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Climate change governance and the board chair of the future: Accelerating the transition toward a low-carbon future

Some chairs are encountering headwinds, while others are driving the climate agenda vigorously. How can chairs and boards help build momentum to meet the sustainability challenge head-on?

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Chairs today face a highly volatile world, between the impacts of climate change, geopolitical uncertainty, and emerging technologies like generative artificial intelligence. They are challenged now more than ever to strike a delicate balance between addressing immediate challenges and ensuring the long-term success of their organizations. The multifaceted nature of climate-related challenges requires relentless focus from the board, with the board chair playing a critical role as the leader of the board, strategic partner to management, and as ambassador and tone-setter for the organization.

Many chairs are seeking tangible strategies and leading practices to bolster sustainability and climate initiatives and to effectively tie climate actions to business outcomes.

This 2024 "Chair of the Future" article, brought to you by the Deloitte Global Boardroom Program, is based on thoughtful conversations with over 200 board chairs worldwide, who have generously shared their ideas, hopes, and insights into the challenges they face. We aim for this article to provide chairs with an expansive perspective on how their counterparts are navigating the climate change agenda, stakeholder interests, and management oversight.

Since climate change is a challenge we each—individually and collectively—face, there's no reason to go at it alone. Chairs, boards, and C-suite leaders should develop and nurture strategic relationships to help their organizations—and the world—move forward courageously. Engaging across the wider ecosystem, including organizations across almost all industries, suppliers, governments, regulators, nongovernmental organizations, social innovators, employees, and investors, is necessary to drive bold action, collective stewardship, and change.

Right now, chairs and their boards face the imperative to retain and enhance their focus on the climate challenge, and to act now so that climate action is a part of key strategic and operational board focus areas and considered on both a near-term and long-term basis—not just as an exercise in compliance.

It's true that the impacts of many sustainability- and climate change–related goals are expected to felt over medium to long term. However, it's imperative that boards maintain their focus—and management's—to help protect organizations from risk and drive value, all while managing stakeholder expectations.

Boards and their chairs should balance long-term ambitions for sustainable growth and prosperity with short-term performance expectations. This is not an easy balance, but one that chairs of the future will likely need to lead on.

Kind regards,

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Deloitte Global Chair

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Demands on boards continue to remain high as geopolitical instability, economic uncertainty, evolving stakeholder expectations, and the accelerated pace of technological advances impact business operations and strategies with increasing intensity and in a highly interconnected way. What's more, boards are also grappling with how to balance these while remaining focused on other critically important strategic priorities such as climate change.

A 2023 Deloitte Global survey of global C-suite leaders on sustainability revealed that, across industries, many organizations are only beginning to take concrete actions that embrace the transition to a low-carbon future.[1] Almost 40% of respondents expect climate change to have little or some impact on business strategy, and fewer still have put metrics in place to help create accountability and transparency for delivering on the climate agenda: For example, only 33% of respondents say their organizations are tying senior leader compensation to environmental sustainability performance.[2] Overall, the survey findings highlight the need for a greater sense of urgency and accountability to help move the needle on the climate challenge agenda.

To understand barriers to progress and the pivotal role chairs can play in helping to accelerate climate progress, the Deloitte Global Boardroom Program interviewed 230 chairs of some of the largest companies in the world. These comprised listed and private entities, including a number of large family businesses. Insights and quotes were gathered via interviews, roundtable discussions, and surveys between 2022 and 2024.[3]

The findings reveal that, amid a sea of competing priorities, chairs will need to maintain a laser-like focus on sustainability while considering the long term in both thinking and investments; manage a wide range of sometimes conflicting stakeholder expectations; keep abreast of a fast-moving regulatory environment; and help ensure the boards they chair have the appropriate knowledge base and skills to help address the climate challenge—to name just a few.

Six questions to assess board readiness for climate governance

This report looks across six key questions chairs are discussing to assess whether, and to what extent, their boards are appropriately providing robust and effective climate change governance, and how they are addressing and approaching each and putting their insights into action.

1. How can we most effectively integrate the climate agenda into business strategy?
2. How do we balance investment necessary in climate transformation with pressures for short-term results?
3. How can we manage divergent stakeholder interests and expectations while meeting regulatory developments?
4. How can committees work best to support the board's broader climate agenda?
5. Are we doing enough to help boost our climate literacy?
6. In my role as chair, how can I advocate for meaningful change?

