

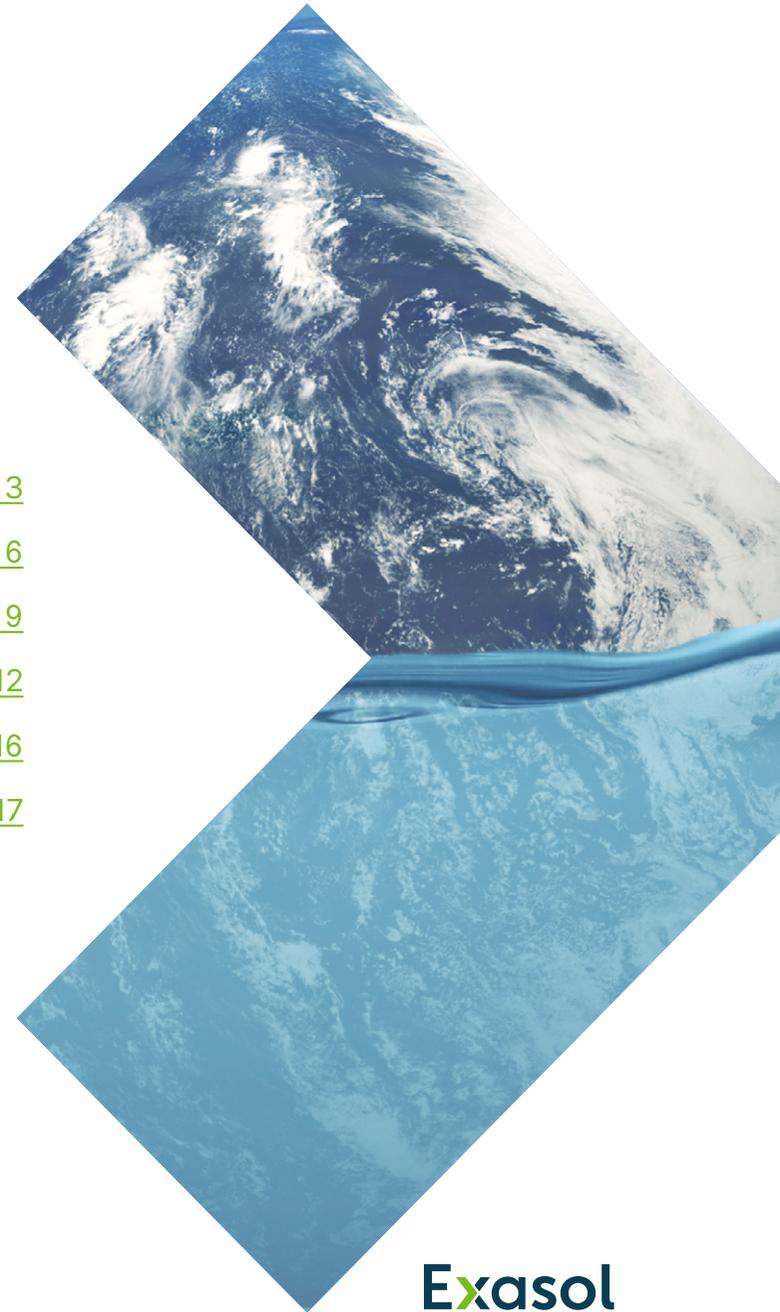


People, Planet, Data

Why climate change
action and CSR have
to be data-driven

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1. INTRODUCTION

“We are on the edge of an abyss - and moving in the wrong direction. We face the greatest cascade of crises in our lifetimes. We face a moment of truth.”

United Nations Secretary General Antonio Guterres, addressing global issues such as climate change, the COVID-19 pandemic and all manner of inequalities, in the opening address of the Annual General Assembly debate in September 2021.

These claims aren't unfounded. In recent years we've seen a shift in our communal consciousness, with societal issues such as Black Lives Matter, MeToo, and COVID-19 changing the way we view the world. We've seen some of the warmest temperatures on [record](#), wildfires in the US, Australia, Greece and Turkey, and flash floods in Germany. And, there's been a significant rise in CO2 levels to [417 parts per million](#) – the highest measured in more than four million years. The data around these challenges tells an irrefutable story – the world as we once knew it has changed forever.

The question is, how do we start to protect the planet and our people and what role should businesses play in driving this change?



