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Sustainability Reporting and Data Management Report 2024

Inside the strategies underpinning
progress in sustainability reporting

April 2024





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LIAM STOKER
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Foreword

W

elcome to the 2024 edition of the Reuters Events Sustainability Reporting and Data Management Report. This year’s study has been produced following tens of qualitative research calls with senior sustainability practitioners, and an industry survey that received more than 3,000 responses. More details of the survey and our respondents can be found in the Methodology section of this report.

This year’s edition comes at a critical juncture for sustainability reporting and data management, with Europe’s Corporate Sustainability Reporting Directive and the United States Securities and Exchange Commission’s latest rules on sustainability reporting in financial disclosures very much shaping organizational behaviors.

Our findings, which you can read over the coming pages, point to an industry that is contending with numerous challenges simultaneously. An increasing number of businesses expect to report Scope 3 emissions – a majority of respondents said they expect their organization to by 2027 – however there is a palpable lack of confidence in the ability to do so accurately. Data governance, technology teething problems and a lack of supply chain engagement were all raised as particular pinch points.

Organizations are turning to a growing suite of tools and technologies to improve their sustainability reporting and data collection efforts, but this is far from a precise science. The lack of a single, silver bullet solution for reporting, a multitude of reporting frameworks and languages to adopt and concerns over third-party data are among the primary challenges facing sustainability teams today.

These teams should be buoyed, however, by the direction of travel detailed within this report, and we hope that our conclusions and actionable insights provide strategic direction for this community.

We would like to take this opportunity to thank the thousands of professionals who completed our survey, alongside those who took time out of their schedules to help our qualitative research. This report would not have been possible without their valuable contributions.

We look forward to continuing the discussion live and in person at our second-half events [Sustainability USA](#) and [Sustainability Europe](#).

Executive Summary

Sustainability reporting poses one of the most significant challenges for sustainability practitioners today. The regulatory need to report – and what data needs to be reported – continues to grow, with more and more companies facing such requirements.

Regulation is also driving further disruption in the nature of sustainability reporting, most pertinently the requirement for Scope 3 emissions to be disclosed. Organizations are responding to this need in numerous ways, however our research has discovered a number of commonalities. Those reporting Scope 3 emissions typically have larger teams involved with the reporting function and a majority are spending more than \$100,000 per year on reporting and data collection.

‘While today companies are largely investing in internal data analysis and emissions accounting/estimation tools, over the coming years our research indicates a shift towards more advanced technologies’

The scope of emissions reported would appear to be a key determining factor into how sustainability-related data is collated and stored. Across our sample, a slim majority (58%) indicated that they currently store data using manual solutions, such as Excel. However, this was far more prominent across respondents currently reporting Scope 1 – 2 emissions.

Likewise, sustainability reporting is driving change in investment behaviors. While today companies are largely investing in internal data analysis and emissions accounting/estimation tools, over the coming years our research indicates a shift towards more advanced technologies, such as AI for use in materiality assessments and blockchain for use in logistics and sourcing. A number of technologies, including ESG data management solutions, are popular destinations for investment both today and in the coming years, however respondents to our survey highlighted a lack of ‘silver bullet’ solutions on the market today.

Furthermore, our research also highlighted that the customer experience of some tools, both in terms of their efficacy and ease of implementation, failed to live up to expectations. Supplier surveys and audits, deemed critical



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to the success of accurately reporting Scope 3 emissions, scored particularly poorly in both fields.

This could be seen as an extension of additional concerns raised regarding the application of life cycle assessments, emissions factors and assumptions used when modelling and reporting emissions. Together, these concerns point to a feeling that while organizations are endeavoring to report emissions regularly and accurately, these efforts are stymied by a lack of uniformity across data collection from third parties and the tools used to gather and analyze that data.

Through our research, we have been able to determine behaviors and approaches used by a Leadership persona we have established using answers to specific questions – more detail on which can be found within the Methodology section. Leaders within the field of sustainability reporting appear to have far larger teams engaged with reporting, leading us to conclude that the function is more embedded throughout their respective organizations, are more likely to use multiple frameworks to help guide their reporting, and use a combination of both external platforms and custom-built internal tools for data collection and storage.



Investigating today's sustainability reporting strategies

ACTIONABLE INSIGHTS

- More comprehensive sustainability reporting is typically requiring greater employee engagement and investment. Organizations looking to report Scope 3 emissions with assurance should take into consideration the resourcing and collaboration required to do so, with a majority of respondents doing so spending in excess of \$100,000 per year on their reporting function.
- While greater experience of sustainability reporting typically drives more confidence in capabilities, organizations are citing mixed experiences of using life cycle assessments, emission factors and assumptions. Clear integration and understanding of such approaches is critical to enhancing confidence in an organization's reporting capabilities.
- While more than half (58%) of respondents indicated they are using manual options and/or Excel spreadsheets to store sustainability data today, this share falls dramatically in the coming years, with a concerted move towards third-party platforms and customized internal solutions being recorded, especially among those reporting Scope 3 emissions.

Sustainability-related data collection and reporting is among sustainability practitioners’ most pressing concerns. Driven by an increasing regulatory need to report, businesses today face the related pressures of identifying, sourcing, collating, interpreting, storing and reporting data from a list of sources that continues to grow.

Europe’s Corporate Sustainability Reporting Directive (CSRD) is due to widen in scope in the coming years, with more companies coming under its jurisdiction, while last year’s issuing of the International Sustainability Standards Board’s (ISSB) IFRS S1 and S2 standards pledged to “usher in a new era of sustainability-related disclosures” for global capital markets.

Through our research, we set out to establish just how practitioners are preparing their businesses for incoming sustainability reporting regulations. Our Sustainability Reporting and Data Management survey asked questions surrounding multiple facets and approaches to data collection and reporting, including the size of teams responsible, regularity of reporting, frameworks used and internal confidence in the ability report accurately.

Throughout this chapter, responses to our survey are shown as an overall case for our respondents, but also segmented by the emissions scopes being reported. We have also established a ‘Leadership Persona’ amongst our sample – respondents that met specific criteria based on their responses to survey questions – more details on which can be found within the methodology section of this report.

Firstly, we can explore the number of personnel engaged

OUR SUSTAINABILITY REPORTING LEADERSHIP PERSONA

A total of 72 respondents within our sample were identified as leaders in the field, based on their responses to specific questions. We determine members of our Leadership Persona to report Scope 1 – 3 emissions with external accounting firm assurance today, have science-aligned and verified Net Zero targets, have high confidence in their company’s ability to measure and report emissions accurately, and currently use external solutions/ platforms and/or customized internal solutions to store sustainability-related data today.

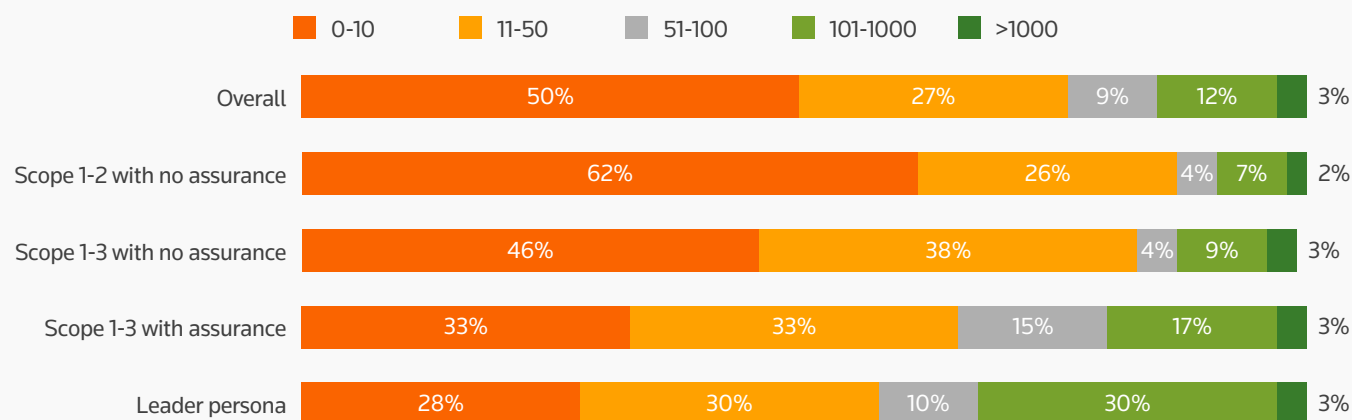
in sustainability reporting. As figure one illustrates, across our sample, half of respondents have up to 10 employees within their organization engaged in sustainability reporting, while a further 27% have between 11 and 50 employees contributing towards sustainability reporting. Just 15% fall within the upper categories of more than 100 employees.

One possible conclusion from this data is that, for most businesses, sustainability reporting remains a function that is mostly siloed. Only those whose job title pertains to sustainability are tasked with any kind of role contributing towards it. (Figure 1)

Figure 1

Scope 3 emissions reporting tends to require greater numbers of employees engaged with it

The share of respondents indicating the number of employees engaged in sustainability reporting, segmented by emission Scopes reported



*Leader persona: Respondents reporting Scope 1-3 with assurance with high confidence and have science-aligned and verified Net Zero targets.

*Note: The percentages might not add up to 100 per cent due to rounding error.



Figure one does also, however, show that with increasing ambition – or at least increasing reporting requirements – the number of staff engaged with reporting grows. A considerable majority (88%) of respondents from organizations reporting Scope 1 – 2 emissions today have 50 or fewer employees engaged with the reporting function, perhaps an indication as to the perceived ease of reporting more direct emissions accurately, or at least a perception that it does not need to be such an embedded, company-wide effort.

‘A considerable majority (88%) of respondents from organizations reporting Scope 1 – 2 emissions today have 50 or fewer employees engaged with the reporting function’

This share drops as we progress through emission scopes reporting, with around 66% of respondents from whose organization is reporting Scope 1 – 3 emissions with external accounting firm assurance having 50 or fewer employees engaged in sustainability reporting. Finally, from our leadership cohort, 58% of respondents have 50 or fewer employees tasked with sustainability reporting, while around one-third (33%) of respondents said they had more than 100 employees tasked with the function.

What the data shows is a possible connection between the number of employees engaged with sustainability reporting and the organization’s reporting commitments. There may be a natural requirement for more ambitious emissions reporting – especially Scope 3 emissions – to have a larger number of employees engaged with the task, however it may also be the case that organizations reporting Scope 3 emissions are more likely to regard the task as a whole-company effort. This would entail entire workforces contributing in some way to the reporting function. One would expect the number of employees contributing towards sustainability to increase as more parts of the business are tasked with sourcing and disclosing sustainability data.

FRAMEWORKS CONTRIBUTING TO REPORTING EFFORTS

We also questioned our respondents on the sustainability frameworks that are used to help shape sustainability reporting. Our survey identified a number of different frameworks and also recovered mentions of other sustainability-related conventions or bodies, such as the International Sustainability Standards Board (ISSB). Where possible and sensible to do so, we have collated these together.

