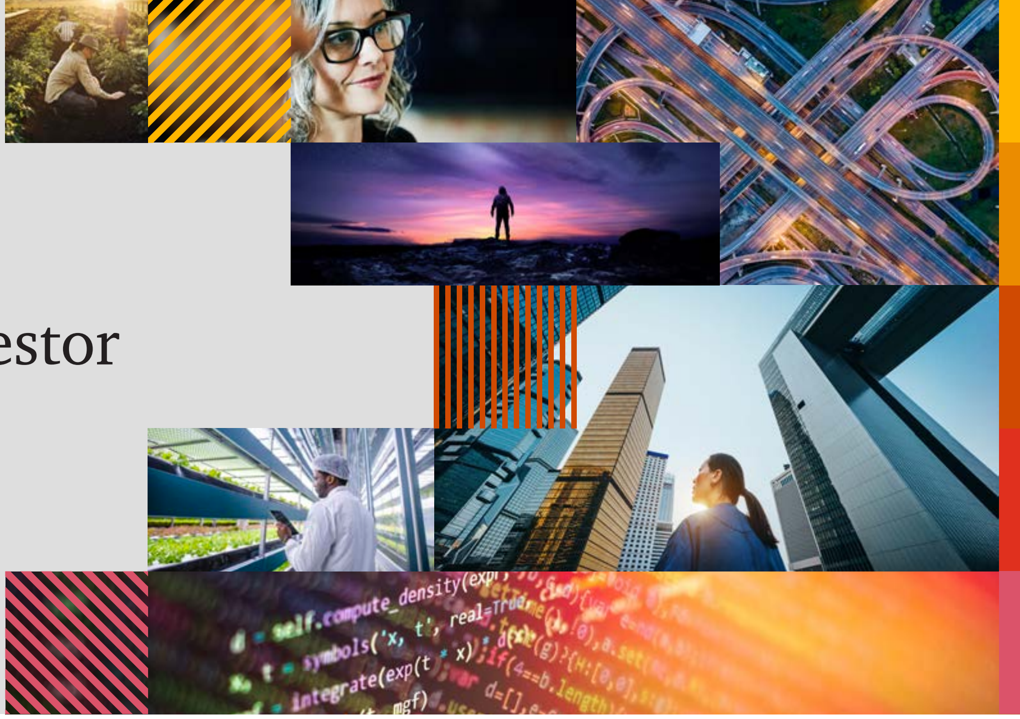


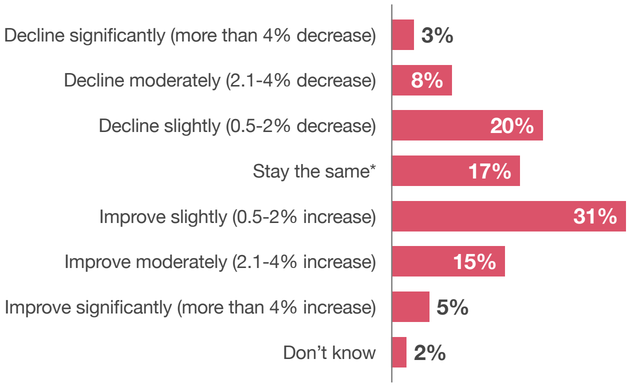
PwC's Global Investor Survey 2024

Cautiously optimistic, investors expect growth

Investors want to understand how companies are embedding innovation, managing and financing the climate transition, and leveraging technologies such as AI, all while building trust in the market and creating and protecting long-term value.

Investors appear sanguine about global economic growth in the next twelve months.

