

IT Sustainability

Survey of global business leaders

September 2023

A large, 3D-rendered white IBM logo is centered on the page. The letters are thick and blocky, with a slight shadow cast to the right, giving it a three-dimensional appearance.

Methodology

- This poll was conducted online by Morning Consult in August 2023 among a sample of 3,250 global business leaders.
- To be eligible for the survey, participants must be employed at companies with 1,000 or more employees and qualify as an IT Decision Maker or a Sustainability Strategy Maker.
 - To qualify as an IT Decision Maker, participants must be a director or higher, work in the tech industry, and have influence over purchasing consulting or IT products
 - To qualify as a Sustainability Strategy Maker, participants must be a manager or higher and have influence over the creation or management or sustainability strategies.
- The sample includes 250 participants from each of these markets: US, UK, UAE, Australia, Brazil, France, Germany, India, Italy, Japan, Mexico, Singapore, and Spain. Results have a margin of error of +/- 3 points

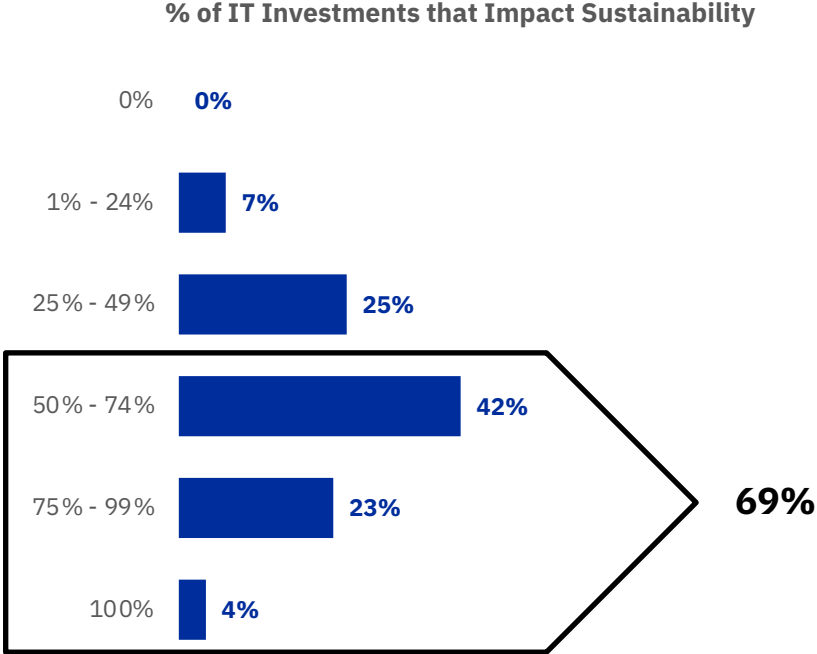
Section 1

IT for sustainability is a priority at large global companies, often including oversight or decision-making at the highest levels of leadership.

Business leaders see a strong connection between IT and sustainability, are expecting to increase investment in IT for sustainability, and are confident in their ability to track and execute their sustainability goals.

Business leaders think that IT investments impact their organization's sustainability and implement IT solutions for that purpose.

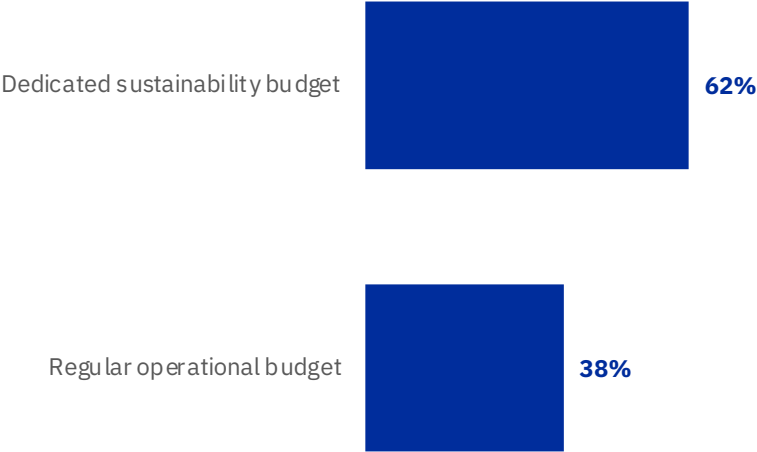
- 69% of surveyed business leaders say that at least half of their IT investments impact the organization's sustainability.
- C-level leaders are much more likely than lower-level roles to say that 75% to 99% of their IT investments have an impact on sustainability.
- Similarly, two thirds of leaders say that at least half of the IT solutions that impact sustainability were implemented specifically for that purpose.



