



The Power of Sustainability Data

Unlocking Business Value



Introduction

The future of business is sustainable, but getting there isn't always straightforward. With regulations pushing companies to report on ESG metrics, many see compliance as a burden. But what if it could be an opportunity?

Organizations that proactively set sustainability targets, track progress, and report transparently position themselves for long-term success. The exponential growth of ESG data and the

pressing need for transparency make it essential for businesses to establish robust technological frameworks that enable accurate, real-time sustainability reporting. This guide explores the advantages of sustainability data and how technology, such as the IFS Cloud Sustainability Management Module, can streamline and enhance the process.



1. Why Sustainability Data Matters

Sustainability data is not just about compliance. It is a strategic tool for businesses to gain a competitive advantage. By embedding sustainability into corporate strategy, organizations can proactively address social and environmental concerns while unlocking new growth opportunities. Here's why it matters:

- **Enhanced Brand Reputation:** Companies with strong sustainability commitments attract positive public perception, fostering consumer trust and loyalty.
- **Risk Mitigation and Resilience:** Understanding and addressing risks such as climate change and social inequalities strengthens long-term business sustainability.



- **Investor and Market Access:** Investors increasingly prioritize businesses that demonstrate responsible corporate practices, improving access to funding and capital. In a [PwC Global Investor Survey](#), 72% of investors said they would increase their investment in companies that are increasing their use of renewable energy.
- **Operational Efficiency and Cost Savings:** Sustainable practices often lead to improved efficiency, reduced waste, and cost savings.
- **Regulatory Preparedness:** While some companies are not yet legally required to report sustainability data, aligning with voluntary frameworks ensures readiness for future regulations. Evolving regulations highlight the increasing importance of structured sustainability data for companies worldwide. Additionally, ensuring credibility through accurate, verifiable data is vital for avoiding misleading reporting and strengthening investor trust.
- **Employee Engagement and Talent Retention:** Organizations with strong sustainability commitments attract top talent and foster a purpose-driven workplace culture.

A well-executed sustainability strategy goes beyond reporting. It strengthens business continuity, fosters innovation, and builds resilience against market volatility.

2. Setting Sustainability Targets and Tracking Performance

To achieve meaningful outcomes, businesses must establish clear goals and implement mechanisms to measure and track progress. The following steps can help companies navigate target-setting effectively:

- **Define Clear Goals:** Organizations should establish specific, measurable, achievable, relevant, and time-bound (SMART) goals for environmental and social impact. These goals should align with business strategy and stakeholder expectations.
- **Conduct Materiality Assessments:** Identify the sustainability factors that are most relevant to the company's industry, operations, and stakeholders. Materiality assessments help companies understand both the financial impact of sustainability and their broader impact on society and the environment.
- **Engage Stakeholders:** Collaborate with employees, investors, regulators, and customers to develop initiatives that align with broader business objectives.
- **Implement Key Performance Indicators (KPIs):** Define and track quantitative and qualitative metrics that measure progress toward sustainability goals. Companies adopting sustainability data practices may need to track a broad range of data points across multiple key areas.
- **Leverage Data and Analytics:** Collect, analyze, and visualize performance data using advanced technology solutions to ensure accurate, real-time insights.
- **Ensure Audit-Ready Data Governance:** Transparent data trails are critical for meeting investor and regulatory demands. Implementing automated audit controls ensures ESG disclosures are reliable and traceable.
- **Report Transparently:** Regularly publish performance reports that showcase achievements, challenges, and areas for improvement.

By setting ambitious yet achievable sustainability targets, businesses can demonstrate their commitment to responsible corporate practices and position themselves as industry leaders.



