Fujitsu Uvance

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2024 Fujitsu SX Survey

Charting a course for change

Sustainability Transformation in APAC:
Playing catch-up

Executive summary

The urgency of Sustainability Transformation (SX) is front of mind for executives all around the world. However, competing priorities related to business growth continue to constrain many organisations which are consequently failing to deliver tangible outcomes from their SX initiatives. This is one of the core findings of our latest survey of 600 CxOs across 15 countries.

Fujitsu's 2024 SX Survey reveals that an elite group of organisations – which we call the "Change Makers" – is using data-centric collaboration to accelerate progress across the three sustainability pillars of "Planet," "Prosperity" and "People." This report explains how organisations in APAC (excluding Japan) can follow in their footsteps.
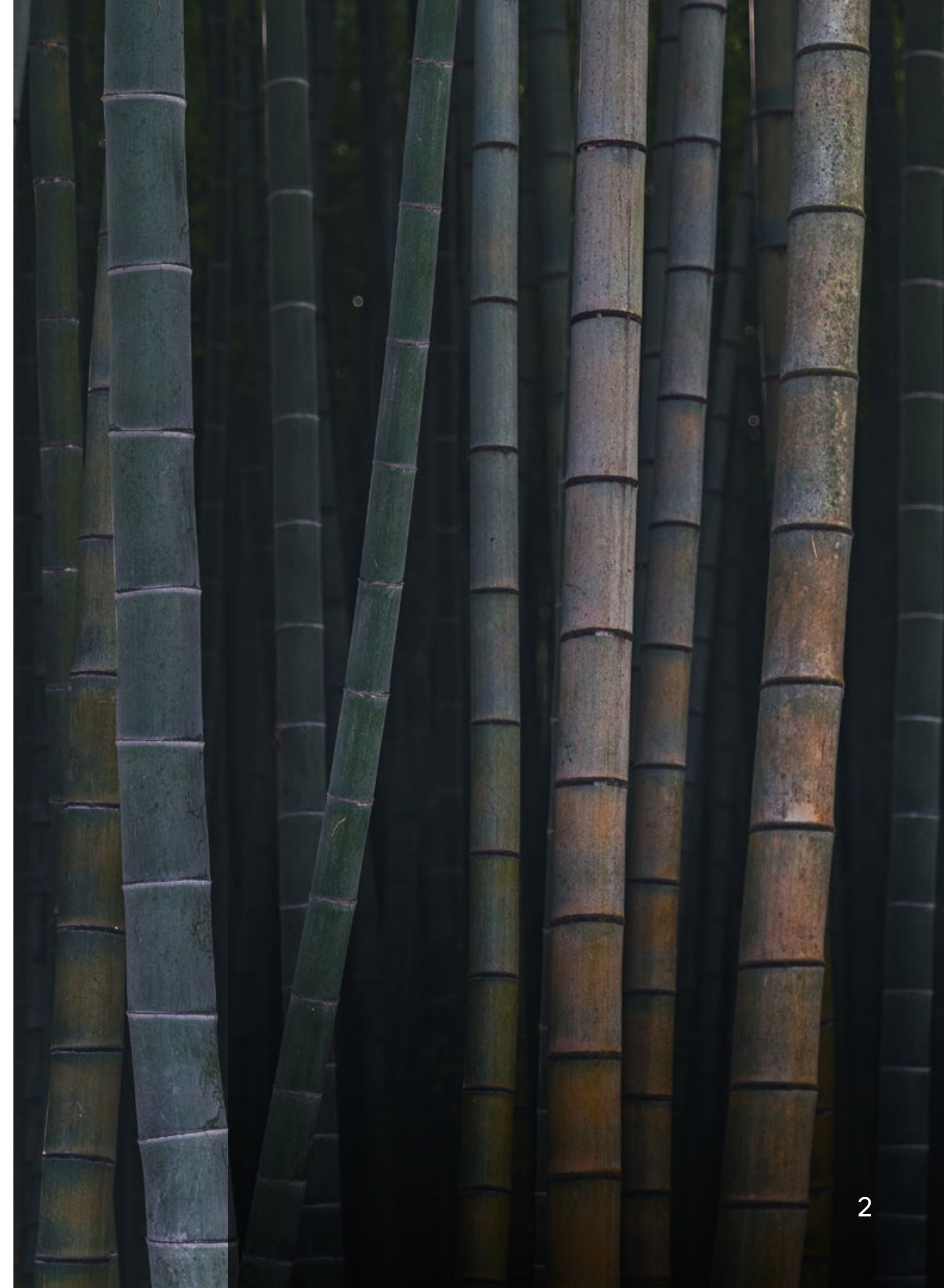
Planet, Prosperity and People: Understanding the three pillars of Sustainability Transformation

Sustainability Transformation consists of organisations using digital innovation to drive positive, lasting change for our globe's environment, its people and its increasingly digitalised society. It's about contributing to a more sustainable world while simultaneously ensuring business growth.

We believe Sustainability Transformation encompasses 14 key initiatives (as seen in Figure 4, on page 11) that span three areas, or pillars.

Like those in the other regions, APAC organisations appear to accord highest priority to initiatives under the People pillar – those designed to enhance the health and wellbeing of the global population.
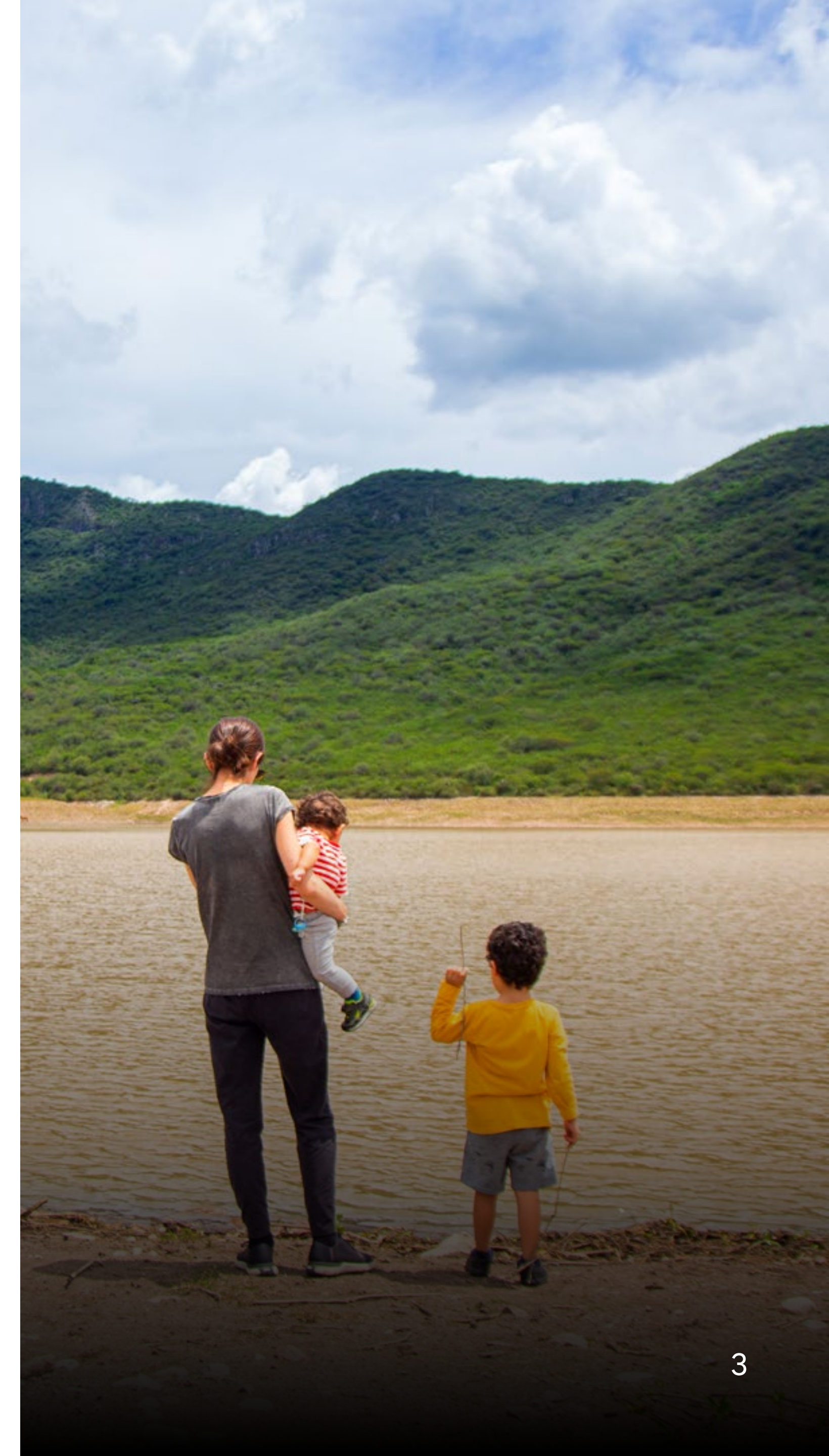
Planet: Reducing the harm caused to the planet, and driving regeneration

Prosperity: Building a more prosperous digital society for everyone

People: Enhancing the health and wellbeing of the global population

Three key findings from the research

1. **There is appetite for SX, but APAC organisations struggle to deliver results[1].**
   Almost half of executives in the region prioritise key sustainability initiatives. However, their organisations are struggling to convert ambition into tangible outcomes – in contrast with the global Change Makers.

