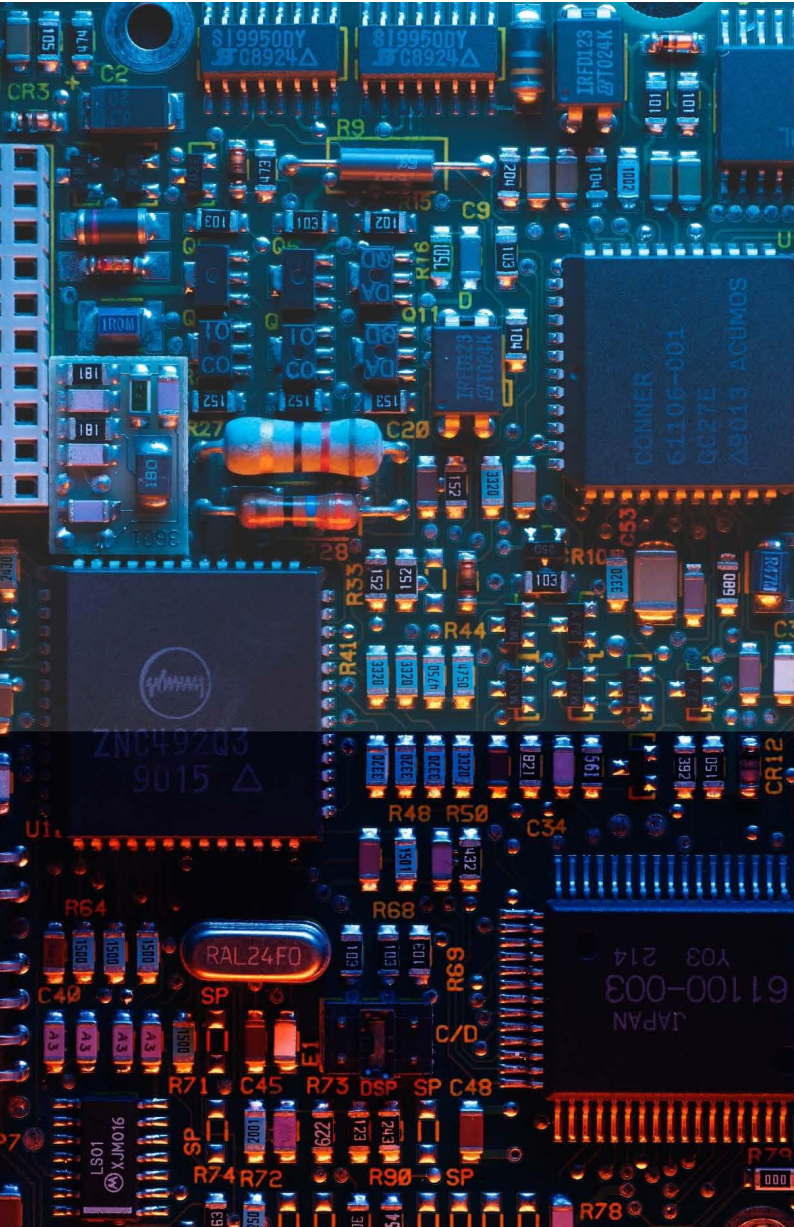


ESG & Sustainability

# Smart Innovators: ESG & Sustainability Reporting And Data Management Software (2025)

By Luke Gowland  
With Kim Knickle

January 2025



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A growing number of organizations are turning to commercially available ESG and sustainability reporting and data management software, driven by increasing regulatory pressure, heightened public scrutiny of ESG claims, and concerns over data accuracy and reliability. Against this backdrop, this report provides buyers of ESG and sustainability reporting and data management software with a high-level benchmark of the capabilities of 38 software vendors. Executives across a range of different industries and geographies should use this report to compare the relative capabilities of vendors in 10 key functionality areas to inform their software purchasing decisions for 2025.

