Meet Mandates and Drive Growth and Efficiency with AI-Powered IDMC for ESG

Enhance Transparency, Trustworthiness and Accountability for ESG Data and Reporting

Companies worldwide now understand the significance of considering environmental, social and governance (ESG) factors and promoting sustainability. They are now prioritizing aspects of ESG alongside their financial objectives. Acting responsibly and sustainably has become essential for establishing a good reputation, drawing in clients and investors and adhering to new rules and regulations.

As a result, well-managed ESG data has become increasingly critical for organizations as they face growing demands from stakeholders for timely and accurate **ESG reporting**. Some ESG solution vendors claim to make reporting easy, but managing ESG data is the main challenge. Creating reports is only a small part of the process. To succeed, organizations must provide reliable and verifiable data for reporting. Companies risk fines for misstatements and greenwashing if they don't manage ESG data properly.

Collecting, integrating and managing ESG data from different sources can be challenging. A Harvard study found that 40% of global companies (and 46% in North America) cited a lack of robust data as one of their largest obstacles in adopting ESG.[1] Without a digital framework that can automatically integrate, consolidate, verify and govern ESG data from various sources, generating and granting enterprise access to quality data can be time-consuming, expensive and prone to errors.

[1] Harvard Law School Forum on Corporate Governance, **ESG Global Study 2022 https://corpgov.law. harvard.edu/2022/06/17/esg-global-study-2022/**

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To measure and track progress toward sustainability objectives, organizations need a centralized and controlled way to manage data. By adopting this approach, companies can help ensure that their reporting is consistent and accurate. It can also help them make credible and timely data-driven decisions. A comprehensive data management solution enhances transparency, trustworthiness and accountability in ESG data and reporting.

Addressing Top ESG Priorities

- Manage the immense volume and variety of ESG data for reporting more efficiently with an end-to-end integrated data management solution

- Expedite regulatory compliance with Informatica's extensive partner community resources and ESG industry accelerators

- Enable access to trusted, relevant data — including ESG data — to achieve the insights and business outcomes that lead to success

Informatica Intelligent Data Management Cloud for ESG

The **Informatica Intelligent Data Management Cloud™** (IDMC) for ESG is a data management solution that helps organizations with the entire ESG data lifecycle. This includes **data discovery**, ingestion and integration of data and applications and improving data quality. The solution also offers **master data management (MDM)** and 360 applications, **data governance**, privacy and data sharing and democratization.

Using AI-powered, cloud-native data management can help organizations handle the immense volume and variety of data required to comply with ESG mandates and gain the insights and agility they need to drive better outcomes. IDMC for ESG can help organizations unlock the full potential of their ESG data.

Informatica IDMC uses its metadata-driven AI engine **CLAIRE®** to automate and speed up critical data management processes across on-premises, multi-cloud and hybrid environments. **Consumption-based pricing** and elastic and serverless processing allow organizations to scale to support enterprise workloads easily.
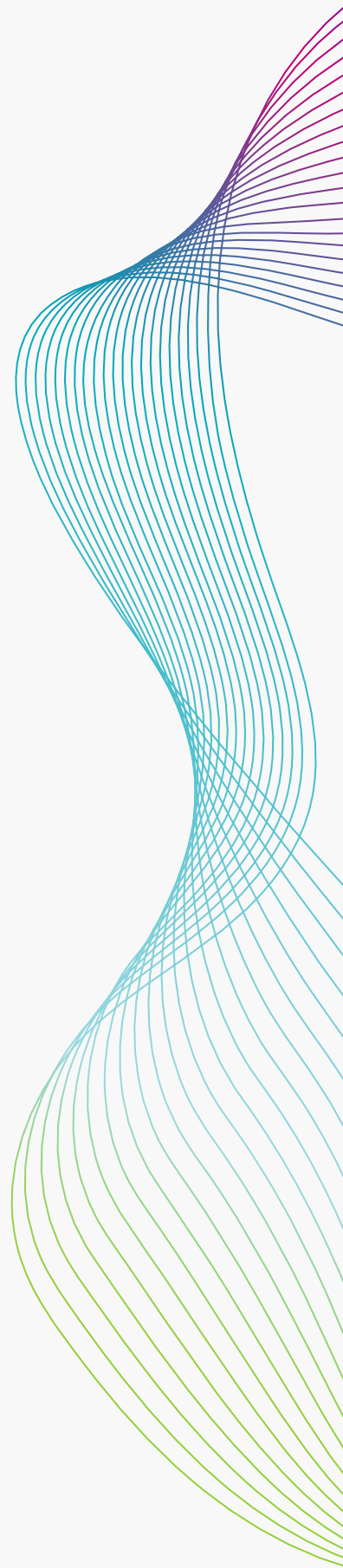
Figure 1. Informatica Intelligent Data Management Cloud provides a single, unified, AI-powered solution.

