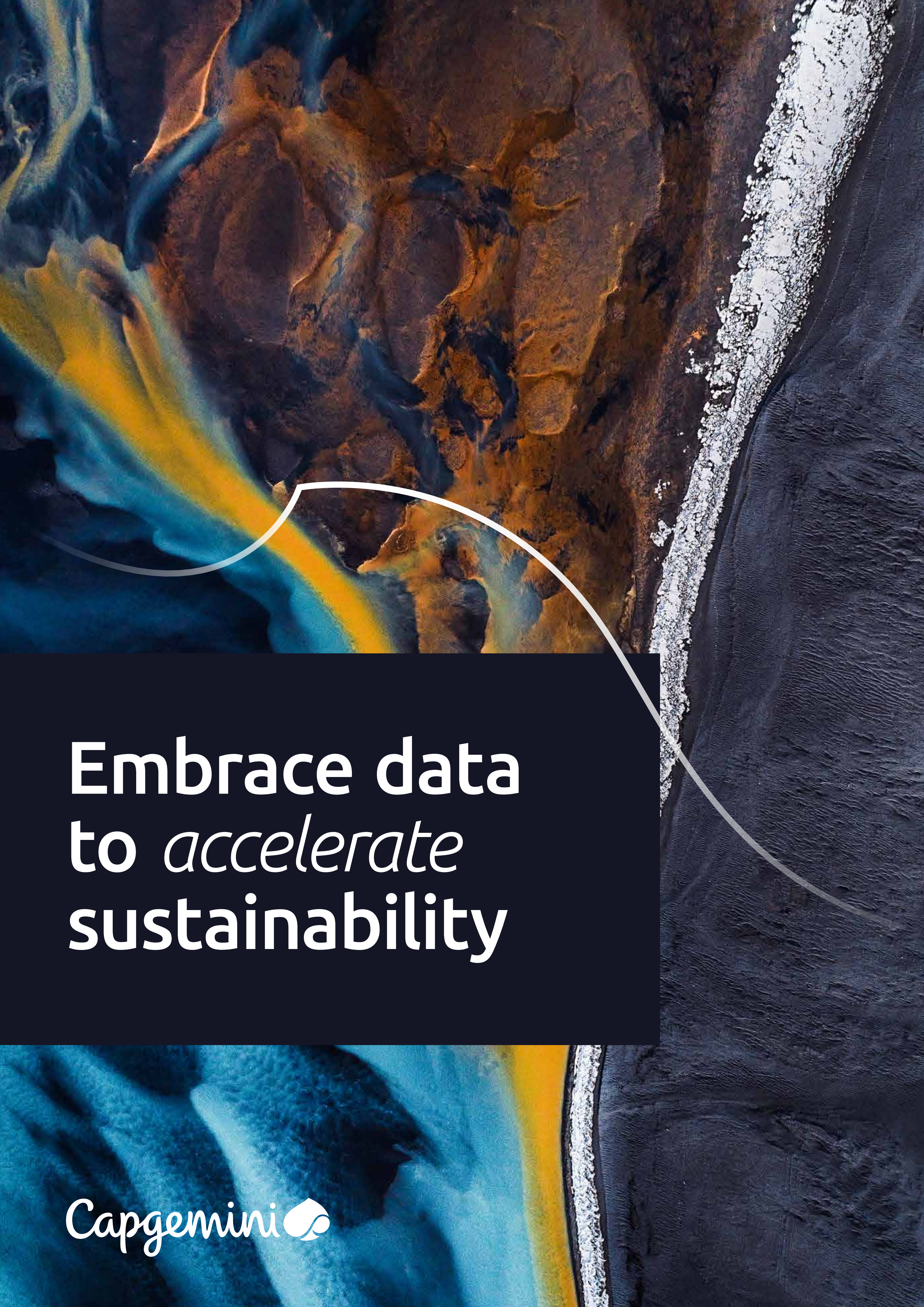


Embrace data to *accelerate* sustainability

Contents

Introduction

As the planet warms, climate-related disasters and illnesses are becoming more frequent. The collective consciousness is dominated by these rising environmental threats and their carried costs, along with a heightened focus on social responsibility and reputational impact. In this transformative moment for the global financial sector, financial services (FS) executives, boards of directors, and stakeholders need to reevaluate the industry's role as an economic pillar and steward of a sustainable future.

Industry leaders are increasingly recognizing the fundamental link between sustainability and business success, and are considering sustainability adoption at scale as just as crucial as digital transformation.

However, turning this into a reality is challenging. Although our sustainability transformation trends survey indicates that the majority of leaders agree that the benefits of sustainability outweigh the costs, many struggle to act on this. While there exists a noticeable gap between intentions and actions, an increasing number of firms are acknowledging the importance of Environmental, Social, and Governance (ESG) investments. To cite one acute challenge, FS companies drastically struggle to access, collect, trace, and trust emissions data due to lack of automation.

