

9 Keys to Selecting Sustainable ESG Reporting Software



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Here are the 9 keys to look for when selecting a sustainable ESG reporting software.

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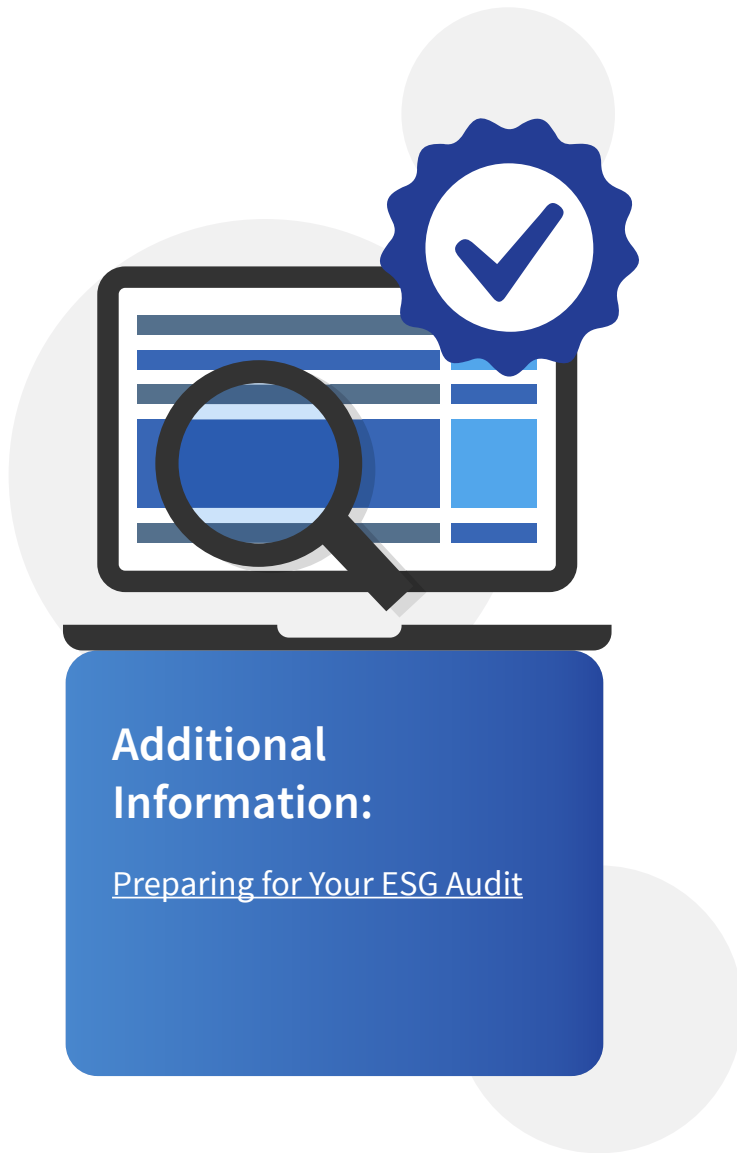


9 Keys to selecting a sustainable ESG Reporting Software

With investors and regulators holding organizations accountable for Environmental, Social, and Governance (ESG) performance, the pressure is on to turn science, financial and non-financial data into auditable ESG disclosures. The right technology can simplify the process of compiling data to produce trusted sustainability reports.

When selecting an [ESG software solution](#), ensure that the system provides the full functionality you need to automate data collection and management, simplify reporting, and produce timely, trusted ESG disclosures for investors and stakeholders.





Additional Information:

[Preparing for Your ESG Audit](#)

1 Start with the Audit

Plan ahead to ensure your ESG report is audit-ready. An ESG software solution must maintain full visibility, accessibility, and traceability of raw data, data sources, calculations, factors and methods.

Does the ESG software solution...

- ◇ Support auditability of data and reports?
- ◇ Offer built-in security and controls?

Has the vendor...

- ◇ Established reliability in managing compliance/investor-grade data?

Auditability, transparency, and accuracy promote investor and stakeholder trust.