Share of respondents who think the economy will increase or decrease in the next 12 months

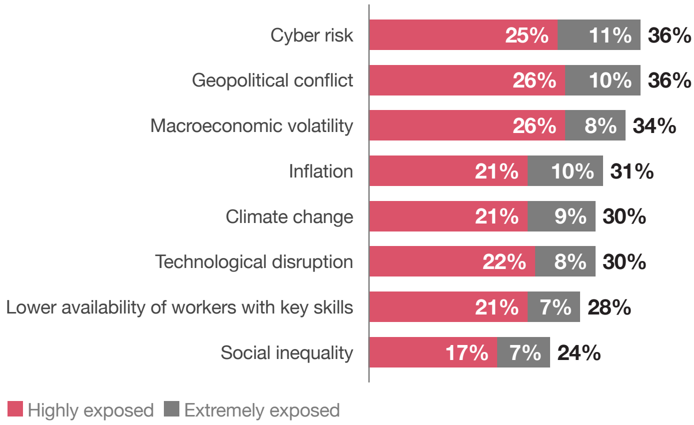


*between 0.5% decrease and 0.5% increase

Source: PwC's Global Investor Survey 2024

Investors rate most of the key threats we surveyed at roughly the same level–requiring companies to be agile and resilient.

Share of respondents who think companies will be highly or extremely exposed to the following threats in the next 12 months



Source: PwC's Global Investor Survey 2024

When no single threat stands out among a majority of investors, it suggests a complex and dynamic operating environment where companies face interconnected risks. Maintaining agility is paramount.

73%

of investors believe that–for the companies they invest in–they should enhance their resilience to future international crises

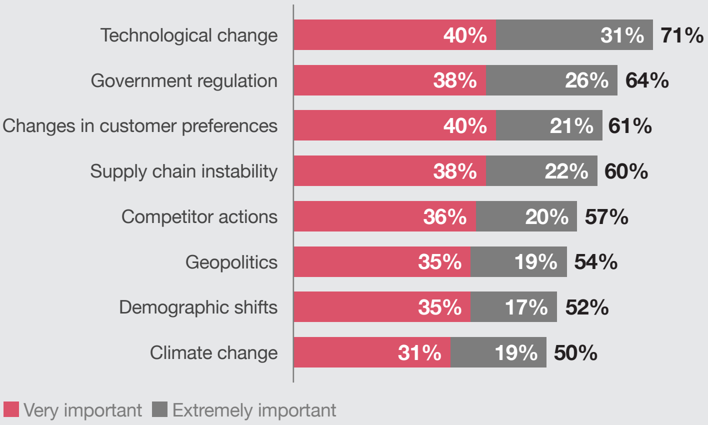
Companies should take action in four areas to address issues that matter most to investors. We'll explore each in more detail below:

- **Reinvention imperative**
- **Technology and artificial intelligence (AI)**
- **Climate transition and adaptation**
- **Trust through communication**

Reinvention imperative

Businesses are facing pressure from all angles to continually adapt. More than half of investors believe it's very or extremely important for businesses to reinvent their business models in response to all eight surveyed trends.

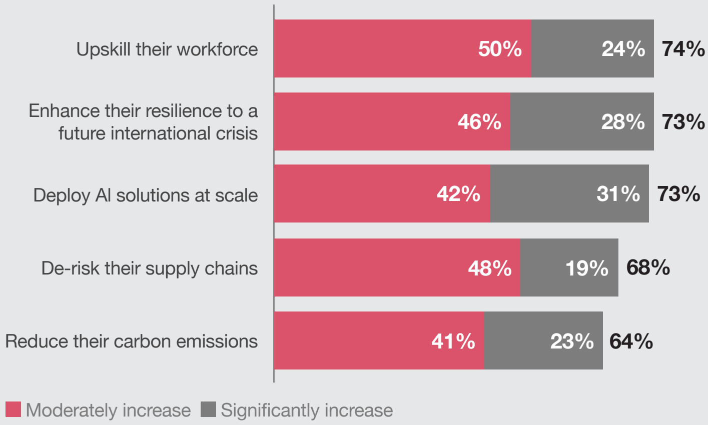
Share of respondents who think it is important that companies change the way they create, deliver and capture value in response to the following



Source: PwC's Global Investor Survey 2024

Business model reinvention involves fundamentally changing how a company makes money, serves customers, or provides new products and services. Nearly three-quarters of investors believe companies should significantly invest in workforce upskilling, enhance resilience to international crises and deploy AI at scale.