People

Planet

Profit

It's the triple bottom line, and a touch more

We've all heard of **the triple bottom line** — a theory that maintains that companies should commit to focusing as much on social and environmental concerns as they do on profits.

Each pillar – economic, social and environmental - has a vital role to play in ensuring that we create a fairer, and more accessible society, protect our planet, and build sustainability into the way we act for the future.



Action is no longer optional

The power of consumers is strong, and they're demanding change. In fact, according to our research four in five consumers reveal that a company's credentials in climate change, D&I (Diversity and Inclusion) and ethical practices are a key factor in whether they buy from or do business with them. In addition, the research reveals that corporate reputations and the planet itself are at risk.

But there is one mitigating factor – data.



86%

of consumers say they've changed their mind about purchasing something from a company because they felt they didn't do enough about climate change

“Large organizations have power for impact. If global giants start looking at how to reduce carbon emissions and talk about their climate efforts, this becomes an important lever for an entire industry. There is a certain buzz that nobody can ignore anymore and you don't want to be the last company that jumps on the bandwagon.”

What companies also need to keep in mind: potential employees will be harder to find in the future if they don't pay attention to sustainability and climate action. In the already existing war for talent, the question of whether your business takes care of our planet – or not – will only make matters more complicated for you to find the best talent.”

Anna Alex (Co-Founder & CCO), [Planetly](#).

Change begins with data

To drive meaningful change, businesses need access to data, and data-led insights. Having the relevant, and most up to date, information to hand is the only way to understand how climate change, D&I and ethical practices will impact their organization and society. As a company, we've seen at firsthand how access to data can drive businesses towards a more sustainable future. That's why we wanted to dig deeper into the topic.

The People, Planet, Data report is based on our survey that details the attitudes of 8,056 consumers and 716 Corporate Social Responsibility (CSR) decision makers, who undertake CSR, Environmental, Social, and Governance (ESG), and Diversity and Inclusion (D&I) programs, in the US, UK, Germany, China, South Africa and Australia.

The report explores the big questions organizations need to find answers to, including:

- What do consumers consider as proof of actions being taken around climate change and CSR issues in general?
- Why is data the only way to build a sustainable roadmap?
- How can your organization use data and analytics effectively to tackle the biggest issues facing our society?
- What will the consequences be to reputation and business should action not be taken on these issues?



Read on to find out the state of play and how your organization can make a difference.

2. CONSUMERS DEMAND PROOF

Companies need to take responsibility for their impact on society

Climate change, D&I and ethical practices are at the top of consumer consciousness. People want to buy and work with businesses that match their own values. If businesses don't measure up, consumers look elsewhere.

 **91%**

of consumers say they will research a business' practice on climate change, D&I and sustainable initiatives before they purchase from them



What do consumers expect?

- **Two-thirds would stop buying from a business** that didn't have credentials in climate change, D&I and sustainable business practices, or plans to work on them in the next 36 months
- 86% of consumers say they've changed their mind about purchasing something from a company because they felt they **didn't do enough about climate change**
- More than half of consumers (51%) reveal that **in the near future they won't do business** with any company that doesn't take a stand on climate change
- 27% of consumers believe **there is significant pressure** on organizations to act on climate change initiatives

"It's clear, through their intention not to purchase from companies that don't do enough about climate change, that the vast majority of consumers will no longer tolerate inaction on the matter and that businesses will need to make changes."

Thomas Otto, Environmental Officer and Head of Customer Success Management, Exasol

2. CSR: THE RISK OF TAKING NO ACTION

Climate change, D&I, sustainability, and ethics matter — as does the data!



Around four out of five (79%) consumers say it would be reputation/business destroying or seriously disruptive if it came to light that a company had the opportunity to make data-led climate-friendly business decisions but did not action it - 76% of CSR decision-makers agree.

And CSR decision-makers go further, with 4 in 5 believing their credentials in climate change initiatives, D&I, and ethical practices are a key factor in customers deciding to do business with them. And they're not wrong. Around two-thirds of consumers said that they would stop buying from a business that did not have credentials in these areas or plans to work on them in the next 36 months.

"The world will become more volatile in the next years and decades - from climate change and migration, to geopolitical uncertainty and growing inequality. And this is why we need reliable data to understand the state of the world and to be able to act accordingly."