Financial institutions are facing more intensive review of their sustainability practices. Regulatory pressures are increasing through the creation of new frameworks such as the EU's Corporate Sustainability Reporting Directive (CSRD) and the SEC's Climate Related Disclosure in the United States. This underscores the urgent need for comprehensive ESG strategies and effective reporting mechanisms as financial institutions of all sizes and geographical footprint will soon need to meet new reporting requirements.

Our point of view explores the intricate interplay between sustainability, technology, and regulatory compliance in the financial services sector as the industry defines its role in shaping a sustainable global economy. Financial institutions can position themselves as leaders in the sustainable finance revolution by understanding the landscape, challenges, and opportunities involved.

Executive summary

A compelling business case

Climate change impact is driving both regulation and an opportunity for new value creation. Our analysis outlines a compelling business case for sustainability, with 67% of financial services executives acknowledging that the benefits outweigh the costs, as per our 2024 sustainability transformation trends survey of 248 financial services executives in 12 markets. Moreover, 64% say sustainability adoption at scale is as essential as digital transformation, underscoring its strategic significance.

However, a substantial gap exists between recognizing the business case of sustainability and acting on it. Only 25% of executives we polled plan to increase their ESG investments by more than 10% in the near term. Customer sentiments reflect this disconnect, with the majority saying corporations don't do enough to address climate change.

Poor reporting and data challenges obscure sustainability efforts

The challenges are multifaceted, ranging from operational issues to regulatory complexities. Non-reporting and greenwashing concerns complicate the landscape. As per our 2024 sustainability transformation trends survey, only half of the financial services organizations publicly reported their social sustainability initiatives. This lack of transparency erodes trust, with 52% of consumers globally believing that companies across all sectors are involved in greenwashing. In 2023, financial services was the second most affected sector by greenwashing allegations in the EU.

Data management is another critical challenge. As per our 2022 Data for Net Zero survey, 58% of financial services organizations have not automated their emissions data collection process. Only 11% of organizations across all industries have invested in data cockpits or control towers for ESG insights, highlighting a significant area for improvement.

The regulatory landscape is intensifying, with directives – like CSRD in Europe and the SEC's Climate-Related Disclosure in the United States – mandating more comprehensive and transparent reporting. Financial services firms can transform ESG regulatory compliance into a strategic advantage by identifying new products, enhancing risk management, increasing customer engagement, and augmenting brand reputation.

Integrate ESG data for enhanced transparency

Financial services organizations need a strategic approach to sustainability reporting that addresses obstacles and capitalizes on opportunities. This approach focuses on building scalable and automated reporting processes from the start, allowing financial services firms to stay agile and adapt to evolving regulations. By centralizing data management and integrating these features early, firms can improve their enterprise value and long-term reporting efficiency.

Accelerators such as data hubs support this approach, enabling financial services organizations to achieve end-to-end compliance, agile and auditable reporting, and improved business decision-making. Financial services firms must bridge the gap and build an ESG advantage by securing reliable ESG data. Success depends on a strong ESG data governance framework being integrated into the core business model, which includes ESG taxonomy, new technologies, stakeholder engagement, and streamlined data collection.

Financial services firms can leverage data to transform ESG compliance mandates from a cost center to a growth strategy that drives sustainable and long-term stakeholder value.

The business case for sustainability is compelling

Sustainability can be a differentiator and a strategic priority in today's dynamic financial services landscape. Financial institutions recognize the importance of integrating environmental, social, and governance (ESG) principles into their operations and offerings. Regulatory pressures and growing stakeholder awareness of the long-term value of a sustainability agenda are driving the industry shift. Both, executives and customers, increasingly acknowledge that sustainable initiatives benefit the planet while improving business performance, and customer satisfaction.

Fulfilling compliance requirements and integrating sustainability into product offerings and operations are very concrete objectives for FS executives. As per our 2024 sustainability transformation trends survey, 67% of the 248 financial services executives identify compliance with current regulations as a crucial driver for launching ESG initiatives. Similarly, one in two of the 6,500 consumers we surveyed worldwide is willing to pay a premium of 11% to 25% for sustainable products and services. As a result, half of the executives we polled agreed that the business case for sustainability is convincing. The fact that 67% of executives say the benefits of sustainability initiatives outweigh the costs underscores this clarity.

As more and more consumers worldwide scrutinize brands' social and environmental credentials, firms in all sectors recognize that sustainability contributes directly to brand equity. While many businesses are actively overhauling operations and supply chains to meet these demands, surprisingly, few are effectively communicating their efforts on compliance and gaining consumer recognition for their sustainability initiatives.