2. **APAC organisations must work to better define expected return on investment (ROI) from their sustainability initiatives.**
   More than a third (35%) get pushback from internal stakeholders on their sustainability investments as a result of unclear ROI. These organisations continue to focus more on generating financial benefits than on creating longer-term value for society. Change Makers, in contrast, focus more on socially beneficial initiatives.

3. **Collaboration on sustainability appears to be a strong point in APAC, but data-maturity levels are concerningly low.**
   Data-led collaboration fuels the Change Makers' approach to SX. Organisations in APAC, however, are less likely than those elsewhere to use data effectively to drive sustainability efforts.

[1] The data presented for APAC in this report does not include respondents from Japan. Please see the methodology section on page 28 for a complete description of the survey demographics.

Section 1

There is appetite for SX, but organisations in APAC struggle to produce results
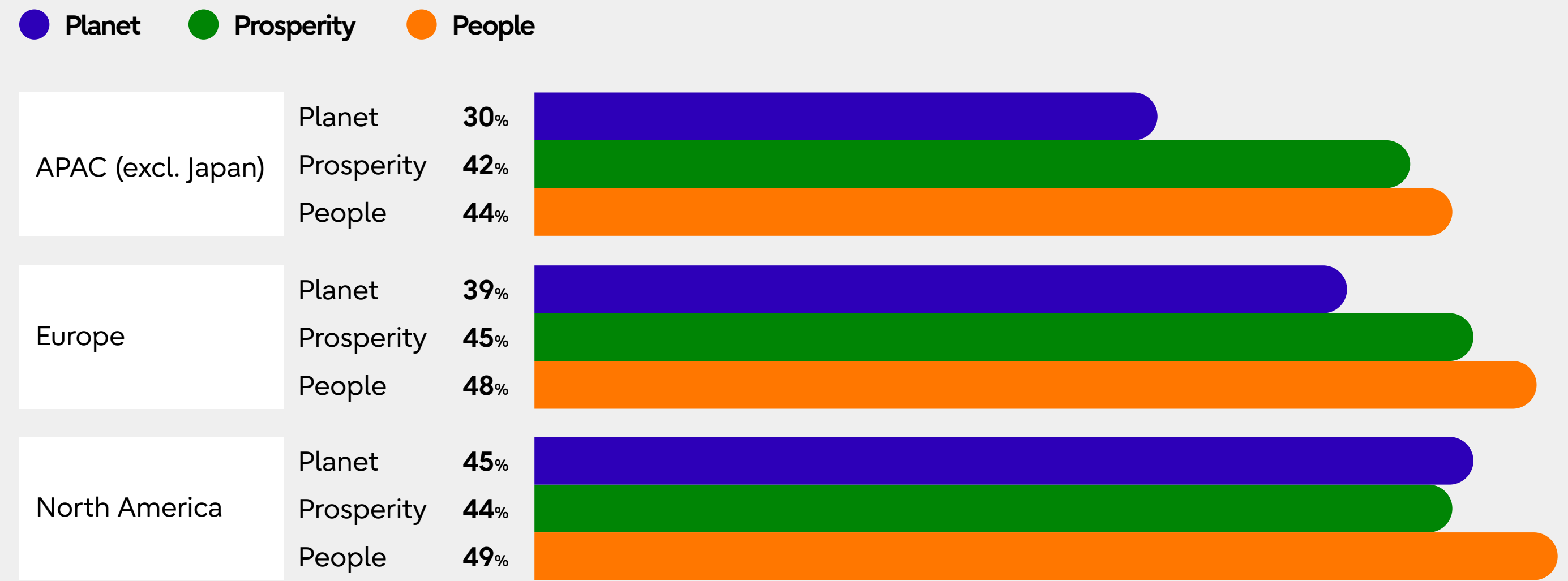
Organisations in APAC display a considerable appetite for SX, but this isn't translating consistently into the generation of tangible sustainability outcomes. APAC organisations are underachieving conspicuously in this respect in comparison with other regions. The global Change Makers, in contrast, demonstrate that meaningful results from SX are possible.

Many executives in APAC (excl. Japan) say their organisation places a high priority on their sustainability initiatives.

Over 30% are prioritising key activities across the three sustainability pillars of "Planet", "Prosperity" and "People" (and almost half are prioritising key initiatives in the last two pillars). The figures are lower in APAC than in North America and Europe, but they nevertheless point to significant awareness of the need to advance sustainability practices and behaviours.

Percentage of executives in each region reporting that sustainability initiatives under each pillar are high priority (averaged across initiatives)

● Planet   ● Prosperity   ● People

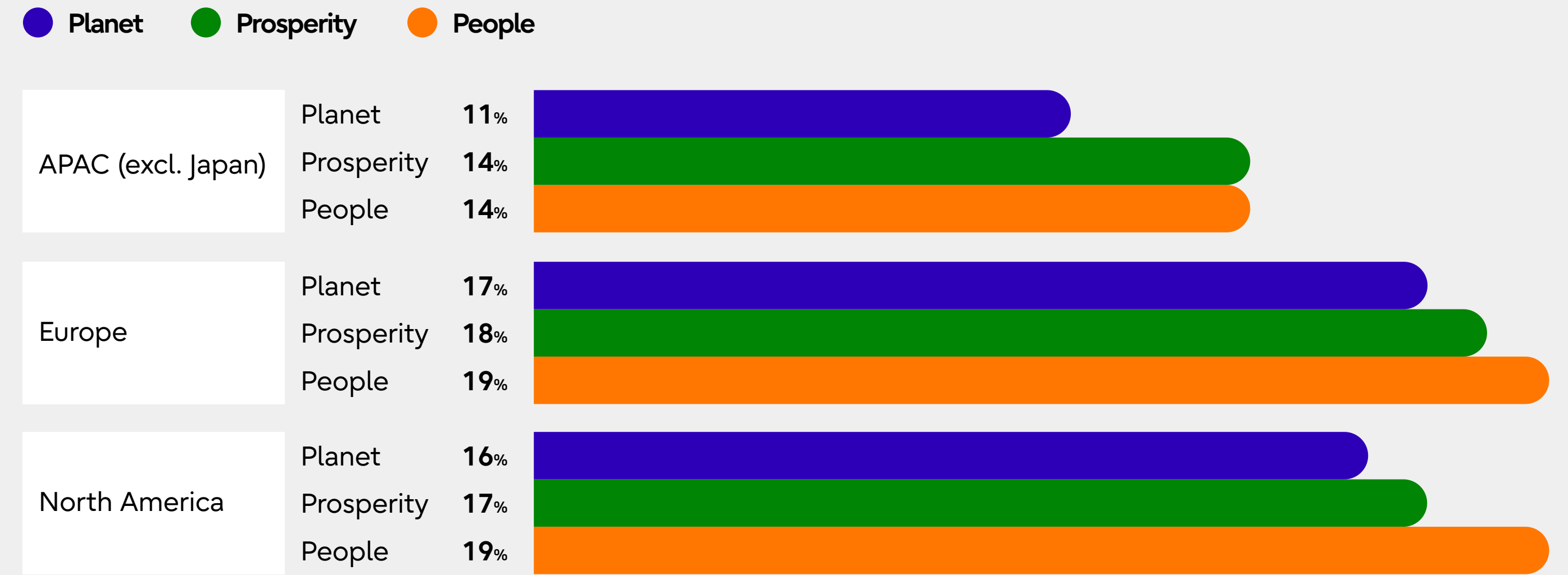| APAC (excl. Japan) | Planet | 30% |
	Prosperity	42%
	People	44%
Europe	Planet	39%
	Prosperity	45%
	People	48%
North America	Planet	45%
	Prosperity	44%
	People	49%

Base sample: APAC (excl. Japan)=170; Europe=200; North America=200

Figure 1: **People-related SX initiatives are top-of-mind in APAC.** 44% of APAC (excl. Japan) executives say their organisations assign a high priority to improving the health and wellbeing of the global population.

This level of commitment is commendable, but it isn't necessarily translating into results. Only a small percentage of the APAC organisations we surveyed are seeing tangible outcomes from their key sustainability initiatives (figure 2)'. Just 14% say this is the case in the Prosperity pillar, 14% in People and 11% in Planet. Organisations in the other regions are also struggling to generate outcomes, but those in APAC appear to be having particular difficulty.

Percentage of executives in each region reporting that sustainability initiatives under each pillar have delivered tangible outcomes (averaged across initiatives)

● **Planet**   ● **Prosperity**   ● **People**

APAC (excl. Japan)	Planet	**11**%
	Prosperity	**14**%
	People	**14**%
Europe	Planet	**17**%
	Prosperity	**18**%
	People	**19**%
North America	Planet	**16**%
	Prosperity	**17**%
	People	**19**%

Base sample: APAC (excl. Japan)=170; Europe=200; North America=200

Figure 2: **APAC organisations struggle to achieve tangible SX outcomes.** Executives in this region are less likely than those in Europe and North America to report that their organisation has delivered tangible outcomes across the three pillars of sustainability.

Other survey results hint at reasons for the lack of progress. For example, only 18% of executives in APAC claim to have implemented a Sustainability Transformation plan that has achieved tangible outcomes. This compares with 29% in both North America and Europe. (There is some encouragement in the fact that 28% in APAC say that their organisation is "about to implement" a plan.) And over one-third in APAC (35%) say their organisation is doing only the bare minimum on sustainability, because it's expensive and/or it harms the business.

