



**How can  
the C-suite  
drive more  
sustainability  
impact with  
data and  
technology?**



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# Content

Exploring the role of  
data and technology in  
helping CEOs, CFOs, and  
CSOs drive a profitable  
sustainability agenda

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# Intro

**For most corporations today, there is no longer a choice between being a profitable organization or being a sustainable organization. They must be both.**

**The time for setting ambitious sustainability targets has come and gone; now, stakeholders expect results. However, recent EY research shows that many businesses do not have credible sustainability plans in place, while a growing number of leaders are daunted by the sheer scale of transformation required.<sup>2</sup>**

From working with businesses on their sustainable business practices and consulting on transformation best practices, EY has identified three leaders who are particularly important to sustainability success: the CEO, CFO, and CSO. Here, we refer to this subgroup as the executive sustainability team (EST) – those individuals principally responsible for bridging the gap between ambition and action.

This guide exists to help the EST understand the true value of data and technology as an enabler for sustainability success. Here, each chapter is dedicated to one of these three executives, exploring their specific challenges, how data and technology can support them in delivering a profitable sustainability agenda, and some rules that can help them ensure success.



**66%**

**Two-thirds of boards believe their enterprises can only be resilient if they are environmentally sustainable.<sup>1</sup>**

**41%**

**of businesses have transition plans in place to mitigate the risks of climate change.<sup>3</sup>**



# The CEO

Every transformation starts at the top. So, the CEO must lead the change by integrating sustainability into their corporate strategy and inspiring commitment and action throughout their organization, all while maximizing profit and shareholder value.

Fortunately, there are synergies here. Increasingly, shareholders will only invest in those companies with sustainable business models that have the potential to generate growth and protect value over the long term. Question is, how can a focus on data and technology help CEOs address these demands?



## Common challenges

Against the backdrop of economic uncertainty and the “ESG backlash” in the US and Europe, many CEOs have dialed back on their organization’s sustainability initiatives<sup>7</sup>. Profitability and business resilience have to come first. However, when committed to ambitious sustainability targets, the optics aren’t good.

The good news is that data and technology can be a big help. Investing in establishing a strong data strategy and foundation, along with strategic technology systems for assessing sustainability performance, is a crucial first step. With a bedrock of trusted data, everyone with decision-making responsibility, from C-suite to lower-level executives of the organization, can make more informed decisions that reduce financial implications for the business and instill confidence that profitability and sustainability can coexist.

One area where technology can help CEOs is with their organization’s supply chain. For example, does their current supply chain help them meet promises to the market

regarding sustainability and financial resilience? Can their supply chain partners help them transform their market position and perhaps even develop a competitive advantage?

By using sustainability as a way of creating and protecting new sources of value, what EY organization calls value-led sustainability, CEOs can verify whether their actions are making a significant impact, adapt or develop their corporate strategy as required, and build a sustainability culture that brings everyone on the journey. And it all starts with a foundation of reliable data.



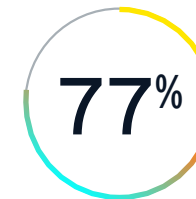
“Sustainability must be a top priority. Data is key to really also measure sustainability, to take action. So it’s about leadership from the top and it’s about technology as an enabler.”

**Christian Klein**  
CEO, SAP.<sup>8</sup>

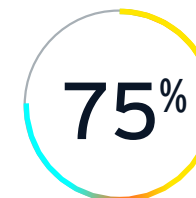
### KEY STATS

#### The CEO’s sustainability challenges - at a glance

A quarter of CEOs have de-prioritized sustainability, mainly in the face of short-term financial or economic headwinds.<sup>4</sup>



Over three-quarters of CEOs agree that sustainability issues will increasingly impact their supply chain and ecosystem partners.<sup>5</sup>



75% of CEOs say that technology and AI hold the answers to many of the key sustainability challenges they face.<sup>6</sup>

