

Guide

Finding the right ESG software

A buyer's guide for industrial companies

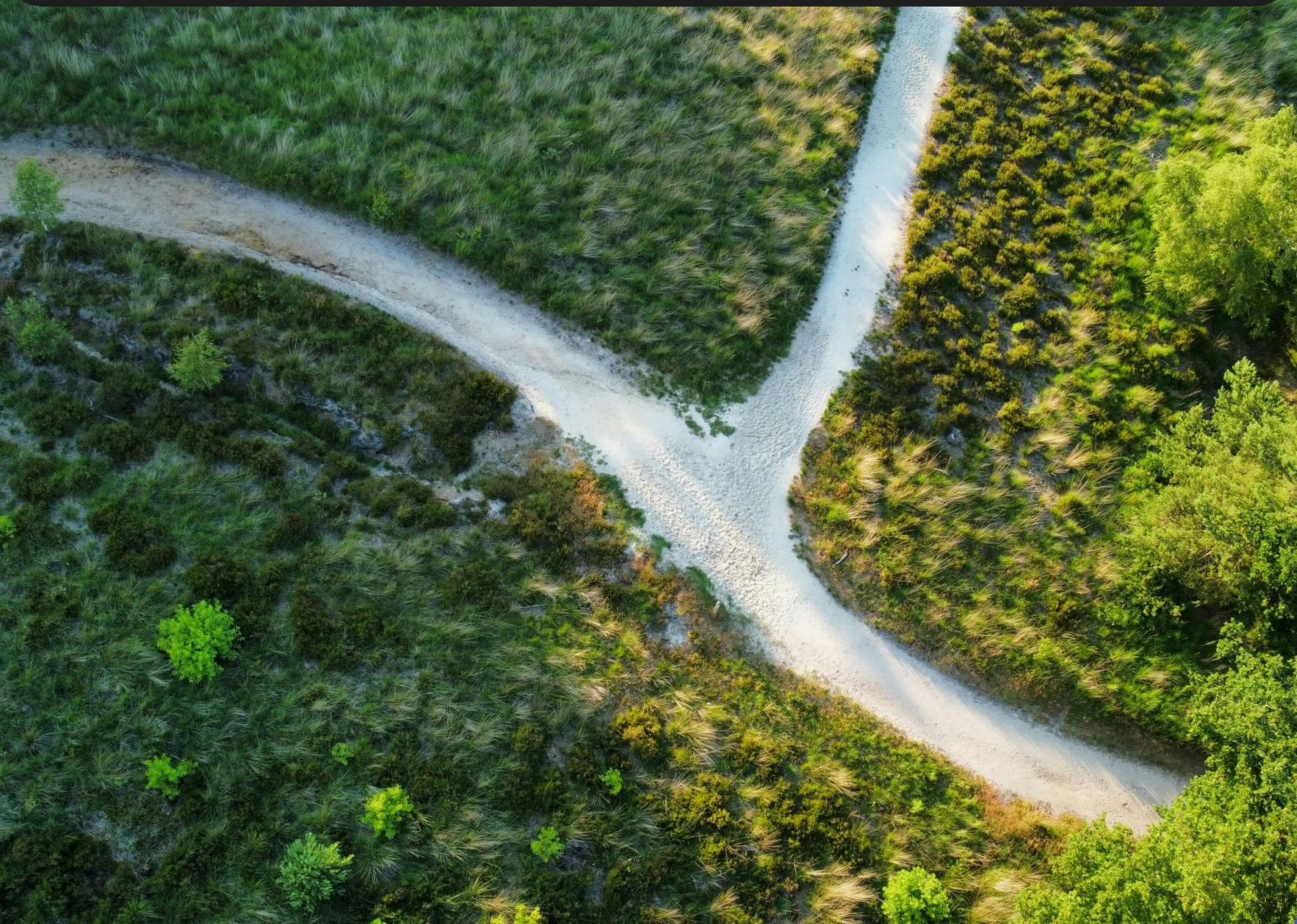


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1 | Choosing ESG software:

