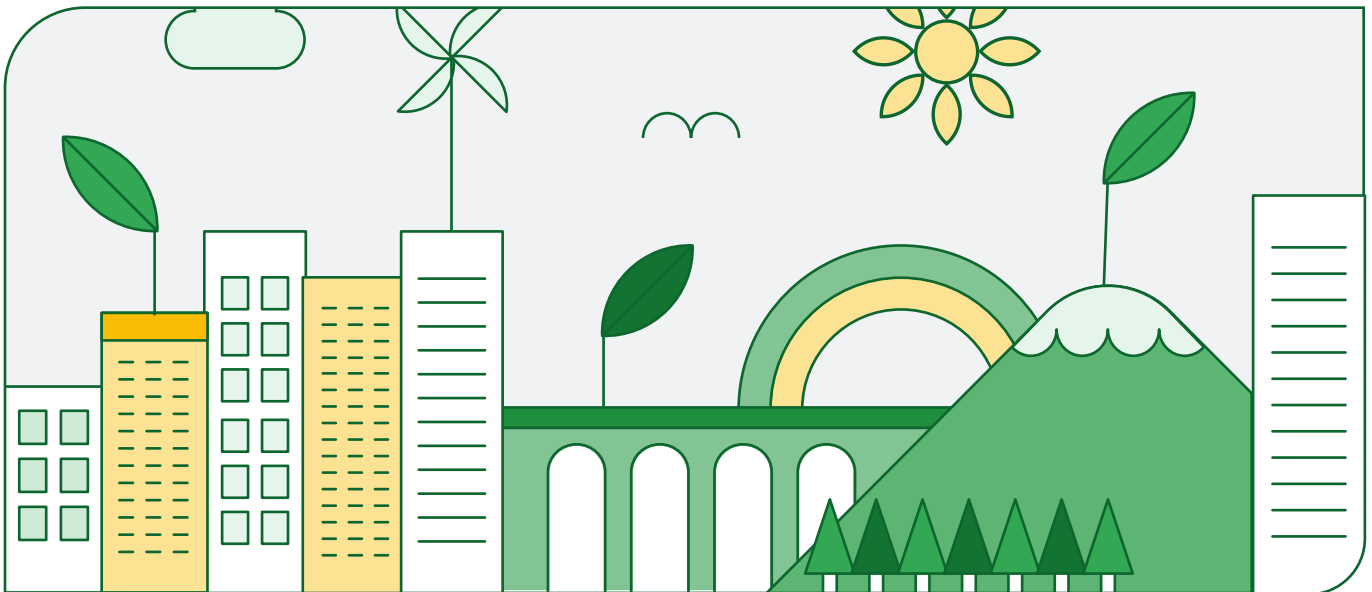# CEOs are Ready to Fund a Sustainable Transformation

Executive summary

Many executives are prioritizing sustainability at their companies. They say they are willing to do what it takes to have more sustainable practices. Despite their ambition, however, real measures of impact are lacking. That is one finding of a global survey of 1,491 executives across 16 markets conducted by The Harris Poll for Google Cloud. In it, business leaders expressed a strong sentiment that their companies should be investing in sustainability efforts to impact climate change and help their companies grow, but found real challenges in authentically achieving sustainability.

Executives also said they are looking to invest more in sustainability and technology programs than in any other area this year, though they confess that they are not quite sure where to begin on the journey to sustainability.

Despite best intentions, executive confidence in sustainability efforts may be misplaced. The issue appears to be one of goals and measurement. More than half of executives said their company may overstate its companies sustainability efforts, a practice known as greenwashing. About two-thirds said they questioned how authentic their sustainability initiatives are.

Executives also believe technology innovation will impact the sustainable growth of their organization and the sustainability of the planet at large. Conversely, they think a lack of tech investment, along with education on sustainability issues, are the biggest barriers to making an impact.