Our global research highlights a small group of advanced companies making faster progress on sustainability – and these are 17 percentage points more likely to report profit growth. These are the "Change Makers," which constitute 11% of the global sample. There is a smaller proportion of these in APAC than in the other regions: 8% compared with 15% in Europe and 10% in North America.

The global Change Makers are more likely to have made greater progress with their sustainability initiatives, and to report that they are delivering tangible outcomes, than organisations in APAC. (The same is true in comparing the global Change Makers with the other regions' organisations, but the gaps with APAC organisations' outcomes is more notable.)

Percentage of firms in each region that are Change Makers

8% APAC (excl. Japan)

**15%** Europe
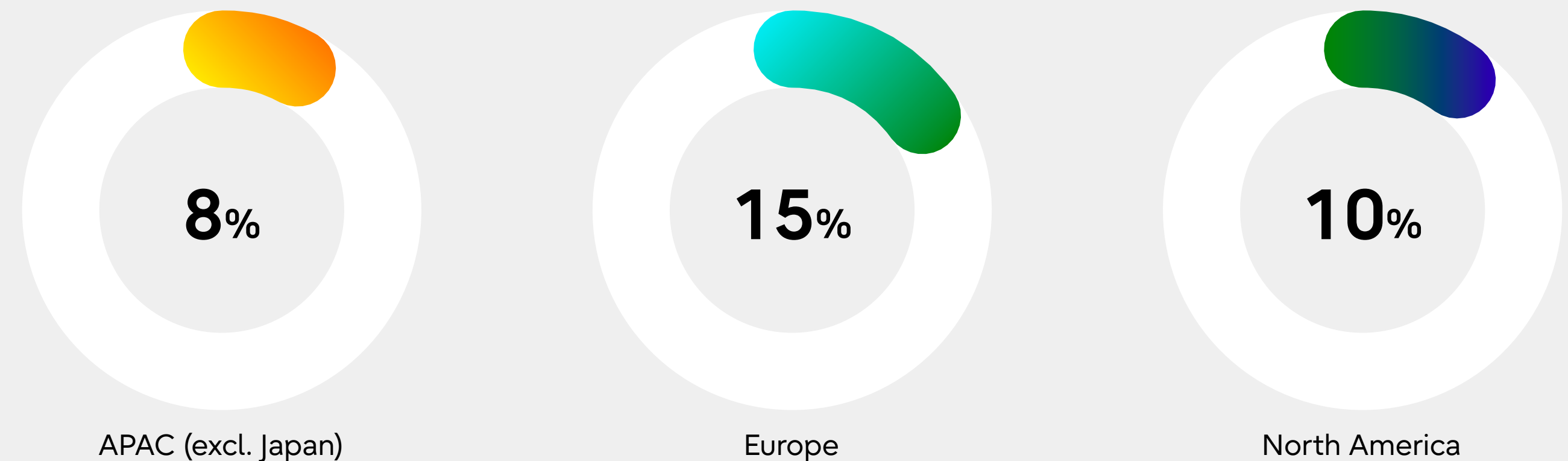
10% North America

Base sample: APAC (excl. Japan)=170; Europe=200; North America=200

Figure 3: **APAC has a smaller proportion of Change Makers than other regions.** 8% of APAC organisations emerge as Change Makers in the survey, compared with 15% in Europe and 10% in North America.

Who are the Change Makers?

Change Maker organisations are those identified in the global survey that have made the greatest progress on the 14 key sustainability initiatives (Figure 4). Among other attributes, they are more confident than other organisations that they will meet their sustainability objectives on time; more likely to exceed expectations in terms of performance against external sustainability targets; and more likely to report improved revenue, profit, share price and market share over the past 12 months.
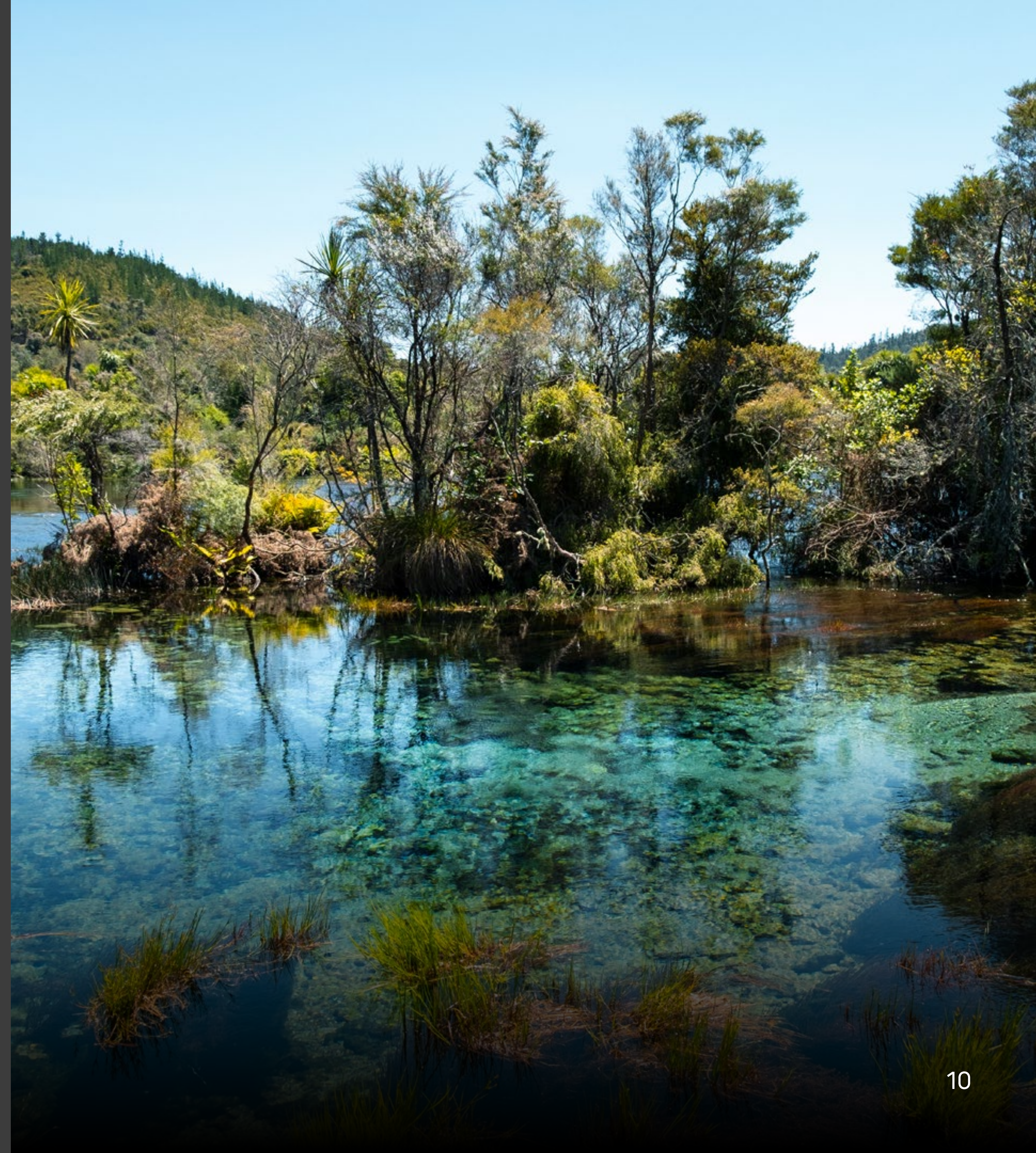
When looking at tangible outcomes for the global Change Makers and APAC organisations, we see the most significant gaps to be around "creating a positive workplace environment (employee and customer health)", "ensuring data security (data security)" and "reducing industrial waste (reducing waste)." In the case of the last two outcomes, APAC's difficulties may be partly due to the absence of region-wide regulations and protocols. Unlike in the EU and, to a lesser extent, in North America, businesses in APAC do not benefit from a single regulatory environment, instead being obliged to contend with a swathe of overlapping – and sometimes conflicting – national-level regulations and incentives.

Percentage of executives that report tangible outcomes on each initiative: Global Change Makers vs APAC

Change Makers		APAC (excl. Japan)
	Planet	
52%	Reducing waste	13%
42%	Climate change	9%
33%	Biodiversity	10%
30%	Recycling resources	12%
27%	Water resources	13%
	Prosperity	
59%	Workplace and labour shortages	13%
58%	Data security	14%
42%	Digital divide	16%
40%	Promoting IT/AI ethics	18%
32%	Responsible supply chains	9%
	People	
49%	Employee and customer health	14%
49%	Customer experience	20%
36%	Human rights causes	14%
25%	Education and reskilling	8%

Base sample: Global Change Makers=63; APAC (excl. Japan)=170
(Note: Percentage of respondents who selected each category as a priority, not of the overall sample)

Figure 4: **APAC has considerable room for improvement in generating SX outcomes.** APAC organisations' progress in delivering tangible outcomes from their sustainability initiatives pales in comparison to that of the global Change Makers.

Section 2
APAC organisations must work to better define expected ROI from sustainability initiatives

Many organisations in APAC (excl. Japan) struggle to see meaningful ROI on their sustainability investments. Far fewer Change Makers are in this position, and they are much more likely than other organisations to report improved business performance over the past 12 months.

Unlike the rest of the surveyed organisations, large numbers of global Change Makers report improved business performance over the past 12 months across a series of metrics, including profit, market share and customer satisfaction. This is compelling, as it shows that Sustainability Transformation can proceed harmoniously alongside business growth.

