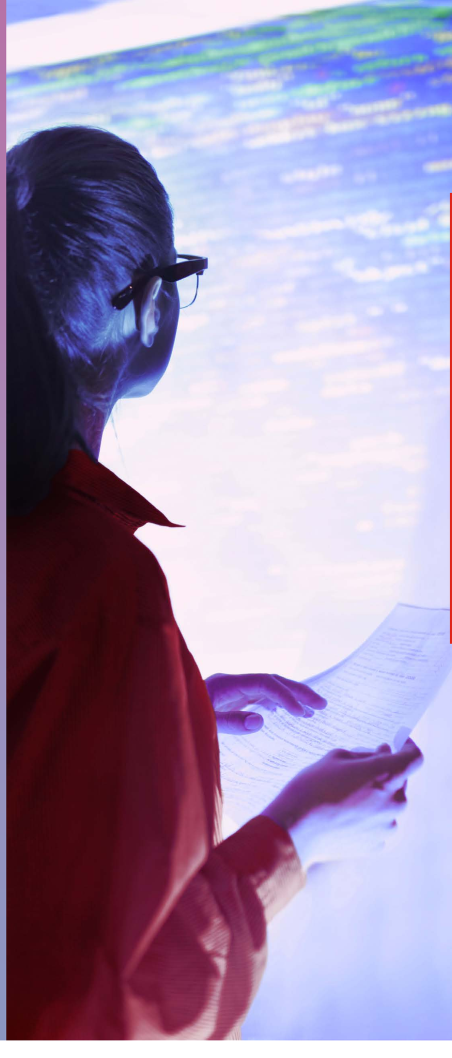
Is your data contributing to useful ESG reports or just creating colourful bar charts?



Like a lot of people, if I make a promise, I try my best to keep it. Whether I've assured my friend that, no problem, I'll drive them to the airport at 4am. Or have pledged that I'll put up those new shelves this weekend. I'll do whatever I can to see those commitments through.

What I won't do is keep my buddy waiting kerbside with a suitcase at 4.30am. Or leave a new trip hazard in the hallway for the next month.

I guess what I'm saying is that we all know how important it is to do the things that we say we will. And it's the same for businesses around the world. Across all industries – including finance – hundreds of thousands have pledged to cut their carbon use, or even become net zero, over the next few decades. So it's important they achieve it and keep their pledge.

Barclays, for example, was one of the first banks to announce its plans to reach net zero by 2050. While BNPP is working on a 'baby steps' approach with regular short-term goals over the next few years, which will lead up to being carbon neutral by 2050.

They're all certainly ambitious goals. But it's important that they don't shy away and break these promises just because things get difficult. Especially when we're now seeing climate change play out in real time – record-breaking snowstorms, heatwaves and flash floods to name a few.

ESG – not just a snappy acronym

One way many banks are honouring their promises is with ESG (Environmental, Social, Governance) plans and reporting. It's gaining attention as more and more industries around the world are using it to follow regulations and compliance to achieve sustainability and carbon targets.

As ESG targets are inherently personal o each business, there are many ways that FS companies can monitor and manage them. Some can be as simple as taking a closer look at your IT infrastructure and setting targets to reduce waste – like using more renewable energy, installing better liquid cooling systems, and introducing storage optimisation that runs on less energy-hungry tech.

But it's not without its difficulties. Many banks are struggling to collect the right data for these reports – it's either of questionable quality or there's not enough of it to draw conclusive insights – so there's a potential risk of relying on third-party sources. Which sounds like a good compromise, until you realise that it means banks will no longer have control over their own ESG stories.

Investors want to know that a bank's ESG report is feeding into a profitable carbon neutral plan. And whether their money is helping to create a greener, more sustainable business. Or if it's just being used to make colourful bar charts.

Why is it so difficult?

Calculating an accurate carbon footprint is much more than counting sooty clouds as they leave a factory chimney. Like any tracking system, there are many obstacles in the way. These can range from collecting data across complicated supply chains, to allocating the correct emissions to different locations for better tracking. The more that's involved, the more complicated it gets.

