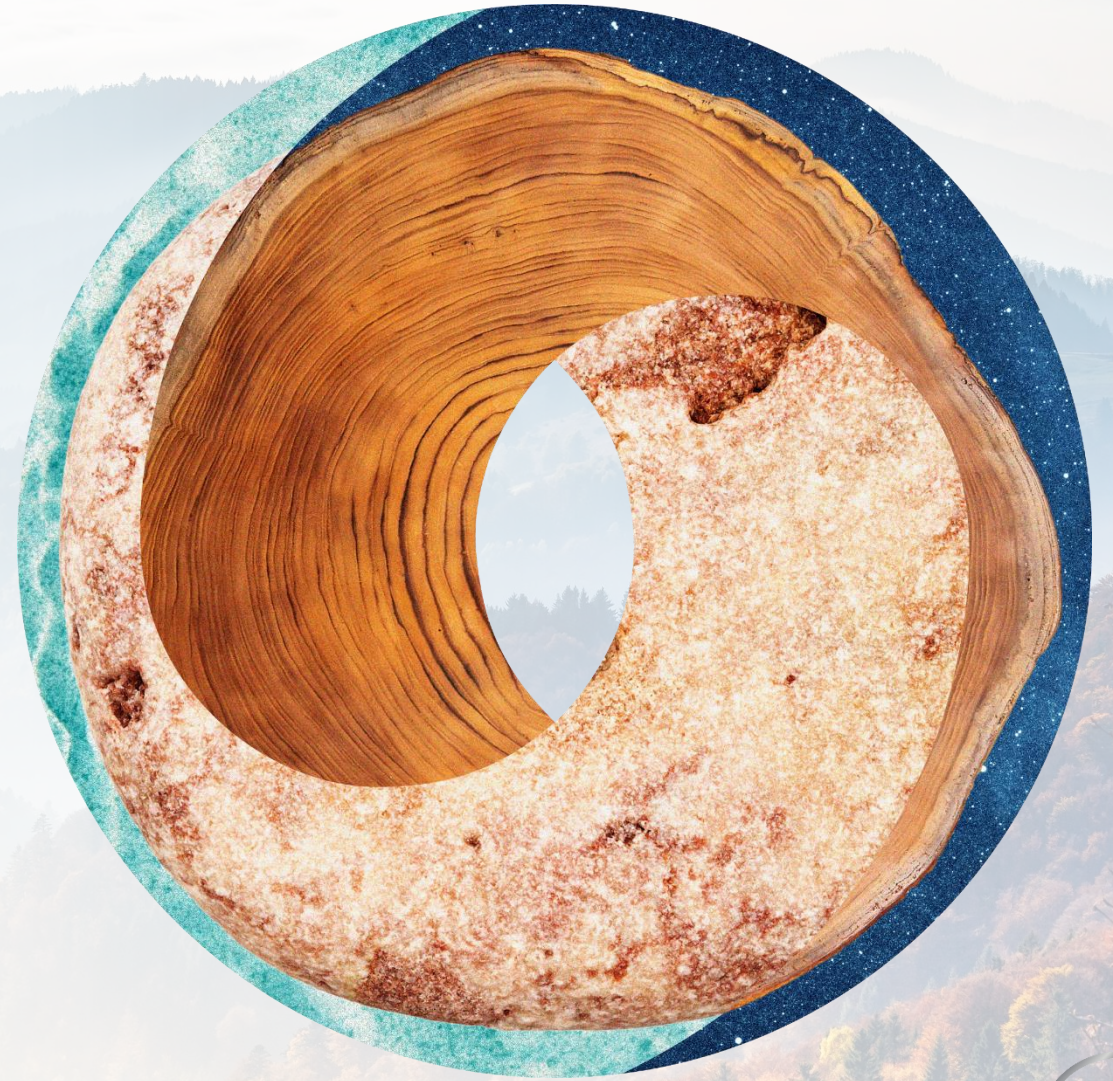


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Deloitte 2024 CxO Sustainability Report

Nordic insights

Denmark, Finland, Iceland, Norway, Sweden



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.