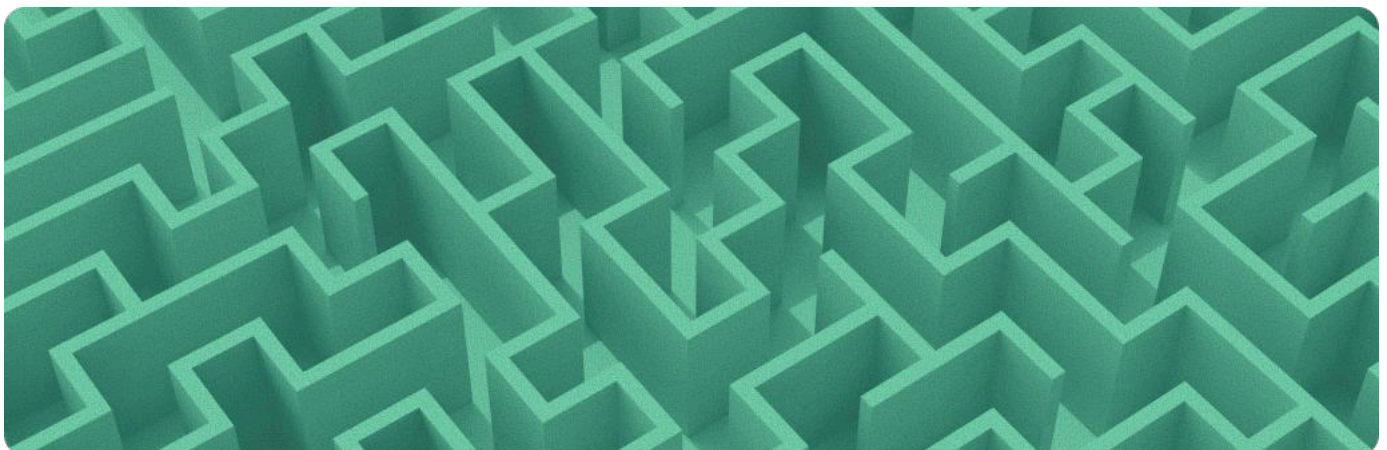
A strategic decision

For many industrial companies, ESG started as a reporting requirement. Today, it's something very different. Carbon accounting, CSRD reporting, Product Carbon Footprints (PCFs), and supply chain transparency are no longer isolated tasks. They cut across the entire organization - from production and procurement to finance and risk. And that's exactly where the challenge begins. Because ESG is no longer about producing a report once a year. It's about building a system that works continuously.

Which leads to a key question for ESG managers: What kind of ESG software can actually support this shift? There is no one-size-fits-all answer. Different solutions focus on different strengths - methodology, data integration, reporting, or analytics.



This guide helps you navigate that complexity - and make a decision that holds up over time.



2 | Why ESG looks different in industrial companies

Industrial companies face different ESG challenges than, for example, service businesses. The main reason lies in the complexity of production and supply chains.

Typical requirements in manufacturing companies include:

- Complex supply chains with Scope 3 emissions
- Multiple sites and legal entities
- Material and energy flows in production
- Product Carbon Footprints for customers
- Integration of production and ERP data
- Decarbonization of production processes

In industrial environments, large volumes of sustainability data are generated from various sources:

- ERP systems
- Energy management systems
- Production systems
- Procurement systems
- Supplier surveys

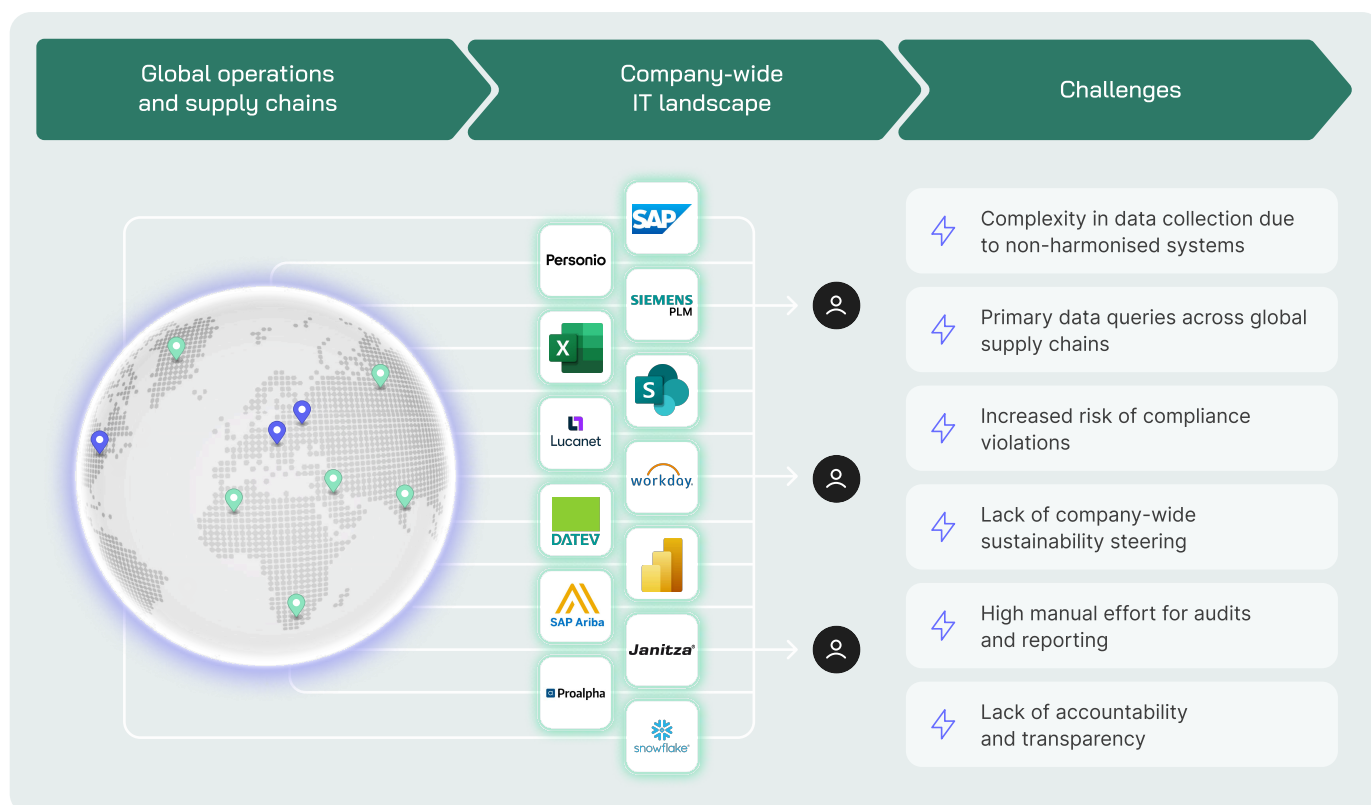
An ESG software solution must be able to integrate these data sources in a structured way.

