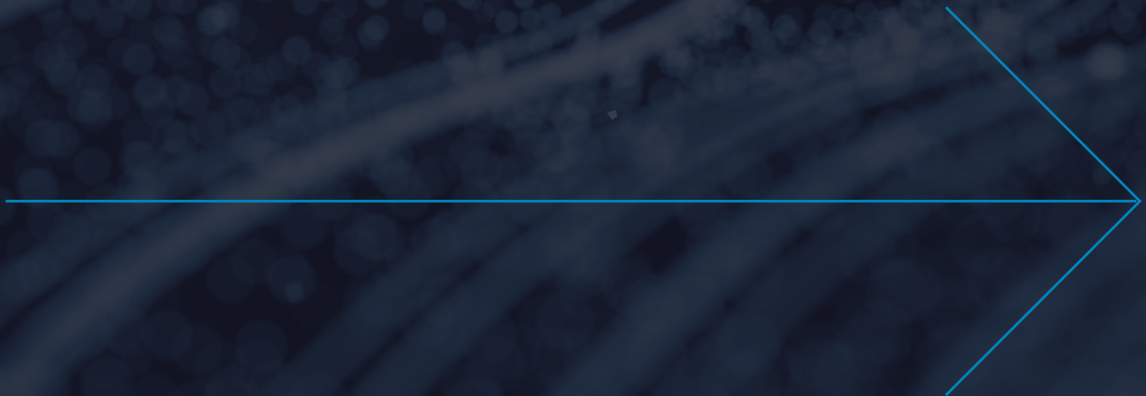


The *dual transition*

The path to a digital and sustainable economy

Perspectives from Capgemini





Vincent Charpiot
EVP and Head of Group
Sustainability Business
Accelerator,
Capgemini

BUSINESS,
MEET PLANET:
LEVERAGING
TECHNOLOGY,
DATA, AND
ENGINEERING
FOR A BRIGHTER
FUTURE

Perspectives from Capgemini

Sustainability is today a business imperative. This is increasingly clear to executives the world over – but the road towards real change is long and winding, with interconnected challenges. Meeting them will demand a mindset shift; we need to aim beyond immediate sustainability goals and weave the planet's needs into the very fabric of our approach, making the natural world a crucial stakeholder in the corporate narrative. And technology will help us navigate uncertainty as we work to create a better future for all.

Picture a landscape where the digital and the sustainable seamlessly converge, giving rise to technology as an ally in our pursuit of environmental goals. This is the setting of the eco-digital era™, where innovation drives exponential progress in sustainability. Organizations that effectively manage the transition by focusing on a few key areas will be able to meet their business goals while preparing for an inclusive and sustainable tomorrow.

“

This is the setting of the eco-digital economy, where innovation drives exponential progress in sustainability.”



Shifting the business model to unlock value

Today, 63% of executives can clearly see the business case for sustainability, versus 21% a year ago¹. It's an impressive increase in just one year – but getting sustainable action off the ground will require commitment to this paradigm shift. In order to succeed, we must prioritize the planet's needs on par with the organization's objectives.

Many companies are already doing this. In fact, Capgemini's research has shown that "sustainability frontrunners," or organizations that successfully weave sustainability into all areas of their own operations as well as in their value chains, in part by leveraging digital technologies, also unlock additional value. We've seen that in terms of revenue per employee, such companies perform 12% higher than average, compared to 6% higher for less mature organizations and 12% lower than average for the least mature.

For companies starting their sustainability journey, part of the solution will be to leverage circular economy and sustainable design principles. With circularity, organizations operate within the limits of our planet's resources, building business resiliency and enabling the planet's self-regeneration. This could mean embracing product-as-a-service models or sharing platforms, or encouraging repair and maintenance, for example. Crucially, this shift will require organizations to consider long-term advantages rather than future costs and to invest in and scale digital technologies. In the long run, companies will reap many benefits, including reducing waste, extending the lifespan of products, and appealing to sustainability-conscious consumers.



Today, 63% of executives can clearly see the business case for sustainability."

1. A World in Balance 2023, Capgemini Research Institute, 2023

Realizing innovation with new tech and data

Technology will be key to unlocking value in sustainable business models. Three-quarters (75%) of executives across the globe believe climate tech will be indispensable to reaching their organizations' sustainability goals². However, the cost of climate- and clean tech – such as renewables and biofuels – is a major barrier to adoption³. It's important, then, that organizations become empowered to leverage tools like AI, digital twins, and blockchain, which can reduce the development costs of climate tech while increasing efficiencies and speeding up innovation.

