



ESG Maturity Checklist



Forrester Consulting Thought Leadership
Checklist Commissioned By Dun & Bradstreet
June 2022

ESG Maturity Check

Evaluate where your company stands in the ESG transition

90% of survey respondents believe that by 2024, ESG data will play a crucial role in their companies' success. However, it's worth noting that many firms are currently at the early stages of adopting ESG practices, which is understandable given the evolving nature of this field. As of now, a substantial 69% of companies are relying on basic office technology like spreadsheets and email to handle their ESG data management and analysis.

To better understand the advantages and approaches of successful ESG strategies, Forrester conducted an analysis based on four essential pillars: collecting, analyzing, applying, and reporting ESG data. The results revealed that companies with high maturity in ESG implementation tend to utilize high-quality data, adopt robust data management practices, and take advantage of dedicated ESG data analytics solutions, as opposed to relying on generic office tools such as spreadsheets and email.

We've prepared a handy checklist that will guide you in evaluating your company's ESG maturity, recognizing any internal gaps, and selecting the perfect ESG solution to not only address your current needs, but also helps your company develop a more mature ESG strategy.

1

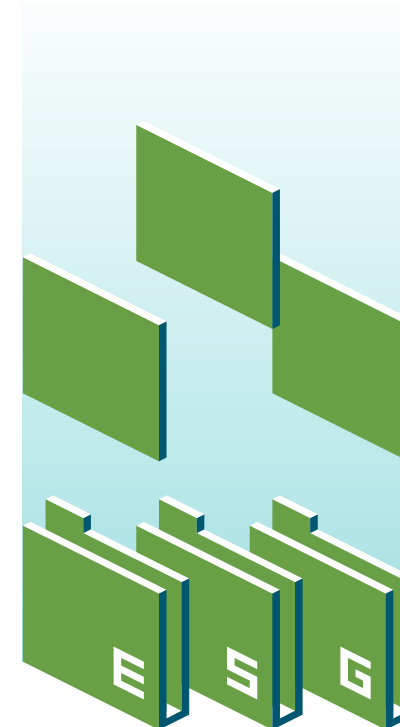
Efficient ESG data collection increases maturity

Is your company:

- Collecting ESG data in a centralized manner that benefits the entire company?
- Sourcing ESG data from privately held companies (e.g., partners, suppliers, sub-suppliers)?
- Enabling ESG data to be pulled automatically from sources?
- Collecting real-time data from operations (e.g., up-to-the-minute carbon emissions data)?
- Gathering benchmark data from peer companies to gain valuable insights and make informed comparisons?

ESG maturity begins with effective data collection. You need data that's rock-solid – accurate, up-to-date, relevant to the right variables, and sourced from trustworthy channels. Our study revealed that companies encounter two big challenges on their path to ESG success: insufficient quantity and quality of ESG data.

By automating data collection, you're not only setting your internal resources free to focus on more value-adding tasks, but also improve internal data management practices, allowing your company to leverage ESG insights more effectively at scale.



2

Analyzing ESG data with a dedicated ESG data analytics solution and experience the benefits

Is your company:

- Using automation to standardize and normalize ESG data?
- Create historical comparisons based on ESG data?
- Developing ESG risk scores to assess ESG risk scores for your third-party partners?
- Enabling analysts to seamlessly handle and manipulate new data sources without relying on developers?
- Transforming ESG data between common reporting or disclosure frameworks automatically?

Among the challenges faced by ESG practitioners, immature internal data management ranked at the top for a significant 46% of survey respondents. Interestingly, it emerged as the primary factor hindering firms from making further investments in their ESG data analytics practice.

High-maturity companies are more inclined to embrace specialized tools designed explicitly for ESG data analytics. These purpose-built solutions are tailored to collect, process, and analyze ESG data effectively, catering to the unique needs of sustainable practices.

Furthermore, an overwhelming 81% of respondents revealed that their organizations face challenges in reconciling data from one standard to another. By adopting a dedicated ESG data analytics solution, companies can unlock essential benefits without the burden of reconciling data.



3 Adding value by applying ESG data analytics

Is your company:

- Continuously identifying internal gaps in your ESG strategy?
- Spotting new opportunities and risks based on unique ESG factors?
- Consistently incorporating ESG criteria and goals when selecting suppliers and engaging in partner discussions?
- Leverage ESG data to identify and mitigate corporate and reputational risks?
- Applying ESG data as an input to your firm's product or service innovation strategy?