As figure 2 shows, a majority of respondents are using ISSB/SASB/TCFD and GRI reporting frameworks, with 62% and 65% of respondents having selected those respectively. A further 19% of our total respondent group said they are using the Taskforce on Nature-related Financial

Disclosures (TNFD) framework for reporting, an indication of the comparatively small (but growing) role that specific framework is playing in the short time since its introduction in 2021.

Across our sample, a small minority – some 6% - indicated that they are using all of the above frameworks. The chart does, however, highlight some differences in the use of frameworks that could be driven by the emission scopes currently being reported. While just 17% of respondents from organizations reporting Scope 1 – 2

emissions indicated they are using the TNFD’s framework, 25% of respondents from organizations reporting Scope 1 – 3 emissions with accounting firm assurance are doing so. Around 28% of our Leadership persona are using the TNFD framework, perhaps an indicator of the importance the framework is set to play.

Likewise, 15% of respondents from our Leadership persona stated that they are using all of the above stated frameworks, compared to just 3% of respondents from organizations reporting Scope 1 – 2 emissions.

Figure 2

Those leading in sustainability reporting are more likely to use multiple frameworks

The share of respondents indicating the sustainability frameworks used when reporting, segmented by emission Scopes reported



*Note: Abbreviations used for charting: Global Reporting Initiative (GRI), International Sustainability Standards Board (ISSB)/Task Force on Climate-related Financial Disclosures (TCFD)/ Sustainability Accounting Standards Board (SASB), Taskforce on Nature-related Financial Disclosures (TNFD)

*Leader persona: Respondents reporting Scope 1-3 with assurance with high confidence and have science-aligned and verified Net Zero targets



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Another noteworthy mention is the instance of respondents who indicated that they are using 'Other' frameworks. Our survey design allowed for these to be submitted and these have been analyzed, with a number of potential conclusions that can be reached.

Firstly, and perhaps most pertinent to some of the issues raised with challenges relating to sustainability reporting, we recorded mentions of a large number of different frameworks, each of which being relied upon to help shape an organization's reporting practices and documentation. That each framework is likely to offer subtle – and some not-so-subtle – differences on sustainability reporting, is perhaps a contributing factor to concerns that sustainability reporting is becoming an Alphabet Soup of acronyms and jargon that confuses practitioners. This may underscore the need for more common, universal language.

'15% of respondents from our Leadership persona stated that they are using all of the above stated frameworks, compared to just 3% of respondents from organizations reporting Scope 1 – 2 emissions'

Secondly, and in a somewhat related point, we also recorded multiple instances of respondents nominating frameworks that are not actually frameworks at all. While in some cases this is an issue of semantics, it is also clear that greater understanding of sustainability related frameworks, legislation and directives could contribute greatly to stronger reporting practices.

SUSTAINABILITY REPORTING FRAMEWORKS, STANDARDS AND DIRECTIVES

Sustainability Reporting Frameworks

Reporting frameworks are not mandatory or a legal requirement for organizations, but provide broad guidelines and structure to identify the right kinds of data and information required to report.

Examples: Frameworks produced by the Global Reporting Initiative (GRI) and the International Sustainability Standards Board (ISSB).

Sustainability Reporting Standards

Reporting standards take this one step further, and provide specific, technical requirements for sustainability reporting. Standards should be used in conjunction with relevant frameworks.

Examples: The IFRS Sustainability Disclosure Standards, S1 and S2.

Sustainability Reporting Directives & Legislation

Sustainability reporting directives and legislations are the legal requirements that underpin mandatory sustainability reporting in specific jurisdictions. They relate to the types of information, how regularly it is reported and the manner in which it is reported. Such rules apply to companies as specified within the directive or legislation, and while different directives may apply to the same company or organization, their individual requirements may differ.

Examples: The EU Corporate Sustainability Reporting Directive (CSRD), The U.S. SEC Climate Disclosure Rules.

Lastly, while we did record some instances of respondents citing either the European Sustainability Reporting Standards (ESRS) or EU Corporate Sustainability Reporting Directive (CSRD) today, those numbers were limited and not enough for it to warrant a standalone row in the chart. Given the CSRD has been in effect for just over a year at the time of publication (with large numbers of organizations not required to report to it until this year) this is perhaps to be expected. Furthermore, as data in our chapter on the changing nature of reporting standards shows, adoption of ESRS/CSRD is set to grow over the next three years.

ORGANIZATIONS CHASING IDEAL REPORTING REGULARITY

Our research indicated that, today, there is distance between current regularity of sustainability reporting – both internal and external – and an ideal scenario. We asked respondents to state how regular they report both internally and externally, with a slight majority (54%) indicating

that their organization regards external annual reports as sufficient. A further 44%, however, indicated that external reporting should be conducted at least quarterly, as figure 3 highlights.

Figure 3 also shows the difference between the current reporting regularity and the ideal of our respondents, segmented by emission scopes reported and inclusive of our Leadership persona. For example, 70% of respondents within our Leadership group currently report annually, while 80% of respondents reporting Scope 1 – 3 emissions with accounting firm assurance do so.

What figure 3 highlights is that while 54% of respondents consider annual external sustainability reports to be the ideal regularity, more significant majorities – ranging from 70% of our Leadership persona to 81% of those reporting Scope 1 – 3 emissions with no assurance – are currently doing so. Likewise, while 30% of respondents believe such reporting should be conducted quarterly, just 15% of our Leadership persona are currently doing so, while 7%

Figure 3

Organizations reporting Scope 3 emissions tend to report more regularly – internally and externally – than others

Share of respondents indicating their current internal and external reporting regularity, versus the difference – in percentage points – of share indicating their ideal reporting regularity

Frequency of reporting	Average ideal external reporting	Percentage difference between current and average ideal external reporting			
		Leader persona	Scope 1-3 with assurance	Scope 1-3 with no assurance	Scope 1-2 with no assurance
Real time	5%	3%	-3%	-3%	-3%
At least every week	3%	0%	0%	-1%	-1%
Every month	6%	-2%	-2%	-3%	-3%
Every quarter	30%	-15%	-21%	-23%	-20%
Every year	54%	16%	26%	27%	24%
Less than once a year	2%	-2%	-1%	3%	3%

Frequency of reporting	Average ideal internal reporting	Percentage difference between current and average ideal internal reporting			
		Leader persona	Scope 1-3 with assurance	Scope 1-3 with no assurance	Scope 1-2 with no assurance
Real time	14%	-4%	-9%	-11%	-10%
At least every week	7%	4%	-1%	-4%	-3%
Every month	29%	4%	-7%	-12%	-11%
Every quarter	39%	0%	1%	-3%	-3%
Every year	11%	-3%	17%	29%	1%
Less than once a year	1%	-1%	0%	0%	6%

of respondents from organizations reporting Scope 1 – 3 emissions without assurance are. This could indicate that organizations are expecting to report more regularly in the future, particularly as reporting processes, practices and tools become more embedded within organizations.

Internally, a significant majority of respondents – some 88% - said the ideal reporting cadence is at least quarterly. Around 39% of respondents indicated the ideal internal reporting scenario to be quarterly, and this is the cadence most similar to current practices, as figure 3 illustrates. One conclusion to perhaps draw out is that around one-third (33%) of respondents within our Leadership persona are currently reporting internally on a monthly basis and 11% are reporting weekly, indicative of a far more regular reporting likelihood than other cohorts within our sample.

LCAs, assumptions and emission factors impacting reporting confidence

An organization’s reporting cadence will, however, be relatively redundant if it does not have confidence in its ability to report accurately and our survey has indicated some cause for concern in this regard.



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Figure 4

Confidence in an organization’s ability to report accurately grows alongside reporting ambition

The share of respondents indicating their confidence in their organization’s ability to report emissions accurately, segmented by emission Scopes reported



*Note: The percentages may not add up to 100 per cent due to rounding error

We asked survey respondents to rank the confidence in their organization’s ability to report accurately from 1 – 10 before bracketing these from ‘not confident at all’ to ‘completely confident’. As *figure 4* illustrates, there is an indication that confidence in an organization’s ability to report could grow as it reports in a more detailed fashion (i.e. Scope 1 – 3 emissions with accounting firm assurance). While one-third (33%) of respondents reporting Scope 1 – 3 emissions with accounting firm assurance had complete confidence in their organization’s ability to report accurately – above our sample net of 20% - just 11% of respondents from organizations reporting Scope 1 – 2 emissions indicated the same. Indeed, around 23% of respondents in this bracket stated that they lacked confidence.

One possible inference to take here is not necessarily that confidence in reporting ability grows alongside a requirement for more detailed reporting, but familiarity and experience breeds confidence. Organizations reporting up to Scope 3 emissions with accounting firm assurance are more likely to have been reporting in some shape or form for some time, and therefore are more likely to have addressed any identified shortcomings.

Another conclusion we may take from *figure 4* is that with just 20% of respondents across our entire sample indicating that they have complete confidence in their organization’s ability to report, there is fairly widespread acknowledgement of weaknesses that need to be addressed.

We also asked respondents to explain their confidence

scoring: essentially, why did they have low or high confidence in their organization’s ability to report accurately. Those expressing high confidence gave a number of reasons, ranging from strong experience of using third-party life cycle assessment data and software to educate their reporting, the presence of third-party organizations providing assurances to data and internal assessments of the quality of data being submitted.

Those with low confidence expressed concern over the accuracy and veracity of data from third parties or suppliers, legacy emission factors and assumptions being used to determine emissions and the perceived complicated nature of incorporating life cycle assessments into the reporting function.

REPORTING SPEND AND DATA STORAGE BEHAVIORS

One method of addressing confidence issues could be to invest more in the data collection and reporting function, and our research has indicated the scale at which investments are being made into sustainability reporting, and how they are set to grow.

Figure 5 highlights the share of respondents indicating their organization’s annual spend on sustainability reporting, and we have provided both a net result across our entire sample and segmented responses according to emission scopes reported. Our Leadership persona has also been added.

Figure 5

Leaders in sustainability reporting are typically spending more per year

The share of respondents indicating annual organizational spend on sustainability reporting, segmented by emission Scopes reported

	Leader persona	Scope 1-3 with assurance	Scope 1-3 with no assurance	Scope 1-2 with no assurance	Net
0-\$10k	10%	9%	17%	36%	26%
\$11k-\$100k	33%	31%	48%	39%	37%
\$101k-\$500k	18%	31%	25%	23%	24%
\$501k-\$5m	25%	20%	7%	1%	10%
>\$5m	15%	8%	3%	1%	3%

*Note: The percentages may not add up to 100 per cent due to rounding error

*Leader persona: Respondents reporting Scope 1-3 with assurance with high confidence and have science-aligned and verified Net Zero targets



KWANCHAI/ADOBESTOCK

As the chart indicates, a majority (63%) of respondents currently spend up to \$100,000 per year on sustainability reporting, with the \$11,000 - \$100,000 bracket our most common, selected by 37% of respondents.