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## Organizations mentioned

AMCS, APLANET, Arcadia, Archer Technologies LLC, Assent, Benchmark Gensuite, C3 AI, Carbon Disclosure Project (CDP), Celsia, Cority, EcoOnline, EQT, ESG Playbook, Evotix, EY Compass, FigBytes, GIST Impact, Global Reporting Initiative (GRI), Greenomy, IBM, Ideagen, IntegrityNext, Intalex, International Sustainability Standards Board (ISSB), IsoMetrix, ISS, kShuttle, Locus Technologies, Lythouse, MESA Group, Microsoft, Nasdaq, NAVEX, Novisto, OneStream, Oracle, osapiens, Position Green, Pulsora, Quentic, Salesforce, SAP, Schneider Electric, ServiceNow, Sphera, SupplyShift, Sustain.Life, Sustainability Accounting Standards Board (SASB), Sweep, Taskforce on Inequality and Social-related Financial Disclosures (TISFD), Taskforce on Nature-related Financial Disclosures (TNFD), UL Solutions, VelocityEHS, Watershed, WayCarbon, Wolters Kluwer, Workiva, Worldfavor, YuzeData.

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# Summary for decision-makers

- Professionals in dedicated ESG and sustainability functions should use this report to identify software vendors with the tools to drive enhanced data management, traceability and disclosures across an organization. ESG and sustainability reporting and data management software providers can use it to understand the competitive landscape, and to gain insights into new functionality in demand from buyers.
- This report provides an assessment of 38 software vendors to support large firms in creating a shortlist of suitable ESG reporting and data management vendors.
- Disclosure regulations are driving software adoption, which requires investor-grade ESG data across the full spectrum of ESG topics, not just carbon. Voluntary standards are also shining a light on emerging sustainability issues, and organizations must respond to ad hoc data requests from their customers or investors.
- Advanced vendors are providing users with tools that contextualize sustainability performance and provide deeper data insights. Features such as forecasting future sustainability outcomes and benchmarking against suppliers, internal units or industry averages enable organizations to move beyond compliance and reporting and support the strategic management of sustainability programmes.

Figure 5  
ESG and sustainability reporting and data management software providers: capabilities assessment



Source: Verdantix analysis



# Reporting ESG and sustainability data remains the number one priority in 2025

Driven by an influx of regulated and non-regulated disclosure requirements, the pressure is on organizations to enhance the transparency of their ESG and sustainability disclosures. Firms must provide stakeholders with investor-grade sustainability data, equivalent to, and integrated with, data in financial disclosures. The Verdantix 2024 global corporate survey found that reporting ESG and sustainability data was top of the agenda, with 72% of organizations ranking it as the number one or a high priority over the next two years (see **Figure 1** and [Verdantix Global Corporate Survey 2024: ESG & Sustainability Budgets, Priorities And Tech Preferences](#)). Against this backdrop, this report provides buyers of software for ESG and sustainability reporting and data management with a high-level benchmark of the capabilities of 38 software vendors.

## Recent developments in the ESG and sustainability reporting landscape

Our last Smart Innovator report on ESG and sustainability reporting and data management was released in January 2023 (see [Verdantix Smart Innovators: ESG Reporting And Data Management Software](#)). Fast forward to early 2025, and the Corporate Sustainability Reporting Directive (CSRD) is no longer tomorrow's problem, with the first compliance reports to be filed this year. President-elect Donald Trump will assume office in 2025, and corporate climate and sustainability leaders across the globe will be paying close attention to what this means for policies and regulations in the next four years. Over the past few years, Verdantix has identified that:

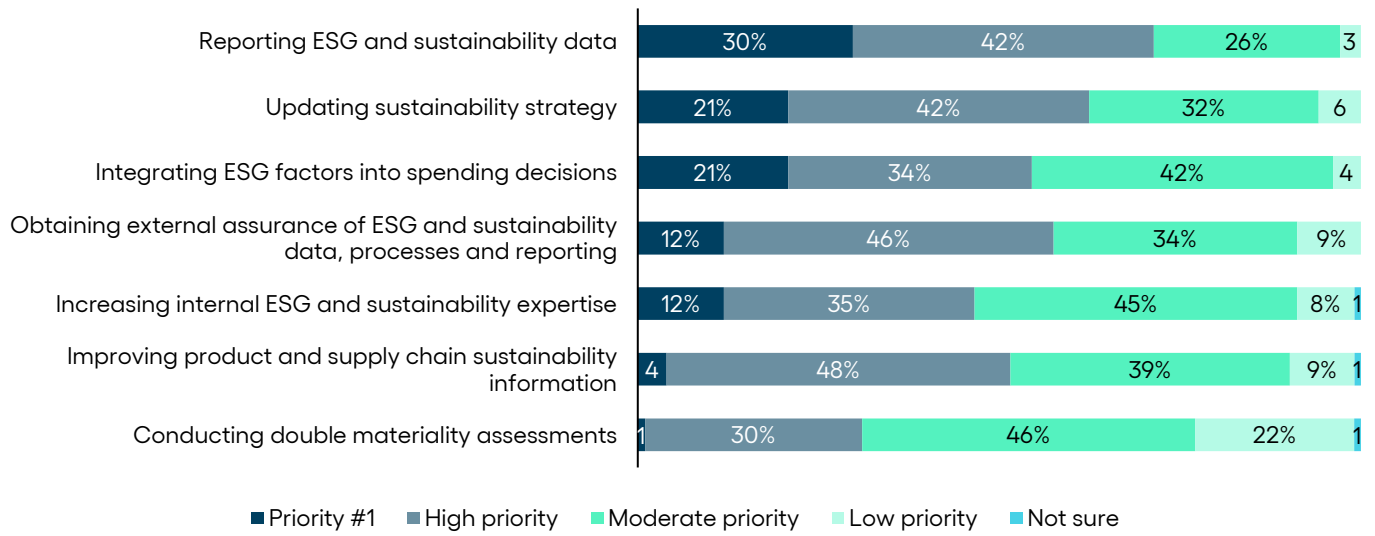
- **More stakeholders are adding complexity to ESG reporting software procurement.**  
Disclosure regulations – for example, the CSRD and the EU Taxonomy, which require integrated sustainability and financial disclosures – are increasing the number of stakeholders involved in the procurement process. Conversations with vendors indicated that finance personae – such as the CFO – are increasingly involved, with some organizations completely shifting ESG and sustainability disclosures to the finance function. Sustainability teams must also align with IT teams to ensure that ESG and sustainability data requirements can be met and integrated into organization-wide IT architecture. The participation of additional stakeholders can lead to longer buying cycles and will alter the way vendors communicate their value proposition.
- **Vendors with ESG reporting software are expanding functionality for carbon management.**  
Over the past several years, we have seen a mix of established vendors and start-ups with a distinct focus on ESG reporting or carbon management. As we move into 2025, end-users are seeking to consolidate functionality into a single platform, while vendors are exploring opportunities to widen their total addressable market, bringing these two previously distinct software categories closer together. In June 2024, Workiva launched Workiva Carbon following its acquisition of Sustain.Life; vendors such as Sweep and Watershed, from a carbon management heritage, have launched CSRD reporting offerings. Furthermore, the Verdantix global corporate survey found that 63% of organizations are evaluating or currently using one platform for ESG and sustainability reporting and carbon management (see [Verdantix Global Corporate Survey 2024: ESG & Sustainability Budgets, Priorities And Tech Preferences](#)).
- **Disclosure frameworks such as the GRI and the TNFD are drawing attention to emerging sustainability issues.**  
Despite the uptick in regulated disclosures in the EU and worldwide, voluntary disclosure standards – such as the Carbon Disclosure Project (CDP) and the Global Reporting Initiative (GRI) – continue to be a significant driver of software spend. Emerging voluntary standards are expanding beyond a sole focus on climate and continue to bring corporate attention to less mature areas of sustainability. The Taskforce on Nature-related Financial Disclosures (TNFD) released its final recommendations for assessing, disclosing and managing nature-related dependencies, and impacts, risks and opportunities (IROs) in October 2023. The GRI 101: Biodiversity 2024 standard, released in January 2024, worked alongside the TNFD to inform the design and development of the recommendations; the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) is set to bring attention to social concerns in a similar fashion.



Figure 1

Corporate ESG and sustainability funding priorities

To what extent is it a priority for your firm to fund improvements in the following processes over the next two years?