# 5 KEY RULES

for CEOs when leveraging data  
and technology for sustainability

- 1. Set the sustainability agenda from the top down:** To transform a business into a sustainable enterprise, CEOs should lead by example. That means being a role model, setting the agenda, consistently communicating the vision internally and externally, and developing a sustainable culture throughout the organization.
- 2. Keep decarbonization targets front and center:** Now the “low-hanging fruit” is gone, momentum is key.<sup>9</sup> A relentless focus on sustainability commitments and targets is necessary to unlock action, cut emissions faster, and create more financial value.
- 3. Enable and support senior leadership with technology investments:** CEOs can set purchase or supplier mandates for the people beneath them to procure the most effective technologies, as well as oversee the process to feel confident that any proposal aligns with the corporate vision and improves organizational decision-making.
- 4. Future-proof portfolios:** With investors demanding more from corporations regarding sustained performance and long-term value, CEOs should proactively seek out portfolio opportunities that enhance their sustainability credentials and build corporate resilience.
- 5. Build strategic relationships and partnerships where relevant and effective:** Coordinated and consistent action by companies and their partners is crucial for effectively addressing the impacts of climate change. CEOs can exert their influence to simplify the sustainability journey for all partners in the value chain.



# The CFO

In the “Age of And,” an era characterized by fast-increasing complexity and accelerating interlinked disruptions, CFOs are now addressing multiple financial performance challenges and opportunities in parallel. As such, the CFO’s role is transforming from a “financial scorekeeper” to a Value Architect.<sup>10</sup>

Arguably no place is this more evident than in corporate reporting, which requires CFOs to articulate the company’s financial and nonfinancial metrics to a broad group of stakeholders, including investors, customers, suppliers, employees, non-governmental organizations and the public at large.

With sustainability imperatives increasing the demand for creating and measuring long-term value, data and technology are the tools that can enable CFOs to enhance financial and nonfinancial reporting, promoting sustainable operating models.





## Common challenges

CFOs face complex and contradictory demands. On the one hand, they are under increasing pressure from boards and investors to cut spending and drive efficiencies for short-term gain, while on the other, they are being asked to drive long-term value through sustainability.

Given such competing pressures, it is perhaps unsurprising that so many finance leaders are skeptical of sustainability success and are prioritizing the reduction of sustainability spending in the short term.

However, with other stakeholders demanding more in the way of results, now is the time to accelerate sustainability initiatives, not halt them. And as the rigor of reporting nonfinancial data moves toward that of financial reporting, the CFO is at the center of this transformation. Only with integrated financial and nonfinancial metrics can CFOs see the full picture and be clear on the actions required to manage risk, protect their organizations, and seek opportunities to pursue sustainable growth while improving corporate value.

In this regard, engaging more directly with data and technology can help CFOs develop a higher-performing finance function, especially as CFOs are the individuals with the financial acumen to understand the economic impact of sustainability decisions.

One area, in particular, that's worth paying close attention to is AI. The use of AI and automation can augment the CFOs' ability to integrate and analyze nonfinancial data within corporate reporting. In turn, this can help CFOs allocate the right capital funds to those sustainability projects that will make the biggest difference, and generate the most value.



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The best CFOs are really clear on the outcomes they are driving toward both the short-term outcomes and the long-term outcomes and the benefits to their organization.

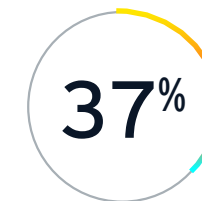
**Deirdre Ryan**

Global Finance Transformation Leader, EY <sup>14</sup>

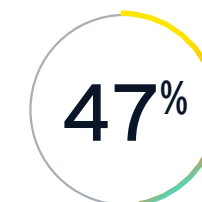
### KEY STATS

#### The CFO's sustainability challenges - at a glance

Regulations such as the EU Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy are triggering change in reporting and management routines.<sup>11</sup>



of CFOs stated their organization plans to reduce or pause sustainability spending in the next 12 months.<sup>12</sup>



Only around half of finance leaders think it is very likely that corporates will achieve their stated sustainability targets.<sup>13</sup>



