

# Unlock the Value of ESG Data

Kristin Moyer

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**CIOs Can Increase  
Business Leadership  
and Credibility Through  
ESG Data**

**But ESG Data Value  
Is Locked Up**



# 55%

**Executives who use  
spreadsheets for some  
ESG data**



**Low quality**  
**Low value**

**ESG Data in  
Spreadsheets**

The image is a composite. The background is a photograph of a highway with a metal guardrail and a line of trees under a blue sky with white clouds. Overlaid on the left side is a circular inset representing a car's side-view mirror. Inside the mirror, a large white semi-truck is visible in the distance on the highway. The text "ESG data is mainly used for hindsight reporting." is superimposed in the center of the mirror's reflection.

**ESG data  
is mainly  
used for  
hindsight  
reporting.**



## Cost of Capital

6.16% Compared to 6.55%



## Operating Costs

Up to 60% Reduction



## Talent

40% of Millennials/Gen Z Have or Plan to Change Jobs Due to Climate Concerns

**But ESG data  
value goes well  
beyond reporting.**

Source: [ESG and the Cost of Capital](#), MSCI; [Five Ways That ESG Creates Value](#), McKinsey & Company; [2023 Gen Z and Millennial Survey](#), Deloitte

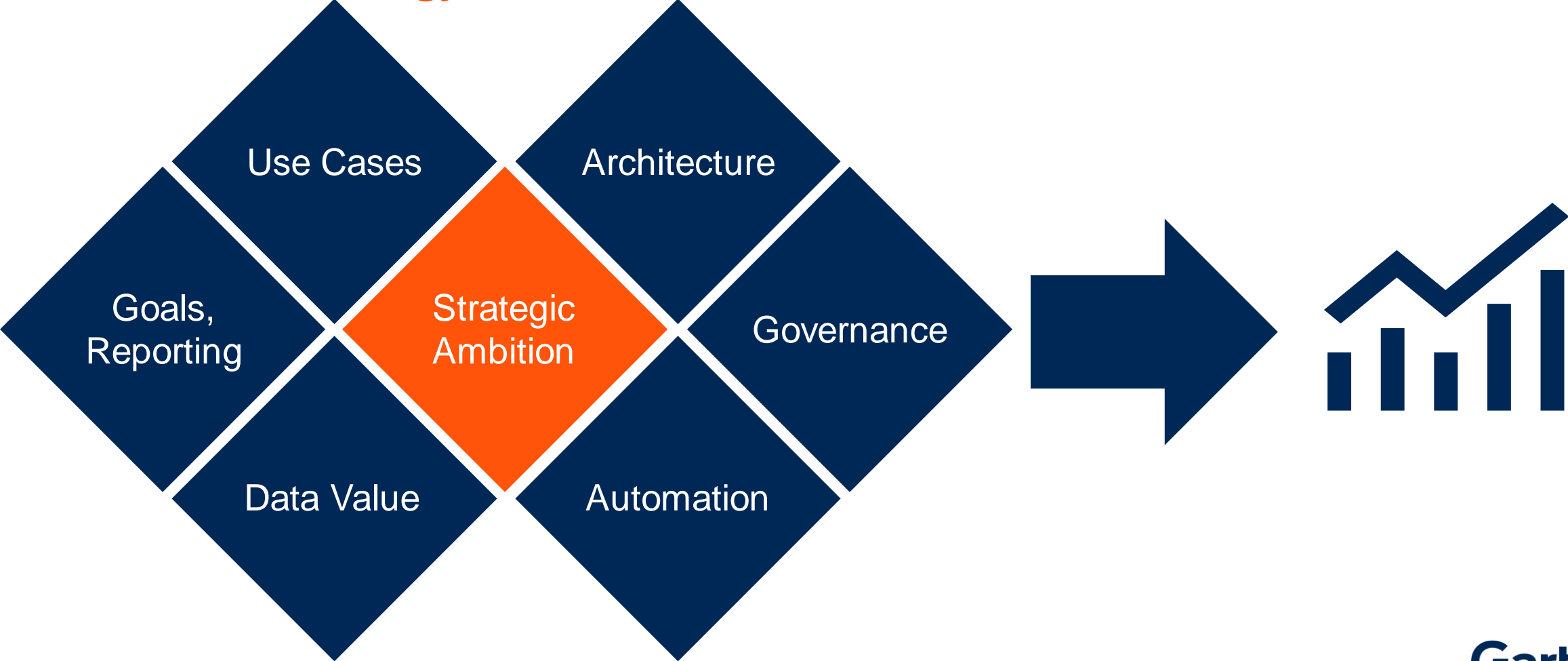