On average 56% of APAC organisations (excl. Japan) did not cite improvement in these metrics. They are also more likely than those in other regions to cite unclear ROI as a barrier to progress on their SX objectives (35% vs. 24% in Europe and 33% in North America). These APAC executives say that stakeholders often challenge their sustainability investments if they are unable to project a clear financial return.

This may help explain why APAC organisations are more likely to focus on financial benefits over longer-term value creation that benefits society as a whole. Respondents in the region cite "attracting investment" and "strengthening brand image" as the most important drivers of their organisations' SX initiatives (both at 52%). Somewhat fewer accord high importance to those that "reduce their impact on the planet" or "make a positive impact on society" (45% and 48%, respectively).

The global research underlines that a different approach, as exhibited by the Change Makers, is likely to make a more significant long-term contribution to the greater good. The Change Makers have a different mindset around Sustainability Transformation than other organisations. They assign the same or, in some cases, a higher level of priority to sustainability goals as they do to financial ones. Moreover, making a positive impact on the environment and society is at the heart of their strategy. For example, 54% of Change Makers say that reducing their organisation's impact on the planet is a driver of sustainability initiatives, vs 44% of other organisations.

Organisations citing unclear ROI as a barrier to progress on their SX objectives

35% APAC (excl. Japan)

24% Europe

33% North America
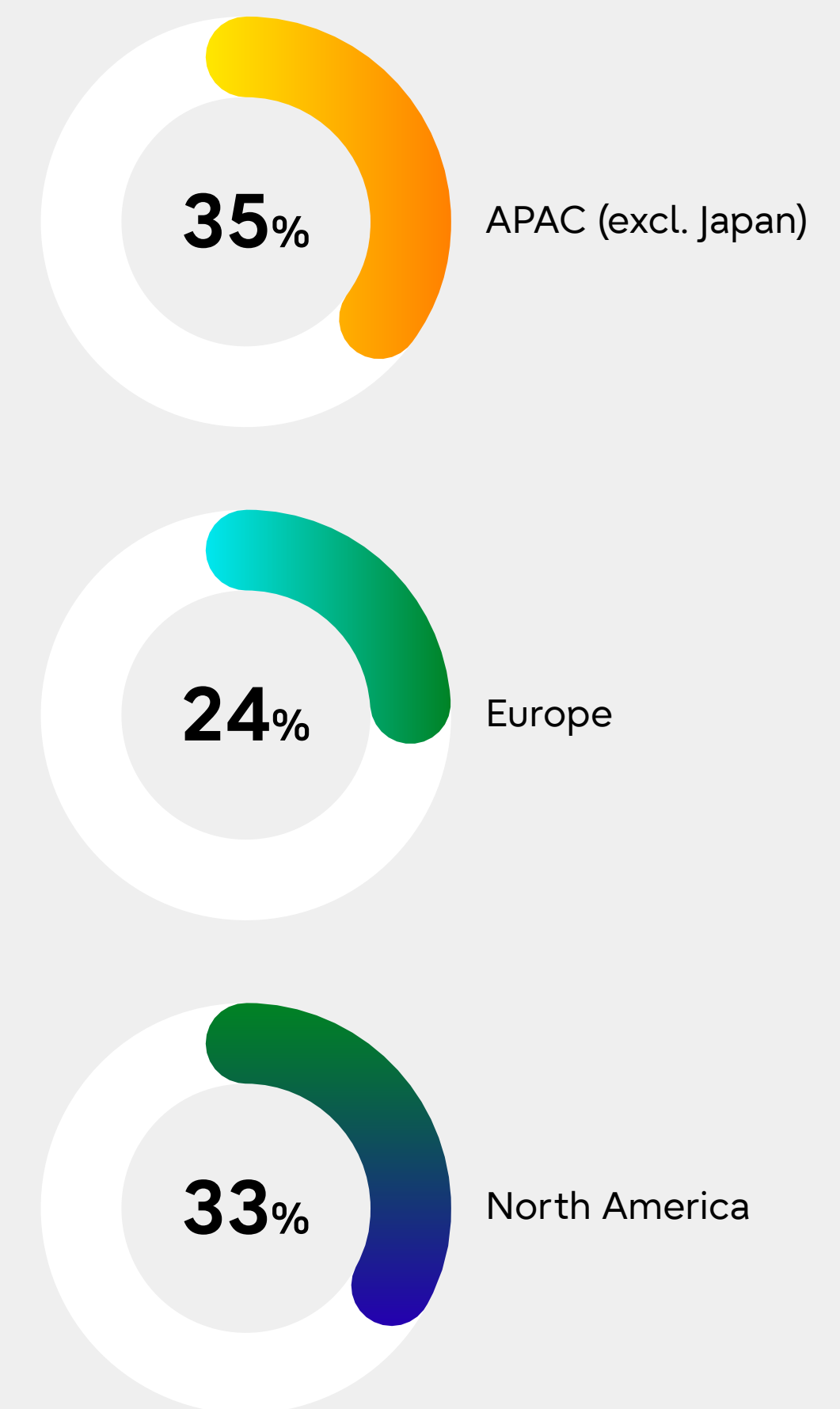
"Our business will no longer be viable if our planet is affected by climate change. This is why we don't try to separate sustainability transformation from day-to-day business management. Business performance and sustainability transformation have to be inseparable."

Kayoko Kondo

Director and Executive Officer

Asahi Soft Drinks Co., Ltd.

Paradoxically, the Change Makers' focus on new value creation – putting the importance of public health and conserving the planet on a par with, or even above, that of financial growth – appears to be linked to stronger financial performance. This can be inferred from the Change Makers' reported improvements in business metrics cited above.

Thankfully, APAC organisations are not deterred by the difficulties around identifying SX ROI and have managed to establish some confirmation that sustainability efforts are directly benefiting their businesses.

It is encouraging that around half of APAC respondents say their organisation's sustainability initiatives are helping to drive business growth. But, if they aspire to become Change Makers in their own right, those organisations will need to reset the trajectory of their SX efforts to create a more positive long-term impact for society as a whole.

Percentage of executives in each region who report that sustainability initiatives are driving business growth

APAC (excl. Japan) — 52%
Europe — 56%
North America — 51%
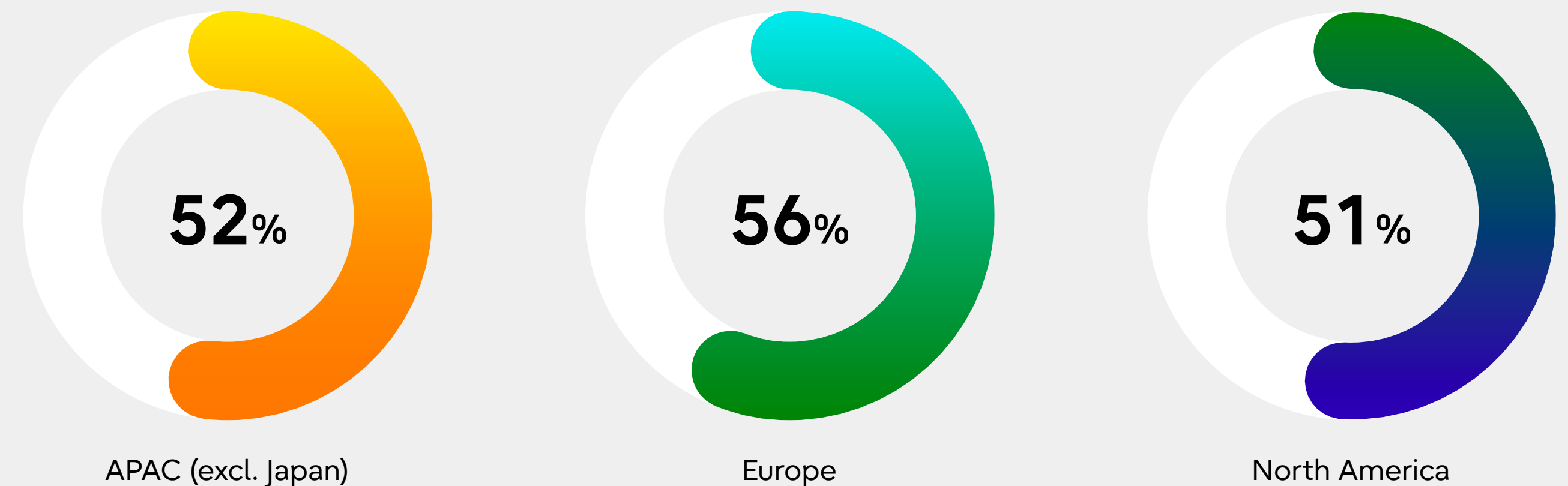
Base sample: APAC (excl. Japan)=170; Europe=200; North America=200

Figure 5: **Many in APAC see some business growth from SX today.** A little over half of APAC executives say their organisation's sustainability initiatives are helping to generate growth for the business today.

Section 3
APAC organisations collaborate well, but data-maturity levels are worryingly low

Change Maker organisations excel at data-led collaboration, and, while APAC organisations track well with those in Europe and North America in terms of sustainability-related collaboration, they require significant work to increase their data maturity and thereby further enhance their collaboration capabilities.

Change Maker organisations outperform the rest when it comes to data-led collaboration. They are far more likely than other organisations in the sample to have reached an advanced level of data maturity, which involves sharing data with partners across industries and using it to drive better decision-making and coordinating Sustainability Transformation.

