ORACLE + Savanta:

2022 ESG GLOBAL STUDY

No Planet B:
How Can Businesses
and Technology Help
Save the World?

INTRODUCTION

Control the uncontrollable. It's no easy task, but it's what organizations
are being asked to do.

Whether it's climate change. Resource scarcity. Population growth. Or other global
megatrends, there's the same expectation: to translate changing environmental
and social factors into manageable opportunities.

And if that's not hard enough, these factors are generally long-term and beyond direct control. It's no wonder managing environmental, social and governance (ESG) factors often takes a back seat to traditional business metrics. Pressure for results is high, careers are short, environmental and social factors are divisive, and it's human nature to focus on what you can control.

But what if this wasn't down to human nature? What if managing the intersection of sustainability and business performance wasn't another problem for executives to tackle? What role should people and machines play in managing factors that not only impact the business, but the health of society and our planet?

To explore these questions and understand how technology will impact ESG efforts, Oracle has partnered with Pamela Rucker, CIO Advisor, and Instructor for Harvard Professional Development, and Savanta Research to survey more than 11,000 people (consumers and business leaders) across 15 global markets.

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Senior vice president and CMO
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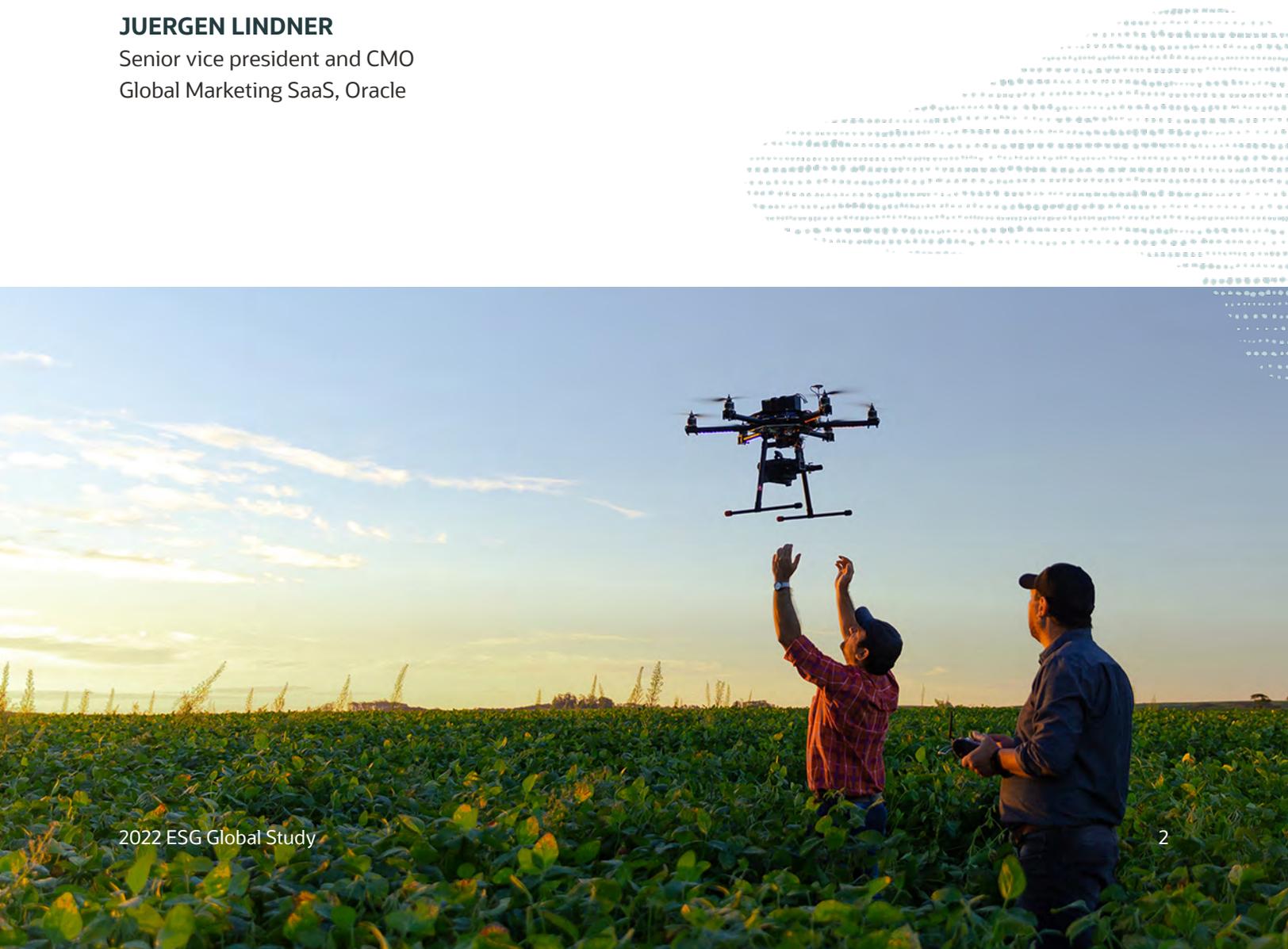
Key highlights