Share of respondents who think that companies that they invest in, or cover should increase their actions to address the following



Source: PwC's Global Investor Survey 2024

Ideas in action

1. Prioritise customers

61%

of investors believe it is very or extremely important that companies rethink their business models in response to customer preferences

2. Stabilise your supply chain

60%

of investors believe it is very or extremely important that companies rethink their business models in response to supply chain instability

3. Explore ecosystems

57%

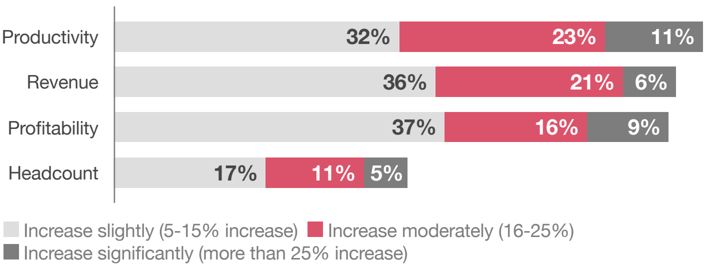
of investors believe it is very or extremely important that companies rethink their business models in response to competitor actions

Technology and AI

The potential of artificial intelligence in general, and GenAI in particular, continue to affect most areas of concern to investors.

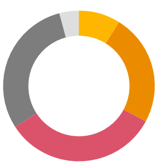
Investors expect AI to improve productivity, revenue and profitability—mostly without eliminating jobs.

Share of respondents that believe that generative AI will increase the following in the companies that they invest in or cover in the next 12 months



Source: PwC's Global Investor Survey 2024

Share of respondents who said that generative AI has increased their ability to analyse information published by companies

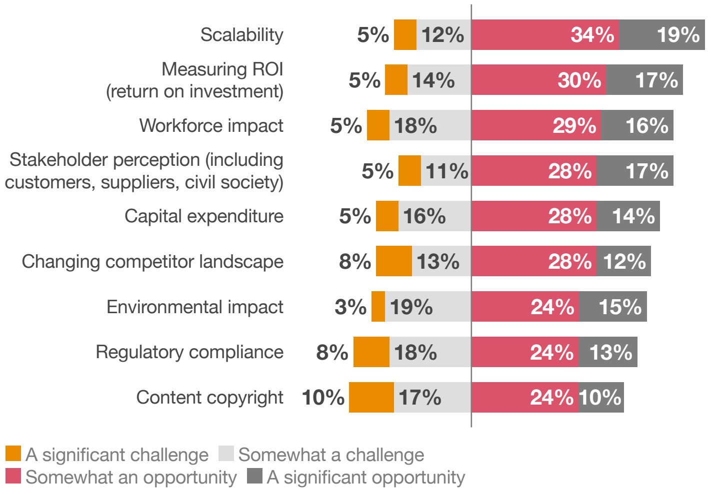


- Not at all **9%**
- Slighltly increased **24%**
- Moderately increased **33%**
- Significantly increased **30%**
- Don't know **4%**

Source: PwC's Global Investor Survey 2024

Investors remain optimistic about the promise of AI, especially around scalability, measuring return on investment (ROI) and workforce impact.

Share of respondents who see the following as a challenge versus an opportunity when the companies they invest in or cover are implementing AI



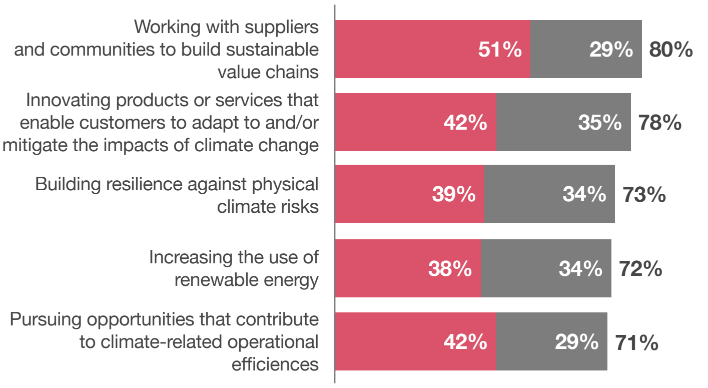
Source: PwC's Global Investor Survey 2024

Climate transition and adaptation

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 at roughly the same proportion who name inflation, macroeconomic volatility and technological disruption as top threats.