# CIO Action: Unlock the Value of ESG Data

Design an ESG  
Data Strategy

Build an ESG  
Data Foundation

Drive Business  
Value

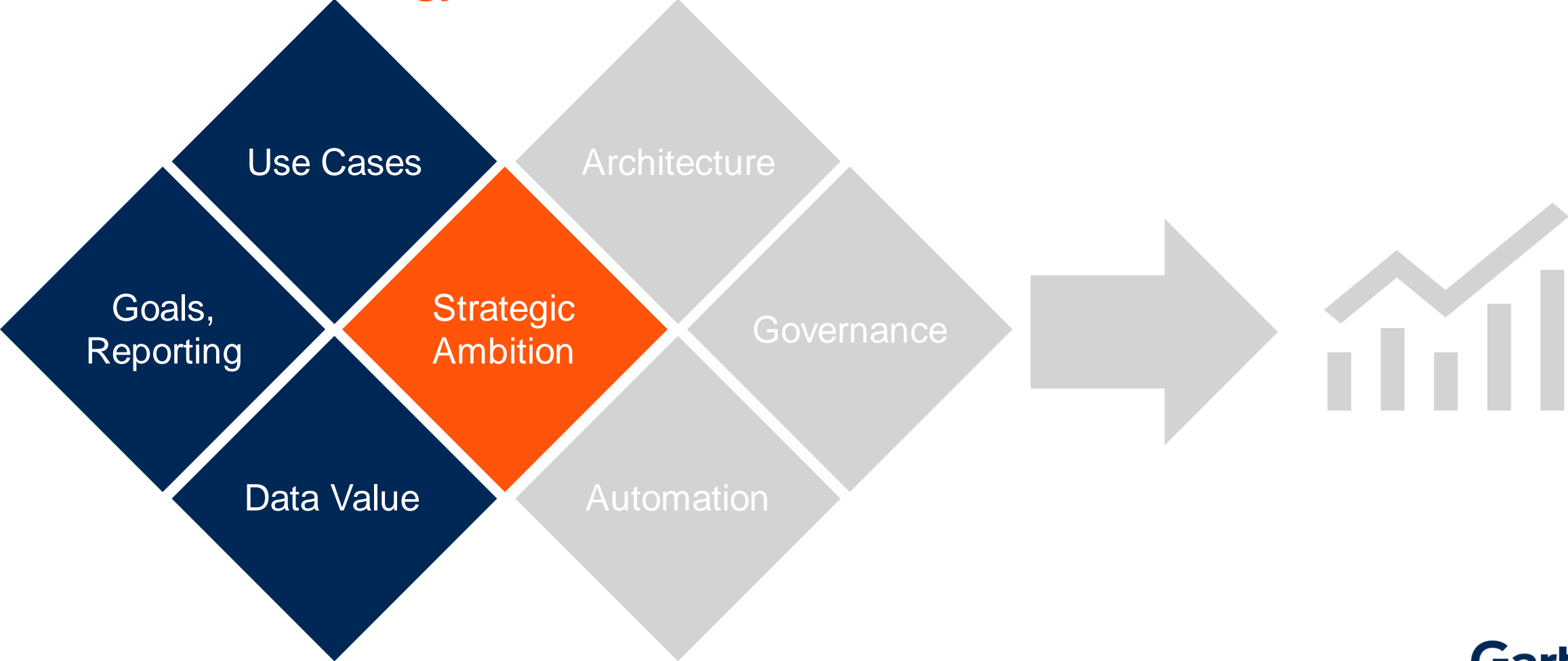


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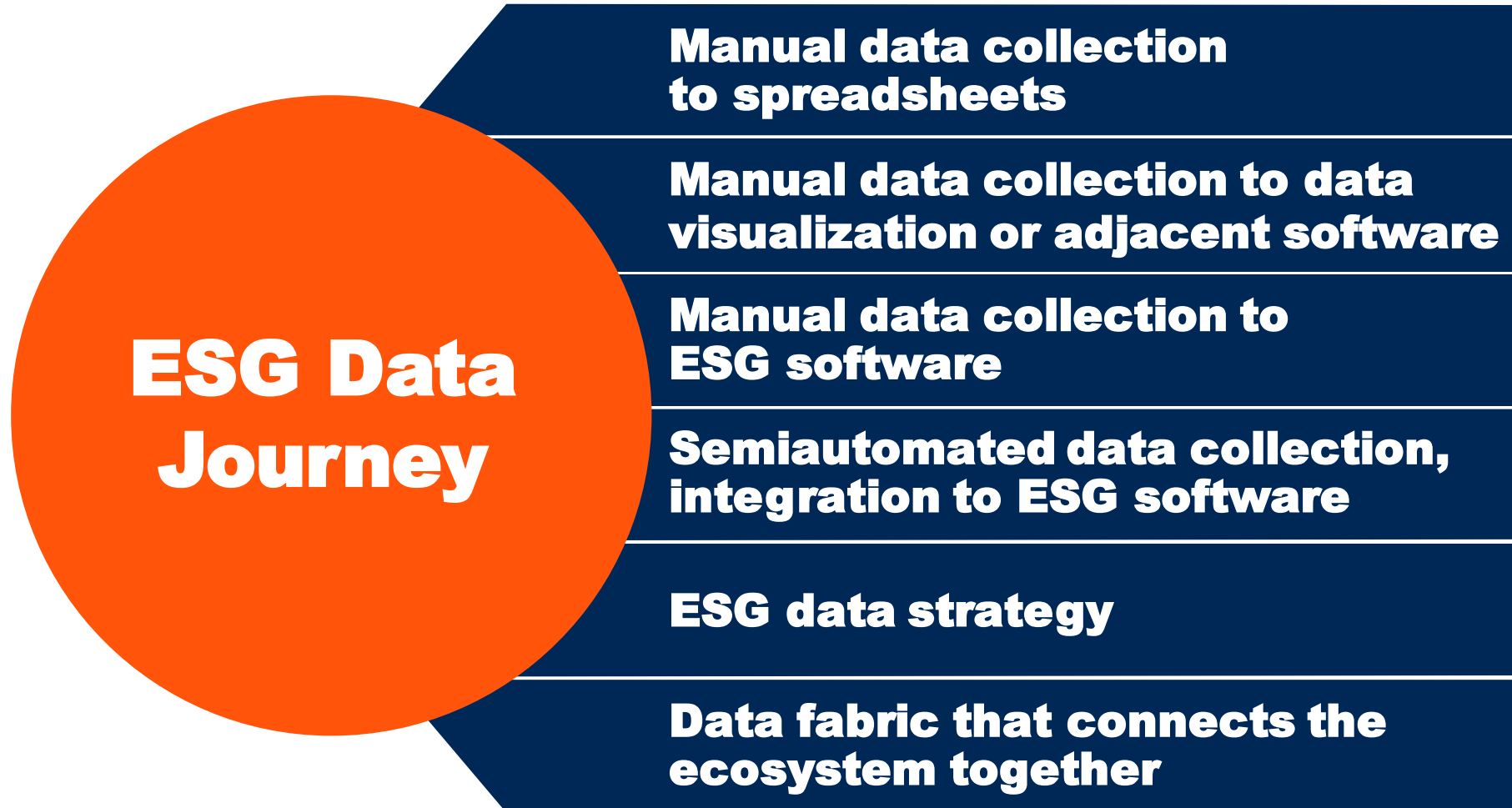
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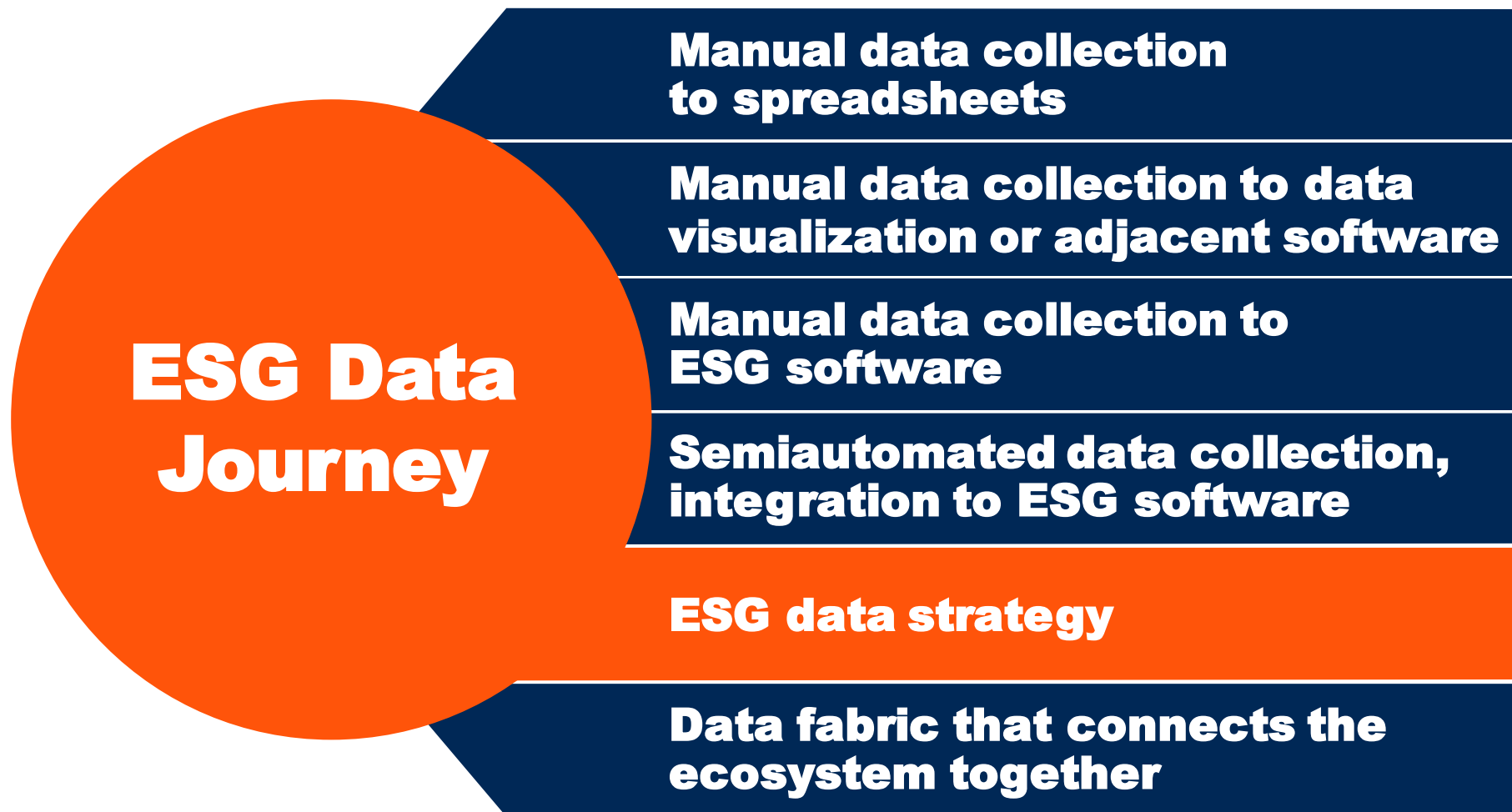




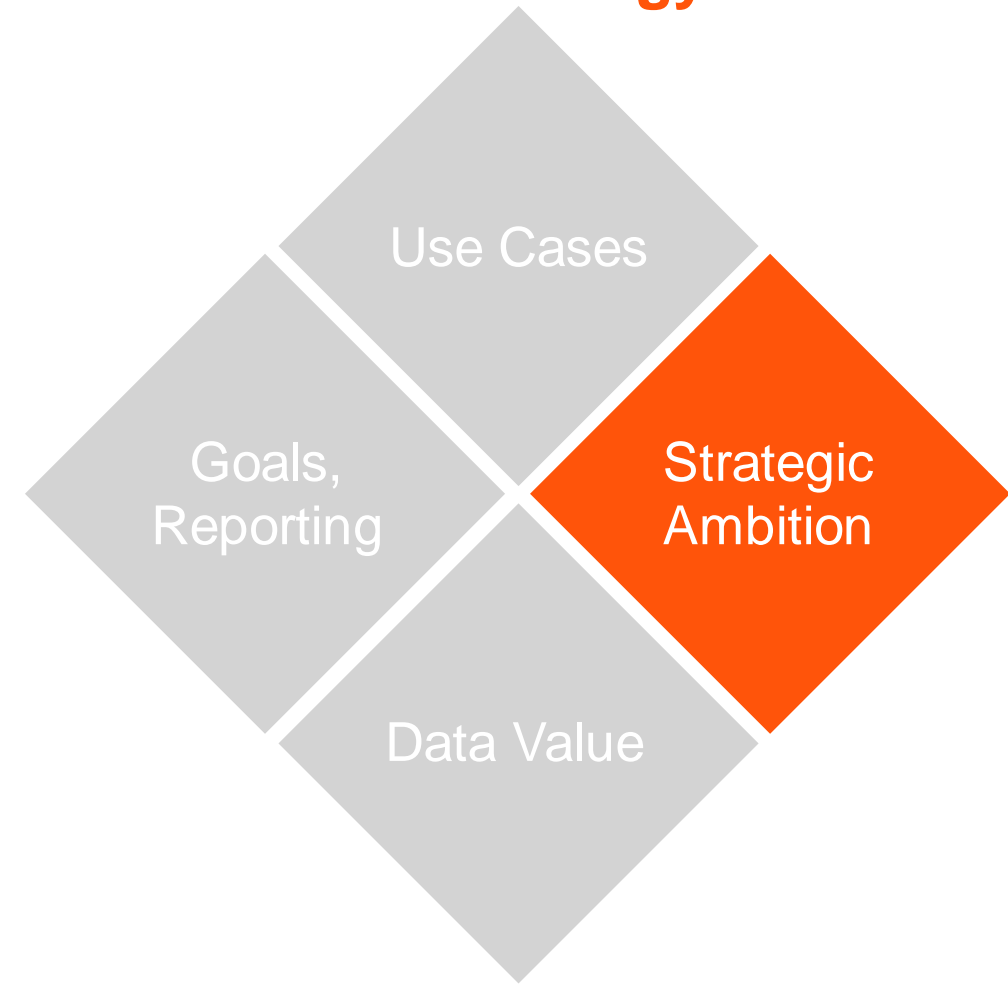
# ESG Data Strategy Starts in the Wrong Place



# Start the ESG Data Journey With Strategy



## Design an ESG Data Strategy



# Identify Strategic Ambition for ESG



## Compliance

- Comply with regulations
- Avoid fines, sanctions and loss of customers
- Avoid stranded assets



## Optimization

- Improve resource efficiency
- Reduce costs
- Attract customers, investors and talent



## Transformation

- Grow through new sustainable products
- Create joint value through ecosystems
- Differentiate from competitors

## Design an ESG Data Strategy



# Align ESG Data Value With Strategic Ambition



Compliance



Optimization

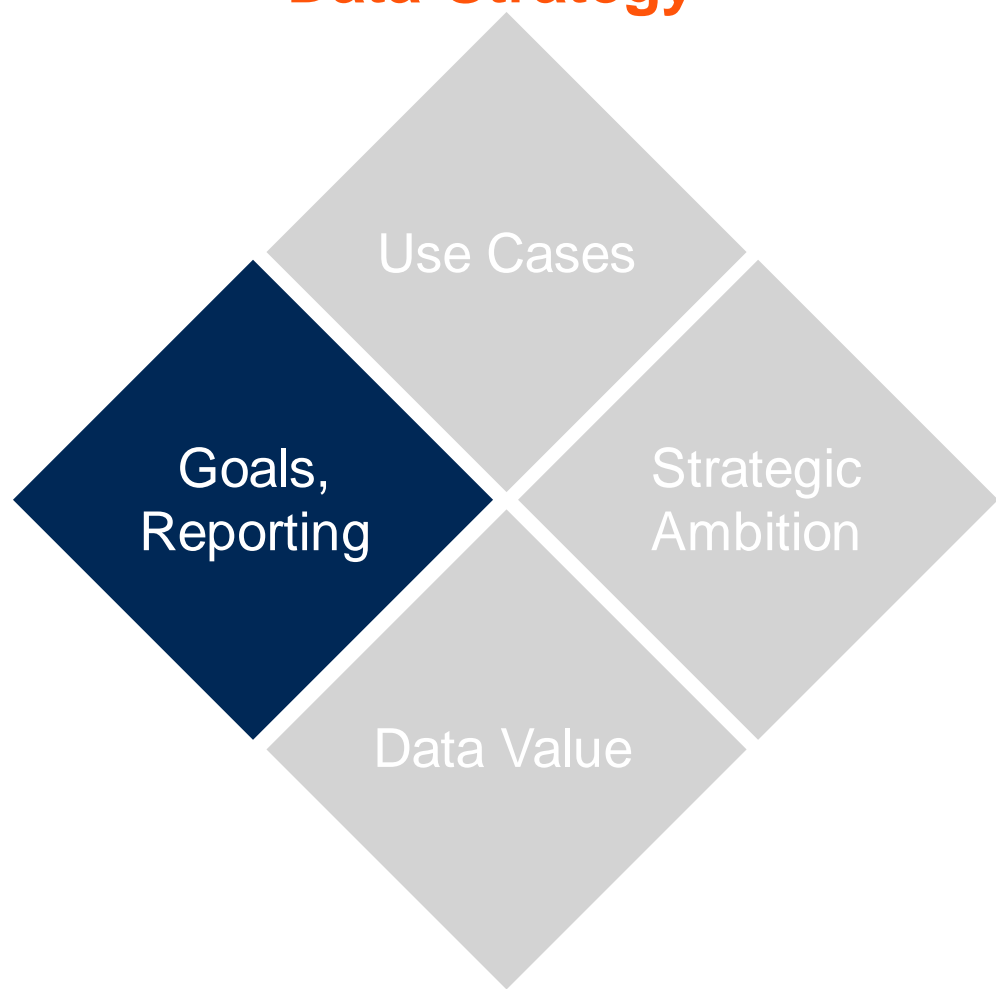


Transformation



Source: [How to Set Strategic Ambition for Sustainability](#) (G00794666); [Climate Monitoring](#) Airbus; [AXA Climate Expands Its Service for Asset Managers With New Altitude Functionality](#), AXA Climate

