

A photograph of four diverse professionals in an office. A man in a dark suit is on the left, gesturing towards a woman in a light blue blazer. Behind her stands a man in a white shirt. In the foreground, a woman with grey hair is sitting at a desk, smiling at a laptop. A coffee cup is on the desk. The background is a blue wall with a wooden bookshelf on the left.

# 2024: The Spotlight is on Sustainability Data

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In 2023 sustainability reporting around the world became clear and harmonized, with [alignment to common standards](#) for regulatory reporting, financial reporting and audits. In 2024 thousands of companies will be preparing reports using these new standards for the first time. While it may be tempting to do the least work possible and see how reporting goes, this is actually a very risky strategy. This white paper is an overview of the surprising changes that make 2024 a year to focus on sustainability data. Rigorous data preparation will pay off in terms of revenues, valuations and risk reduction.

The first section of this white paper reviews three changes that may surprise you, each leading to the use of higher quality sustainability data. The second section lays out the method prepare better sustainability data. Every company faces a 'make vs buy' decision in 2024 and 2025: Build an in-house system for sustainability data preparation or use a data preparation service from a certified provider. You'll get the information you need to make that decision in the second section of this paper.

## #1 Estimated Sustainability Data is Now Third-Rate

In the era of voluntary reporting – e.g. before 2024 – everyone used estimated sustainability data. Typically, these were industry averages of carbon emissions taken from very stale government reports, and the data was quite high level. But customers and investors were annoyed: they want to track your reduction progress each year. But the estimates are the same every year. So, the new standards require actual data, and cap the use of estimated data. As you file with regulators, issue financial statements and comply with supply chain requests, expect to disclose your use of estimated data, line by line.

Getting actual sustainability data can be hard. Key data inputs for water, waste and energy are trapped in business invoices and utility bills, e.g. PDFs. Getting that data is not a matter of pulling it from a database, but actually working with the complex PDF to identify the key inputs, liberate them, and then organize them for use. This is a very difficult process to do manually or to scale. But building a specialized in-house solution can be expensive and can take months. Preparing actual sustainability data is a must-have, but not cheap.

## 2024 is the Year of Actual Data.

## #2 Granular Data for Reduction Plans and Product-Level Reporting

With required reporting starting in 2024, everyone is scrambling to establish baselines of consumption and releases for energy, water, waste and emissions. Getting the data right is important, as your business will be held accountable to this starting point. But baselines are not enough.

The new standards also require reporting a credible plan for emissions reductions, specifically how much money will be spent on the reduction plan over the next five years. The largest supply chains – Apple, Microsoft, Amazon, EY and others – also require reporting emission reduction plans and progress.

So, before you can report out, you'll need a credible reduction plan, tied to actual changes and the cost of those changes. This bottom-up mentality requires granular data, e.g. data by site, type of equipment and the cost of change for each component

Further, if you report into supply chain consortia, you'll find they now require product-level emissions reporting. This is another driver of granular data, as carbon emissions must be allocated to the products produced. Fine-grained production data is required.

**2024 is the Year of Granular Data.**

## #3 Disclosable Data for Consistent Reporting

The third – and possibly surprising – change in sustainability reporting is how widespread the data sharing will be. Reported sustainability data will be stored and shared across the EU, for public and private companies. Capital market data providers are already set up to allocate and assign your reported data to your supply chain and every financial security issued by your company. Basically, every data item reported will be sliced, diced and carefully analyzed. This will affect vendor choices, access to capital and company valuations.

The problem for sustainability and finance teams is consistency. Suppose you are using manual methods today and want to hang onto them for one more year. But next year you'll find that changing data prep method also changes results. For example, it is easy to show how a change in method leads to a 10% change in baseline emissions, a change so large that it swamps the 7% reduction progress you made. That's a lot of explaining to do.

So, before you dig in to 2024 data preparation, think ahead to consistency in your disclosures over time. Avoid a stumble by getting it right from the start.

**2024 is the Year of Disclosable Data.**

# Actual. Granular. Disclosable.

These keywords sum up the 2024 focus on sustainability data. New requirements have raised the data quality standards.

There is a common saying “You can’t manage what you don’t measure.” The world of sustainability has arrived at this moment. The previous era of “nice to report” has ended, and the new era of “full transparency through mandatory reporting and widely-scrutinized disclosures” has begun.

In the next section, we layout the the method and requirements of how to produce the actual, granular and disclosable data that is now required. And we’ll show how this data can pass audits. In sum, we’ll focus on data that is trusted and reliable.