For example, a growing segment of US companies is silent about sustainability efforts. Yet, according to a 2024 study from San Francisco-based sustainability consultant TriplePundit, among US consumers, 69% agree that businesses should communicate more, not less, about their sustainability and social impact initiatives. That includes 75% of Gen Z and 74% of millennials who want to see businesses communicate more about ESG efforts and progress.[1] The researchers concluded that greenhushing isn't always a considerable detriment to businesses, but it misses the opportunity for business leaders to tell their own sustainability stories and be recognized.[2]

The vision/action gap in sustainability execution

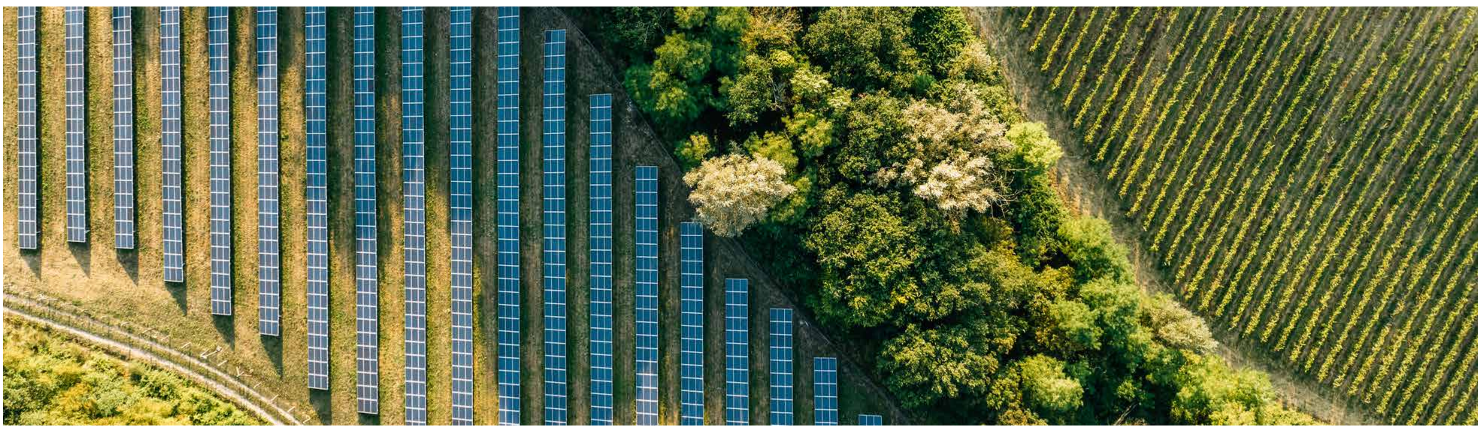
Financial organizations increasingly recognize the critical role of sustainability in future-proofing their operations. According to the financial services firms we surveyed, 76% of the top leadership share a common vision that the business needs to change to become sustainable. This heightened awareness has led to the formation of global and regional alliances that are committed to ambitious net-zero targets. For instance:

- Key banking players, including Bank of America, La Banque Postale, BBVA, Citi, First Abu Dhabi Bank, Lloyds, and Nordea, committed to net-zero emissions and low-carbon investments via participation in the United Nations-convened Net-Zero Banking Alliance (NZBA), comprised of more than 140 banks worldwide pledging to decarbonize operations. Founded in April 2021, NZBA updated its guidelines in Q1 2024, requiring members to disclose more about their climate targets, including how they plan to cut emissions from their capital markets activities – such as those that result from the buying and selling of stocks, bonds, derivatives or commodity futures.[3] [4]
- Similar regional alliances exist, such as the Glasgow Financial Alliance for Net Zero (Gfanz), a global coalition of leading financial institutions committed to accelerating the decarbonization of the economy. The group launched in April 2021 at COP26, held in the Scottish city where the alliance got its name, aiming to direct trillions of dollars to tackle the environmental crisis. Gfanz is an umbrella for other groups. In March 2023, membership totaled more than 500 firms (accounting for more than USD 130 trillion in assets), with each institution being part of one of seven sector-specific net-zero alliances spread among global financial services domains.[5]
- Launched in April 2024, the Forum for Insurance Transition to Net Zero (FIT) aims to support and accelerate the global insurance industry's shift to net-zero emissions by developing frameworks, metrics, and transition plans, and will engage insurers, regulators, and stakeholders, replacing the discontinued Net-Zero Insurance Alliance.[6]

Despite the apparent consensus on the importance of sustainability, financial institutions face significant challenges in translating this vision into action. The survey results reveal a concerning disconnect between stated goals and concrete investments for implementation.

Only one out of every four financial institutions we surveyed plan to substantially increase (more than 10%) their ESG investments in the next 12-18 months. This reluctance to commit resources starkly contrasts from the business case for sustainability acknowledged by executives. The underinvestment has resulted in one out of every four executives not using external third-party assessments to disclose their environmental impact.

The consequences of this inaction are already becoming apparent. According to our poll, customer dissatisfaction is rising globally, with 61% feeling that corporations are not doing enough to address climate change. Additionally, not using third-party standardized frameworks makes it difficult for companies to compare their progress with others. Without accurate checks, companies might overstate their environmental efforts or hide negative impacts, leading to accusations of greenwashing. This erodes trust and increases the risk of fines and reputational damage.