## Design an ESG Data Strategy





# Regulatory Pressure for Transparency Is Growing

## ASX200 Companies Need More Data

**18%**

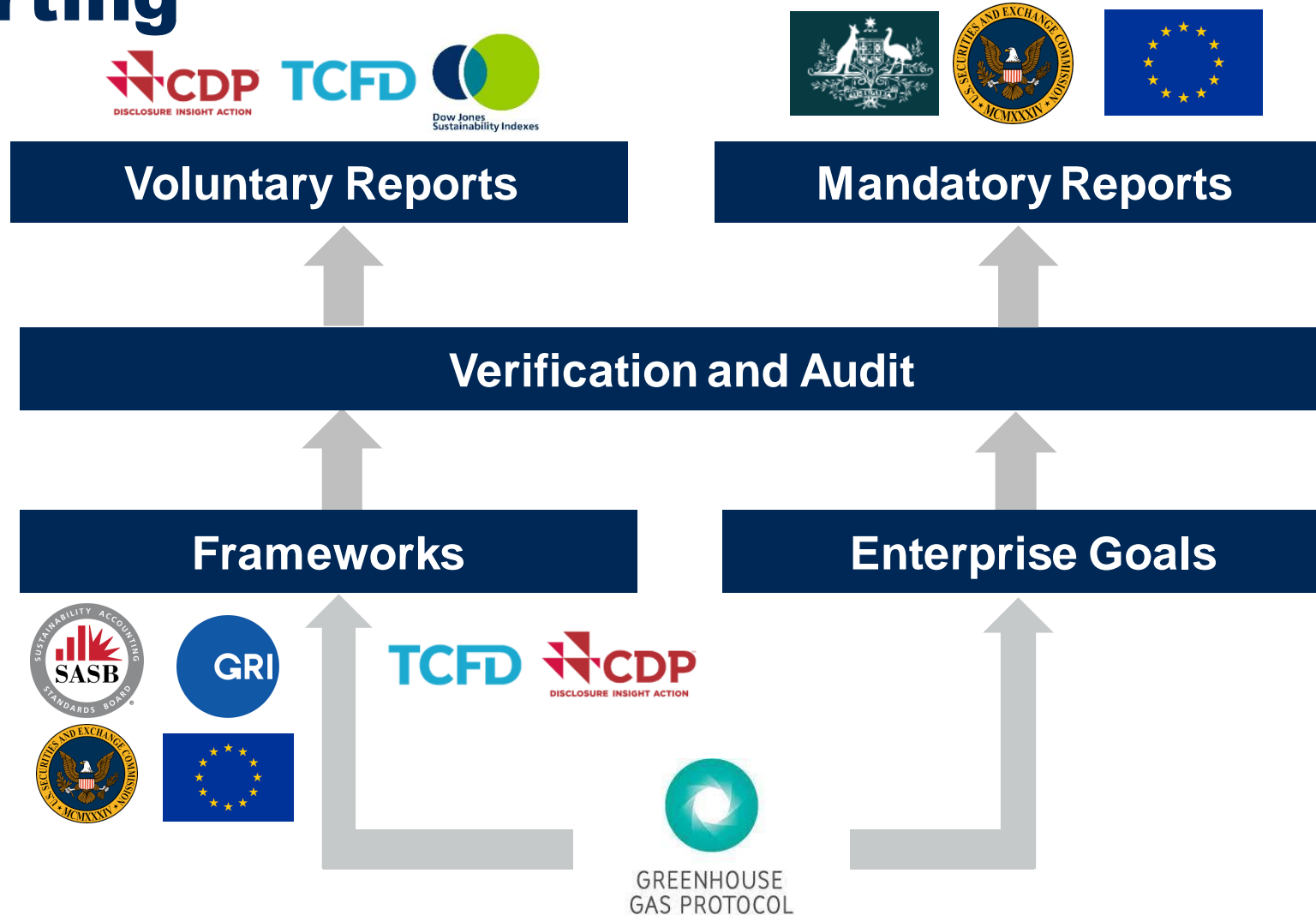
Discuss how climate  
change will impact  
company financials

**14%**

Report Scope 3  
emissions



# Understand ESG Goals, Frameworks and Reporting



## Design an ESG Data Strategy

Use Cases

Goals,  
Reporting

Strategic  
Ambition

Data Value

# Uncover ESG Data Use Cases

**Research and  
Development**

**Design Eco-Friendly  
Products**

**Mergers,  
Acquisitions  
and Divestures**

**Evaluate Acquisition  
Impact on ESG Goals**

**Finance**

**Incorporate ESG Into  
Cost-Benefit Analysis**

**Supply Chain**

**Engage Suppliers on  
Scope 3 Emissions**

# Summary: Design an ESG Data Strategy

## Design an ESG Data Strategy



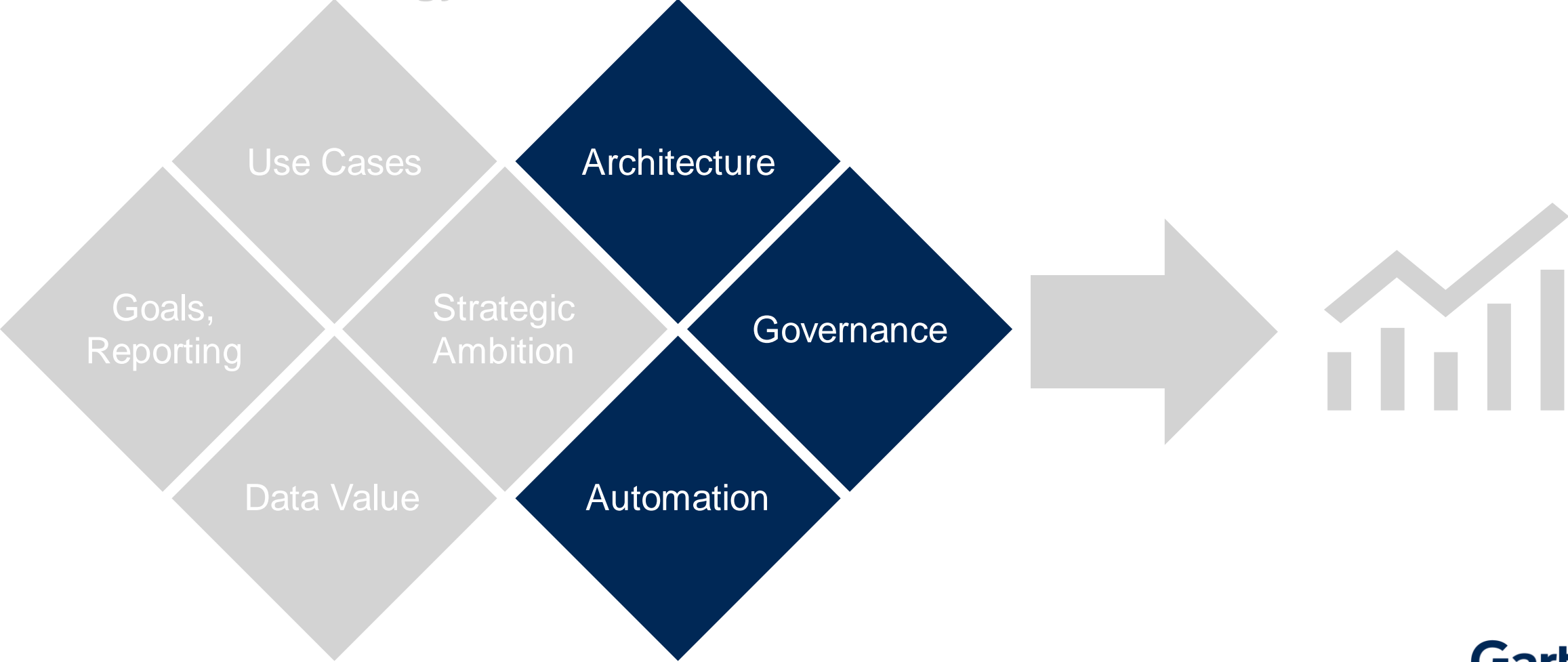
Strategic Ambition	Compliance	Optimization	Transformation
Data Value	Hindsight	Insight	Foresight/ Product
Goals, Reporting	CSRD	GRI	Compliance as an Outcome
Use Cases	Supply Chain	Finance	R&D

