



EDM Webinar

Playbook for Effective ESG and Sustainability Data Management

A tool for companies to produce reliable ESG data

A conversation with



Stuart Wallace
Director,
Financial Services
Consulting, AI & Data,
EY



David Wray
President
DFCG International
Group


EDM Council

Today's panel

Moderator



Carole Mahoney
Head of Member Support
Services
EDM Council



Stuart Wallace
Director, Financial Services
Consulting, AI & Data
EY



David Wray
President
DFCG International Group



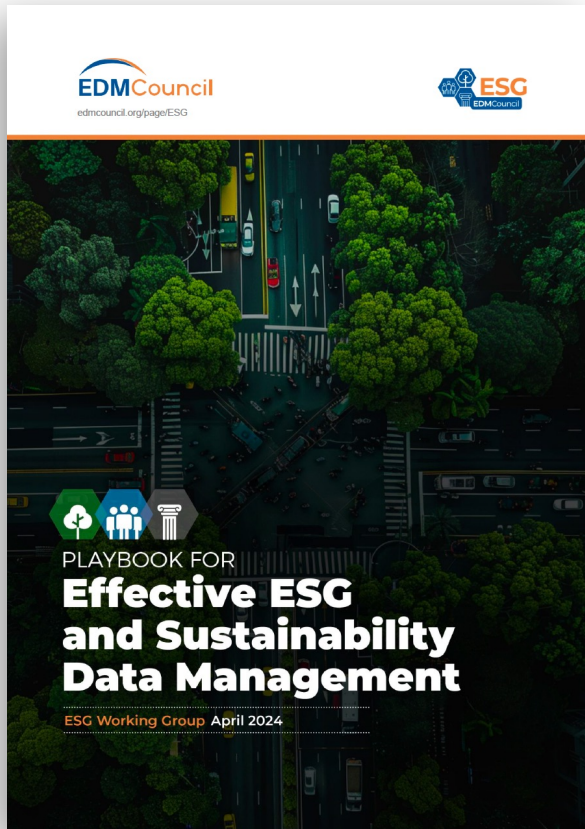
How would you rate the current quality of ESG data available to you today?

- **Poor**
- **Fair**
- **Good**
- **Excellent**

What best describes you?

- **Corporate Sustainability Professional**
- **Data Management Professional**
- **Accounting or Audit professional**
- **IT Professional**
- **Other**

Playbook for Effective ESG and Sustainability Data Management



This playbook is designed to help companies accelerate the design and execution of a data governance and management strategy for ESG and sustainability data and reporting by leveraging existing tools and known data management capability requirements.

[Click here](#) to learn more and download

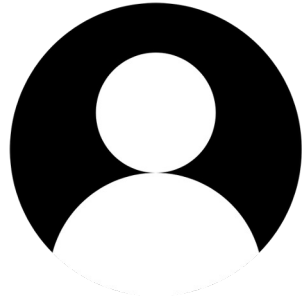
Why?

- There is a global shift in the demand for ESG and sustainability data and the way it is used
- Regulations and standards are coming
- Companies currently lack a corporate culture that fosters appreciation for the importance of data management in meeting disclosure requirements and successfully managing sustainability-related issues

Why this playbook?

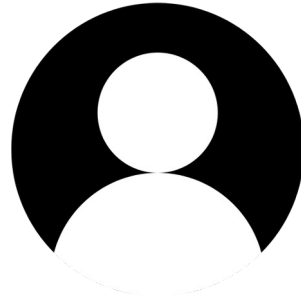
- The knowledge, processes, and tools for effective data management already exist, they simply need to be brought to ESG and sustainability practices
- Sustainability practitioners need to find a common language to engage with their counterparts in finance, data management, internal controls, and technology
- Time is of the essence

Who is this playbook for?



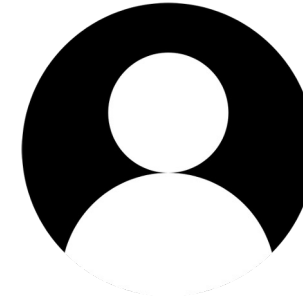
CSO role

- Equips them to understand the internal control and data management concepts that should be applied to their data requirements



CFO role

- Equips them to understand how application of the DCAM framework complements COSO principles and requirements and supports reliable financial and non-financial reporting



CDO role

- Equips them to understand how the COSO internal control framework complements their capabilities to establish proper ESG data governance and management

Are you familiar with the EDM Council's Data Capabilities Assessment Model (DCAM) ?