There are, however, some subtle differences when viewing the segmentation. While an average of 26% of respondents across our sample selected the \$0 - \$10,000 bracket, 36% of those reporting Scope 1 - 2 emissions with no assurance did so, 10 percentage points ahead of our sample average. Indeed, three-quarters (75%) of respondents reporting such emissions are spending less than \$100,000 on their

'28% of respondents whose organization is reporting Scope 1 - 3 emissions with assurance and 40% of our Leadership persona are spending in excess of \$500,000 per year on sustainability reporting

reporting per year, perhaps an indication of the perceived simplicity of reporting more direct emissions.

This would also be supported by the shares of respondents from organizations reporting Scope 1 - 3 emissions with assurance and our Leadership persona indicating that their organizations are spending in excess of \$500,000 per year. As *figure 5* shows, 28% of respondents whose organization is reporting Scope 1 - 3 emissions with assurance and 40% of our Leadership persona are spending in excess of \$500,000 per year on sustainability reporting,

while 15% of the latter indicated that their organization is spending more than \$5 million per year on the function.

It is perhaps a natural conclusion to draw that leaders in the space will be investing more in internal capabilities, however our research could also imply the spending required to report Scope 1 - 3 emissions with external accounting firm assurance. Collecting, collating, interpreting and reporting the substantial data required to do so - and spending additionally on a third party to assure that data - is no small expense. If this is to be the gold standard for emissions reporting, then organizations will need to consider properly funding such initiatives for them to be worthwhile.

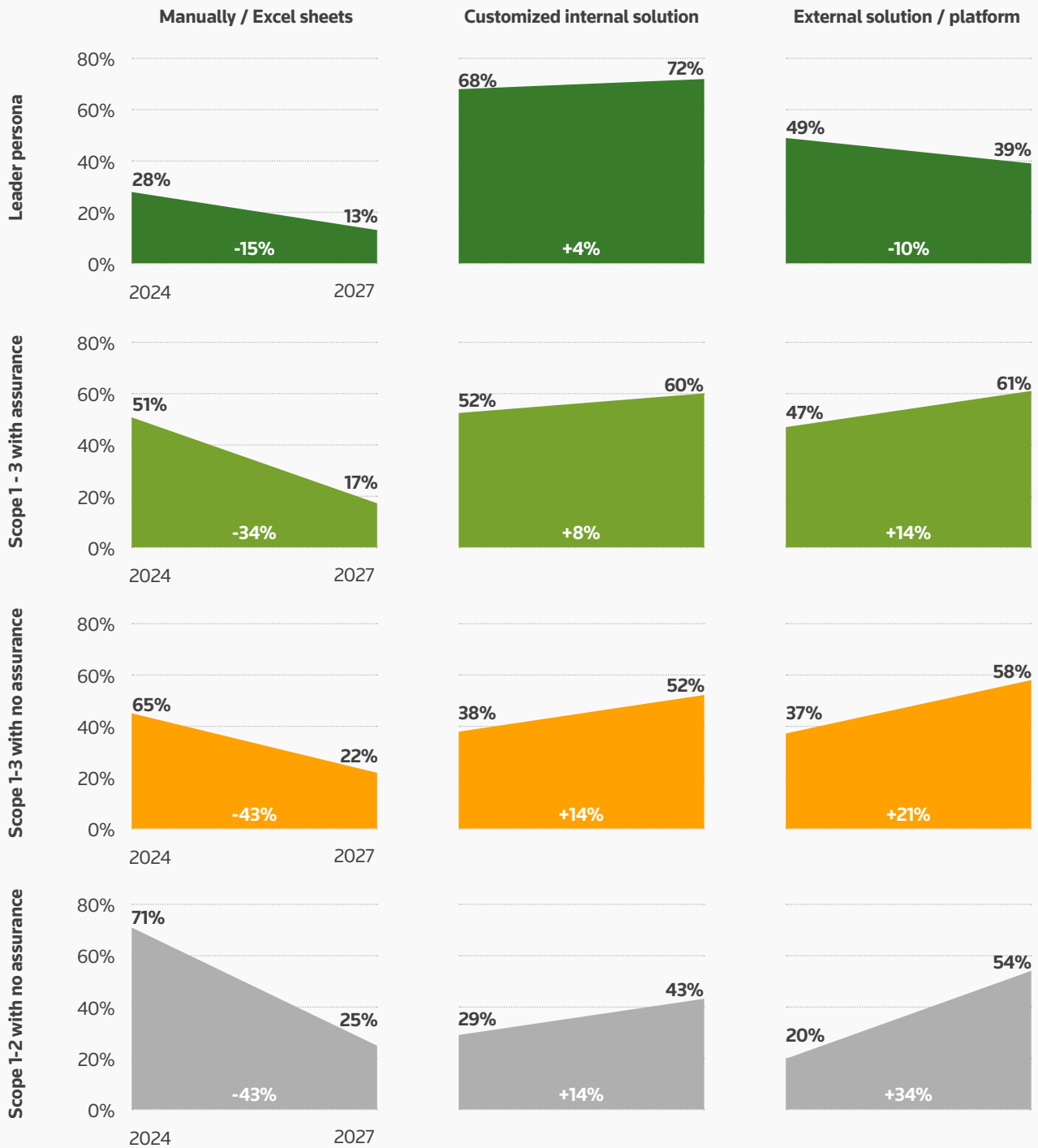
That investment is invariably also being dedicated to a more comprehensive suite of tools and services designed to strengthen the reporting function, as we discuss in our chapter focusing on key investment and procurement trends.

Data storage is a key component of this, and we researched how organizations are currently storing sustainability-related data. We found that across our sample, 58% of respondents indicated that their organization is storing data manually, typically through the use of Excel spreadsheets. However as *figure 6* illustrates, the share of respondents doing so varies quite significantly when taking into consideration the emissions scopes they are reporting. While nearly three-quarters (71%) of respondents reporting Scope 1 - 2 emissions are currently storing data manually, just 28% of our Leadership persona are doing so. Typically, the share of respondents storing data manually decreases as their organizations report more comprehensively, implying that as they become more experienced in their reporting, manually storing data

Figure 6

While Scope 3 reporting typically requires a move away from manual spreadsheets for storing data, our leaders show greater adoption of customized internal tools

The share of respondents indicating how sustainability data is stored, comparing today to three years from now, segmented by emission Scopes reported



*Note: The percentages may not add up to 100 per cent due to rounding error

*Leader persona: Respondents reporting Scope 1-3 with assurance with high confidence and have science-aligned and verified Net Zero targets



‘While just under half (49%) of respondents from our Leadership persona said they are currently using external solutions, around 39% said they expect to be doing the same in three years’ time

becomes less optimal an approach or solution. This is also implied by how, as figure 6 also illustrates, the share of respondents expecting to manually store data by 2027 falls significantly. Across our entire sample, just 21% of respondents still expect to be storing data manually in the next three years.

There is also a material increase in the share of respondents indicating that they intend to use external solutions or platforms, and customized internal solutions, for storing sustainability data over the next three years. One interesting conclusion to draw from *figure 6*, however, is how respondents within our Leadership persona appear

to be signaling that over the coming years, there may be a transition away from external platforms to more customized, internal solutions. While just under half (49%) of respondents from our Leadership persona said they are currently using external solutions, around 39% said they expect to be doing the same in three years’ time.

This move away from third-party platforms could be explained by verbatim answers taken from our survey. Sentiments expressed by sustainability practitioners included the perception that there is “no silver bullet solution” for sustainability reporting on the market today. One respondent indicated that their organization already maintains several data collection systems, rendering it difficult to justify introducing another system solely for sustainability reporting purposes, while another sustainability professional stated that cloud-based tools have difficulty communicating and drawing data from their organization’s existing systems.

Qualitative research also found that in some instances, industries required more specific capabilities and/or functionalities than others, ultimately leading to the need for more tailored, specific tools and solutions. Such tools could, seemingly, be developed internally.

Sustainability reporting trends 2024 – 2027

YELLOW BOAT/ADOBESTOCK

ACTIONABLE INSIGHTS

- There is a concerted shift towards reporting Scope 1 – 3 emissions with external accounting firm assurance by 2027, which will be driven primarily by regulatory requirements. Those reporting Scope 1 – 2 emissions, or not reporting any GHG emissions at all, can expect to be in the minority by 2027.
- Legislation would also appear to be driving a change in the sustainability frameworks being adopted and used by businesses in the coming years. Frameworks such as those produced by the Taskforce for Nature-related Financial Disclosures (TNFD) and included within Europe's CSRD see a growth in adoption, with both set to become mandatory in certain jurisdictions.
- Nearly two-thirds of respondents expect sustainability reporting-related investments to grow by 6 – 20% over the next three years, while a further 25% expect such investments to increase by more than 20%. Respondents from our Leadership persona would appear to expect more modest increases than our sample average, implying a perception that they already have the correct tools and processes in place for sufficient reporting.

The nature of sustainability reporting is evolving at pace. While organizations are becoming more adept at reporting, regulation is continuing to drive change in the how and what today’s businesses must report. Europe’s Corporate Sustainability Reporting Directive (CSRD) could be seen as setting an international standard for sustainability reporting – one which the U.S. Securities and Exchange Commission’s latest proposals diverge from.

Nevertheless, organizations are continuing to adapt what they report – and how they do so – based on a mix of external (mostly regulatory) pressures, internal targets and capabilities. We sought to profile how a number of key reporting practices are set to change over the next three

years within our survey, asking more targeted questions around reporting scopes, frameworks used and the level of investment being made into sustainability reporting.