# CIO Action: Unlock the Value of ESG Data

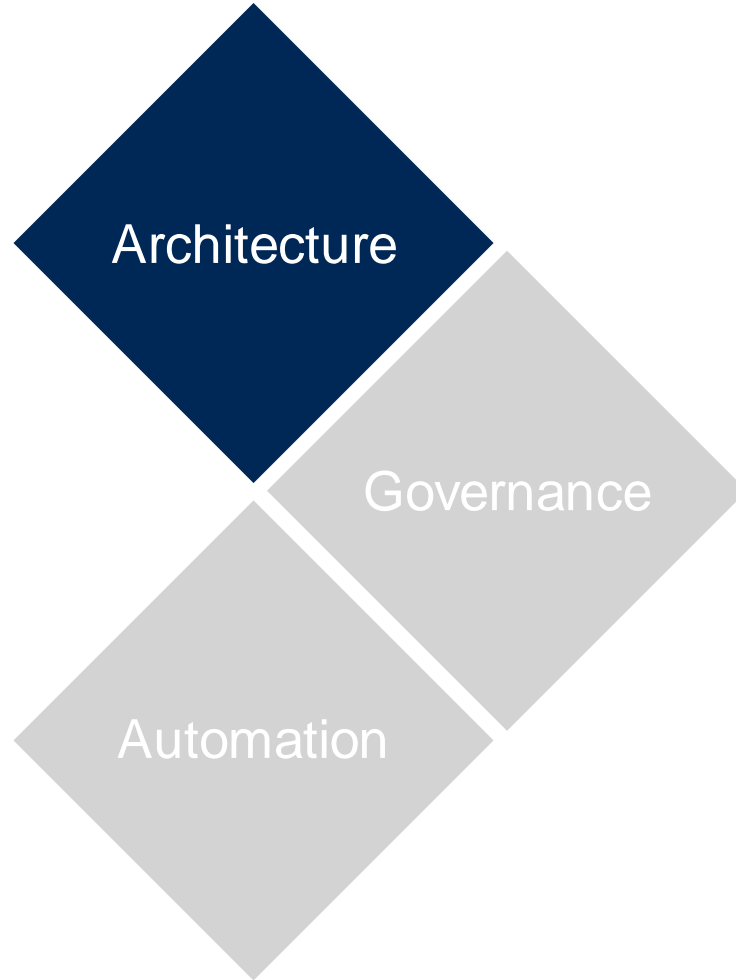
Design an ESG  
Data Strategy

**Build an ESG  
Data Foundation**

Drive Business  
Value

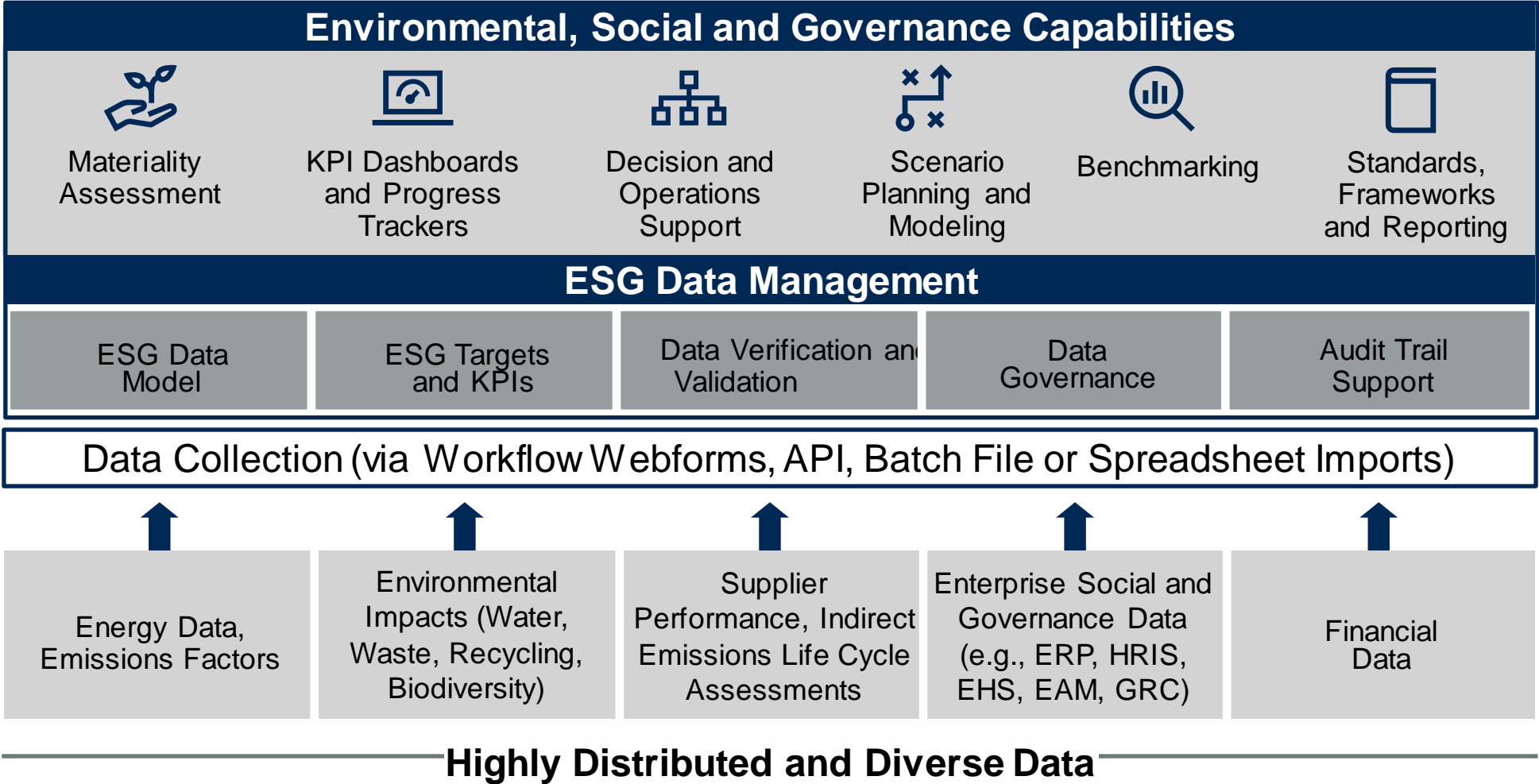


## Build an ESG Data Foundation



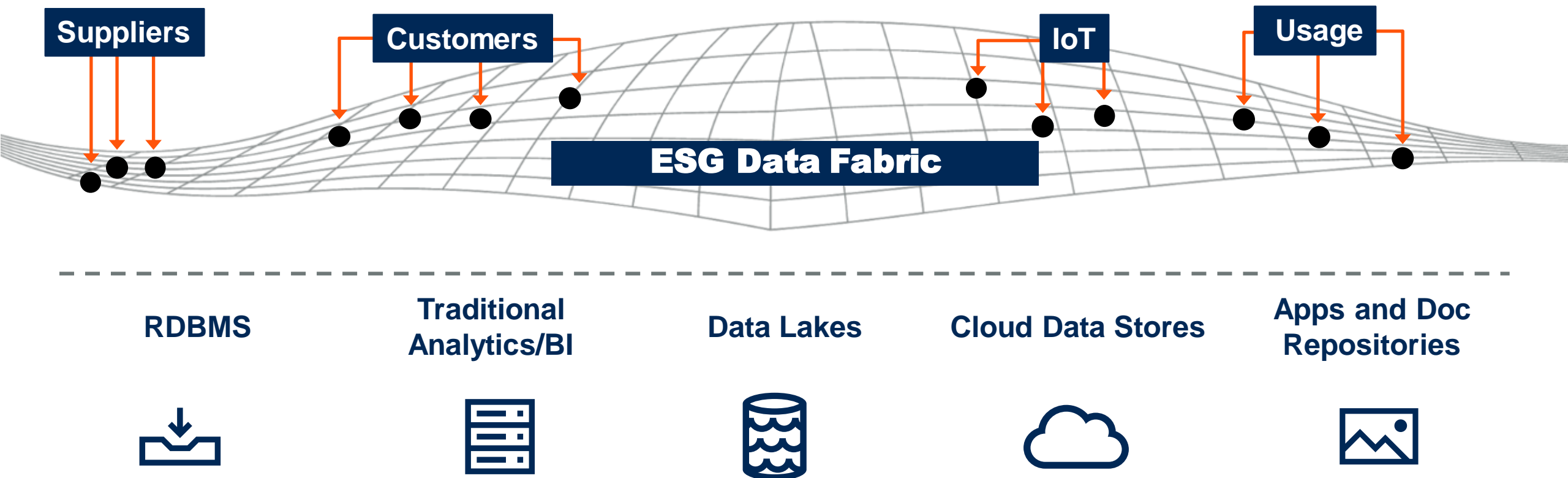


# Create an ESG Data and Analytics Architecture



Source: [Market Guide for ESG Management and Reporting Software](#) (G00773224)

# Option: Build an ESG Data Fabric

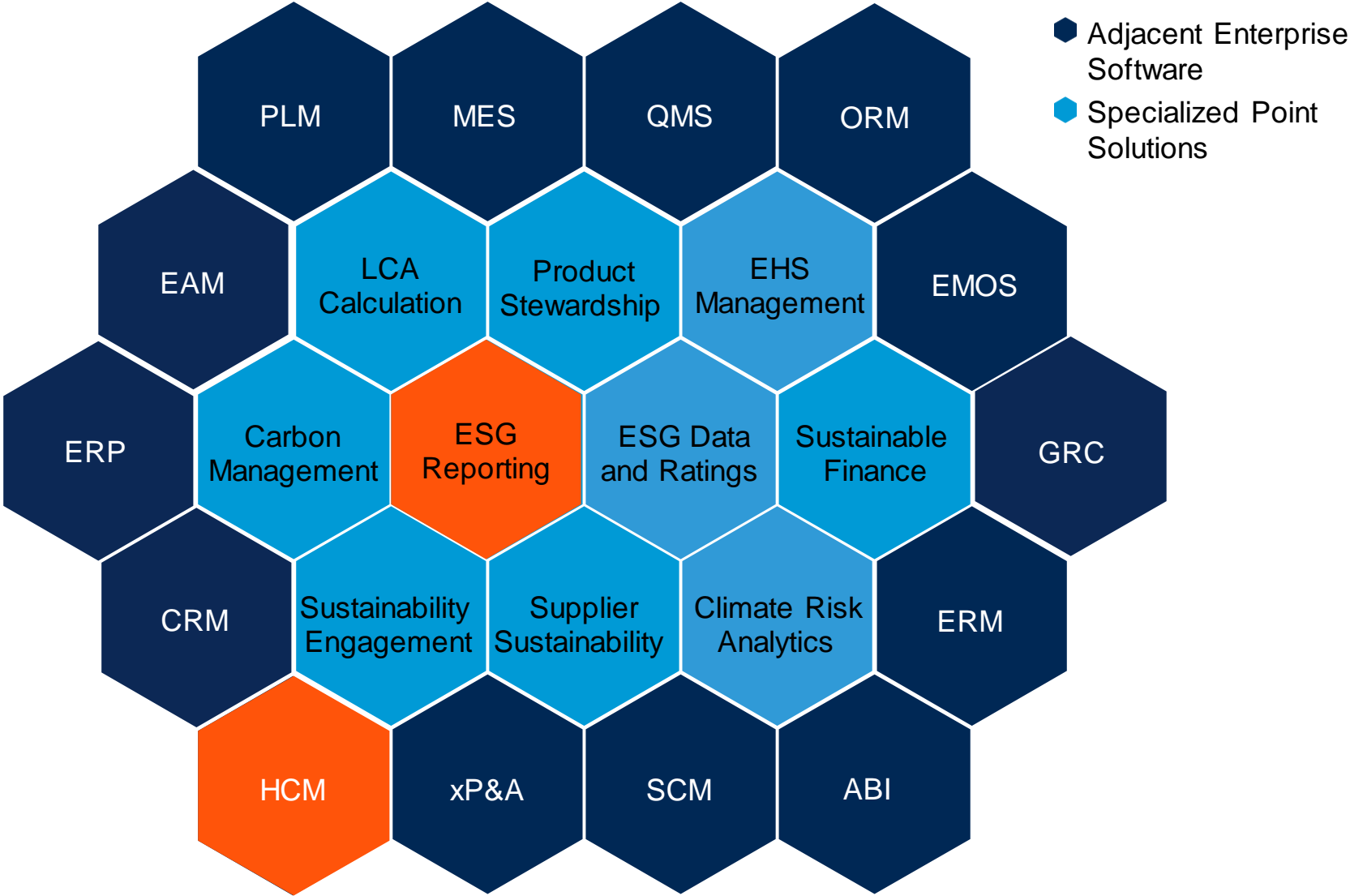


Source: [Quick Answer: What Is Data Fabric Design?](#) (G00787121)