If executives can overcome challenges, sustainability can be a serious growth driver. This report will explore the context of global leaders' thoughts towards sustainability, present the challenges those leaders are facing, and offer guidance on how to build a sustainable business.
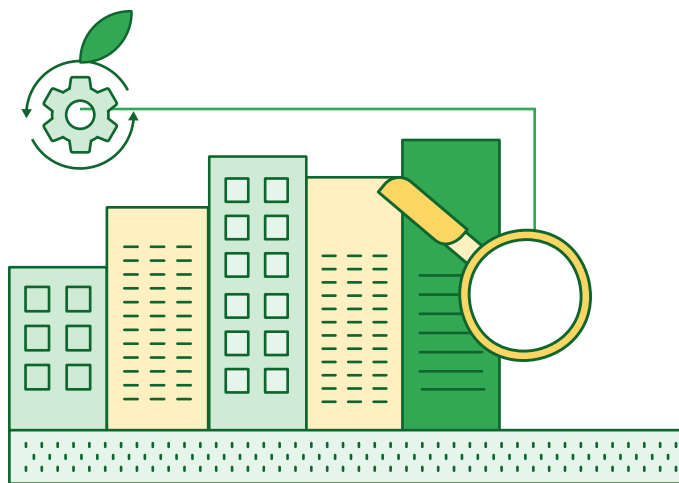
Methodology

This study was conducted from December 21, 2021 to January 8, 2022. All respondents worked at the C-Suite or VP level.

All respondents work in one of the following industries: Financial Services; Retail/CPG; Healthcare and Life Sciences; Manufacturing and Heavy Industry; Technology, Telecommunication, Media, Entertainment, or Gaming; and Supply Chain and Logistics.

A global post weight was applied to ensure equal weight of each country in the global total. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated.

The context: Sustainability is a stated priority

Sustainability and environmental impact have become top of mind for executives around the world. Climate-induced wildfires, an increasing number of massive storms, and deadly heat waves have awoken the corporate world to our planet's stark realities. In the survey, 89% of respondents agreed with the statement, "I realized I care more about sustainability than before" in the last 12 months.
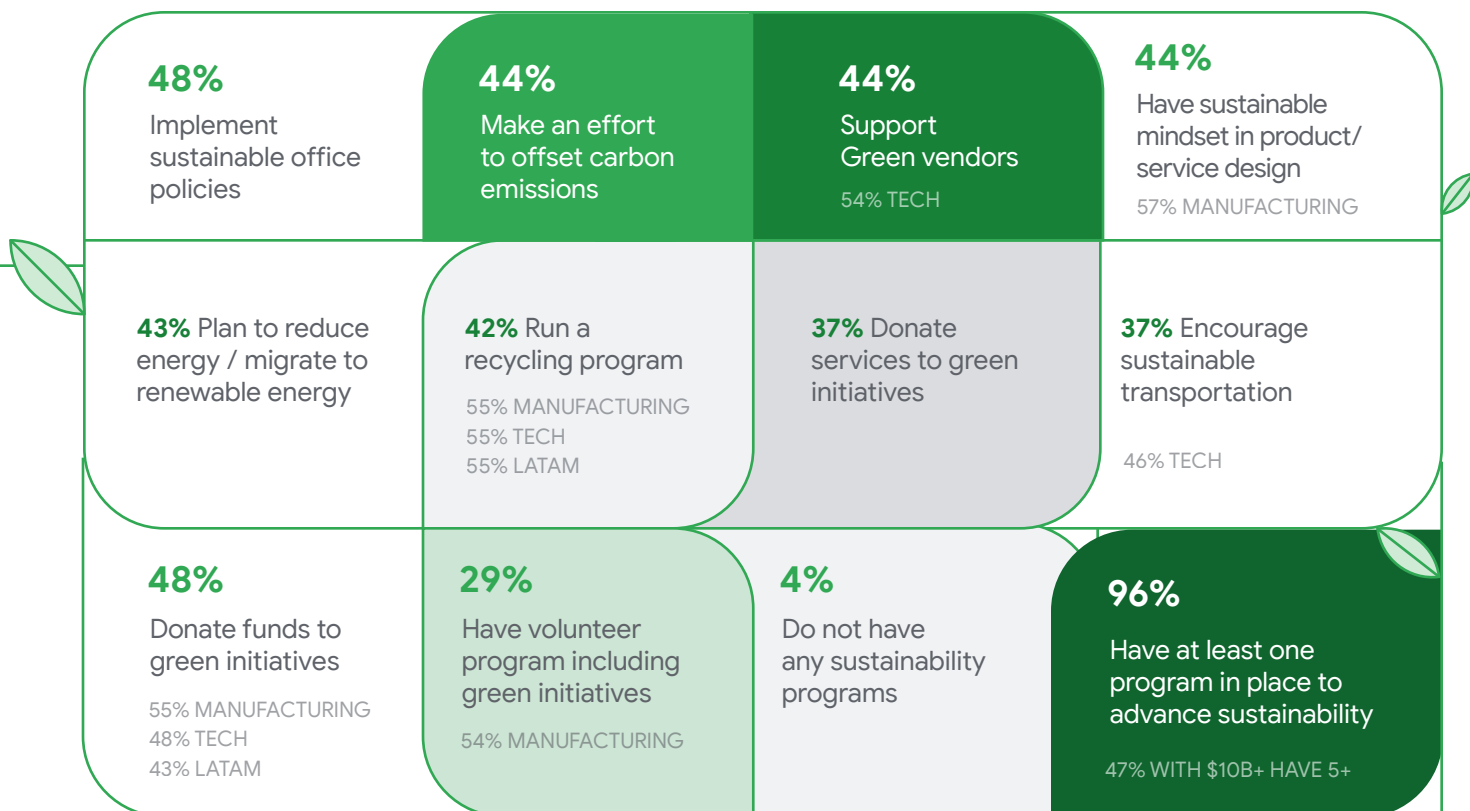
Environmental, social and governance (ESG) initiatives were a top — and rising — priority for executives in the survey (64%), on par with evolving or adjusting business models (63%). ESG goals are

