



Digital Sustainability Study

Sustainability Budgets and Priorities

Spending on ESG Considered a Necessity

Companies are backing environmental, social and governance (ESG) **commitments** with cash—\$1 out of every \$500 that companies spend goes to sustainability technology or services, mostly for reporting and compliance solutions. About 1/2 of ESG spend is environmental, with the remaining half split almost equally between governance and social aspects.

Top Sustainability Challenges

Short- vs. Long-term Hurdles to Success

Enterprises cite **operating** challenges— such as cost and change management— as short-term hurdles to sustainability. But they are also facing **uncertainties** which may affect long-term plans, such as evolving government regulations or the measurability of data.

Decarbonization Goals

Varying Net Zero Emissions Targets

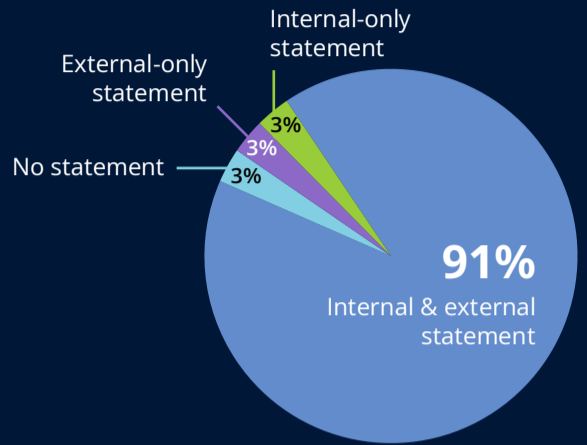
74% of enterprises have set a target to reach net zero emissions, with most companies (39%) aiming to reach it between 2030-2034. No company set a date past 2050, but **that year was the second-most common target**. And while 20% are consistently meeting or exceeding targets, around 1/3 are rarely or only sometimes meeting them.

ESG Partnerships with Service Providers

Top Sustainability Sourcing Plans

85% of enterprises have engaged managed services providers in some way in relation to ESG, broken down on the right. 39% are using providers to run ESG-specific programs. The remainder are building sustainability goals into new and existing programs with providers, or holding them accountable to sustainability goals.

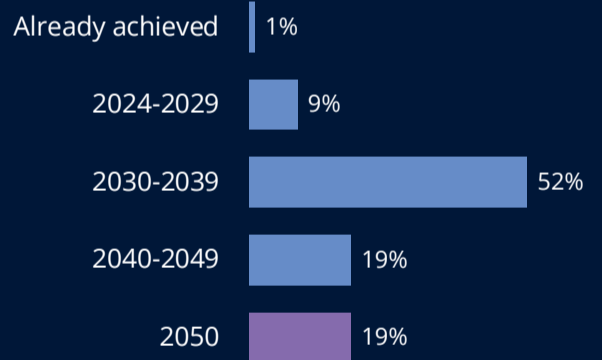
Mission Statement with Sustainability Objective



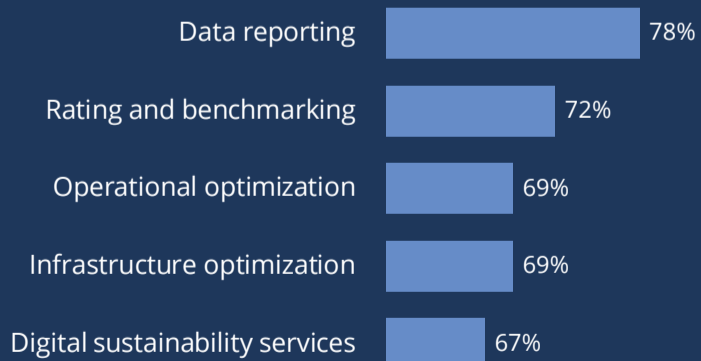
Operational vs. Uncertainty Challenges

	Operational	Uncertainty
1	Cost of services	Economic conditions
2	Integrating metrics	Evolving regulations
3	Prioritizing investments	Measurement
4	Change management	Data quality

Enterprises Targeting Net Zero by Year



Where Are Enterprises Sourcing?



232 decision makers interviewed from G2000 companies in N. America and Europe

Board-level (27%), sustainability (22%) and operations (15%) decision makers

Contact us to find out more about this study. If your organization needs help navigating the technologies, processes and culture needed to refocus your initiative, ISG can help.