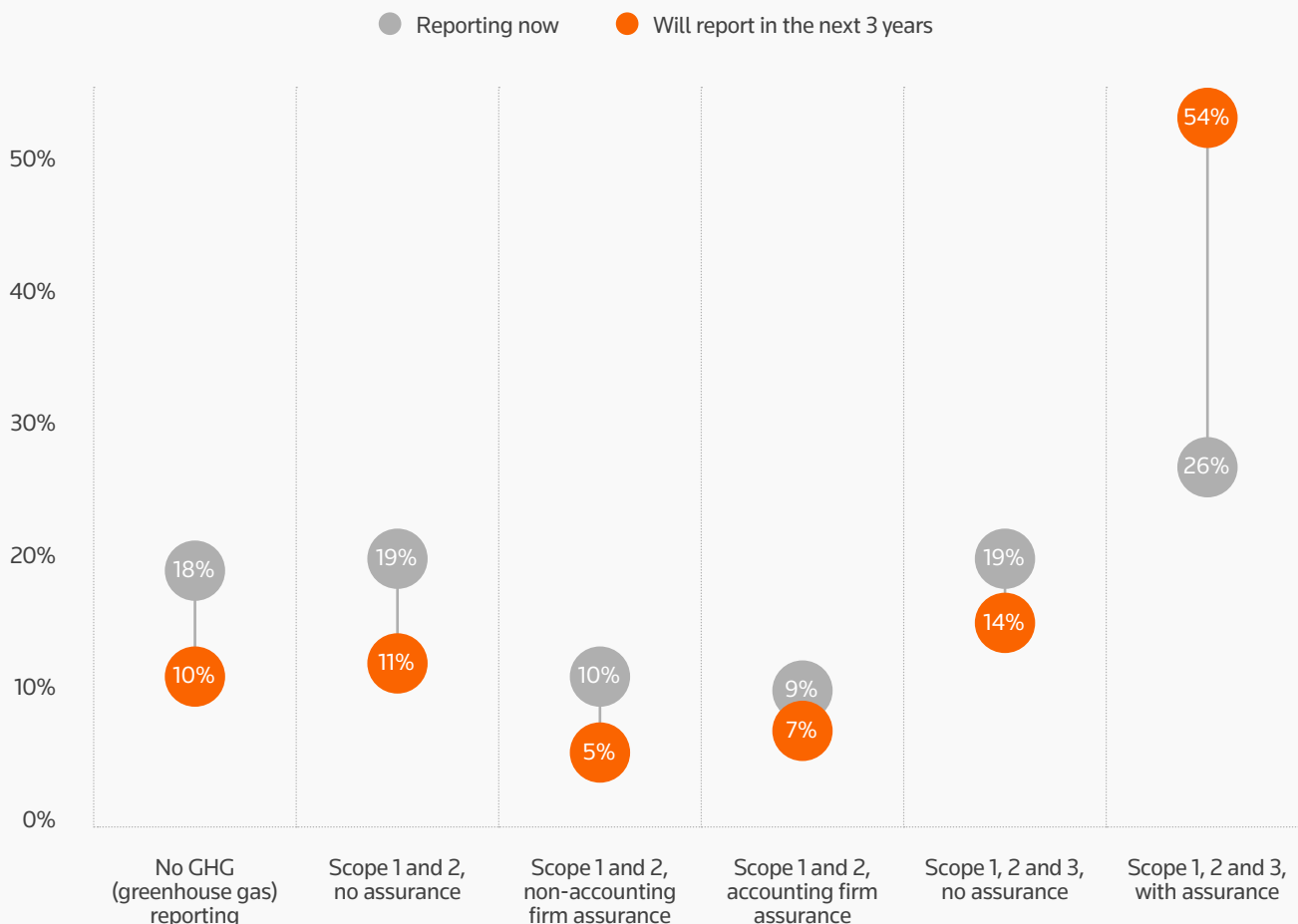
Figure 7 charts which emission scopes their organizations report today and how that is expected to change over the next three years. As it illustrates, respondents are indicating a market shift towards reporting Scope 1 – 3 emissions with accounting firm assurance during that timeframe, indicating that this is set to become the gold standard for sustainability reporting by 2027.

While just 26% of survey respondents currently do so, by 2027 more than half (54%) of respondents indicated their organization plan to report Scope 1 – 3 emissions with

Figure 7

The next three years will see a marked shift towards reporting Scope 1-3 emissions with assurance

Comparison of share of respondents indicating what emission scopes they are reporting today vs those planned in three years time



*Note: The percentages might not add up to 100 per cent due to rounding error

assurance. When including the 14% of respondents who said their organization plans to report Scope 1 – 3 emissions without assurance, we can conclude that a sizeable majority of survey respondents – 68% – expect their organization to report Scope 1 – 3 emissions in some shape or form within the next three years. We can therefore conclude that organizations that maintain plans to only report Scope 1 – 2 emissions will be in the minority by 2027. Just 23% of respondents said their organizations will report Scope 1 – 2 emissions by 2027, with a further 10% indicating they will have no greenhouse gas emissions reporting by that date.

This stands in contrast to the status quo. As figure 7 indicates, more than one-third (38%) of respondents indicated that their organizations currently report Scope 1 – 2 emissions, while a further 18% of respondents said their organization does not currently report greenhouse gas emissions.

The key driver for this increase in Scope 3 emissions reporting – critically with external assurance – is likely to be regulatory. The phased implementation of Europe’s CSRD sees a second set of reporting standards in place in the 2024 financial year – including mandatory reporting of Scope 3 emissions – and apply to large companies meeting specific criteria pertaining to headcount, turnover and/or

total assets. Large companies that fall under the CSRD’s directive will likely already be reporting to CSRD standard, however by 2026 the CSRD will apply to all listed SMEs, widening the net for compliance.

For organizations falling under the U.S. SEC’s disclosure requirements, confirmation in March 2024 that the body would not require Scope 3 emissions disclosures in financial statements – as had previously been proposed – will impact sustainability data and reporting behaviors for organizations based in the U.S.

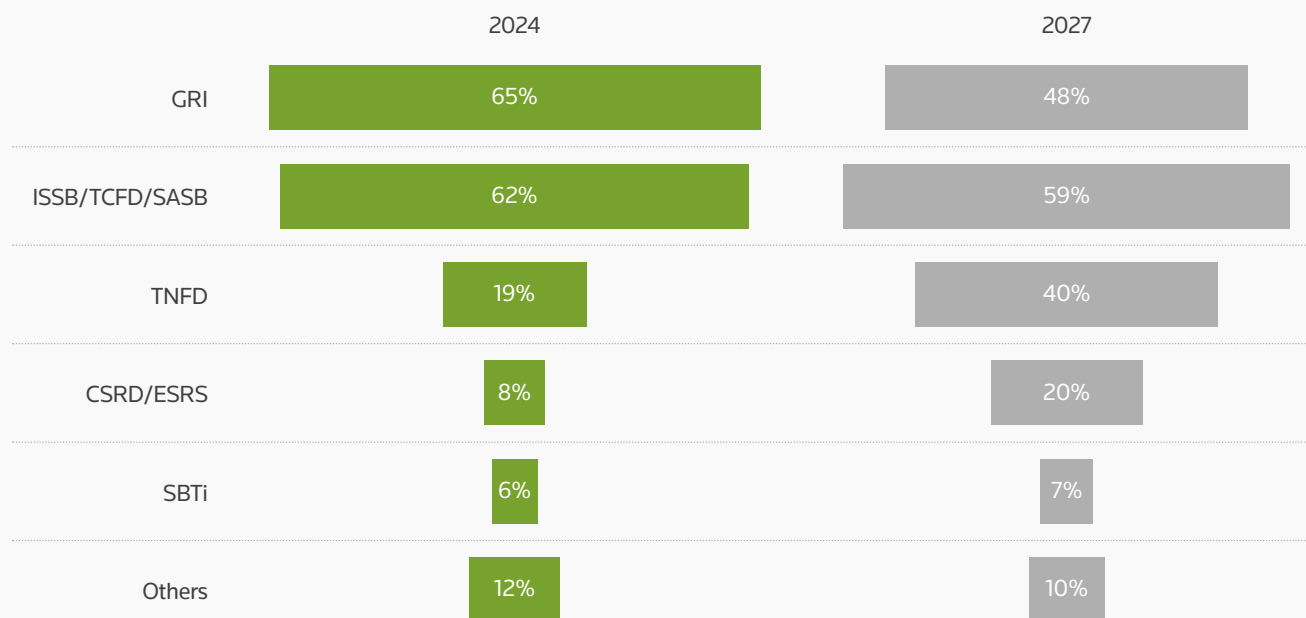
The SEC will indeed require material Scope 1 and 2 emission disclosures to be included in financial statements from the year ending 31 December 2025, a move which brings the U.S. regulatory envelope broadly into alignment with requirements established within Europe’s CSRD. However, the SEC requirement remains only for climate-related disclosures, so are not as broad as those within the IFRS or CSRD, which require other sustainability and ESG-related disclosures.

Regulatory drivers are also causing changes to the adoption and use of sustainability reporting frameworks over the coming years. As figure 8 shows, a greater share of respondents indicated that they are planning to use two frameworks in particular – TNFD and ESRS – in 2027

Figure 8

Adoption of TNFD and CSRD/ESRS frameworks is set to grow in the next three years

Share of respondents to indicate they are using specific reporting frameworks today and those expected to be used in the next three years



*Note: Abbreviations used for charting: Global Reporting Initiative (GRI), International Sustainability Standards Board (ISSB)/Task Force on Climate-related Financial Disclosures (TCFD)/ Sustainability Accounting Standards Board (SASB), Taskforce on Nature related Financial Disclosures (TNFD), Corporate Sustainability Reporting Directive (CSRD)/ European Sustainability Reporting Standards (ESRS), Science Based Targets initiative (SBTi), Others including others, The Securities and Exchange Commission (SEC) and Carbon Disclosure Project (CDP)

compared to today. The share of respondents indicating that they intend to use these frameworks at least doubles in both instances.

Adoption of the CSRD and European Sustainability Reporting Standards (ESRS), which are both interconnected, is likely to grow on the back of the aforementioned widening of the CSRD in the coming years. The growth in adoption of TNFD is similarly likely to be driven by regulatory need. Launched in 2021, the TNFD is expected to become mandatory for in-scope companies in the UK by the 2025 financial year.

One conclusion we could perhaps draw therefore is how the onset of legislation surrounding sustainability reporting is changing reporting behavior and strategies. Critical directives and legislation such as the CSRD and SEC climate disclosure rules are set to drive greater reporting standards, and this is being reflected in how respondents are expecting their reporting strategies to evolve over the next three years.

As requirements grow, we may reasonably expect company investments in sustainability reporting and

data management to grow in tandem. We questioned respondents around how such investments are expected to grow over the next three years.

As figure 9 illustrates, a majority (63%) of respondents across our entire sample expect investments to grow by between 6 – 20% over the next three years, while a further 25% expect investments to grow by more than 20%.