Note: Data labels are subject to rounding; percentages less than 7% are written as numbers  
 Source: Verdantix Global Corporate ESG & Sustainability Survey 2024

N=400

Figure 2

Uses of AI in ESG and sustainability reporting and data management software

| AI task helpers                                     | AI insights  | AI decision support  |
|---|--|--|
| Guidance on regulatory frameworks                   | Peer-to-peer benchmarking                            | Identifying CSRD-aligned IROs                                  |
| Supplier communication and data collection          | Identifying and filling data gaps                    | 'What-if' scenario analysis and forecasting across ESG metrics |
| Narrative disclosure recommendations                | Identifying emission hotspots                        | Supplier risk screening  |
| Data cleansing and mapping to disclosure frameworks | Summarizing data sets and identifying trends in data | Identifying corrective actions from past data                  |
| Guidance on internal policies                       | Emissions factor mapping                             | Stakeholder risk screening                                     |

Source: Verdantix analysis



- **Spreadsheet use for sustainability reporting is declining.**

While a system of spreadsheets may have been (barely) adequate for voluntary reporting, this new era of regulated ESG and sustainability disclosures requires an accurate system of record for auditors to provide assurance of the data (see [Verdantix Strategic Focus: Delivering Investor-Grade ESG Data](#)). The good news is that firms are moving away from spreadsheets for sustainability reporting. Currently, only 17% of organizations use spreadsheets for this purpose – a significant decline since 2023, when 29% relied on them. Verdantix expects continued adoption of ESG and sustainability reporting software and predicts that the market will reach over \$5.6 billion in 2029, up from \$1.3 billion in 2023.

- **Vendors are integrating GenAI into their ESG reporting offerings.**

Although GenAI continues to divide the market, several software vendors have been quick to incorporate GenAI into their sustainability-related offerings, while others have been slower to adopt it. The buyer market shares a similar mood; vendors must be ready to embrace differing views around GenAI and demonstrate how their tools can comply with end-users' internal AI policies. In both our 2023 and 2024 ESG and sustainability global corporate surveys, we found strong corporate support for AI, and the use cases are numerous (see **Figure 2**, [Verdantix Global Corporate Survey 2023: ESG & Sustainability Budgets, Priorities And Tech Preferences](#) and [Verdantix Global Corporate Survey 2024: ESG & Sustainability Budgets, Priorities And Tech Preferences](#)).

## The current state of the ESG and sustainability reporting and data management software market

As organizations work to build and refine their ESG information architecture in preparation for the CSRD, software firms have stepped in to support these efforts. These providers enable firms to centralize ESG and sustainability data, align their reporting with disclosure frameworks, and offer tools to monitor and enhance sustainability performance. Verdantix defines ESG and sustainability reporting and data management software as:

*“Solutions that allow businesses to collect, analyse and manage ESG information, to drive sustainability performance and to report to mandatory ESG regulations and voluntary ESG standards and frameworks. This encompasses financial reporting (including double materiality), ESG risk management, impact assessment and sustainability reporting across ESG issues, within an enterprise and across the value chain.”*

Our definition focuses on solutions for firms looking to prioritize their ESG and sustainability reporting, as well as the need to collect, analyse and manage data that drive sustainability performance improvements.

### Evaluated firms and selection criteria

Verdantix defined vendor inclusion criteria to ensure that the Smart Innovators report compared vendors providing similar services. As part of our evaluation, we reviewed the capabilities of over 200 vendors offering differing ESG reporting and data management capabilities as part of their broader software ecosystem or as a standalone offering (see **Figure 3** and **Figure 4**). We identified 38 vendors who were able to:

- **Provide ESG reporting capabilities for large enterprise firms with at least \$1 billion in revenue.**

This report is intended to focus on vendors with the organizational, financial and technological resources to meet the needs of large enterprise firms for the foreseeable future. As such, all vendors included in this study had at least 50 full-time employees to support their solution.