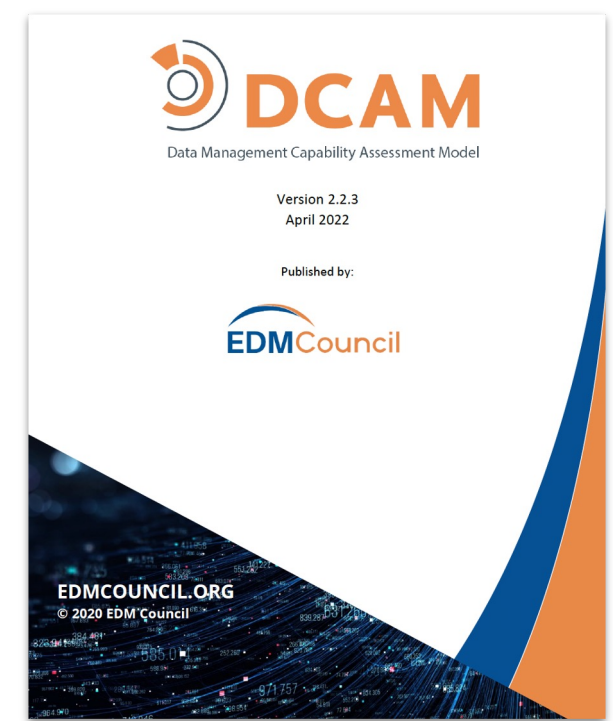
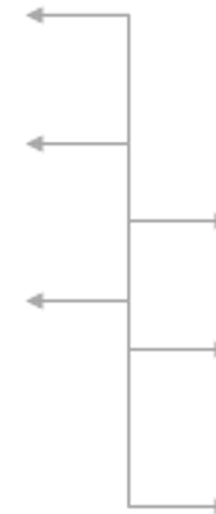
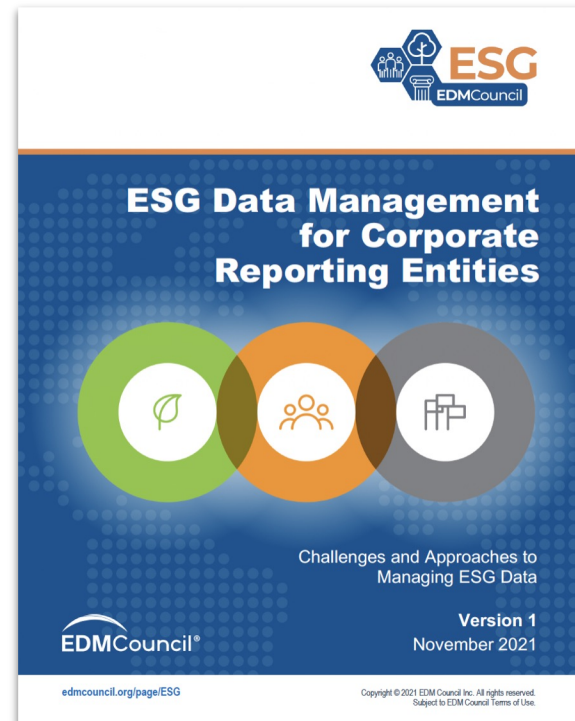
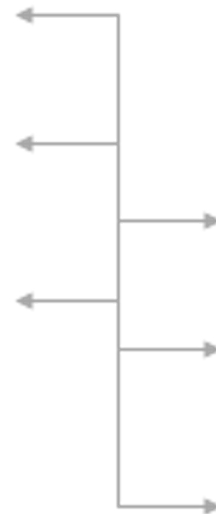
- **Not at all familiar**
- **Somewhat familiar**
- **Familiar**
- **Very familiar**

Are you familiar with the COSO Achieving Effective Internal Control Over Sustainability Reporting (ICSR) framework?

