

# What's the ROI? Verdantix assesses the business value of sustainability data management



SWEEP | verdantix



# Most firms still lack the software they need to successfully reach their net zero targets and meet ESG regulatory requirements.

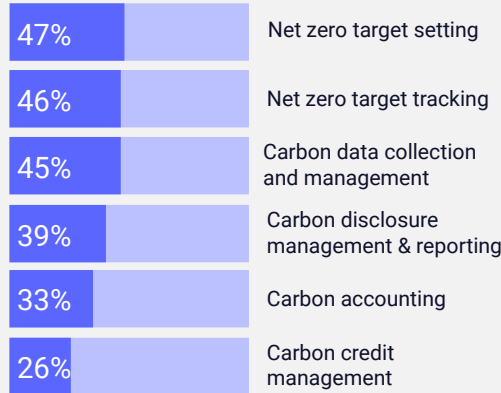
# 74%

of firms plan to increase spend on carbon management software in 2025 and 2026.

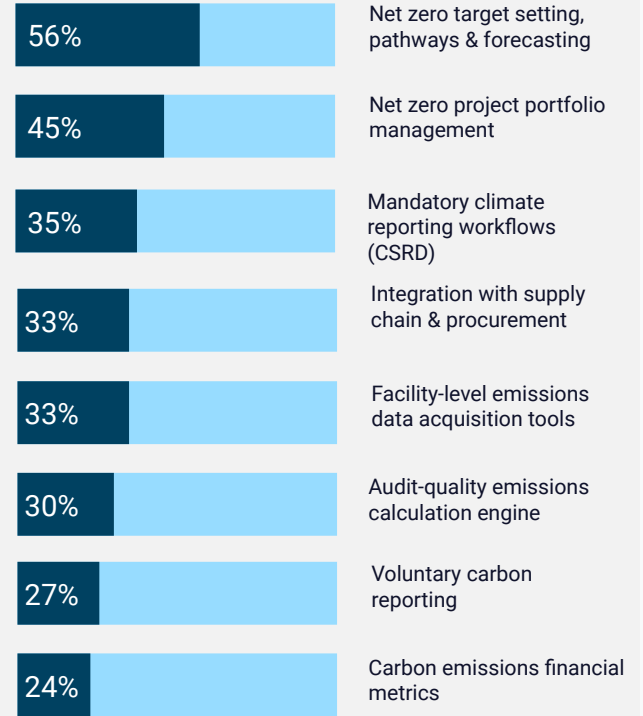
Source: Verdantix Global Corporate Net Zero Survey 2024  
N=353

Most firms still do not have commercial software in place to manage net zero and ESG activities within their organization. However, those that have acquired software have focused their investment on net zero target setting, net zero tracking, carbon data collection and management, and carbon disclosure management and reporting. Looking forward over the next two years, firms are placing high priority on continuing to support their net zero roadmaps, complying with mandatory climate reporting workflows and integrating with their supply chain and procurement platforms.

## Is your firm using commercial software to support the following net zero or climate-related use cases?



## Which of the following carbon management and net zero digital capabilities are a high priority for 2025 and 2026?



# Many firms still rely on spreadsheets and in-house software to manage ESG and sustainability activities, hindering many of their initiatives.

# 56%

of firms still use spreadsheets or in-house software to manage supply chain sustainability, while carbon management (55%) and ESG and sustainability reporting (45%) come in slightly lower.

Source: Verdantix Global Corporate ESG & Sustainability Survey 2024  
N=400

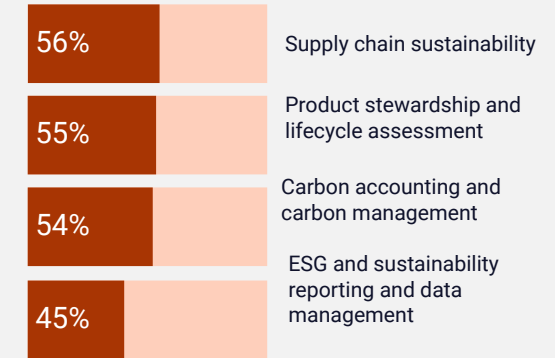
## Funding improvements for which of the following processes is a high priority in 2025 and 2026?



