8 Sustainability & ESG Software Must-Haves

ESG and Sustainability reporting is a corporate necessity, and finding the right software to support company-wide goals and initiatives is imperative to streamlining this time-consuming undertaking.

TABLE OF CONTENTS:

Here are the top features to look for when selecting a software to track and report your organization's Sustainability and ESG initiatives more accurately and efficiently.

Software should be accessible to everyone who needs to input data.

Data owners/data collectors throughout your facilities should be able to directly enter their own relevant Key Performance Indicators (KPIs) and greenhouse gas data. This means no more searching for data from disparate company groups, searching through emails for spreadsheets or invoices, no more tracking down field technicians for logs, or time lost seeking other documentation.

A centralized system is especially important when dealing with company locations in various geographic regions. A well-designed software system can solve this most vexing problem: finding the relevant data.

Check for these features in any ESG and sustainability software you're considering:

◇ **Data stored in one managed location**

All sustainability data should be stored in one place—whether text or numeric, and whether from an automatic data acquisition system, external database, hand-written field logs, or third-party documentation (e.g., air permits).

◇ **Streamlined reporting from centralized data**

Reporting is streamlined because all input is consolidated in one location.

◇ **Standardized terminology and automatic unit conversion**

A centralized system enforces common terminology, units, and values that are crucial for final reporting. Automatic unit conversion will easily aggregate data to the common set of units based on your company's geographic location(s).

◇ **Built-in notifications and workflows**

Look for built-in reminders, notifications, and escalations to ensure the inputs are completed in a timely manner, and if deadlines are missed, you know exactly what is missing and who to contact.

02: Quality Assurance

Software should include quality assurance and third-party review tools.

Accuracy is paramount. Sustainability and ESG software needs to allow the reporter to make easy updates and corrections as needed. Quality assurance reviewers and third-party verifiers should be able to easily review information, track reported values to source data, and understand how the data were processed.

Look for the following features to support transparency and auditing:

◇ **Visible and accessible calculations**

All embedded rules, queries, and calculations should be visible and traceable to anyone reviewing so they can review and raise a flag if issues are found.

◇ **Accessible and auditable source data and final values**

All source data and final reported values should be visible, traceable, and tracked. Watch out for "black box" calculations that will confound auditors and cost you in labor hours while you are determining how the reported value was obtained, what the data inputs were, and where the source data originated.

◇ **Complete audit trails**

Ensure audit trails are present for any changes in key data. You should be able to find out exactly who entered or changed a value. Be sure the software is keeping track and that everything is recorded and traceable to ensure the integrity of the process and reports. Good software will have an audit tool that tracks the actions and responsibilities of all users.

Sustainability and ESG software should make it easy to see and understand the formulas that produced any calculated data values.

Software should include tools for reporting to multiple regulatory or voluntary bodies.

The software you select should support your regulatory and voluntary reporting requirements to avoid the need for separate calculations.

Check for these features in any ESG and sustainability software you're considering:

◇ **Enter once, report to many**

Look for the concept of "enter once, report many times" when reviewing software applications. The gold standard is the capability for reporting methodologies and calculations configured for reporting to multiple agencies from a single dataset, all in a single tool.

◇ **Check support for your actual, specific needs**

Review your reporting requirements to see if the software handles them. Key reporting requirements include state or federal regulations, internal corporate social responsibility (CSR) and other sustainability reporting, the Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), and The Climate Registry (TCR).

◇ **Consider export formats**

Ensure the software includes exports to XML, which is a common format for EPA and CARB reporting, and an option for reporting to other agencies. Having such outputs easily generated from the software will save time and money during the reporting season.

Find out what formats you need for regulatory reporting, and make sure your software supports exporting them.

Software should include verification flags to avoid wasting time fixing bad data.

No one wants to track down errors months after a data entry event. Look for a software that will flag anomalies on entry and force the user to fix them before you ever get to the data review step. If you normally report 500 metric tons of GHG per year and you are finding entries of 500,000 metric tons per year in your data, chances are, it's just simple data entry errors which should be flagged for correction.

◇ **Ability to set validation rules**

Look for software that allows you to set rules to flag data entries that fall outside of expected thresholds, catching errors before they make it to QA personnel or auditors.

◇ **Options to specify acceptable ranges and add comments for unusual values**

Look for features that will help you avoid last-minute questions about the validity of your data. Look for the ability to specify an outlier range to flag values so that you can address them immediately before the report is due. Allow for the opportunity to enter a comment right alongside the flagged value, providing a record that the value was double-checked and is correct for a specified reason.