Informatica also provides useful ESG industry accelerators that help companies comply with regulations, including data governance business terms and critical data elements aligned with major ESG regulatory reporting frameworks. These frameworks include the Task Force on Climate-Related Financial Disclosures (TCFD); EU Taxonomy (to help companies report on their revenue, CAPEX and OPEX aligned to the EU Taxonomy Regulation); Sustainable Finance Disclosure Regulation (SFDR); Corporate Sustainability Reporting Directive (CSRD) and the Global Reporting Initiative (GRI).

Working with Informatica also provides access to extensive partner community resources that include providers of cloud ecosystems, third-party ESG rating agency data and ESG reporting solutions.

Key Capabilities
Data Integration

IDMC provides powerful **data integration** capabilities to help organizations consolidate and manage their ESG and sustainability data effectively. With IDMC for ESG, organizations can integrate third-party ESG data from rating agencies and internal data from various sources such as databases, spreadsheets, logs, sensors and business applications into a centralized ESG data hub.

Data Governance and Cataloging

IDMC for ESG can help automate data intelligence and insights to facilitate self-service analytics and data governance. Its data governance and cataloging service enables trust in data for ESG reporting. Key capabilities include data discovery, data lineage, data quality, business glossary creation, social curation and stakeholder and policy management capabilities.

Automated and recommendation-driven data classification, data curation, relationship discovery and sensitive data discovery powered by the CLAIRE AI engine allows your organization to provide data consumers with access to the business context they need.
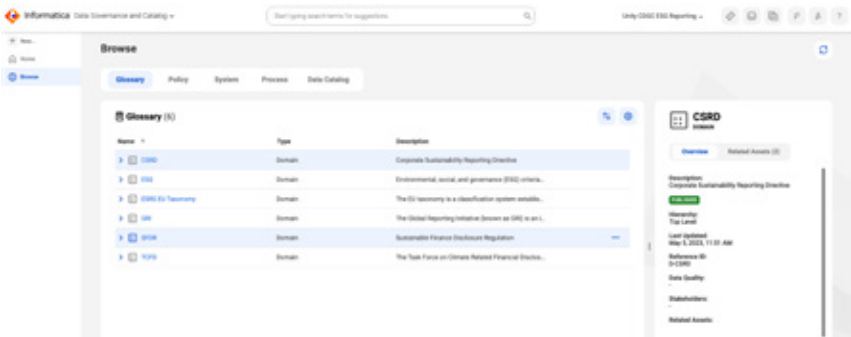

Figure 2. Out-of-the-box ESG business terms and descriptions in Cloud Data Governance and Catalog, a service of IDMC, help accelerate data understanding and standardization for regulatory reporting.