Chairs say the climate crisis is a top three priority among a sea of competing business and investment priorities

The chairs Deloitte interviewed understand the urgency of the climate crisis and believe responding to climate change and sustainability should be at the heart of their organizations' business model. "[The climate crisis] is unquestionably the largest scientific challenge of our day, and it has to be in the room," a chair in the US says. "[Boards] have to have the related conversation, as it relates to fundamental strategy and resource allocation."

In the aforementioned Deloitte sustainability survey of C-suite executives, 42% of respondents rated climate change as a "top three issue" for their organizations and 61% said they expected climate change to impact their companies' strategy and operations over the next three years.[4] Or, as a chair in Germany says, "The entire topic of sustainability has steadily gained in importance in recent years."

But chairs also expressed concern that companies are facing a number of near-term challenges that could slow down or even reverse progress on climate action. "There is not enough persistence in climate ambitions since there are so many other critical issues to deal with right now. [Some believe] other issues are more important than climate change," a chair in Denmark says.

Other chairs point to the investment climate initiatives require as one of the biggest impediments to progress. "We can figure out how to get the electrical grid to net zero with renewables. But there is a gigantic obstacle to the energy transition, which is simply the cost," a chair in the US says.

Another challenge boards face in keeping the momentum going is the very long time horizon involved in climate challenges. Goals like decarbonization or energy transition will likely take years to come to fruition. In many cases, they may not be achieved until after management or a board's tenure has ended.

Chairs commented on how challenging it can be to get boards and management to commit to a future date when they may not still be in those leadership positions: "It's too easy to [engage in] greenwashing and say we'll be there in 2030, when the reality is that most of the board and management won't be around in 2030," a chair in the UK says.

But some chairs see the long time horizon as yet another reason to focus on integrating climate actions into overall strategy decisions. "If it's not embedded in the company's strategy, it will probably lose momentum because people change," a chair in Australia explains. "Boards change, management changes. But if it's really embedded in the strategy and there's a bottom-up plan, then it's much more likely to endure."

Addressing the climate challenge requires long-term investment, measurement, and accountability

Many chairs pointed out the need to build accountability and transparency to stakeholders as well as a framework for measuring the effectiveness of climate activities over the short, medium, and long term. A chair in the UK sums up the prevailing opinion: "We need to put the progress of climate transition into the same framework as we do for normal performance management for operations and financials. You set targets, put out a plan, measure your follow-up, and drive toward the goal." This increases the expectation for high-quality reporting on climate and sustainability more broadly and, thus, for boards to enhance and exercise appropriate oversight and monitoring around reported information.

But chairs find that climate actions do not always translate easily into business economics, which can make their conversations with board members, management, and investors hard: "At a company level, the economics of sustainability have yet to be proven," a chair in India says.

A chair in the US also acknowledges the challenge: "We have to be literate in multiple ways to respond to climate challenge: For example, boards of energy companies must be climate literate, energy literate, and economically literate."

And those economics should be understood across all time horizons. There are consequences to doing nothing. Deloitte's Global Turning Point report finds that inaction on climate change could cost the world's economy US$178 trillion by 2070. By contrast, the global economy could gain US$43 trillion over the next five decades by rapidly accelerating the transition to net zero.[5]

Another reason to focus on integrating climate strategy into business strategy is it acknowledges that climate action is a top priority, not a tacked-on, side conversation. "We cannot work on corporate strategy from Monday through Friday and leave climate strategy for Saturday morning. The two are, and must be, integrated," a chair in France says.

Here are some ideas chairs shared on how to help bring climate strategy and business strategy together:

- **Champion the climate agenda.** Chairs emphasized the importance of including climate strategy within the discussion of corporate strategy. This can enable boards to stay focused on the climate agenda and affords them the ability to exercise effective oversight of management (see "Where is the line between the board and CEO on climate challenges").

- **Integrate climate actions into each risk management activity.** Risk management takes into consideration both risks and opportunities, and this applies to climate actions. "Sustainability should be part of risk management activities since a missed opportunity is also a risk. This way, you make sure it is not a side activity, but an integrated part of executing the strategy," a chair in the Netherlands says. Chairs particularly commented that innovation can go hand in hand with climate action. "Don't look at climate change as a bitter castor oil. We need to talk innovation, regardless of climate change. It's not a liability, but an opportunity to innovate," a chair in Africa says. A chair in France also noted that "climate is inseparable from innovation and technology." A chair in Belgium says that sustainable thinking can unlock multitudes of opportunities: "The board of directors tries to make sustainable decisions that have an impact in the long term in various areas: for example, being able to offer people a career so that they leave the company in a better way than when they started their job; making financial decisions in such a way that they support long-term profit; or attracting consumers not with a view to revenue, but with a view to long-term customer loyalty."