such a priority for respondents that a full 93% say they either already or would be willing to tie compensation to their ESG goals. And they rank ESG ahead of other initiatives such as optimizing customer experience (59%), and traditional business priorities and cost centers such as driving revenue (56%) and research and development (53%).

Seventy-six percent of executives of companies with more than $10 billion in annual revenue said that ESG is a priority. Growth companies are similarly invested, with 74% making ESG one of their core priorities for 2022.

Executives are taking action to advance sustainability across multiple fronts. Nearly every executive in the survey (96%) said that their company has at least one program in place to advance sustainability initiatives. The average company has four such initiatives.

Programs to advance sustainability initiavives

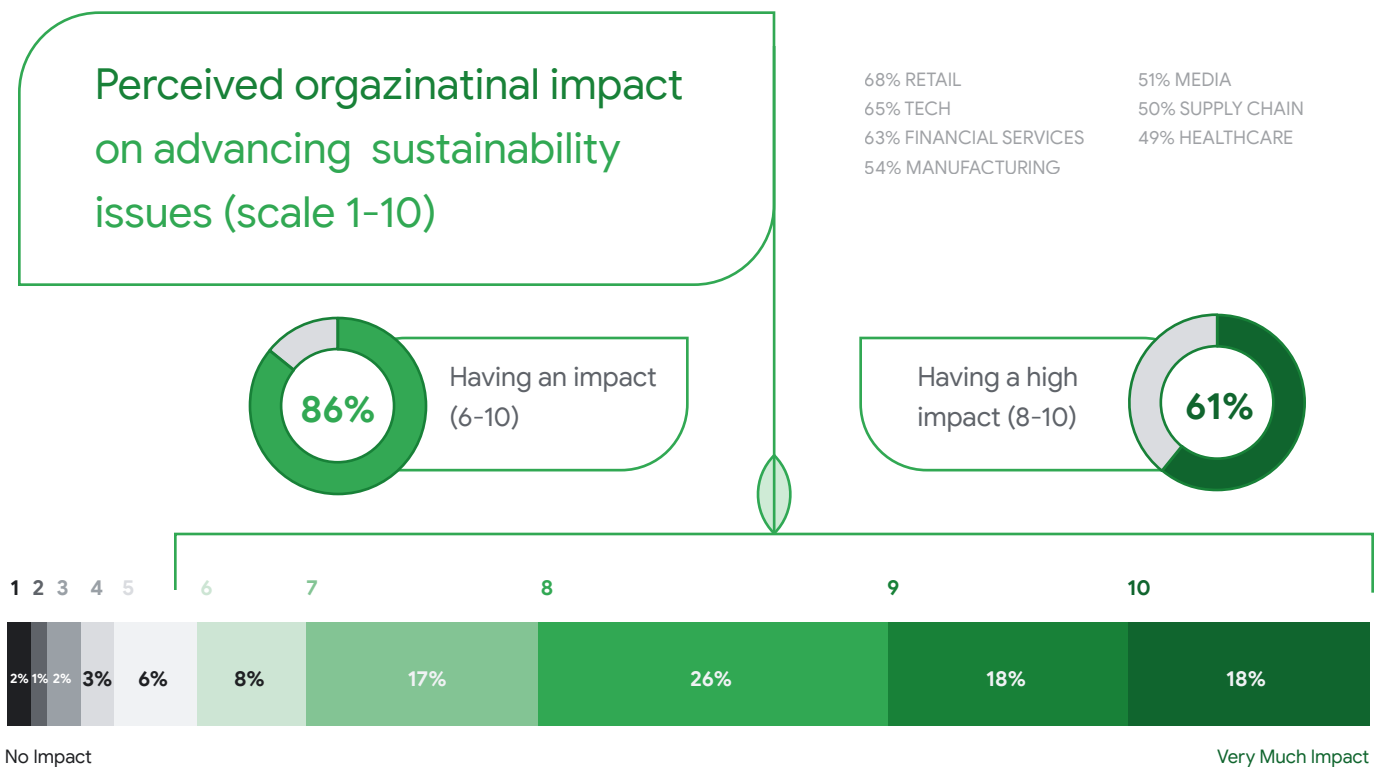|			
48% Implement sustainable office policies	**44%** Make an effort to offset carbon emissions	**44%** Support Green vendors 54% TECH	**44%** Have sustainable mindset in product/ service design 57% MANUFACTURING
43% Plan to reduce energy / migrate to renewable energy	**42%** Run a recycling program 55% MANUFACTURING 55% TECH 55% LATAM	**37%** Donate services to green initiatives	**37%** Encourage sustainable transportation 46% TECH
48% Donate funds to green initiatives 55% MANUFACTURING 48% TECH 43% LATAM	**29%** Have volunteer program including green initiatives 54% MANUFACTURING	**4%** Do not have any sustainability programs	**96%** Have at least one program in place to advance sustainability 47% WITH $10B+ HAVE 5+