More than ever, people are focused on sustainability and social issues and want change – now. They are demanding even more from the brands they purchase, but few are living up to changing expectations. Enter technology.

People are fed up with the lack of progress on sustainability and social efforts and want businesses to step up.

Most people (93%) believe sustainability and social factors are more important than ever, and a large majority of them (78%) are frustrated with the lack of progress by business on these initiatives.

Business leaders agree that more progress needs to be made—but nearly all face significant challenges in meeting their ESG goals.

91% of business leaders are facing major challenges in making progress on sustainability and ESG initiatives including finding the right data to track progress, and time-consuming manual processes to report on ESG metrics. On top of the operational challenges, 96% of business leaders admit human bias and emotion often distract from the end goal.

Humans can work with technology to create more meaningful change.

93% of business leaders say they would trust a bot over a human to make sustainability and social decisions. Business leaders believe there is still a place for humans in these efforts, thinking they should manage making changes (48%), educating others (46%), and making strategic decisions (42%).

The time is now – most people are willing to cut ties with brands that do not take action.

70% of people would be willing to cancel their relationship with a brand that does not take sustainability and social initiatives seriously and 69% would even leave their current company to work for a brand that places a greater focus on these efforts.

If organizations can clearly demonstrate the progress they are making on environmental and social issues, people would be more willing to pay a premium for their products and services (87%); invest in them (83%); and work for them (83%).

Survey methodology

Research findings are based on a survey conducted by Savanta, Inc. between February 25 and March 14, 2022 with 11,005 global respondents from 15 countries (Australia, Brazil, China, France, Germany, India, Japan, Mexico, Netherlands, Saudi Arabia, Singapore, South Africa, United Arab Emirates, United Kingdom, and United States).

The survey explored attitudes and behaviors of consumers and business leaders towards sustainability and social efforts along with the role and expectations of artificial intelligence (AI) and bots in environmental, societal and governance (ESG) efforts.

Respondents by country

US	1,500
UK	1,000
Germany	1,000
Netherlands	500
France	500
China	1,000
India	1,000
Australia	1,001
Japan	500
Singapore	500
South Africa	500
UAE	500
Saudi Arabia	500
Brazil	502
Mexico	502

Respondent types

- Consumers: 65%
- Business: 35%

By age group

- 38-54 years old: 37%
- 26-37 years old: 35%
- 55-74 years old: 19%
- 22-25 years old: 10%

By gender

- Male: 51%
- Female: 49%
- Non-binary: < 1%
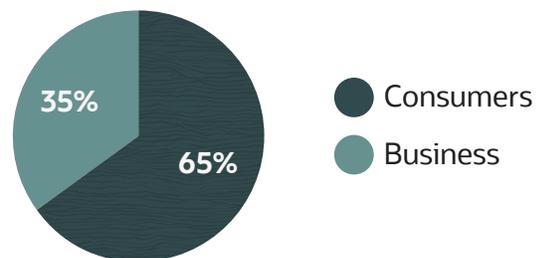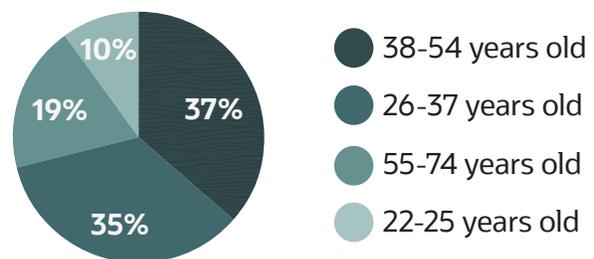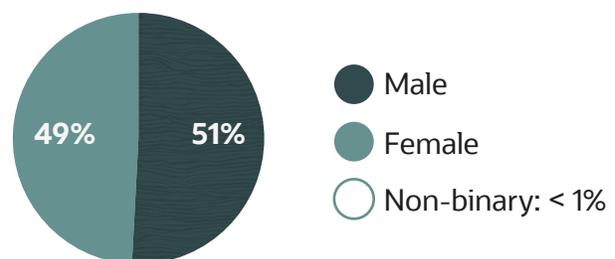
Sustainability and social progress is top of mind