# 5 KEY RULES

for CFOs when leveraging data and technology for sustainability



- 1. Link sustainable efforts to financial performance:** In a recent EY study, 80% of investors said that many companies fail to properly articulate the rationale for long-term investments in sustainability.<sup>15</sup> At the same time, just 48% of financial controllers are convinced that “investors clearly understand the financial benefits of longer-term investments in sustainability.”<sup>16</sup> The CFO must use data to bridge this disconnect.
- 2. Differentiate between material and immaterial data:** Often, it can be difficult to identify which sustainability metrics genuinely impact financial performance. Extracting meaningful data from vast amounts of sustainability information requires advanced data analytics and robust reporting systems, a common barrier to actionable insight.
- 3. Don't be afraid to take bold steps forward:** While the pressures for short-term efficiencies are very real and pressing, EY research shows that CFOs pursuing a bold agenda are 1.4 times more likely to believe they have an above-average or best-in-class finance function today.<sup>17</sup> More innovative change agendas, including experimentation and adopting new ways of working, can accelerate the transformation.
- 4. Look to AI and automation:** According to the 2024 EY Corporate Reporting Survey, 87% of finance leaders say that their companies are currently piloting or using AI.<sup>18</sup> This shift can free up time for the CFOs to interpret value-driving data and insights holistically to plan, shape, and drive the sustainability transformation.
- 5. Allocate budget to the right projects:** With a clearer view of the company's position and where it needs to take action, CFOs can steer their organization toward long-term value with more confidence. However, this requires close collaboration with the CSO to ensure they're funding the most impactful projects.



# The CSO

**The role of the CSO is fast becoming one of the most important and influential roles in the corporate world and is increasingly central to market competitiveness.**

**The CSO's remit is to drive the formulation and execution of an organization's sustainability strategy and establish its level of sustainability maturity, including determining its carbon baseline and that of its suppliers, then benchmarking these metrics against peers and competitors. But how can a strong data foundation and reliable technology enable this agenda?**





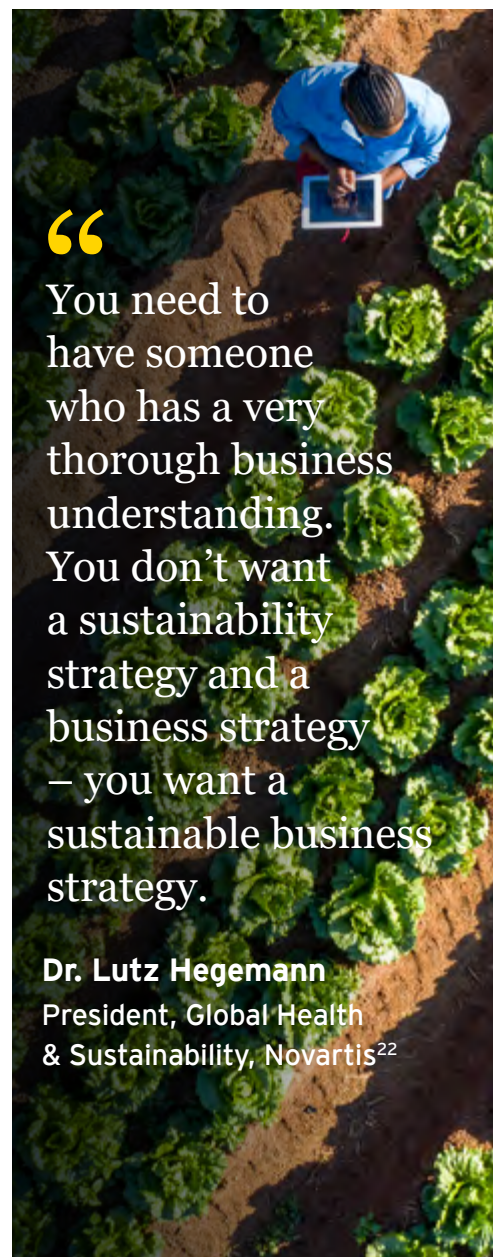
## Common challenges

Though a relatively new position in the C-suite, the CSO's role is increasingly critical to long-term corporate success. However, the role is not without its challenges.