Poor reporting and data challenges obscure sustainability efforts

As financial institutions grapple with challenges that threaten to undermine progress, concerns about non-reporting and greenwashing are on the rise, casting doubt on the authenticity of sustainability claims made by some organizations.

The lack of transparent reporting on ESG metrics makes it difficult for stakeholders to assess the true impact of sustainability initiatives. This opacity hinders progress and erodes trust in the financial services sector's commitment to sustainability.

Unreliable ESG data

While regulatory pressures mount, organizations are grappling with significant challenges related to the availability and reliability of ESG data. These obstacles limit their ability to meet reporting requirements and drive meaningful sustainability initiatives. Our 2022 Data for Net Zero survey, highlights the extent of these challenges: 58% of financial services organizations have not automated their emissions data collection process.

Data fragmentation makes it challenging to gain a comprehensive view of sustainability efforts. Only 11% of organizations across industries have invested in a data cockpit or control tower to enable ESG data insights. This low adoption rate of advanced data management tools limit the ability to generate actionable insights from ESG data.

These challenges stem from several factors inherent to the nature of sustainability data.

Figure 1: **Five key challenges organizations face around the availability and reliability of sustainability data.**

1	Sustainability is a new industry data domain	**New skillset needs and scarce resources** Domain knowledge and data are hard to acquire
2	Sustainability is a cross-functional data domain	**High data volume and diversity** Increasing data volumes from multiple data sources in different formats are difficult to process
3	Manual data collection process	**Lack of dataflow automation** Inability to measure scope 1, 2, and 3 emission data frequently at company level
4	Data activation	**Lack of actionable insights** Static reporting with multiple data initiatives siloed in the organization
5	Data model	**Lack of industry-specific standards** Multiple data providers, multiple reporting types, and large ISV ecosystem makes data difficult to consolidate

Source: Capgemini Research Institute for Financial Services Analysis, 2024

Non-reporting and greenwashing concerns

Our 2024 sustainability transformation trends survey findings paint a sobering picture of the current state of sustainability reporting. Only 53% of financial services organizations publicly report the outcomes of their social sustainability initiatives. This lack of comprehensive reporting not only obscures the true extent of sustainability efforts but also hinders stakeholders from making informed decisions.

Furthermore, the prevalence of greenwashing has been a significant concern for executives.[7] Greenwashing can manifest in various domains within financial institutions, such as financial products, loans, investments, and insurance underwriting.
For instance:

- Financial products may be marketed as sustainable and ecological, even if they lack substantive supporting evidence.
- Loans intended for sustainable development may end up being used for other purposes.
- An insurer may claim sustainability while still underwriting fossil fuel infrastructure.

The inability to accurately report leads firms to make false claims about their sustainability efforts. There have been more accusations of greenwashing in recent years. For instance, the cases challenging corporate narratives on contributions to the low-carbon transitions jumped from 9 in 2020 to 27 and 26 in 2021 and 2022, respectively. These allegations have led to legal action and complaints to authorities. The claims are based on misrepresentation, breaches of advertising rules, and even fraud. The consequences for companies can be severe, affecting their finances, reputation, and stock prices.[8]

According to our 2024 sustainability transformation trends survey, more than one in three executives believe greenwashing is pervasive in the financial services industry. This perception is not lost on the C-suite, with 58% of the top leaders expressing concern that the public might perceive their sustainability initiatives as greenwashing.

These concerns are not unfounded:

- Financial services firms are among the top 10 who have paid the most significant greenwashing fines in the past 10 years. In one case, a US asset management firm was fined USD 25 million for possibly making its ESG funds seem “greener” than they actually were.[9]
- In 2023, there was a surge in greenwashing allegations against large EU firms. Following the oil and gas sector, financial services emerged as the second most affected economic sector. This is leading to distrust among consumers.[10]

Our 2024 global consumer survey reveals that 52% of customers believe companies are greenwashing their sustainability initiatives. The consequences of this perception are significant, with 53% of customers choosing not to purchase products from companies they perceive as engaged in greenwashing. Hence, authentic and transparent sustainability practices are critical for maintaining consumer trust and market share.

The concern is apparent across government and international institutions. During a 2022 United Nations Net-Zero Expert Group meeting, UN Secretary-General António Guterres said, “The world is in a race against time. We cannot afford slow movers, fake movers, or any form of greenwashing.”[11]

Leading North American insurer firm leverages ESG data store for sustainability transformation

Business challenge: A leading North American insurer recognized the need to enhance its Office of Sustainability (OOS) to meet evolving ESG demands. Faced with the challenge of automating reporting, increasing transparency and auditability, and supporting future ESG-related requirements such as risk management and new product identification, the insurer sought to overhaul its operating model and technical data platform.