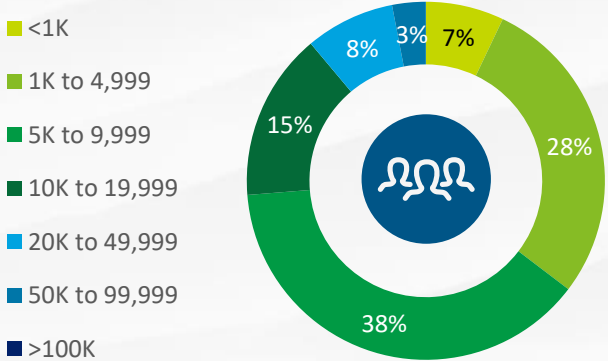
This report provides a view of the current climate action landscape among CxOs globally and explores the latent potential of that middle cohort: what actions they’re already taking, what barriers they face, and what lessons they can learn from leading companies that are modeling what a holistic approach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



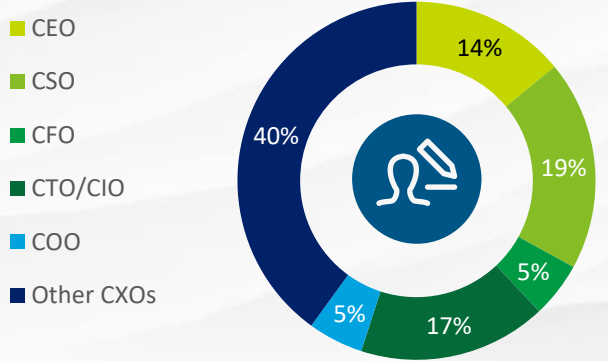
Nordics country business profile

131 executives in the Nordics were surveyed (Denmark=51, Finland=16, Iceland=23, Norway=21, Sweden=20)

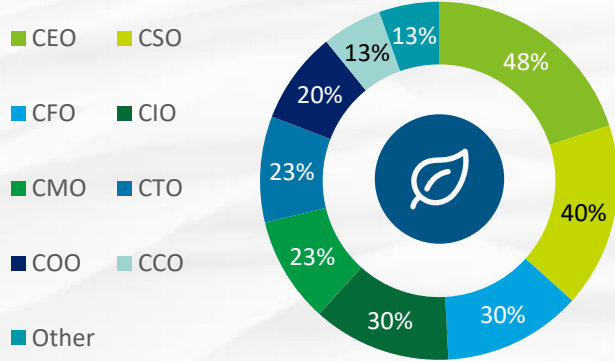
Number of employees



Job title



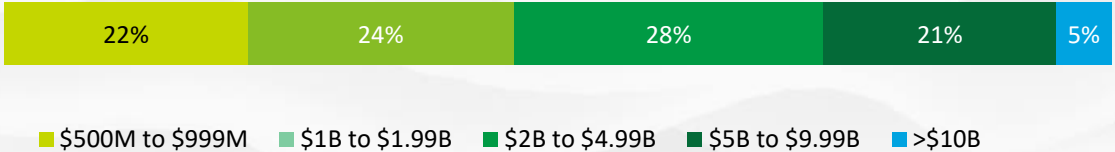
Position(s)* at your company responsible for climate goals



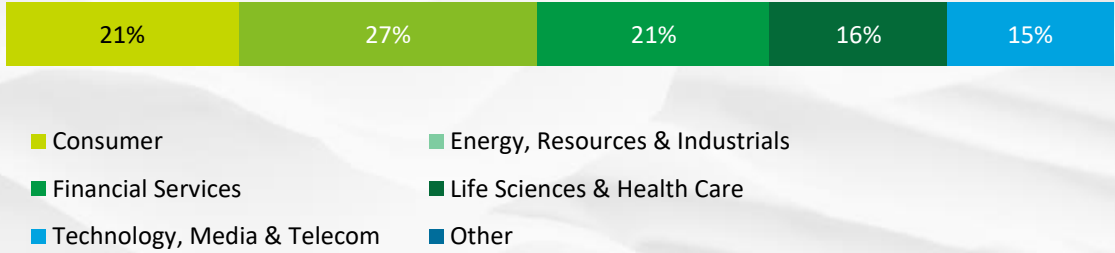
*Some respondents indicated multiple roles within the company have responsibility, resulting in the total percentage across roles exceeding 100%.



