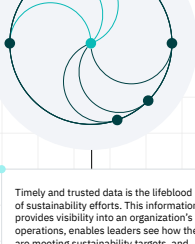


Data Story

The power of AI: Sustainability



Once an aspirational goal, sustainability is now core to business growth strategy. A sustainable organization can lower costs, increase brand value, and attract investment. Now more than ever, leveraging data is key to identifying sustainability opportunities and assessing progress toward these goals.

Timely and trusted data is the lifeblood of sustainability efforts. This information provides visibility into an organization's operations, enables leaders see how they are meeting sustainability targets, and fuels the decisions that help companies make a difference—and make a profit.

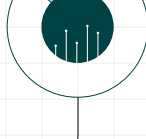
76% of the executives we surveyed view their sustainability-related efforts as central to their business strategy, and **72%** approach it as a revenue enabler rather than a cost.

77% of CEOs pursuing transformational sustainability expect workflows to leverage AI automation by 2025, and **46%** of executives view AI as important for advancing their companies sustainability reporting and performance efforts.

AI accelerates the conversion of data into relevant and reliable sustainability insights. To drive real improvement, sustainability data and metrics need to be embedded in core operations, processes, and workflows to inform real-time decision-making. It is through these data-enabled actions that sustainability strategies are brought to life.

Sustainability goals rank in the top tier of action items for executives, but progress toward these goals continues to be limited. While 95% of organizations have developed operational ESG propositions, only 10% have made significant progress toward their goals. What is standing in the way?

Executives cite inadequate data.



Actions to achieve

1. Embrace sustainability as an opportunity for business and approach it as a catalyst for change.
2. Embed sustainability within your organization and make it an integral part of your operations.
3. Engage ecosystem partners and suppliers to drive improvement across the value chain.
4. Address the sustainability data barrier, align with partners on data governance, and tap the potential of digital technologies.

Strengthen relationships with sustainability insights.

With sustainability data embedded into operations, companies can assess current sustainability goals, credibly estimate the ROI of sustainability initiatives, and manage compliance and risks.

Transparent sustainability insights can also be shared with stakeholders and help organizations strengthen relationships. It can build trust with customers, employees, and partners, create new market opportunities, and support innovation and engagement.

"Sustainability is not just a concept or a department in an organization anymore. It is integral to your culture and a way of life. When you want to be two steps ahead, you need the conviction of everyone in the organization."

Suraj Bahirwani
President and Global Sales Head,
Pulp and Fibre Division, Grasim Industries Limited

More robust data capabilities boost performance.

When sustainability data is viewed as a vehicle for driving business value, it generates insights that create opportunities and boost performance. Organizations with more mature sustainability data capabilities financially outperform their peers.

Where outperformers sharpen their competitive edge:

5% better rate of return on shareholder investment

10% higher annual rate of revenue growth

43% more likely to outperform peers on profitability

52% more likely to attribute a very great impact of ESG efforts on profitability

Accelerate sustainability progress through technology, AI, and automation.

Leaders are **58% more** likely than laggards to develop hybrid cloud capabilities for ESG, **33% more** likely to make significant progress with AI for ESG, and more than **twice as likely** to make significant progress in using advanced analytics for ESG. They are also **79% more** likely to make progress in using automation for ESG.

More AI, more automation, more sustainability.

The sheer volume and complexity of sustainability data make AI and automation invaluable for progress. These tools create opportunities for improvement across the enterprise and throughout value chains. They also convert opacity into actionable clarity. Enterprises can tap these exponential technologies for transformational change at speed and scale. They allow you to accelerate, scale impact, and drive efficiencies for improved sustainability and business outcomes.

Actions to exceed

Invest in data and AI

1. Source and migrate sustainability data from across your enterprise into a single system of record.
2. Create a data platform and integrated sustainability dashboard for shared visibility and performance management.
3. Automate sustainability processes and reporting capabilities.
4. Tap AI for enhanced actionable insights into performance, predictive analysis, and scenario development.

"The advancement of sustainability and digitization is crucial to our forward-looking approach."

Dr. Stefan Rennicke
CEO, KAYA&KATO, GmbH

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