Business solution: To address these challenges, the insurer collaborated with Capgemini to validate and refresh its ESG technology strategy. Capgemini defined best practices, established an informed target operating model, and designed and iteratively implemented ESG-DS (Data Store) as the foundational data and technology framework for driving sustainability transformation. The proposed comprehensive solution was divided into two main workstreams: Operating model, and Data and technology. The Operating model workstream focused on optimizing OOS operations to enhance efficiency and effectiveness. The Data and technology workstream concentrated on designing the technical and data solution architecture, defining a strategic roadmap, and delivering the ESG Data Repository integrated into the insurer's ecosystem.

Business impact: The partnership resulted in significant advancements for the insurer's ESG operations. Over 100 contributors and data sources were engaged, leading to the establishment of a single source of truth with ESG-DS. The implementation of two SaaS platforms facilitated comprehensive solution deployment.

The regulatory response

In response to reporting and data accessibility barriers, regulators are stepping up compliance enforcement and promoting authentic sustainability practices. The regulatory landscape is becoming increasingly complex and stringent, with several directives coming into play.

- Corporate Sustainability Reporting Directive (CSRD): The EU directive requires companies with significant European operations to disclose risks and opportunities arising from social and environmental issues. Over 50,000 companies will be required to report under CSRD beginning in 2025, quadrupling the number under the previous directive.[12 13]
- Corporate Sustainability Due Diligence Directive (CSDDD): The EU directive states that companies must conduct human rights and environmental due diligence to address sustainability impact, with full compliance required by the start of 2027.[14]
- EU Taxonomy: This directive requires companies to use robust data frameworks to report on sustainable activities. While currently mandatory for large firms, all companies will be affected beginning in 2027.[15]
- Sustainable Finance Disclosure Regulation (SFDR): Already in force, this directive mandates that EU organizations report on how they integrate ESG risks into investment decisions.[16]
- SEC Climate-Related Disclosure: The US regulation requires companies to provide climate-related disclosures in their annual reports and registration statements, including those for IPOs. The first phase is expected to begin in 2025 for larger organizations.[17 18]
- In March 2024, the Canadian Sustainability Standards Board (CSSB) proposed new sustainability and climate-related reporting standards, aligned with IFRS guidelines, marking a step towards mandatory climate reporting for Canadian companies.[19]

The investment imperative

Firms should consider increasing investments to navigate this complex regulatory landscape. Our 2024 sustainability transformation trends survey reveals that 70% of executives believe their organization would not have launched many ESG initiatives without regulation – underscoring the role of regulatory frameworks in driving sustainability efforts.

The urgency to act is clear: 47% of executives we polled will be required to submit their first CSRD report within the next two years. Also, many leaders see the benefits of compliance beyond mere mandate fulfillment. For instance, 79% believe CSRD compliance improves sustainability measurement and tracking capabilities, while 72% think it encourages investors to make informed choices about investment portfolios.

Integrate ESG data for enhanced transparency

Integrating ESG data into compliance efforts provides a dual advantage: enhancing transparency while strengthening brand reputation. Financial services firms can meet regulatory standards and build trust with consumers and investors by adopting comprehensive reporting and genuine sustainability practices.

Our survey of financial executives underscores the critical role of data in accelerating sustainability transformation. 67% of executives we surveyed agree that digital transformation is a prerequisite for sustainability transformation. However, the use of emissions data in compliance decision-making is not yet pervasive. It is noteworthy that 56% of financial services organizations with net-zero targets stated that they use emissions data only for mandatory reporting and do not embed it in decision-making processes.

To address this gap and establish an ESG advantage, financial services firms must take ownership of trustworthy ESG data. Establishing a robust ESG data governance framework and integrating it into the core business operating model is crucial for success. This includes developing an ESG taxonomy, leveraging emerging technologies, engaging stakeholders, and streamlining data collection. By embedding ESG considerations into the organization's operations, firms can ensure that sustainability drives strategic decision-making.

ESG Lens revolutionizes global bank's ESG decision-making

Business challenge: Environmental, Social, and Governance (ESG) considerations are global imperatives in today's financial landscape. Yet when a US-based tier 1 global bank had to generate insights from vast amounts of alternative data on ESG metrics to make well-informed investment decisions, traditional methods lacked the depth and context to navigate effectively.

Business solution: The tier 1 global bank turned to Capgemini's ESG Lens solution that leverages cutting-edge open-source artificial intelligence models and financial services' natural language processing (NLP) techniques. Powered by generative AI, the solution analyzes ESG sentiments and news and offers historical context that enables equity researchers and wealth managers to dive deep into trends and patterns. Multiple generative AI models allow analysts to audit and trace previous investments. ESG Lens integrates trend lines with key performance indicators from the ESG reports of companies the bank considers for its investment portfolio. Alternate data sources enable comprehensive coverage of ESG factors that help the bank address future sustainability challenges and opportunities.

