



# Vendor Selection Checklist:



HOW TO CHOOSE AN  
ESG PLATFORM THAT'S  
RIGHT FOR YOU



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# Introduction

As more ESG software solutions enter the market, it can be difficult for teams to know which way to turn. Each platform and vendor offers an array of features and capabilities, making it challenging to compare and contrast solutions.

At FiscalNote ESG Solutions we recommend initiating your ESG platform evaluation with a universal checklist that can help you prioritize what's important and then evaluate if a vendor checks these boxes. We've designed this checklist to help you and your team compare providers to reach a decision that's right for both your short- and long-term needs. It can also be a persuasive and informative tool for getting buy-in from internal stakeholders.

This checklist covers seven critical areas to consider when evaluating ESG solutions, from data and reporting functionality to security and support features. Using this checklist with each vendor you evaluate will provide a clear picture of your options and help you reach a decision.

**Elizabeth Tutino** | ESG Advisor, FiscalNote ESG Solutions

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- The most important thing to consider when evaluating ESG platforms is what exactly you want your software to be able to do. What's your scope of work? Are you looking for carbon only, or do you want a platform that can manage all your ESG data in one place? Often, ESG teams look for a tool that helps with one piece of the puzzle (such as carbon accounting), but soon find themselves looking for software that can do more especially as the lines between the "E," "S," and "G" continue to blur.



# Granular Data Collection and Management

- Automated data collection and management
- Ability to accept data in formats aligned with your existing data
- Ability to track progress on public pledges (carbon reduction, net zero, DEI, nature loss, etc.)
- Accommodates your team's preferred data entry frequency (e.g. monthly, quarterly, annually)
- Manage E, S, and G data in a single platform
- APIs and integrations for connections to your organization's existing tech stacks
- Ability to export data from various formats
- Supplier ESG management

Granular, high-fidelity data is the backbone of ESG programs, and the best ESG solutions process significant amounts of it while providing actionable insights. In particular, the automation of data collection and management is a crucial capability that can save you hours of manual data entry every month.

- Streamlined data exports that align with leading reporting frameworks
- Easy-to-use interface, allowing for easy viewing, accessing, and analyzing of data
- User-friendly: easily enter, export, and view relevant data

**Sining Wu** | Climate and ESG Advisor,  
FiscalNote ESG Solutions

- Robust data management is a crucial part of an ESG platform, and it makes all the difference for reporting, setting goals, and credibly making claims. We're seeing an industry-wide push toward investor-grade data, which has sent many companies in search of third-party data verification. Many upcoming ESG and sustainability regulations will require data verification, so it's important to choose a solution with rigorous data management.



# Audit-Ready Reporting

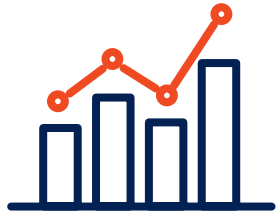
- Modifiable ESG reporting templates for simplified disclosure
- Goal disclosure management
- Intuitive dashboards that allow for actionable insights
- Data extracted directly from the platform to avoid entering data twice
- ESG and Scope 1, 2, 3 data exports that can be provided directly to a verifier for auditing

Accuracy is essential when reporting on ESG, but reporting can be enormously demanding, consuming valuable time and resources from your in-house ESG teams. The right platform combines statistical rigor with a seamless and automated reporting process, allowing you to look beyond compliance reporting and focus on crafting future-focused strategies.

- Reports aligned with existing and emerging reporting frameworks
- Real-time insights on internal and supply chain ESG performance

**Candice Bullard** | Climate and ESG Advisory Manager, FiscalNote ESG Solutions

- With the ever-changing world of ESG, it's difficult to stay on top of the latest emissions factors and metrics. Equilibrium AI is powered by a team of experts that keeps track of these changes for you, so you can focus on your business data and rest assured knowing that your calculations are accurate and current. Our reporting platform provides guidance on reporting frameworks as well, so all the information you need is conveniently accessible in one location.



# Actionable Benchmarking and Goal-Setting



Benchmarking against global competitor and vendor ESG data



Combines internal and supply chain data with external data on your ESG perception for 360° benchmarking



Access to global regulatory frameworks (not just U.S.-based)



Regulatory insights



Automated goal setting and progress tracking

Benchmarking is a critical foundation of an ESG strategy, but it can frequently be an exercise in gathering data for data's sake rather than resulting in action. With the right tool at your disposal, benchmarking can help you understand where your organization currently sits within the ESG landscape, what you should be prioritizing, and where it could (or should) get to within a particular time frame — again making the granularity of data vital. It's important to be able to benchmark your organization against its own data, but also against external industry data.

In addition, setting goals brings ESG strategies to life and gives stakeholders a sense of purpose. Sophisticated ESG solutions make goal-setting an integral part of their offering, and a natural extension of robust data management and benchmarking capabilities.



Ability to compare key metrics across common ESG themes and topics



Ability to keep track of building audits on an asset level, allowing teams to identify portfolio and organizational improvements on an aggregate level

**Joey Durr** | Climate and ESG Advisor,  
FiscalNote ESG Solutions

- It's important to be able to easily analyze the data in your ESG platform and to use it as a baseline for setting goals and targets. Scenario modeling ESG data through multiple spreadsheets can take weeks of work. The best ESG platforms prioritize seamless goal setting at the click of a button.