Even in the most committed organizations, CSOs tend to work within a complex operating model while receiving inadequate cross-functional collaboration, which can result in a slow pace of progress. A key priority for the CSO, therefore, is securing executive buy-in and support. To achieve this, the CSO should prioritize efforts on ensuring that sustainability is not viewed as a cost, but rather, as a means to add value, reducing risk while increasing profitability.

Take sustainability regulations, for instance. With a more integrated sustainability data framework in place, the CSO can view the entire regulatory landscape as a whole and create value by identifying opportunities for government grants, subsidies, or other financial incentives – all of which can garner

support from their fellow executives. Indeed, perhaps this is why so many CSOs do not fear regulation. What may be of bigger concern to some, however, is whether they are empowered to bring about such broad organizational changes in the first place.



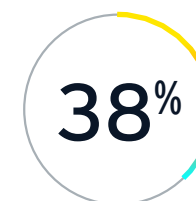
“You need to have someone who has a very thorough business understanding. You don't want a sustainability strategy and a business strategy – you want a sustainable business strategy.”

**Dr. Lutz Hegemann**  
President, Global Health  
& Sustainability, Novartis<sup>22</sup>

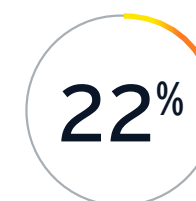
### KEY STATS

#### The CSO's sustainability challenges - at a glance

Only 54% of CSOs have the authority to hold C-suite peers accountable for their performance on sustainability initiatives.<sup>19</sup>



of CSOs say improved collaboration is needed with CROs to effectively execute sustainability strategy.<sup>20</sup>



Only one in five CSOs (22%) see regulations as barriers to their sustainability initiatives.<sup>21</sup>



# 5 KEY RULES

for CSOs when leveraging data and technology for sustainability

- 1. Prioritize value-led sustainability:** The C-suite and the board will be more receptive to sustainability investments when that action demonstrates a positive correlation with financial performance. Having the holistic visibility of sustainability data and the business nous to implement profitable decisions is critical to success.
- 2. Develop robust sustainability data processes:** Working alongside the CFO, the CSO should build an integrated and efficient approach to nonfinancial reporting for tomorrow's needs, as well as today's. This can help them identify opportunities for value creation and management of risk.
- 3. Communicate regularly, and with defensible data:** As the role of the CSO is relatively new, collaboration is necessary. That requires communicating with all the major actors involved in their company's activities and informing them about sustainability matters on a regular basis, helping to address vulnerabilities and find opportunities for improvement.
- 4. Hold the C-suite accountable:** To deliver the transformation required, it helps when the perception of the CSO is elevated within the boardroom, with powers to keep C-suite peers on track.
- 5. Push for a dedicated budget and team:** CSOs should work closely with CFOs to get enhanced budgets, as EY research shows that those CSOs with more resources at their disposal, what EY organization calls "transformational CSOs," exert greater influence internally.





# Takeaway

## Drive a profitable sustainability agenda, together

Sustainability transformation demands strong leadership from the C-suite. These are the individuals who should lead from the front by not only sustainability transformation demands strong leadership from the C-suite. These are the individuals who should lead from the front by not only reinforcing their sustainability commitments, but by taking action to stimulate a substantial shift toward more sustainable operations.

Among the C-suite, however, it is the EST who are mission-critical to driving a profitable sustainability agenda, with each member of this subgroup responsible for specific roles in driving sustainability success.

That said, as sustainability is a shared obligation, there will naturally be some overlap between the EST. Collaboration and an enhanced operating model are therefore imperative, with data and technology being a key area of focus. These are the tools and enablers that can support the EST's decisions on where to invest, what to invest in, and how to improve the organization's sustainability performance. But perhaps most importantly, all decisions taken should be based on a foundation of trusted data.

## Shape the future with confidence with EY

By working with EY organization, companies can benefit from our extensive sustainability experience, built on a legacy of trust, to simplify their challenges and refine their global sustainability strategy. Our multidisciplinary approach helps companies develop tailored sustainability roadmaps, prioritizing human-centric change management for successful transformation, from operations to the boardroom.

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