Revenue (US \$)



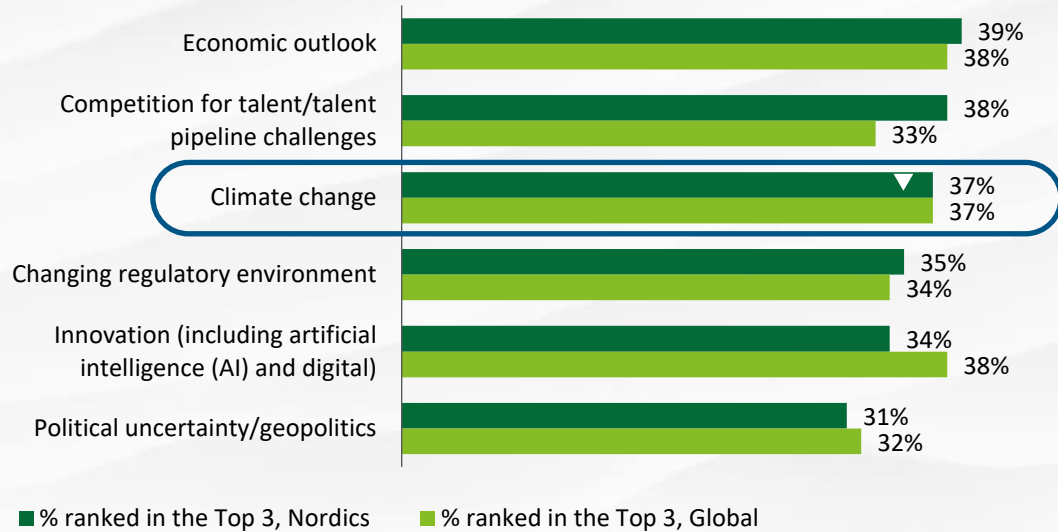
Industry



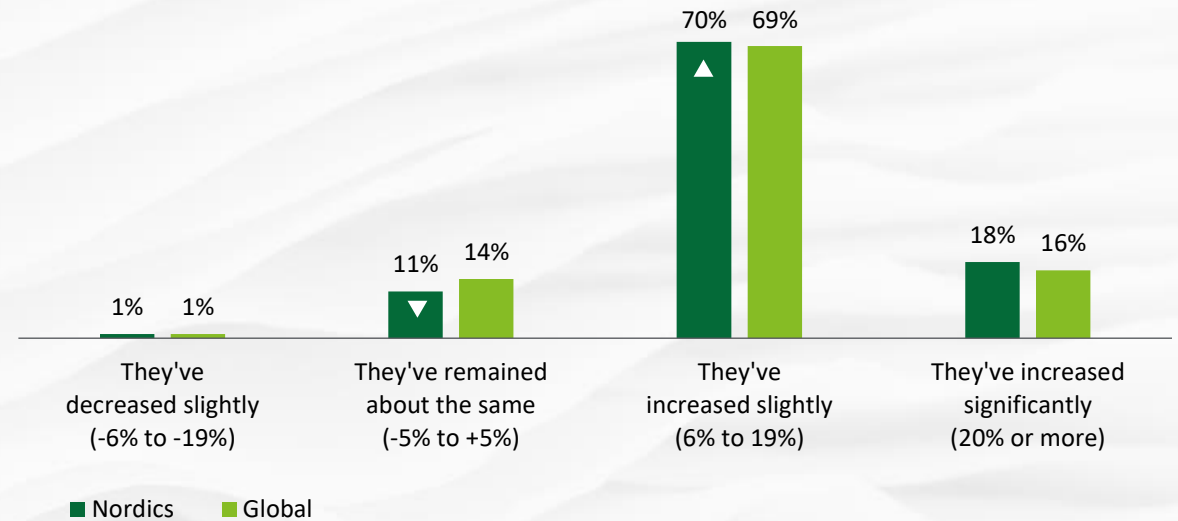
Climate remains a top priority despite many pressing issues



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



How have your sustainability investments changed over the last year?



