



Series: How to set up your ESG data, technology,
and people for success

5. How to set up your sustainability IT and data
organisation for success



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How to set up your sustainability IT and data organisation for success

So far, we've considered the issues that sustainability raises for technology and data. Ultimately, though, business value requires the whole organisation to embrace sustainability, and this article considers how to start and be well-equipped for that journey.

The need to break through organisational silos

Becoming a sustainable organisation is quite an endeavour for many. Those finding it easier are the ones created from the outset with sustainability at their core – e.g. Patagonia – and can provide a useful model of what good looks like, as a beacon for transformation.

Achieving sustainability requires both efficiency gains *and* transformational change. An individual or a business function in isolation won't make a large impact or reap the significant societal and economic benefits of sustainability. It is a multi-faceted problem that requires siloes across the business to be brought together. The scale of that change can feel daunting, and a successful outcome requires a modular approach and a holistic perspective.

A modular approach to sustainability transformation breaks the change into more manageable near-term and long-term components, and will help to secure buy-in for the transition. As such, it's especially important to involve the business-wide view of the CEO and C-suite. Sustainability has shifted from being one person's side project, through being a peripheral business function, and now demands to be central to the purpose and economic growth of every business.

There are many sustainability perspectives and frameworks, but businesses still lack a holistic blueprint of what they need to do to become more sustainable. With many components and solutions to sustainability, the sheer volume of information makes it hard for a business to navigate "Where am I in my sustainability transition journey, and what do I need to do next?" To address this question, a blueprint is essential, as it guides the business towards the transition. Even a generic blueprint gives leadership and implementers a broad picture of the territory, which helps them understand the pathway of actions needed to achieve their goals. Below, we've outlined five steps to guide your transition.

Sustainability transition in five steps



Figure 1 – Sustainability transition and Climate change response journey – Deloitte's five steps approach will set your organisation on the right path in developing its climate & sustainability response.¹

1) Commit to a Climate & Sustainability change aspiration

All change requires inward reflection. By taking the first step, to reflect, you discover more about your current sustainability activities. Which sustainability activities are you currently doing? What's the maturity level of your activities? How do those activities fit into your overall sustainability maturity? How does that maturity compare to where you want to be? What commitments will leaders and the whole organisation need to be aligned behind your climate change aspiration, and it should be actionable and translated into targets aligned with how your organisation creates value.¹

¹ Deloitte. [Five steps to accelerate to zero | Deloitte Australia | About Deloitte, Climate change](#). 01 August 2021.

2) Develop a Climate & Sustainability change strategy

In part of this planning stage, activating a change management program is suggested to enable successful transition. Like any large transformation program, success is reliant on the right governance, delivery portfolio, and effective change management program based on holistic understanding of risks and opportunities. As with technology implementation an adaptive, flexible approach should be used – recognizing that regulation, technology availability, costs and the expectations of investors, financiers, employees, citizens and customers are changing rapidly and asymmetrically.¹

3) Align your organisational model

“Organisational model brings together the capital, operating, technology and governance decisions to focus on delivering on your climate change strategy. This includes ensuring that information systems and organisational processes such as business cases and procurement and investment choices support transparent trade-off decisions, integrating climate considerations across your organisation. A portfolio wide view should be taken, aligning your organisation structure and composition to address identified risks and opportunities and realising value through early divestments and acquisitions.”¹

4) Enhance organisational capability

Organisational capability enables strategy execution, innovation and transformation. Leadership will need to be confident and accountable, with the ability to clearly communicate your climate change aspiration, and with incentives aligned with its realization – tailored by business function. Successful adoption across the organisation requires a full culture shift across each business function culture should be supportive of your aspiration and be regularly reinforced by leaders. Targeted education across the organisation will be critical to ensure that all your people have the capacity to make the many decisions that will be needed to deliver your climate change targets in the optimal way. Thus breaking the silo - making the full organisation is responsible for being part of the climate and sustainability strategy and reinforcing your talent for pool to embed sustainability in their core operations.¹