Many firms still rely on spreadsheets and in-house-developed software to manage net zero and ESG-related activities, hindering their effectiveness in executing ESG reporting and sustainability strategy and obtaining external assurance. The lack of commercial software makes many processes inefficient and resource-intensive, leading firms to seek to fund improvements.

An investment in commercial software to support carbon and ESG data management and reporting delivers quick and reliable efficiency improvements across many key processes.

## Is your firm using spreadsheets or in-house software to manage the following ESG and sustainability use cases?



# The EU Corporate Sustainability Reporting Directive (CSRD) and voluntary reporting frameworks are driving spend on ESG and sustainability.

# 81%

of firms plan to increase spend on ESG and sustainability reporting and data management software in 2024.

Source: Verdantix Global Corporate ESG & Sustainability Survey 2024  
N=400

Over 80% of firms plan to increase spend on ESG and sustainability reporting and data management software in 2024 compared with 2023. This increase in spend on reporting software is being influenced by the evolving regulatory landscape, with several key disclosure rules and frameworks more heavily affecting spend over the next two years. The EU Corporate Sustainability Reporting Directive, and voluntary reporting frameworks such as CDP and GRI, ranked in the top two disclosure rules and frameworks influencing spend on ESG and sustainability for over a third of firms. This showcases the need for commercial software that enables high-quality sustainability disclosures in compliance with these standards.

## What are the top two most significant disclosure rules and frameworks influencing spend on ESG and sustainability in 2025 and 2026?



# Most firms have already started internal audits or external pre-assurance assessments of their ESG and sustainability disclosures

# 58%

of firms have already conducted, or are conducting, an external pre-assurance assessment of their ESG and sustainability disclosures while 72% have reviewed with their internal audit team

Source: Verdantix Global Corporate ESG & Sustainability Survey 2024  
N=400

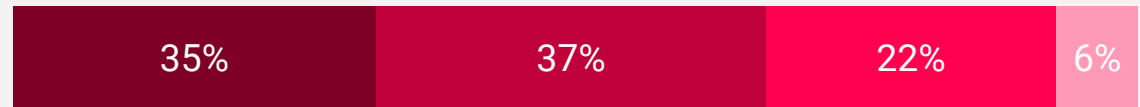
Many firms are already performing or planning to conduct reviews of their ESG and sustainability disclosures, either through internal audit teams or by utilizing external auditors for pre-assurance assessments. To streamline the review process, both internal and external parties can benefit from using commercial carbon management and ESG reporting software, which enhances efficiency and shortens delivery timelines.

## How is your organization planning to use external pre-assurance assessments to prepare for external assurance of ESG and sustainability disclosures?



- We have conducted a pre-assurance assessment with an external auditor in the last 12 months
- We are conducting a pre-assurance assessment with an external auditor
- We are planning to conduct a pre-assurance assessment with an external auditor in the next 12 months
- Don't know

## How is your organization planning to use internal audit team reviews to prepare for external assurance of ESG and sustainability disclosures?



- We have conducted a review with our internal audit team in the last 12 months
- We are conducting a review with our internal audit team
- We are planning to conduct a review with our internal audit team in the next 12 months
- We don't have an internal audit team or are not currently preparing for external assurance