The appetite for sustainability keeps growing, as most respondents feel empowered to create change across all levels of the organization. Approximately 86% of executives agreed that they feel empowered to make change that evolves their organization's climate posture, while 77% said that their organization is supportive of employees' sustainability ambitions.

Leadership towards sustainability starts at the top of the organizational chart. When asked which groups are enabling organizational sustainability, 53% pointed to board members and senior leaders. But they hunger for more: Eighty-two percent agreed with the statement, "I wish our board or senior leadership gave us more room to prioritize sustainability." To a lesser degree, employees (48%) and vendors or partners (48%) were felt to enable organizational sustainability.

Sustainability is, mostly, more than just talk for many organizations (more on that below). Sustainability initiatives play an important role in organizational budgets (9%), essentially on par with or surpassing spending on research and development (10%), and rent or office space (8%). In addition, nine in 10 (85%) executives also hold sustainability meetings quarterly.

Does making sustainability a priority actually make an impact? Most executives believe that it does. Nearly nine in 10 believe their efforts are having an impact on advancing sustainability (86%), with 6 in 10 saying they have a high impact (61%). For most, this is a point of pride as 88% attest, "My organization's sustainability efforts make me proud to work for them."

Perceived orgazinatinal impact on advancing sustainability issues (scale 1-10)

68% RETAIL
65% TECH
63% FINANCIAL SERVICES
54% MANUFACTURING

51% MEDIA
50% SUPPLY CHAIN
49% HEALTHCARE

86% Having an impact (6-10)