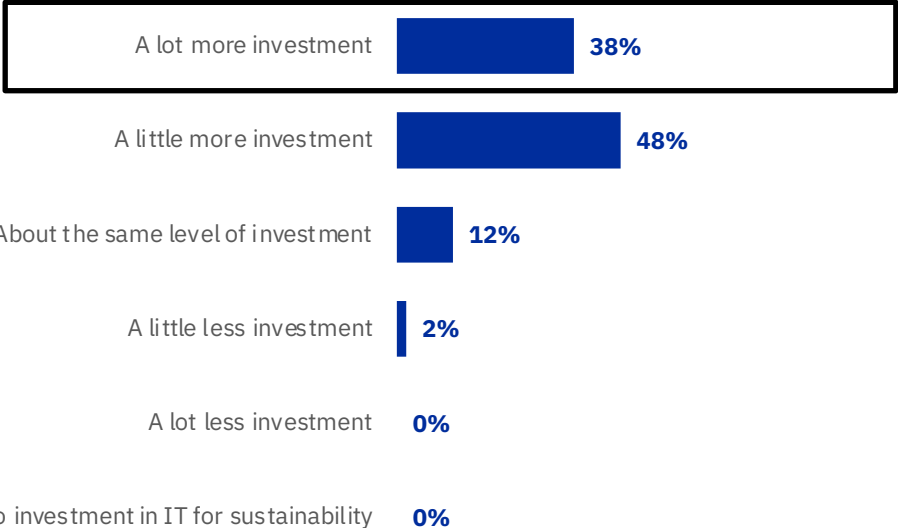
Q: How much of your organization's current IT investments—for any purpose—do you think impact its sustainability?
Base: Global Business Leaders n=3299
Q: Of the IT that impacts your organization's sustainability, how much was implemented for that specific purpose?
Base: Global Business Leaders with at least 1% to 24% of IT impacting sustainability n=3296

Nearly two thirds of organizations already have a dedicated sustainability budget that pays for relevant IT solutions. Looking ahead, 38% of surveyed business leaders say their organization will be investing a lot more in IT for sustainability in the next year and almost none plan to pull back on their sustainability investments.

IT Sustainability Budget



IT Sustainability Budget



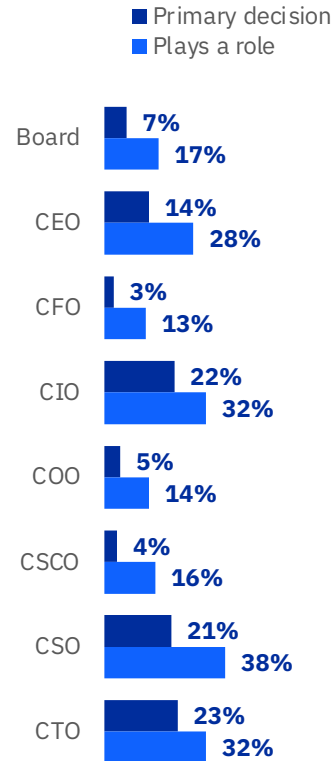
Q: When IT solutions are deployed that impact sustainability, what budget does it come from?; Looking ahead, how does your organization plan to invest in IT for sustainability? Please compare the next 12 months to the past 12 months.
 Base: Global Business Leaders n=3299

Decisions are often made at the highest level with CEOs and other C-level executives involved.

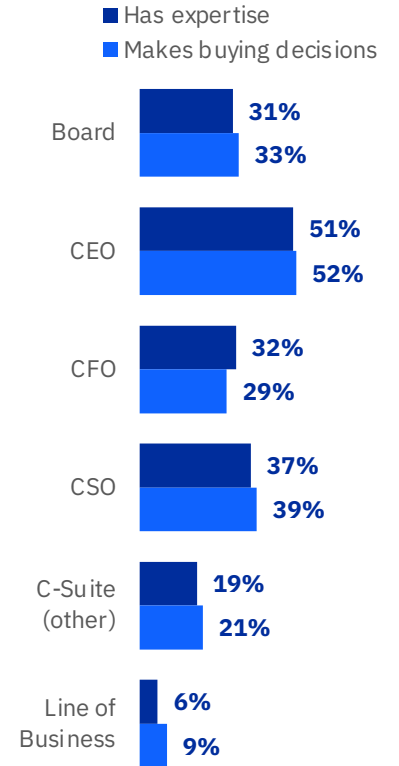
CIO/CTO are most likely to be the primary decision-maker on IT solutions for sustainability, but the CSO is most likely to “play a role”

Sustainability strategy-makers at the Manager level are especially likely to think the Board has relevant expertise and is involved in decisions. By contrast, C-suite executives are especially likely to think that the CEO is a sustainability decision-maker.