While still a pressing issue, climate change is not the *most* pressing issue for Nordic CxOs.

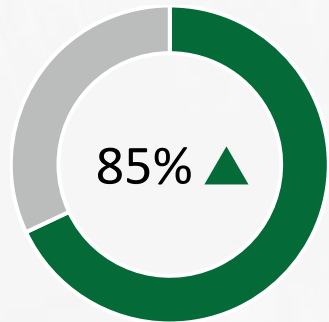
- Climate change follows slightly behind economic outlook and competition for talent.
- Sustainability investments in the Nordics are typically on par with the global averages, although the number of Nordic CxOs indicating increasing investments is up year over year.

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

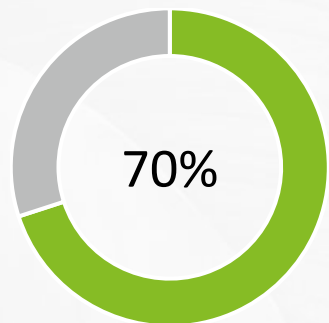
Climate change's impact on strategies and operations is growing



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



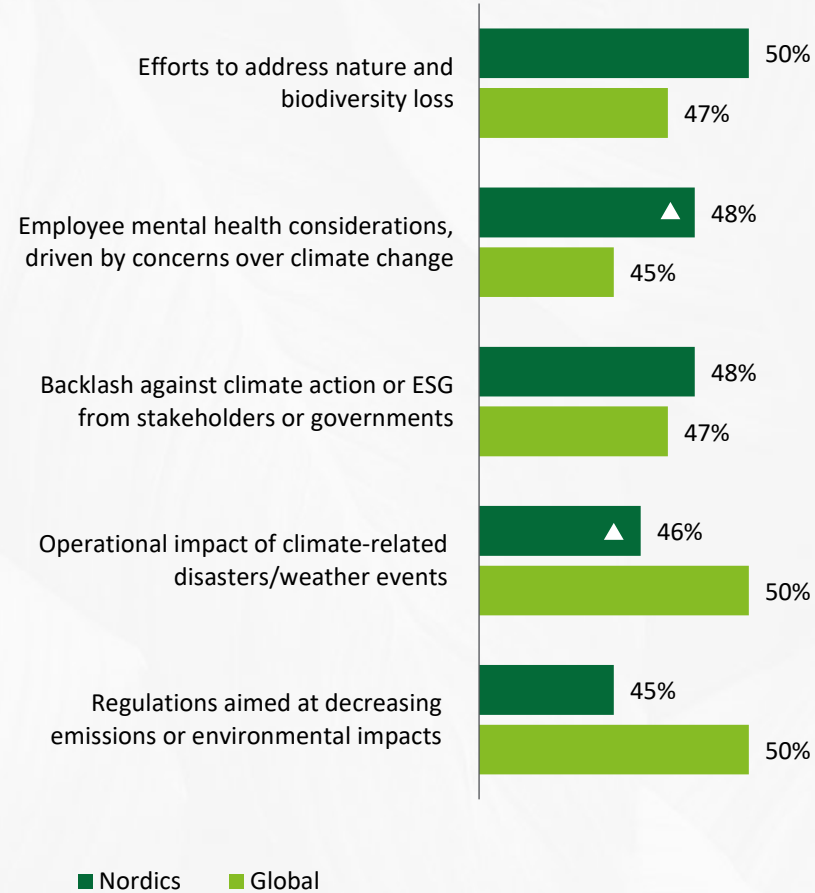
Nordics



Global



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



85% of CxOs in the Nordics 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 from 2023 and significantly above the global average.