People are fed up with the lack of progress on sustainability and social efforts and want businesses to step up—but businesses' current efforts are not enough.

In fact, 61% of people believe bots will succeed where humans have failed with corporate sustainability.

The last two years of upheaval (the COVID-19 pandemic, increasing political unrest, more extreme weather events, the racial justice movement) has led 93% of people to say that sustainability and social factors are more important than ever to them. And we as a society are doing something about it - 80% say the events of the last two years have made them change their actions. But people are concerned that we are not making enough progress, and believe: people are too busy with other priorities (42%), there's too much focus on short-term profits (39%), and we are too lazy or selfish to save the planet (37%).

This mounting consumer demand is pressuring businesses to step up. 78% of people are frustrated and fed up with the lack of progress by businesses on sustainability and social initiatives. Almost half (45%) believe that businesses can make more meaningful change than individuals or governments alone.

People are no longer willing to wait for businesses to enact real change with corporate sustainability and social efforts and are instead demanding real accountability. 89% believe it's not enough for businesses to say they're prioritizing ESG – they need to show action and proof and 91% of people want to see more accountability from businesses.

93%

of people believe **sustainability and social factors** are more important than ever

80%

said the events over the past two years have caused them to change their actions

**Actions taken to support a sustainability or social case**

41%
Researching

26%
Donating

23%
Committing their life

94%

believe our global society has not made enough progress because...

42% People are too busy with other priorities

39% There's a focus on short term profits over long-term societal benefits

37% People are too lazy or selfish to help save the planet

31% There's a lack of reliable data

45%

believe businesses can make more meaningful change to sustainability and social factors than individuals or governments alone

89%

believe it's not enough for businesses to say they're prioritizing ESG—**they need to see action and proof**

78%

of people are **frustrated and fed up** with the lack of progress by businesses to date- saying it's unacceptable at this point

Where people want to see action

✓ **46%**
Fairer wages

✓ **41%**
More sustainable and societal reporting and metrics from brands

✓ **38%**
Visibility into efforts to close the gender pay gap

✓ **37%**
More standardized ESG reporting for public brands

✓ **36%**
Sustainability and social metrics included on earnings calls

✓ **34%**
Executive pay to be linked to sustainability and social metrics
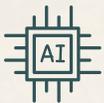
84%
of people believe businesses would make more progress towards sustainability and social goals with the help of AI

61%
of people believe bots will succeed where businesses have failed with sustainability and societal goals

91%
of people want to see more accountability from businesses

Businesses are not making progress fast enough

Business leaders agree that progress needs to be made– but bias and operational challenges are holding them back from meeting their ESG goals.

91% of business leaders are facing major challenges in making progress, top among them are collecting data from partners and other third parties (35%) and a lack of any data to track progress (33%).

Businesses hear the consumer demand for ESG programs, with 92% believing that they are a critical part of success for their business. However, challenges abound.

Operationally, managing the data and metrics around ESG initiatives is a multi-pronged challenge. Data and metrics are a big part of the problem, as data comes from many sources and departments within the company and externally. As a result, it's difficult to manage and track

progress. Many business leaders also point to the fact that there are no unified standards or structure: there are no standards enforced for organizations to meet (29%) and they have no unified reporting structure internally (26%).

While operational challenges are significant, nearly all (96%) of business leaders admit that human bias and emotion often distract from the end goal of ESG programs.