For example, 49% of Change Makers are using interconnected sustainability data in their partnerships with other organisations to predict scenarios and enhance decision-making, compared with 23% of non-Change Maker organisations. As for APAC, it is 22% (as seen in Figure 8 on page 22). They are also more likely to report that they are collaborating with businesses across all three pillars of sustainability.
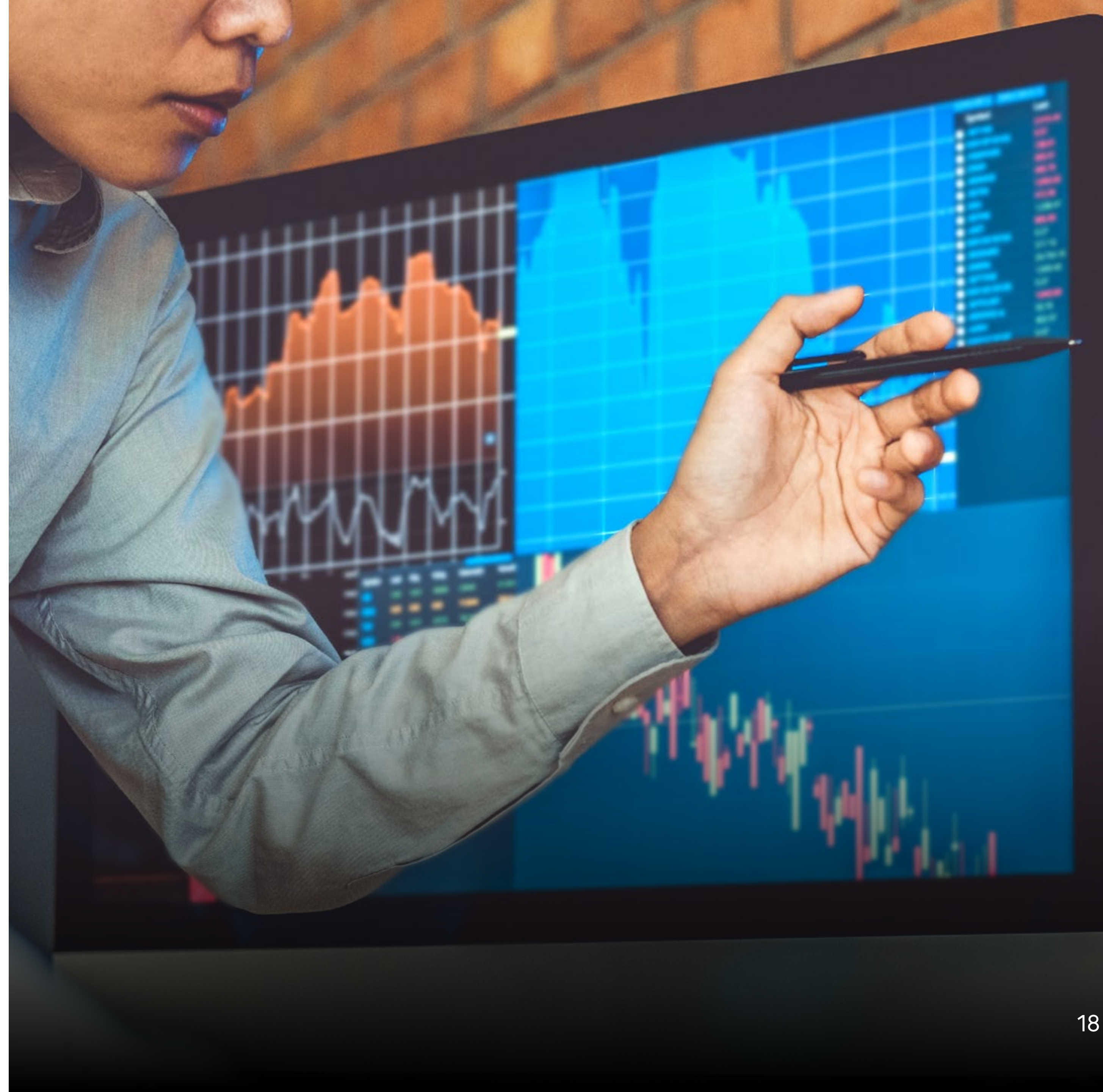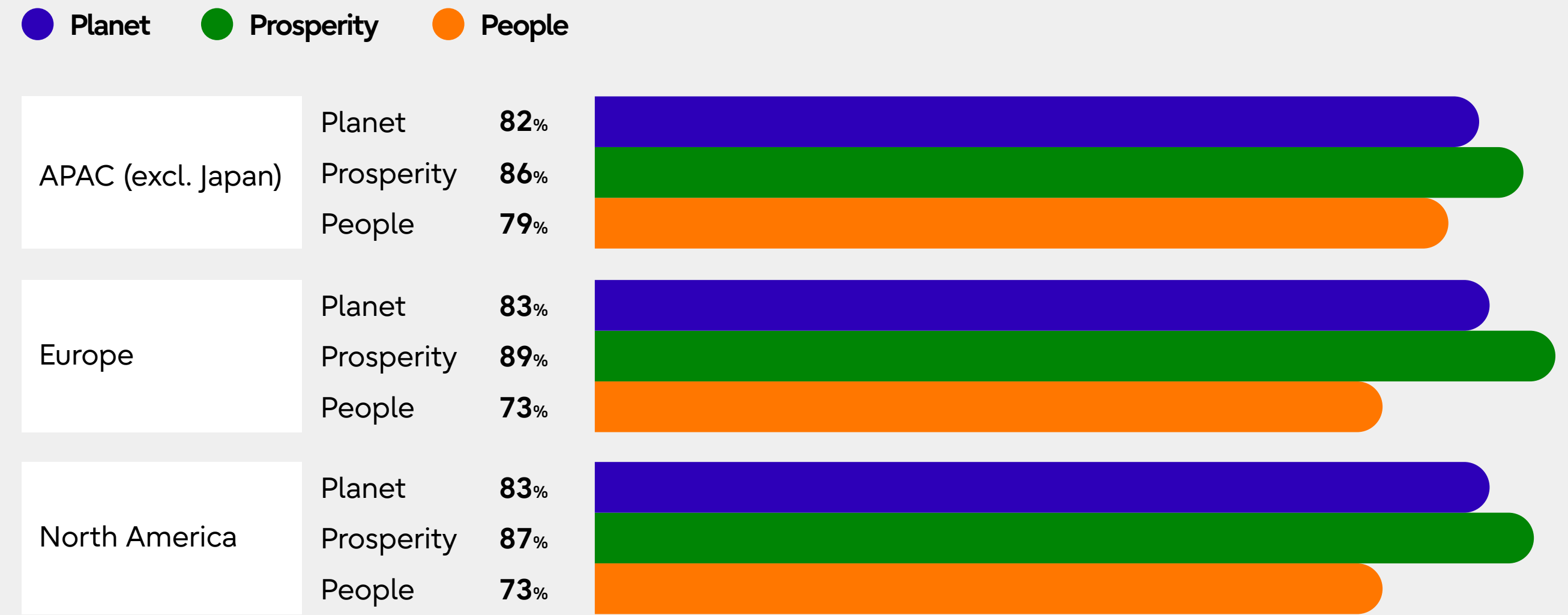
Change Makers aside, organisations in APAC compare favourably with the rest of the world when it comes to collaboration on sustainability initiatives. In collaborating on the Planet and Prosperity pillars, they perform broadly on par with organisations in Europe and North America. And, on People initiatives, they outperform those regions.

Asked what were the main enablers of such collaboration, APAC executives point principally to their organisations' ability to share data securely with partners – for example, via secure data-sharing platforms. This factor is cited by 33% of respondents, and 28% point to a related factor: the establishment of a clear common data framework. The APAC figures exceed those in both North America and Europe on both data-related enablers.

Another 30% of APAC executives say they benefit from a regulatory environment that encourages collaboration. This response exceeds that registered in North America (27%), though it trails behind that from Europe (33%), where regulators tend to be more proactive and joined up when it comes to sustainability.

Percentage of executives who report that their organisation is collaborating with other organisations across the three pillars of sustainability

● **Planet**   ● **Prosperity**   ● **People**

APAC (excl. Japan)	Planet	82%
	Prosperity	86%
	People	79%

Europe	Planet	83%
	Prosperity	89%
	People	73%

North America	Planet	83%
	Prosperity	87%
	People	73%

Base sample: APAC (excl. Japan)=170; Europe=200; North America=200.
(Note: Percentage of respondents who selected each category as a priority, not of the overall sample)

Figure 6: **APAC organisations are collaborating for sustainability.** Firms in APAC are ahead of other regions in collaboration on People-related initiatives and roughly on par globally when it comes to Planet and Prosperity initiatives.

Which, if any, of the following factors enable your organisation to successfully collaborate with partners on sustainability initiatives?

● **Global Change Makers**   ● **APAC (excl. Japan)**

Factor	Group	%
Secure data sharing	Global Change Makers	32%
	APAC (excl. Japan)	33%
Leadership position	Global Change Makers	24%
	APAC (excl. Japan)	16%
Common data framework	Global Change Makers	31%
	APAC (excl. Japan)	28%
Collaboration built into strategy	Global Change Makers	24%
	APAC (excl. Japan)	16%
Clear framework	Global Change Makers	39%
	APAC (excl. Japan)	24%
Supportive regulatory environment	Global Change Makers	25%
	APAC (excl. Japan)	30%
Strong brand reputation	Global Change Makers	42%
	APAC (excl. Japan)	29%
Organisational structure	Global Change Makers	20%
	APAC (excl. Japan)	25%
Clear purpose	Global Change Makers	37%
	APAC (excl. Japan)	24%

Base sample: Global Change Makers=59; APAC (excl. Japan)=135 (Note: Percentage of respondents who indicated that they are collaborating with partners on Sustainability Transformation, not of the overall sample)

Figure 7: **Secure data sharing helps APAC organisations collaborate.** APAC executives point to their ability to share data securely with partners as the strongest enabler of sustainability-related collaboration.