- **Not at all familiar**
- **Somewhat familiar**
- **Familiar**
- **Very familiar**

Our approach

- We mapped the relevant contents of two well-established frameworks in the field of internal controls and data management to identified ESG data challenges, and therefore to each other



- The ESG data challenges and key action items follow the logic of the data management capabilities value chain



Illustration of the data management capabilities value chain and milestones

- Readers less familiar with data management terminology are invited to consult the EDM Council's [glossary of terms](#).

Illustration of mapping in the playbook

3.4 Data Quality



The Issue

Effective and appropriate data quality rules are dependent upon both clear definitions and clear ownership.

Key Action Items

Define high-quality and trusted data as the critical objective of an ESG data management program.

1. Ensure adequate resourcing for effective data management, recognizing new ESG data requirements.
2. Maintain a business glossary that corresponds with the technical concepts in the organization.
3. Identify and document ESG data lineage aligned to business process architecture and controls.
4. Identify and document the ESG data decisioning traceability including the use of manual and automated models and calculations.

Where to Leverage COSO ICSR

Component Control Environment

- Principle 3. Establishes structures, authority, and responsibilities
- Principle 5. Enforces accountability

Component Risk Assessment

- Principle 6. Specifies suitable objectives

Component Control Activities

- Principle 11. Selects and develops general controls over technology
- Principle 12. Deploys oversight through policies and procedures

Component Information and Communication

- Principle 13. Uses relevant information
- Principle 15. Communicates externally