# CxOs need investor-grade data for disclosures and management information



Heavy reporting regulation



Investor demand



Financial index assessment



Converged reporting



Supplier reporting requirement



Greenwashing litigation risk



Stakeholder expectations

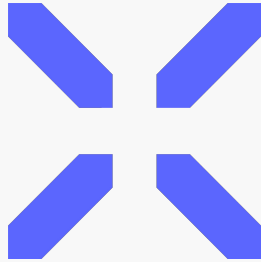


B253 Climate Corporate Data Accountability Act

# Verified Value Delivery (VVD) Methodology

## **SWEEP commissioned Verdantix for the ROI study**

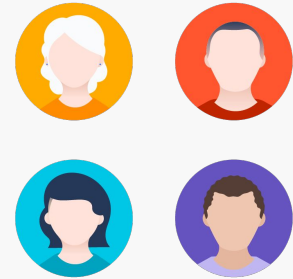
**Verdantix is a leading  
research firm in our space**



**Deep expertise in carbon  
and ESG management**



**Independently interviewed  
SWEEP customers**



Verified Value Delivery is a digital project evaluation methodology that provides prospective buyers with a fact-based assessment of the financial upside, strategic benefits and risk mitigation actions associated with a digital project.

### Financial Lens

Securing commitment to invest in digital projects may require sign-off by an investment committee. The VVD methodology includes a financial model with verified cost-saving line items and financial upside factors.



### Strategy Lens

Technology investment is key to achieve strategic business goals. The VVD methodology documents the strategic benefits of the technology, which can be hard to quantify.

### Risk Lens

Transformational digital projects have several risk vectors. The VVD process unearths these risks and recommends mitigating actions.

Verified Value Delivery utilizes the following methodology to develop and validate the financial upside, strategic benefits and risk mitigation actions.



## Expert Interviews

To provide insightful analysis on market drivers, customer priorities, ESG & sustainability regulations, and Sweep product capabilities, Verdantix interviewed ten experts with over 55 years of combined experience in: carbon management, scope 3, ESG & sustainability reporting, CSRD, sustainable supply chains, circular economy, ESG & sustainability services and sustainability audits.

Interviewees	Research Focus Area(s)
Industry Analyst	Carbon management
Senior Analyst	Carbon management, ESG & sustainability services
Analyst	Carbon management
Research Director	Net zero
Analyst	Carbon management, scope 3
Industry Analyst	Sustainable supply chain, ESG consulting
Senior Analyst	CSRD, sustainability audit
Senior Analyst	ESG & sustainability services, social impact, CSRD
Industry Analyst	ESG reporting, sustainable supply chain, circular economy
Senior Analyst	ESG reporting, CSRD

## Customer Interviews

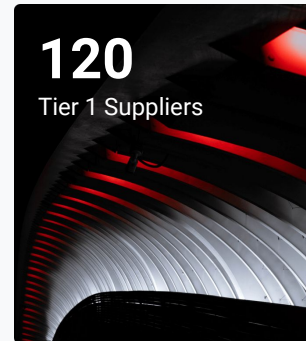
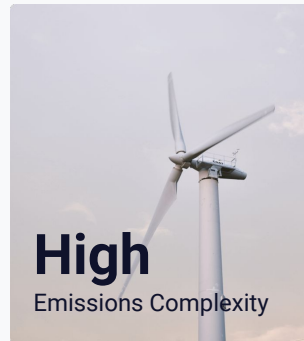
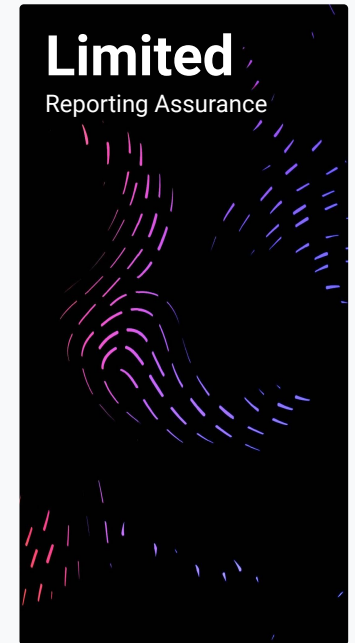
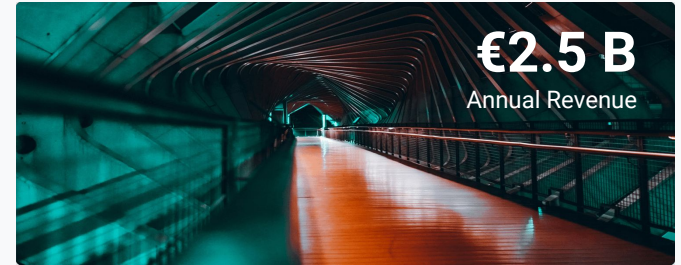
To provide insightful analysis on the benefits and risks of deploying Sweep within an organization, Verdantix interviewed five decision-makers with experience implementing and using Sweep across four businesses.

