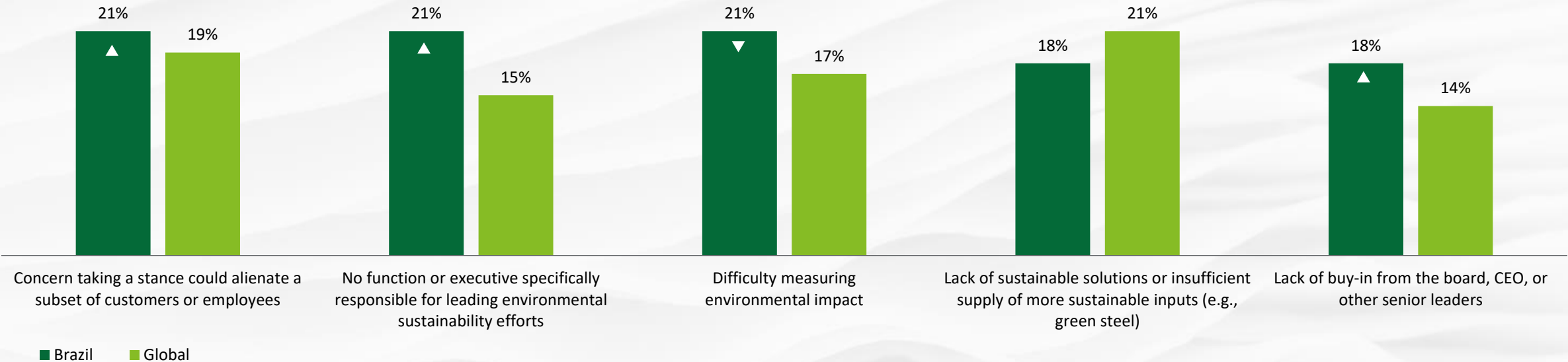
- The pressure in Brazil spans across many stakeholder groups, including competitors, shareholders, employees, board members, civil society, and regulators. This widespread pressure highlights the collective demand for climate action within the Brazilian business environment, suggesting a robust push towards sustainability from all fronts.
- On average, 80% of organizations in Brazil report feeling pressure from stakeholders to increase climate action, slightly above the global average of 79%.

▲ ▼ 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 Brazil, a notable obstacle to sustainability efforts is the concern that taking a stance could alienate a subset of customers or employees. This concern is reported by 21% of Brazilian executives, slightly higher than the global average.

- A lack of a specific function or executive responsible for leading environmental sustainability efforts is another notable barrier, with 21% of Brazilian organizations identifying this as an issue compared to 15% globally. This suggests a need for more dedicated leadership roles in sustainability within Brazilian companies.
- Difficulty measuring environmental impact is also a prominent barrier in Brazil, with 21% of executives citing it as a challenge, which is above the global average.

▲ ▼ 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

42%

Addressing climate change

Global = 39%

40% ▲

Investor returns and/or addressing expectations

Global = 34%

38%

Supply chain efficiency and/or resilience

Global = 37%

38% ▼

Innovation around offerings and/or operations

Global = 36%

38% ▲

Ability to recruit and retain talent

Global = 34%

Top five benefits expected in the next five years

42%

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

Global = 36%

41% ▲

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

Global = 36%

39%

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

Global = 35%

38%

Addressing climate change

Global = 37%

38% ▼

Customer satisfaction and loyalty

Global = 38%

Brazilian organizations are not only seeing immediate benefits from their sustainability efforts but are also optimistic about the long-term strategic value. The emphasis on financial performance, talent acquisition, and supply chain resilience highlights the integrated approach Brazilian companies are taking towards sustainability.

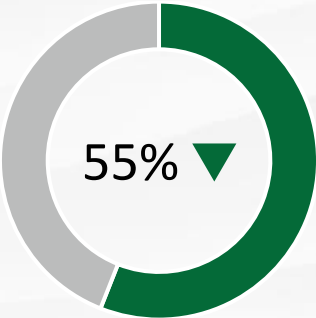
- Brazilian organizations are recognizing a variety of benefits from their sustainability efforts. Addressing climate change is seen as a significant benefit, with Brazilian executives highlighting its importance slightly more than the global average. Additionally, investor returns and meeting their expectations have emerged as crucial benefits, indicating a strong alignment of sustainability efforts with financial performance.
- Looking ahead, Brazilian companies anticipate that sustainability efforts will improve operating margins and drive revenue from new business opportunities.