Business impact: ESG Lens empowered the bank's equity researchers and relationship managers with the knowledge they needed to offer clients strategic investment advice. In addition, the solution has significantly boosted the firm's operational efficiency, improving historical contextualization by 80%. Beyond investment improvement, ESG Lens supported the bank's commitment to a sustainable future by fostering trust and confidence among stakeholders and regulatory bodies.

Figure 2: **Taking ownership of ESG data enhances traceability, auditability, and data-driven decision-making.**

Data governance	Operating model	Data collection and insights
Establish a forward-looking data governance framework that aligns with ESG goals, ensuring your data is consistent, trustworthy, and transparent. A clear taxonomy and reliable data model are key to supporting these objectives.	Develop an operating model that integrates data governance into core processes and promotes continuous innovation through emerging technologies. Engage with stakeholders to ensure these ESG initiatives align with broader business objectives and market expectations.	Streamline data sources, address gaps, and enhance ESG data by using a single data repository. Develop advanced ESG analytics, embed risks within the value chain, and assess the impact of activities for unified reporting.

Source: Capgemini Research Institute for Financial Services Analysis, 2024

A key element in this process is establishing a single data repository to ensure cohesive ESG reporting. A centralized approach can enhance data reliability and facilitate efficient reporting and decision-making.

Adopt a structured approach to achieving sustainability transformation

In the face of mounting regulatory pressure and increasing stakeholder expectations, financial services firms must adopt a structured approach that encompasses commitment, action, and continuous monitoring and reporting. To achieve this, firms would need to focus on enabling a sustainability data hub for a holistic transformation across three crucial stages: committing to a net-zero strategy, acting to create sustainable products, and monitoring data for net zero.

Embracing a framework that offers a comprehensive roadmap for integrating sustainability into the core of financial operations is crucial. The sustainability data hub at the foundation of this model is not just a repository of information, but also a catalyst for change. It empowers organizations to make data-driven decisions, fostering a culture of continuous improvement and innovation in sustainable practices. This comprehensive approach addresses the critical challenges facing the financial sector today, from managing climate-related risks to meeting stringent reporting requirements. More importantly, it opens up new avenues for value creation, allowing firms to differentiate themselves in a competitive market.

Figure 3: **Adopt a data driven framework for sustainable financial practices.**

	Sustainable enterprise Set and execute vision to Net Zero	Compliance and reporting Seamless, transparent reporting	Risk/transition management Leverage data & AI to better manage risk	Growth and CX Harvest data to identify opportunity areas
MONITOR/ REPORT	Monitor and report data for Net Zero	Conduct audits for data compliance	Enable sentiment interpretation and scenario analysis	Allocate capital by monitoring opportunities
ACT	Select the right ecosystem	Improve Fin Crime and reporting with GenAI	Build models, portfolios, and green indices	Elevate delivery of hyper-personalized insights
COMMIT	Orchestrate vision, roadmap, and KPIs	Create a dedicated compliance and reporting Team	Future-proof data models	Target operating model
Sustainability Data Hub				

Source: Capgemini Research Institute for Financial Services Analysis, 2024

Financial institutions can meet regulatory requirements and establish a competitive advantage in a sustainability-conscious market by focusing on these four pillars. Some leading financial organizations are reaping the rewards today.

1. Allianz used climate risk assessment tools and AI-driven analytics to offer hyperpersonalized insurance solutions based on individual climate risk profiles, generating EUR 3,025.5 million (USD 3,300 million) in revenues from certified Sustainable Solutions in their property and casualty business in 2023.[20 21]
2. HSBC and DBS in the UAE and Singapore respectively have launched sustainability accelerator programs and tools to empower clients and promote integrating ESG into enterprise risk management by providing detailed sustainability readiness reports with structured analyses and practical recommendations. Companies can access tailored advice, government incentives, and funding options, enhancing their ability to progress in their sustainability journey.[22 23]
3. HSBC UK launched the Carbon Insights tool within the HSBC Kinetic mobile app, estimating CO2 emissions for transactions made with HSBC Kinetic debit cards. The tool provides a user-friendly dashboard, breaks down emissions by expense categories, offers suggestions on managing emissions, and compares a business's carbon balance to industry averages.[24]

Implement a strategic approach for data-driven compliance and value creation

Conducting a comprehensive assessment of the sustainability reporting lifecycle, will help financial services organizations to completely leverage the benefits of the data hub. As an outcome, they will be able to outline key steps from initial scoping to advanced insights generation. Executives can use various tools and accelerators including data readiness assessments, ESG maturity benchmarking, and advanced machine learning solutions for regulatory readiness and centralized reporting. By following this structured approach, organizations can achieve end-to-end compliance, agile and auditable reporting, and improved business decisions. Strategic implementation ensures regulatory adherence, cost optimization, and process streamlining – positioning firms at the sustainable business model forefront.

Evaluating the sustainability reporting lifecycle allows financial institutions to elevate their ESG reporting from a compliance exercise to a strategic asset. It enables firms to integrate cutting-edge technology and best practices to create a seamless, efficient, and value-driven reporting process.