# Strategic Over-the-Horizon Insights

Fundamentally, ESG is about risk management that requires planning ahead and searching for over-the-horizon insights to inform strategy. The best ESG platforms don't just analyze past data and collect present data — they also offer insights on upcoming trends, help you run simulations for scenario planning, and potentially will have experts to look into the future to advise your team on upcoming changes and risk factors and predict the impact of particular courses of action.



Ability to future-proof your ESG strategy with the latest news, up-to-date regulations, and risk overviews



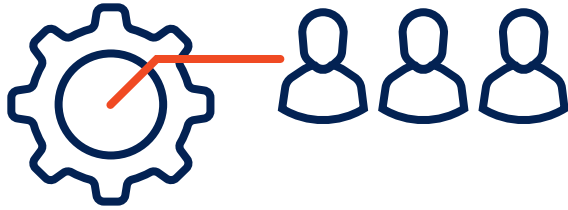
Scenario-planning capabilities: run simulations to navigate risks and opportunities



A platform that can scale with you and is continually kept up to date

**Sining Wu** | Climate and ESG Advisor,  
FiscalNote ESG Solutions

- Benchmarking and data collection are important for providing a clear picture of how your organization is currently performing, but by far the most important feature in an ESG platform is the ability to extract over-the-horizon insights. These are the insights that offer a competitive advantage, allow companies to ready themselves for the challenges ahead, and evaluate the effectiveness of different strategies before pulling the trigger. Ultimately, any platform that can't offer future-based insights puts its customers at risk.



## Flexible and Futureproof Workflows

- Multi-user functionality including permissions and assignments
- User history data
- User-related alerts and notifications
- Single source of truth
- Integration into your current tech stack, such as project management tools, to connect workflows

The success of an ESG program comes down to who you receive data from, and, to a lesser extent, who you give it to. The best ESG platforms allow for sophisticated user management, ensuring that the right stakeholders can access the data they need in the formats they prefer, and that confidential information isn't compromised. Proper user management in an ESG platform also reduces the administrative burden on team members who would otherwise be tasked with compiling, processing, and keeping track of data coming in from suppliers, departments, and stakeholders.

- Open system built for integrations connected via API, new metrics, and compliance requirements
- Flexible to incorporate the growing list of metrics across E, S, and G and the expanding set of global disclosure

**Joey Durr** | Climate and ESG Advisor,  
FiscalNote ESG Solutions

- Being able to manage users within your ESG platform is what elevates good ESG platforms from the chaos of spreadsheets and manual data management. If each team member has appropriate access to the data and functionality they need, it gives your team members agency and allows your ESG operations to run much more smoothly.



# Secure



Data encrypted in transit and at rest



24/7 global threat detection and monitoring



Secure user access with password controls



Regular software updates



High-security hosting platform



Robust backup system

ESG data is highly sensitive. Since ESG platforms often manage not just internal data, but also that of suppliers and other value chain partners, you need a solution provider you can trust to score highly on all necessary data security measures. And with so many new vendors appearing on the market, it's important to do due diligence on a platform's security features.



Comprehensive disaster recovery plan



Regularly retained point-in-time recovery system



Minimal access to sensitive internal networks and system logs

**Joey Durr** | Climate and ESG Advisor,  
FiscalNote ESG Solutions

- ESG data is sensitive. Although security might not be top of the list when searching for ESG software, failing to prioritize data security is a recipe for disaster.





# More Than a Platform



Combines AI and automated insights with advisory capabilities from in-house data and strategy specialists



Human-led onboarding, training and project management



Helpful, human-led support in training, thought leadership, analysis and more

The best ESG solution isn't just technical. It's crucial that your team can access expert advice and receive customized support from your software provider. What you are looking for is a true partner and collaborator due to the complex nature of ESG undertakings. A platform that marries the speed and intelligence of AI technology with personalized human expertise is the ideal solution for organizations building a strategic, well-rounded ESG program.

**Candice Bullard** | Climate and ESG Advisory Manager,  
FiscalNote ESG Solutions

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- Knowing that you have access to a real person when you need them — someone who knows you and your company — is crucial. At Equilibrium AI, our in-house ESG experts help our clients with project management, keeping track of key deadlines and helping them stay on top of data entry and reporting. I'm really passionate about making sure that we help our customers and make it a streamlined, enjoyable process.

# Conclusion

Selecting an ESG vendor is no small undertaking: decisions made can have a direct impact on the quality of ESG project management as well as your ability to improve your compliance posture. Ultimately, the most important consideration for ESG teams to ask is: does this product meet my organization's specific needs — now, and in the future?

Equilibrium AI is an ESG platform that gives organizations the power to manage, measure, audit, report, and improve ESG decision-making and outcomes all in one place. Combined with custom advisory capabilities from our in-house experts, Equilibrium AI is a powerful tool for forward-thinking ESG teams and organizations.

## **Sining Wu** | Climate and ESG Advisor, FiscalNote ESG Solutions

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- One of the biggest mistakes we see is organizations that pull the trigger prematurely on ESG platforms. They haven't yet determined their team collaboration strategy and are only focusing on a short-term problem, rather than looking at the big picture. Working out what you need from an ESG platform requires first and foremost determining where you're at, where you want to be, and what kind of help you need to get there.



# FiscalNote ESG Solutions

Learn more about the Equilibrium difference

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