Federal Councillor Alain Berset, Head of the Swiss Federal Department of Home Affairs at the [UN World Data Forum 2021, Opening Ceremony](#)

What's more, organizational attitudes towards climate change present a risk to consumer relationships. More than half of consumers (51%) agree that in the near future they will no longer do business with any company that doesn't take a stand on climate change. This aligns with 63% of CSR decision makers who would go as far as to say they believe that the future of customer loyalty will be tied to their company's ability to act on data-led climate change initiatives. **And, 54% believe that if their companies fail to act on climate change initiatives their business will no longer exist in 10 years.**

2. BUSINESSES ARE FALLING SHORT

Demanding evidence - the solution lies in data-driven CSR initiatives.

Over a quarter of consumers (26%) believe companies aren't doing enough to combat climate change, and as much as 48% of those say organizations are falling short in actually taking meaningful action to change the way the business operates.



79%

of consumers may stop buying from brands they believe just run CSR and ESG as a box-ticking exercise

Consumers want actions to speak louder than words. Two-thirds of consumers (66%) are considering demanding evidence of climate change action in the next 36 months.



And what does that evidence look like? Data.

At the base level, consumers primarily expect companies to provide CO2 emissions reporting, proof of reduction in energy consumption and positive steps taken combating climate change. But with the wealth of data that organizations gather should businesses proactively be doing more to take action on climate change?

"It is our belief that if the business community is to make a positive impact on climate change, diversity and inclusion, and ethical and sustainable practices, it needs to start providing data-backed evidence to consumers. Data provides the key to proving what progress an organization is really making, but it should also be central to ensuring better decisions are made more often. This should not just be about profits or ticking a compliance box – it is a responsibility we must all commit to."

Mathias Golombek,
CTO and Green Team Ambassador, Exasol

3. CORPORATE REPUTATIONS, AND THE PLANET, ARE AT RISK. MITIGATION LIES IN DATA

Organizations must make decisions based on data-led evidence

Decisions about climate change, D&I, and ethical business practices are complex. If taken in haste, without the right data-led evidence to back them, they can prove to be costly and have long-term negative impacts on entire industries, if not the planet itself.

"In football and in many areas of our association, not only passion and love for the game play an essential role, but also facts and figures. We collect data on our carbon footprint, as well, to document progress, detect challenges and to derive future measures. It's like training a team: we always want to improve ourselves and reduce our ecological footprint sustainably."

Stefanie Schulte, German Football Association, Head of Department Social Responsibility and Fan Relations

This is why data matters in CSR and ESG decision making

- 81% of CSR respondents agree they **could make better decisions** around climate change if they had access to data-led insights.
- Yet, only 22% are currently **using all the data available** to them, and less than half strongly agree that their company currently has enough data to hand to prove their credentials in these three areas.
- 74% of consumers say they would be willing to **pay more** for a company's products or services if they could prove they were making positive strides in combating climate change
- 53% of CSR decision-makers point out that they feel their ability to show progress on CSR and ESG initiatives would help them **maintain and gain customer loyalty**

3. DATA IS THE SACRED RESOURCE, BUT UNDERUSED

CSR professionals see data as critical

The triple bottom-line is high on the corporate agenda. Making effective decisions requires having the right data to hand at the right time. CSR decision makers, in fact, consider data so vital to making the right decisions that 4 in 5 agree they could make better decisions around climate change, D&I, and ethical and sustainable business practices, if they had access to data-led insights.

The challenge is, not everyone feels they have access to sufficient data.

Less than half of CSR decision makers strongly agree that their company currently has enough data to prove their credentials in these areas.



22%

are currently using all the data available to them
to facilitate decision making

“From the research, it’s clear that CSR decision-makers believe the primary reason for being unable to gain insights from data on issues like climate change or D&I, is the lack of a directive within the business or industry to pursue a data driven approach. In fact, a third, say it’s because there is a general lack of data available about these topics in their industry. Given the importance that many organizations place on CSR reporting, this has to change.”