The financial services industry stands at a critical juncture. The path to success lies in embracing transparency, investing in robust ESG data management, and viewing regulatory compliance not as a regulatory mandate but as an opportunity to demonstrate genuine commitment to sustainability and the new business streams it can generate.

Conclusion

As we stand at the crossroads of financial innovation and environmental stewardship, the path forward for the financial services industry is compelling yet challenging. The sustainability imperative is no longer a distant concern but an immediate opportunity for transformation and growth. ESG, as a critical business element, is poised for change driven by the convergence of regulatory pressures, technological advancements, and shifting customer expectations.

The future of finance and the planet is linked. Institutions that embrace this concept will navigate the complexities of compliance while unlocking new avenues for value creation and competitive differentiation. The integration of ESG principles into core business strategies is not merely about risk mitigation; it's about reimagining the role of finance in shaping a sustainable global economy.

As we look ahead, winning firms will be those that view sustainability as a catalyst for innovation. They will harness the power of data to drive meaningful insights, leverage technology to streamline reporting and decision-making, and foster a culture of sustainability that influences all operations.

The road ahead will undoubtedly be challenging but also ripe with opportunity. By embracing a strategic approach to sustainability reporting and embedding ESG data considerations into their DNA, financial institutions can position themselves as stewards of capital and architects of a more sustainable and equitable future.

Bold, transformative action can help the financial services sector secure its future and play a pivotal role in shaping a world where prosperity and sustainability co-exist.

We recommend holistic sustainability transformation initiatives across four key pillars to support financial services firms in sustaining current business while creating new revenue opportunities:

Set and execute vision to net zero
Develop and implement a comprehensive plan to achieve net-zero emissions while reimagining business models to align with sustainability goals and capitalize on emerging opportunities in the green economy.

Harvest data to identify opportunity areas
Design and launch financial products and services that promote sustainability while simultaneously transforming customer experience to drive revenue and loyalty.

Leverage data & AI to better manage risk
Utilize data and AI-driven insights to identify and manage potential risks associated with the transition to sustainability. Anticipate market shifts and stay ahead of emerging risks.

Seamless, transparent reporting
Implement advanced data collection and analytics systems to track progress toward net-zero goals, ensuring transparent and accurate reporting to stakeholders, regulators, and customers while using these insights to drive continuous improvement in sustainability performance.

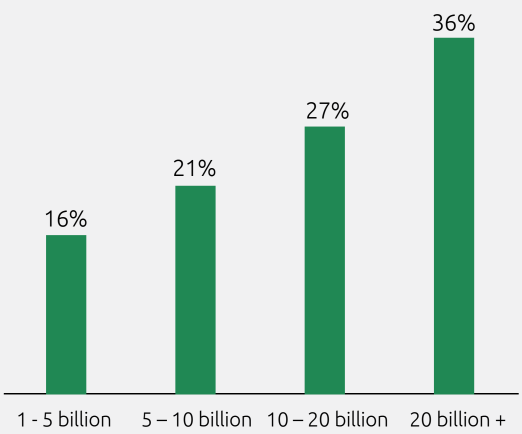
Methodology

Capgemini Research Institute Sustainability Transformation Trends Survey

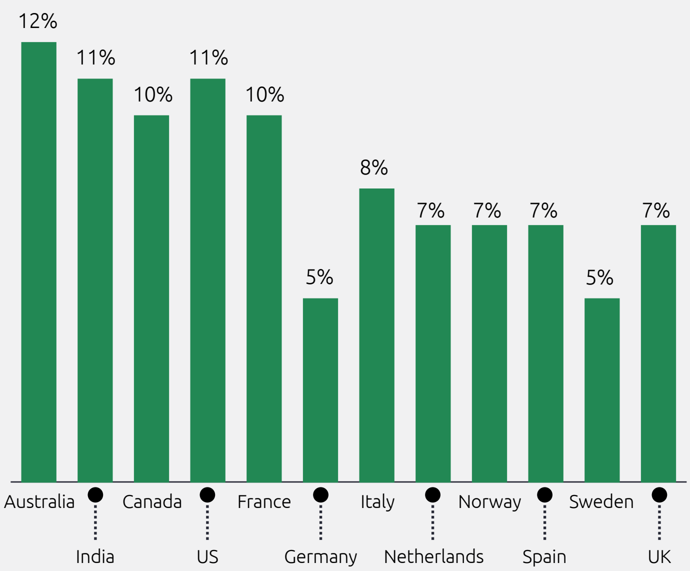
We conducted a detailed survey of 248 executives who are employed with leading financial services organizations, each with annual revenues exceeding USD 1 billion. These organizations span 12 countries in North America, Europe, and Asia-Pacific. The survey targeted individuals at the director level, vice president level and the executive level. It exhibited a balanced split with 54% representing corporate functions such as strategy, sustainability, sales, and marketing, and 46% from value chain functions, including product design, R&D, procurement, and logistics. The survey covered initiatives launched in environmental and social sustainability, targets aligned with the Science Based Targets initiative (SBTi), progress towards emissions goals, and motivations for adopting sustainability strategies. The global survey took place in June and July 2024. The distribution of these executives and their organizations is covered below.