Who is responsible for IT solutions for sustainability?



Who is involved with sustainability?



Q: Which leader/Organization is primarily responsible for deciding on IT solutions that impact sustainability?; Who else plays an important role in IT for sustainability at your organization?; At what levels does your organization include executives or staff with sustainability expertise?; At what levels are buying decisions being made when deploying IT for sustainability?
 Base: Global Business Leaders n=3299

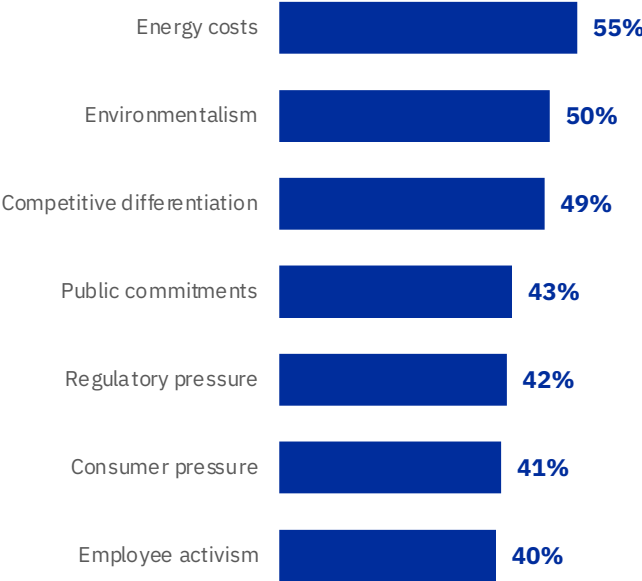
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Section 2

Even with the prioritization of sustainability at a strategic level, the bottom line is at the top of business leaders' minds.

Energy costs, energy efficiency, and budgets consistently emerge as a major factor influencing IT for sustainability.

The most important reason why organizations are investing in IT for sustainability is energy costs (55% say this is very important, 92% say it is important).

Reasons for IT Sustainability Investment



Q: How important are the following reasons why your organization is investing in IT for sustainability? Showing Very Important
Base: Global Business Leaders investing in IT sustainability n=3219

The top sustainability-related benefit leaders expect to get from implementing new IT tools are lower energy use (34%) and minimizing waste (32%).

