



Sustainability Data Challenges: Understanding the What, Why, and How

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Contents

03 Introduction

What are the issues?

04

05 Why should they be addressed?

How can they be addressed?

06

08 How KPMG can support



Sustainability reporting has evolved and transcended beyond mere compliance obligations. Yet, in many organisations, sustainability data remains underutilised. It is often viewed primarily as a compliance requirement rather than a cornerstone of performance and future-proofing.

This approach misses a critical truth: Sustainability data, when properly harnessed, is a strategic asset that informs better decisions, improves stakeholder trust and drives long-term value creation. The question is no longer if you should invest in sustainability data; it is how effectively you tailor it with your strategy, operations, and business context.

This article explores the major challenges with sustainability data and reporting, outlines the essential building blocks for effective sustainability data systems, and positions sustainability reporting as a strategic imperative rather than a regulatory obligation.



What are the Issues?

Lack of a Sustainability Strategy

Without a clear sustainability strategy to guide performance measurement and reporting, data collection efforts often become fragmented and reactive. This undermines coordination and limits the ability to generate meaningful, insight-driven outcomes.

Absence of an Integrated Sustainability Managed Team and Limited Resources:

Organizations lacking dedicated sustainability teams or the necessary tools and technology often struggle with effective data management. This is sometimes a challenge that both big and small organisations face. Without skilled personnel and adequate systems, managing the full sustainability data lifecycle—from collection to reporting—becomes significantly more difficult.

Weak Sustainability Data Protocols

The absence of clearly defined sustainability data points for tracking, reporting frequency, responsibilities/ownership, etc., poses a challenge to effective data management and the utility of data for decision-making.

Knowledge Gap

The lack of sufficient understanding and technical know-how among critical process/data stakeholders, as well as general employees and decision-makers constrains the effectiveness and quality of sustainability data management and utility.

Fragmentation of Sustainability Data

A fragmented approach, coupled with the absence of a centralized system for tracking and reporting sustainability indicators, creates major challenges across the data lifecycle. This lack of integration hinders data aggregation and increases the risk of poor data quality.

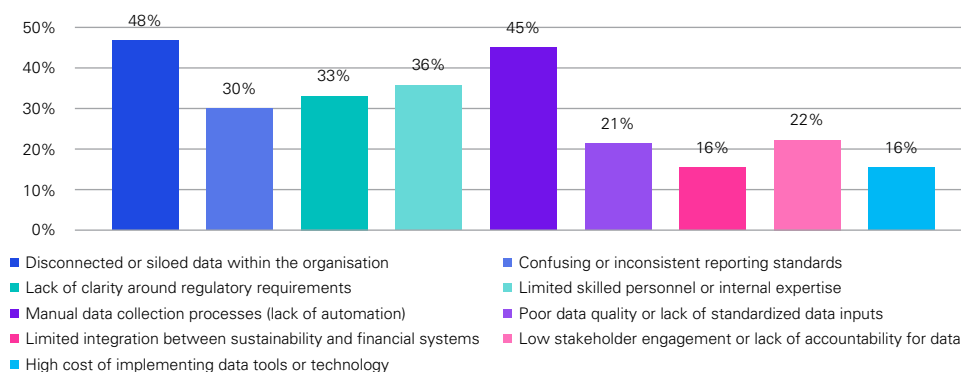
Complexity of Evolving Regulatory Requirements

The regulatory landscape and reporting obligations of organisations are constantly evolving—and this often poses a challenge for organisations that do not have an agile, long-term data management strategy.



Insights from KPMG Survey

Which of the following challenges significantly affects your organisation's ability to manage sustainability data?



The survey was conducted during KPMG Sustainability Data Management Webinar, which brought together professionals from across West Africa.

Results from the poll taken during the KPMG Sustainability Data Management Webinar in July 2025 which brought together professionals from across West Africa (see chart on the left) shows that disconnected or siloed data (48%) and manual data collection processes (45%) are the most prevalent challenges with sustainability data management. Limited integration between sustainability and financial systems (16%) further underscores the need for cross-functional collaboration and integrated teams. These findings highlight that organisations face systemic barriers to effective sustainability data management—barriers that require strategic, organisation-wide interventions to address.

Why Should they be Addressed?

The pressure on companies for transparent sustainability disclosures has reached a critical tipping point. 60% of CEOs report feeling this pressure regarding their organisation's sustainability performance. As sustainability regulations tighten globally and stakeholder expectations intensify, companies face a defining strategic choice: approach sustainability data management as merely a compliance obligation or harness it as a powerful competitive advantage. For forward-thinking organisations, a robust integrated sustainability data management system enables sustainable value creation across multiple dimensions.