To incorporate the ESG regulations perspective, the survey included dedicated questions to gather insights on involvement in supporting compliance with the Corporate Sustainability Reporting Directive (CSRD), readiness to meet CSRD Environmental, Social, and Governance standards, preparedness for disclosing greenhouse gas emissions, the proportion of sustainability-linked loans or bonds in the organization's portfolio, technologies used in sustainability practices, and recent trends in sustainability delivery within financial services.

Organizational diversity by revenue USD



Geographic breakdown

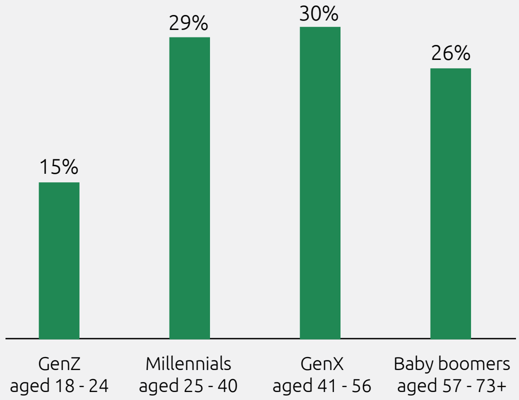


Capgemini Research Institute Sustainability Consumer Survey

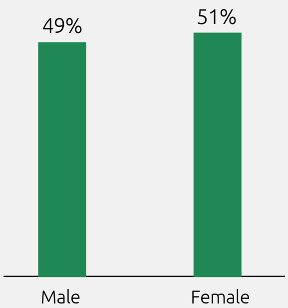
A global survey was conducted with 6,500 customers aged 18 and above across 13 countries during June-July 2024. The findings presented in this study are based on the responses to our online questionnaire and are designed to offer directional insights.

Customer demographics

Age groups



Gender



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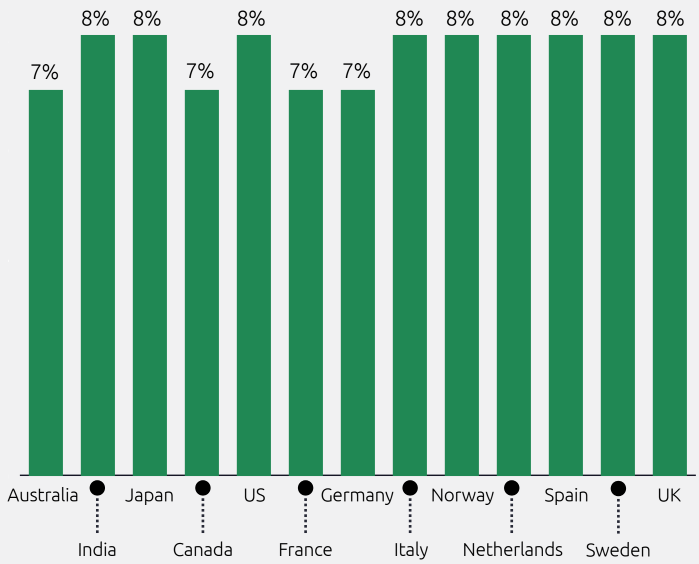

Partner with Capgemini

Business for planet modeling

We offer a strategy development tool that leverages the digital-twin approach to help enterprises build a sustainable business model by evaluating the impact of strategic decisions. First, we support the organization in developing a sustainability strategic twin to replicate business interactions. Next, the different options resulting from a decision are stress-tested and plugged into the future dynamics of the economy, climate, energy, resource boundaries, and policies. Optimized options enable the business to mitigate the transition risk, resulting in higher profitability with minimal environmental repercussions.

ESG lens

ESG Lens is a natural language processing (NLP)-powered solution that detects irregularities in third-party ESG data and delivers reliable and transparent risk measures to enable data-driven ESG decision-making. The solution utilizes structured and unstructured data to identify anomalies in third-party ESG scores and offers descriptive and diagnostic ESG sentiments that can track back to their source.

ESG Lens creates proxy ESG data to bridge data gaps. It delivers insights-driven ESG risk measures for fund and portfolio managers, traders, directors and officers, and policy and loan underwriters to counteract greenwashing, prevent losses, and support informed business decisions with predictive modeling.

Sustainability data hub

A trusted environmental data foundation that mines next-level insights positions an ESG intelligence nerve center at the intersection of all enterprise functions to empower ESG-driven business performance.

Our Sustainability Data Hub (SDH) enables data-driven decision-making by offering end-to-end Data Capabilities from strategy to execution to orchestrate the firm's purpose and support it at each step of the data-driven transformation.

Ask the experts

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