- **Break down long-term climate commitments into short-term, medium-term, and long-term targets and actions.** Once climate commitments are organized into shorter, individual multiyear programs and connected to the business model, it can become possible to derive management key performance indicators to monitor progress. When a multiyear program is ending, a new program may be set.

- **Tie relevant key performance indicators and road maps to executive and management remuneration and incentives.** This can help enable boards to develop achievable and ambitious targets to hold executives accountable with transparency.

As the rigor increases over definition, quantification, and measurement of climate-related goals, boards are becoming more confident about the information they are receiving. A chair in France explains their process: "We defined a road map two to three years ago that will allow us to reach our 2030 goal. It is reviewed, in detail, twice a year by the board of directors. For each action to be performed, a deliverable is indicated."

Where is the line between the board and CEO on climate challenges?

When asked about how to best partner with management, chairs commented on the importance of productive dialogue with management based on shared values. Chairs considered it their role to remind management of broader societal expectations, watch out for practices that may be seen as greenwashing and could increase potential litigation risk, and provide support for the climate transition.

Addressing sustainability "has to be something that your [management] team does because they believe in it and they see it adding value to the future," a chair from Australia says. "None of these things work if you don't embed them into the real fabric and culture of the management team."

Boards and management are, by necessity, oriented toward different time horizons. "The board of directors must set the long-term ambitions, and the management must have more control over the next quarter and next year's bottom line," a chair in Denmark says. Chairs can continue to reinforce with management that climate actions will take a long time and likely will involve trade-offs to balance short-term and long-term needs and the evolving demands of stakeholders.

Chairs should provide stewardship amid multiple stakeholder expectations

More and more stakeholders, from internal to external, including regulators, investors, employees, and customers, are focusing on climate-related matters and expecting companies to act.[6] Some shareholders are calling on companies to make greater efforts to address climate change and to help ensure that businesses can remain competitive and grow.[7] Ignoring these stakeholders' calls for action can lead to economic, reputational, and litigation risks for companies.[8] "All our stakeholders have a commitment to climate change improvement—whether that's people who work for us, people we're trying to recruit, people we supply to, people who we attract as owners of the business—it's on everyone's agenda, and therefore, it's high on our agenda," a chair in the UK says.

Where there are more regulations in place, for example, in some European countries, chairs point out that institutional investors such as pension funds, family owners, and cooperatives, expect the companies they invest in to demonstrate leadership in sustainability commitments and achievements. A chair in Finland observed, "Investors, particularly the family owners, are interested in long-term sustainability and not just compliance with regulations."

For some chairs, one of the greatest climate challenges is how fund providers and investors evaluate businesses and provide access to conventional and alternative forms of finance connected to sustainability, such as green bonds. A recent Deloitte & Touche LLP and Tufts University report found that nearly 80% of investors surveyed said that they have a sustainable investment policy today.[9]

But chairs also say that many shareholders are focused on hitting short-term to mid-term financial targets above all else, which can stall or push back climate investment. A chair from New Zealand explains this friction: "If you are using someone else's capital, how do you strike a balance between using that capital to create better social outcomes, which might, in the long run, be better for the company itself, and creating immediate shareholder return?" The challenge for the chair in steering the board discussion is to help the business build a convincing business and value case for action that short-term and long-term shareholders can understand and support.

Chairs say employees, meanwhile, are unequivocal proponents of climate action. Employees show great interest in the company's climate and wider corporate social responsibility, particularly ethical, policies. In fact, chairs often view employees as internal drivers of their organizations' sustainability agenda. "Besides reducing our [carbon] footprint, employer branding is a substantial part of having a green strategy for us," a chair in Denmark says. This aligns with other Deloitte Global research, which shows companies' response to the climate challenge is a key factor in attracting and retaining talented younger employees. Deloitte Global's 2023 Gen Z and Millennial Survey found that these younger generations believe that business should take a leading role in helping to address social issues ranging from inequality to environmental sustainability. Climate change was a top three concern for both generations, next to cost-of-living concerns and unemployment. Over half of both generations say they research a brand's environmental impact and policies before accepting a job from them, and nearly 40% say they have turned down potential employers that do not align with their values.[10] "Our employees, our customers, our communities, they all expect us to be a progressive organization," a chair in Canada says.