3. Leveraging Technology for Success

One of the primary challenges of sustainability data management is handling vast amounts of information across different business functions. According to a Workiva¹ ESG Practitioner Survey, 83% of executives find collecting accurate data to meet reporting requirements to be a major challenge, highlighting the need for efficient data management solutions. The IFS Cloud Sustainability Management Module provides a comprehensive solution that helps organizations streamline data collection and analysis through:

- **Centralized Data Management:** Ensures a single source of truth for performance tracking, eliminating inconsistencies and redundancies. Integrating ESG data from multiple sources—including operational, environmental, HR, and financial datasets—is essential to ensure accuracy and comparability.
- **Automated Data Management and Auditing:** Reduces manual effort, minimizes human error, and enhances accuracy. AI-driven tools help detect discrepancies, ensure data integrity, and support compliance with reporting requirements.
- **Real-Time Insights and Predictive Analytics:** Enables proactive decision-making based on sustainability metrics, forecasting future risks and opportunities.
- **Regulatory and Framework Alignment:** Supports compliance with various sustainability reporting standards and allows customization for industry-specific requirements.

- **Embedded ESG Data at the Source:** Capturing data directly at the source ensures greater accuracy, efficiency, and reliability. By integrating sustainability tracking into core operational systems, businesses can reduce data silos and improve reporting efficiency.
- **Seamless Integration with Business Systems:** Connects with enterprise resource planning (ERP), customer relationship management (CRM), and supply chain management (SCM) systems to provide holistic tracking.

The IFS Cloud Sustainability Management Module is designed to not only simplify reporting but also embed responsible business practices into operations, driving efficiency and long-term value creation.

1. Source: [Workiva 2024 ESG Practitioner Survey](#)



4. Turning Data into Business Value

Sustainability data should not be viewed as an administrative burden. It is an opportunity to drive business growth. Companies that leverage performance data strategically can:

- **Improve Market Positioning:** Differentiate themselves from competitors and attract eco-conscious consumers.
- **Enhance Investor Confidence:** Transparent practices attract investment capital and improve shareholder trust.
- **Increase Customer Loyalty:** Responsible brands enjoy stronger consumer trust and long-term customer relationships.
- **Optimize Supply Chains:** Data-driven sustainability efforts lead to cost reductions and improved efficiencies in sourcing and logistics.

- **Foster Innovation:** Companies that embrace responsible business principles often discover new opportunities and technological advancements that align with sustainability goals.

By making sustainability a core part of business strategy, organizations unlock new revenue streams and future-proof their operations in a rapidly changing business environment.



5. Taking the Next Steps

For companies looking to enhance their sustainability initiatives, the journey starts with:

- **Assessing Current Practices:** Identify strengths and gaps in existing efforts through comprehensive audits and stakeholder consultations.
- **Investing in the Right Technology:** Implementing tools like the IFS Cloud Sustainability Management Module to simplify reporting, data collection, and performance tracking.
- **Ensuring Enterprise-Wide Collaboration:** ESG reporting involves cross-functional teams, from finance to supply chain management. Deploying platforms that facilitate seamless collaboration ensures all departments contribute accurate data.
- **Committing to Continuous Improvement:** Sustainability is an ongoing process. Regular assessment, adaptation, and technology upgrades ensure long-term success.
- **Partnering with Experts:** Collaborate with sustainability consultants and industry specialists to optimize strategies and align with best practices.

By proactively managing performance and leveraging cutting-edge technology, businesses can not only meet stakeholder expectations but also drive sustainable growth and competitive advantage. To find out more about the ways IFS Cloud can help to realize your corporate and regulatory sustainability goals, visit [IFS.com](https://www.ifs.com).



About IFS

IFS is the world's leading provider of industrial AI and enterprise software for hardcore businesses that make, service, and power our planet. The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every single step, has made IFS a recognized leader and the most recommended supplier in our sector.

IFS develops and delivers cloud enterprise software for companies around the world who manufacture and distribute goods, build and maintain assets, and manage service-focused operations. Within our single platform, our industry specific products are innately connected to a single data model and use embedded digital innovation so that our customers can be their best when it really matters to their customers – at the Moment of Service .

The industry expertise of our people and of our growing ecosystem, together with a commitment to deliver value at every single step, has made IFS a recognized leader and the most recommended supplier in our sector. Our global team of over 7,000 employees every day live our values of agility, trustworthiness and collaboration in how we support thousands of customers.

Learn more about how our enterprise software solutions can help your business today at ifs.com.

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* Where "PwC" is referenced, it relates specifically to the collaboration with IFS and PwC UK, the UK member firm, part of the PwC network. Each member firm is a separate legal entity

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