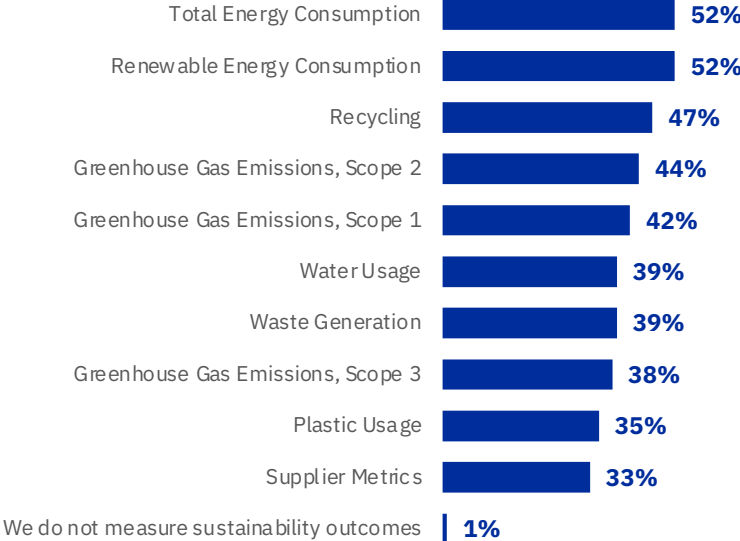
Top 3 Sustainability-Related Benefits

- 1 Lower energy use
- 2 Minimize waste
- 3 Improve accuracy of reporting

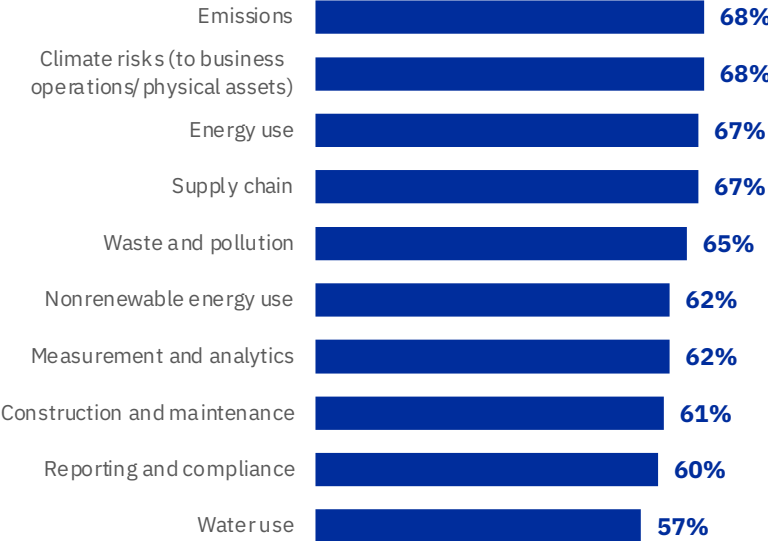
Q: Thinking about your sustainability goals, what benefits would you most appreciate from implementing new/enhanced IT tools? Select top three.
Base: Global Business Leaders n=3299

Along the same lines, total energy consumption and renewable energy consumption are tied as the most commonly tracked KPIs (52%) and two thirds of leaders say energy use (67%) is challenging to solve.

KPIs Used to Measure Sustainability



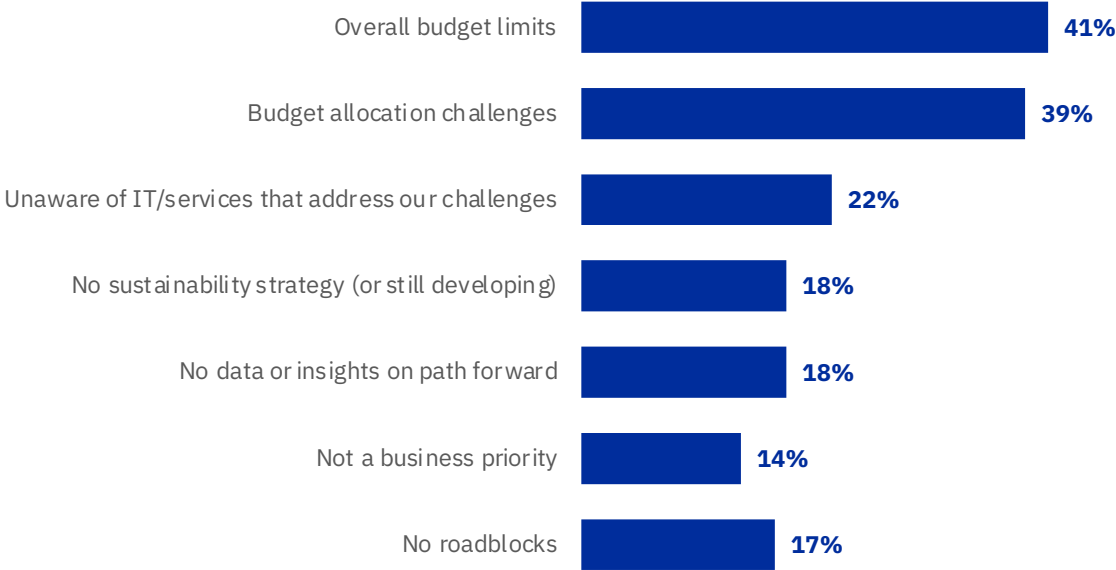
Sustainability Challenges



Q: What KPIs, if any, does your organization use to measure sustainability outcomes?; How challenging is it for your organization to solve the following sustainability issues? *Showing Very + Somewhat Challenging*
 Base: Global Business Leaders n=3299

Budgeting limits and challenges may also present an issue to future investments in IT for sustainability. Around 2-in-5 of business leaders say that budget limits and budget allocations issues are roadblocks preventing a higher investment in IT for sustainability, more than any other factors by a wide margin.