Among community stakeholders, local community members in many cases depend on businesses operating near them. As a chair from Australia says, "Whether it's at the board level or if it's at the operator level, you have to listen to the stakeholders; because in the end, they're either with you, or if they go against you, you have a problem. You have to stay relevant to the community in which you operate."

A publication from the World Economic Forum says that while jobs in some industries may be lost in the climate transition, many businesses expect the transition to be a "net job creator," due to "investments that facilitate the green transition of businesses, the broader application of environment, social, and governance standards, and supply chains becoming more localized, albeit with job growth offset by partial job displacement in each case."[11] But climate challenges can also have serious social, economic, and environmental consequences for community members. When this happens, government and regulatory bodies often respond on the community's behalf by setting parameters on how businesses may respond.

Meanwhile, business customers, especially ones that trade in geographies with robust environmental regulations, are asking suppliers to prove their credentials. These may be needed to help reduce value chain, particularly scope 3, emissions. "Customers place increasing importance on the ESG performance of companies when making decisions about goods and services," says a Korean chair. "In businesses where sustainability isn't part of the standard operating procedure, as a chairperson, you should initiate dialogues and not avoid the topic," a chair in the Netherlands says. But a chair in Germany points out that consumers don't always buy green: "They often choose a product from a very strong brand, even if it causes higher emissions compared to a comparable product from lesser-known brands."

In the Deloitte Global Boardroom Program's publication on corporate trust,[12] 61% of board respondents think that environmental, social, and governance and climate challenges affect an organization's ability to build trust among stakeholders, including consumers. "We look at innovating anything within the organization from three axes: meeting consumer needs, affordability, and sustainability. Every innovation goes through these three lenses," says a chair in India.

Chairs Deloitte spoke with deploy some of the following leading practices to effectively lead across stakeholder groups:

- **Ensure communication is a productive, two-way dialogue by leveraging the appropriate forums, tools, and required disclosures to gather and share information.** Chairs are aware that investors expect globally consistent and comparable sustainability information, as reflected in the standards published by the International Sustainability Standards Board (ISSB) (see "Boards should keep pace as regulation evolves and grows" below). "We view institutional investors as our primary readership of climate-related disclosures. Our ESG briefings are to understand their interest, and we use their feedback for reference," a chair in Japan says.

- **Leverage employees' advocacy to help drive the climate agenda.** Communicating goals and achievements with employees can help in brand-building and attracting and retaining talent. "Physical roadshows are a way to raise awareness among employees and exchange with them on important corporate social responsibility topics," a chair in France says. "It is crucial for us to share our very good CSR results internally and externally because employees feel a sense of pride and it helps with retention. In hiring candidates, especially young people, our results also help attract talent."

  A chair in Japan says that their annual report helps employees "understand what the company is aiming to become and realize how it has been tackling climate issues. This is also a major benefit."

- **Learn about and focus on the specific challenges investors are paying attention to.** Chairs say they ask investors about their long-term vision and their involvement in climate challenges. "We need to prioritize what our stakeholders want to know. If we just disclose a very wide range of information, we will end up being asked, 'What exactly are you aiming to do in terms of sustainability?'" a chair in Japan explains.

- **Engage stakeholders to help build relationships critical to achieving long-term success.** Chairs say engaging and communicating with stakeholders requires understanding their perspectives and sometimes prioritizing, not just balancing, their different interests and weighing them against the organization's climate agenda goals. A chair from Denmark says, "The board must acknowledge that stakeholders act differently toward your decisions. So, an important question to ask is, 'Which stakeholders can have an outsized impact on our long-term business strategy?'"

Boards should keep pace as regulation evolves and grows

As regulators are requiring even greater specificity and coverage in their disclosure requirements, boards' formal role in the preparation of climate-related disclosures is increasing.

