Stronna Financial Outcomes and Sustainability-Focused Leadership Required for Long-Term Impact, According to Latest Report

IDC unveils its Asia/Pacific Top Predictions for Environmental, Social, and Corporate Governance in 2022 and beyond

SINGAPORE, January 12, 2022 – The last two years have seen significant debate and mixed results in the area of climate change. The world has experienced a brief reprieve in emissions due to lockdowns in early 2020; however, emissions increased beyond pre-pandemic levels in 2021. The UN Climate Change Conference (COP26) has amplified the climate change plan; however, critics question whether the agreements articulated are enough. In the Asia/Pacific* region, the drivers that result in concrete sustainability outcomes are still primarily financial. Examples include customer penalties for lack of compliance, policies from parent organizations, the push for energy efficiency, or access to preferential interest rates through sustainable or green finance, impacting the requirements placed on organizations and their supply chains. While some governments are introducing policies and initiatives in this area, real leadership is still missing to implement the radical changes necessary to achieve COP26 goals.

IDC has published the document **IDC FutureScape : Worldwide Sustainability 2022 Predictions — APEJ Implications** to identify the top 10 predictions for environmental, social, and (corporate) governance (ESG) in 2022 and beyond, providing organizations with context and underlying drivers for IT investments supporting ESG initiatives for the predictions below.

"ESG issues are, by definition, complex or wicked problems," said Stephanie Krishnan, associate vice president, Manufacturing and Energy Insights at IDC. "Actions in one area often result in unforeseen consequences in another,"
which requires line-of-business (LOB) and IT to work together and scale technology solutions to solve these challenges. As a result, we are seeing that while technology use does obviously increase energy use, there is significant potential for greater positive impact through technology-enabled sustainable solution development," she added.

IDC's sustainability top 10 predictions provide guidance to business leaders on the upcoming emphasis for ESG-related IT investment.

#1: Sustainable Operations: By 2024, 40% of major APeJ companies will have completely embedded sustainability into their operations.

#2: Sustainability as Technology Buying Factor: 45% of organizations in APeJ will consider sustainability considerations to be “very important” for their technology buying decisions by 2024.

#3: Emerging Sustainability Ecosystems: By 2024, 40% of A2000 companies will be participants in broader networks of companies engaged in sustainable innovation to solve 'wicked' problems with significant, long-term innovation potential.

#4: Environmental Sustainability: By 2024, 40% of major APeJ organizations will have environmental sustainability
parameters firmly embedded in their business KPIs.

#5: Diversity, Equity, and Inclusion: By 2025, 30% of APeJ organizations will be tracking their diversity, equity, and inclusion performance using ESG metrics and KPIs.

#6: Data Privacy and Governance: Companies in APeJ will extend their data privacy initiatives to surpass compliance requirements with 45% of enterprises establishing KPIs regarding the ethical use of data by 2024.

#7: Sustainable Cloud Infrastructure: By 2025, 60% of APeJ-based organizations will deploy software tools to monitor utilization at on-premise, cloud or edge locations to improve utilization metrics that reduce energy costs improve sustainability.

#8: Data Center Energy Management: 80% of operating high-end data centers and 60% of mid-tier data centers in APeJ will implement an energy management program in order to reduce energy consumption and ensure energy reliability by 2022.

#9: Responsible Sourcing: By 2024, 40% of organizations will mandate responsible sourcing policies and implement audit and accountability solutions requiring proof of compliance to
build trust among consumers and stakeholders.

#10: Responsible AI and Digital Ethics: By 2026, 50% of A2000 companies will prioritize responsible AI solutions as the top area for artificial intelligence services investments.

These predictions are discussed in greater detail in the new IDC FutureScape report, IDC FutureScape : Worldwide Sustainability 2022 Predictions — APEJ Implications (IDC #AP48454621). Each year, IDC releases its Top Predictions through its IDC FutureScape reports to give a crystal ball view of what is ahead for the rapidly changing ICT industry. These predictions have been used to shape the strategies and business objectives of technology leaders and business executives in the next 1-5 years. To learn more about the upcoming IDC FutureScape reports, please click HERE.

In case you missed IDC FutureScape Asia/Pacific earlier, you may visit IDC Arena to view Sandra Ng’s keynote presentation. IDC Arena is IDC’s new integrated content hub that takes IDC thought leadership events online, and exclusive analyst essential guidance videos on-demand.

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About IDC FutureScape

IDC FutureScape reports are used to shape IT strategy and planning for the enterprise by providing a basic framework for evaluating IT initiatives in terms of their value to business strategy now and in the foreseeable future. IDC's FutureScapes are comprised of a set of decision imperatives designed to identify a range of pending issues that CIOs and senior technology professionals will confront within the typical 3-year business planning cycle.

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