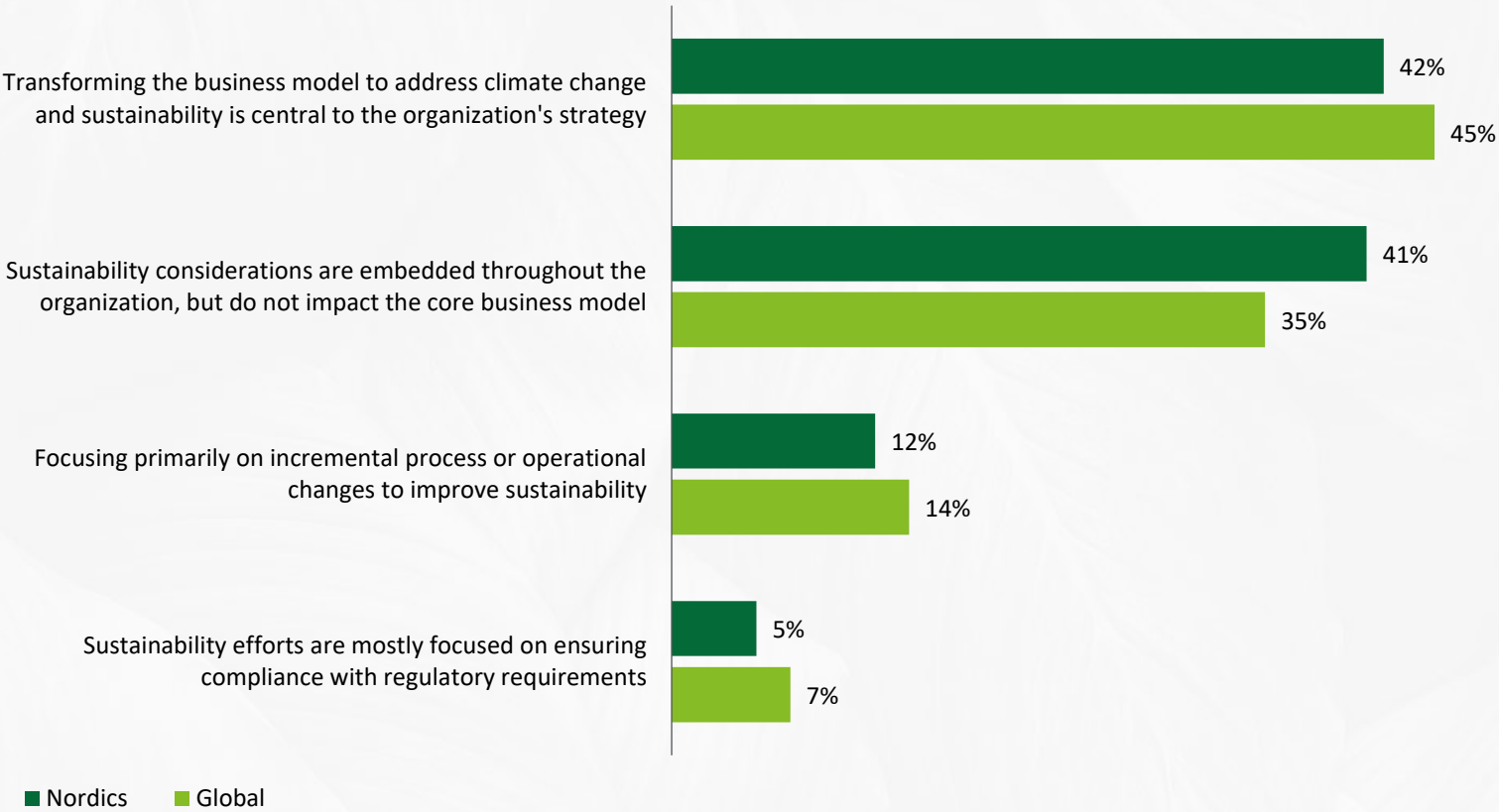
- Efforts to address biodiversity loss, employee mental health, and backlash against climate change are top issues already impacting Nordic CxOs.

▲ ▼ 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)

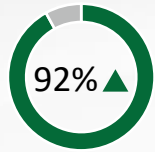


Nordic CxOs mirror global averages around their approach to environmental challenges.

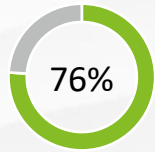
- 42% indicate transforming their business model to address climate change.
- 41% indicate that sustainability considerations are embedded throughout the organization.

