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FROM COMPLIANCE TO CONNECTING SILOS

How AI and Human Intuition Can Redefine ESG Leadership

Insights from a cross-sector ESG Leader Roundtable event hosted by Praesto Consulting in October 2026.

Author: Thalia Phamova

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Executive Summary

Fifteen years ago, ESG rarely featured in many organisations' boardroom discussions. Today, it sits alongside Finance and, in many industries, shares a similar remit: collect, reconcile and report. As regulatory demands shift across global compliance requirements and local climate disclosures, ESG professionals at every level face a critical crossroads. Demand for high quality, audit grade data has never been greater, yet reducing ESG to an accounting or reporting exercise limits its full functionality.

We have gathered ESG leaders, regulatory specialists, academics and technologists for a roundtable to explore a simple question: ***what do companies think they need, and what do they actually need?*** The discussion returned to one idea: ESG's value lies not just in polished reports, but in the connections it creates and the conversations it starts - across departments, between risks and opportunities, between technology and human intervention. ESG is the invisible thread linking an organisation internally and to the environment and people it works with.

Key findings:

- **Strong foundations first**. Compliance earns the department legitimacy to operate. Governance gives its structure. Then value is delivered on top of both. Rushing to strategy before the basics are in place usually "ends in a car crash".
- **Profit *AND* Sustainability, not *OR***. The strongest organisations rarely frame the choice as profit *or* sustainability, people *or* performance, technology *or* human. It is an ecosystem that one supports another.
- **Get buy in through Risk management**. ESG is not just the ethics that dictate operational guidelines, it also leans heavily into Risk Management. The cost of disruptions, loss of suppliers or resources needs to be properly explored and woven into the ESG strategy of the organisation.
- **Let technology do what it does best**. AI can compress days of effort into hours, but it can only work with the information it is given, and it cannot supply wisdom, culture or ethics – that's where human can never be replaced.
- **Bridge the gaps in ESG processes**. A gap remains between the potential of ESG roles and their day-to-day reality, compounded by departmental silos and differences in understanding among sustainability professionals. ESG consultants, for example, may not fully understand the responsibilities of in-house ESG managers.
- **Leadership is the hinge**. Change tends to stick where a leader believes in the purpose, and where governance is respected enough to drive consistent behaviour with it.

- **Smaller organisations are the slowest to adapt.** The reporting landscape is built for the top tier and smaller companies tend to ignore the adaptation until it is necessary.
- **ESG reporting does not always reflect action**. Reports can be produced with little effort to integrate ESG strategies into operations.

This paper follows that thread: where ESG teams are today, what technology can and cannot change, how to work across department silos and a practical roadmap from compliance to value creation.

I. The current reality

Buried in data – the trap that freezes the flow

Finance has had decades to develop a good system for the AR/AP ledger. It is essential, high-volume and quite repetitive, and the ESG teams are in need of their own version – for utility bills, travel receipts, fuel record, supplier declarations and questionnaires – all arrive in different format from different sources, and they all need to make sense.

The discussion around the table involving:

- One participant described the volume of questionnaires from clients at a large professional services firm as “close to unbearable”.
- Other noted that having a common platform, like Ecovadis, have been tried and accepted by some organisations, but when their supplier bases grew to tens of thousands, it’s becoming unmanageable and “demanding a lot of hard work”.
- A theme running through the discussion is: people in those jobs feel they cannot avoid this data trap. The trap is not that data collection is unimportant. It is that the collection itself has become the job, rather than the outputs of it. When an ESG manager spends the week reconciling receipts and reading questionnaires has little time left to ask the question the board actually needs: “*of everything we could worry about, which three things could kill us?”*.

The regulatory fatigue

Although all of participants agree regulation is necessary, they recognise the regulatory environment can add weight. Frameworks such as the EU’s CSRD, ISSB standards and UK’s SECR share similar concepts but different in scope, definition and time. For many organisation that operates cross countries, it means there are overlapping answers to similar questions. For smaller organisations, it can mean not knowing which framework applies at all.