"[Data-led collaboration] is particularly evident in supply chains, which offer a goldmine for data sharing. Consider, for example, logistics companies that have data on potential demand, current stock levels, and thus needed deliveries.
All of this data can be shared to optimise transport connections to increase efficiency and reduce emissions. Cisco, SAP and Maersk have all been hard at work to achieve such optimisations though data sharing."

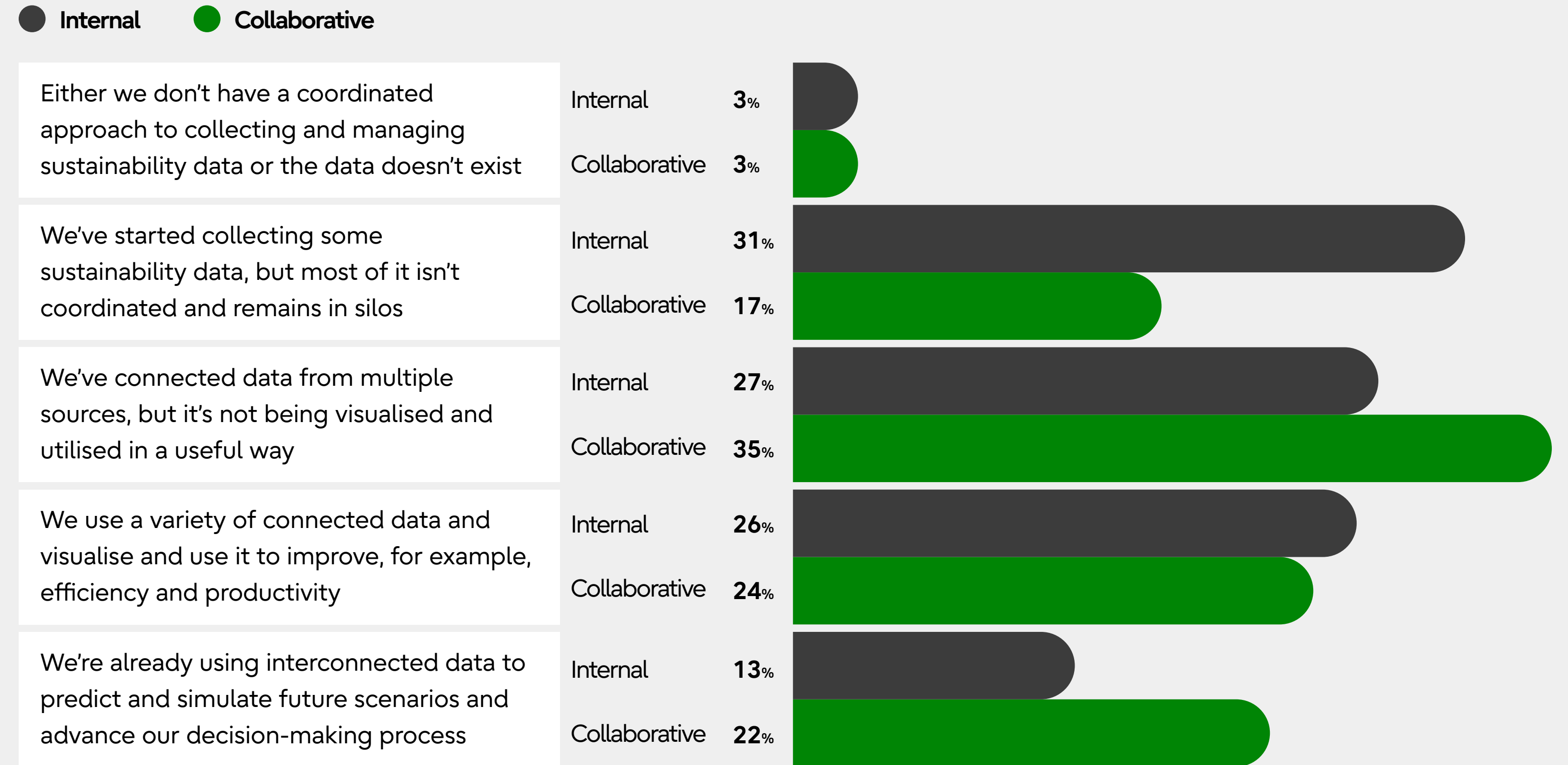**Misiek Piskorski**

Dean of Asia and Oceania

IMD Business School

Data-led collaboration helps to fuel the global Change Makers' demonstrated success in delivering tangible sustainability outcomes. Change Makers and their partners are building data-centric ecosystems, which enable all organisations in the ecosystem to accelerate their progress around sustainability.

APAC executives point to significant strengths that their organisations hold in secure data sharing. This should put their organisations in good stead to replicate the Change Makers' success in data-led collaboration. However, APAC organisations currently fail to demonstrate high levels of data maturity in either their internal or external uses of data for sustainability purposes. Most claim, at best, a basic level of data maturity in this area. Moreover, they are more likely than other regions to be constrained by siloed data and uncoordinated approaches to managing it. These weaknesses (which appear to be more prevalent in APAC than in North America or Europe) must be addressed if APAC organisations hope to make data sharing a stronger driver of sustainability.

Percentage of APAC executives reporting each level of maturity for using data to drive Sustainability Transformation: internal use vs collaborative use

● Internal   ● Collaborative

Either we don't have a coordinated approach to collecting and managing sustainability data or the data doesn't exist	Internal	3%
	Collaborative	3%
We've started collecting some sustainability data, but most of it isn't coordinated and remains in silos	Internal	31%
	Collaborative	17%
We've connected data from multiple sources, but it's not being visualised and utilised in a useful way	Internal	27%
	Collaborative	35%
We use a variety of connected data and visualise and use it to improve, for example, efficiency and productivity	Internal	26%
	Collaborative	24%
We're already using interconnected data to predict and simulate future scenarios and advance our decision-making process	Internal	13%
	Collaborative	22%

Base sample: APAC (excl. Japan)=170

Figure 8: **Data maturity is not advanced in APAC.** Most organisations demonstrate at best a basic level of data maturity in both their internal and external uses of data for Sustainability Transformation.

Section 4

The four steps to becoming a Change Maker

To attain the standards set by the Change Makers, we recommend that APAC organisations accelerate their Sustainability Transformation journeys by following these four steps

Step 1: Identify how far away you are from being a Change Maker

Just 8% of APAC organisations are sustainability Change Makers today, a smaller proportion than in other regions. If more aspire to join this group, their first step should be to define clearly their sustainability priorities and ensure that the workforce, at all levels of the organisation, understands them. Clarity and clear communication will help build enthusiasm in this endeavor. To build momentum for the effort, employee KPIs can be tied to the organisation's sustainability priorities.

Step 2: Embrace the "Change Maker" mindset

APAC organisations need to take a longer-term view on sustainability than they appear to be doing currently. ROI on sustainability investments is, of course, desirable, but it may not be easily achievable on some otherwise worthy long-term initiatives. Such investments may require up-front investment, and some of those may have high costs attached. So, management and the workforce must stay focused on contributing to the greater good instead of being constantly distracted by costs and financial gain.

Step 3: Enhance your own data maturity (internal)

Harnessing the organisation's own data effectively is another key element of making tangible progress on sustainability priorities. APAC organisations do not currently demonstrate high levels of data maturity, however. They must be dedicated to collecting the right data constantly and ensuring these data points can be trusted sufficiently to inform decision making. Once a foundation of reliable data has been laid, organisations can build detailed insights into their business processes and how they contribute to – or detract from – progress towards achieving SX objectives.

Step 4: Collaborate with others in a data-centric way (external)

Many APAC executives believe their organisations have the capabilities to ensure secure data sharing with partners. This provides a solid footing for data-led sustainability collaboration but, in order to collaborate effectively, organisations must improve their management and use of data. The ability to share and combine data with input from partners will allow organisations to build a rich network of data sources, enhancing visualisation and analytic capabilities that can help management to make wiser sustainability decisions.

Methodology

About the total sample of respondents

This study, commissioned by Fujitsu and conducted by FT Longitude, a Financial Times company, is based on a survey of 600 C-suite executives from 15 countries. The demographics of the survey sample are shown below. The survey was carried out over a four-week period between November to December 2023.

There are representatives from across 11 industries: building and construction, energy, financial services, healthcare, manufacturing, life sciences, media, mobility, public sector, tech and telecoms, and retail.

The entire sample is composed of senior leadership, with all respondents sitting at C-level. In terms of the size of the organizations they work for, annual revenues sit above $500 million.