Mathias Golombek, CTO and Green Team Ambassador, Exasol

3. TIME TO SET A NEW STANDARD

Businesses have an opportunity to use data to save the planet and ensure equality

The challenge isn't data, it's the directive to use it effectively

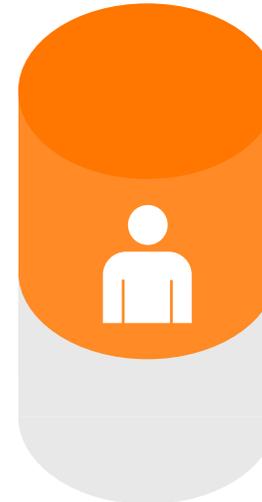
In a data-driven era, access to a wide variety of data relating to climate change, D&I and ethical and sustainable business practices should be considered a basic business requirement. The primary problem relating to gaining insight from data is clear.



49%

of CSR decision makers say there is no directive within business or industry to pursue a data-driven approach to these CSR challenges

It is Exasol's belief that this should change. Consider, for example, that **74% of consumers reveal they would be willing to pay more for a company's products or services if they could prove they were making positive strides in combating climate change.** A sentiment that more than half of CSR decision makers (53%) agree with, pointing out that they feel that their ability to show progress on CSR and ESG initiatives would help them maintain and gain customer loyalty. If it's not enough to consider the impact on our planet and our society, then organizations have to take notice of the impact on the bottom line.



61%

of CSR decision-makers who aren't able to gain insight to prove their credentials in key CSR areas said that this needs to change in the next 18-36 months

4. DATA FOR GOOD

Access to data has the power to drive businesses towards a more sustainable future



Over 3 in 5 consumers and CSR decision makers believe businesses have a fundamental role to play in combating climate change. Data can empower companies to realize this role by identifying the importance of taking further action and guiding their roadmaps for change

All across the globe there are charities, using data and technology to combat climate change, ensure equity and inclusion and set the standard for ethical behavior. There is Operation Fistula, a charity focused on ending fistula (a devastating childbirth injury) - in some of the most underdeveloped nations in the world. The team uses GOFAR (the Global Obstetric Fistula Automated Registry) – a data collection tool – that enables the charity to collect data and share insights with partners to increase the quality of healthcare. There are also private sector companies such as Lego and Unilever making significant investments into climate change action.

How data is tackling deforestation

The destruction of forests accounts for nearly one-fifth of all greenhouse gas emissions every year and, in tropical rainforests, deforestation has accelerated on the heels of rampant logging – up to 90% of which is done illegally.

The Rainforest Connection is a group of engineers and developers committed to building technology to help locals – like the Temb  tribe from the central Amazon – protect their land, and in the process, protect the rest of us from the effects of climate change. The team built the world’s first scalable, real-time detection and alert system for logging and environmental conservation in the rainforest, continuously sending audio to cloud-based servers over a local mobile network.

Once the audio reaches the cloud, Google’s machine learning framework, TensorFlow, analyzes all the auditory data in real-time and listens for chainsaws, logging trucks and other sounds of illegal activity that can help them pinpoint problems in the forest and alert response teams.

What more can be done, you may ask?

More companies can be using data to make more effective decisions for their own business, the planet and for society as we reach the “moment of truth”, General Antonio Guterres of the UN described in his recent State of the Planet. It’s evident from this research, and the conversations at COP26, that the private sector especially has a narrow window of time to take action for good. Everyone must act, not for self, but for humanity.

4. A ROADMAP FOR CHANGE IS ESSENTIAL, BUT OFTEN MISSING

Data key to creating a roadmap towards sustainability

A roadmap will be key to closing the gap between consumer expectations and businesses' actions - data has a key role to play in defining this.



63% of CSR decision makers, and 59% of consumers revealed that in the future, decisions about climate change by the companies they purchase from, must be backed by data.

A similar number (63% of CSR decision makers, and 58% of consumers) agreed that there must be more investment in data-led insights for CSR programs.

The challenge, however, is that a low number of businesses have a clear roadmap on how to improve their sustainability credentials. Only two-fifths (42%) of businesses have a fully formed roadmap in place to ensure more climate-friendly business practices are put into place in the next 36 months. And three in 10 (31%) of those with no plan at all had no roadmap to change this in the next 12 months.

"The carbon footprint is the most important KPI of our century and we believe it should be treated as such and it should be integrated into every company's set of KPIs. Since we use technology to track our marketing or our financial KPIs, it makes sense to do the same with carbon emissions.

Companies can use technology for collecting and analyzing data and then focus on defining their climate strategy and work on reducing emissions on a continuous basis. And with the use of technology, they can check their emissions on a regular basis to see if they are on track."