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

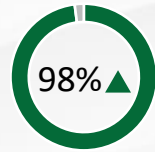


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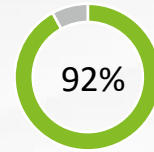


Global

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

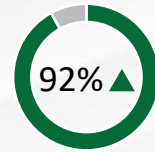


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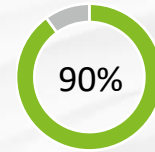


Global

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

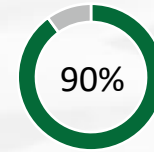


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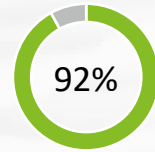


Global

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



Nordics



Global

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



92% of Nordic CxOs report feeling concerned about climate change all or most of the time (much higher than the overall global average). This is up considerably from last year. 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.

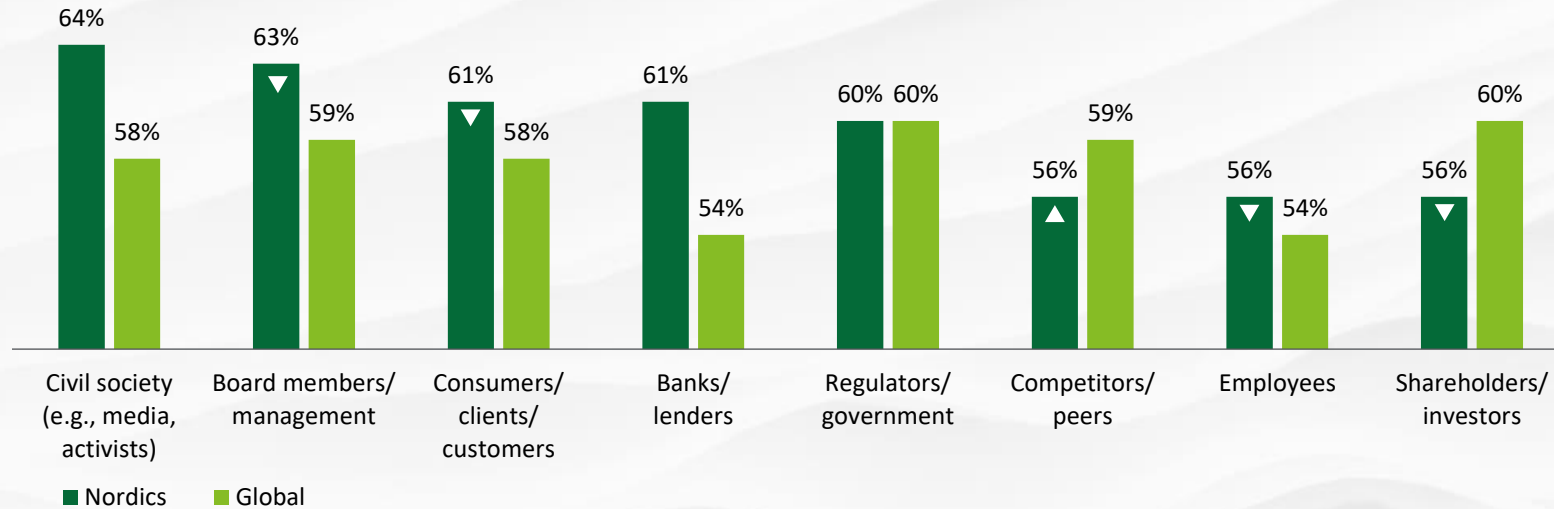
- Despite growing levels of worry, Nordic CxOs are also reporting higher levels of optimism—98%, compared to 2023 (and higher than the global average), perhaps indicating stronger levels of faith in the potential benefits of climate action.