Immediate, inline alerts about outlier data values help prevent last-minute surprises.

Fuel 1 Warning	Fuel 1 Comments
Jan is > +/- 10% of the average!	F1Comment01
Feb is > +/- 10% of the average!	F1Comment02
March is > +/- 10% of the average!	F1Comment03
April is > +/- 10% of the	F1Comment04

> Fuel Volume

∨ Fuel Warnings

User-defined workflows will help your team navigate ESG and sustainability reporting.

The sustainability software you select should help simplify data entry and reporting by supporting your preferred workflows. Software with configurable workflows can be a huge help for both data entry personnel and managers reviewing data, by making the status of all data entry and reporting business processes abundantly clear.
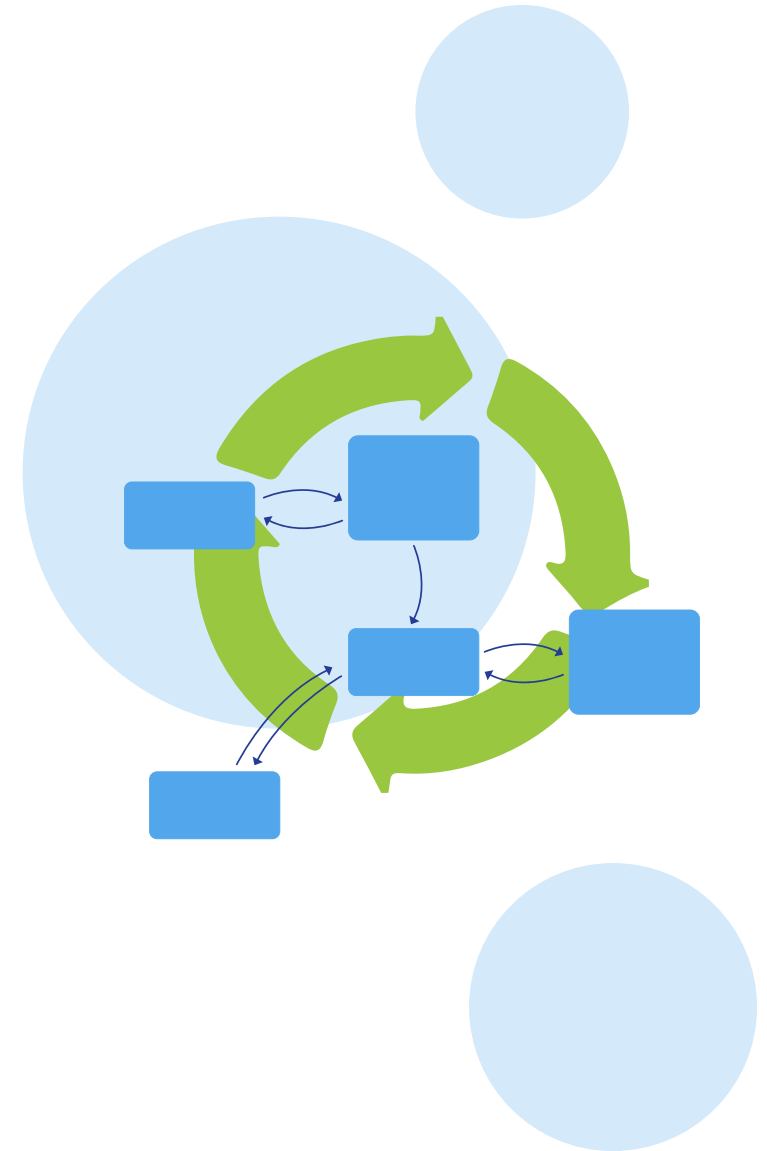
◇ **Options for lockdown after manager review**

Look for the ability to include manager overrides to data entry and workflows that will lock the data entries to editing once reviewed. This will help ensure others are not modifying data while you are in the report preparation process.

◇ **Quickly identify current workflow status**

Check for easy visual indicators of workflow status to ensure the process is on track to be completed by the reporting deadline.

◇ **Easily modify workflow along the way**

Also look for the ability to easily modify the workflow if your original configuration was not optimal. Not everyone knows the best workflow for new software when they initially start using it. The ability to modify the workflows—without needing a software developer—is an important feature to consider when choosing a sustainability software solution.

There should be an easy way to see the current workflow status of any data in your system.

Software with robust audit trails will help track and identify changes to data.

All software that handles critical or regulatory data should provide auditing on key data fields. Find out the details of what is audited and how you will be able to access the audit information.

◇ **Full history of all changes**

Software should retain a history of values with every report change.