Anna Alex (Co-Founder & CCO), Planetly

4. WHAT YOU CAN DO – IT'S TIME TO MAKE A DIFFERENCE

As we face the moment of truth, there are immediate data-led actions businesses can take to ensure a sustainable future for both themselves and the planet. Here's where you can start:

1. Build the tech stack that's right for you

The research findings have made it clear that the power of data and technology is hard to ignore. As companies work to build their credentials in key CSR areas it's critical for technology decision makers to be aware of the digital tools on the market, as well as how each one can transform operations and results. Not every tech stack will look the same—it shouldn't. It should be tailored to the specific needs of the business. Look for solutions that fit your business' requirements as well as your existing environments.

Your technology stack should be able to give the right teams access to the insights they need to make the best possible decisions – that includes the CSR and ESG teams.

2. Arm your CSR team with insights

Businesses today collect data from a multitude of sources on a daily basis. But with high levels of complex data, it can be hard to identify what really matters. Simply collecting data isn't enough. Organizations need to be able to analyze, model, create scenarios and critically glean actionable insights from it. This applies to the CSR team, too.

Ensuring the people responsible for making decisions about the CSR initiatives have access to data-led insights is crucial. Especially with limited resources, they need to be able to determine what actions will have the biggest positive impact – and the data, if used the right way, can shed a light on that.

Arming the CSR team with the tools it needs will not only support better informed decisions, it will also help the organization build a strong track record demonstrating the efforts being taken to look after our planet, its people and the societies it operates in.



3. Show the love through data storytelling

We know now that consumers want data-backed evidence of companies doing good for their communities and the planet. At the same time, humanity is connected by storytelling. Stories command attention, but those that are verifiable also command action. One of the most powerful things businesses can do is use their data to tell stories about their success in taking action against climate change or D&I initiatives. Presenting data alone to the business and the public will have a limited impact – but if you can tell a story that people can connect with emotionally and recognize in their own lives, then your message can really cut through.

4. Build a Green Team

Ensuring green credentials are in place emerged as one of the leading factors for business to consider in the immediate future. Serious consideration should be given to creating a green team (commonly referred to as a sustainability committee). Such a team should be made up of individuals from every business unit, including CSR, ESG, HR, IT, Sales and the leadership board. Perhaps most importantly, each green team should also feature a CDO partnership. By working closely with the office of the CDO, the green team will ensure it has access to the right data to prove credentials, which will also enable this team to provide the business with tangible evidence of the value of sustainability, climate action and ED&I.

5. Entrench a data-driven culture

The research revealed that there is still a lack of directives to use data to make the best and most sustainable decisions. We know from working with our own clients, that those that have managed to instill a strong data-driven culture have done so from the top down. In our opinion, entrenching a data-driven culture relies on having the right people in the right roles, and on the business investing in embedding data scientists across the business. These individuals should be dotted across teams so that they can understand the business as a whole, and its customers, and most importantly, understand how they can solve their problems. At the same time as promoting data literacy across departments, the data teams have to speak the language of the rest of the business.



Do you want to start making a difference today?
Find out how we can help at www.exasol.com

RESEARCH METHODOLOGY



The CSR decision maker and consumer portions of the research for this report was conducted by Sapio Research, an independent research consultancy based in the United Kingdom.

The consumer survey was conducted among **8,056 employees** of companies with **over 500 employees**, which undertake CSR, ESG or DE&I programs, in the **US, UK, Germany, China, South Africa and Australia**. In addition, the CSR decision maker survey was conducted among **716 CSR decision makers** within the same geographical regions and within companies of a similar size to that of the consumer survey.

The interviews were conducted online by Sapio Research in July 2021 using an **email invitation and an online survey**.

Exasol

The analytics database

About Exasol

Exasol was founded in 2000 with the vision to transform how organizations use data. Today, Exasol's analytics database – the fastest in the world – is trusted by the world's most ambitious organizations. With offices in several locations across the US and Europe, Exasol is committed to delivering flexible, scalable and powerful analytics solutions to customers wherever they are, in the cloud or on-premises.

Exasol – accelerating insights from the world's data.

Learn more at: <https://www.exasol.com/> and follow us on social media: LinkedIn and Twitter.

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