77%

of business leaders believe their organizations are being held **accountable for sustainability and social efforts**

89%
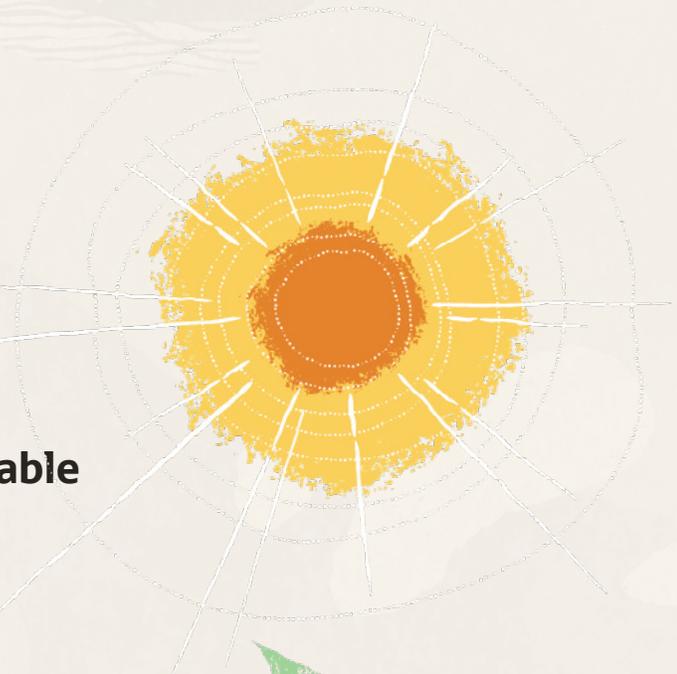
of business leaders believe sustainability and ESG programs are a critical part of success for their organizations in...

40%
Strengthening
the brand

39%
Increasing
productivity

38%
Attracting new
customers
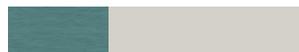
34%
Improving supply
chain management
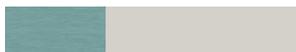
34%
Increasing
profitability
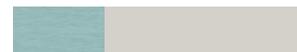
31%
Recruiting
talent
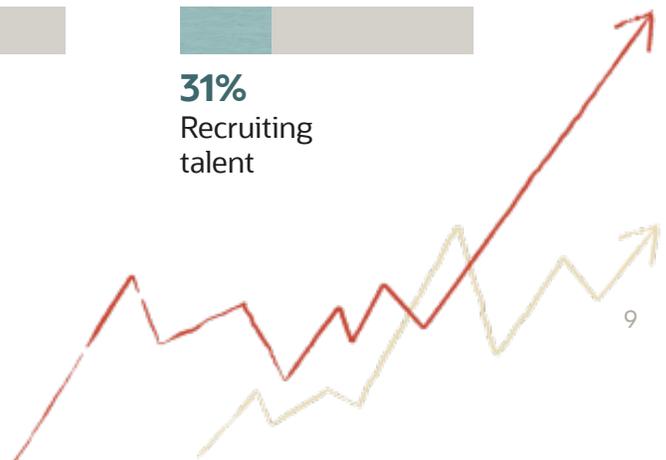
91%

of business leaders are **facing major challenges** in making progress on sustainability and ESG initiatives

Challenges faced by business leaders

35%
Challenges in obtaining ESG metrics from partners and other third

33%
Lack of data being collected to track progress

32%
Difficulty tracking progress

32%
Time consuming manual processes to report on metrics

31%
Complexities of integrating data from across global supply chains

31%
Being able to pull data from multiple areas of the business

29%
No standards enforced for organizations to meet

28%
Reporting on non-financial ESG metrics

26%
No unified reporting structure

On top of operational challenges...

96%

of business leaders admit **human bias and emotion often distract** from the end goal initiatives

Bots will help businesses save the planet

A combination of human and artificial intelligence can create more meaningful change.

Humans have varying levels of expertise and competence. They get tired. They make mistakes. Humans are, well, only human. On the other hand, bots are consistent number crunchers, they don't have bad days, and are available 24/7.

Nearly all business leaders (88%) believe organizations that use technology to help drive sustainability and social issues will be the ones to succeed in the long run. Business leaders (94%) want technology's help now. The top areas they need assistance include verifying data (48%), automatically collecting data from different areas (47%), planning and revising targets based on performance (44%), and automating reports and analysis (44%).

In fact, a staggering 93% of business leaders would trust a bot over a human to make sustainability and social decisions. Business leaders believe bots are better at collecting data without error (43%), making unbiased decisions (42%), and predicting future outcomes (41%).