IT Sustainability Investment Roadblocks



Q: What roadblocks, if any, are preventing additional investment in IT for sustainability?
Base: Global Business Leaders n=3299

Section 3

There are some disparities between business leaders' perceptions of their organizational capabilities versus what their organization is already doing.

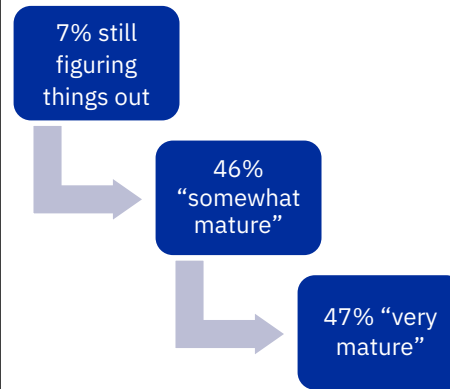
Lack of clarity on current practices, measurement, and tooling could slow down sustainability efforts even as leaders feel like progress is being made.

Most leaders *think* their ability to track sustainability is “mature” but the reality is more complex

Even though only 7% think their ability to track sustainability is still in the developing stage:

- 60% say that reporting and compliance is challenging
- 22% say a lack of awareness about IT/services is holding them back from investing in sustainability (24% among “very mature” organizations)
- 18% say they have no data or insights on a path forward and the same percent has no strategy
- Just over half of “mature” organizations are ready to report on Scope 3 emissions, and only 61% on Scope 2

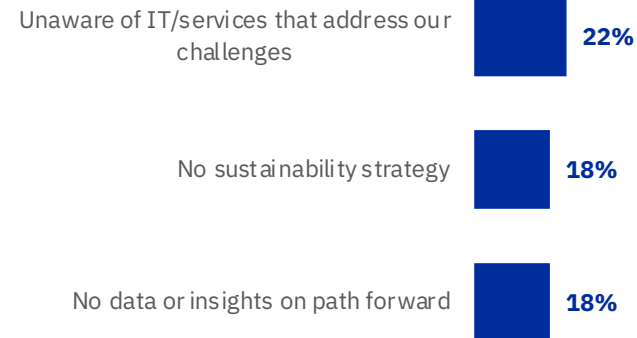
Q: How mature is your organization in using data to track progress on sustainability goals?
Base: Global Business Leaders n=3299
Q: What roadblocks, if any, are preventing additional investment in IT for sustainability?
Base: Global Business Leaders n=3299



Not only do most organizations think their ability to track sustainability is mature:

23% of “very mature” and 13% of “somewhat mature” organizations say that they face “No roadblocks” to investing in sustainability

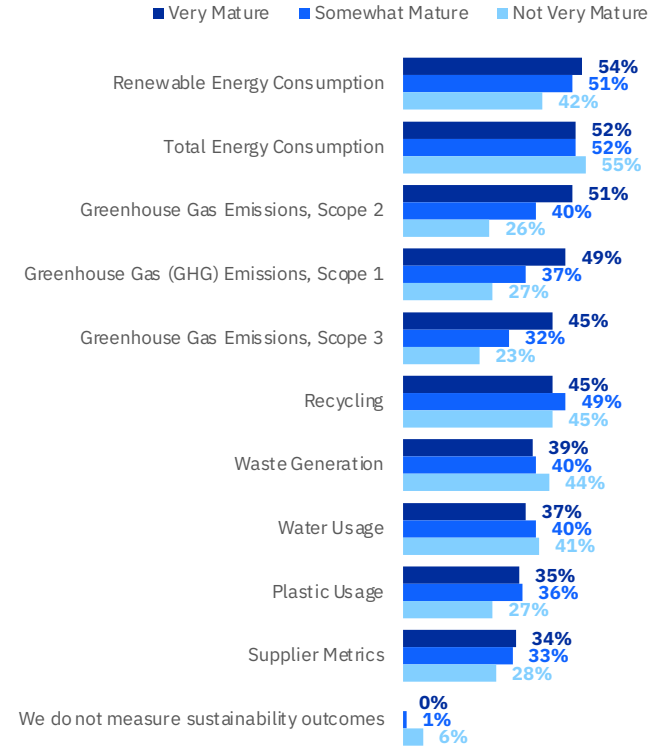
IT Sustainability Investment Roadblocks



Perceived knowledge seems to be driving confidence among leaders...