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

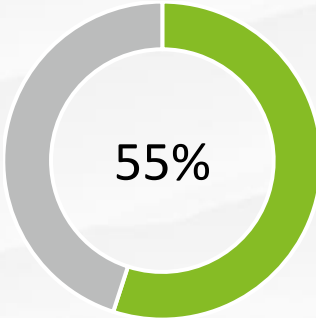
The importance of climate equity and a just transition in sustainability efforts continues to grow



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



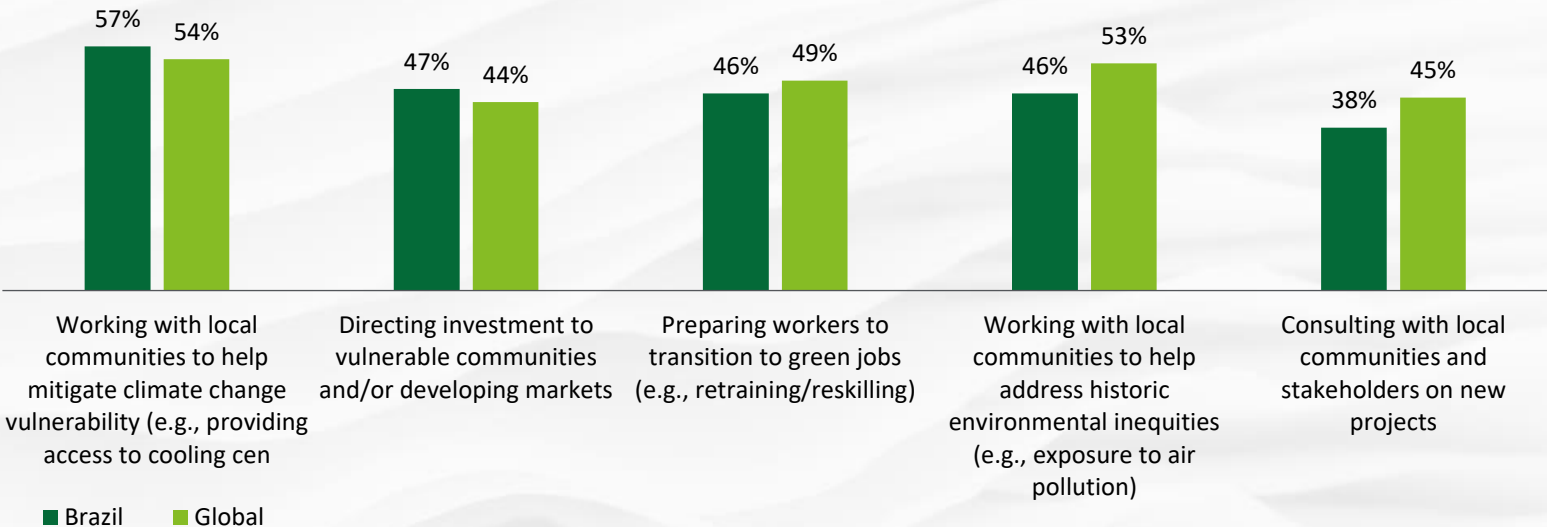
Brazil



Global



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



Ensuring a just transition is a priority for over half of the organizations surveyed in Brazil, with 55% of executives highlighting its importance, which aligns with the global average. Brazil is ranked 13th among countries in terms of rating a just transition as extremely important.

- Brazilian organizations emphasize working with local communities to mitigate climate change vulnerability and address historic environmental inequities. This approach is slightly more pronounced in Brazil compared to the global average.
- Directing investment to vulnerable communities and/or developing markets is another key focus area. Brazilian organizations are on par with global counterparts in recognizing the importance of this action.

▲ ▼ 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

60% ▼

Using more sustainable materials (e.g., recycled materials, lower-emitting products, circular economy)
Global = 51%

56% ▼

Creating a senior position (e.g., CSO) or function responsible for driving sustainability initiatives
Global = 47%

54%

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

54% ▲

Including monitoring of climate risk in corporate governance processes (e.g., board oversight)
Global = 48%

51% ▲

Providing employees with subsidies/financial incentives to encourage sustainability-related purchases
Global = 46%

Harder-to-implement, needle-moving actions*

49% ▼

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

47%

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

46% ▼

Requiring suppliers and business partners to meet specific sustainability criteria (e.g., emissions reductions)
Global = 47%

45%

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

42%

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

While Brazilian organizations are making strides in sustainability, there is a balance of maintaining strong efforts in key areas and addressing slight declines in others compared to the previous year. The overall trend shows a robust engagement in sustainability actions, with a focus on both immediate and long-term impacts.

- Brazilian organizations are actively engaging in various sustainability actions, with a notable focus on using more sustainable materials, creating senior sustainability positions, and implementing technology solutions to achieve climate goals.
- Developing new climate-friendly products or services and reconfiguring operations to be more climate-resilient are significant focuses, although both show a slight decrease from last year.

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

* As defined by Deloitte Global analysis



Guilherme Lockmann

Sócio e líder da prática de serviços de Sustentabilidade da Deloitte Brasil

energiaerrecursos@deloitte.com



Maria Emilia Peres

LSócia e líder das Ofertas Integradas da Deloitte Brasil para Clima, Sustentabilidade & Equidade

bresg@deloitte.com



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2024. Deloitte Global. All rights reserved.