2 Framework – Ready for Anything

The ESG software solution should support multiple disclosure frameworks and regulatory schema, including the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP), Sustainability Accounting Standards Board (SASB), SEC and EPA regulations.

Does the ESG software solution...

- ◇ Handle multiple disclosure frameworks/regulations?
- ◇ Support single inputs reporting to multiple outputs/reports?
- ◇ Allow data mapping or tagging to a given framework?
- ◇ Makes it easy to add new frameworks as regulations and demands shift?

Has the vendor...

- ◇ Embraced and committed to continuous innovation as ESG frameworks and regulations evolve?



Additional Information:

[Navigating the ESG reporting universe](#)

3

Fully Integrated EHS Compliance and ESG Reporting

Because many ESG metrics originate from EHS programs, integrating EHS and ESG reporting into a single platform to unify compliance and ESG reporting from a single set of data assures accuracy and transparency, reduces duplication issues, and delivers precise measurements of a company's performance, its impact on the environment, and the risk it carries for investors.

Questions to ask...

- ◇ What fraction of your ESG metrics can be calculated from existing environmental/EHS measures?
- ◇ Are data being entered multiple times in multiple applications?
- ◇ How are accuracy and transparency assured?
- ◇ How are process redundancies being eliminated or controlled?



Additional Information:

[Getting Started With ESG Is Less Daunting Than You Think](#)

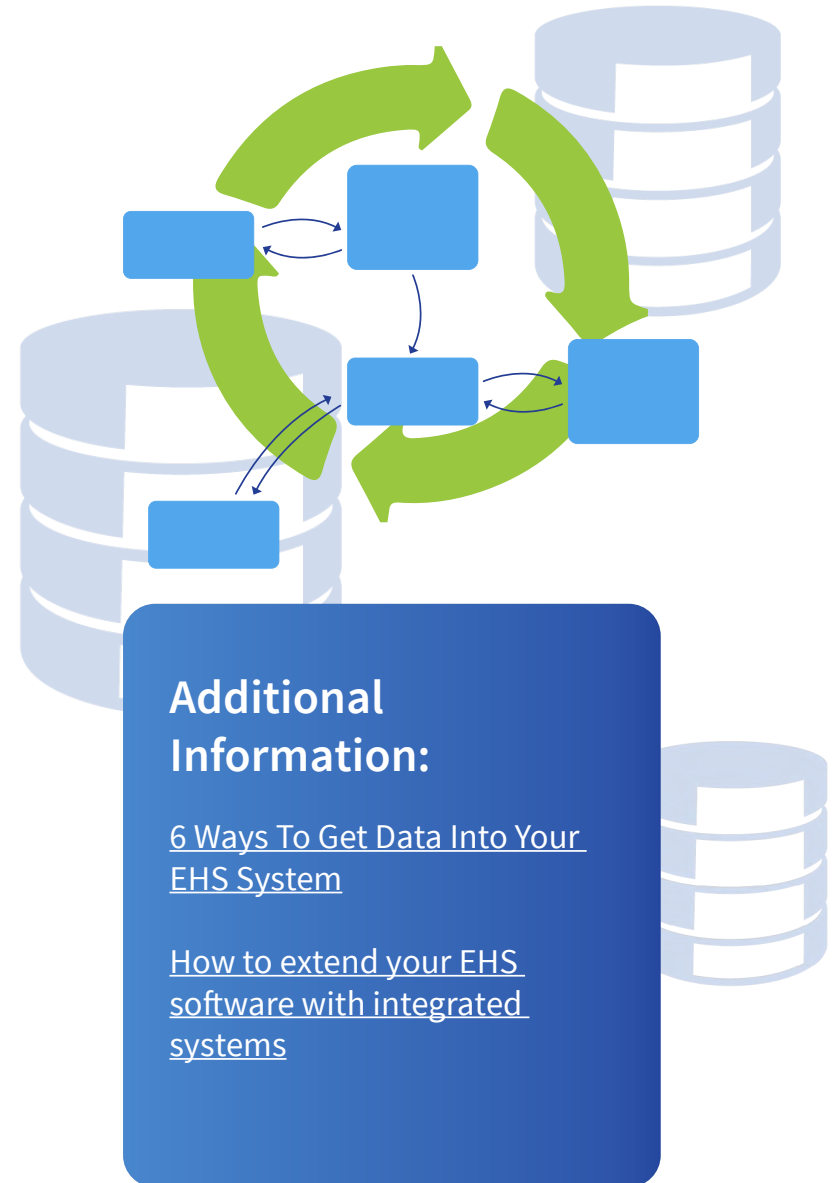
[5 Common Compliance Issues for EHS Managers](#)