## **2024: The Spotlight is on How Sustainability Data is Prepared.**





# How to Produce Reliable and Trusted Data

## What is Reliable Sustainability Data?

Let's take a moment to define Reliable Data. In the world of finance and auditing, reliable data is "decision-useful", meaning that the data is timely, accurate, validated, complete and without bias. In addition, the data types and definitions make sense for the context in which it will be used. In this world, the data is so well prepared, that a change in data is meaningful, not noise. Investors and other data users can rely on decision-useful data.

## What Does it Take to Produce Reliable Sustainability Data?

The next page shows our answer to this question in the form of a 15-point checklist. 15 items is a lot; producing reliable sustainability data is not an easy task.

For finance teams, the checklist has a ring of familiarity. With the new standards, sustainability data is being produced as rigorously as financial data, and with many of the same methods. But there are three items that are new and different. These are called out over the next two pages.

## HOW TO PREPARE RELIABLE SUSTAINABILITY DATA

### Assemble a Cross-Functional Team

Sustainability data preparation is an entirely new business process, and it takes mix of skills and expertise to build a new system.

Here's who needed:

#### Procurement

*who knows where a lot of data lives*

#### Data Ops

*to enable data flows, with appropriate security*

#### Sustainability

*who has the use case expertise*

#### Data Experts

*someone who knows how to read the source data*

#### Project Management

*it will take at least 7 to 9 months to mount the new system*

1. Assemble a cross-functional team
2. Include all assets and data sources, but no duplicates
3. Track changes in assets and data sources
4. Handle Primary Data sources, including data in complex PDFs
5. Track data lineage and chain of custody
6. Track and validate data completeness
7. Track and validate data accuracy
8. Add in other data sources (company-specific and third-party) so the sustainability data can be used in other business systems
9. Format, customize and validate for each target data schema to deliver decision-useful data in context
10. Deliver data with speed and at scale.
11. Monitor the system health
12. Define user roles and limit access accordingly
13. Comply with security and privacy requirements
14. Build and use a system for risk identification and mitigation
15. Build and use a multi-level governance system



## Track Changes in Assets & Data Sources

At its core, sustainability data is tied to physical assets. And these keep changing. Think about your payroll system, and how easy it is to onboard and offboard an employee. Employee turnover is the norm, and the system is ready for it. The same should be true for the assets and data sources that underlie your sustainability report. Expect your portfolio to change as leases end, new properties are acquired, accounts are closed, and so on.

Track these changes carefully, as they are a key source of reporting errors. It's easy to under or over report emissions without an asset and data source tracking system.

## Handle Primary Source Data

Every company using actual data in sustainability reporting faces a tough challenge: Key data inputs on energy, water, waste and emissions are not in business databases. No one needed this data before, and it was not prepared. Sustainability data must be prepared from the original sources, known as Primary Data.

Most of the Primary Data are business invoices and utility bills. These are PDFs. There is no shortcut to getting the data out of these documents. And sometimes they are quite complex.

While many companies try to use manual data entry, it is slow and error-prone. Plus, expenses skyrocket once granular data is included. A customized, automated solution is required for accurate data at scale.

Focus on your Primary Data sources and solve the data capture problem. Document your methods and be ready to share with your auditors. They will want to see the output and how it tracks back to the original Primary Data.

In 2024 the spotlight will be on sustainability data. Actual. Granular. Disclosable. Reliable. Prepared as rigorously as financial data. Who doesn't want data like that? In the world of sustainability reporting, market forces are making this data quality level a must-have.

Data preparation is the hardest challenge in sustainability reporting, and in 2024 investors and regulators are bearing down on companies, requiring disclosures on data quality and methods.

Few companies have recognized the level of investor impatience with estimated data. Few companies have recognized that a credible reduction plan starts with granular data. Few companies have recognized how widely their sustainability data will be shared. And almost no company has built a fully operational sustainability data preparation system. 2024 is the start of a new era.

We built GLYNT to conquer the challenge of sustainability data preparation. Our automated, certified system delivers actual, granular, audit-ready data at scale. Using the same methods as in financial reporting, GLYNT data is reliable. And GLYNT is cost-effective, with 70–80% cost savings over manual *ad hoc* systems. Every company faces a make or buy decision on sustainability data preparation. There's a good business case for GLYNT.

 | The Sustainability  
**GLYNT.AI** | Data Company

GLYNT is The Sustainability Data Company, producing investor-grade data for businesses around the world. Our audit-ready sustainability data enables accurate reporting, operational efficiencies and access to financial capital. With a purpose-built machine learning system, GLYNT is the automated solution for all types of water, waste, energy and emissions data. Speed work, lower costs, and power ESG, carbon accounting and other business systems with accurate, actual data from GLYNT. Learn more at [glynt.ai](https://glynt.ai)