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

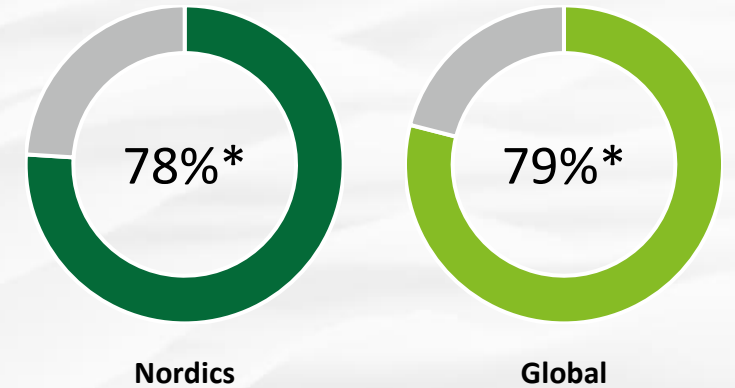
Companies feel broad pressure from stakeholder groups



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.

Organizations in the Nordics are reporting multiple points of pressure from various stakeholder groups, especially from civil society and board members.

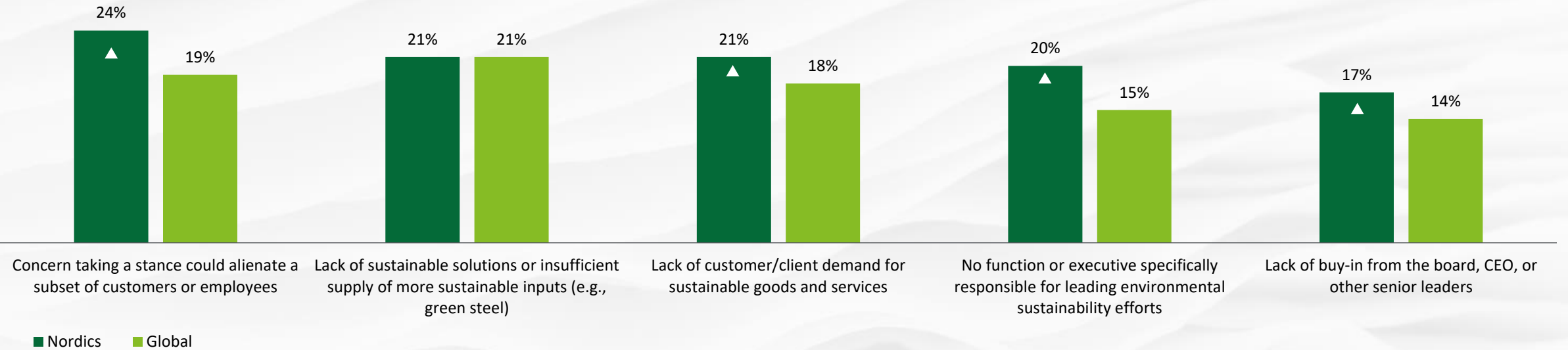
- A significant amount of pressure from stakeholders to increase climate initiatives is reported in the Nordics (78%) as well as globally (79%), indicating a need for strong collective action around the world.

▲ ▼ 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



Nordic businesses are facing several challenges to their sustainability efforts, with concern for taking a stance, lack of sustainable solutions, and lack of customer demand at the top of the list.

- While similar to the overall global averages, multiple obstacles are increasing for Nordic CxOs compared to 2023.

▲ ▼ 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

41%▲

Asset values (e.g., intellectual property and operating assets)
Global = 35%

40%▲

Operating margins
Global = 37%

40%

Customer satisfaction and loyalty
Global = 38%

38%

Ability to recruit and retain talent
Global = 34%

37%▼

Innovation around offerings and/or operations
Global = 36%

Top four benefits expected in the next five years

44%▲

Revenue from existing businesses
Global = 34%

39%

Innovation around offerings and/or operations
Global = 38%

38%▼

Customer satisfaction and loyalty
Global = 36%

38%

Asset values (e.g., intellectual property and operating assets)
Global = 35%

Nordic CxOs indicate a different set of sustainability benefits compared to the global average—much more focused on asset values and operating margins.

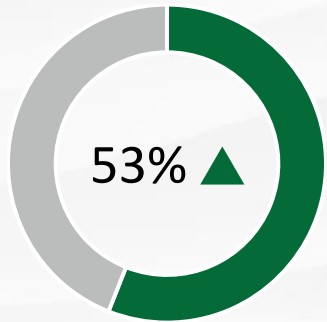
- Over the next five years, Nordic businesses are expecting revenue from existing businesses to a much higher degree than the global average.

