

FAILING TO MEET ESG GOALS EXPOSES COMPANIES TO INCREASED OPERATIONAL AND FINANCIAL RISKS, STUDY FINDS

Despite challenges collecting and analyzing ESG data, companies across North America and the United Kingdom see significant benefits from ESG implementation

Jacksonville, FL and London, June 6, 2022: Dun & Bradstreet Holdings, Inc. ("Dun & Bradstreet") (NYSE:DNB), a leading global provider of business decisioning data and analytics announced today a commissioned study conducted by Forrester Consulting on behalf of Dun & Bradstreet, which found that a business's environmental, social and governance (ESG) performance, including its extended network of suppliers, partners and distributors, increasingly affects not just its reputation, but also its operations and market position.

Results of the study, gathered from insights by over 260 decision-makers in compliance, sustainability, procurement, finance and risk across the United States, Canada and United Kingdom, focused on the state of ESG data usage by enterprises and found:

- **Improved ESG performance drives profit.** Four out of five respondents stated that their company's current ESG strategy has created a significant or transformational increase in revenue.
- **ESG insights uncover growth.** 79% of respondents agreed that ESG-related insights allow them to identify new growth opportunities earlier.
- **Insufficient ESG data is the biggest challenge.** 47% of respondents cited that they do not have enough data, with a further 46% unable to validate and therefore trust data. As a result, many companies are struggling to make use of ESG data within their organization, resulting in serious operational and financial consequences – from regulatory non-compliance, to fines and a weakened global supply chain.

"We believe this study is further proof that the benefits of investing in ESG go well beyond regulatory compliance and managing a company's reputation," said Brian Alster, General Manager, Finance & Risk at Dun & Bradstreet. "ESG is one of the growing forces driving profits through innovation, improved risk management and stronger customer relationships. Therefore, it's no longer a question for companies on 'if' they should invest in ESG, but instead, 'how quickly' they can mature their business strategies to become a more responsible and sustainable operation."

ESG Maturity is Worth Prioritizing

According to the survey results, 81% of respondents cited that their companies have experienced negative consequences by failing to meet their ESG goals. The most common consequences of failing to meet ESG goals are increased operational risk (43%) followed by increased financial risk (38%).

While it seems daunting to evolve an organization's ESG strategy, the study demonstrates that by investing in their ESG data analytics strategy, high maturity companies, or those organizations with a fully mature, future-generation-safe state, achieve numerous benefits that reverberate across the organization. In fact, 97% of respondents from companies with a high ESG maturity level report a significant or transformational reduction in costs. In addition, 77% of high maturity companies are more likely to report significant or transformational increases in customer acquisition due to their ESG strategies.

Given the current geopolitical environment, coupled with rapid climate change and a fluctuating economy, companies must look beyond regulatory obligations in order to see how an investment in modern technology and trusted ESG data today can yield higher returns tomorrow. For example, a strong ESG data strategy with real-time analytic insights can drive any number of positive outcomes, from strengthening a company's supply chain resilience during disruptive events, to helping create a competitive advantage as a sustainable business when engaging with new customers, partners and suppliers.

Overcoming ESG Data Challenges to Unlock Growth

Businesses appear to be struggling to manage, measure and communicate their ESG progress. For example, when asked how their companies collect and analyze data related to ESG today, seven out of 10 respondents said their companies rely on more manual processes such as spreadsheets and email to collect, analyze, apply and report ESG data.

While ESG adoption is in its early stages, it is important that businesses consider investing in a data-driven ESG platform today to help prevent financial and operational risks down the road. Below are a few best practices for getting started:

- **Data.** Data is the foundation to a sound ESG strategy as it helps companies better understand their own performance, and that of their third parties, including partners and suppliers. ESG data and analytics also illuminate insights that help inform business-critical decisions and identify opportunities for growth. A company's ESG data platform should include public and private company data and measure performance against the E-S and G.
- **Standardization and Automation.** According to the survey, 72% of respondents need standardized metrics and benchmarks, while 71% stated they need help automating ESG data to streamline reporting.
- **Measurement.** When asked about an ideal, dedicated ESG data solution, decision-makers said the most important capability is effective self-assessment of their own company to identify potential gaps in their ESG strategy, followed by the capability to leverage a solution that allows them to compare the performance of their third parties, including suppliers and partners.

To learn more about how companies can leverage the latest technology and data to build a stronger ESG strategy that drives improved outcomes, download the study, titled, '[Prioritizing ESG Isn't Optional Anymore.](#)'

[D&B ESG Intelligence](#), Dun & Bradstreet's newest ESG solution to help clients better manage supplier relationships, is now available in D&B Risk Analytics in North America, Germany, Austria and Switzerland, and will be available later this month in the United Kingdom, Ireland, Finland, Denmark, Norway and Sweden. Availability will extend to additional countries across Europe later this year.

Methodology

In this study, Forrester conducted an online survey of 268 ESG Performance decision-makers at organizations in the United States, Canada and United Kingdom to evaluate environmental, social, and governance performance. Survey participants included decision-makers in compliance, sustainability, procurement, finance, and risk roles. The study began in February 2022 and was completed in March 2022.

About Dun & Bradstreet:

Dun & Bradstreet, a leading global provider of business decisioning data and analytics, enables companies around the world to improve their business performance. Dun & Bradstreet's Data Cloud fuels solutions and delivers insights that empower customers to accelerate revenue, lower cost, mitigate risk and transform their businesses. Since 1841, companies of every size have relied on Dun & Bradstreet to help them manage risk and reveal opportunity. For more information on Dun & Bradstreet, please visit www.dnb.com.

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