5) Regularly monitor and report

In addition of not only monitoring and reporting your key performance indicators (KPI's) for sustainability compliance and regulations. “Organisations also need to regularly monitor and report performance for all stakeholders, including management, regulators, investors, financiers, employees, customers, suppliers and citizens. This should be data-driven, embedded within your existing monitoring and reporting systems, provide clear validation of the efficacy of climate related initiatives and enable real-time adjustment of settings to improve performance. Monitoring and reporting should be used to adaptively adjust the climate strategy to changing context and stakeholder preferences and requirements.”¹

How to break the silos - what roles and activities are required for the sustainability transition?

In order to break through siloes, and become ready for a successful sustainability transition, you should identify which capabilities, roles and technology are needed in which business functions. Based on our experience of advising organisations in their sustainability journey, we created a framework of common business functions and the activities they typically perform in a sustainability transformation. Although every business and industry is different, as a general starting point we identified more than 100 distinct actions that should happen in the transition of becoming a sustainable organisation. Each action is aligned to a business function, and activities range from starting points to leading practices for sustainability transformation. Below is an illustrative example of the sustainability transformation framework that shares a snapshot of suggested activities for each business function:

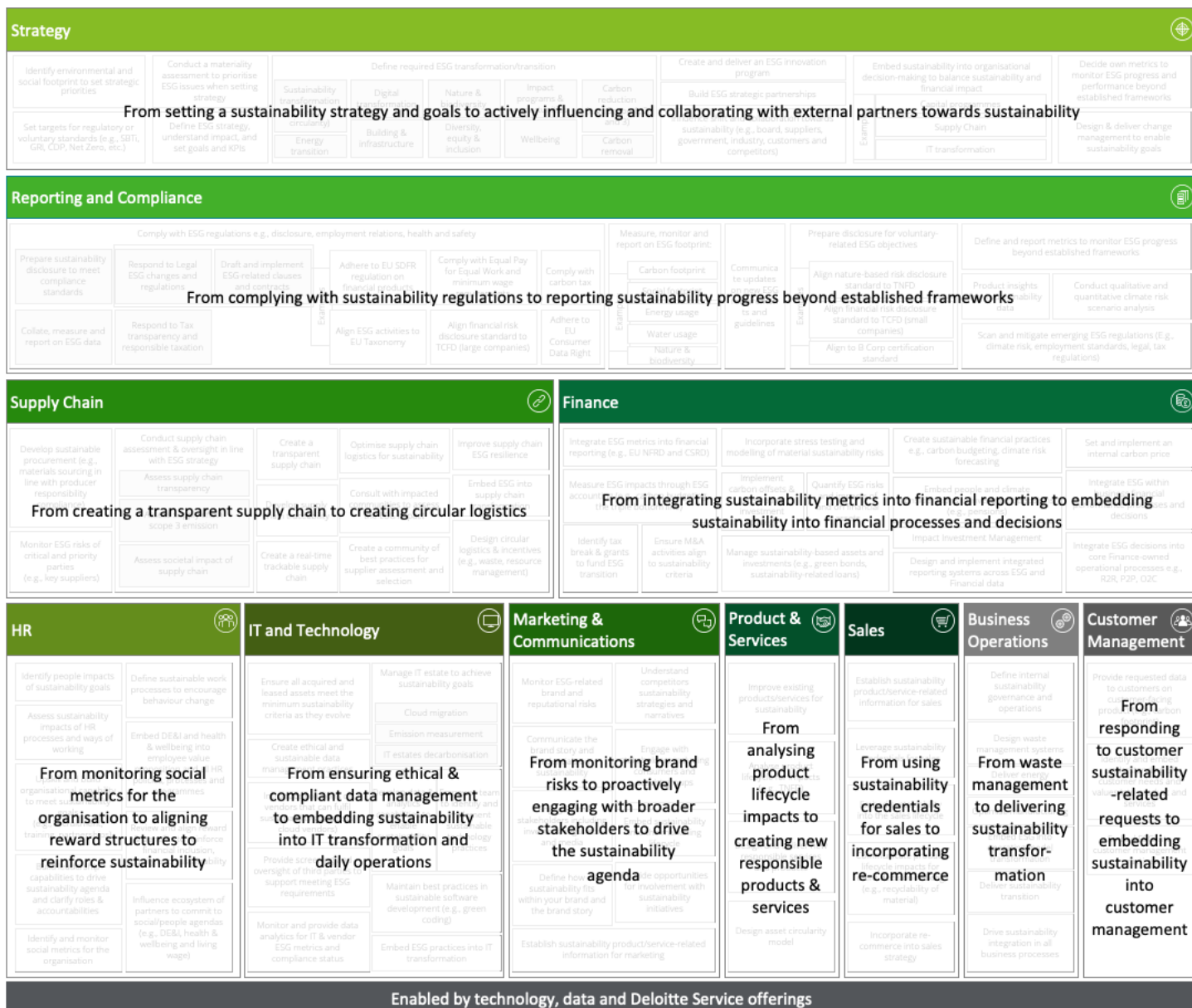


Figure 2 – Sustainability Transformation framework – a snapshot of sustainability activities organised per business function that addresses the question of ‘What are the recommended activities to become a sustainable business?’. This snapshot is based on an illustrative summary of the 100+ activities identified to achieve sustainability transformation across an organisation.

How to attract sustainable talent

The work ahead is substantial, and many organisations are discovering that it will need new skills and values. Some employers might find those already available in-house, amongst people working in other functions. Others might have to look externally, and sustainability is now driving high demand in recruitment.

To meet your sustainability goals, consider if your organisation is ready to attract the best talent. Recent research indicates that [34% of Millennials](#) won’t work for an organisation they perceive to have a negative impact on the natural world.² Research also suggests