Component Monitoring Activities

- Principle 16. Conducts ongoing and/or separate evaluations

Where to Leverage DCAM

Component 3.0 Business & Data Architecture

- Capability 3.3 Identify the Data
- Capability 3.4 Define the Data

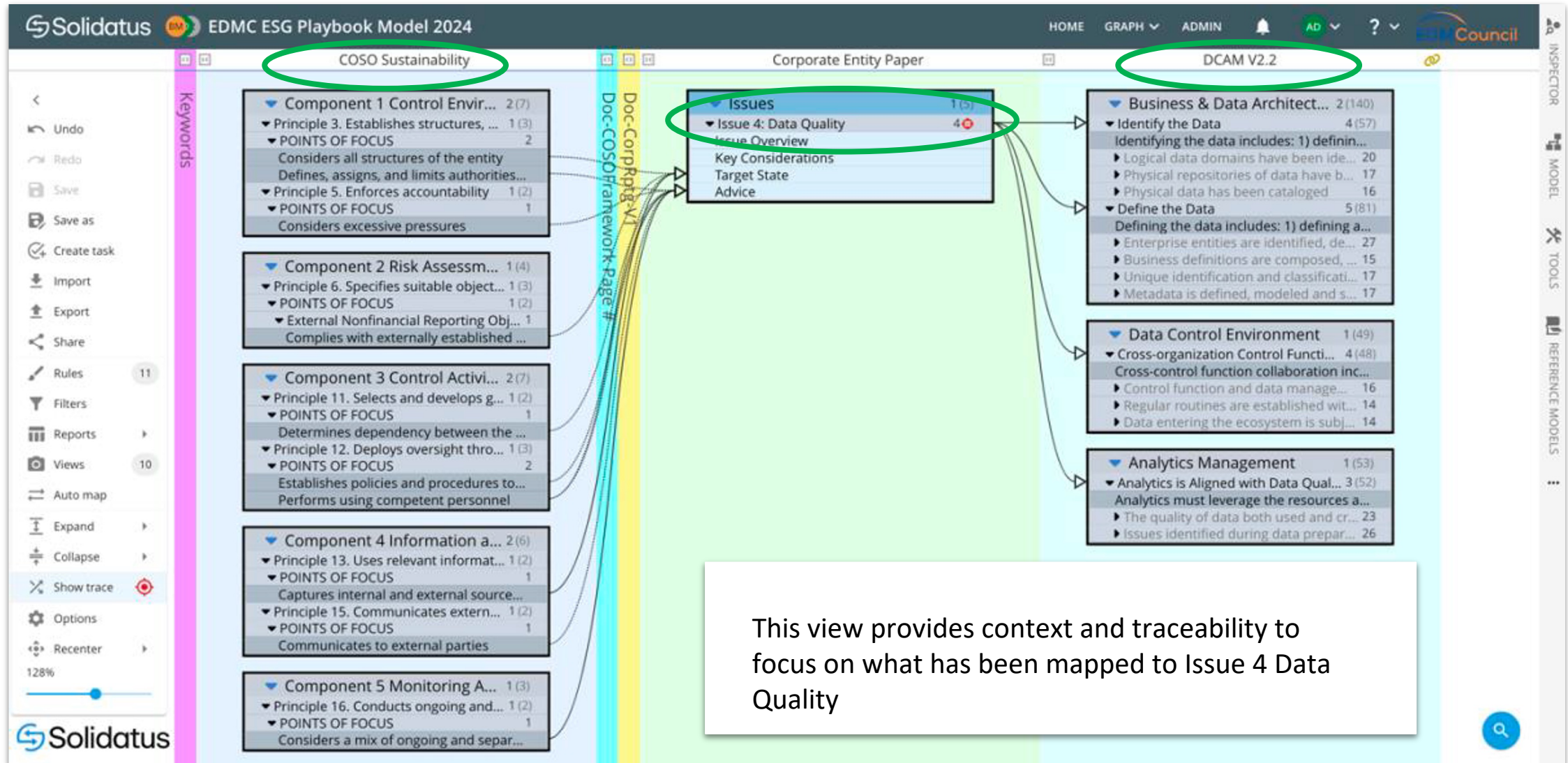
Component 7.0 Data Control Environment

- Capability 7.2 Cross-organization Control Function Collaboration

Component 8.0 Analytics Management

- Capability 8.4 Analytics is aligned with Data Quality

Illustration of mapping in Solidatus



An example of mapping the contents

3.2 Assigning Accountability



The Issue

Assigning accountability for reporting data at a level that carries executive authority.

Key Action Items

Update board charters, roles, and responsibilities to embed accountability for ESG and sustainability reporting.

1. Directly link sustainability responsibility and oversight with explicit titles, functions, and job descriptions at all levels, including clear accountability for disclosures.
2. Include ESG reporting performance in executive, middle management, and subject matter expert evaluations and compensation.
3. Ensure feedback and approval mechanisms or controls are working effectively, change them as needed, and define sign-off on reporting.

Where to Leverage COSO ICSR

Component Control Environment

- Principle 2. Exercises board of directors' oversight responsibilities
- Principle 3. Establishes structures, authority, and responsibilities
- Principle 5. Enforces accountability

Component Risk Assessment

- Principle 6. Specifies suitable objectives

Component Control Activities

- Principle 10. Selects and develops control activities
- Principle 12. Deploys oversight through policies and procedures

Component Information and Communication

- Principle 14. Communicates internally
- Principle 15. Communicates externally

Where to leverage DCAM

Component 1.0 Data Management Strategy & Business Case

- Capability 1.1 The Data Management Strategy (DMS) is Specified and Shared

Component 2.0 Data Management Program & Funding Model

- Capability 2.3 The Data Management Organizational Structure is Created and Implemented

Component 5.0 Data Quality Management

- Capability 5.1 Data Quality Management (DQM) is Established
- Capability 5.3 DQ Issues are Remediated

Component 6.0 Data Governance

- Capability 6.1 The Data Governance (DG) Function is Established
- Capability 6.4 Govern the Data Structure
- Capability 6.5 Govern that the Data is Fit-for-Purpose

Component 7.0 Data Control Environment

- Capability 7.2 Cross-organization Control Function Collaboration

Data issue 3.2 Assigning accountability for reporting data at a level that carries executive authority

An organization may be at one of many various stages of their sustainability journey, which directly impacts how to assign accountability for ESG data. For many organizations, ESG is not subject to executive management oversight because reporting remains within a business silo, such as human resources, investor relations, or corporate responsibility. Senior management of such organizations typically perceive ESG issues as non-material, and reporting is seen as a communications exercise.

However, external stakeholders—including investors, customers, communities, and regulators— increasingly expect the board of directors to oversee the integration of ESG considerations into business strategy and monitor performance over time.