For manufacturing companies, one factor is particularly important: industry expertise.

A suitable ESG software solution should, for example, be able to:

- Calculate Carbon Footprints at product level
- Map material flows and production data
- Capture supply chain emissions in a structured way
- Consolidate multiple sites and legal entities
- Link energy and production data

Challenges in sustainability management



For companies with complex production environments, this capability determines whether sustainability data can later be used for operational decisions - such as switching energy sources, optimizing production processes, or redesigning products.

Siegbert Wolf, Head of Global Quality and Sustainability at **WEISS Group**, describes this impact:

“Tanso helped us identify existing data gaps and create full transparency. This allowed us to build a reliable foundation for our sustainability management and derive targeted measures for the future.”



Siegbert Wolf

Head of Global Quality and Sustainability



3 | Where ESG gets real: CO₂ as the operational bottleneck

Before diving into features, it's worth asking a more fundamental question: What actually matters most in your ESG context? Not all ESG topics are equally relevant for every company. The focus depends heavily on industry, business model, and value chain. However, for industrial companies, a clear pattern emerges: Environmental topics - especially CO₂ emissions - are almost always material.

This is also reflected in regulatory requirements. Within CSRD, ESRS E1 (Climate Change) is a central component of reporting and, in practice, mandatory for many companies. At the same time, environmental topics - particularly energy, emissions, and resource use - account for the highest level of complexity and operational effort.

In addition, CO₂ data is not only regulatory - it is operationally demanding. Scope 3 emissions, Product Carbon Footprints, and supply chain data make this area one of the most resource-intensive in terms of data collection and processing. For ESG managers, this means: Software selection should be aligned with what truly matters. An ESG platform may offer many modules - but if it lacks depth in the most material impact areas, this quickly becomes a structural limitation.

For industrial companies, this means the software should be particularly strong in:



Carbon accounting (CCF & PCF)