Having a high impact (8-10) **61%**

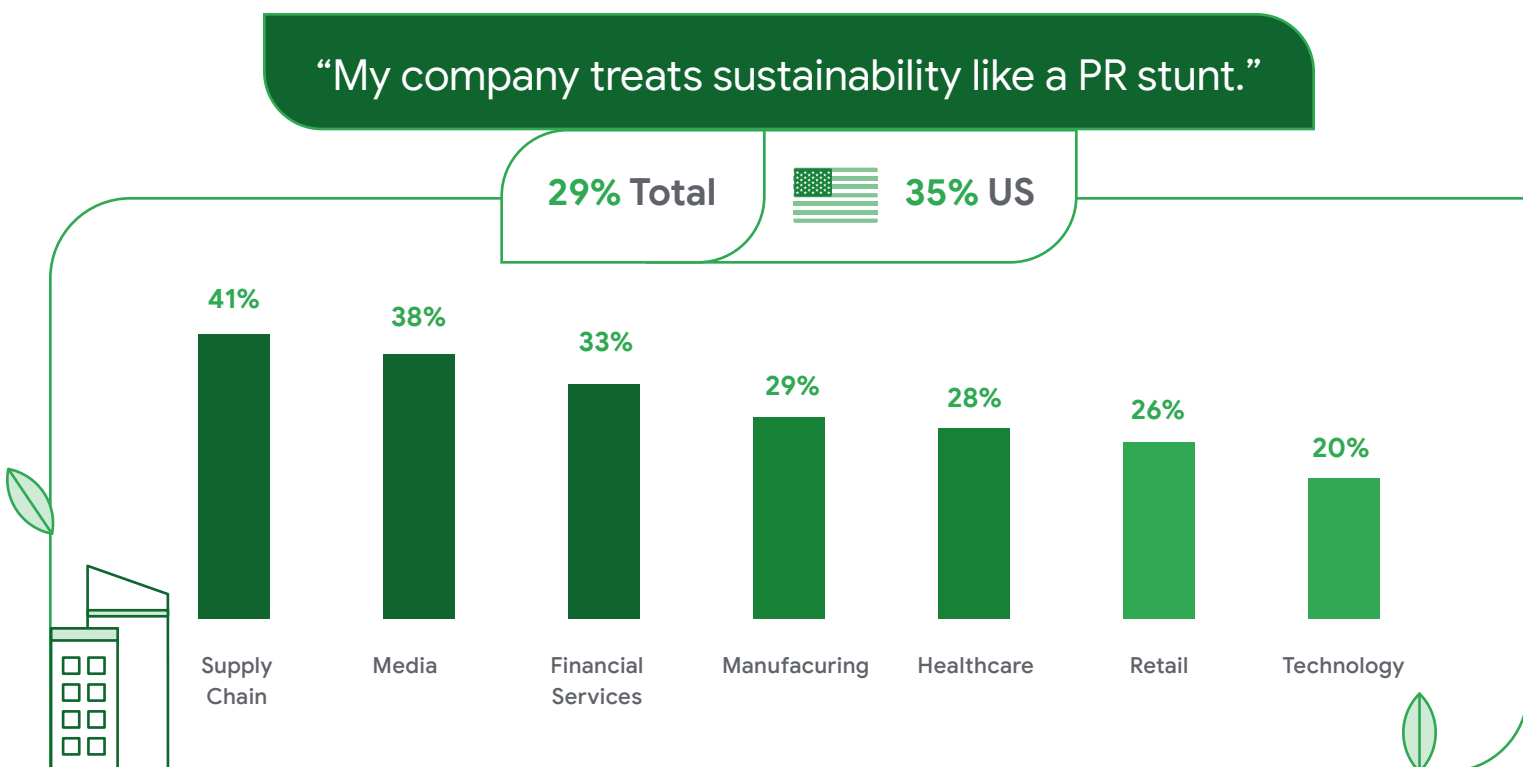| 1	2	3	4	5	6	7	8	9	10
2%	1%	2%	3%	6%	8%	17%	26%	18%	18%

No Impact

Very Much Impact

Authenticity and measuring the impact of sustainability projects

Despite having programs in place to advance sustainability initiatives, executives don't necessarily know if they're overstating their efforts, or how to benchmark them. Without the necessary data to track impact, how does one actually know how their efforts are doing? To remedy that, they want to understand which initiatives are moving the needle in their corporate sustainability initiatives.

While many respondents seem both proud of their results, they'd also like to see better accountability and action. Only 36% of respondents said that their organizations have measurement tools in place to quantify their sustainability efforts, and just 17% are using those measurements to optimize based on results.

As a result, communicating authentically when implementing sustainability programs can be a challenge. Over half (58%) of executives say their organization is guilty of greenwashing — conveying a false impression or giving misleading information that says a company's products or practices are more environmentally friendly than they actually are. This is especially true in North America, where 72% of respondents believe that their organization has overstated its sustainability efforts. Overall, 66% questioned how genuine some of their organization's sustainability initiatives are.

"My company treats sustainability like a PR stunt."