But humans still have an important role, as we are better at enacting changes needed and making strategic decisions. In particular, business leaders say humans are still needed for implementing change based on feedback (48%), educating others on context needed to make decisions (46%), making context-informed strategic decisions (42%), and pivoting in the face of change (35%).

89%
of business leaders believe organizations that use technology to help drive sustainable businesses **will be the ones to succeed in the long run**

93%
of business leaders say **technology has raised the standard for success** in corporate sustainability

94%
want technology to help with sustainability and social initiatives by...
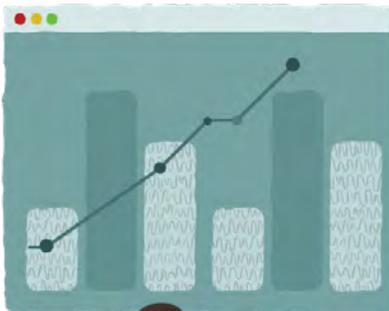
Verifying data is correct and accurate

48%

Automatically collecting data from all areas of business

47%

Planning & revising targets based on performance

44%

Automating reports and analysis

44%

Providing what-if scenarios and business planning assistance

39%

Forecasting cash flow

32%

93%

of business leaders **would trust a bot over a human to make sustainability and social decisions**

Where bots are better than humans

✓ **43%**
Collecting different types of data without error

✓ **42%**
Making rational, unbiased decisions

✓ **41%**
Predicting future outcomes based on metrics/past performance

✓ **35%**
Being able to determine necessary steps to meet set goals

But humans are still needed as they are better at...

48%
Implementing changes based on feedback from employees, customers, and consumers

46%
Educating others on context/information needed to make decisions

42%
Making context-informed strategic decisions

35%
Pivoting in the face of change

No time to waste

People are willing to cut ties with brands that do not take action.

70% of people are willing to cancel their relationship with a brand that does not take sustainability and social initiatives seriously.

It feels like a now or never moment as a planet, and the stakes are high for us and perhaps more importantly - for the next generation. Half of people (49%) want to make progress on sustainability and social factors to save the planet for future generations and create more equality around the world (46%).

There is wide agreement on increasing investment in sustainability (91% of business leaders) and using sustainability and societal metrics to inform traditional business metrics (94% of business leaders). Now is the time for business leaders to rethink how they use

technology in sustainability and social initiatives and hear the urgency from consumers.

People are not willing to listen to empty promises and are ready to cut ties with brands that do not step up. Not only would we stop purchasing from a brand, many of us (69%) are ready to leave our current employer to work for a company that takes sustainability and social initiatives more seriously.

Companies that clearly demonstrate progress will have more success, with consumers wanting to spend more with them (87%), invest in them (83%), and work for them (83%).

94%

of people want to make progress on sustainability and social factors to…

50%
Establish healthier ways of living around the world

49%
Save the planet for future generations

46%
Help create more equality around the world

44%
Guide future generations to embrace more diversity

42%
Teach their children how to care for others

70%

of people would be **willing to cancel their relationship with a brand** that does not take sustainability and social initiatives seriously

69%

would **leave their current company** to work for a brand that takes it more seriously

If organizations take action and are able to clearly demonstrate the progress they are making on environmental and social issues, people would be more willing to…

87%
Spend more money with them

83%
Invest in them

83%
Work for them

69%
of business leaders want to **increase their investment in sustainability**

Business leaders understand the importance and urgency.

94% believe sustainability and societal metrics should now be used to inform traditional business metrics such as…

Supply chain management
49%

Product development
**47%**

Logistics and distribution
47%

Marketing
37%

Sales
35%

Talent retention
35%

Recruiting
33%

Conclusion

The upheaval we have seen globally in the past two years has accelerated peoples' desire for immediate action on sustainability and social issues.

People believe bots can succeed where humans have failed to address sustainability issues.

The addition of these consistently rational and always accessible coworkers will aid with operational challenges that businesses face – particularly with collecting and analyzing data – but also in making unbiased and unemotional decision recommendations. This will allow humans to focus on what they do best: educating, implementing change, and making strategic decisions.

It is time for businesses to embrace technology such as AI as they increasingly look to drive sustainability and social initiatives. Organizations resisting this change will be taking a poorly calculated risk. There is a lot to be gained in decisively moving towards AI. Just imagine, if given the chance maybe bots can save the world.

To learn more about how you can embrace AI to enact meaningful changes in sustainability initiatives visit our site.

Visit site