The following are critical reasons to prioritise effective sustainability data management

■ Accelerate access to Sustainable Finance and Investments

Investors increasingly use sustainability data for capital allocation decisions, with over \$30 trillion in assets under management applying sustainability criteria¹. Organisations with quality sustainability data have greater capacity to demonstrate value to investors, access larger pools of capital, and position for better financing terms.

■ Enhanced Decision-Making, Innovation, and Growth Opportunities

Quality sustainability data inspires and drives innovation. It points corporate decision-makers to what is working or needs modification, as well as what needs to be scaled or introduced. This will create an environment and culture of continuous improvement and innovation to drive corporate growth and impact.

■ Seamless Reporting and Disclosure

Effective sustainability data management will make the lifecycle of sustainability reporting and disclosure to various stakeholder groups more seamless and impactful. It also ensures that performance data and disclosure requirements are readily available and accessible in a timely manner.

■ Stakeholder Confidence and Data Reliability

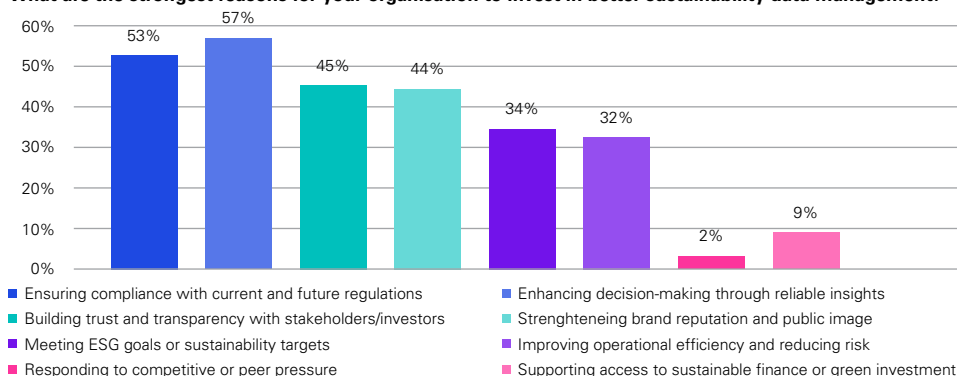
Integrating verification processes into data collection workflows fosters continuous quality improvement and enhances stakeholder confidence in sustainability performance claims. It is crucial to disclose only reliable and auditable data points. Effective sustainability data management systems and protocols strengthen trust by providing clear data trails, evidence, and designated process or data owners—making the data more dependable for both internal and external stakeholders.

■ Enhanced Risk Resilience

Effective sustainability data management enhances an organisation's ability to identify, assess, and mitigate a wide range of risks. It also helps reduce exposure to potential liabilities and financial losses, supporting a more proactive and informed approach to risk management.

Insights from KPMG Survey

What are the strongest reasons for your organisation to invest in better sustainability data management?



Enhancing decision-making (57%), building trust and transparency (45%) and ensuring regulatory compliance (53%) are the top drivers, as seen from the result of the poll taken during the webinar. These further emphasises on stakeholder confidence and navigating regulatory complexity. Meeting ESG goals (34%) and enhancing decision-making (57%) further support the role of sustainability data in driving innovation and achieving strategic objectives.

The survey was conducted during KPMG Sustainability Data Management Webinar, which brought together professionals from across West Africa.

¹ [Global ESG assets predicted to hit \\$40 trillion by 2030, despite challenging environment, forecasts Bloomberg Intelligence | Press | Bloomberg LP](#)

How Can They Be Addressed?

Organisations often aim to solve sustainability data challenges with a technology-first mentality, believing that simply adopting an automated data solution will solve their sustainability data challenges. While technology is critical, it is only of benefit to an organisation when it primarily amplifies existing processes rather than rectifying flawed ones.

The following are strategic recommendations for addressing the sustainability data challenge

1 Defined Sustainability Data Management Protocol

Organisations must begin with clear, comprehensive sustainability data protocols and guidelines that define what data to collect, who is responsible, how and when it should be reviewed or approved, and most importantly, why it matters to the business. Without this structure, the most advanced tools risk becoming inefficient. When protocols are well-defined, organisations can shift from reactive reporting to proactive, value-driven sustainability management.