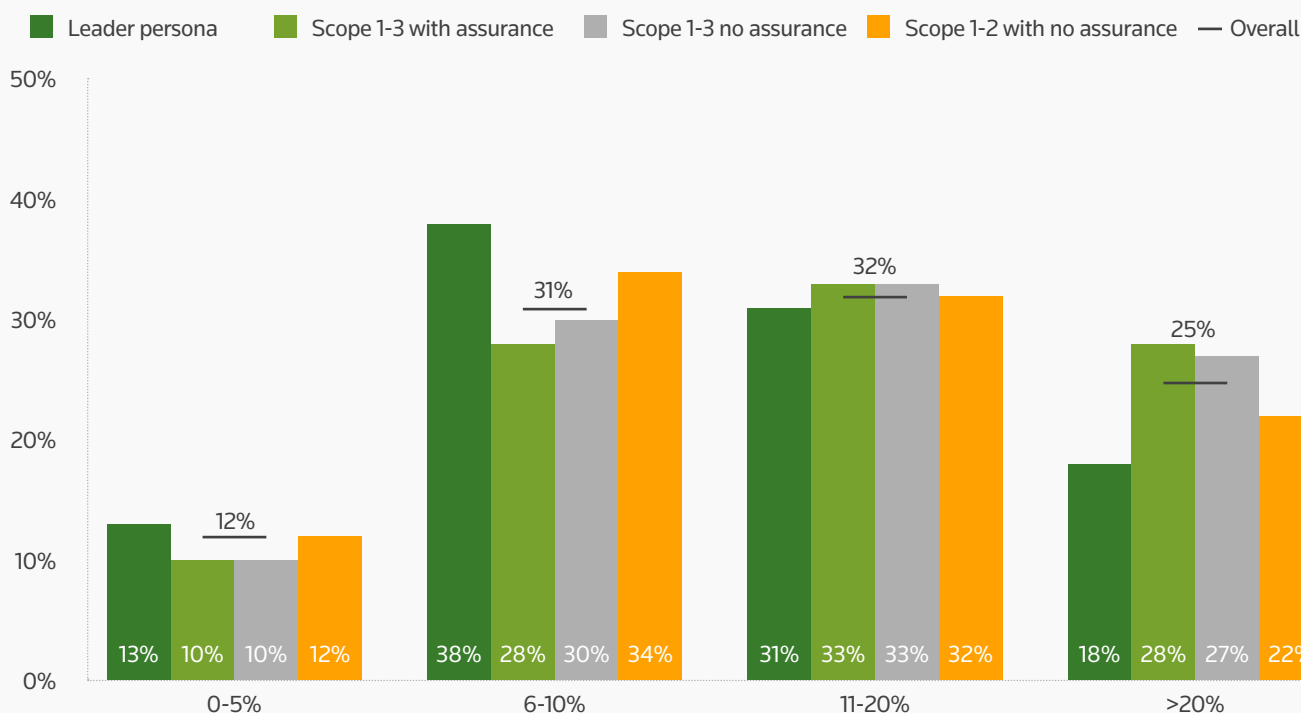
The chart also highlights, however, how respondents within our Leadership persona could be indicating more modest growth in investments. Just 18% of respondents within our Leadership persona expect investments to grow by more than 20%, compared to an overall sample average of 25%.

One possible conclusion to draw here is that those within our Leadership persona will already have experience of reporting Scope 1 – 3 emissions with accounting firm assurance, so are likely to have tools and established practices in place. As a result, such material increases in investments are not likely to be necessary to bring reporting practices up to a new standard.

Figure 9

A majority of overall respondents expect reporting-related investments to grow by 6 - 20% over the coming years

By what percentage do you expect sustainability reporting and data management investments to increase in the next 3 years?



*Note: The percentage only indicate respindents expect the investments related sustainability reporting and data management to increase in the next 3 years. The percentages might not add up yo 100 per cent due to rounding error. Leader Persona: Respondents reporting Scope 1-3 withh assurance with high confidence and have science-aligned and verified Net Zero targets.

The Sustainability Practitioner's Buyers Guide

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ACTIONABLE INSIGHTS

- While internal data analysis and emissions accounting solutions – the essential building blocks of sustainability reporting – are popular today, more advanced technologies such as AI for use in materiality assessments replace them at the top of our investment tracker by 2027. Sustainability practitioners seeking automation or other more advanced capabilities should reflect on their product roadmaps now.
- While supplier surveys and audits may be critical for Scope 3 emissions reporting, the overall experience of using them lags considerably behind other reporting tools and technologies, owing to concerns over data accuracy and expense. A more rigorous approach to obtaining required data must be considered.
- Internal barriers to investment were most cited by our respondents, particularly around cost and uncertainties around the ROI of reporting tools. This will likely be a pressing concern for sustainability practitioners going forward, with ROI on such technologies difficult to articulate.

As sustainability reporting and data collection becomes more important, its challenges become more pronounced. This is, in turn, placing additional pressures on investments and procurement, with practitioners seeking the perfect tool to ease their concerns.

As previous chapters of this report have detailed, respondents to our survey have spoken of there being no silver bullet solution or perfect platform today. Instead,

practitioners are seeking a suite of tools and services that can help them meet sustainability reporting demands, ranging from internal data analysis tools to more advanced tools like predictive analytics.

To better understand procurement behavior of sustainability practitioners today, we asked respondents to identify the tools and technologies they are currently procuring and those that they intend to use in the next three

Figure 10

Sustainability professionals are indicating a material trend towards AI, ML and Blockchain-powered reporting tools

Respondents to state that they are using specific tools for sustainability reporting in 2024, versus those intended to be used in next three years

Technology	2024 Rank	2027 Rank	
Internal data analysis solutions	1	15	Trending Downwards/Upwards
Emissions accounting/estimation solutions	2	8	Trending Downwards/Upwards
Supplier surveys and audits	3	7	
ESG data management platforms	4	1	
ERP systems for data collection	6	12	Trending Downwards/Upwards
Sustainability risk management solutions	7	3	
Scenario planning solutions	9	4	
Fleet management systems	10	16	Trending Downwards/Upwards
Predictive analytics/ML technologies	13	5	Trending Downwards/Upwards
AI for materiality assessments	15	2	Trending Downwards/Upwards
Blockchain in logistics & sourcing	16	10	Trending Downwards/Upwards

*Note: Abbreviations used for charting: Enterprise resource planning (ERP), Machine Learning (ML). Technologies excluded from charting with no change or one rank change in ranking, including: Emissions management solutions, Sensors and smart meters for data collection, Smart water management systems, Sentiment analysis solutions for materiality assessments, Satellite/drone imaging data solutions.



METAMORPHOSIS/ADOBESTOCK

years. *Figure 10* indicates the most popular technologies for both today and in the next three years, while also highlighting those technologies that are trending either upwards or downwards.

As the chart highlights, today's most popular tools and technologies include internal data analysis solutions, emissions accounting/estimation solutions and supplier surveys and audits, ranked first, second and third in our investment chart. These are followed closely by ESG data management platforms. Combined, these four tools could be considered critical elements to any sustainability reporting function, given their capability to source, collate, store and interpret the data required.

This would infer that the priority for sustainability practitioners today is to ensure that all the essential tools and services are in place to meet the minimum required standard.

'Today's most popular tools and technologies include internal data analysis solutions, emissions accounting/estimation solutions and supplier surveys and audits'

There is a marked decrease in the investment sentiment surrounding some of those technologies looking forward to the next three years, however. Internal data analysis solutions in particular falls from the most popular technology among respondents today, to the 15th most popular tool – or to put it differently, the second least popular tool – for investment by 2027. Emissions accounting solutions meanwhile fall from the second most popular to eighth most popular. Both record decreases in investment mentions sufficient for us to rank these as 'Trending Downwards'.

One possible conclusion to draw is that these tools are regarded as essential building blocks for sustainability reporting, but those which an increasing number of organizations have in place or expect to do so in the short-term. This is also supported by the findings in our previous chapter, which highlighted the transition away from more manual data storage approaches, such as Excel.

The technology to buck this trend amongst our top four is ESG data management platforms, which rise to become our most popular technology by investment mentions by 2027. This is also further supported by trends identified in the rise of third-party platforms for data storage, suggesting that such platforms will rise in importance to sustainability practitioners in the coming years.

While we have a number of technologies that are trending downwards, we can also highlight several that are very much trending upwards. The technology to see the biggest increase in investment sentiment is AI for use in materiality assessments, which becomes our second most popular technology for investment in the next three years. With materiality assessments critical to compliance with legislations and reporting directives such as the CSRD, and artificial intelligence promising to automate what can be a laborious and resource-intensive practice, it is perhaps unsurprising to see this technology rise in popularity so distinctly.

While not as pronounced, predictive analytics and other machine learning-based technologies, and blockchain for use in logistics and sourcing are our two other technologies to receive a 'Trending Upwards' mark. Given the necessity for accurate supply chain data for Scope 3 emissions reporting – more on which we'll touch on later in this report – there is a clear use case for blockchain technologies to verify what can be difficult to source data.

Grouped together, we might regard these technologies as more advanced than others in the suite of technologies included in our survey. These technologies, while perhaps nascent today, are highly regarded by sustainability

practitioners for their potential upside. Likewise, we could also infer a shift in investment sentiment from the more standard building blocks of sustainability reporting today, to more sophisticated, value accretive tools in the years to come.

WHAT ARE THE MOST EFFECTIVE AND EASY TO IMPLEMENT TOOLS TODAY?

We also set out to better understand the overall experience of today’s technologies, exploring how sustainability practitioners regarded tools in terms of their effectiveness and ease of implementation. Respondents who signaled they had used specific technologies were asked to score these from 1 – 10, and the average scores across our sample are highlighted in *figure 11*.

Across both metrics, sensors and smart meters for data collection scored highest. While their overall use case may be limited to collecting very specific data, they do so efficiently and are comparatively easy to implement. Verbatim data collected by our survey also supported this,

ASKING THE GENERATIVE AI QUESTION

While not included in our suite of technologies, we asked respondents separately what kind of an impact generative AI may have on their sustainability reporting capabilities. Last year saw a surge in interest in generative AI for a multitude of business cases and sustainability reporting is no different: more than two-thirds (67%) of respondents said they expect generative AI to have a material impact on their sustainability reporting.

with adopters of the technology describing them as a “very effective method of automating data collection”, “reliable, proven, easy to integrate” and capable of “significantly increasing the visibility and data analysis opportunities for energy consumption”. ESG data management platforms scored highly for efficacy, but comparatively poorly for ease

Figure 11

Concerns over the efficacy and implementation of supplier surveys are likely to significantly impact Scope 3 reporting

Average scores – out of 10 – for the efficacy and ease of implementation for reporting tools indicated by respondents

	Efficacy	Ease of implementation
ERP systems for data collection	7.0	6.2
Sensors and smart meters for data collection	7.8	7.2
Fleet management systems	7.3	7.0
Smart water management systems	7.3	6.9
ESG data management systems	7.3	6.4
Emissions accounting/estimation solutions	7.1	6.6
Emissions management solutions	7.2	6.6
Blockchain in logistics and sourcing	6.8	6.7
Supplier surveys and audits	6.3	6.1
Scenario planning solutions	6.8	6.3
Sustainability risk management solutions	6.9	6.5
Internal data analysis solutions	7.1	6.5
Sentiment analysis solutions for materiality assessments	6.8	6.7
AI for materiality assessments	7.2	6.8
Satellite/drone imaging data solutions	7.4	6.9
Predictive analytics/ML technologies	6.9	6.6

*Note: Abbreviations used for charting: Enterprise resource planning (ERP), Machine Learning (ML).



of implementation. Respondents said the technology suite helped in ensuring the completeness of data required to report while providing better data management controls. “[They] allow us to collect, manage, and analyze ESG data internally and externally to create goals, and track our progress towards those goals,” one respondent said. However, the complexity in the supply chain – which one respondent described as a “myriad of ESG issues” – could mean systems require simplification for better implementation.

‘Supplier surveys and audits scored poorly for both efficacy and ease of implementation, despite being among the most popular sources of investment today’

Emissions accounting solutions, while considered a relatively critical technology given its position towards the top of our investment rankings, scored distinctly close to our average for both efficacy and ease of implementation. Respondents highlighted that while there was high confidence in their calculations given automation and a reduced chance of human error, a lack of primary data means some reports may not be as accurate as is necessary. Likewise, one respondent commented: “Datasets can be historical as they take time to be published,” while also commenting on the “considerable” manual effort required to finalize data used.