As well as the survey research, we conducted one-on-one interviews with a number of senior executives and experts, whose insights are featured in this report. Our thanks go to everyone who contributed.
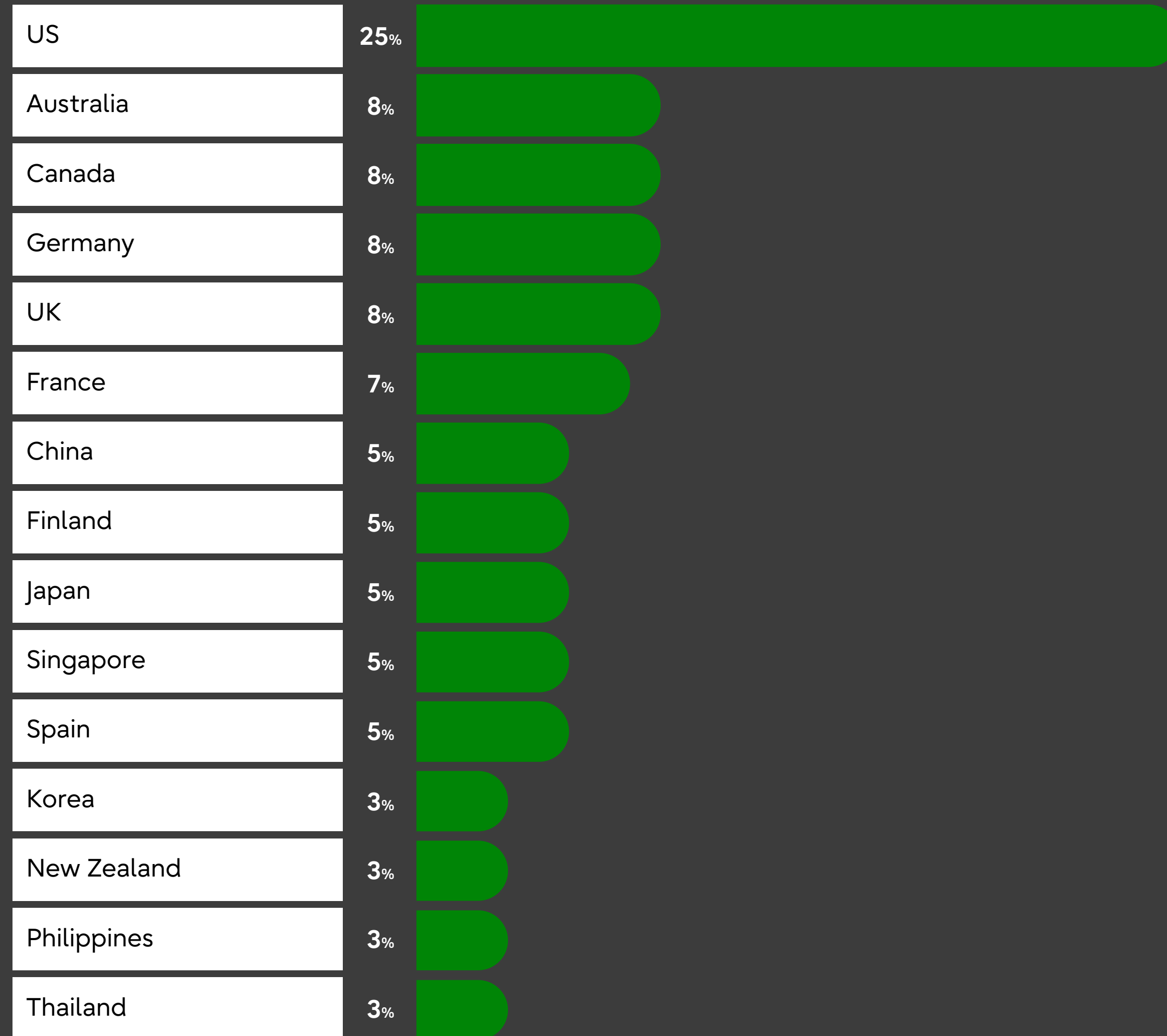
About the Change Makers