# Find ESG Data

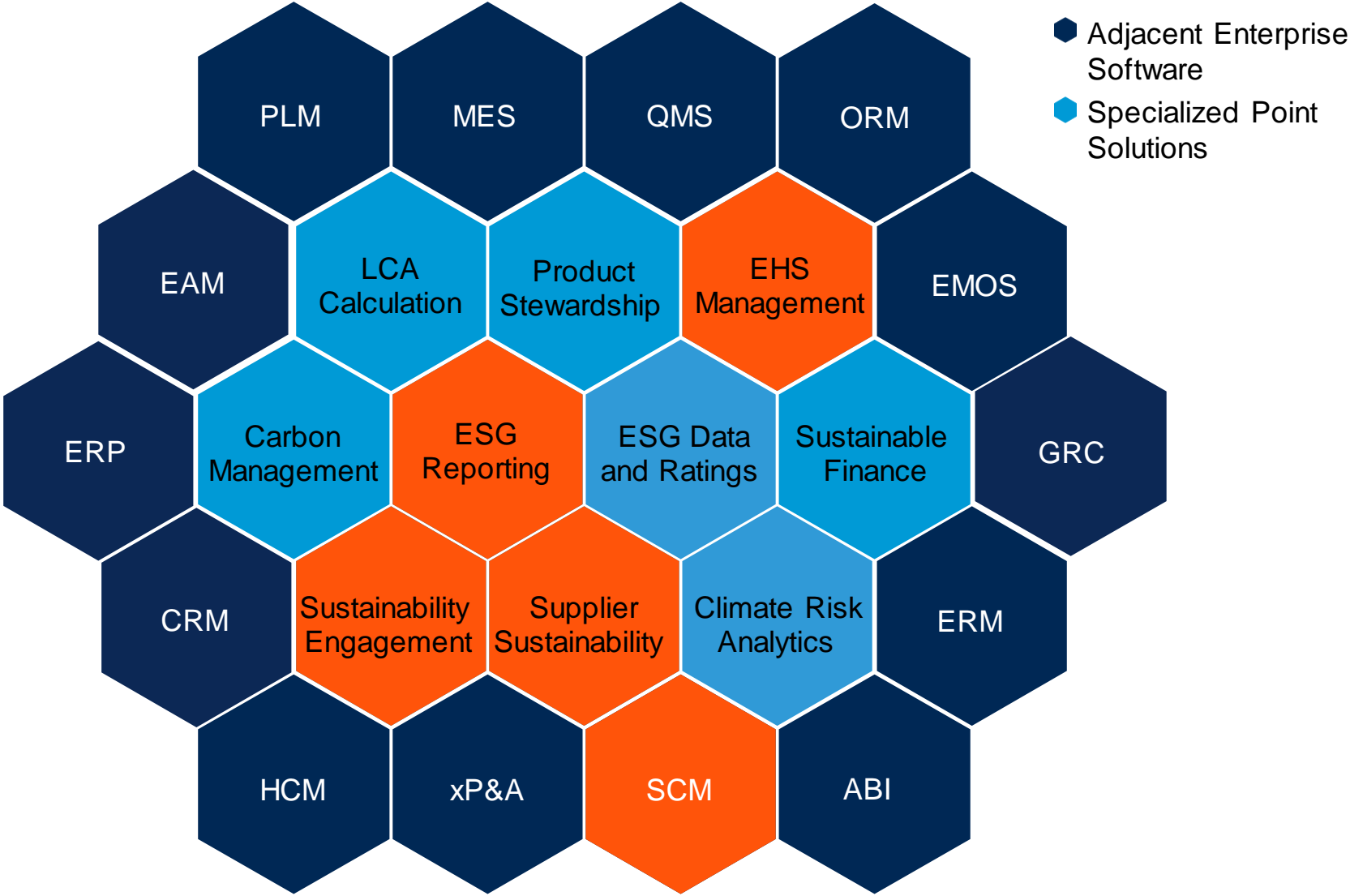
Step 1	Step 2	Step 3 (Yes, we have the data)	Step 3 (No, we don't have the data)
What data do we need? (Examples)	Do we have the data?	Where is the data stored?	How can we get the data?
Purchased electricity	Yes	Invoices, spreadsheets, utility bill management software, ERP	
Purchased goods and services	No		Supplier engagement software
Use of sold products	No		CRM, warranty systems, aftermarket usage data collection through telemetry, IoT
Employee health and safety	Yes	EHS software, HCM software	
Human rights in our supply chain	No		Geospatial data and analytics, AI, blockchain

# Map Key Data Flows: Diversity Equity & Inclusion



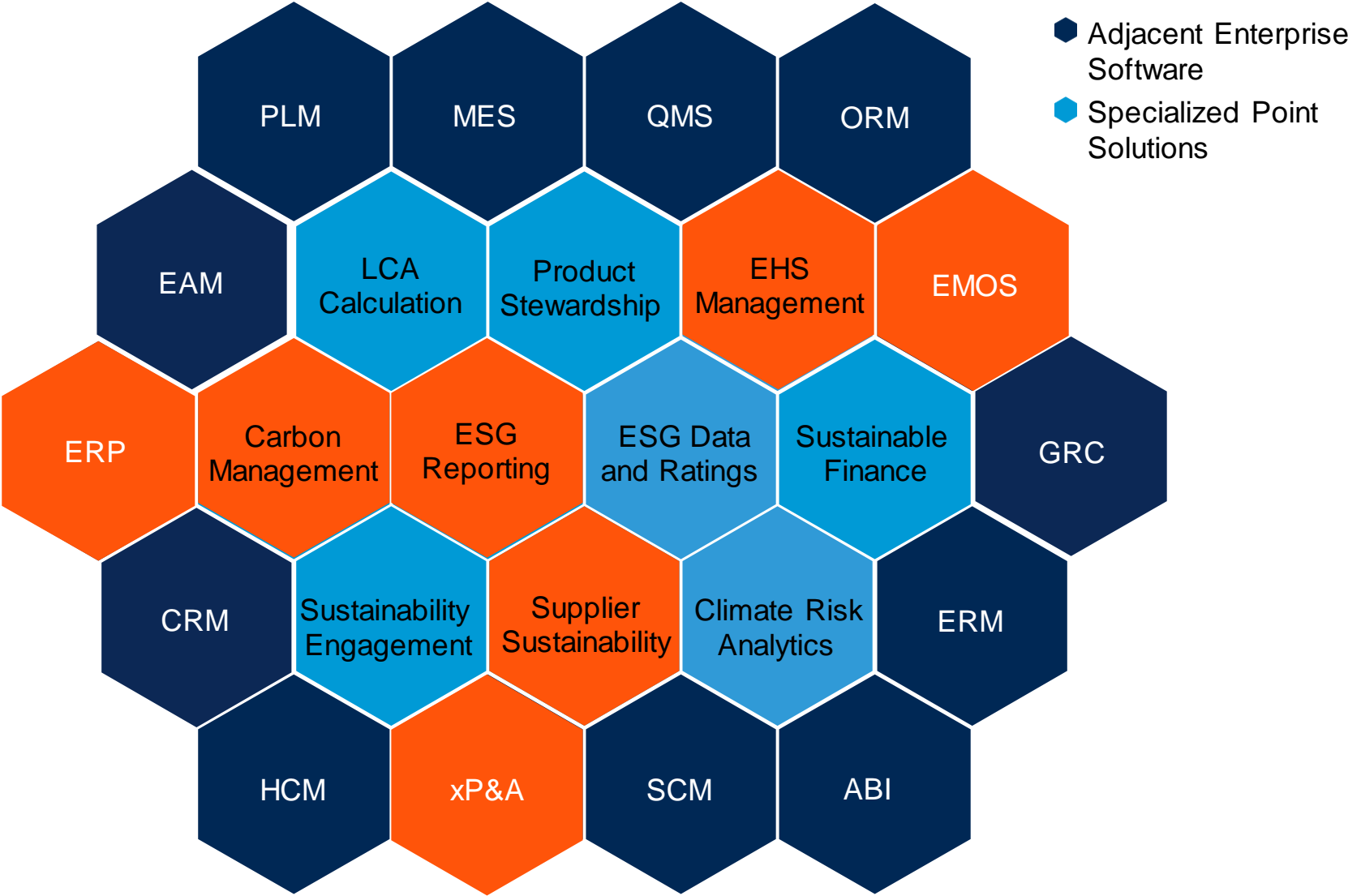
Source: [Emerging Tech: Sustainability and ESG Software Will Underpin the New ESG Era](#) (G00778047)

# Map Key Data Flows: Labor Conditions



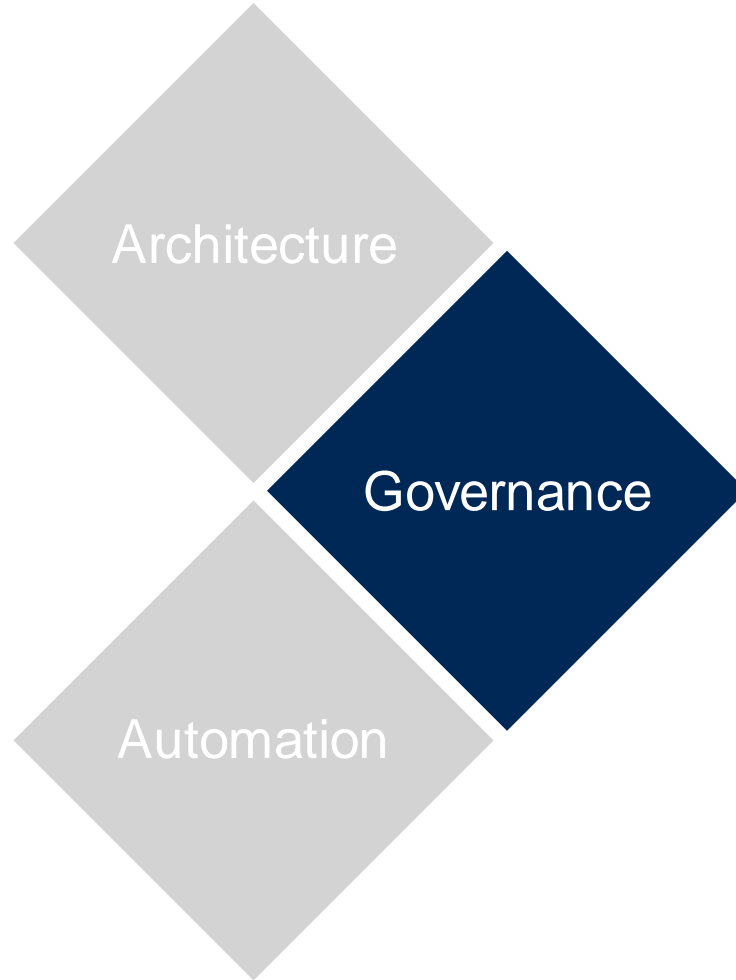
Source: [Emerging Tech: Sustainability and ESG Software Will Underpin the New ESG Era](#) (G00778047)