Reflecting on how easy or difficult technologies are to implement, among the worst performers were scenario planning solutions, which scored poorly based on their reliance on internal capacity and requiring comparatively complex integration with other systems. Supplier surveys and audits, meanwhile, scored poorly for both efficacy and ease of implementation, despite being among the most popular sources of investment today.

Criticism of supplier surveys included them being costly and difficult to audit and organizations having a lack of control over the data – and the accuracy of the data – which is returned. One respondent described the use of supplier surveys as a work in progress, but commented: “[It’s] hard to verify data suppliers. [They] need more capacity building and knowledge training to be able to provide the correct data accurately.”

The extent of our respondents’ experience with supplier surveys and audits is highlighted in figure 12, which plots our average scoring for efficacy and ease of implementation on a

single matrix, with the inclusion of average scoring lines.

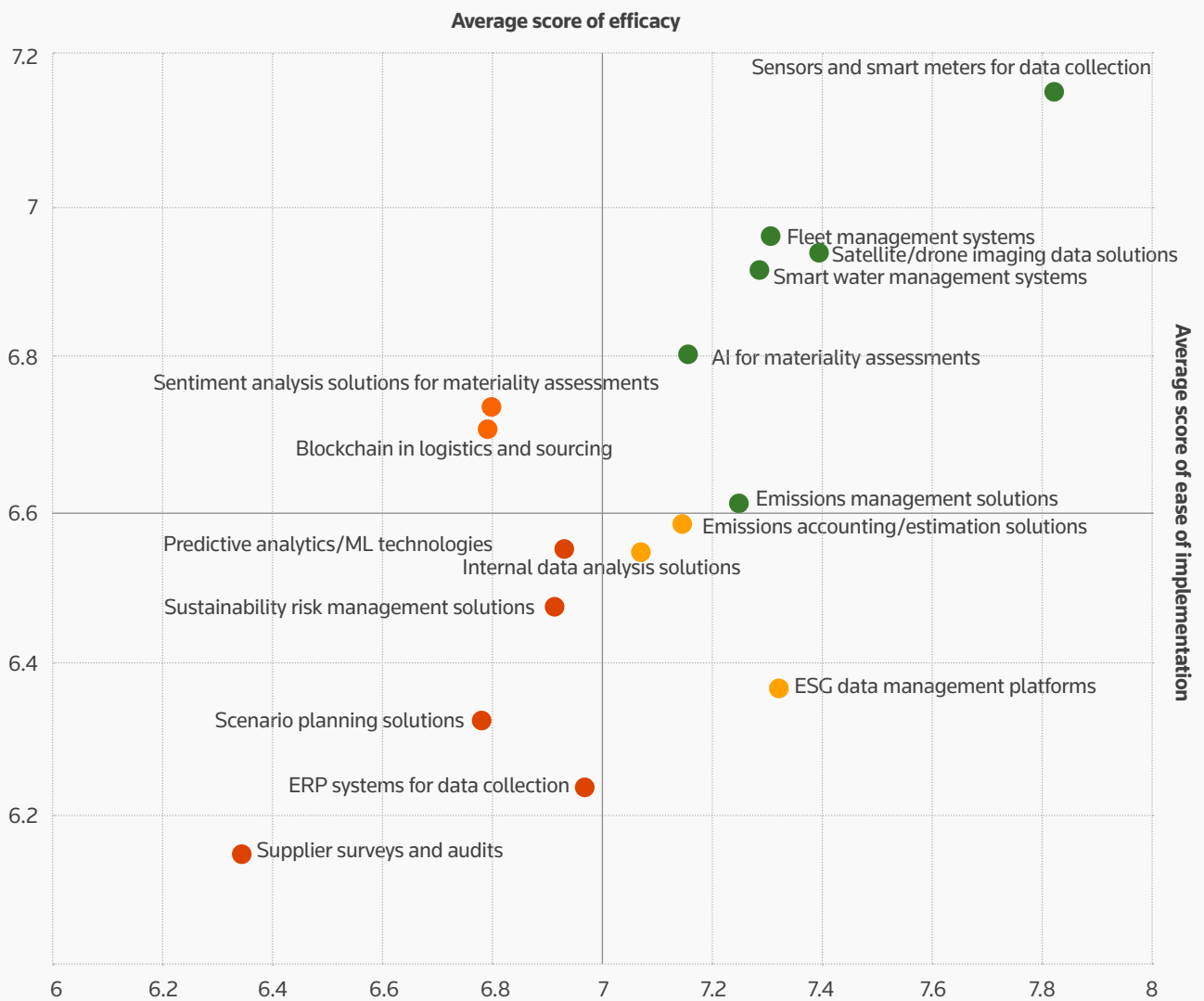
Figure 12 illustrates those technologies which perform above our technology suite average for both efficacy and ease of implementation, which we could collectively bracket as overachieving in customer experience. While AI for materiality assessments and emissions management solutions fall close to the average in certain metrics, there is a clear cluster of technologies which perform strongly and one outlier in particular; sensors and smart meters for data collection.

These four technologies are relatively more mature technologies that sustainability practitioners – and

Figure 12

Six specific technologies score above average for both efficacy and ease of implementation

Matrix comparing averages scores – out of 10 – for the efficacy and implementation for reporting tools indicated by respondents



*Note: Abbreviations used for charting: Enterprise resource planning (ERP), Machine Learning (ML).

businesses in general – are more au fait with. These technologies are also comparatively ‘plug and play’ in their nature compared to others.

With a pool of leading technologies established and our respondents’ experience with them acknowledged, we also looked to better understand the barriers to investment.

UNDERSTANDING THE BARRIERS TO INVESTMENT

Figure 13 details the coded responses to our survey, which we have also bracketed into internal, external and technological factors. As the chart shows, internal factors were most commonly mentioned, cited by 56% of respondents, while technological and external factors were cited by 41% and 18% of respondents respectively (respondents could cite a number of different barriers to investment).

Across all barriers, the most commonly cited was the limited access to capital or budgetary constraints, cited by 16% of respondents. When combined with the 15% of respondents who cited high costs of implementation (which we have included within the technological bracket), cost-related issues become a clear barrier to investment for sustainability practitioners today.

Our verbatim data for answers to this question, however, offer several different interpretations of how, specifically, cost or budgetary constraints are posing challenges to tech investment. Just cost or the capex/upfront cost of procuring

specific tools is mentioned frequently, with many indicating that there remains a sizeable difference in the cost of tools on the market today.

Some respondents however focused more specifically on the return on investment, as indicated by the 9% of respondents who specifically mentioned difficulties in estimating an ROI. “Demonstrating a clear ROI on sustainability investments can be challenging, especially in the short term,” one respondent said, while others paid specific mention of the need to get buy-in from the organization’s CFO or other person with control of budgets, especially if such investments are sizeable and/or must be justified to shareholders.

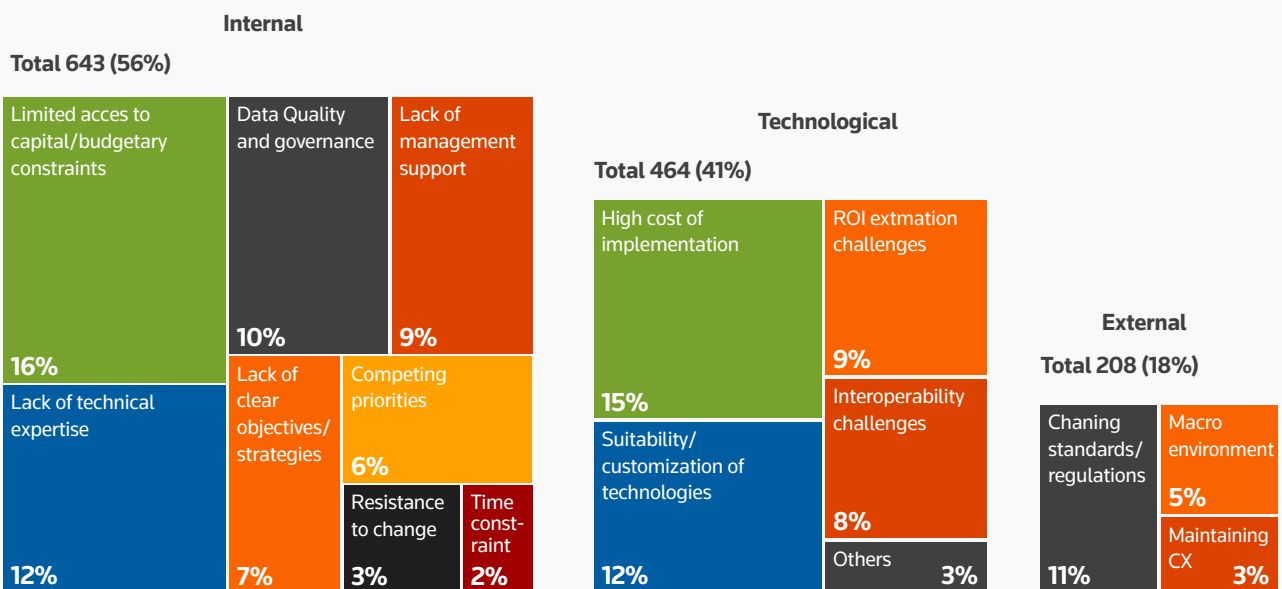
Cost-related issues are only likely to have been exacerbated by the current economic climate, with inflation and high costs of capital deterring sizeable investments. Some respondents alluded to this by mentioning competing budget priorities, with other use cases for budget given higher priority, especially in smaller organizations.

Data quality and governance was cited by 10% of respondents, cementing its status as a common theme throughout our research into sustainability reporting challenges. Many respondents focused on the challenges of collecting Scope 3 data from their supply chain and its accuracy or reliability, while other respondents also spoke to many different types and natures of data that are being collated to serve the same purpose. One respondent

Figure 13

Internal factors make up the majority of listed barriers to investment, with budget issues the most mentioned complaint

Share of respondents to indicate specific barriers to investment, separated into internal, technological and external factors



*Note: The percentages do not add-up as it is a multiple choice question

touched on this by mentioning the “multiple points of data and different scales of reporting” that are included, with some measures reported in three-year rolling averages and others having specific multipliers, such as emissions factors.

COST THE PRIMARY FACTOR WHEN PICKING A SUPPLIER

Given that cost was a dominant barrier to investment cited by our respondents, it is perhaps unsurprising that overall cost is a key consideration for sustainability practitioners when it comes to picking a supplier.

We asked respondents to identify key selection criteria for suppliers, also asking that these be identified as the first, second and third most-important criteria. As figure 14 illustrates, cost to the company was selected by a majority (61%) of our respondents, with 24% of respondents selecting it as the most important criteria for selection.

