

A World in Balance

Why sustainability ambition is not translating to action

Organizations' ambitions do not translate to their actions on sustainability

While 64% of executives globally say sustainability is part of their leadership's agenda, actions on sustainability are falling short of ambitions across the following five dimensions:

1. Sustainability strategy and business model

49%

of executives say their company has defined a priority list of sustainability initiatives to be implemented in the next three years

37%

of executives say their organization is redesigning its business/operating model to be more sustainable

2. Sustainable products and services

Less than half

of organizations are redesigning products and design processes to be more sustainable

3. Sustainable operations

49%

of executives say their organization is reducing the use of packaging materials

43%

of executives say their organization invests in conserving natural habitats

4. Sustainable IT

48%

of executives say their organization uses low-energy-consumption green cloud architecture for its data centers

5. Data for sustainability

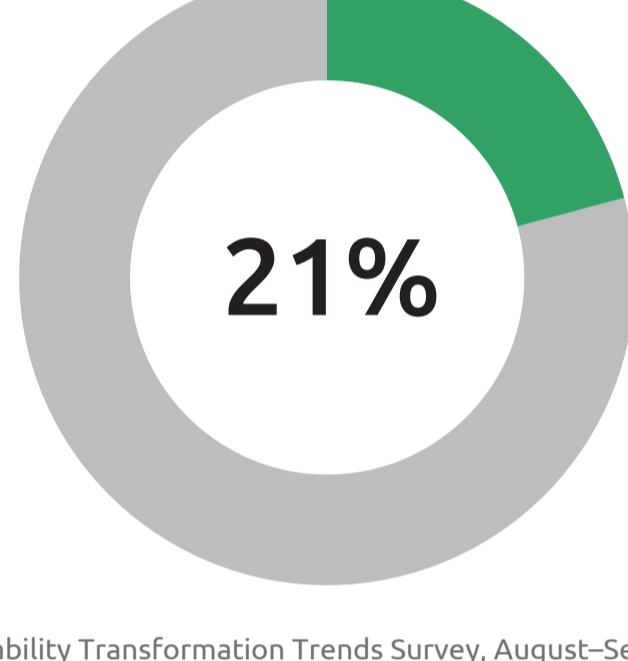
43%

of executives say that sustainability-related data is available and shared across the entire organization

Organizations view sustainability as a cost driver, not an investment

The business case for sustainability is currently largely underestimated or misunderstood

% of executives who agree with the statement: The business case for sustainability is clear



Source: Capgemini Research Institute, Sustainability Transformation Trends Survey, August–September 2022, N = 2,004 executives, 668 organizations.

Organizations often see sustainability initiatives as obligatory and unprofitable

% of executives who agree with the following statements



Source: Capgemini Research Institute, Sustainability Transformation Trends Survey, August–September 2022, N = 2,004 executives, 668 organizations.

Our research suggests that environmental sustainability is financially viable

We identified a set of frontrunners, who have progressed further on their sustainability transformation than the rest of the companies we surveyed. One in ten organizations (11%) in our survey are categorized as a sustainability frontrunner. From 2020 to 2021, frontrunners realized:

83%

higher revenue per employee compared to the average

9%

higher net profit margin compared to the average

People and culture challenges limit enterprise-wide collaboration and adoption

Less than half of organizations are focusing on sustainability recruitment/upskilling

% of executives who agree with the statements



Source: Capgemini Research Institute, Sustainability Transformation Trends Survey, August–September 2022, N = 1,003 executives in corporate functions.

50%

of respondents say that their organization provides autonomy to employees to develop solutions to sustainability challenges

About half

of respondents say that their organization acts on the concerns of internal stakeholders when shaping sustainability initiatives

Some organizations are investing in technologies to limit environmental impact

55%

know **how much carbon its technology emits** across digital tools, apps, IT systems, and data centers

60%

are investing in **AI and automation** for sustainability

56%

are investing in **IoT** to monitor or reduce energy consumption

55%

use **digital technologies to reduce travel** and carbon footprints

How organizations can accelerate toward sustainability

This report shares recommendations for how eight C-suite positions can accelerate their companies' sustainability ambitions, which must be implemented in a combined, collaborative view:

- The CEO must make sustainability a business priority
- The CFO must articulate the business case for sustainability and ensure it is understood throughout the organization
- The CMO must implement protocols to avoid greenwashing sustainability credentials
- The chief design/product officer needs to embed sustainability as a core design principle
- The chief procurement/supply chain officer needs to work with suppliers to ensure they achieve sustainability goals
- The CTO/CIO must strengthen sustainable IT initiatives
- The COO needs to build the foundation of the sustainable organization
- And, of critical importance, the CHRO needs to staff for sustainability, which requires new skill sets and a new leadership model.

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