Investors are looking for companies to increase their investment in the following climate-related actions:

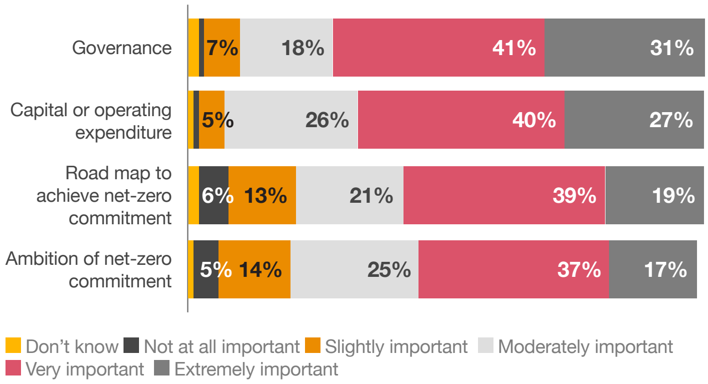
Share of respondents who would moderately or significantly increase their investment in companies that are taking the following climate-related actions



Source: PwC's Global Investor Survey 2024

For most investors, a company's road map to meeting its net-zero commitment is as important as the commitment itself–as are the costs and governance thereof.

Share of respondents when assessing a company's transition plan think the following are important factors in their investment decision-making



Source: PwC's Global Investor Survey 2024

Sustainability remains an important topic for investors, with company resilience, risk and opportunity management, and quantification of impact being important factors in their decision-making.

86%
Agree that the agility of a company in its response to crises and new developments is an important factor in investment decision-making

71%
Agree that companies should embed ESG/sustainability directly into their corporate strategy

72%
Agree that how a company manages sustainability-related risks and opportunities is an important factor in investment decision-making

75%
Agree that quantifying a company's societal and environmental impact clarifies its material risks and opportunities

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.

1. 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.

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.

2. Hone your transition plan

Transition plans are bespoke descriptions of the governance, targets, actions and resources necessary to meet its net-zero commitment, investors may have a hard time assessing what good looks like. 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.

Trust through communication

Investors cite information on corporate governance as the most important (including oversight, risk management, controls and ethics). Information on innovation, management competence, human capital management and cybersecurity round out the top five.

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.

On management competence…

44%

of investors tell us they have, to a large or very large extent, sufficient quantitative information to inform their investment decisions

vs. 63%

of investors who said they have, to a large or very large extent, sufficient qualitative information to inform their investment decisions

On innovation…

43%

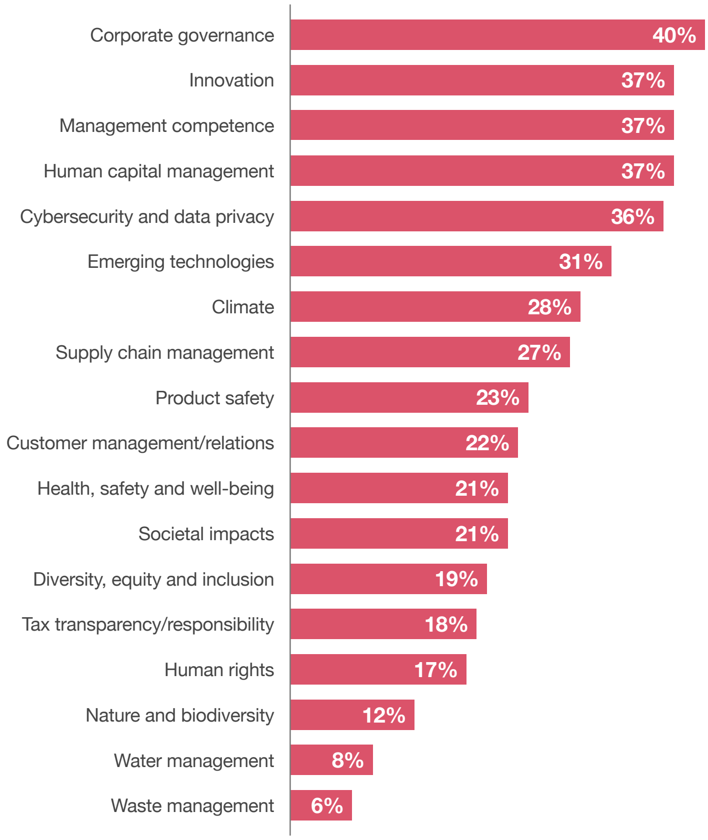
of investors tell us, to a large or very large extent, they have sufficient quantitative information to inform their investment decisions

