PwC’s Global Investor Survey 2024

**Cautiously optimistic, investors expect growth**

Half of investors surveyed expect the global economy to grow in the next year, as inflation and macroeconomic concerns ebb. Here’s how the most resilient companies can demonstrate more value.

Investors appear sanguine about global economic growth in the next 12 months. A little more than half of the respondents to PwC’s 2024 Global Investor Survey expect the global economy to grow in the coming year, compared with less than a third who expect it to decline. Moreover, only a third of investors consider macroeconomic volatility or inflation to be a key threat, compared with two-thirds who did so just two years ago. Instead, they rate most of the key threats we surveyed at roughly the same level, requiring companies to be agile and resilient in the face of a complex and dynamic operating environment of multiple interconnected risks.

Meanwhile, perceived exposure to the threat of climate change has held steady. And in their responses to two questions newly added this year, roughly three in ten investors say they perceive companies to be highly or extremely exposed to technological disruption and to be facing a lower availability of workers with key skills (see chart below).

In this, our fourth annual investor survey, we queried 345 investors and analysts across geographies, asset classes and investment approaches to learn more about their expectations for the companies they invest in and cover. Through the survey and follow-up interviews with investment professionals, we explored perspectives on global threats, the promises and challenges of technology and generative AI (GenAI), what quantitative and qualitative information professionals would like companies to provide, and their trust in management. (Read more on our methodology.)

**Other key findings**

**Reinvention imperative:** Innovation and new ways of doing business continue to be top of mind for investors. More than 70% of investors identify technological change as the most important factor compelling companies to change the way they create, deliver and capture value. Nearly two-thirds of investors also say it is very or extremely important that companies innovate in response to government regulation, changes in customer preferences and supply chain instability. And half or more say the same of competitor actions, geopolitics and demographic shifts.

**Technology and artificial intelligence:** A large majority of investors remain optimistic about the promise of GenAI, especially regarding scalability, measuring return on investment (ROI), workforce impact, stakeholder perception and capital expenditure (where respondents are more than twice as likely to perceive it as an opportunity than a challenge). Nearly three-quarters of investors also indicate that the companies should moderately (42%) or significantly (31%) increase their investments to deploy AI at scale.

**Climate transition and adaptation:** Amid increasing scrutiny in some countries or territories on company investment in sustainability, 50% of investors say that it is very or extremely important that companies change the way they create, deliver and capture value in response to climate change. A further 26% describe such changes as at least moderately important. Moreover, 71% of investors agree that companies should incorporate ESG/sustainability directly into their corporate strategy—a level similar to what we found last year. A third agree or strongly agree that companies should make expenditures that address ESG/sustainability issues relevant to their business, even if it reduces short-term profitability—and a further 35% somewhat agree.

**Trust through communication:** Notably, about two-thirds of investors trust management boards to make decisions for the long term, to make decisions consistent with the company's purpose and values, to guide their companies through a crisis, and to address shareholder interests. Additionally, 86% of investors agree that the agility of a company to manage through a crisis is an important factor in their investment decision-making.

These four key findings suggest actions companies should take to address the issues that matter most to investors. We'll explore each in more detail below.

**1. Reinvention imperative**

As megatrends continue to reshape the competitive landscape, businesses are facing pressure from all angles to continually adapt. Indeed, more than half of investors say it's very or extremely important that companies they invest in [reinvent their business models]() in response to all eight of the trends we surveyed (see chart below). Technological change dominates the list, with 71% of respondents rating it as highly important, followed in quick succession by government regulation, changes in customer preference and supply chain instability.

The approach to fundamentally changing how a company makes money, serves customers, or provides new products and services will vary by company. In our survey, nearly three-quarters of investors say they believe that the companies they invest in or cover should moderately or significantly increase their investment in upskilling their workforce (74%), enhance their resilience to future international crises (73%) and deploy AI solutions at scale (73%).

**Ideas in action**

CEOs and management boards are reacting to different trends individually, even as they also affect one another. If leaders are going to succeed coming out of this convergence of megatrends, many will need to reshape their businesses. In particular, they'll need the resilience and flexibility to adapt as cross-cutting trends—in technology, geopolitics, regulation, demographics and climate change—converge on three key sources of value: meeting customer needs and expectations, managing the company's supply chain, and rethinking their relationship to other companies.