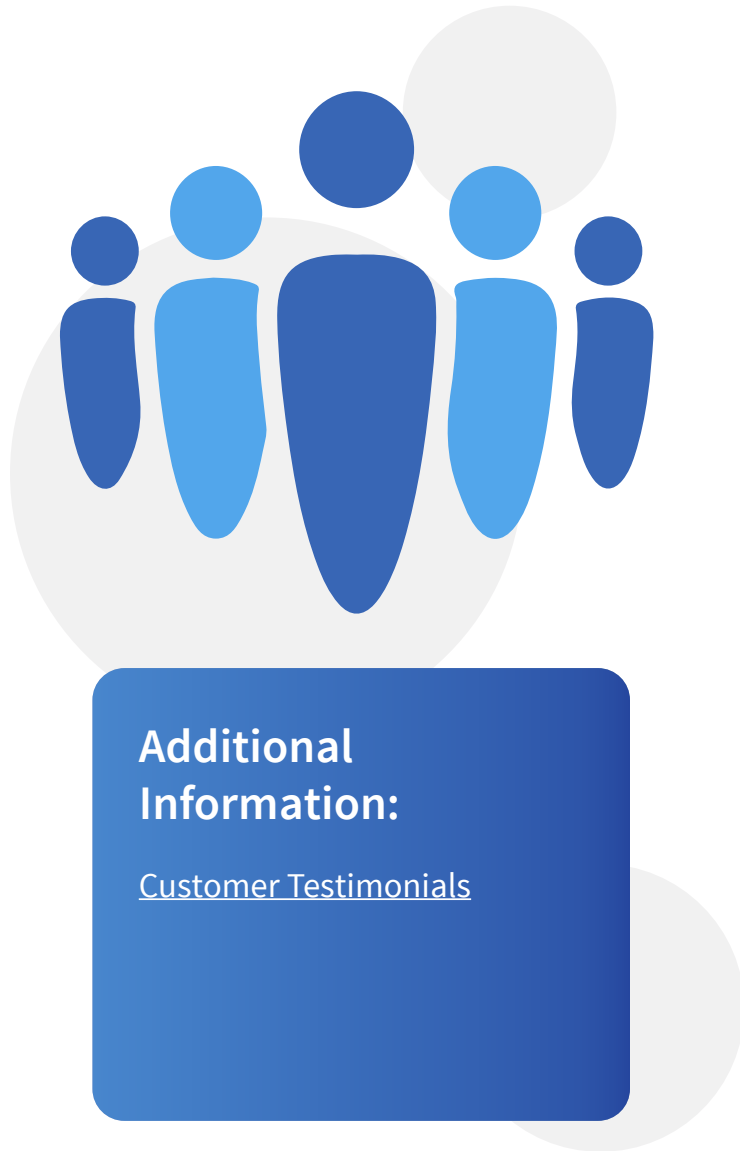
4 Flexible Data Collection

Primary source data has taken center-stage in financial ESG ratings because of its consistency and reliability, and because it benefits system users by reducing data processing efforts. ESG software solutions should support integration with other information systems, utilities, sensor data, and process or facility management systems.

Does the ESG software solution...

- ◇ Support connectivity with other applications that supply ESG data?
- ◇ Support system, device, and website integration?
- ◇ Manage API navigation across outside corporate firewalls?
- ◇ Support automated data collection from third-party suppliers using simplified online questionnaires?
- ◇ Support other data entry methods, including Excel®, email, mobile and manual data entry?