Companies with leading sustainability practices have established board-level oversight of ESG risk and opportunities, well-defined governance structures, charters, policies, and processes designed to integrate ESG into strategy, risk management, performance measurement, and reporting.

COSO ICSR guidance

Component Control Environment - Principle 2. Exercises board of directors' oversight responsibilities

The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control. (ICIF-2013-2)

Oversight by an independent board of directors serves as a check that management is acting in accordance with the organization's sustainable business objectives.

► **Establishes oversight responsibilities** - A board of directors executes its responsibilities over sustainable business management through a system of oversight that facilitates the organization's satisfaction of mandates and expectations. Often, the organization's board of directors establishes structures, such as a designated committee or subcommittee, to oversee the organization's sustainable business activities and reporting. This may necessitate amending existing organizational documents such as the articles of incorporation, bylaws, or charters.

DCAM framework

Capability 2.3 The Data Management Organizational Structure is Created and Implemented

Capability 6.4 Govern the Data Structure

Capability 7.2 Cross-organization Control Function Collaboration

Playbook action items

Update board charters, roles, and responsibilities to embed accountability for ESG and sustainability reporting.

1. Directly link sustainability responsibility and oversight with explicit titles, functions, and job descriptions at all levels, including clear accountability for disclosures.
2. Include ESG reporting performance in executive, middle management, and subject matter expert evaluations and compensation.
3. Ensure feedback and approval mechanisms or controls are working effectively, change them as needed, and define sign-off on reporting.

How to use the playbook

- OPTION 1: start with a data challenge



- OPTION 2: run down the list of key action items



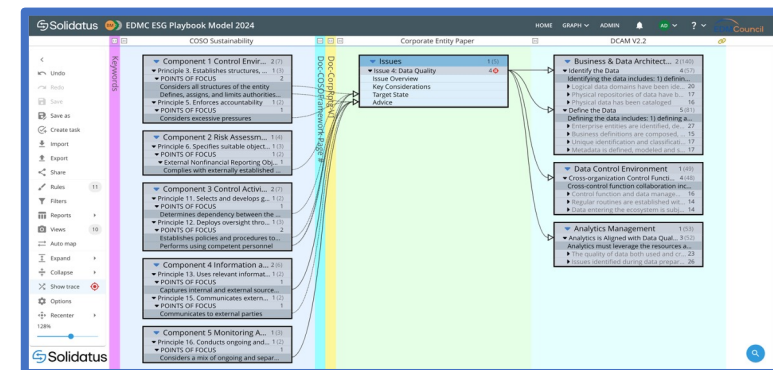
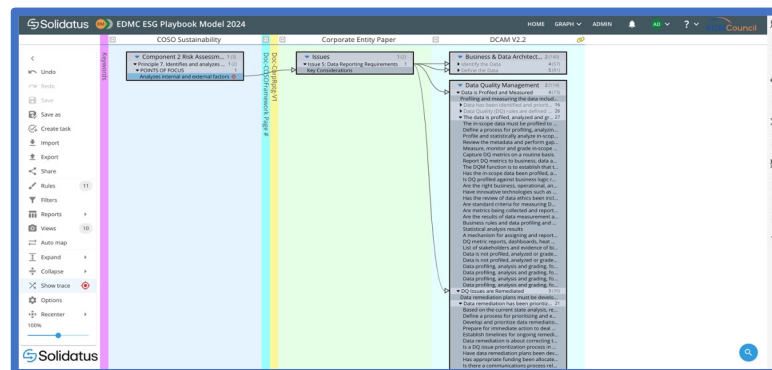
Key takeaways

- You need quality ESG and sustainability data to (i) make good management decisions and (ii) produce audit ready, reliable disclosures
- You don't need to reinvent the wheel – use tools that already exist and are fit for purpose
- You do not need to do it alone – this is a team sport involving finance, internal controls, data and IT. **Use this playbook to convene the discussion.**

The knowledge and tools to achieve quality ESG data and disclosures already exist within an organization and simply need to be brought to the rapidly emerging sustainability management and reporting practices.

