

Whitepaper

# Making the world a better place with data

Why trusted ESG business reporting is essential to sustainability initiatives

September 2022



# Introduction

Today’s enterprise leaders recognize there’s more to success than profits. As the global community grapples with climate change, Covid-19, and a host of other challenges, many organizations are pursuing sustainability initiatives and applying new principles to how success is measured. They’re putting a premium on contributing to solutions to help assuage humanity’s most pressing challenges. And — most importantly for data professionals — there is an increasingly pressing demand from regulators, investors, and other stakeholders to reliably measure the effect of such activity on society and the planet.

An essential concept in global sustainability efforts is known as ESG or ‘Environmental, Social, and Governance.’ It’s a framework that lawmakers, investors, and global enterprises are using to measure the sustainability of a company or investment in the three ESG categories. Leading consulting firms like McKinsey believe ESG facilitates long-run top-line growth as well as appealing to customers and potential talent.<sup>1</sup> With the support of the World Economic Forum and others, ESG is a powerful lever for focusing corporate good. The related movement looks to leverage the unique expertise of data professionals to address critical social, environmental, and governance goals. ESG initiatives see the essential role data professionals can play in making the world a better place.

The ESG framework acknowledges a truth many accept. Organizations can deliver results to the bottom line and still create substantial social, environmental, and governance costs that aren’t measured in traditional accounting. Many mission-driven companies want to help tackle huge challenges like climate change, equity and inclusion, and public health. Many have underutilized data that could make a big impact if it was reliable. The question for your organization to answer is this: Are you ready to use your data for good? If not, what do you need to do? And how can you be certain the data you’re collecting is accurate?

---

**“A robust ESG program can open up access to large pools of capital, build a stronger corporate brand and promote sustainable long-term growth benefiting companies and investors.”**

Source: [NASDAQ](#)

## 150 ESG companies

The World Economic Forum says 150 global companies have agreed to reporting ESG metrics.

Source: [World Economic Forum](#)

<sup>1</sup> Source: <https://www.mckinsey.com/business-functions/sustainability/our-insights/sustainability-blog/how-the-e-in-esg-creates-business-value>

**“Data for Good, simply put, is a way for people to contribute to the betterment of society using their expertise in data science. We exist to empower the world’s social change makers by making their data speak to them more clearly, thus allowing them to do what they do best even better.”**

Source: [Data for Good](#)

## The good news about getting sustainability started

Now, you’ve been tapped for a sustainability initiative at your organization. You may be wondering how do you even support an ESG project?

First, you must know what data you have. It’ll provide a baseline for what you can initially roll out for your ESG initiative. And what you can’t. In fact, most organizations already have data they can use — real estate and company travel to name two common data sets. They just aren’t leveraging current data for ESG reporting.

For example, let’s consider travel and entertainment (or its frequently used acronym: T&E). A common expense category across organizations, T&E data is a perfect source to start a sustainable travel program. To understand how you can reduce your carbon footprint, you need to start with a baseline inventory of what data is currently collected and available.

## The problem with trust

Of course, no matter how many petabytes you’re leveraging for ESG, mission-driven organizations need to ensure that ESG data is trustworthy. Whether your corporate initiative is reducing homelessness, rainforest preservation, or health equity, the first thing to ensure when you want to use data responsibly is to make sure it’s trusted.

Many companies struggle to create and maintain trusted data (let alone ESG data). It’s as much an organizational challenge as a technological one. Unfortunately, when your ESG data isn’t trusted, there can be a cascading set of concerns that slow down your sustainability initiatives.

- Are the right people in my organization getting access to ESG data in a compliant way?
- How do managers know which financial and operational reports deliver the most trustworthy information to accelerate ESG decision-making and reporting?

### Data in action

Thorn used AWS Amazon Rekognition to help identify and rescue child sex trafficking victims, reducing investigation time by **65%**.

Source: [AWS Blog](#)

### Key data challenges for ESG initiatives

- Ever-changing legislation
- Regional challenges
- Growing demand
- Cross-functional oversight
- Inconsistent data definitions
- Lack of trust in data
- Poor data quality
- Lack of accountability for data and processes
- Lack of ability to verify data is properly validated
- Frequent data brawls

### The three roadblocks to trusted ESG data

Supporting an ESG initiative? These are your three essential challenges to creating the foundation for trusted ESG data:

1. Locating data you can leverage for ESG reporting
2. Authorizing ESG data
3. Maintaining ESG data consistency



#### Locating data

You and your business partners may not know where to find the ESG data they need. They also may not know whether or not they can trust the data to drive reliable ESG reporting and certification.