Data Quality and Observability

The **data quality** service on IDMC for ESG helps organizations quickly identify, fix and monitor ESG data quality issues in complex data environments and pipelines. This service helps organizations to automatically profile data, apply custom or pre-built rules and use data cleansing processes to manage and improve data quality. With end-to-end data quality management, including monitoring, organizations can scale data quality across the enterprise.
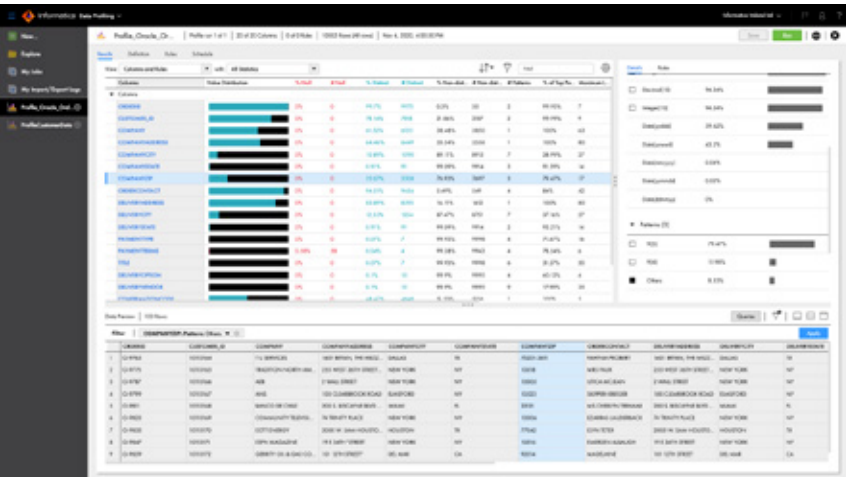

Figure 3. Informatica Cloud Data Quality provides an easy-to-use interface that enables data stewards and business analysts to profile data, specify and validate rules and monitor data quality over time.

Master Data Management and 360 Applications

Informatica MDM and 360 Applications on IDMC for ESG can help create a reliable and comprehensive view of data, known as the "golden record," for different areas such as suppliers, products and customers, including ESG-related data. These services help to clean, authenticate, enrich and master vital data, providing a trustworthy and contextual 360-degree view for increased supply chain transparency and visibility. They can also offer a unified perspective of ESG-related risks, like the ESG rating of suppliers. These applications make it easy for organizations to integrate pertinent data for ESG analytics and reporting, improve efficiency and boost accuracy.

The Supplier 360 application includes a complimentary ESG extension that helps manage supplier-related ESG data. It provides pre-configured setups, a comprehensive supplier data model, data quality and matching rules. With this extension, your organization can improve ESG practices throughout your supply chain. It also offers better visibility into your supplier network and their ESG performance. This solution helps you make informed decisions and achieve your ESG objectives faster.
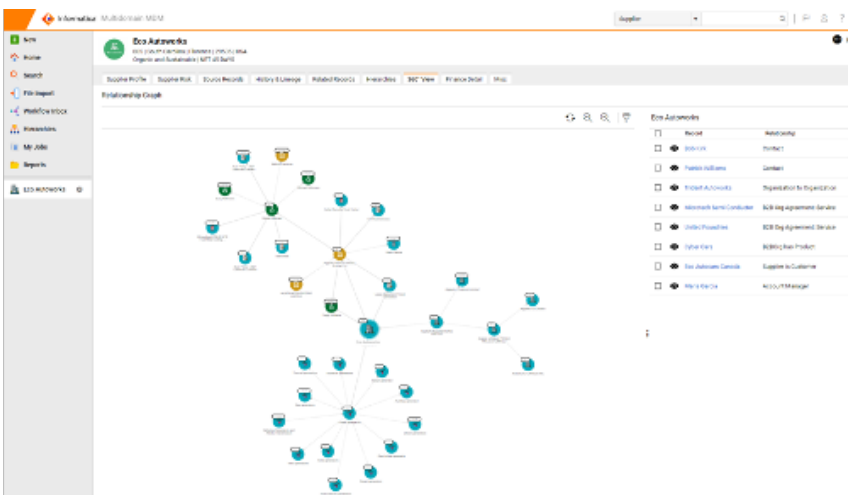

Figure 4. Gain trusted, contextual 360-degree views of business-critical data and its relationships with Informatica MDM and 360 applications.