The ISSB, aimed to help build the global baseline of consistent and comparable sustainability information relevant to capital markets, has issued sustainability standards that incorporate and build on the Financial Stability Board's Task Force on Climate-related Financial Disclosures framework, and a number of jurisdictions, such as the United Kingdom, are already consulting on whether to mandate these standards.[13] The Financial Stability Board has recognized that the ISSB's standards should serve as a global framework for sustainability disclosures and announced it is transferring the monitoring of climate-related disclosures from the Task Force on Climate-related Financial Disclosures, which has now fulfilled its remit and disbanded, to the IFRS Foundation from 2024. In Europe, the enactment of the Corporate Sustainability Reporting Directive has dramatically increased the number of disclosures that more companies must now report on their sustainability progress.[14]

In the United States, in March 2024, the Securities and Exchange Commission adopted rules to require registrants to disclose certain climate-related information in annual reports and registration statements.[15] Regulations are also being enacted locally: California, for example, enacted climate legislation for a certain size of businesses to report on greenhouse gas emissions and climate-related risk.[16]

And while some regions have fewer regulations under development currently, chairs caution against taking a "wait-and-see" approach. A chair in Malaysia says, "When you talk to chairs and board members, you'll notice two types of thinking: On one side, you have the enlightened ones, who see it from a risk and opportunity perspective, strategic perspective, and from a positioning perspective. On the other side, it is purely for compliance." Companies organized or headquartered in regions of the world that have not yet mandated climate-related disclosures are not

necessarily relieved of reporting obligations, as some regulations have extraterritorial reach. For example, the Corporate Sustainability Reporting Directive (CSRD) imposes reporting requirements on non–European Union entities that have a significant activity in the EU.

Furthermore, regulation can also bring an opportunity to help unlock potential benefits, from the incremental level to the transformational level, when approached holistically. These can include transparency in data and supply chain and drivers for innovation.[17] A chair in Finland observes, "Companies should adapt their ESG strategies based on experience and the changing business environment, as the successful integration of ESG into the overall strategy can provide long-term competitive advantages."

With the increase in reporting requirements and awareness of climate-related risks and opportunities, the audit committee has a critical role to play. A lot has changed since Deloitte Global published The Audit Committee Frontier: Addressing climate change in 2021. At that time, the survey of over 350 audit committee members revealed that climate was not a regular item on the committee agenda and only half considered themselves "climate literate."

Committee work enables boards to delve deeper and help support the climate agenda

While many chairs agree the responsibility around climate actions rests with the full board, many acknowledge that committees can—and often do—support boards in this effort. Some boards have allocated climate-related tasks to existing committees by focusing on climate risk or as part of their sustainability agenda. These tasks typically are assigned to the nomination and governance committee, audit committee, health and safety committee, and the people (human resources) committee by extending the scope of their existing agendas.18 Audit committees, in particular, are often tasked with enhancing governance and controls over sustainability information and preparing for assurance, which is already mandated under some regulations, such as the CSRD.

Some chairs note that these committees may invite an expert from management to share insights. Other chairs say that they are creating a separate ESG or sustainability committee to delve deeper into climate conversations. They explain that the rising interest level in the boardroom, the need to discuss climate challenges regularly, and the increasing technicality of climate challenges warrant adding a new, dedicated committee. In 2022, 15% of S&P 500 companies had an ESG or sustainability committee with primary responsibility for ESG governance, similar to 13% in 2021.[19]

However, there is no one-size-fits all solution to ESG oversight, which often doesn't neatly fit into a single committee's purview. Each organization will likely have their own unique circumstances to consider.

For those that do opt for a separate ESG committee, these committees typically include board members, executive team members, internal and external stakeholders, technical specialists, academics, and other subject matter experts.

Chairs whose boards have benefited from adding a separate sustainability committee say the new committee helps:

- **Guide and advise the board on technical matters.** "[As] the urgency and magnitude for setting climate targets increase, the topic becomes too complex to be covered by one existing committee," a chair in South Africa says.
- **Enable diverse experts to engage in profound discussion.** "Our corporate governance and sustainability committee consists of five directors. Three are independent directors with academic backgrounds in mechanics, materials, and financial accounting, and the other two are directors that are bringing insights into employee care and rights, and other practical experience in management," notes a chair in Taiwan.
- **Deepen engagement internally and with the management team.** "By putting this committee in place, it ties the whole thing together and ensures the board and management are absolutely on the same page," says a chair in the UK.
- **Dedicate sufficient time to climate and sustainability and manage the board's workload.** "For us, the formation of our ESG and people committee has allowed for more in-depth discussions on ESG topics," a chair in Finland says. "However, it is still the responsibility of the board chair to bring ESG matters to the board's attention and ensure they are given due consideration." Chairs may also wish to ensure the climate focus is reflected in the agenda of other committees, such as audit, remuneration, nomination, and risk.