Scope 3 transparency across the supply chain

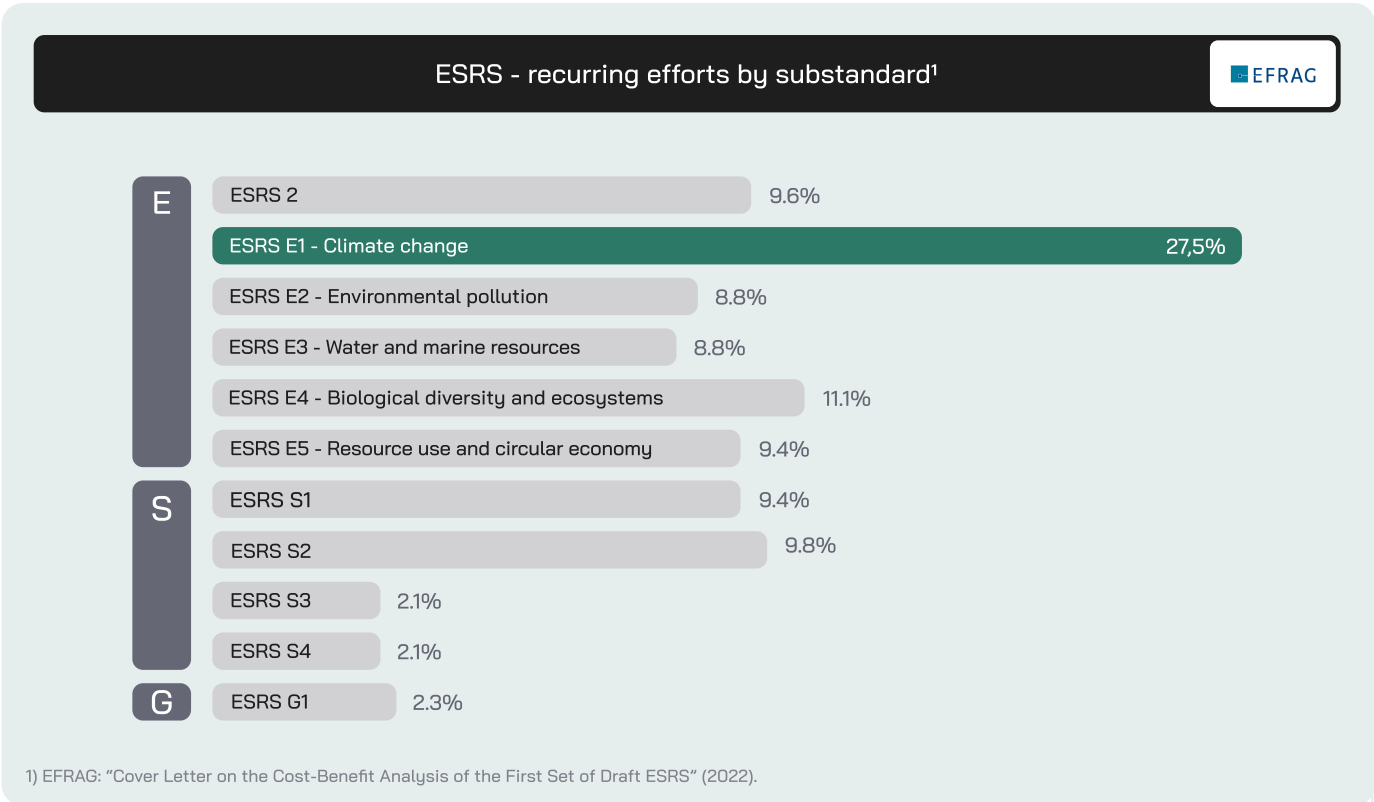
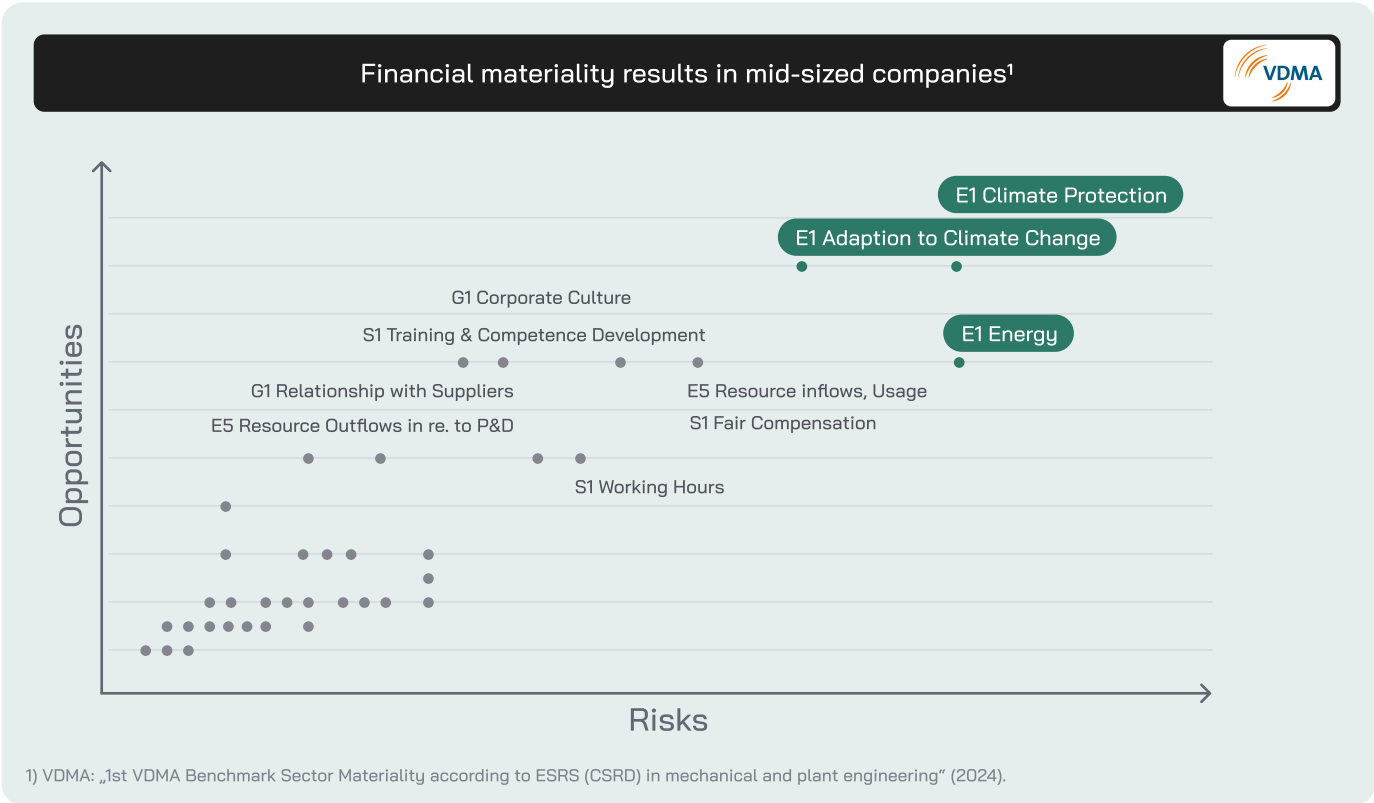