This draws on an increasing theme within our research, that while sustainability reporting is a critical function



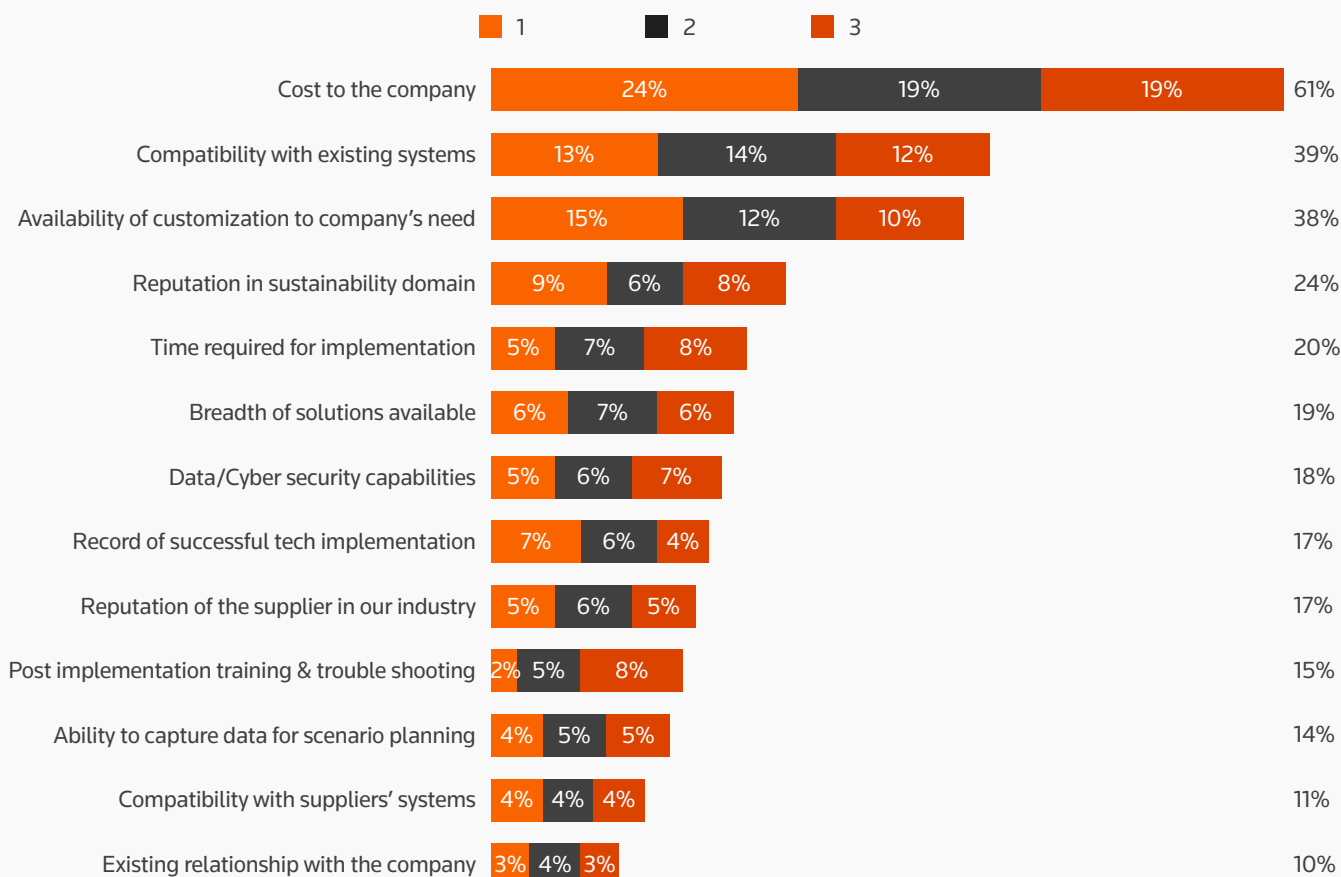
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driven by regulatory pressures, its overall cost to the business, in terms of capex or upfront costs, ongoing platform and/or data expense, and resourcing, is a fundamental factor in the decision-making process surrounding it.

Figure 14

Cost is the primary driver when picking a vendor of sustainability reporting tools

Share of respondents identifying criteria used to select vendors, indicating first, second and third-most important criteria



*Note: The percentages might not add up to 100 percent due to rounding error

Outside of cost, the second and third-most cited vendor selection criteria were compatibility with existing systems and the availability of customization to a company’s need, identified by 39% and 38% of respondents respectively.

It is perhaps unsurprising to see compatibility and availability of customization as popular criteria. Much like cost, they are recurring challenges and disruptions faced by sustainability teams when integrating new tools and solutions.

INSIDE THE VENDOR LANDSCAPE

As part of our research, we also sought to chart the specific vendors and suppliers that sustainability practitioners and organizations are turning to, based on their responses to the tools and technologies they are either currently using or plan to invest in.

Across our suite of 18 tools and technologies, survey respondents put forward more than 300 different companies that they are currently working with or in communication with, which perhaps serves as an indication of the scale and fragmented nature of the sustainability reporting ecosystem.

Analyzing responses does allow us, however, to view vendors that stand out among the total pool, both in terms of the number of mentions they received, how specific vendors were mentioned in offering two or more technologies – an indication of more holistic sustainability reporting platform offerings – and vendors mentioned in offering popular tools and technologies.

The table below indicates some of the more popular vendors mentioned by respondents for our top four tools and technologies today.

Cells highlighted in green – specifically Microsoft, Ecovadis and Workiva – indicate vendors that were mentioned by a large number of respondents, comparatively, for those particular tools and solutions.

While we did not ask this question in our survey specifically, Microsoft’s status as a particularly popular provider of internal data analysis solutions may be related to Excel, Power BI and other data analysis tools included within its broader, off-the-shelf software suite. Ecovadis and Workiva, however, offer solutions more targeted specifically at the sustainability reporting function.

We were also able to segment our responses by the average annual spend on sustainability reporting, indicated earlier in our survey. This segmentation revealed that almost all of Workiva’s mentions were from respondents whose organizations spend in excess of \$100,000 per year on their sustainability reporting function.

It is also worth mentioning that both Ecovadis and Workiva – alongside SAP – were commonly mentioned vendors across two or more technologies, as the yellow shading indicates. While verbatim data collected from our survey suggests that sustainability practitioners do not believe there is a single, silver bullet solution for sustainability reporting on the market today, the presence of vendors offering multiple, often related functions – data collection, management and analysis, for instance – is a trend that looks set to continue.

For some tools – especially those more commonly mentioned for use in the next three years, including AI for use in materiality assessments and predictive analytics – our survey did not collect sufficient data for analysis. In short, too few vendors were mentioned for us to determine any particular trend. This may indicate the nascent nature of the market for such technologies, or that practitioners are still evaluating the potential for these technologies before entering procurement.

Alternatively, for other tools – especially scenario planning and sustainability risk management tools – respondents indicated a smaller number of commonly-mentioned vendors, such as Greenly, followed by a large number of vendors who received individual mentions.

Figure 15

Tool	Commonly Mentioned vendors				
Internal Data Analysis Solutions	Microsoft	SAP	Workiva	-	-
Emissions Account/ Estimation Solutions	IBM	Enablon	Greenly	SAP	UL
Supplier Surveys and Audits	Ecovadis	Sedex	Assent	DNV	Google
ESG Data Management Solutions	Workiva	Nasdaq	Envizi	Ecovadis	SAP



How European and North American organizations are strategizing (CHARTBOOK)

The following chartbook shows responses to our survey segmented by the region our respondents' organizations operate in: Europe and North America. Where indicated, the charts also highlight the responses to questions against the net average across our entire sample.

As the charts illustrate, our research indicates a high level of alignment between both datasets, highlighting how organizations are largely responding to the challenges posed by sustainability reporting in distinctly similar ways. Likewise, sustainability reporting frameworks and standards operate universally, with the only material distinctions

likely caused by divergence in policy, such as the U.S. SEC's recent proposal not to require Scope 3 emissions reporting in financial disclosures versus the European CSRD requirement to do so.

In this regard, we may expect some more material divergence in future survey results. The SEC's decision not to include Scope 3 emission requirements was only confirmed in March 2024 – some five months after this survey entered the field, and at a time when the SEC's initial proposals did include Scope 3 reporting requirements.

RESPONDENTS FROM ORGANIZATIONS OPERATING IN EUROPE

For respondents whose organizations operate in Europe, the number of employees engaged in sustainability reporting falls largely in line with our survey net response. There is, however, a smaller share of respondents compared to our survey net that spend up to \$10,000 per year on reporting and data management. There is a distinctly similar jump in Scope 1 – 3 emissions reporting with assurance over

the next three years, as seen across our survey average, however there is a marginally greater share of respondents from organizations operating in Europe shifting to Scope 3 emissions reporting, perhaps indicating the role of the CSRD in that switch. To the same effect, the adoption of the ESRS is predictably greater among respondents from organizations operating in Europe.