- **Prioritise customers.** According to the survey findings, 61% of investors believe it is very or extremely important that companies rethink their business models in response to customer preferences. Companies should think about identifying new sources of business value, whether by developing and innovating new products and services, designing new operating models, or expanding into new markets.

- **Stabilise your supply chain.** Stable supply chains continue to be a priority for many investors, with 68% of them saying companies should increase their investment to de-risk them and 60% of them saying it is very or extremely important that companies rethink their business models to do so. Among other things, to enhance supply chain resilience, companies should pivot from short-term risk mitigation to a greater focus on long-term stability. Resilience may also require greater geographic diversity in sourcing and distribution. Additionally, companies should embrace AI and machine learning to improve agility and responsiveness in supply chains.

- **Explore ecosystems.** Nearly six in ten of investors, 57%, believe it is very or extremely important that companies rethink their business models in response to competitor actions. And given that all the threat dimensions show up in almost equal measures of concern for investors, CEOs can't just orientate themselves towards one thing or another. They need to have a very balanced view on how they're thinking about strategy relative to their competitors—and very likely that will mean rethinking their position in a broader business ecosystem. Doing so can bring them access to new customers and markets, new data on customers' needs, and new complementary skills and capabilities.

**2. Technology and AI**

Two-thirds of investors believe that GenAI will increase productivity at the companies they invest in or cover by at least 5% in the next 12 months, and nearly as many believe it will increase revenue and profitability by the same amount. Although our findings suggest that investors see an extraordinary opportunity in AI generally, even in just the coming year, some investors we interviewed suggested that implementation is still in its early stages—and that for now, AI may be most efficient at automating straightforward, well-defined processes.

Moreover, our survey found that few investors expect improved profitability, revenue and productivity to come at the expense of the workforce. Only a third of investors believe that GenAI will lead to headcount reductions of 5% or more—a similar proportion even expect it to increase headcount by 5% or more (see chart below). No doubt this will vary by company and industry. Yet even against a general backdrop of worries about AI's effect on employment, we found it notable that the proportion of investors who say GenAI will improve productivity in the coming year (66%) is exceeded by the share who say they expect the companies they invest in to upskill their workers (74%).

Finally, around a third of investors (36%) perceive companies to be highly or extremely exposed to cyber risk in the coming year. In PwC's 2018 survey of investors, 41% identified it as among the top three threats companies faced. Although the threat has been fairly static for the past three years, cybersecurity has returned to the top of the list of threats investors see for companies as concerns about inflation and macroeconomic volatility have declined. And among non-financial variables, it is roughly tied among investor concerns with corporate governance, innovation, management competence and even human capital management.

**Ideas in action**

The potential of artificial intelligence in general, and GenAI in particular, continue to affect most areas of concern to investors, both in how companies use it and how it might be deployed against them. Yet considerable scepticism remains: as one investor observed, ‘It’s almost impossible for an outsider to work out whether money [invested in AI] is being spent wisely.’ Other investors told us they’d like to see companies disclose specific examples of where they intend to use AI and why, and not just say they’re investing in it heavily. To address investor concerns, our survey and interviews also highlighted three opportunities for companies to act.

- **Deploy AI to reinforce cybersecurity.** The extraordinary capabilities of AI represent a boon to cybersecurity—and a threat. In interviews with investors, we found a growing concern about the potential negative consequences of AI that targets company security. As one investor observed, ‘Using AI, you don’t need to be an expert programmer to launch cyberattacks.’ And investors aren’t the only ones to perceive gaps in companies’ preparedness. In PwC’s 2025 Global Digital Trust Insights survey, ‘the top four cyber threats found most concerning—cloud-related threats, hack-and-leak operations, third-party breach and attacks on connected products—are the same ones security leaders feel least prepared to address.’ But savvy organisations will seize the opportunity to use AI to reinforce their security, while also guarding their AI-enabled systems against vulnerability.
- **Invest in your workforce.** Investors are looking for companies to increase their investments in upskilling their employees, which could well lead to the kind of productivity gains that investors expect. By equipping the workforce to use AI effectively and implementing governance and controls, companies can establish AI systems that provide meaningful insight, while minimising bias and misinformation. Among employees who have used GenAI, 70% agreed, in PwC’s Global Workforce Hopes and Fears Survey 2024, that its tools will create opportunities to learn new skills at work, be

more creative at work and improve the quality of their work. That may be the best way of enabling companies to not just derive efficiency benefits from AI, but also capitalise on the technology to spur innovation and growth.