The roundtable have raised 4 concerns about the effects it has:

1. **Noise**. Terms like 'Standard' and 'Disclosure requirements' are being used interchangeably. Financial reporting is shaping how sustainability reporting standards are written. The 'how to do the work' or 'performance standards' is being left behind.
2. **Compliance without change**. One participant observed from his experience that companies can be complied with most regulations without doing anything meaningful. They can even skip measuring emissions and many social aspects – their reputation may suffer, but they can still comply.
3. **Information overload for SMEs**. There is already a great deal of guidance for small and medium companies, and too much of it. Nobody explains how to make it work in a ten-person business where no one sees the business value of ESG.
4. Trickle down is not working. Disclosure requirements aimed at larger corporations are expected to be passed down the supply chain. Smaller partners face the administrative burden and respond with a fair question: *'what's in it for me?'*.

When the response to fatigue is simply to do more reporting, the profession risks optimising the reports over the impact. The more productive respond is to separate the **What** (what must be disclosed) from the **How** (what the organisation actually does), and to pay more attention to the later.

II. The role of Technology and AI

Leave to software what software does best

The roundtable was overwhelmingly positive about technology advancement and AI. One participant described it as transformational for their day to day work. These capabilities stood out as supportive of ESG data collection:

- **Anomaly detection.** Spot the number that does not look right, such as meter reading ten times its usual level, supplier figure contradicting last year's or a missing site's information, before it gets to the auditor.
- **Data integration and mapping.** Connecting multiple data sources and translating between the field names, unit of measures or formats from different systems and suppliers, so that the data can be consolidated without much of human efforts – is identified as big win.
- **Data lineage.** Showing where the number from the report is coming from, who approved it etc. would help with the audit trail and assurance processes.

The data tasks are usually high-volume and manual, prone to error for human but good use cases for AI. Automating them would free up the manual work for the ESG professionals to focus on more strategic and impactful activities – like connecting the organisational silos.

Two practical notes from the roundtable participants: First, there was scepticism that a single common platform for all suppliers/customers will ever be adopted across the whole business world. It is a worthwhile ambition and one that some organisations will pursue but not essentials for the large majority of businesses. Systems should therefore be built to interoperate with what already exists rather than assuming everyone will migrate. Second, AI's language and pattern recognition capabilities deserve greater attention, with applications ranging from reviewing policies across regions to mapping birdsong - a lively, even if off topic, discussion.

Where technology reaches it limits

The group was equally clear about what technology cannot do.

It can only work with the information it is given. That information may be incomplete or biased. As one participant put it, "history is written by the victors", and an AI trained on information supplied by the most powerful will reflect their view of the world.

It does not supply wisdom. One framing captured the difference neatly*: knowledge is knowing a tomato is a fruit; wisdom is not putting it in a fruit salad*. AI can identify risks. Deciding which risk matters most is a human judgement. The conclusion was again incorporating it, not using it to replace people. It is "and", not "or": AI and people.

It cannot create culture. Strong governance and strong leadership were repeatedly identified as the most reliable predictors of success. Research cited in the discussion pointed to a strong correlation between companies that perform well on sustainability and strong leaders. Culture is built by what leaders pay attention to, and no tool can do that on their behalf.

It does not remove the need for ethical care. Technology is a tool invented to serve human ambitions. What shapes the outcome is how it is governed and used. The same applies to supply chains management: a warehouse running on green energy may be using solar panels made with forced labour. Good data would point out these trade-offs and it is the people that make the decision what to do about them.

The practical question for any automation project is therefore twofold: *Does it remove mechanical work? And does it leave a human accountable for the judgement that follows?*

III. Dissolving Silos

ESG department cannot be existing on its own. ESG data does not live in the ESG team. Energy lives in Operations, spend and supplier data in Procurement and Finance, workforce and governance data in HR and Legal. Getting it means asking other people to do extra work, which means the requests have to be weighted and worth their while.