Figure 1
Employees engaged in sustainability reporting

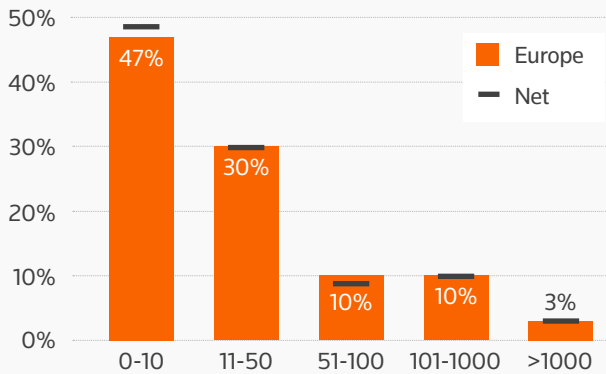


Figure 2
Spend on sustainability reporting and data management per year

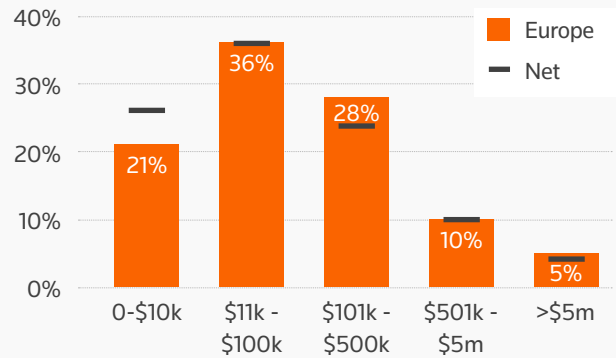


Figure 3
Level of reporting in 2024 vs 2027

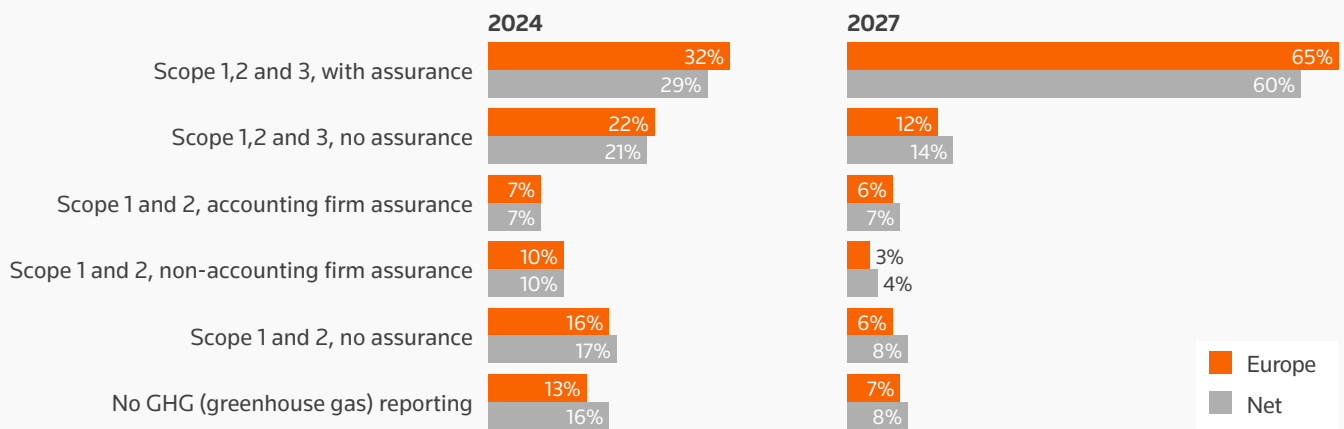


Figure 4
Usage of frameworks now

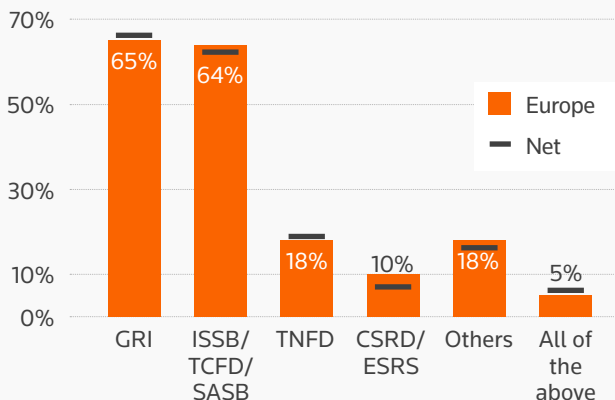
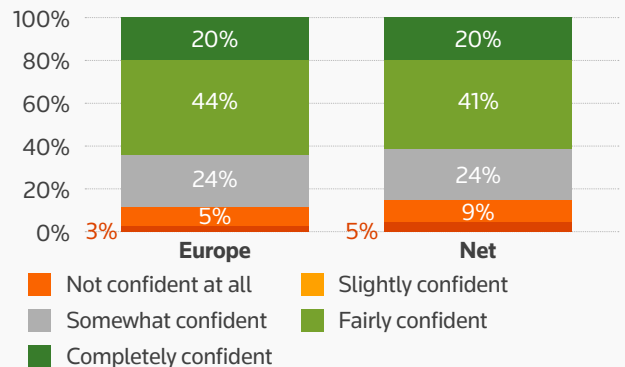


Figure 5
Confidence in company's ability to measure and report its true GHG emissions



*Note: The net indicates the average share of all respondents

RESPONDENTS FROM ORGANIZATIONS OPERATING IN NORTH AMERICA

For respondents whose organizations operate in North America, we see a share of respondents whose organization has 0 – 10 employees engaged in sustainability reporting lower than that of our survey net. Equally, we see a much smaller share of respondents whose organizations are spending lower than \$100,000 per year on sustainability reporting, with a higher than average share of respondents – some 33% - whose organization is spending between

\$101,000 and \$500,000 per year. This is also higher than the share of respondents from organizations operating in Europe, indicating that the cost of sustainability reporting for North American organizations is larger. A sizeable majority (71%) of respondents from organizations operating in North America state that they are using ISSB/TCD/SASB frameworks today – greater than both our survey net and our respondents from organizations operating in Europe.

Figure 1
Employees engaged in sustainability reporting

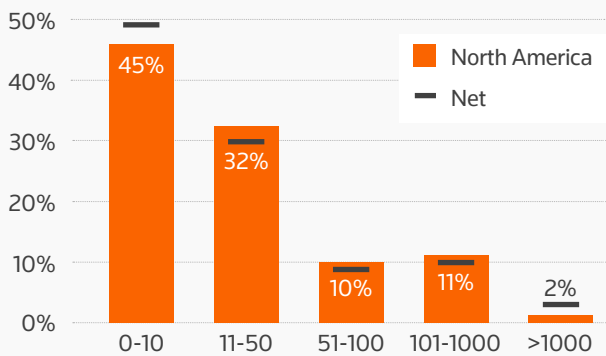


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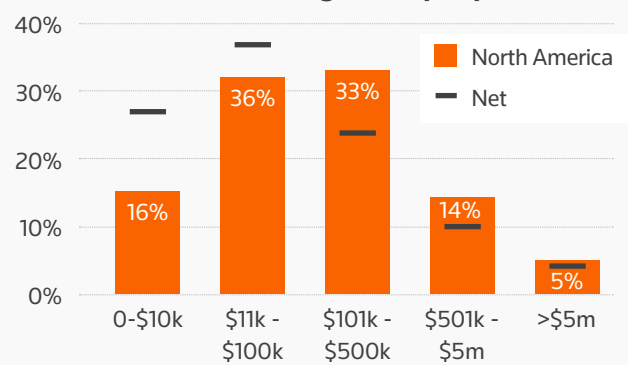


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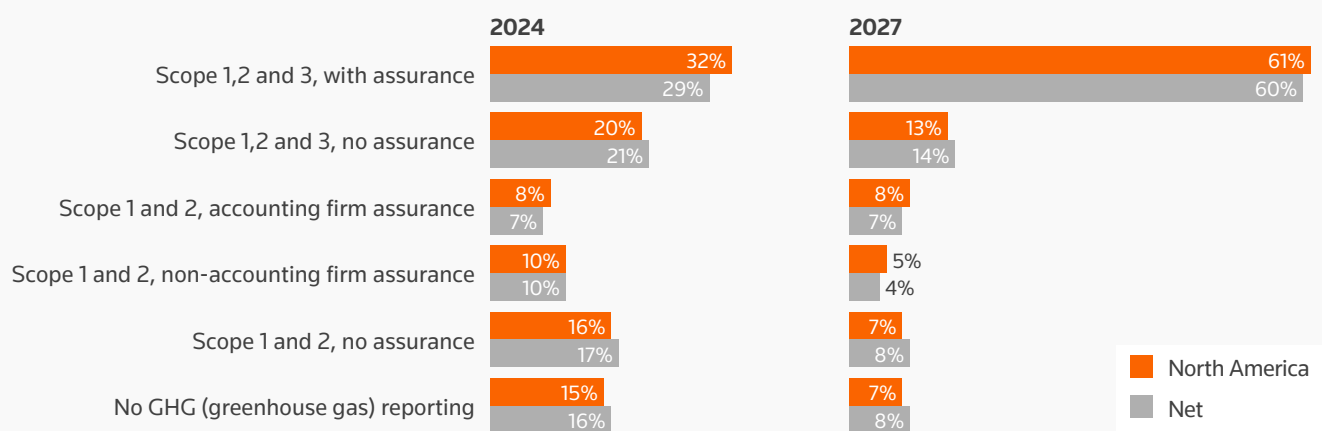


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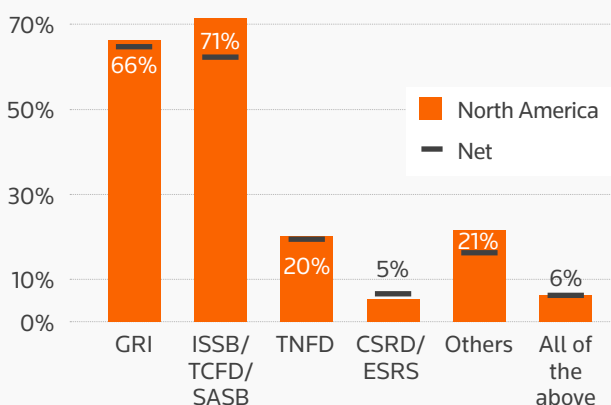
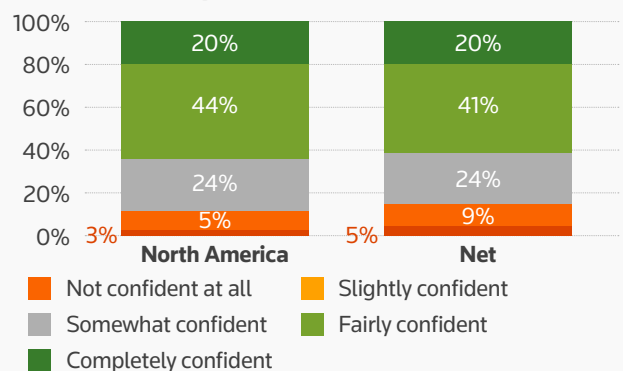


Figure 5
Confidence in company's ability to measure and report its true GHG emissions



*Note: The net indicates the average share of all respondents



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Methodology

To obtain a global view of sustainability reporting and data management, Reuters Events surveyed 3,076 sustainability professionals and practitioners across industries including professional and business services, energy, not-for-profit/voluntary/charity/NGOs, manufacturing, technology, asset management and institutional investors, banking and other finance, education, software, food and beverage, public sectors and government, transport/logistics/supply chain, construction, mining and materials, agriculture and fishing, insurance, real estate, retail, chemicals, media, automotive, pharmaceuticals, healthcare, among others. The research was conducted between October and December 2023.

All responses were carefully verified by researchers to ensure accuracy and accountability - meeting the criteria that their roles were related to developing, measuring, implementing and/or oversight of sustainability reporting strategies and being familiar with the sustainability reporting practices within their organizations.

Based on their individual responses, 72 respondents were additionally selected as part of a leader persona segment. They: Report Scope 1-3 with assurance now, have science-aligned and verified Net Zero targets, have high confidence in terms of their company's ability to measure and report true GHG emissions, and use external solutions/platforms and/or customized internal solutions for most

of sustainability data storage now. A total of 58% of respondents are in leadership, board or senior management roles, with responsibilities across multiple functions while 28% are in mid-management roles. Diverse organizations were captured in the survey, including half (50%) of the respondents in private companies, 32% in public companies, 8% in voluntary/charity/third sector/NGOs and 8% in government or state-owned corporations.

Sixty-four per cent of participants are working in organizations which have operations in Europe, 53% in North America, 50% in Asia, 33% in Central & South America, 31% in Africa, 31% in Australia, and 30% in the Middle East.

Almost half (49%) of companies surveyed have revenues of less than \$1 billion and nearly one-third (30%) have revenues over \$1 billion. 28% of the respondents reported their employee headcount to be under 250, and 29% of the respondents were mid-sized at 250-5,000 employees. Around one-third (33%) of respondents were large-sized at 5,000- 50,000 employees, and 3% of the respondents reported mega employee size to be more than 50,000.

The data was gathered through web surveys which were designed and implemented following strict market research guidelines and principles. All statistics noted in this report and its figures referenced the survey: *Reuters Events Sustainability Reporting and Data Management, 2024*.