

Canadian business leaders see opportunity for Generative AI to drive progress in sustainability initiatives

- Only 31% surveyed agree they have significantly progressed their sustainability strategy
- 62% are making trade-offs between financial and sustainability outcomes
- Those surveyed shared Canadian spending on sustainability reporting exceeds spending on sustainability innovations by 41%
- 71% of Canadian executives plan to invest in AI to drive sustainability initiatives.



TORONTO, Canada, February 29, 2024 – A new global study by the IBM (NYSE: [IBM](#)) Institute for Business Value found that while a majority of organizations recognize sustainability as important to their business strategy, over half (52%) of Canadian C-suite leaders surveyed are struggling to fund sustainability investments.

The study*, “[Beyond checking the box -- how to create business value with embedded sustainability](#),” found that today, Canadian organizations are managing complex, varied reporting requirements, limiting their ability to focus on sustainability innovations to drive business value and results.

Canadian executives surveyed who are driving sustainability strategies shared:

- 31% have made significant progress in executing their sustainability strategy – [a 20 pt increase from 2023](#) – but delivering on their full vision remains a challenge.
- Over half (52%) are struggling to fund sustainability investments.
- 62% are having to make trade-offs between financial and sustainability outcomes.
- Spending on sustainability reporting exceeds spending on sustainability innovation.
- 65% agree that generative AI will be important for their sustainability efforts.
- 71% say they plan to increase their investment in generative AI for sustainability.

“Canadian organizations that embed sustainability more deeply into their operations have a marked difference in outcomes – those that embed sustainability are 85% more likely to outperform their peers on profitability vs. 52% for global peers.” said **Zlata Huddleston, Partner, Sustainability Practice Leader, IBM Consulting Canada**. “To drive meaningful progress in sustainability efforts, it is critical for business leaders to strike the right balance between resources invested in reporting and investing in innovative initiatives that will add value.”

Other key study findings from Canadian executives included:

1. Organizations continue to pursue sustainability, but funding, skilling and operationalizing actions remain a challenge

- 72% agree sustainability drives better business results
- 74% agree that sustainability is central to their business strategy.
- While 83% agree high-quality data and transparency are necessary to achieve sustainability outcomes, only about 4 in 10 organizations can automatically source sustainability data from core systems: ERP (finance, HR, supply chain), Enterprise Asset Management, CRM, Energy Management Systems, Facilities Management systems.

2. Organizations that embed sustainability more deeply into their operations see benefits that can convert sustainability efforts into business value

- One third (32%) reported they are incorporating sustainability data and insights into operational improvements to a great extent vs. 19% say they do so with innovation initiatives.

Beyond checking the box - how to create business value with embedded sustainability underscores the urgent need for organizations to integrate sustainability objectives within their business strategy and apply technologies like AI to realize greater progress and profitability. The study also serves as a resource for business leaders, outlining actionable strategies to help enterprises with challenges around data, business integration and decision-making.

To view the full study, visit: <https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/sustainability-business-value>

***Study Methodology**

The study draws on a survey of 5,000 C-suite executives across 22 industries and 22 countries conducted by the IBM Institute for Business Value in collaboration with Oxford Economics. In addition to descriptive analysis, the data from the respondents was analyzed to allow for a segmentation of the sample according to how embedded sustainability is in the enterprise. Based on this segmentation, analysis was conducted on differences in sustainability and business outcomes, operational practices, and approaches to enabling progress on sustainability.

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