Data Marketplace

With IDMC for ESG data marketplace, organizations can easily access clean and trusted ESG data that can be used for regulatory reporting. This is accomplished through a common data model and automated data consumption processes. The data marketplace also allows self-service data sharing and **data democratization**. This enables stakeholders to integrate the data into their decision-making, which can drive business initiatives across the organization.
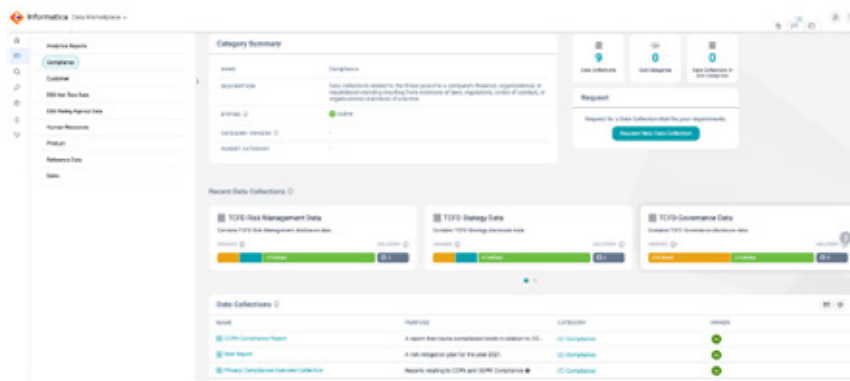

Figure 5. Informatica Cloud Data Marketplace allows data consumers to find and request relevant data collections quickly.

Addressing Top ESG Business Priorities

IDMC for ESG supports top ESG business priorities, including:

Regulatory Compliance: Informatica's solution can help compliance teams locate necessary data quickly. This enables them to respond to regulatory requests efficiently, improve reporting accuracy and reduce risk. With extensive AI-powered capabilities for data discovery, **data cataloging**, data lineage, data quality and master data management, IDMC for ESG helps organizations build a trusted ESG data hub.

Value Chain Due Diligence: To ensure sustainability in the supply chain, it's essential to have transparency and visibility into the supplier network. With IDMC for ESG, you can automate the collection, quality, mastering and governance of important product lifecycle and supply chain data. This includes Scope 3 carbon emissions data, supplier data from ESG rating agencies and publicly available data sets. By doing this, organizations can improve due diligence and create more accessible and accurate reports.

ESG Integration: The solution's self-service data marketplace capabilities make it easy to find clean, trustworthy ESG data that is ready to be used. Integrating this data into decision-making processes can help reduce the carbon footprint and mitigate climate-related risks for the company.

ESG Impact Measurement: IDMC for ESG helps companies discover, classify and manage reference data to connect relevant activities and information. This makes it easier to measure ESG performance and alignment with goals such as the 17 Sustainable Development Goals (SDGs) established by the United Nations.[2]

Net-Zero Carbon Emissions: Organizations can track their progress towards net-zero carbon emissions using the Science-Based Targets Initiative (SBTI). They can also access clean, trusted, governed, auditable and verifiable ESG data through the self-service data marketplace capabilities.

IDMC for ESG helps organizations embrace the power of cloud and AI to transform how they extract business value from ESG and sustainability data. The solution enables organizations to access and share trusted ESG data to meet compliance requirements and find opportunities to leverage their data to support business outcomes.

[2] The **17 Sustainable Development Goals** (SDGs) established by the United Nations

Next Steps

Contact us to schedule a demo of IDMC for ESG and see how to reduce the time and effort required for end-to-end ESG data management. Visit our website and learn how IDMC for ESG can benefit your organization and help you demonstrate your commitment to responsible and sustainable business practices.

Get a faster return on your investment with Informatica Professional Services

Talk to our experts in cloud data management. **Check out our services**.

Informatica (NYSE: INFA) brings data to life by empowering businesses to realize the transformative power of their most critical assets. When properly unlocked, data becomes a living and trusted resource that is democratized across your organization, turning chaos into clarity. Through the Informatica Intelligent Data Management Cloud™, companies are breathing life into their data to drive bigger ideas, create improved processes, and reduce costs. Powered by CLAIRE®, our AI engine, it's the only cloud dedicated to managing data of any type, pattern, complexity, or workload across any location — all on a single platform. Informatica. Where data comes to life.

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