Navigating the Solidatus Map

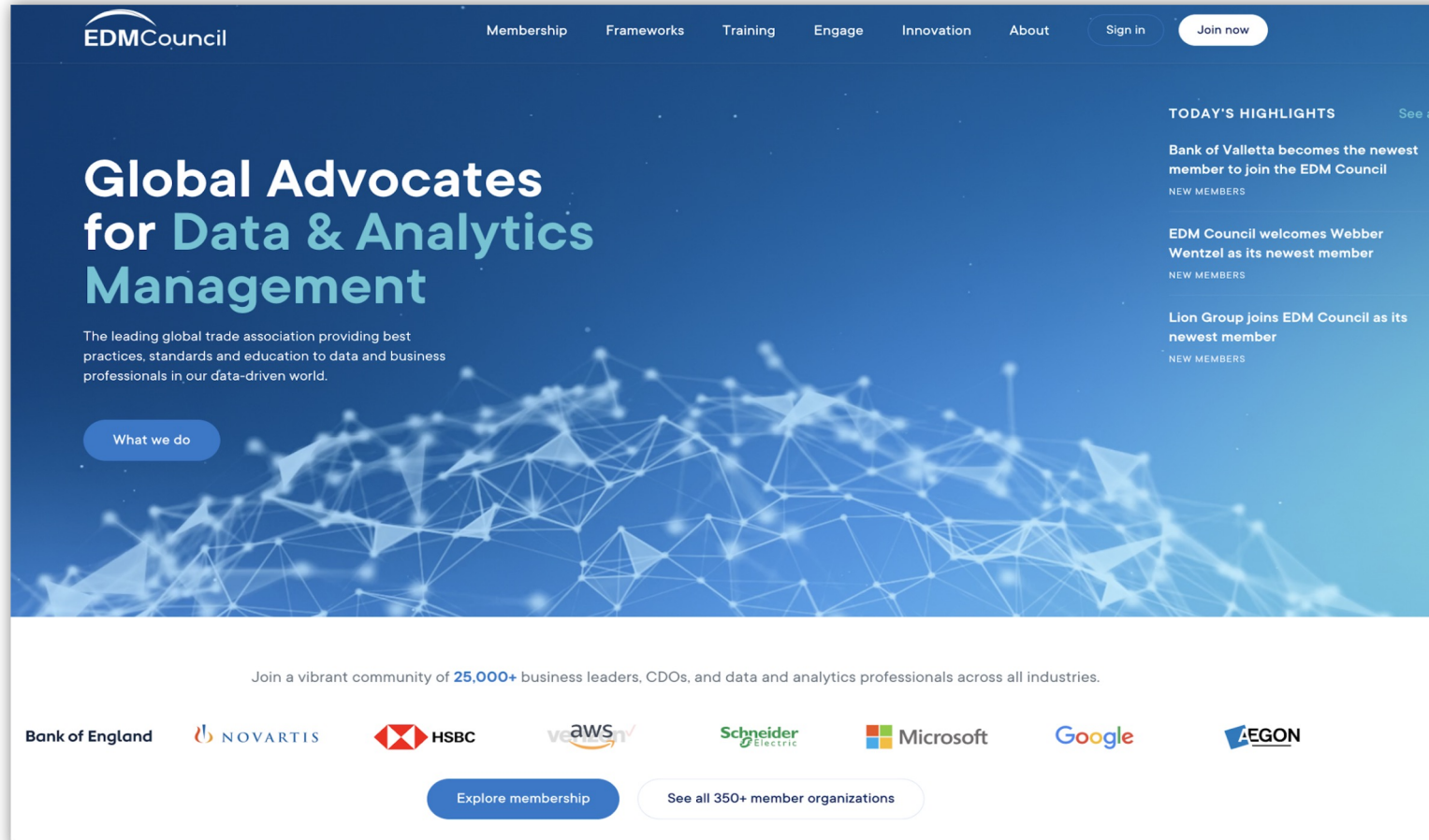
- The ESG Data Playbook has been mapped in Solidatus and is available to all EDMC members
- Solidatus allows all to navigate mapping and review source text, providing a knowledge base to deepen understanding and explore recommendations
- Map can also be integrated into existing Solidatus estates to support action assignments and tracking
- We will demo ability to review both individual and thematic data challenges



Questions?

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