#### Authorizing the data

You may have different communities who debate the varying merits of ESG metrics in different reports. The result: Data brawls that waste your time investigating the sources and calculations in ESG reports, KPIs and metrics.

#### Maintaining consistency

Your business terminology can be confusing — and that makes it challenging to get to ESG reporting. Even common terms have multiple definitions. A business glossary can help you create an aligned baseline of terms and definitions so that there is a single source of truth for all your ESG data.



## Why trust is everything

84% of U.S. organizations believe data is an integral part of forming a business strategy. But business leaders think that 27% of data is inaccurate.<sup>2</sup>

Clearly, data in general is in a challenging state, and ESG data faces similar challenges. The lack of trusted ESG data can raise questions, cause inertia, and eventually erode confidence. These pressures can undermine your efforts to stand up a sustainability initiative. However, the good news is overcoming these challenges will not only help your company contribute to the greater good — it will also help unlock more value from your data that can help your bottom line.

Trust is crucial. But how do you create trusted ESG data?

## Four steps to ensuring trusted business reporting for ESG initiatives

To create a robust culture of trusted ESG data and trusted ESG data reporting takes focus and a framework for understanding how to establish trust.

At Collibra, we follow a 4-step process to drive trusted business reporting for sustainability initiatives:

1. Foster data ownership and stewardship
2. Build and operationalize a comprehensive business glossary
3. Implement a data catalog with embedded governance capabilities
4. Certify ESG assets such as ESG metrics, ESG dashboards, and ESG reports

### Step

# 1

**Assigning ownership of ESG data is a key step in ensuring data quality.**

## Step 1: Foster data ownership and stewardship

Trusting ESG data can only be achieved through proper governance. The only way to safeguard ESG data quality is to assign ownership for the data and specific data set processes. Trust can't simply be created by buying the right software. It's not simply a technical challenge. You need the right people in the right roles. Assigning ownership of data is a key step in ensuring ESG data quality. These owners can drive ESG quality assurance, and they are well-positioned to drive data certification for ESG reporting and other initiatives.

<sup>2</sup>Source: <https://www.helpnetsecurity.com/2017/02/09/trust-data-business-decisions/>

Data stewards alleviate the first and second roadblocks to trusted ESG data: locating and authorizing data. They make sure the right sources can be found and understood. They do this by accurately classifying ESG data and enabling data sets to be aggregated consistently and prepared for further reporting and analysis.

Step  
2

**An ESG glossary is key to establishing trust in ESG reports.**

**Step 2: Build and operationalize a comprehensive ESG business glossary**

To overcome the third roadblock to trusted ESG data — maintaining consistency — a business glossary is critical. Designed to promote data literacy and drive consistency, the glossary is key to establishing trust in ESG reports. By removing any ambiguity around ESG business terms and key ESG metrics, your business glossary helps establish clear definitions that everyone can agree on. Those definitions ensure the whole enterprise speaks the same language.

**Collibra enables trusted decision-making by ensuring the consistent understanding of terms and metrics, documenting data owners and stewards, identifying critical data elements and authoritative data sources and enabling the certification of key reports and KPIs/metrics. Our Governed Data Catalog enables efficiency and reusability of data assets and improves agility and response to data quality identification and resolution planning for critical decisions.**

Step  
3

**ESG data catalogs that focus solely on data discovery will overlook other factors vital to ensuring trusted business reporting for ESG initiatives.**

**Step 3: Implement an ESG data catalog with embedded data governance**

To quickly find, understand and govern ESG data, successful organizations are leveraging a single platform to get full visibility into business-critical data assets, including ESG metrics and ESG reports, APIs, models, data products and technology assets. An ESG data catalog can play a crucial role, enabling data consumers to locate data and have it prepared for further analysis. However, ESG data catalogs that focus solely on data discovery will overlook other factors vital to ensuring trusted business reporting for ESG initiatives.

For a more strategic approach, it's important to implement data catalogs that can incorporate broader governance principles, including:

- Data lineage
- Policy management and compliance
- Capturing tribal knowledge

## What organizations gain

Trusted ESG business reporting offers clear, tangible benefits.

- More effective decision-making
- Increased productivity and efficiency
- Reduced costs
- Solid foundation for ESG reporting and visibility

**The Collibra Data Catalog empowers enterprises to resolve the challenges of finding, understanding, trusting, accessing and collaborating on data. It helps break down data silos and ensure easy access to the data for business analysts, data scientists and all data citizens. This allows users to spend less time searching for data and more time deriving new insights to accelerate trusted data-driven decisions via metric governance, active metadata and lineage graphs, business glossary, data quality, data ownership and stewardship.**

### Data lineage

Data lineage provides analysts insight into what ESG data is being used in reports and where the ESG data is coming from. It gives users a better understanding of the underlying report data to help drive trust in reports and helps organizations audit their ESG data for regulatory compliance.