The Change Makers are the organizations in our survey that have made the greatest progress in delivering their SX initiatives. We have isolated this leader group based on how they respond to a selection of questions related to SX that were included in the survey. These qualifying questions measured level of SX maturity, degree of progress in the 14 sustainability initiatives, and maturity of attitudes and mindsets towards sustainability. Change Makers account for 11% of the total sample.
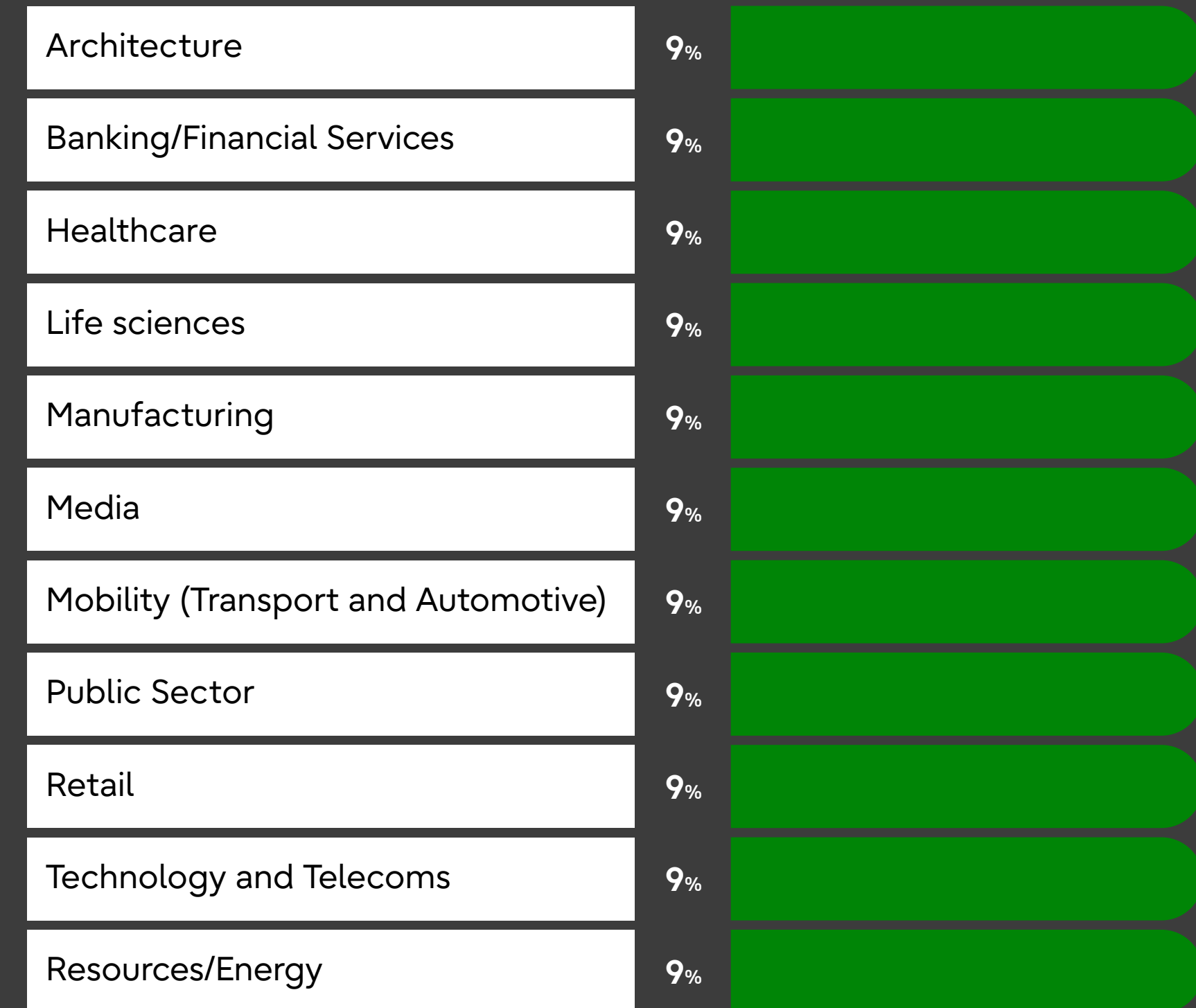
*Rounding to the correct number of decimal places can cause the total to be slightly different from 100%.
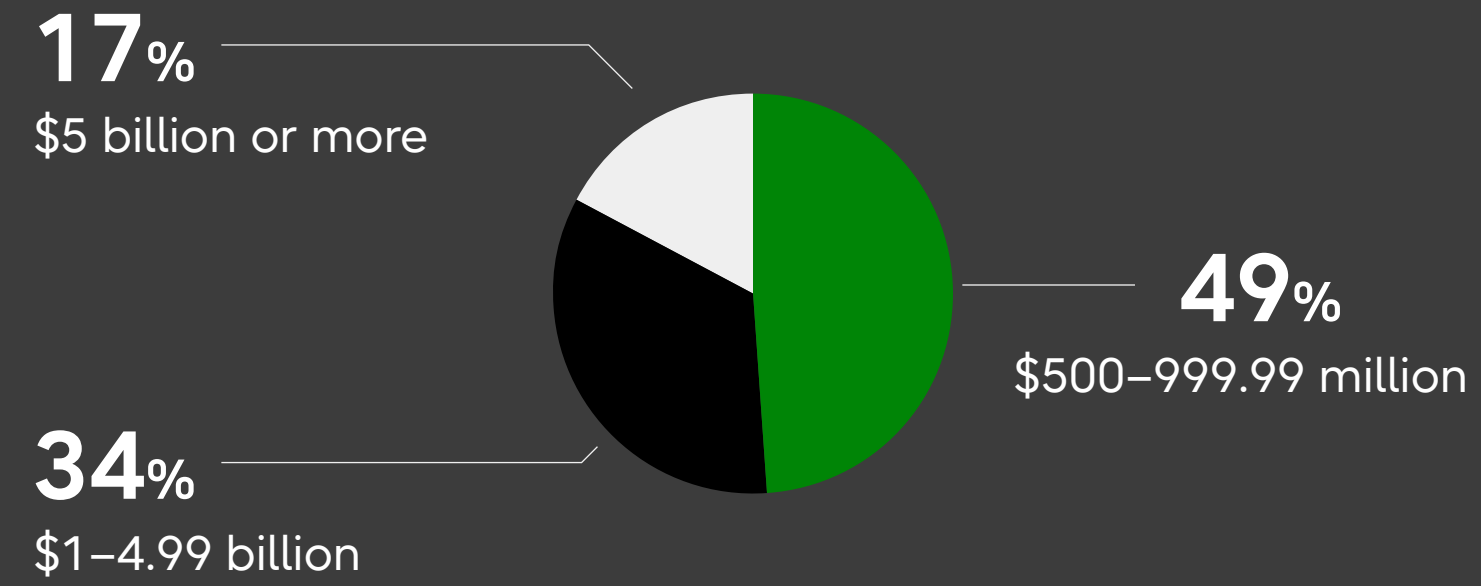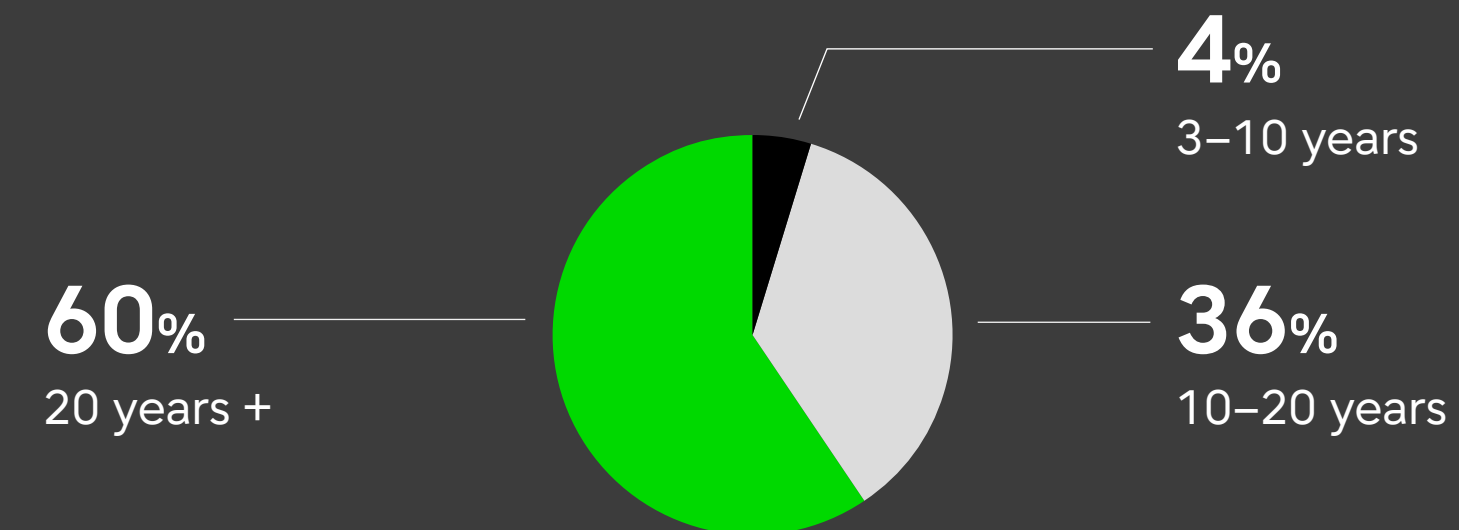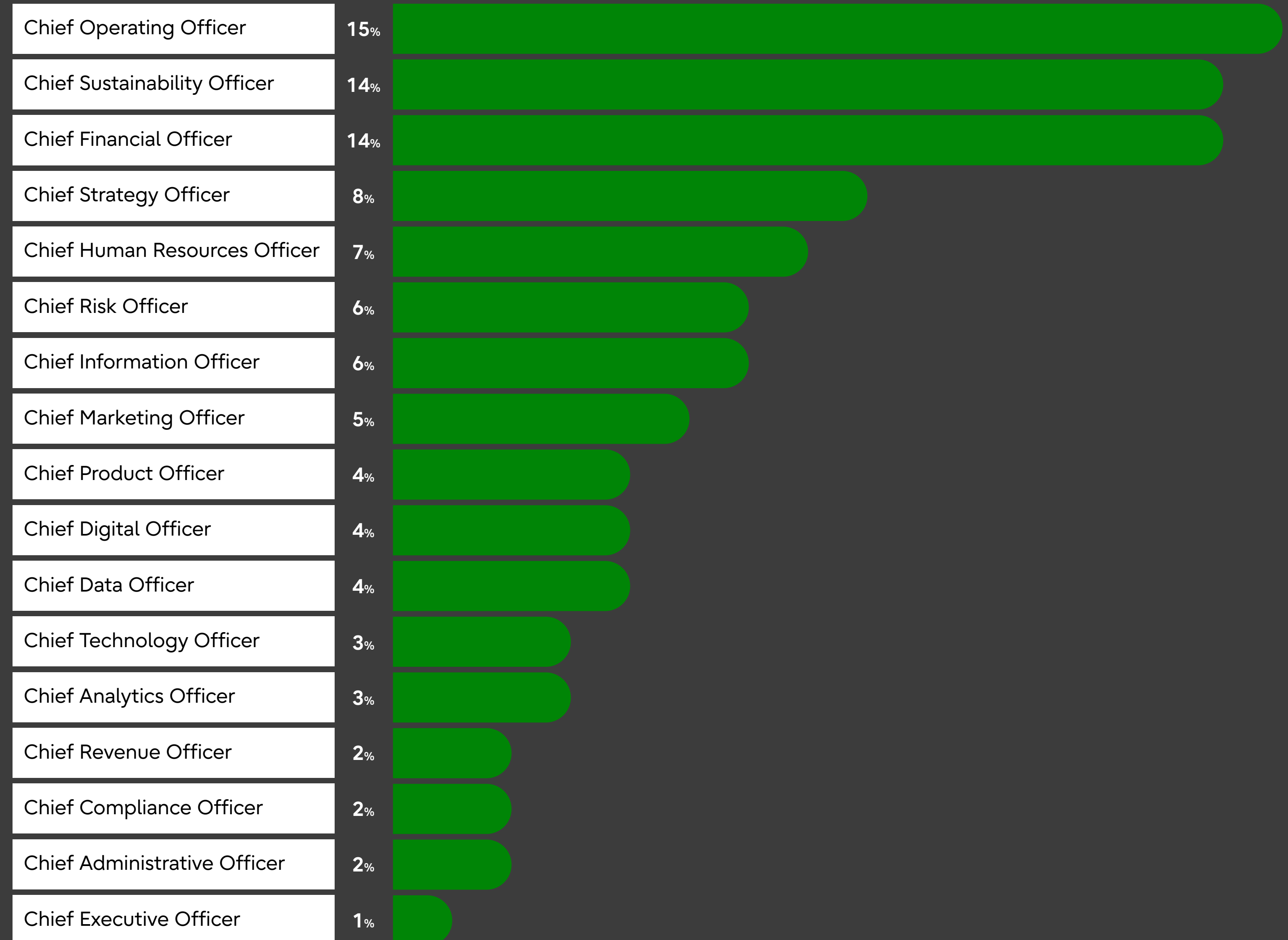
Countries

Country	%
US	25%
Australia	8%
Canada	8%
Germany	8%
UK	8%
France	7%
China	5%
Finland	5%
Japan	5%
Singapore	5%
Spain	5%
Korea	3%
New Zealand	3%
Philippines	3%
Thailand	3%

Industries

Industry	%
Architecture	9%
Banking/Financial Services	9%
Healthcare	9%
Life sciences	9%
Manufacturing	9%
Media	9%
Mobility (Transport and Automotive)	9%
Public Sector	9%
Retail	9%
Technology and Telecoms	9%
Resources/Energy	9%

Total revenue size in USD

17%
$5 billion or more

49%
$500–999.99 million

34%
$1–4.99 billion
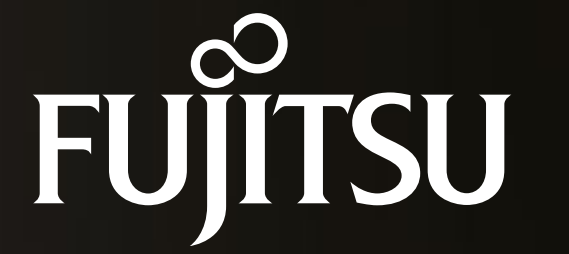
Number of years in operation

4%
3–10 years

60%
20 years +

36%
10–20 years

Respondents by role

Role	%
Chief Operating Officer	15%
Chief Sustainability Officer	14%
Chief Financial Officer	14%
Chief Strategy Officer	8%
Chief Human Resources Officer	7%
Chief Risk Officer	6%
Chief Information Officer	6%
Chief Marketing Officer	5%
Chief Product Officer	4%
Chief Digital Officer	4%
Chief Data Officer	4%
Chief Technology Officer	3%
Chief Analytics Officer	3%
Chief Revenue Officer	2%
Chief Compliance Officer	2%
Chief Administrative Officer	2%
Chief Executive Officer	1%

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