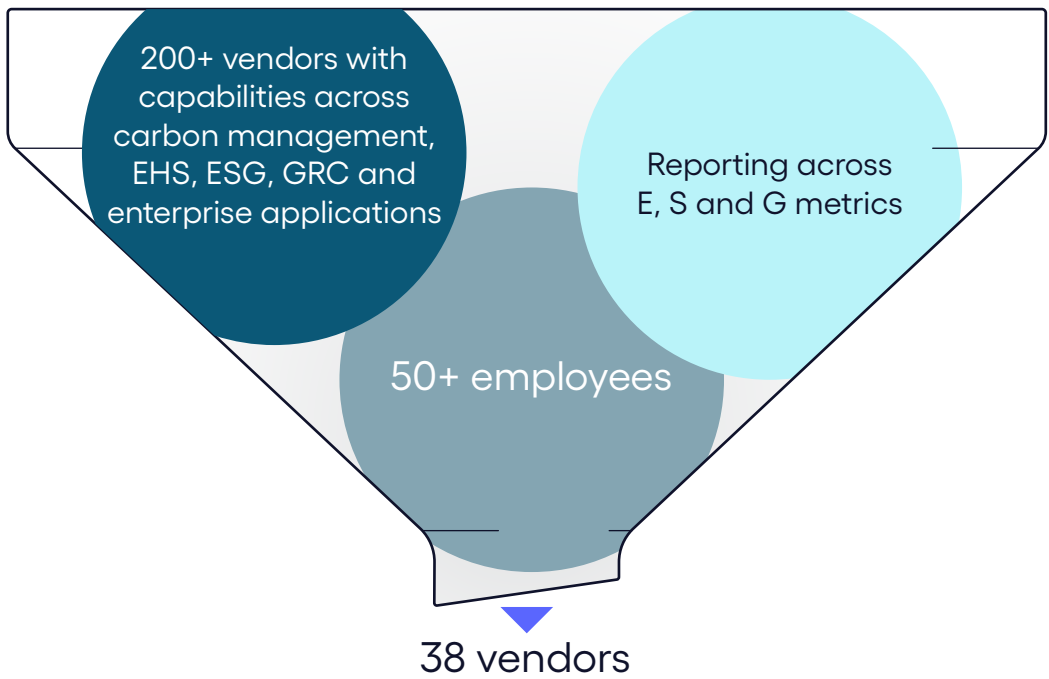
- **Possess ESG data management capabilities across E, S and G metrics.**

To fall within the scope of this study, vendors had to demonstrate functionality to allow users to track and report the full spectrum of ESG metrics required by the major reporting frameworks. This inclusion criteria automatically excluded vendors primarily focused on environmental factors, without provisions for social and governance issues. Similarly, the inclusion criteria ruled out firms that have a business model centred around ESG data collection and management but lack the capabilities to conduct reporting in line with globally recognized frameworks.

- **Support organizations across a range of industries.**

To be considered for inclusion in this report, vendors needed to demonstrate the capability to support organizations operating across multiple industry segments. This requirement ensures that the solutions evaluated are versatile and broadly applicable, rather than narrowly focused on specific industries. As a result, vendors offering specialized solutions tailored exclusively for finance or private equity, real estate, or the oil and gas sector were excluded.

Figure 3  
Evaluated firms and selection criteria



Source: Verdantix analysis





Figure 4

ESG and sustainability reporting and data management capabilities and definitions

| Category                            | Sub-category                      | Functionality definition   |
|-------------------------------------|-----------------------------------|--|
| <b>Reporting and disclosures</b>    | Non-regulated reporting           | Simplifies and manages the processes for voluntary frameworks such as CDP, GRI, ISSB, SASB, and nature and biodiversity. Functionality to create report and develop qualitative narrative. |
|                                     | Regulated and mandated frameworks | Functionality to simplify and manage the process for reporting to regulated frameworks.  |
|                                     | Materiality assessment            | Supports the identification of material sustainability/ESG issues and assesses the materiality of IROs.  |
|                                     | Workflows and auditability        | Enable configuration of data collection workflows and ensure auditability of records, such as timestamping and tracking historical inputs.   |
|                                     | Engagement tools                  | Provide stakeholders access to metrics in real time, supporting different user groups and engaging non-core users of the software.   |
| <b>Data management and analysis</b> | Data acquisition                  | Facilitates data acquisition and integration from a range of sources across an organization.   |
|                                     | Organizational structure          | Manages data for different sites, regulations and business units and manages business changes such as investments and acquisitions.  |
|                                     | Performance management            | Evaluates how an organization is performing over time against internal metrics (i.e. internal benchmarking).   |
|                                     | Industry benchmarking             | Assesses how an organization is performing against their competitors or industry averages.   |
|                                     | Data quality enhancement          | Identifies missing and erroneous data and uses AI, machine learning or other estimation and validation tools to fill in missing data gaps and ensure high-quality data.                    |

Source: Verdantix analysis



## There are many options for firms selecting ESG and sustainability reporting software

While numerous vendors are investing in their ESG reporting solutions to meet escalating regulatory and stakeholder demands, others are pausing their investment. This volatility is amplified by regulatory uncertainties, shifting customer priorities and the rapid pace of technological innovation, making the market highly prone to disruption. Such unpredictability creates opportunities for significant changes, such as industry consolidation, strategic partnerships and the rise (and fall) of new players. Verdantix observes that:

- **Vendors are still vulnerable to established enterprise software vendors providing low and no-cost options.**  
The ESG and sustainability reporting software landscape remains highly susceptible to disruption from major application players, who are increasingly incorporating ESG data management and reporting capabilities into their established cloud offerings. These major enterprise applications – such as Microsoft, Oracle, Salesforce, SAP and ServiceNow – have the advantage of a broad existing customer base and deeply embedded systems within organizations, allowing them to integrate ESG data management functionality as extensions of their existing platforms. By leveraging their scale and resources, these players can offer ESG tools at little or no additional cost, bundled as add-ons to existing subscriptions. The presence of major vendors in this market requires all vendors to up their game in terms of functionality.
- **Software vendors are plugging functionality gaps in ESG reporting software through acquisition.**  
Software vendors are engaged in an arms race to expand their market share, often leveraging acquisitions as a strategy to move into new functionality areas (see [Verdantix Strategic Focus: Overview Of Investment Activity In ESG & Sustainability Software And Services](#)). While mergers and acquisitions activity in the ESG and sustainability software space has been somewhat subdued over the past year, several significant deals were completed. Workiva's acquisition of Sustain.Life bolstered its carbon management capabilities, while Benchmark Gensuite's acquisition of Responsio enhanced its ability to support clients in responding to ad hoc ESG and EHS data requests. EQT acquired a minority stake in AMCS, which itself had acquired FigBytes in October 2023, further broadening its platform. ISS expanded beyond its roots in climate data and analytics with the acquisition of Celsia, positioning itself to offer more regulated reporting solutions. Similarly, Sphera strengthened its supply chain transparency capabilities through the acquisition of SupplyShift. Verdantix expects to see more acquisition activity for firms throughout 2025, specifically targeted to improve their nature and biodiversity reporting and data expertise. Of course, buyers need to review how and when acquired functionality will be integrated.
- **Firms are open to switching ESG reporting providers based on functionality or roadmap issues.**  
As many organizations invest in ESG and sustainability reporting software and continue to refine their ESG information architecture, many executives have told us that they are increasingly open to switching vendors due to dissatisfaction with service quality, perceived gaps in functionality and misalignment with product development roadmaps. While the implementation and configuration of new reporting software can be time- and resource-intensive, many organizations are prepared to transition after a few reporting cycles if their current vendor fails to keep pace with their evolving requirements. This readiness to change is partly because ESG and sustainability reporting tools often have lower switching barriers compared with other enterprise software categories: many ESG and sustainability reporting software implementations do not own the data, but rather draw these data from other operational sources.



# Core capabilities for ESG and sustainability reporting and data management software

To support investor-grade disclosures, vendors must enable their customers to collect ESG and sustainability data in a range of formats and frequencies from across their organization, and create robust workflows and auditability features to withstand the assurance process. The functionality evaluated in this report has become table stakes for vendors, providing users with functionality to:

- **Acquire data across ESG metrics.**

Many organizations already have much of the data needed for ESG and sustainability reporting, but these often remain fragmented, stored in silos and existing in varying formats, making access and consolidation difficult. ESG and sustainability reporting software helps address this challenge by offering a suite of data acquisition tools designed to break down these silos and establish a single source of truth (SSOT) for sustainability data. While basic functionality such as Excel bulk uploads and manual data entry are standard, leaders in this space provide more advanced features, for example, application programming interfaces (APIs), data connectors and AI-powered tools such as invoice scanning. Additionally, some vendors are enhancing their data acquisition capabilities through strategic partnerships. For example, EcoOnline has teamed up with YuzeData; and IsoMetrix, Position Green, UL 360 (part of the ULTRUS platform) and VelocityEHS have partnered with Arcadia to streamline the capture and integration of utility data.

- **Report in line with regulated and non-regulated disclosure frameworks.**

Regulations such as the CSRD remain a top priority for organizations, but many are also reporting to non-regulated standards and addressing ad hoc data requests from customers and investors. Leading vendors in this category enable users to create custom frameworks alongside widely recognized voluntary standards, providing flexibility to meet diverse reporting needs. Some vendors, for example, AMCS, Benchmark Gensuite, Novisto, Pulsora, Salesforce, Schneider Electric, Sustain.Life (now Workiva Carbon) and Watershed, offer a CDP disclosure API, allowing users to transfer data automatically to the CDP portal. Additionally, vendors are increasingly leveraging GenAI to support the qualitative aspects of disclosure, drawing insights from organization documents and policies to enhance the efficiency of narrative reporting. There must, of course, remain a level of human oversight for all use of GenAI for reporting purposes.