vs. 57%

of investors who said they have, to a large or very large extent, sufficient qualitative information to inform their investment decisions

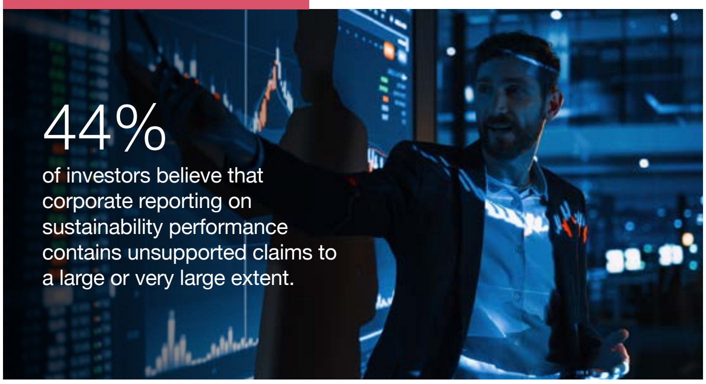
Investors seem to be relying more on qualitative data for their investment decisions than on quantitative data.

Share of respondents who think these topics are important when evaluating the companies they invest in or cover



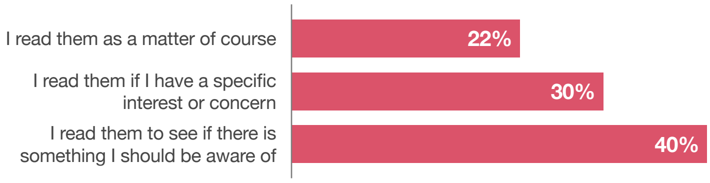
Source: PwC's Global Investor Survey 2024

Assurance and trust



Many investors read assurance reports as a matter of course, if they have a specific interest or concern or if there is something to be aware of.

Share of respondents who read assurance reports related to sustainability reporting