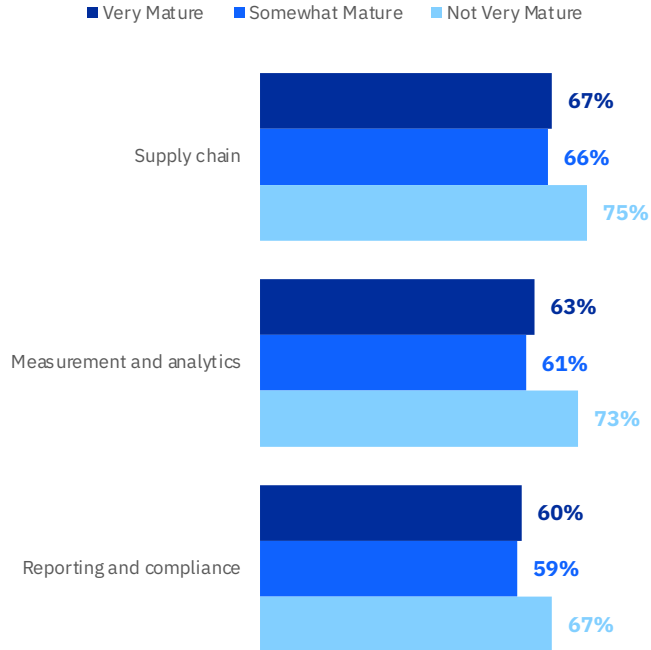
Leaders at organizations “very mature” in their sustainability tracking efforts are **far more likely** to say their company is **measuring Scope 1, 2, and 3 emissions**, yet they **are just as likely** (and in some cases less likely) than those at less mature organizations **to be measuring several KPIs**, specifically supplier metrics, waste usage, waste generation, and recycling.

KPIs Used to Measure Sustainability



Q: What KPIs, if any, does your organization use to measure sustainability outcomes?
Base: Global Business Leaders n=3299

Sustainability Challenges

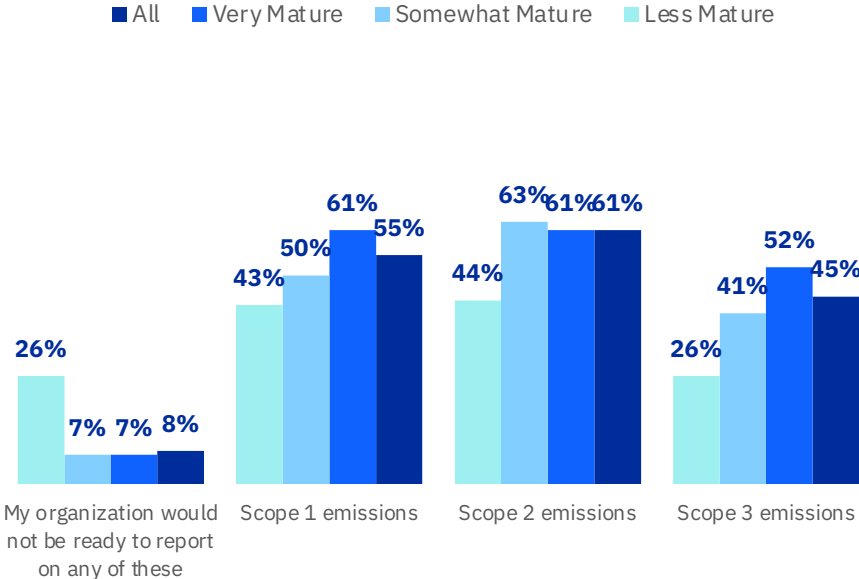


Despite varying interpretations of their company's tracked KPIs, business leaders within organizations boasting “mature” sustainability strategies are significantly **less likely** than those at “not very mature” organizations to **consider supply chain, reporting, and measuring are challenging.**

Q: How challenging is it for your organization to solve the following sustainability issues? Showing Very + Somewhat Challenging
Base: Global Business Leaders n=3299

Businesses say they are ready to report on Scope 1, Scope 2, and even Scope 3 even though many of them are not currently measuring these. Leaders that say they have a mature measurement capability are only slightly more likely to say they are ready to report, suggesting that the “less mature” organizations may be simply more realistic about their capabilities

Readiness to Report in 2024



42% Currently measure **scope 1** emissions (55% say they are ready to report) **-13 point gap**