2 Culture Transformation

It is important to weave sustainability thinking into the fabric of company-wide decision-making processes, values and operations. When everyone understands the central role they play in sustainability, and why certain indices need to be tracked, it becomes easier to contribute more accurate data to support the organisation's sustainability aspirations. Without fostering the right culture, even the best systems, tools, and processes risk becoming ineffective.

3 Leadership Commitment

The tone at the top is a critical driver of effective sustainability data management. Leadership teams need to both communicate and posture a high priority for effective ESG data management. It needs to be clear to all that this is not an isolated project or a tick-the-box exercise, but a strategic business priority. It is important to accompany this with the required support and investments towards achieving desired outcomes.

4 Enabling Accountability and Collaboration in Sustainability Data Ownership

It is important to encourage traceable ownership of sustainability data by teams closest to the processes that generate it. These teams should collaborate with other functions, departments and the sustainability team to ensure that no sustainability data point is left unmanned. This approach will drive a more integrated view and management of sustainability performance.



5 Continuous Performance Tracking

Sustainability data should not be seen as a mere feedstock for annual sustainability reporting; rather, it should be viewed as a strategic business imperative that needs to be tracked on an ongoing basis – to proactively troubleshoot challenges and demonstrate progress to varied stakeholder groups. This can be achieved through different approaches, including integrating sustainability KPIs into regular business reviews, leadership discussions, and performance evaluations. This will ensure that sustainability remains visible and actionable year-round.

6 Internal Validation and Reviews

Organisations need to institute controls (tools and processes) to continuously assess and ensure the integrity of sustainability data points. These controls will ensure that data owners identify and correct errors in good time, strengthen systems to improve the quality of sustainability data sets and standardise methodologies. Building verification processes into data collection workflows creates continuous quality improvement and builds stakeholder confidence in sustainability performance claims.

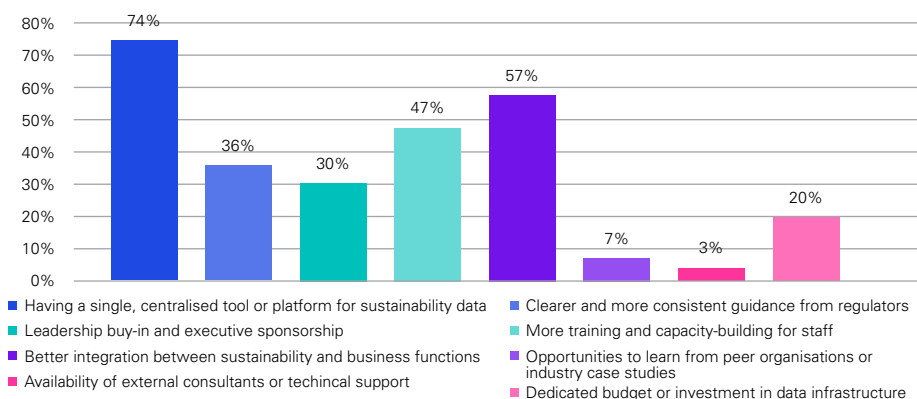
7 Technology / Tools and Systems

Tools and systems provide remarkable opportunities for organisations to transform the lifecycle of their sustainability data management. They streamline the process of data collection, reviews, approvals and reporting, while also reducing manual errors. Moreover, these systems enable insights-driven sustainability performance by simplifying workflows, allowing sustainability teams to focus on analysis and outcomes instead of managing spreadsheets. However, technology can only be a true enabler once foundational elements—such as clear ownership, processes, and culture—are in place. Automating a substandard data collection process with expensive software only results in an inefficient process on a larger scale.



Insights from KPMG Survey

Which of the following would have the most profound impact in improving sustainability data governance in organisations



The chart above illustrates responses to the poll taken during our Sustainability data management webinar. It highlights that a centralised data platform (74%) is seen as the most impactful solution, directly addressing data fragmentation and supporting the recommendation for technology adoption. Training and capacity-building (47%) align with the need for culture transformation and addressing knowledge gaps. Clearer regulatory guidance (36%) supports navigating complex regulations, while leadership buy-in (30%) and dedicated budgets (20%) reinforce the importance of organisational commitment and resources.

The survey was conducted during KPMG Sustainability Data Management Webinar, which brought together sustainability professionals from across West Africa.

How KPMG Can Support Your Sustainability Data Management Journey

At KPMG, we help our clients develop responsible and sustainable strategies, business models, operations, and investments. We combine sustainability know-how with technical reporting expertise. We identify and implement innovative approaches to meet your challenges and respond to opportunities.



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