Engaging Finance, Operations, Procurement and HR

The languages that each of those departments speak can be vastly different. Their priorities also don't have to align, attendees report some organisations "have gag reflex with the word sustainability". But one common denominator that all understand is Risk. It is a gateway to cross-functional conversations because Risk is not talking about sustainability. It is that flash floods can wipe out supply chain. It is the investments that don't hold value 5 years down the line in a danger zone. And all would agree: a resilient business is one that deals with the problems that could stop it from sustaining itself into the future.

The roundtable was discussing the evidence that this framing resonates. Organisations that had invested in supply chain resilience were described as bouncing back better from the pandemic shutdown. Recent oil supply disruption has reminded many boards how exposed they are to a single energy source. In at least one language, the words for "Risk" and "Opportunity" are the same.

The table below suggests how to open the conversation with each function.

Function	Their language	What they worry about	A better opening question
Finance	Risk, cost of capital, controls, materiality	Misstatement, audit findings, unplanned cost	*"Which of these exposures could affect our numbers, and how do we evidence them?"*
Operations	Uptime, waste, efficiency, resilience	Disruption, cost, targets that conflict with output	*"Where are we paying for energy or waste that we could stop paying for?"*
Procurement	Supplier resilience, cost, continuity	Single points of failure, supplier loss	*"Which suppliers could we not operate without, and how are they doing?"*
HR	Retention, engagement, culture, capability	Attrition, hiring, morale	*"What would make people proud to work here, and how would we know?"*

One participant put the underlying challenge simply: all issues are important, but *which three could kill us*? Framing the conversation around that question tends to produce more engagement than any framework.

Practical frameworks for shared KPIs

Silos dissolve when objectives overlap. The roundtable discussed and offered several real-world patterns, anonymised here:

- **Make the business case first.** A major construction group's solar programme began with a simple question: *will it save us money?* The team took a calculated risk, and the programme delivered savings of around half a million pounds. ESG was the innovation; the business case was what persuaded people.
- **Treat suppliers as partners.** One suggestion was: Be generous with your suppliers. To give them a small share of their time, to think about improvement, and to pay them for it. The idea has largely disappeared, and could usefully return. Help them on their ESG journey and achieve their goals.
- **Support, don't just screen.** Large companies can move faster and further than small suppliers. Example was discussed about a large transport group with around seventeen thousand suppliers, ranging from aircraft parts to seat fabric, described the importance of nurturing that base. Instead of cutting off contracts because they don't meet the ESG metrics, the company challenged them to improve their practices (on water or chemical use, for example) and then support them over several years.
- **Reward long-term value.** KPIs set only for short term gains encourage the opposite behaviour. Shared objectives should include a long term view.

A simple way to apply these patterns is to build each shared KPI from a common structure:

Shared objective	Owner(s)	Business language	Example measure
Reduce energy cost and emissions together	Operations + Finance	Cost saved, payback period	Energy cost per unit of output
Strengthen supply-chain resilience	Procurement + ESG	Continuity, concentration risk	Share of critical suppliers with a resilience plan
Build a workplace people choose to stay in	HR + Operations	Retention, productivity	Voluntary attrition and engagement in priority teams
Make reported numbers audit-ready	Finance + ESG	Controls, evidence	Share of reported metrics with documented lineage

These are illustrative starting points, not a prescription for a conversation. The principle is that each KPI should be *owned* by a function that already cares about it, expressed in that function's own language, and reviewed in that function's own agenda.

IV. Roadmap

The roundtable experts offered consistent advice: **master the basics, then build on them.** Companies may be tempted to do too much too quickly, increasing the risk of failure. The roadmap below brings together the ESG experts' tried-and-tested advice in that sequence.

Phase I: Secure the foundations (first 90 days)

1. **Map the burden.** List every recurring data request, who owns it, how long it takes and what decision it supports. Anything with no decision attached is a candidate for simplification.
2. **Be clear on what you must do.** Separate the legal minimum from the voluntary. Knowing exactly where the compliance line is lets you be deliberate about everything above it.
3. **Name the three things that could hurt the organisation most.** Use the *"which three could kill us?"* question with leadership. It turns an endless list of ESG topics into a short list that the board can own.