# Map Key Data Flows: Greenhouse Gas Emissions



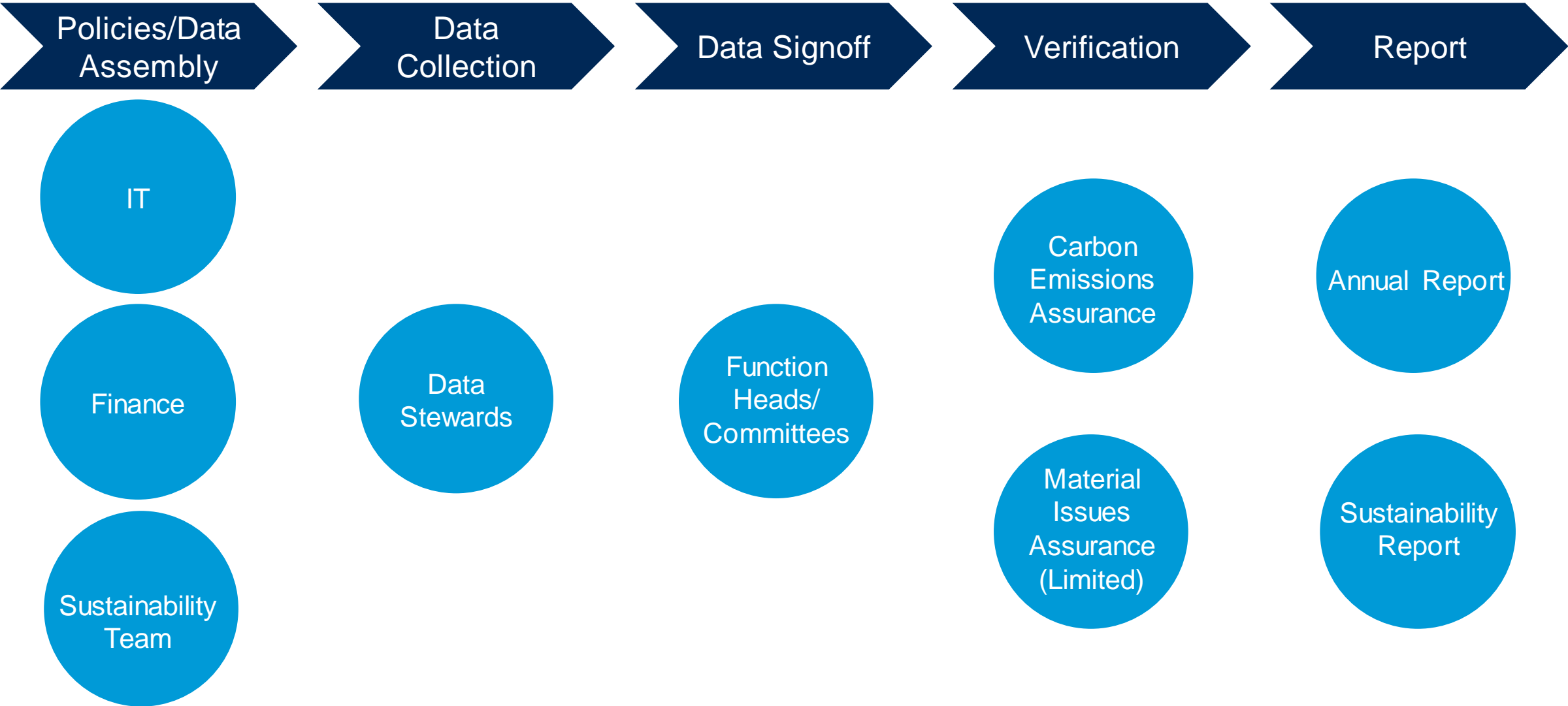
Source: [Emerging Tech: Sustainability and ESG Software Will Underpin the New ESG Era](#) (G00778047)

## Build an ESG Data Foundation

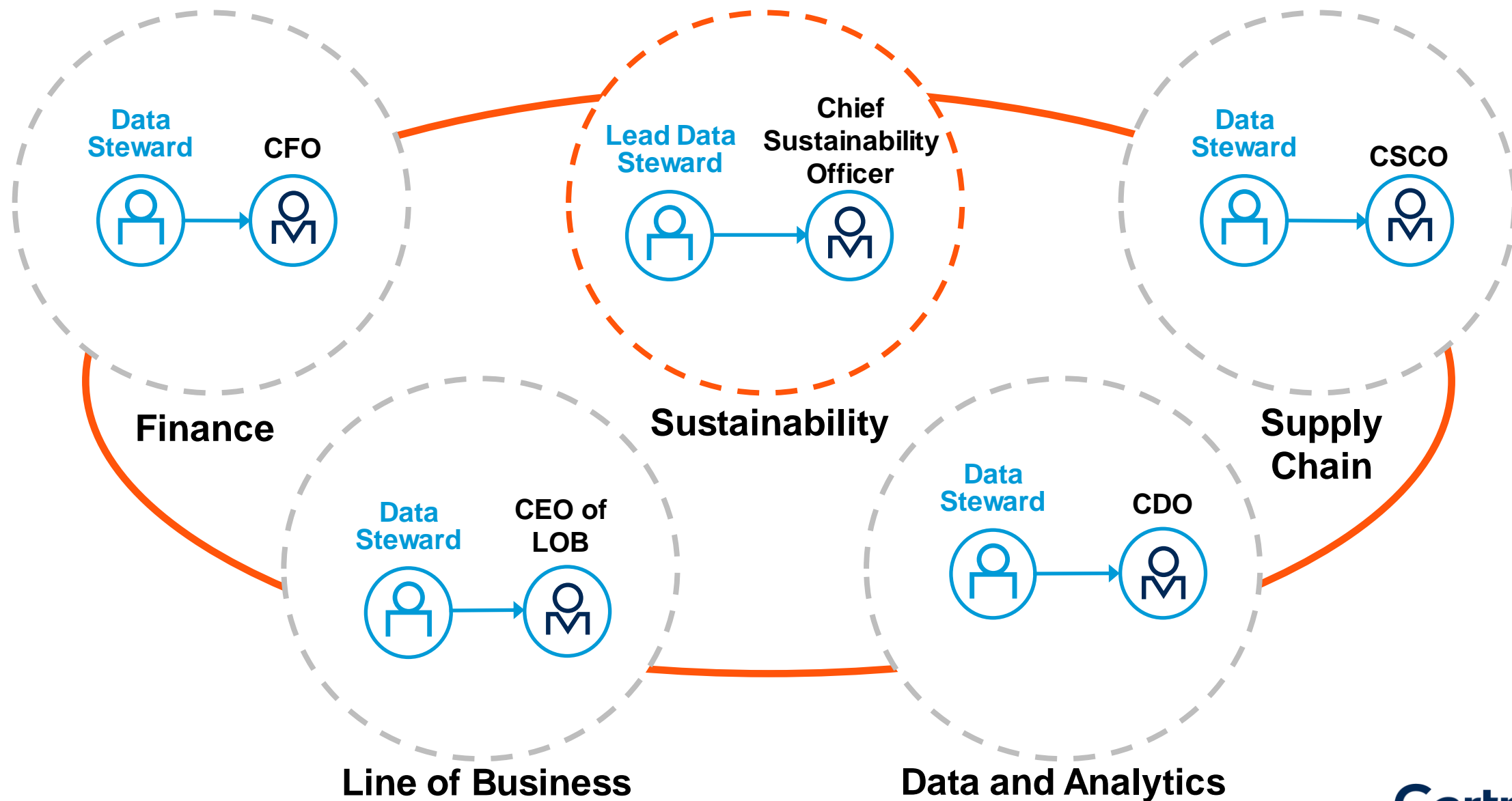




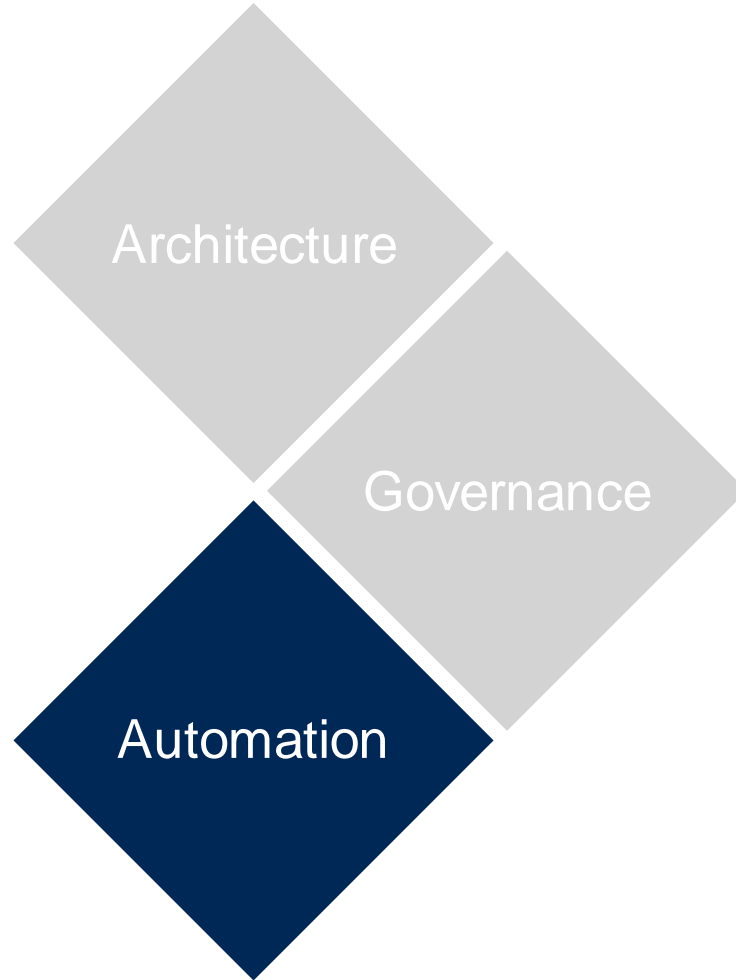
# Establish ESG Data Governance for Reporting