Source: PwC's Global Investor Survey 2024

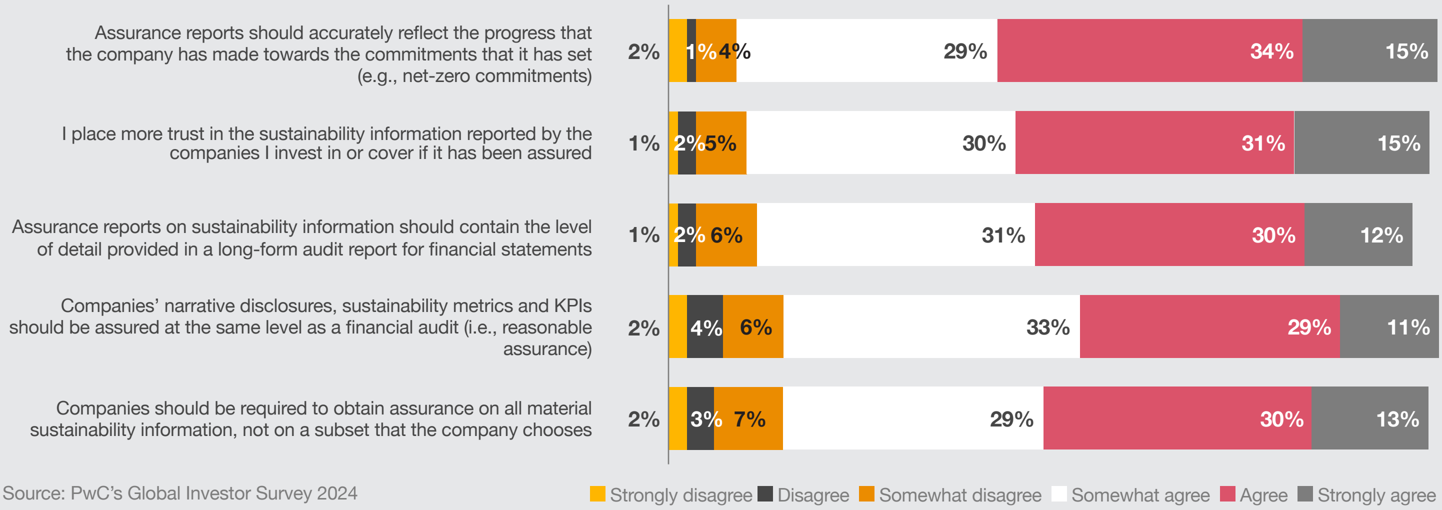
When it comes to the attributes of the assurance practitioner, investors are looking at a number of different characteristics to provide them with confidence in the information assured.

Share of respondents who think the following are important or very important in giving confidence in the work of an assurance practitioner

Source: PwC's Global Investor Survey 2024 Important Very important

Most investors agree that sustainability reporting should be assured at the same level as financial reporting.

Share of respondents who agree or disagree with the following statements



Source: PwC's Global Investor Survey 2024

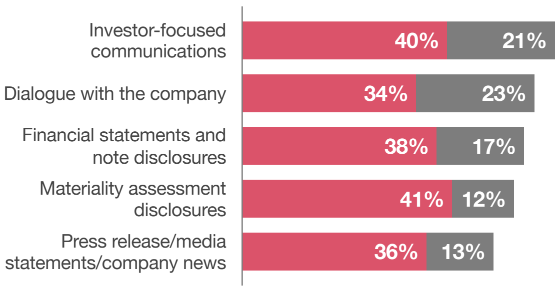
Ideas in action

1. Know where your investors get information

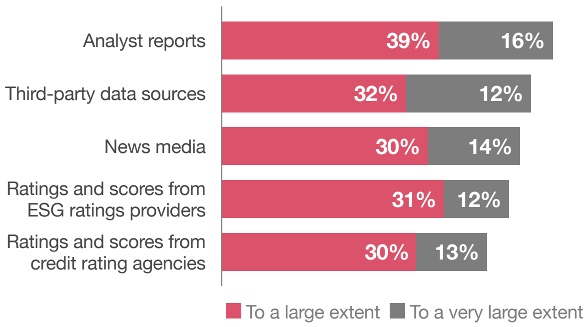
Most investors rely on targeted information directly from companies themselves.

Share of respondents who use the following sources of information in assessing how companies manage risks and opportunities to a large or very large extent

Company (Top 5)



Third-party (Top 5)



Source: PwC's Global Investor Survey 2024

2. 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. They should also take a broader perspective when determining what needs third-party assurance.

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.

3. Educate key investors around disclosure requirements

Companies will need to include plain language explanations of regulatory requirements in their communications to ensure that investors can evaluate their disclosures.

55%
Of respondents are at most moderately familiar with the company disclosures required under the IFRS Sustainability Disclosure Standards

63%
Of respondents are at most moderately familiar with the company disclosures required under the CSRD

"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."

Investor

Most investors expect technological disruption, government regulation and AI to drive changes in how companies create, deliver and capture value, and to prompt a re-evaluation of relationships with stakeholders, business ecosystems and the climate. Additionally, with new regulatory requirements, investors seek greater transparency in company performance.