Chairs are taking many steps to help bolster their boards' climate acumen

Understanding climate change, its value chain, and its myriad of impacts on business can be complex. Knowledge imbalances can become a barrier to having well-informed board discussions. Chairs were particularly concerned about having the right knowledge base available to the board around climate and business interactions, in addition to the broader impact of climate change. They emphasized that boards should develop skill sets to understand both the business' impact on climate change and also associated risks and opportunities arising from the business' exposure to climate change. And boards should understand technical concepts to help ensure appropriate oversight on progress in implementing climate actions.

A chair from the Netherlands explains the challenge: "Many board members come from a traditional business background and may not be familiar with concepts like scope 1, 2, and 3, and new reporting requirements. If that's the case, how can the board engage in meaningful

discussions?"

Chairs are addressing this learning curve in four key ways:

- **Providing ongoing educational and upskilling opportunities:** Chairs say they've invited internal and external experts to board meetings, held special learning sessions, and have encouraged and participated in self-learning opportunities.

- **Inviting an expert to lead board and committee discussions:** A number of chairs across geographies say their organizations invite their chief sustainability officer to help lead the climate agenda discussion in the boardroom. They also state the need for deeper discussions in the committees responsible for climate and sustainability oversight.

- **Appointing a sustainability expert to the board:** Some chairs are appointing a director with sustainability experience or expertise to join the board because they believe adding deep technical knowledge helps stimulate discussion and move the climate agenda forward. Other chairs prefer not to appoint an expert to the board, out of concern that the expert might skew the discussion or prevent the rest of the board from learning about climate change and reaching a collective point of view. In making this choice, the chair may consider whether the board includes "people who understand how to develop new business models, deliver systems change, and cultural mindset shifts."[20]

- **Broadening diversity on the board:** Some chairs comment that bringing more diverse board members could help expand the board's collective knowledge and perspective on a broad range of topics, including climate change. Indeed, some studies show that diverse boards, with respect to both gender and age, do better across almost every climate action indicator.[21] "When younger directors joined, a generational shift in the board took place that also impacted our skills matrix," a chair from Belgium says.

Advocating for change: Advice for the chair of the future

The following advice, assembled from the collective wisdom of the chairs who participated, may help provide a road map for the chair of the future on how to tackle the climate challenge.

- **Cultivate a network of peers.** Chairs are willing to support each other. Find and connect with peers who are exploring and addressing climate challenges to share experiences and ideas.

- **Find allies.** No organization can respond to climate change alone. Chairs can engage with stakeholders and explore how to advance together. Examples of engagement could include collaborations with membership bodies and industry associations to explore solutions to help address climate change.

  "I would like boards to be more politically engaged than they are," a UK chair says. "Typically, we wait for government to deliver regulation. Some of us lobby government to influence policy."

- **Evolve with your ecosystem and communicate about actions and ambitions.** The ecosystem addressing the climate challenge is far-ranging. It includes an organization's industry sector, other industries, its supply chain, government and regulators, employees, social innovators, and more. Shareholders and stakeholders more broadly are interested in progress and how the company plans to respond to climate change going forward. Chairs can advance their thinking along with the world around them by keeping ears to the ground.

  A chair in France notes, "In 2019, when I announced that we needed to be carbon neutral by 2050, it created a shock and was a significant trigger."

- **Align purpose, strategy, and executive appointments.** When the direction of the journey is set, chairs and the board oversee the alignment of strategy and its implementation.

  "The shift to sustainability is necessary, and my role is to guide the entire board toward it," a chair in the Netherlands says. "A crucial factor within our control is appointing a CEO who also champions this transformation."

- **Embrace an innovation mindset.** Chairs should continue to seek opportunities to help foster innovation with climate actions.

  A chair in Taiwan adds, "[We are] creating a green premium by manufacturing carbon-neutral products to create product differentiation and generate low-carbon profits."

- **Champion the climate agenda.** Whatever the climate response the company chooses, stakeholders' eyes are on the chair in setting the direction of the journey. With sound understanding of the strategic importance of the topic for the business and its stakeholders, chairs can keep the company on track on its sustainability journey with confidence.

  "As a chairperson, you must not be daunted by the immense challenges we face," a chair in the Netherlands says. "You must continue to take necessary actions and instill confidence within the organization that these steps are the correct ones."

- **Foster a culture of continuous learning.** Climate change is a complex and evolving challenge. Chairs and boards should keep educating themselves on the latest developments.

A chair in the UK notes, “Climate change is such a fundamental issue and will change the way we do business in so many respects. Any thoughtful director is obligated to educate themselves so they can contribute effectively to the debate.”

Explore more research from the Deloitte Global Boardroom Program, including their webinar series, here.

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