Alongside climate tech, smart use of data will also be essential to increase efficiency in a range of industries and prevent unnecessary emissions. As an example, in our work with OCAP (Organic Carbon Dioxide for Assimilation of Plants), Capgemini's innovative data platform helped accurately track, measure, and control the CO₂ distribution of their clients as they redirect CO₂ from heavy industry to greenhouses.

In the past year alone, we've seen businesses across sectors make great strides in adjusting their outlook toward sustainable practices. With each innovation, we can increase the accuracy of these tools and empower businesses to make data-driven decisions that optimize energy consumption and reduce their carbon footprint.



Technology will be key to unlocking value in sustainable business models."

2. Climate Tech, Capgemini Research Institute, 2023

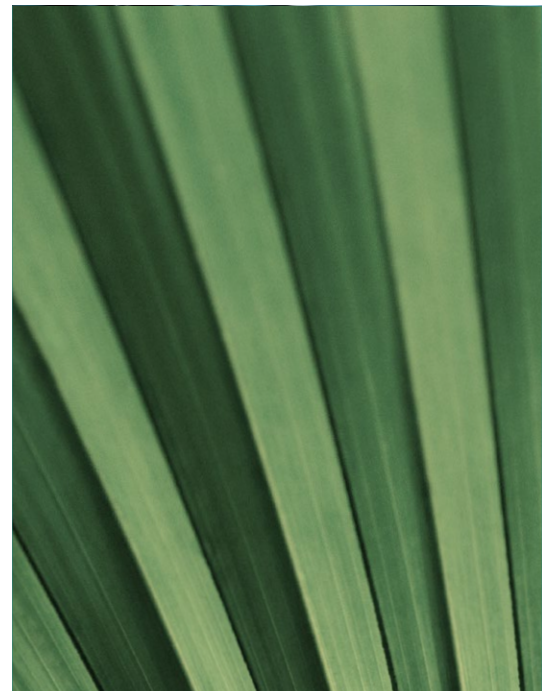
3. Climate Tech, Capgemini Research Institute, 2023

Delivering impact for the planet, and for its inhabitants

Today, most executives can see how sustainable practices can help the business. However, too many organizations are still being weighed down by a belief that the sustainability transition is a costly threat looming over their path to success. By learning how to harness technology to drive innovation and value creation, these players can be empowered to deliver real-world change in a large array of domains.

Transversal topics such as energy usage represent a crucial lever to alleviate businesses' footprint. For instance, in 2022, we launched Capgemini Energy Command Centre (ECC) which during its first year, helped reduce energy consumption by 29% (compared to 2019) in our eight main campuses in India. This project actively enhances building energy and asset performance, implementing predictive condition-based maintenance measures that positively impact stakeholders and the environment.

New technologies will also be crucial in tackling biodiversity loss, a previously overlooked topic that is integral to a sustainable future. Our research reveals that 73% of executives see digital technologies, especially AI, as key for biodiversity preservation. Capgemini, in collaboration with Naturalis Biodiversity Center and Amazon Web Services, has already applied AI to combat biodiversity loss. Using machine learning, we analyzed insect sound recordings to monitor and support preservation efforts, addressing the challenges in tracking these vital ecosystem contributors.



"Alongside climate tech, smart use of data will also be essential to increase efficiency in a range of industries and prevent unnecessary emissions."

Building ecosystems of responsible business

Climate, population, and planetary boundaries are just some of the elements that should influence organizations' business decisions and their supporting economic models. And to become truly future-proof, organizations must begin by understanding how the interaction of these complex factors will impact their technologies and assets. They should also recognize the opportunities in new and transformed relationships with other players within or outside of their industries – including startups, research institutions, and government bodies.

Technology not only predicts strategy outcomes but also aids companies in collaborating with broader ecosystems for sustainable change. For example, Capgemini's partner, BLOOM, used advanced social listening to uncover how a distrust between organizations and individuals threatens global sustainability efforts. To address this roadblock on the journey to sustainability, businesses should avoid overstating progress, focusing instead on implementing effective processes to measure and control impact, and foster transparent communication.



Climate, population, and planetary boundaries are just some of the elements that should influence organizations' business decisions and their supporting economic models."



"Technology not only predicts strategy outcomes but also aids companies in collaborating with broader ecosystems for sustainable change."

Let's meet the planet's needs, together

Sustainability transformation is not just about meeting targets; it's about changing the way businesses operate, fostering a balanced relationship between technological advancement and environmental responsibility.

Technology will be the bridge to future-proofing our businesses. And with the right support, organizations and the global community can come together and harness these new tools to create benefits for everyone.

“

Sustainability transformation is not just about meeting targets; it's about changing the way businesses operate."