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

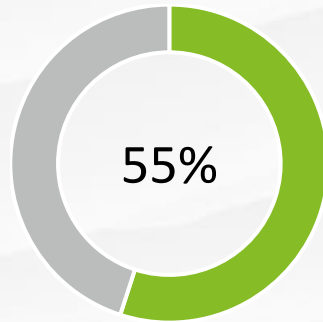
The importance of climate equity and a just transition in sustainability efforts continues to grow



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



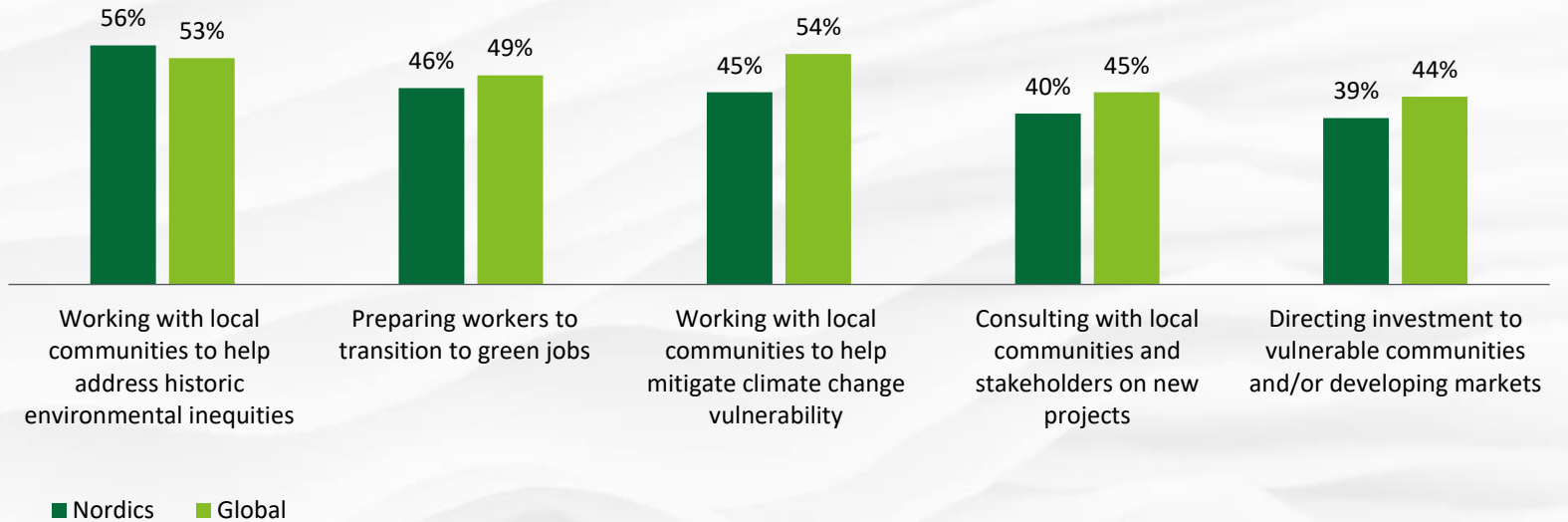
Nordics



Global



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



Ensuring a just transition in the Nordics is slightly lagging the global average but on the rise compared to 2023 results.

- Likewise, tangible activities to ensure climate equity are somewhat behind global averages with the exception of working with local communities to address inequities.

▲ ▼ 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

53%▲

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

52%

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

49%

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

49%▲

Increasing insurance coverage to prevent against climate-related risks (e.g., wildfires, sea level rise)
Global = 47%

47%

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

Harder-to-implement, needle-moving actions*

47%

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

41%

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

40%▲

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

40%

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

37%

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

* As defined by Deloitte Global analysis

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Nordic organizations are more likely to be providing employees with subsidies to encourage sustainability purchases compared to the global average.

- Nordics are also more likely to be purchasing renewable energy.
- However, Nordic CxOs seem to lag behind the global average on each of the 'needle moving' activities that are harder to implement, such as requiring suppliers to meet sustainability requirements, or reconfiguring operations to be more climate-resilient.

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

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