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The Top Innovative Technologies to Drive ESG Outcomes for Enterprises

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FIGURE 1

What are the ESG benefits your organization has gained because of digitalization or the use of technology in your business operations?

Source: IDC Global Sustainability Readiness Index Survey, 2023, n = 445 (Asia/Pacific Enterprises)

Purposeful integration of innovative technologies in business operations can solve the most pressing challenges in ESG strategy execution.

In the Asia/Pacific region, companies that have pledged to meet the 2050 Net Zero target, produce reports on environmental, social, and governance (ESG) goals, and are committed to an ESG-led business transformation, have all invested in innovative technologies to help them convert strategies and action plans to successful and well-executed initiatives with real ESG and business value outcomes.

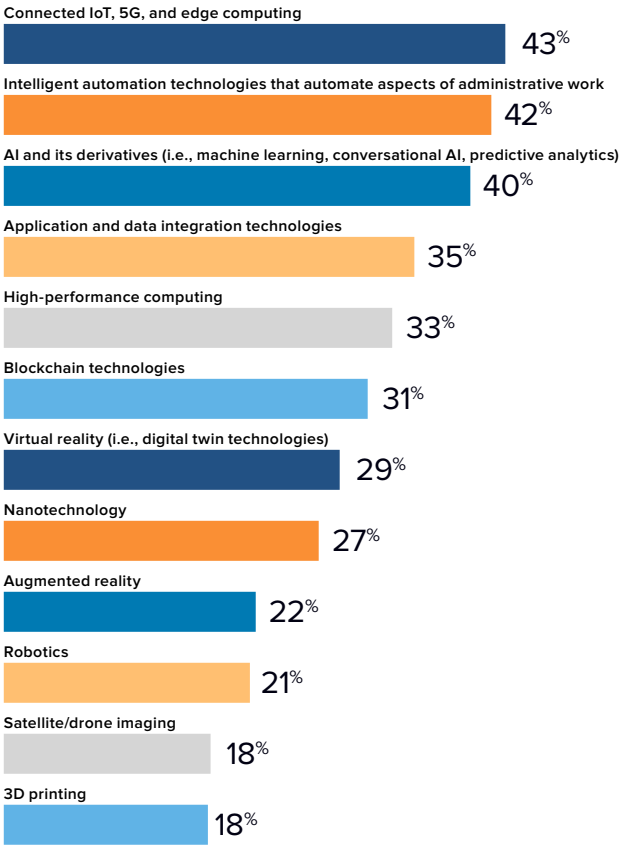
The top operational benefits gained by companies from the digital transformation are: an increased ability to quantify or measure their ESG performance (as noted by 42% of Asia/Pacific enterprises surveyed by IDC in its *Global Sustainability Readiness Index Survey* in 2023); enhanced ability to proactively mitigate ESG-related risks, such as lawsuits associated with employee and community safety and wellness (41%); improved ability to optimize existing resources (40%); and better visibility and transparency on ESG execution (39%).

The business benefits of using innovative technologies when executing an ESG strategy include business savings from improved operational efficiency (67%); enhanced corporate brand awareness (64%); new revenue streams (63%); better execution of talent retention and employee engagement strategies (55%); better company financial performance (47%); and better community engagement (44%).

Solutions leveraging on innovative technologies such as artificial intelligence (AI), connected IoT, intelligent automation, augmented reality (AR), virtual reality (VR), and robotics are among the most useful to convert ESG plans to outcomes and real business benefits. More than 40% of organizations in Asia/Pacific are using AI, Internet of Things (IoT), and intelligent automation to meet their ESG and business objectives. Three out of 10 companies are utilizing solutions leveraging on augmented reality, virtual reality and robotics.

FIGURE 2

The Top Techonologies to Convert Ambitious ESG Plans to Outcomes



Source: IDC Global Sustainability Readiness Index Survey, 2023, n = 445 (Asia/Pacific Enterprises)

Converting the "S" in ESG to Realized Business Benefits

Of the many ESG-related challenges faced by Asia/Pacific companies, one issue has been the most perplexing — *how to move a social goal or the "S" of ESG ambition from a concept good on paper to an initiative that can bring actual ESG results and business value benefits?*

Solutions leveraging on innovative technologies such as AI, AR, VR, and IoT have use cases that show companies delivering on the "S" of their ESG promises. One example is the use of AI- and AR-powered smart glasses to expand the reach (i.e. number of people serviced) and improve the delivery of telemedicine in public and private clinics and hospitals. Another use case is the utilization of AI- and AR-powered smart glasses to enable visually impaired persons to become productive members of society and enabling companies to better achieve inclusive employment strategies.

Best Practices in Leveraging Innovative Technologies for Better Social Outcomes

- Make sure that the "S" of any ESG initiative and innovative technology investment is aligned with both the company sustainability/ESG road map and the IT road map.
- Determine what social outcome you want to achieve or improve on before scouting for solutions.
- Study use cases to see how other companies have leveraged on innovative technology to operationalize ESG.
- Do not forget to measure the results. Figure out what metric you want to use to measure progress.
  - Get your baseline data prior to the technology investment to measure progress.
  - Measure the difference from the baseline after at least one year of implementation.

Message from the Sponsor

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