² BCG. [Put Talent at the Top of the Sustainability Agenda](#). 11 January 2023.

that 60% of UK job hunters research company sustainability commitments before accepting an offer,³ and LinkedIn indicates that the number of job postings asking for sustainability skills grew by 8% per year over five years.⁴

Such a perception of your business doesn't need a cursory PR campaign, but a clear and open sustainability strategy, which resonates with the talent you need, and is backed up with authenticity, purpose and action.

In the longer term, we expect that distinct "Sustainability" functions could cease to exist, as sustainability permeates how organisations work and becomes part of every job, just as the typing pool has now become obsolete.



Spotlight on the Information and Technology function

How to organise around the data: distributed data generation and central oversight

Typically, data will be generated at, and checked by, various sites and departments. For example, tracking electricity and water usage is typically managed on a local level, by country or even by site. For manual data capture, local data entry roles will be needed, and we usually advise that data quality is also checked locally.

A central function should oversee collecting and validating the data for reporting and performance management purposes. This system of controls and processes will eventually need to be as rigorous as those for today's financial reporting, in order to meet all regulatory standards.

Needless to say, this can result in a huge amount of additional work. Hence, identifying automation opportunities at an early stage can save a lot of effort and cost in the future.

Making the right decisions today will set you up for success tomorrow

Make good use of your investment in sustainability data. As already discussed, well-chosen KPIs will reflect your organisation's strategic aims, and align with the rationale behind your actions. Robust sustainability data and up-front transparency will provide solid evidence and the confidence to take action.

Doing something is better than doing nothing, and technology can be a useful focus for practical action that drives value today and into the future. We hope this series of articles has provided useful insights, for understanding both the broad landscape and the practical steps to help your organisation's transformation from "doing Sustainability" to "being sustainable."

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³ LloydsBank. [6 reasons it pays to go green](#). 27 October 2020

⁴ LinkedIn. [Our 2022 Global Green Skills Report](#). 22 February 2022



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