# Balance Centralization and Decentralization

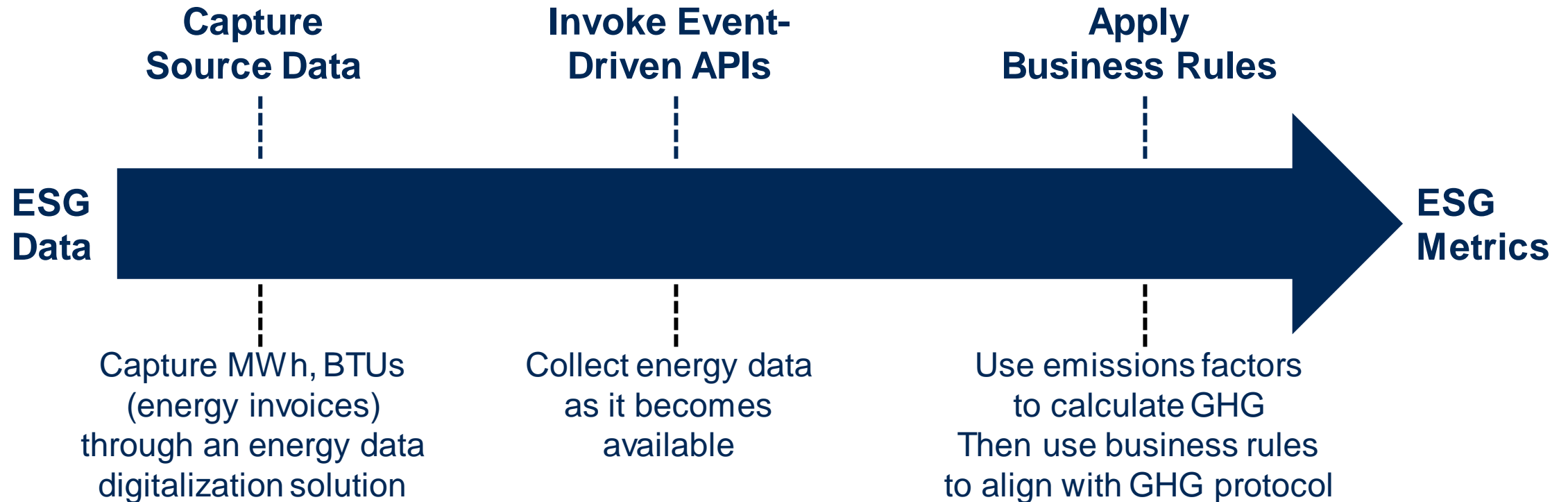


## Build an ESG Data Foundation



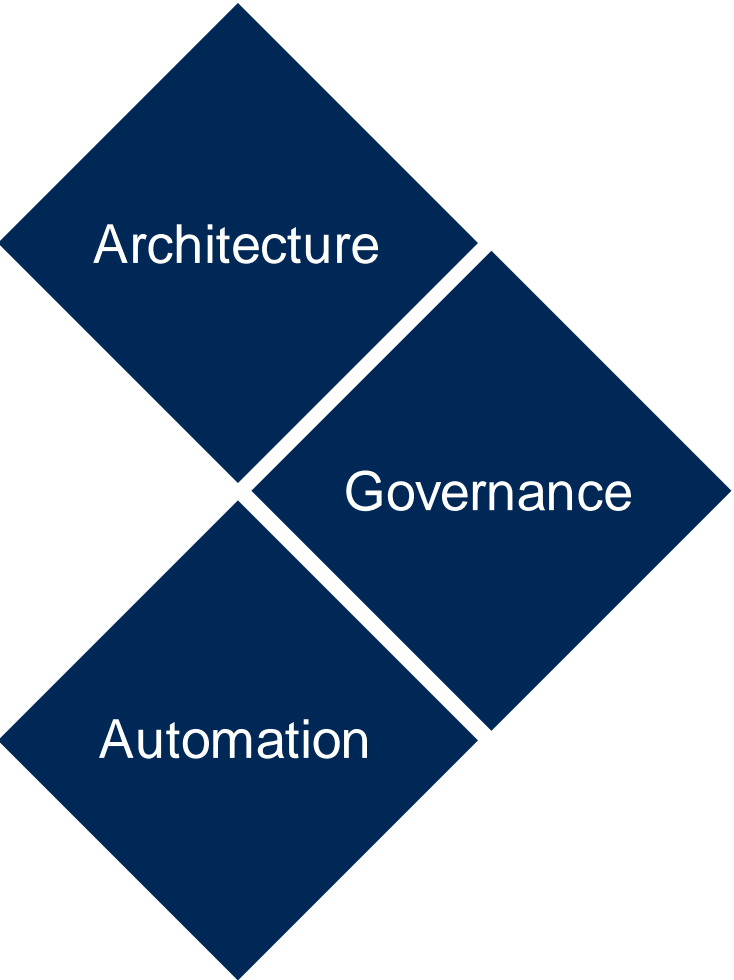
# Automate ESG Data Gathering When Possible

## Example: GHG Emissions Data



# Summary: Build an ESG Data Foundation

## Build an ESG Data Foundation



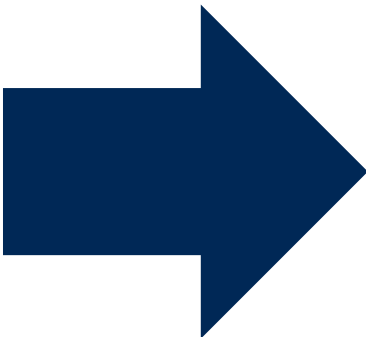
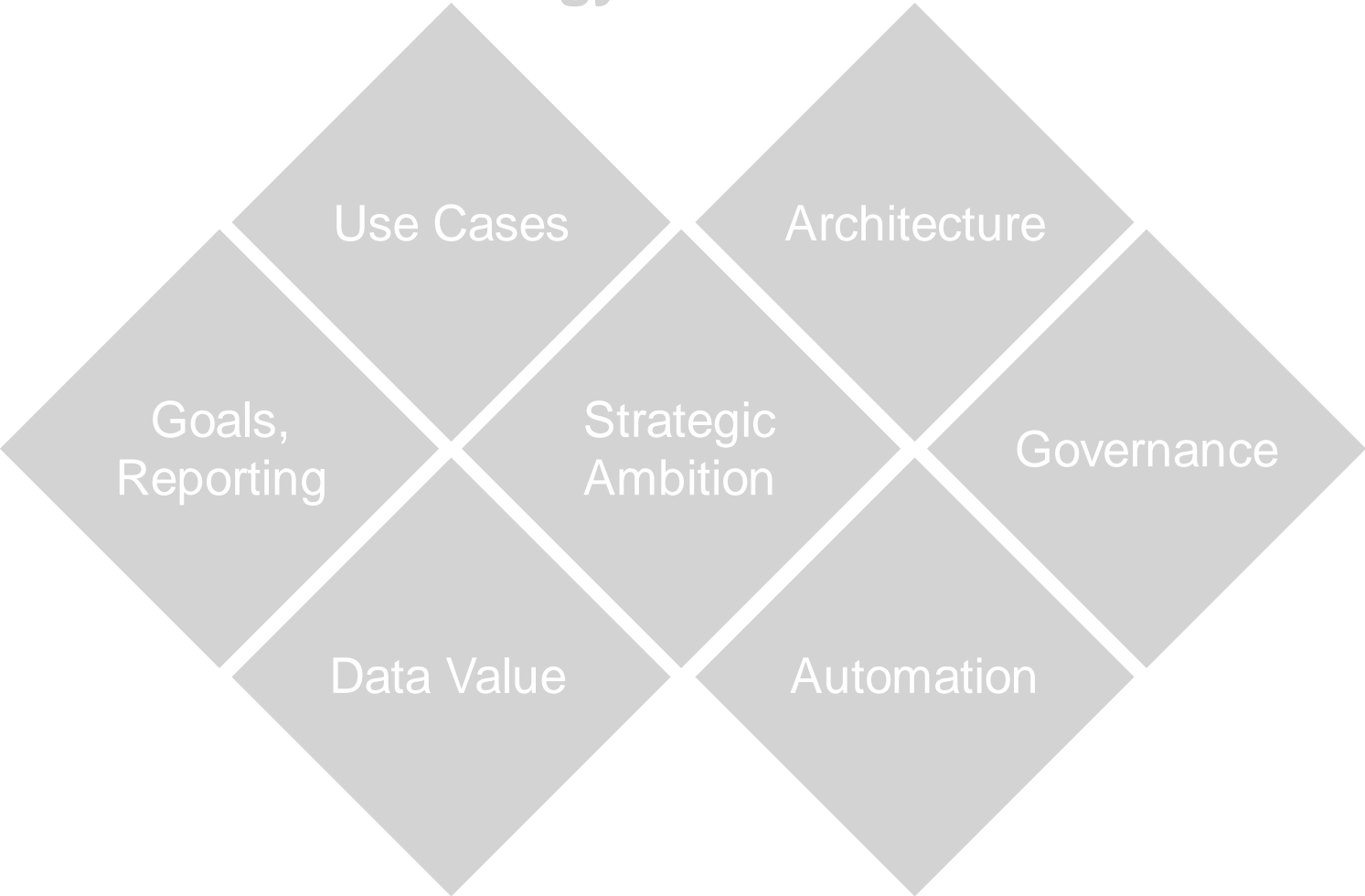
Strategic Ambition	Compliance	Optimization	Transformation
Architecture	Enterprise Software	ESG Software	Data Fabric
Governance	Centralization	Lead Data Steward	Centralization/Decentralization
Automation	Ad Hoc	Event-Driven APIs	Business Rules

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# Drive More Value From ESG Data

From



Hindsight

To



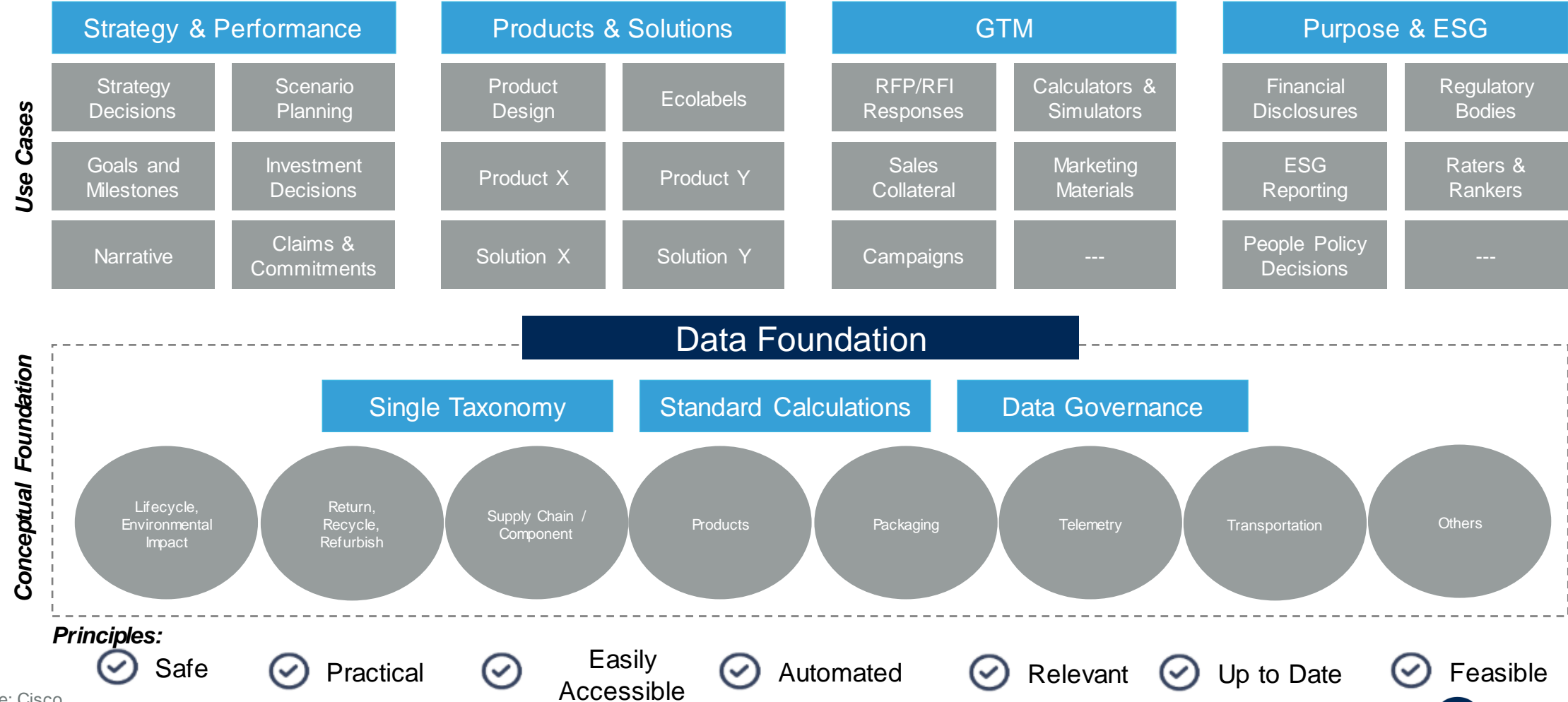
Hindsight  
Use Cases  
Insight  
Foresight  
Value