Phase II: Build the structure (3 to 9 months)

4. **Embed governance at the top.** Strong governance is essential to success. Led from the top, it ensures consistent behaviour, even among sceptics. Naming an executive sponsor is the best way to reinforce it.
5. **Automate the repetitive work.** Prioritise anomaly detection, data mapping and lineage. Keep a person accountable for every judgement call.
6. **Reframe through Risk.** In internal conversations, lead with resilience, cost and continuity. Not everyone understands 'sustainability', but everyone understands risk management.

Phase III: Create value (9 to 18 months)

7. **Agree shared KPIs with each function.** Start with one per department, connect in their language, and with a clear business case.
8. **Invest in the supply chain.** Differentiate between suppliers you must challenge and suppliers you should help. Reduce questionnaire burden where you can, and give smaller partners practical, proportionate support.
9. **Measure performance, not just disclosure.** Use performance standards and management system approaches to evidence that what you report is the result of what you do.

Challenges

The participants acknowledge the path is not without challenges. Below are the tensions worth mentioning:

- **Customers and cost.** Costumers often choose the cheaper product, even when a more sustainable one is available. Companies in the discussion had seen sustainable packaging changes rejected by consumers who preferred the original plastic box. A tax break was thought more likely to backfire than help organisation reaching ESG targets. A better approach is to explain what makes the sustainable product cost more, rather than trying to sell it at the same price.
- **Sustainability terms are contested.** A cucumber in plastic can be more sustainable than a naked one if the plastic keeps it fresh for longer and reduces food waste. 'Organic' does not automatically mean sustainable. An honest assessment should rely on full life cycle analysis, not catchy slogans.
- **Care vs Comfort**. A question echoed in the room: why people do not carry their concern about the environment from the living room into the boardroom, and conceded that although many share the concerns for the planet, they still prefer comfort. Culture change relies on leaders who believe in the purpose and ignite commitments, not on assuming everyone already does.

V. If you have a magic wand…

The session closed with a simple question**: If you are given a magic wand to deliver the greatest value in your role, for yourself and your team, what would it be**? The answers were revealing.

Theme	What was asked for
Stronger rules where governance meets compliance	More and better regulation, on the view that it helps far more than people expect
Leadership	Strong leadership, from the top down. Have ESG sponsors in all departments.
Clarity	Make the standards more comprehensible and easy to follow.
Access	Break the barrier between accessing and following the regulation and tools.
Professional quality	Greater regulation of ESG consultancy so that the organisations get adequate help.

Taken together, the wishes point in one direction: **Less noise, stronger regulation and leadership, with a clearer path for organisations of every size.**

Closing thought

The ESG profession is at a turning point. It can remain the department that focuses on reporting, or become the function that breaks down the silos and connects. The difference does not lie in a new regulation framework or a bigger system. It is a decision to treat compliance as the floor rather than the ceiling, to speak each department's language, to let technology carry the repetitive load, and to keep human judgement firmly in charge of what truly matters.

These are the questions we took out from the session that is worth repeating:

- Which three ESG related risks could genuinely threaten our business?
- How much of my team's time goes on data collection, and how much on driving values?
- Which department could we partner with this quarter on a shared, practical KPI?
- If we had a magic wand, what is the one thing that would let us deliver the most value?

VI. How can we help

Praesto Consulting Group helps companies and enterprises to collect, consolidate and turn the ESG data into something they can trust, plan with and report on. We implement the systems behind that work, and we understand that sustainability goes well beyond systems.

Let's start a conversation!

Get in touch and we'll help you drive the roadmap and its implementation, from the first review of your data and processes through to reporting that your organisation can stand behind. Tell us your aspirations, what your day to day looks like and we'll work out where to begin.



Thalia Phamova
ESG and Financial Reporting Lead
+44 7770 80 62 99
tphamova@praestoconsulting.com



Aniruddha Katkar
Account Director
+44 7976 84 84 66
akatkar@praestoconsulting.com