29% Total   **35% US**

Supply Chain	Media	Financial Services	Manufacuring	Healthcare	Retail	Technology
41%	38%	33%	29%	28%	26%	20%

The truth is, there's confusion on how to move the needle on sustainability. About two-thirds of leaders agreed that they want to advance sustainability efforts, but don't know how to actually do it.
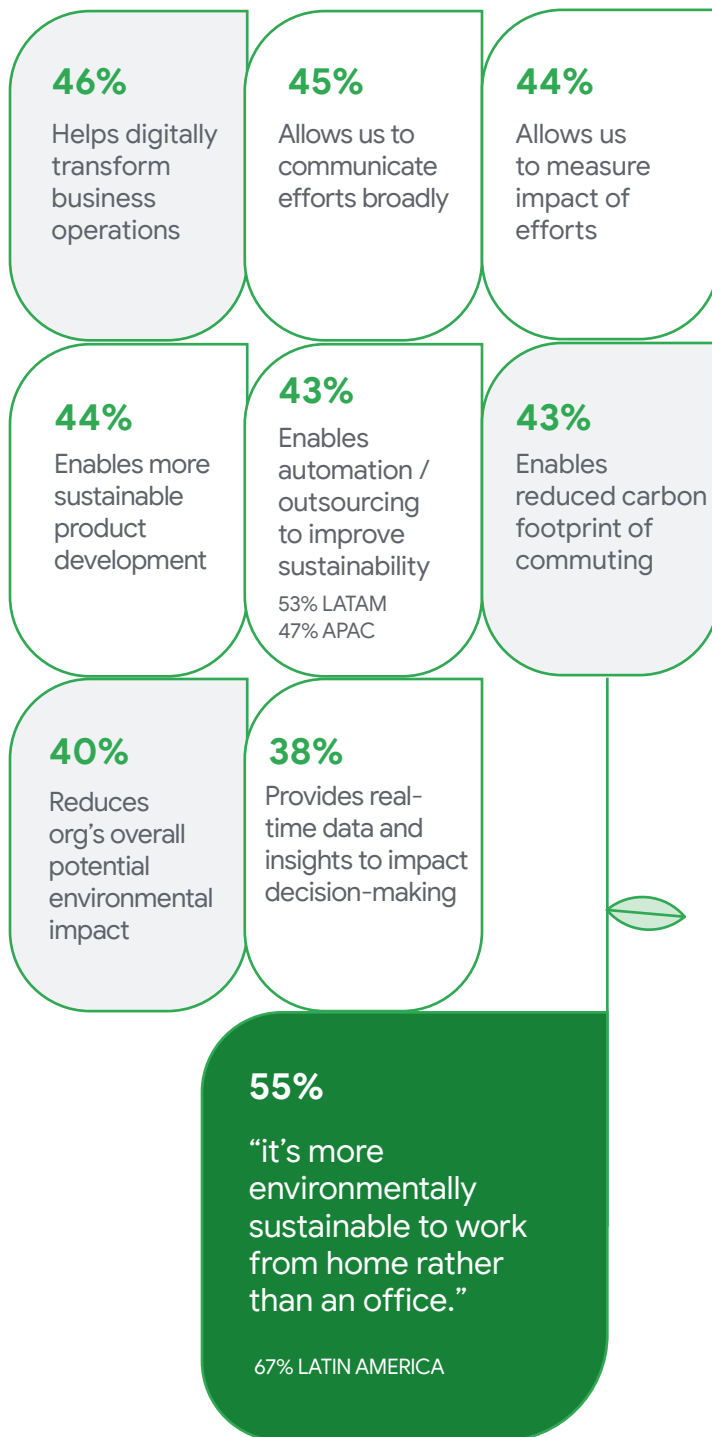
Overall, executives would have more clarity and transparency about the impact of their sustainability initiatives on the environment and their business if they had better tools and technology to measure it. And, 87% of respondents said that if business leaders can be more honest about the issues they face with becoming more environmentally sustainable, they can make more meaningful progress.

Technology is key to transforming corporate sustainability

When asked, 74% of executives agree that sustainability can drive powerful business transformations. To achieve this, companies need technology solutions – cloud, AI/ML, satellite imagery, data analytics – now more than ever to simplify their ability to act on sustainability. Technology innovation is the top utility executives believe will impact the sustainable growth of their organization and the sustainability of the planet at large, with 91% of respondents agreeing that "technology makes it possible for our organization to be more sustainable." Technology (62%) and sustainability (55%) are the top two areas where executives plan to increase investment in 2022.

About three in four (78%) executives cite technology as critical for their future sustainability efforts (78%), attesting that it helps transform operations, socialize their initiatives more broadly, and measure and report on the impact of their efforts.