- **Create an audit trail and configurable workflows that can withstand the assurance process.**

To meet the upcoming assurance requirements tied to regulated disclosures and to build trust in investor-grade reporting, vendors provide a suite of tools aimed at ensuring the auditability of records within their platforms. A crucial component of this is the incorporation of granular role-based permissions management and configurable data approval workflows. Additionally, user, time, IP address and activity logs create a transparent historical record of data inputs and modifications as they flow through the software. This was a relatively mature functionality across the board and vendors have prioritized creating a strong foundation of auditability features before turning their development focus onto new areas. Vendors that performed well in this area are Cority, EY ESG Compass, IBM, Ideagen, kShuttle, Locus Technologies, Novisto, osapiens, Position Green, Pulsora, Schneider Electric, Sphera, Sweep, UL Solutions, Wolters Kluwer, Workiva and Worldfavor (see **Figure 5**).



Figure 5

ESG and sustainability reporting and data management software providers: capabilities assessment

|   | ESG data acquisition | Organizational structure | Sustainability performance management | Industry benchmarking | Data quality enhancement | Non-regulated reporting | Regulated and mandated reporting | Materiality assessment | Workflows and auditability | Engagement tools |
|---|----------------------|--------------------------|---------------------------------------|-----------------------|--------------------------|-------------------------|----------------------------------|------------------------|----------------------------|------------------|
| AMCS (FigBytes, Quentic)                    | ●                    | ●                        | ◐                                     | ◐                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |
| APLANET                                     | ●                    | ◐                        | ◐                                     | ○                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |
| Archer Technologies LLC                     | ◐                    | ◐                        | ◐                                     | ◐                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |
| Assent                                      | ◐                    | ◐                        | ◐                                     | ◐                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |
| Benchmark Gensuite                          | ●                    | ◐                        | ●                                     | ◐                     | ◐                        | ●                       | ●                                | ◐                      | ◐                          | ◐                |
| C3 AI                                       | ●                    | ◐                        | ●                                     | ●                     | ●                        | ●                       | ◐                                | ●                      | ◐                          | ◐                |
| Cority                                      | ●                    | ◐                        | ◐                                     | ◐                     | ●                        | ◐                       | ◐                                | ◐                      | ●                          | ◐                |
| EcoOnline                                   | ◐                    | ●                        | ◐                                     | ◐                     | ◐                        | ●                       | ●                                | ◐                      | ◐                          | ◐                |
| Evotix                                      | ◐                    | ◐                        | ◐                                     | ◐                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |
| EY ESG Compass                              | ◐                    | ◐                        | ◐                                     | ●                     | ◐                        | ◐                       | ◐                                | ◐                      | ●                          | ◐                |
| Greenomy                                    | ●                    | ◐                        | ◐                                     | ◐                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |
| IBM (International Business Machines Corp.) | ●                    | ●                        | ●                                     | ◐                     | ●                        | ●                       | ●                                | ◐                      | ●                          | ◐                |
| Ideagen                                     | ◐                    | ◐                        | ◐                                     | ○                     | ◐                        | ◐                       | ◐                                | ◐                      | ●                          | ○                |
| IntegrityNext                               | ◐                    | ◐                        | ◐                                     | ◐                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |
| Intelix                                     | ◐                    | ◐                        | ◐                                     | ◐                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |
| IsoMetrix                                   | ◐                    | ◐                        | ◐                                     | ◐                     | ◐                        | ●                       | ◐                                | ◐                      | ◐                          | ◐                |
| kShuttle                                    | ●                    | ●                        | ◐                                     | ◐                     | ◐                        | ◐                       | ◐                                | ◐                      | ●                          | ◐                |
| Locus Technologies                          | ◐                    | ◐                        | ●                                     | ●                     | ●                        | ◐                       | ●                                | ◐                      | ●                          | ◐                |
| Lythouse                                    | ●                    | ◐                        | ◐                                     | ○                     | ◐                        | ◐                       | ◐                                | ◐                      | ◐                          | ◐                |