◇ **Who, when, and what**

Look for a complete audit trail of who did what, and what was changed, and when. Tracking any modifications to values supports a rigorous audit and is sure to make your QC staff really happy.

Your software should automatically record a history of all changes at each step of your workflow.

Consider out-of-the-box data outputs and software's ability to tailor reports to needs.

Every software has built-in reports and dashboards, but they may not meet all your needs out-of-the-box. Assume some reports will need to be configured, and review the software accordingly.
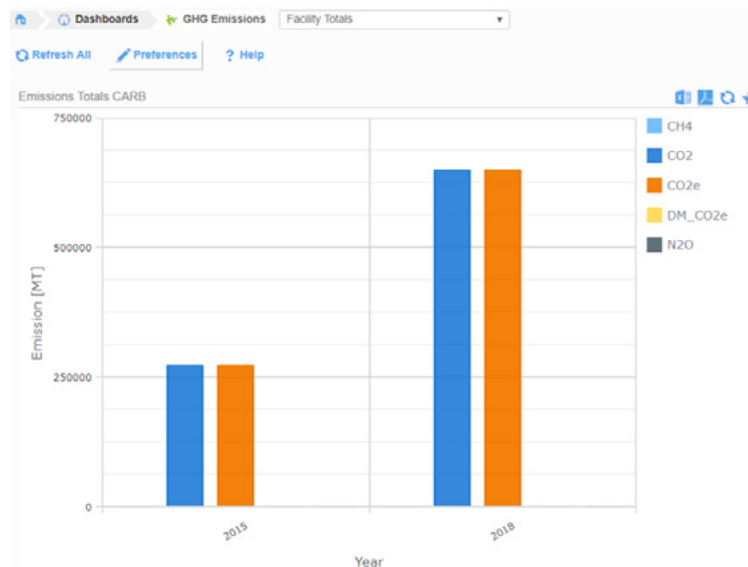
◇ **Tracking specific KPIs**

Does the software provide an easy way to track year-to-year KPIs for internal evaluation or for preparation of public-facing sustainability reports?

◇ **Consider future reporting and visualization needs**

If you need a new report, chart, or other visualization of your data, will this request incur a custom software development charge, or is it an easy configuration?

◇ **Adapt dashboards to your needs**

Can you easily customize the software's default dashboards?

Look for options to easily configure reports, charts, and other visualizations that help you easily review summaries of your data.

Software should include a robust notification engine.

Software can shoulder the burden of getting people to do what they are supposed to do (reminders), alerting people to when an action is needed (notifications), sharing information (messaging) and sending them information (report notifications). Be sure to review the strength of all notification features of the software, as this can be a huge help during reporting season—and it can lighten the burden on your inbox as well.

◇ **Multi-purpose notifications**

Look for routine workflow notifications to ensure you are notified when a workflow step is completed AND if a workflow step is ignored beyond the due date.

◇ **Actionable notifications**

Look for reporting notifications that will send the link (URL) to applicable users so they can quickly jump to the information in the software. No one likes knowing a report is ready, but then having to log in and search for it.

◇ **Group and individual notifications**

Ensure you can send notifications by individual user OR to user groups. It can be very tedious to select large numbers of individuals for routine notifications—it is much easier to select "all Facility XYZ EHS staff".

◇ **Decide where to receive notifications**

Consider in-app messaging to keep important information in front of the users and spare their inbox.

Sustainability vs. ESG

Until recently, it was common to refer to sustainability and ESG interchangeably. But over time, their meanings have grown apart. Sustainability can mean many different things, depending on the discussion context, whereas ESG has become the preferred term for capital markets and has frequently appeared in the headlines. The transition from sustainability to ESG performance indicates a maturation of business practices leading to more precise measurements of a company's performance, its impact on the environment, and the risk it carries for investors when there is a low environmental performance or spotty compliance with EHS regulations. As a result, companies need to improve the way they collect and track metrics for ESG reporting and when reporting for sustaianbility have in mind that the same set of KPI and numbers may be necessary for ESG reporting tomorrow. Ideally, selected software should unify sustainability and ESG reporting with no double input.

Final thoughts: Imagine what implementation success looks like

While you are evaluating software options, use these points as a guide to make sure you choose a solution that will truly make a difference for your organization's sustainability initiatives and reporting goals. As more ESG and sustainability software solutions appear in the marketplace, it can be difficult for a company to discern which features really matter. Consider the challenges you face now, and what it would look like if those problems were handled by your software. Contact us today to learn more!

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✔ **EHS Compliance Solutions**

🧪 **Environmental Solutions**

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