- **Prioritise productivity.** Companies will need to demonstrate some benefits in the short term, even as they lay the groundwork for longer-term innovation. Investors are expecting productivity gains in the next 12 months, so where AI deployment is material for a company, they should move quickly to leverage opportunities—such as process automation—now, and not wait for the grander promise of AI down the road. For example, companies can take action and communicate how they are optimising resources, reducing emissions and increasing labour productivity where technology solutions are currently available. At the same time, they'll need to initiate programmes to unlock AI opportunities in the longer term, such as efficiently improving environmental performance or societal benefits.

**3. Climate transition and adaptation**

The third of the four key findings we have identified involves climate. Nearly a third of investors in our 2024 survey rate climate change among the top threats over the next 12 months to the companies that they invest in or cover. That's roughly the same proportion who name inflation, macroeconomic volatility and technological disruption as top threats. Moreover, 64% of investors indicate that companies should moderately or significantly increase their investment in efforts to reduce carbon emissions.

Whether or not these respondents would invest in companies that do so likely depends on whether companies can demonstrate the value creation potential of their climate moves. Despite showing only modest support for investments that reduce short-term profitability, noted above, around three-quarters of survey respondents agree that they would moderately or significantly increase their investment in companies that are taking certain climate-related actions (see chart below). These include working with suppliers and communities to build sustainable value chains (80%), innovating products and services that enable customers to adapt to or mitigate the impacts of climate change (77%), building resilience against physical climate risk (73%), and increasing the use of renewable energy (72%). In the words of one investor we spoke with, it is important that a 'profit-making enterprise…at the same time contributes to society.'

**Ideas in action**

As mandatory climate-related [disclosure requirements ]continue to evolve, the challenge for many companies becomes how to communicate to investors what is material to the business. According to one investor we spoke with, 'If a company is building a strong organisation and is reporting and monitoring in a good manner, then from an investor's point of view, I can positively evaluate such activities as a part of a company's main corporate strategy.'

- **Double down on transparency.** Despite strong indications of investor trust in management boards to make decisions for the long term, 44% of those surveyed agree that to a large or very large extent, corporate reporting about a company's sustainability performance (e.g., on environmental and social issues) contains unsupported claims. That finding marks little change over the past two years, and suggests companies still have much to do in earning investor trust in their sustainability disclosures.

  Ideally, as we heard from one investor, it's important that companies 'provide enough information to help users come up with their own views of the financial performance and financial positions.' Also, respondents agree that companies should provide assurance for all material sustainability metrics—not just a handful that they select. Importantly, more than three-quarters of investors (76%) say they put more trust in sustainability information reported by the companies they invest in or cover if it has been assured—and nearly as many (73%) agree or strongly agree that a company's narrative disclosures, sustainability metrics and KPIs should be assured at the same level as a financial statement (see chart below).

- **Hone your transition plan.** Although some regulations don't require companies to have a net-zero transition plan, those that do have one will need to disclose it—and those that don't will need to explain why. And because a transition plan is a bespoke description of the governance, targets, actions and resources necessary for a company to meet its net-zero commitment, investors may have a hard time assessing what good looks like—and will want quantified metrics rather than just a narrative.

- Almost three-quarters of investors tell us that they view the governance of a company's transition plan as a very or extremely important aspect of its net-zero transition plan. Two-thirds say the same of associated capital or operating expenditures, as do more than half who view a company's ambition for a net-zero commitment and a road map to achieve it as very or extremely important aspects of a company's transition plan. The bottom line: to demonstrate the credibility and value of their net-zero commitment, companies should focus on disclosing to investors how they expect to meet that commitment, as well as disclosing associated capital and operating expenditures. That may be more important than the net-zero commitment itself.