Interviewees	Industry	Region	Revenue	Employees
ESG Director	Component Manufacturing	Global (Europe Headquarters)	€380M	3,000
Sustainability Analyst	Component Manufacturing	Global (Europe Headquarters)	€380M	3,000
Sustainability Director	Personal Care Products Manufacturing	Global (Europe Headquarters)	€9.5B	1,500
Sustainable Sourcing Manager	Equipment Manufacturing	Global (Europe Headquarters)	€5.2B	18,000
Product Manager, Climate & Nature	Retail Luxury Goods	Global (Europe Headquarters)	€3.4B	10,000

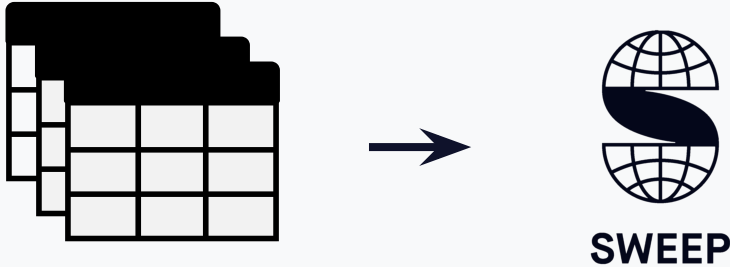
# Key Benefits

## Model Organization Stats

For the purposes of this study, Verdantix aggregated the interviewees' experiences with Sweep and developed a model organization. The organization has been managing its carbon accounting and ESG activities manually through spreadsheets, but has decided to invest in software due to the complexity of upcoming CSRD regulatory requirements and additional investor demands. The assumed statistics of the model organization can be seen to the right.



## Financial KPI Highlights



“

With thousands of suppliers and hundreds of thousands of indicators that require emissions factor conversions, it became impossible to manage manually.

”

*Group Sustainable Sourcing Manager,  
Equipment Manufacturing*

**238%**

Return on Investment  
(ROI)-over 3 years

**€1.23M**

Total Benefits-over 3 years

**€864K**

Net Present Value (NPV)-  
over 3 years

**9 months**

Break-even Point

## Quotes from interviews

“

Sweep enables us to have **consistent sustainability disclosures**. We can **report well once** and then control access to the data across the year.

”

*ESG Director,  
Components Manufacturing*

“

We have **faster and more distributed decision-making** since implementing Sweep. We have **gone from collecting data in Excel once per year to collecting data every 1-3 months**, making the decision-making process much more agile.

”

*Sustainability Director,  
Cosmetics Manufacturing*

“

**Before implementing Sweep, a lot of information was stored in our analyst's head** for carbon management, rather than being systemized, so implementing **Sweep has led to the removal of a lot of risk of human error.**

”

*Product Manager - Climate & Nature,  
Fashion Retail & Manufacturing*

“

**Sweep allows us to run some simulations**, enabling us to change emissions factors and parameters to see how that helps drive down our emissions. **This makes us confident that we are making the right decarbonization decisions.**

”

*Group Sustainable Sourcing  
Manager, Industrial Manufacturing*

**Want to learn more about the study?**

Get in touch now at [sweep.net/contact](https://sweep.net/contact)



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