### Policy management and compliance

To truly trust business reporting, executives must also trust that data has been aggregated and analyzed in accordance with all applicable policies, including ESG financial reporting metrics. It is vital that any effort to catalog data must be done with consideration to policy management.

## Step 4

**Organizations can promote trust in ESG reporting by ensuring analytical rigor and promoting consistency.**

### Step 4: Certify ESG information assets such as ESG metrics, dashboards, and reports

Many data governance principles are equally applicable to governing ESG analytical assets. By cataloging and certifying ESG reports, along with components of those reports (ESG dashboards, ESG metrics, models, etc.), organizations can promote trusted ESG reporting by:

- Ensuring analytical rigor by engaging all key stakeholders in the ESG certification process
- Promoting consistency by encouraging users to re-use certified ESG assets

## Better decisions, more productivity

The ability to trust ESG business reporting results in less time spent arguing over the validity of data or report findings and more time considering the best way to contribute to reducing your carbon footprint.

## Reduced costs

Trusted ESG business reporting also drives down costs. Inventorying enterprise reports in a central repository increases awareness about what is available. The re-use of current ESG reports reduces future ad hoc ESG report development efforts. And report rationalization eliminates the associated costs of continued storage and maintenance.

## Start with what you believe in

Ready to start an ESG initiative? When you're ready to begin, the first place to start is your company values. (If you haven't yet established and communicated your values, this is a great opportunity to do so.) What do you value as an organization? Why do you value those things? What is your vision for the future? And how does your mission and vision match up to the increasing demand to tie your cross-functional business practices to each pillar of ESG?

At Collibra, we are on our ESG journey. Our [corporate values](#) speak to the kind of organization we want to be. Two of our values — 'Our work matters' and 'Open, direct, and kind' — have direct relevance for how we make decisions about data. We use these values to guide our roadmap. Our [Covid-19 Data Catalog](#) is an example of our data ethics in action.

---

**“Businesses can develop a data strategy that overcomes the barriers to combining business value with social value.... These capabilities will be increasingly essential as companies look to realize their new and expanded corporate purpose of doing social good.”**

Source: [Accenture](#)



**Collibra enables businesses to reduce 10–20% in new report requests and BI licenses and 20–50% reduction in report redundancies. The result: \$300K–\$3M in annual cost savings.**



# Data for Good in action at Collibra



## The Covid-19 Data Catalog

The Covid-19 Data Catalog brings together high-quality data sets from organizations such as the World Health Organization, the University of Oxford, and the Center for Systems Science and Engineering (CSSE) at Johns Hopkins University. The Catalog is public — and it’s specifically designed to help epidemiologists, researchers, data scientists and analysts who work for hospitals, healthcare companies, and public agencies to easily find and access the data they need to make decisions.

During the pandemic, the Covid-19 Data Catalog has been instrumental to researchers, hospitals, and public institutions seeking critical access to trusted data.

## The PwC ESG Dashboard

PwC collaborated with Collibra to set up an ESG community. The result was the creation of a push-button ESG dashboard. Leveraging [GRI standards](#), the PwC ESG Dashboard helps companies get rapid insights into ESG reporting requirements. A data visualization and reporting tool for monitoring ESG key performance indicators, the PwC ESG Dashboard gives sustainability analysts and professionals insights into metrics such as greenhouse gas emissions, water consumption, and energy use.

### Key data challenges for ESG initiatives

1. Foster data ownership and stewardship
2. Build and operationalize a comprehensive ESG business glossary
3. Implement an ESG data catalog with embedded governance capabilities
4. Certify ESG information assets such as ESG metrics, ESG dashboards, and ESG reports

## Doing good requires good data



You can develop an ESG data strategy that drives business and social value. Following our 4-step process will help you get to trusted data and trusted data reporting for ESG initiatives as well as your core business functions.

Through proper data governance and the implementation of an ESG business glossary, you can achieve trusted ESG business reporting and create a common understanding around your ESG data. Accessing trusted ESG business reporting is crucial for any data-driven organization and can be especially beneficial to organizations seeking to make the world a better place with data.

Collibra offers a data intelligence platform built for organizations that want to contribute to a better world. If you're standing up or supporting an ESG initiative, the Collibra Data Intelligence Cloud is an integrated platform for data catalog, data governance, data lineage, and data quality.

Explore the [Collibra Data Intelligence Cloud](#).