Figure 5 (continued) ↓



Figure 5 (continued)

|                    |   |   |   |   |   |   |   |   |   |   |
|--------------------|---|---|---|---|---|---|---|---|---|---|
| MESA Group         | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Nasdaq             | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| NAVEX              | ● | ● | ● | ○ | ● | ● | ● | ● | ● | ● |
| Novisto            | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| OneStream          | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| osapiens           | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Position Green     | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Pulsora            | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Schneider Electric | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| ServiceNow         | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Sphera             | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| SWEEP              | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| UL Solutions       | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| VelocityEHS        | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Watershed          | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| WayCarbon          | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Wolters Kluwer     | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Workiva            | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Worldfavor         | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |

|  |   |
|--|---|
| Market-leading functionality, with differentiated offering | ● |
| Strong functionality                                       | ● |
| Average functionality                                      | ● |
| Some functionality   | ● |
| No demonstrated evidence                                   | ○ |

Source: Verdantix analysis



## Vendors differentiate their offerings through innovation

To ensure long-term relevance in an evolving ESG and sustainability software market, vendors are moving beyond a primary focus on compliance and reporting by exploring new opportunities in performance management. As reporting becomes increasingly automated, or even transitions entirely into the finance function, product leaders are rethinking how their platforms can serve heads of sustainability and their core sustainability teams. This shift requires innovative functionality that supports strategic decision-making and provides actionable insights, positioning these platforms as essential tools for driving sustainability performance and future-proofing their value in the market. Our research identified several areas in which providers are focusing on product innovation, providing tools to:

- **Support and document materiality assessments, including double materiality.**

The market for double materiality assessment (DMA) functionality is currently divided, with some vendors opting not to integrate DMA workflows directly into their platforms, instead offering it as an additional service (see [Verdantix Strategic Focus: Emerging Approaches To Conducting Double Materiality Assessments](#)). Many vendors support materiality processes by leveraging their software as a centralized information hub with configured double materiality workflows that help document and facilitate – rather than replace – the DMA process. However, some vendors, both large and small, are pushing the boundaries with advanced functionality or creating partnerships. For example, C3 AI uses web-collected data and uploaded PDFs to generate natural language analyses that identify ESG risks and opportunities, aligning them with specific ESG topics. ESG Playbook offers a benchmarking feature that allows users to compare their materiality topics against industry peers. Moreover, Novisto and Benchmark Gensuite have partnered with GIST Impact to deliver more comprehensive double materiality solutions.

- **Enhance ESG and sustainability data quality and completeness.**

Executives are faced with the challenge of collecting and managing vast quantities of structured and unstructured ESG data, often plagued by inconsistencies, varying levels of quality and a lack of standardization. Manually verifying this data is an overwhelming task for internal teams. To address this, vendors offer tools that aim to improve data quality through varying levels of automation. Leading solutions provide features to identify missing or incorrect data, configure custom data validation rules and plug data gaps using AI. Vendors such as C3 AI, IBM, Locus Technologies, Schneider Electric, Sweep, Wolters Kluwer and Workiva offer AI-based data estimation tools that not only fill gaps in data, but also clearly label where AI is applied and identify the underlying data sources.

- **Benchmark sustainability performance in comparison with industry peers.**

Organizations are increasingly looking to contextualize their sustainability performance relative to peers and competitors. Vendors are addressing this need by offering advanced industry benchmarking tools. For example, MESA COPILOT enables users to upload competitor or industry-leading documents and leverages GenAI to highlight the organization's positioning while suggesting actionable improvements. Similarly, Nasdaq's Sustainable Lens uses GenAI to benchmark ESG disclosures against peers, identify gaps and analyse market trends, providing valuable insights to enhance sustainability strategies.

- **Forecast future performance and visualize the impact of sustainability initiatives on targets.**

Many vendors offer functionality that enables software users to create performance dashboards for monitoring current progress and tracking targets. However, top-performing vendors go a step further, providing tools to forecast future sustainability performance through scenario analysis. For instance, Pulsora uses AI to generate a library of potential mitigation measures tailored to the customer's needs, helping to visualize the impact of sustainability projects on reduction pathways. Similarly, many vendors enable users to simulate 'what-if' scenarios and assess the efficiency of facility-level measures. Position Green leverages its AI analyst, which identifies trends, patterns and key insights from both internal and external ESG data. It also suggests areas for improvement based on historical data analysis, empowering users to refine their sustainability strategies effectively.



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