# Identify Use Cases for ESG Data



## Cisco (US) Data Foundation



Source: Cisco



# Deliver **Hindsight** Through ESG Data



## ABN Amro (Netherlands) Sustainability Dashboard

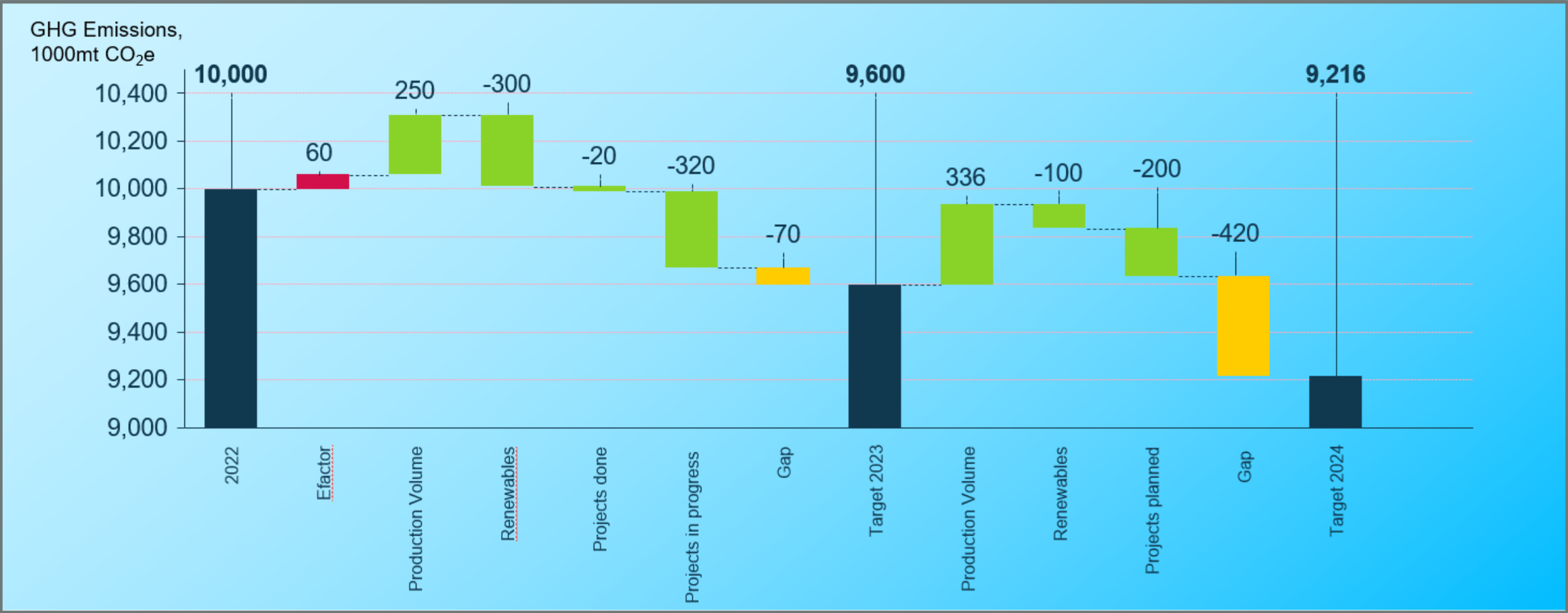


Source: ABN Amro

# Enable **Insight** Through ESG Data



## Bayer (Germany) Emissions Performance Prediction (Example Data)



Source: [Executive Leader Strategies to Balance Energy Cost, Security and Decarbonization](#) (G00774956)



# Support **Foresight** Through ESG Data



## Melbourne Water (Australia) Sustainability Dashboard

- ✓ Manage utility spend and risk
- ✓ Streamline reporting
- ✓ Proactively manage water
- ✓ Optimize facility performance

Source: [Uncovering Opportunities to Reduce Energy Consumption and Emissions With the IBM Envizi ESG Suite](#), IBM



# Exchange **Value** Through ESG Data Ecosystems



## World Business Council for Sustainable Development (Switzerland) PACT

- ✓ Jointly tackle carbon emission reduction transparency in supply chains
- ✓ Guidelines for product carbon footprint:
  - Calculation
  - Exchange

Source: [Partnership for Carbon Transparency \(PACT\) Sets Foundations for Standardized Emissions Data Exchange](#), WBCSD

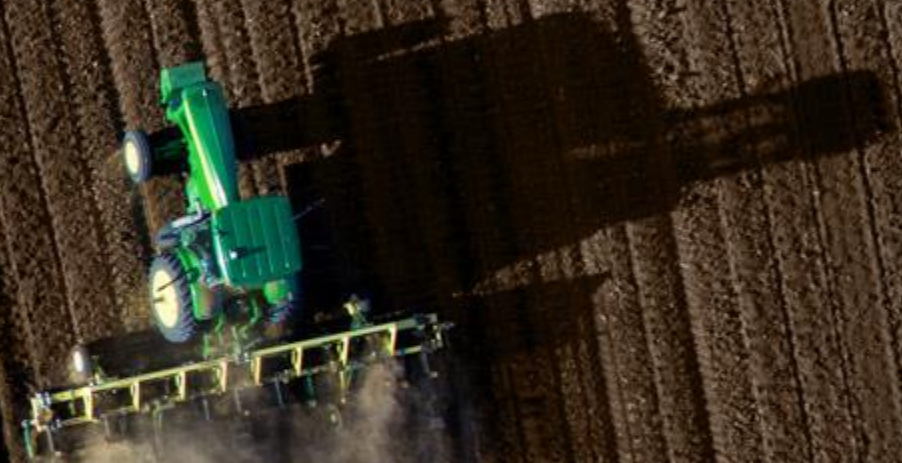


# Productize ESG Data Value



## Yara (Norway) GHG Calculator for Farmers

- ✓ Multiple variables of ESG data are accounted for — soil, seed and fertilizer
- ✓ GHG emissions are simulated
- ✓ Farmers can receive premiums or carbon credits for reducing their GHG emissions



Source: Yara; [Yara International Helps Build a Sustainable Future for Food](#), World Economic Forum

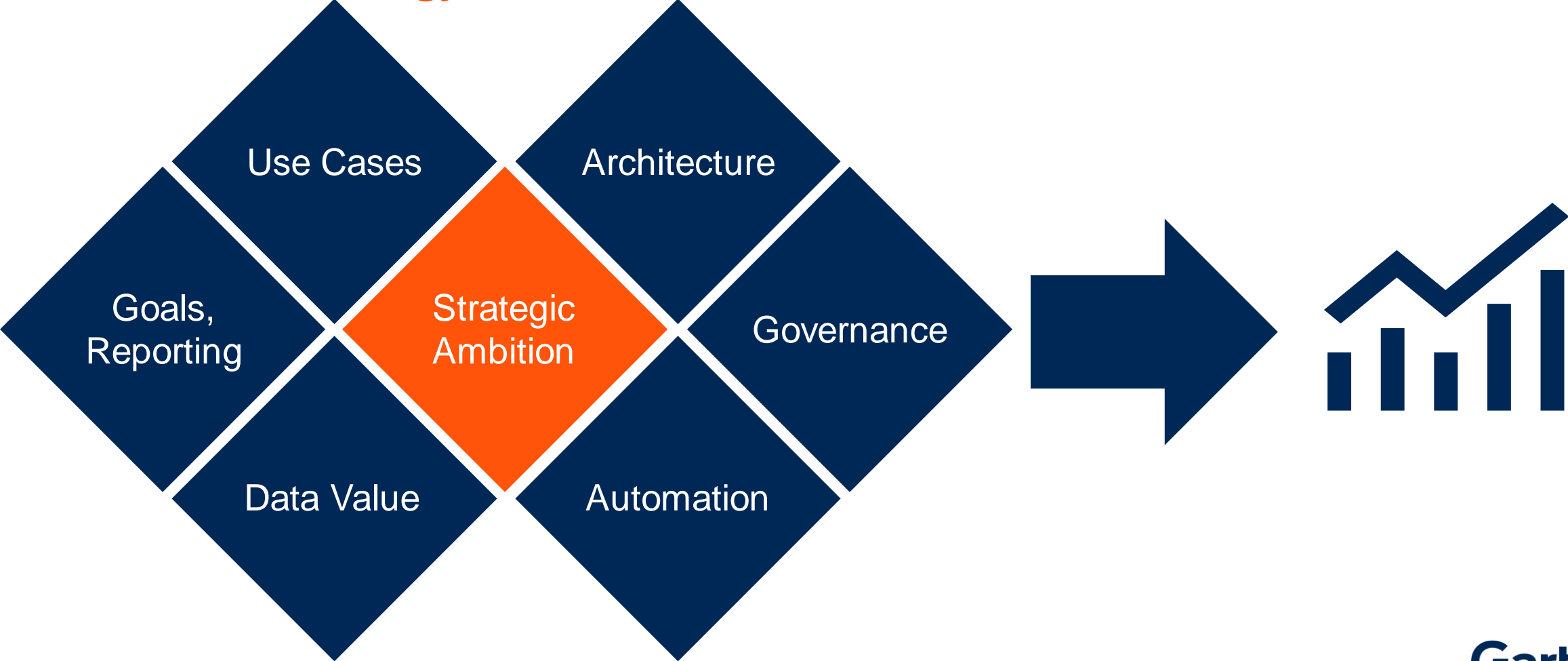


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# CIO Action: Unlock the Value of ESG Data

## Design an ESG Data Strategy

- Identify strategic ambition.
- Align ESG data value to strategic ambition.
- Understand ESG goals and reporting.
- Uncover ESG data use cases.

## Build an ESG Data Foundation

- Create an ESG data and analytics architecture.
- Find ESG data.
- Map key data flows.
- Establish ESG data governance.
- Balance centralization and decentralization.
- Automate ESG data gathering when possible.

## Drive Business Value

- Take ESG data beyond hindsight reporting to:
  - Use cases
  - Insight
  - Foresight
  - Value exchange
  - Productization



**The Requirements  
for ESG Data Will  
Only Increase**

**Elevate Your Role as  
Business Leader  
Now by Bringing  
Rigor to ESG Data**

# Recommended Gartner Research

- 🔍 [How to Lift ESG Data Quality to Investment-Grade](#)  
Corporate Strategy Research Team
- 🔍 [Market Guide for ESG Management and Reporting Software](#)  
Chet Geschickter, Aapo Markkanen and Others
- 🔍 [Emerging Tech: Sustainability and ESG Software Will Underpin the New ESG Era](#)  
Benjamin Jury, Tom Jepsen and Others
- 🔍 [Quick Answer: What Is Data Fabric Design?](#)  
Robert Thanaraj, Mark Beyer, Ehtisham Zaidi and Guido De Simoni