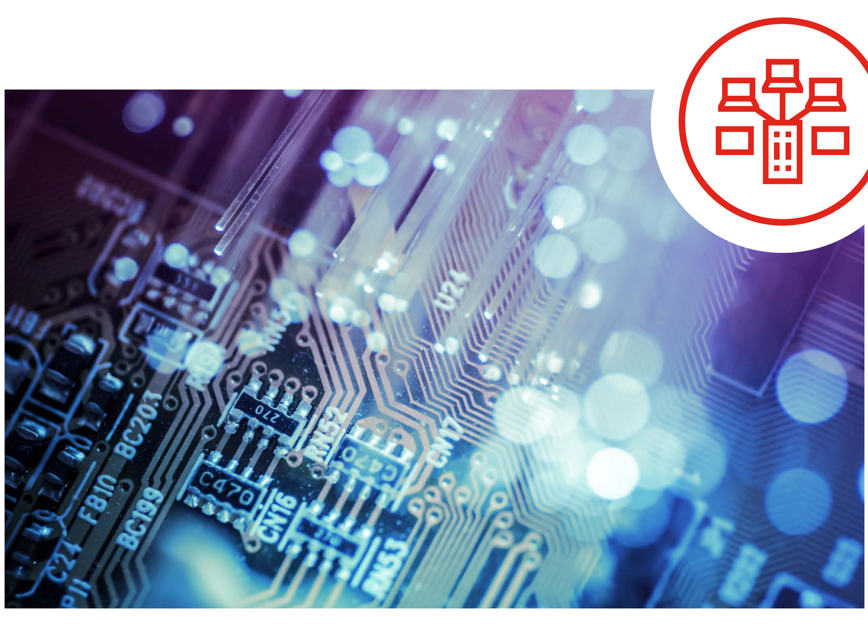
To add more pressure, there's an urgent need to simplify everything. And make it easier to collect and monitor data.

It's the same for ESG data. Banks need to do the work now to reach those ambitious targets. But how?

So, how do we do it?

Two words. Data automation. As I've already mentioned, collecting and analysing data for ESG reports is time consuming – and that's if you can find enough of it. Automation is the ideal opportunity to overcome those issues.

Getting rid of manual processes is the way forward. Instead of building ones around dynamic reporting requirements – that are just going to change over the next few years anyway – let's get automation to do the heavy lifting. The challenges are in the "data supply chain" anyway. So having an automatic process that can peel and separate the different layers between data creation, extraction, collection, analysis and transformation – and do so in a consolidated and optimised way – makes things so much easier. That way, companies can use it for a framework of ESG reporting and monitoring against their defined KPIs.



The tech to do so

Having the right infrastructure in place is going to make data automation work. But with decades-worth of systems and tech in place for a lot of companies, that's easier said than done. It's why, at Lenovo, our tech is designed to easily slot in around what's already there. And kickstart automation.

Take the Lenovo XClarity Energy Manager, for example. It's a key component for system management that can also monitor and collect power consumption and temperature data. The data can be used to evaluate how effectively the existing infrastructure is being used.

This Lenovo software is the base for system management which can easily provide data to complementary software elements via APIs like intelligent schedulers and resource allocation managers. By working with network and storage management systems, it can create a Resource Management framework to define and create KPIs and policies.

The bonus? In addition to giving a much more accurate view and report of a company's carbon footprint, it'll also lead to better inventory control for higher efficiency and effectiveness.

More energy efficient in the modern workplace

Another way data automation can be implemented is through the current shift to hybrid and mobile working. While it's great news for productivity and work-life balance, it can make it harder to collect and monitor important data from end users and ESG reports.

Which is why our Lenovo ThinkSmart devices, powered by Intel® technology, are helping. With a smart management platform, it's now even easier for IT teams to monitor, deploy and fix issues remotely from anywhere. Perfect for collecting that important data to show how ESG targets are being met.

Not moving the goalposts halfway through the game

Companies of all shapes and sizes have finally been dragged (some kicking and screaming!) into the fight against climate change over the past few years. So it's vital that they don't change their targets now, just to claim that they're keeping their promises.

Instead, they need a trusted tech partner like Lenovo if they want to hit their ambitious goals. One that can provide support throughout the ESG journey with services, solutions, and a whole ecosystem of partners. That way, they can find the right data, use it effectively, and work towards that golden 2050 target.