5 Easy Collaboration

An ESG software solution should promote easy collaboration between teams to measure and monitor status, to achieve a holistic understanding of the organization's sustainability performance, to identify areas for improvement, and initiate effective ESG strategies and better outcomes for the organization and its stakeholders.

Does the ESG software solution...

- ◇ Support independent functional teams such as Human Resources, Finance, Governance, EHS, and others to work collaboratively in the same application to achieve common ESG reporting goals?
- ◇ Provide outputs, dashboards, and reports that promote holistic, big-picture understanding of sustainability performance?
- ◇ Support the management of ESG projects and vendor information campaigns?

6 Integrated Reporting Engine

ESG reporting requirements include both internal and external reporting. Internal reports may include status reports to help manage data and tasks, progress reports and detailed performance reports for consumption throughout your organization. External reports may include aggregated metrics, KPIs, and analytics that show the steps your organization has taken and progress it has made compared to its published performance objectives.

Does the ESG software solution...

- ◇ Integrate scientific, financial and non-financial data?
- ◇ Manage large amounts of data from multiple sources? Can it scale?
- ◇ Support integrating ESG data into multiple disclosures across the business, including those that might be audited in the future?



Additional Information:

[Locus Introduces Visual Calculation Engine for ESG Reporting](#)

7

Experience with ESG Data

ESG software solution providers must have domain expertise in many arenas to guarantee understanding of and fidelity to requirements of stakeholders, reporting frameworks, regulatory schema, and an ever-expanding horizon of social, cultural, and environmental impacts.

Does the vendor...

- ◇ Have domain expertise in EHS programs, civil or environmental engineering, physical sciences, ESG frameworks, sustainability management, greenhouse gas accounting and auditing?
- ◇ Maintain partnerships with best-in-class consulting firms to augment its expertise and provide sustained customer value?
- ◇ Have the I.T. engineering and configuration expertise to develop and maintain reliable, accurate, and trusted applications?
- ◇ Have recognition as a long-time leader as an environmental, EHS, and sustainability software provider?



Additional Information:

[The Expertise Behind the Software](#)

8

Goes Beyond ESG, with Room to Grow

An ESG software solution should dovetail seamlessly with EHS, asset-management, purchasing, HRIS, and other information systems to provide a comprehensive picture of your ESG performance and activities to meet your ESG goals. Because ESG reporting has grown from primarily environmental reporting activities, selecting a trusted ESG software vendor with experience in sustainability, EHS and application integration will greatly streamline and simplify the ESG reporting process.

Questions to ask...

- ◇ Can the technology integrate with our other reporting processes requiring ESG data disclosures, such as SEC reporting, internal reporting, executive decks, and global statutory reporting?
- ◇ How familiar are my organization’s consultants and advisory firms with the ESG software? What is the vendor’s customer support model?
- ◇ Does the software vendor support XBRL output, per SEC requirements?
- ◇ How often does the developer update its ESG solution?



Additional Information:

[Adapting to New ESG Roles and Responsibilities](#)



Additional Information:

[Locus Platform: Multitenant Architecture, the Secret of our Success](#)

[Locus at 25 Years: A Unified Approach to EHS and ESG](#)

9 Stability, Security, Reliability

Since 2018, over 400 software companies, small and large, have entered the software space with a variety of novel ESG solutions. Most of these companies will come and go by 2025. Select a company with a proven track-record and years of experience in the environmental and ESG space.

Does the vendor...

- ◇ Provide transparent service availability and performance for ESG applications and underlying SaaS platform?
- ◇ Incorporate security into its architecture so businesses can focus on growth and innovation?
- ◇ Invest in the necessary tools, training, and support for customers?
- ◇ Carry third-party certification such as Statement on Standards for Attestation Engagements no. 16 (SSAE 16)?
- ◇ Provide SOC 2 audits and focus on controls at a service organization relevant to security, availability, processing integrity, confidentiality, or privacy (for its organization and for the hosting center)?

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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ESG & Sustainability
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