Ways technology plays a role in sustainability efforts

46%
Helps digitally transform business operations

45%
Allows us to communicate efforts broadly

44%
Allows us to measure impact of efforts

44%
Enables more sustainable product development

43%
Enables automation / outsourcing to improve sustainability
53% LATAM
47% APAC

43%
Enables reduced carbon footprint of commuting

40%
Reduces org's overall potential environmental impact

38%
Provides real-time data and insights to impact decision-making

55%
"it's more environmentally sustainable to work from home rather than an office."

67% LATIN AMERICA

Conversely, the lack of investment in the right technology was the top barrier to achieving true sustainability, according to 36% of respondents. In ranking barriers to achieving sustainability, executives also cited lack of understanding of the issue (36%), a relentless focus on growth and profit (34%), and lack of budget to fund sustainability measures (34%).

# Google Cloud can help make your digital transformation sustainable

The good news is that it's still early on many companies' sustainability journey – the majority (more than half) of executives say they are in the planning and early implementation phases of sustainability programming. The challenging news is the planet needs urgent action from everyone to prevent the worst impacts of climate change. And Google Cloud can help.

At Google we're committed to helping our customers use cloud technology to do more for the planet. We operate the cleanest cloud in the industry, and because of that, we recognize that building a more sustainable business is not easy. You face competing priorities, technical challenges, and the perception that climate action is costly. Which is why teams across Google Cloud are working to eliminate the barriers you face in building a more sustainable future for your organization, and will help you act today to realize your climate goals.

Google's new solar project in Denmark.
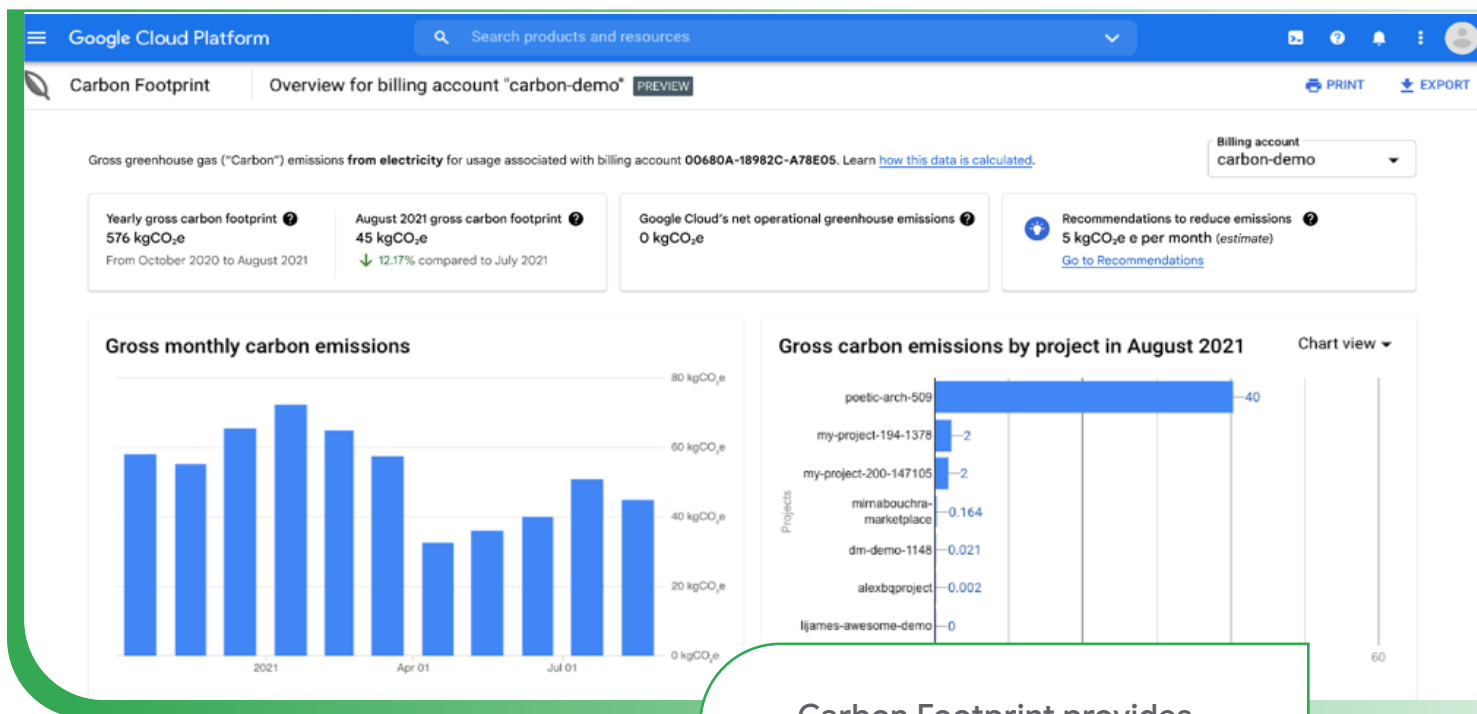
Carbon Footprint provides every Google Cloud user the carbon emissions associated with their usage