How effectively is your company harnessing ESG data-driven insights? Can you quantify the progress and impact of your ESG strategy? High-maturity ESG strategies go beyond mere compliance and bring tangible value that directly impacts your company's bottom line. For instance, an impressive 91% of respondents from high-maturity firms reported that their ESG strategy had a significant positive impact on their supply chain's resilience.

Ensuring a strong link between ESG goals and concrete business results is absolutely crucial. To achieve this, it all starts with a solid foundation of mature ESG data collection and analysis. However, before companies can reach their ESG goals, they must first have a clear understanding of their own ESG strategy.

Respondents revealed that the most valuable capability of an ideal dedicated ESG solution is its ability to identify internal gaps in their ESG strategy.



4 Enhancing decision-making through comprehensive reporting of ESG data, analytics, and performance (internally and externally)

Is your company:

- Integrating ESG data with your existing reporting systems?
- Leverage automation to generate ESG reports?
- Quantifying the impacts of your ESG progress, such as net carbon reduction, increased diversity, or capital saved from ESG-driven efficiencies? Are you measuring tangible monetary savings, like avoided fines or improvements in supply chain efficiencies?
- Providing distinct ESG dashboards tailored to the specific needs of different corporate users?
- Running scenarios based on your ESG data to identify new opportunities and prioritize initiatives?

A robust ESG solution does so much more than simply collecting and analyzing data; it becomes the foundation of reporting and facilitating analysis. With the right ESG solution, stakeholders across the board – from employees to customers to business leaders – can easily understand and interpret the data to make more impactful decisions. As investors, employees, and customers become increasingly ESG-aware, your company's ability to demonstrate a strong commitment to ESG and showcase tangible progress becomes vital.

Our study revealed a significant challenge faced by leaders responsible for ESG, as 66% of them find it difficult to quantify the impact of their organizations' ESG progress. This inability to precisely measure outcomes can impede the crucial process of securing buy-in and essential investments for ESG initiatives. However, amidst this challenge, there is encouraging news from mature companies. A remarkable 97% of respondents from such organizations have witnessed tangible benefits from their existing ESG strategies, including cost reduction and enhanced operational efficiency. To address this challenge and gain the support needed, it is essential to find an ESG data solution that empowers your company to effectively communicate the story of its ESG journey.



Optimizing your ESG data solution

Are you struggling with insufficient data insights to provide answers to all questions of the ESG maturity check?

Make use of our ESG insights to track the ESG performance and activities of your business relationships. Take your ESG strategy to the next level!

With Altares Dun & Bradstreet's ESG insights, selecting ethical and sustainable third-party partners has never been easier. Our data is sourced from millions of verified and globally reliable sources, allowing us to create detailed ESG rankings for 31 specific topics that encompass 13 ESG themes, including natural resources, GHG emissions, environmental risks, environmental opportunities, product & service, customer engagement, human capital, community engagement, supplier engagement, certifications, corporate governance, corporate behaviors, and business sustainability.

Our ESG rankings are structured around leading sustainability frameworks, including: Sustainability Accounting Standards Board (SASB), Taskforce on Climate-related Financial Disclosures (TCFD), Global Reporting Initiative (GRI) and more.

Contact us and transform your ESG strategy with the right insights.

Get your D&B ESG Insights

Free ESG Ranking Analysis

Methodology

Dun & Bradstreet commissioned this study to understand the current state of environmental, social, and governance performance and evaluate the current state, challenges, benefits, and maturity of ESG performance.

To achieve these objectives, Forrester conducted an online survey with 268 ESG performance decision-makers at global enterprises in the US, Canada, and the UK.

To read the full results of this study, please refer to the Thought Leadership Paper commissioned by Dun & Bradstreet titled, "Prioritizing ESG Isn't Optional Anymore."

Project Team:

- Lane Abernathy, Market Impact Consultant
- Emily Stutzman, Market Impact Associate Consultant

Contributing Research:

- Forrester's Infrastructure & Operations research group

Smart insights to shape your future

Rotterdam

Montevideo Offices
Otto Reuchlinweg 1094
3072 MD Rotterdam
The Netherlands
+31 (0)10 710 95 60

Brussels

Inter Access Park
Pontbeekstraat 4
1702 Dilbeek
Belgium
+32 (0)2 481 83 00

www.altares.be

Amsterdam

Amsterdam Office
Van Diemenstraat 20-200
1013 CP Amsterdam
The Netherlands

www.altares.nl

Paris

Immeuble Le Yard
58 Avenue Jean Jaurès
92700 Colombes
France
+33 (0)1 41 37 50 00

www.altares.com