**4. Trust through communication**

Investors today compile and analyse information on a broad spectrum of topics beyond a company's financial performance. Among them, investors cite corporate governance as the most important (including oversight, risk management, control and ethics) to their valuations of companies. Innovation, management competence, human capital management and cybersecurity round out the top five (see chart below).

But the difficulty of sorting through so many sources of information, compounded by an abundance of obfuscation, half-truths or worse, can make anyone unsure of what to trust. As one investor told us, as more information is being required of companies, the real problem investors will have is being able to truly know whether what's been disclosed is verifiable and accurate.

Use of AI has thus far been mixed: a third of investors say it has significantly increased their ability to analyse information published by companies, and another third say it has moderately done so.

In some cases, investors seem to be relying more on qualitative data for their investment decisions than on quantitative data. On management competence, for example, only 44% of investors tell us they have, to a large or very large extent, sufficient quantitative information to inform their investment decisions, whereas 66% say the same of qualitative information. Likewise, on innovation, only 43% of investors tell us they have sufficient quantitative information to inform their investment decisions, whereas 57% tell us they have sufficient qualitative information.

**Ideas in action**

Investor communication can be challenging—and investors can be an exacting audience. As another investor opined, 'Sometimes you see companies that are doing the right things but communicating them badly. Other times, you see companies that are not doing the right things but communicate them very well. But what you almost never see is a company doing the right thing and communicating effectively.' However, the survey does suggest ways companies can improve their communications.

- **Know where your investors get information.** Most investors tend to rely on information targeted to them—and primarily coming from companies themselves. A majority of investors report relying on multiple sources, including investor-focused communications, direct dialogue with the company, and materiality assessments and disclosures, as well as analyst reports. Indeed, significantly fewer investors (55%) than in 2023 (66%) report relying on financial statements and note disclosures to a large or very large extent. Only around a third say the same about social media. Under regulations such as the Corporate Sustainability Reporting Directive (CSRD), for example, companies will need to disclose both quantitative and qualitative information on material topics, and should be prepared when key investors reach out directly for information. Many will do so: 40% of survey respondents say they regularly engage with the companies they invest in or cover, and 45% say they do so when they have a specific area of interest or concern.

- **Take broader control of messaging.** The best managers will carefully monitor all the ways they communicate company actions and performance, ensuring consistent verifiable information in qualitative narratives and press disclosures as well as financial statements and regulatory disclosures. Two-thirds of investors tell us that trust in management overall gives them confidence in a company's sustainability disclosures. However, the same proportion also base their trust on consistency and comparability of data more generally year-on-year. This suggests that as companies sharpen their disclosures due to changing regulatory requirements or increased data availability, they should be clear in explaining possible discrepancies with previously disclosed information. They should also take a broader perspective when determining what information needs third-party assurance. Indeed, more than 75% of investors agree that assurance increases their trust. Hard-won trust today may erode if investors discover discrepancies down the road.

- **Educate key investors on disclosure requirements.** Companies will need to include plain-language explanations of regulatory requirements in their communications to ensure that investors can evaluate their disclosures. At the time of our survey, more than half of investors indicated that they were at best moderately familiar with the reporting requirements of the CSRD, the International Financial Reporting Standards (IFRS), the Corporate Sustainability Due Diligence Directive (CSDDD), or the EU Artificial Intelligence Act.

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Among the range of threats investors expect companies to face in the coming year, no single issue stands out. Investors anticipate growth in the global economy, even as CEOs navigate a more generalised risk landscape. Most investors expect technological disruption, government regulation and AI in particular to compel companies to change the way they create, deliver and capture value—and to rethink their relationships with their stakeholders, business ecosystems and the climate. And as new regulatory requirements come into effect, investors also seek greater transparency into company performance.

**Note on methodology**

In September 2024, we surveyed 345 investors and analysts across 24 countries and territories, and conducted in-depth interviews with 14 investment professionals. Respondents were predominantly institutional investors, comprising portfolio managers (21%), analysts (21%) and chief investment officers (23%), with 52% having more than ten years of experience in the industry. Their investments covered a range of asset classes, investing approaches and time horizons, and the assets under management (AUM) at their organisations ranged from less than US$500 million to US$1 trillion or more; 53% of respondents are at organisations with total AUM of more than US$10 billion.