We're transparent about our environmental impact, and we give you tools like Carbon Footprint, so you can accurately measure the emissions associated with using our products. We publish third-party reviewed reports and methodologies, so you can trust the data for your own reports and disclosures. To help you build more sustainably, we're putting low-carbon signals natively into our products to help developers choose more sustainable options early in their application development. And we'll continue to work with the industry on best practices, including educational resources like Sustainable IT - Decoded, Qwiklabs for cloud emissions reporting, and resources for planetary use cases.

Finally, we're working on new solutions that help organizations assess their climate-related risks, and increase climate resilience. Together with Google Earth Engine, Maps and other Google products, Google Cloud can help you source materials more responsibly, model climate risk exposure and increase the efficiency of your supply chain.

We all need to work together to accelerate sustainable change. If you're interested in chatting with Google Cloud about sustainability, don't hesitate to contact us.

Country data

Are environmental, social, and governance efforts a priority for your organization?

Global average: 64%

Taiwan: 79%
France: 75%
Germany: 73%
United Kingdom: 72%
Sweden: 70%
Italy: 68%
Japan: 68%
Indonesia: 66%
Australia: 64%
Brazil: 64%
Spain: 64%
Singapore: 62%
Canada: 59%

I question how genuine some of my organization's sustainability initiatives are.

Global average: 66%

Indonesia: 82%
France: 76%
Canada: 75%
Australia: 70%
Singapore: 70%
Spain: 70%
United Kingdom: 64%
Brazil: 62%
Japan: 62%
Sweden: 61%
Italy: 60%
Germany: 49%
Taiwan: 40%

If we can be more honest about the issues we face with becoming more environmentally sustainable, we can make more meaningful progress.

Global average: 87%

Indonesia: 99%
Taiwan: 97%
Brazil: 93%
Singapore: 92%
Spain: 92%
France: 89%
Germany: 89%
Australia: 88%
Canada: 87%
United Kingdom: 86%
Italy: 80%
Sweden: 80%
Japan: 68%

We are using the measurement of our program to optimize it based on the results.

Global average: **17%**

Brazil: **27%**
Canada: **23%**
Indonesia: **22%**
Australia: **20%**
Sweden: **20%**
United Kingdom: **18%**
Singapore: **17%**
Italy: **20%**
Japan: **13%**
France: **12%**
Spain: **12%**
Germany: **11%**
Taiwan: **9%**

Do you believe that technology enables development of new products and services that leverage more sustainable methods?

Global average: **66%**

Indonesia: **82%**
France: **76%**
Canada: **75%**
Australia: **70%**
Singapore: **70%**
Spain: **70%**
United Kingdom: **64%**

Brazil: **62%**
Japan: **62%**
Sweden: **61%**
Italy: **60%**
Germany: **49%**
Taiwan: **40%**

Industry data

More than half of respondents in nearly every industry sector in the survey said that ESG efforts were a priority for their organizations.

- Retail and Consumer Packaged Goods: **71%**
- Supply chain and Logistics: **67%**
- Manufacturing or Heavy Industry: **64%**
- Financial services: **60%**
- Technology: **59%**
- Healthcare or Life Sciences: **52%**
- Telecommunications, Media & Entertainment, and Gaming: **47%**

About 80% of executives gave their organizations an above average grade on sustainability efforts, with the technology and financial services sectors leading the way.

- Technology: **90%**
- Financial services: **86%**
- Retail and Consumer Packaged Goods: **83%**
- Media & Entertainment: **75%**

- Supply chain and Logistics: **72%**
- Manufacturing: **71%**
- Healthcare: **64%**

Plan to invest more in sustainability in 2022

68% Technology
55% Retail
54% Financial Services
53% Supply Chain
52% Manufacuring
52% Healthcare
49% Media