Research methodology

In September 2024, we surveyed 345 investors and analysts across 24 countries and territories and conducted in-depth interviews with 14 investment professionals. The respondents to the online survey were spread across a range of industries, roles and specialisms, with assets under management (AUM) at their organisations ranging from <US$500 million to US$1 trillion or more; 53% of respondents are at organisations with total AUM of more than US $10 billion.

The online research was undertaken by PwC Research, our global centre of excellence for primary research and evidence-based consulting services. The in-depth interviews were conducted by partners and staff of PwC.

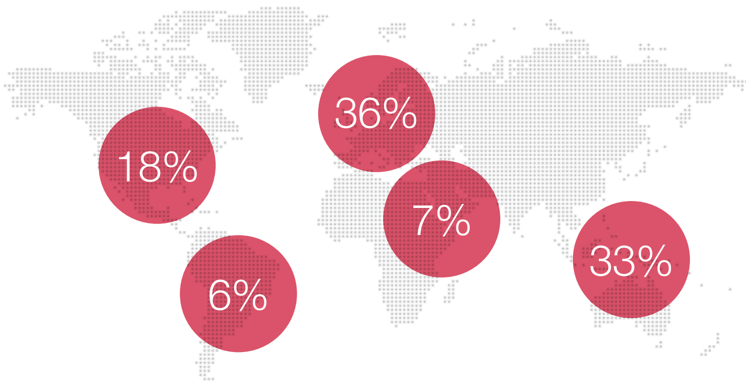
What is your role?

23% Chief Investment Officer

21% Analysts

21% Portfolio managers

Where are you based?



Where do you invest? Top 5 countries indicated

US 46%

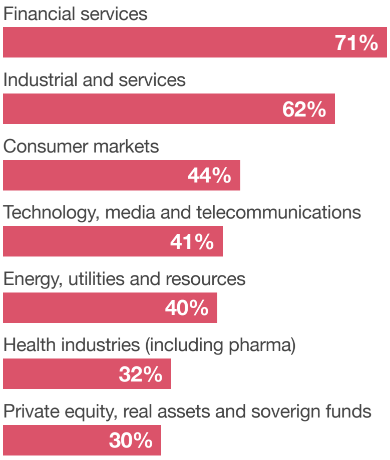
UK 31%

Germany 31%

France 29%

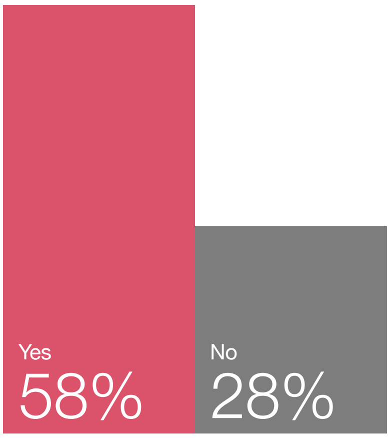
Canada 29%

What industries do you cover?



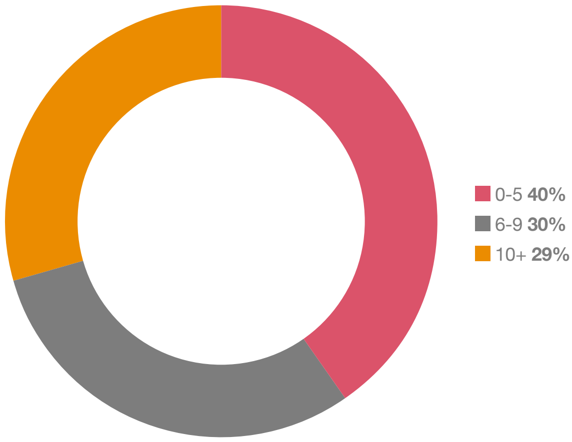
Source: PwC's Global Investor Survey 2024

Is your organisation a signatory of a responsible investing body or initiative?



Source: PwC's Global Investor Survey 2024

What is your planned investment horizon in years?



Source: PwC's Global Investor Survey 2024

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Throughout this document, percentages shown in charts may not match the total figure due to rounding.

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