

# Measuring responsibility: How investment in data enables ESG

The surprising connection between digital transformation and corporate responsibility



At its core, environmental, social, and governance (ESG) initiatives are about measuring the impact that business has on people, society, and the environment. It's a story told through enterprise data and demographics, and most businesses agree that **ESG is here to stay.**

Despite how intertwined ESG initiatives are in industries, programs remain siloed from broader organizational strategies. Additionally, ESG programs are under-resourced from a digital standpoint. As the **importance of ESG grows**, organizations have an opportunity to **improve effort and output** without compromising investment in other areas of their business.

## Putting possible into practice

Huron surveyed more than **300 leaders across five business sectors** to find out how data and corporate ESG efforts are converging. The results reveal why investment in digital technology is the complement, not the competitor, of ESG efforts.

Leaders may be closer than they realize to **lessening burdens tied to ESG** and **driving more meaningful outputs** that matter to clients, consumers, and employees. To get there, it will take a **commitment to digital-first thinking** and an understanding of how to optimize existing data, technology, and analytics to serve ESG needs.



# What is ESG? A quick guide to identifying ESG in business



## ENVIRONMENTAL

- Climate change strategy
- Energy efficiency
- Water efficiency
- Carbon intensity
- Environmental management systems



## SOCIAL

- Equal opportunities
- Freedom of association
- Health and safety
- Human rights
- Customer and product responsibility
- Child labor

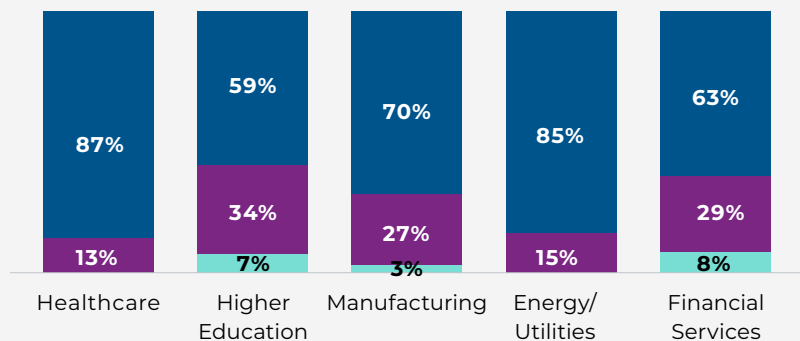
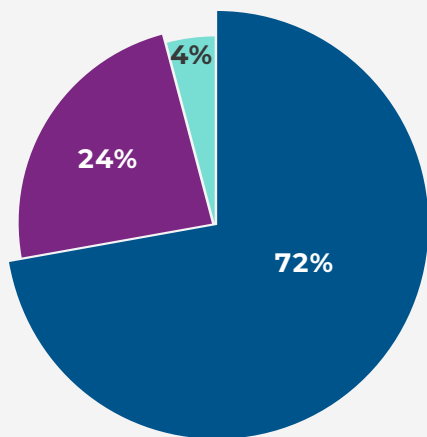


## GOVERNANCE

- Business ethics
- Compliance
- Board independence
- Executive compensation
- Shareholder democracy

## Business is normalizing and prioritizing ESG

Over the next two to four years, businesses expect to see a **continued increase in ESG importance.**

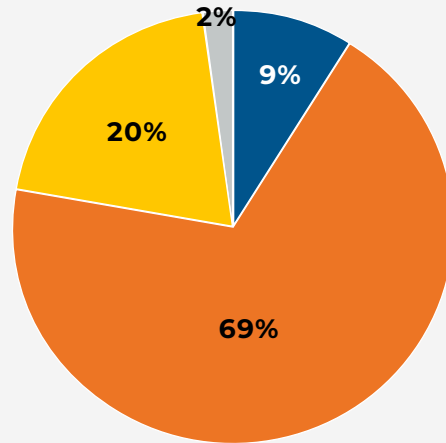


● Increase

● Stay the same

● Decrease

ESG is no longer a rising trend but rather a **normal and crucial component** of business.

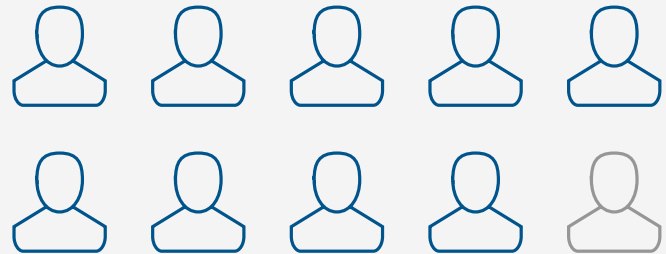


● Essential priority    ● High priority    ● Moderate priority    ● Low or no priority

## Digital investment and ESG converge

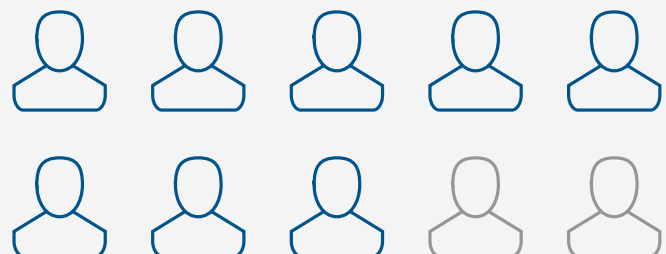
Digital transformation and ESG are **complementary rather than distinct**.

- 96% of respondents have made digital, tech, and analytics investments to **improve ESG outcomes**
- 98% of respondents indicate that digital, tech, and analytics tools are important to **achieving ESG excellence**



ESG initiatives can be an **incremental addition to digital transformation**.

80% of leaders say ESG digital capabilities could be **improved when folded into general transformation activities**



# Organizations combine ESG implementation and digital capabilities



## ESG and digital investment create value

Focusing on the following intersections of digital and ESG priorities eases reporting burdens and drives greater return on investment.



Access to industry peer data to benchmark ESG DEI progress.



Establish and empower cross-functional teams.



Make ESG data easily accessible to all.



Implement an ESG data lake.



Create new ESG data inputs (e.g., surveys, sensors, etc.)

### Next steps

Let Huron's [industry and digital expertise guide](#) your next initiative. Talk to one of our industry specialists about how your organization could be generating greater value by harnessing the power of digital transformation and ESG together.