44% Currently measure **scope 2** emissions (61% say they are ready to report) **-17 point gap**

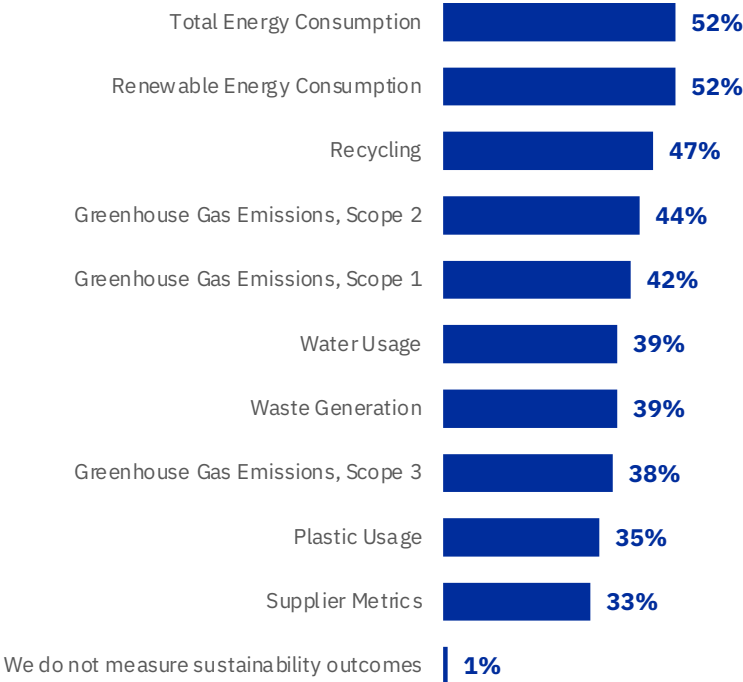
38% Currently measure **scope 3** emissions (45% say they are ready to report) **-7 point gap**

Q: If required in 2024, would your organization be ready to report on the following?; What KPIs, if any, does your organization use to measure sustainability outcomes?; Base: Global Business Leaders n=3299

Specific KPIs, notably supplier metrics, are likely being overlooked. Only a third of respondents report their company uses supplier metrics to measure sustainability outcomes, and almost all KPIs are being measured by less than half of organizations.

93% think their company is very or somewhat mature in using data to track sustainability goal progress.

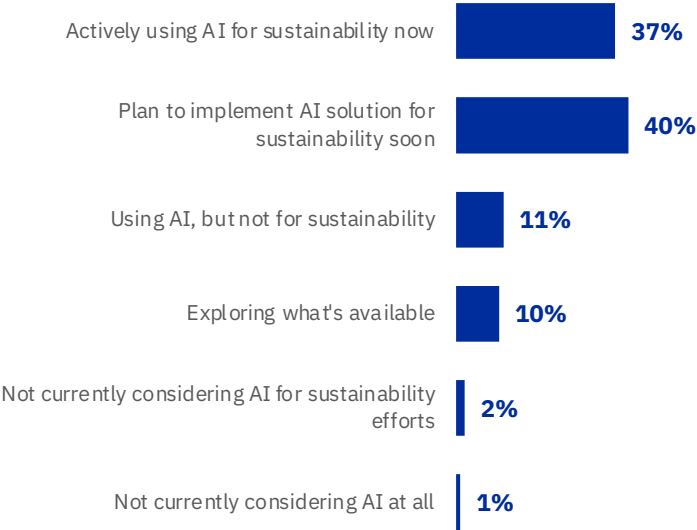
KPIs Used to Measure Sustainability



Q: What KPIs, if any, does your organization use to measure sustainability outcomes?; How mature is your organization in using data to track progress on sustainability goals?
Base: Global Business Leaders n=3299

There is also a noticeable discrepancy between business leaders' perceptions of their organization's AI usage and their ability to articulate what AI entails. Nearly 40% say their company is actively using AI for sustainability, but in an open-end context, they describe AI in very high-level terms.

IT Sustainability Investment Roadblocks



“AI can help to reduce energy use in various processes and how it minimize waste and optimize resource usage.”

“Migration of local data to the cloud published in real time.”

“Automation of processes which helps in simplifying the systems, analysis and reporting.”

Q: How, if at all, is your organization leveraging AI in its sustainability efforts?; What is top of mind for your organization as it considers sustainability and AI?
Base: Global Business Leaders n=3299

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