Quantitative environmental metrics (e.g. energy, resources, emissions)

Or put simply:

The most important sustainability category should also be the best supported in your software.

CO₂ as an operational bottleneck - Most complex parts of sustainability regulation are environmental



4 | What to look for in ESG software

Once priorities are clear, the next step is evaluating capabilities. Not every feature carries the same weight. The goal is not to find the most features - but the right ones.

1. Methodology and standards

The foundation of any ESG software is its underlying methodology. A platform should support established standards such as:

- GHG Protocol for carbon accounting
- ISO 14067 for Product Carbon Footprints
- ESRS for CSRD reporting

However, it is not just about calculation - it is about transparency. ESG managers must be able to clearly demonstrate:

- which data was used
- which emission factors were applied
- which databases these factors originate from
- which assumptions underpin the calculations

Calculation logic depending on data availability and objectives



Spend-based calculation
e.g., €1,000 in steel
sufficient for compliance



Volume-based calculation
e.g., 1t of steel
allows rough analysis



Supplier-specific calculation
e.g., 1t of steel at 1.8 kg CO₂e/kg
enables detailed insights

Data availability

**Quality of insight
and analysis**

This transparency is especially critical in audits and regulatory reporting. ESG software should ensure that methodologies, data sources, and calculation logic are consistently documented and traceable over time. Companies must also align their calculation approach with their data maturity and objectives. For example, activity-based calculations have become the industry standard. Financial based estimates can be used where data gaps exist.

Companies must also align their calculation approach with their data maturity and objectives. For example, activity-based calculations have become the industry standard. Financial-based estimates can be used where data gaps exist.

For companies that have already identified emission hotspots and made initial progress in decarbonization, supplier-specific calculations can unlock further potential. Improving calculation methods over time makes clear documentation of emission factors and primary data essential for comparability and auditability.

Dr. Julia Koch, Sustainability Manager at **ASSMANN**, explains:

“With Tanso, we can clearly demonstrate which emission factors and values come from which databases. This not only helps in external communication but was also positively evaluated during our sustainability audit.”



Dr. Julia Koch
Sustainability Manager

ASSMANN

2. Data integration and AI-based data management

In reality, there is rarely a single system containing all relevant ESG data.

Many industrial companies work with:

- Multiple ERP systems
- Energy management systems
- Procurement systems
- Production systems
- Manual data collection

An ESG software solution must therefore integrate data from various sources. Key capabilities include:

- ERP integrations
- Flexible import formats
- Integration with existing IT systems
- Support for heterogeneous data landscapes

A practical example of scalable data integration is **Norder Band**: Through an interface between its ERP system and the Tanso platform, up to 5,000 Product Carbon Footprints per day are calculated - without manual exports or Excel loops.

This demonstrates the importance of ESG software that integrates seamlessly into existing systems rather than creating new data silos. AI-based data management is becoming increasingly important.

Artificial intelligence can support companies by:

- Identifying relevant ESG data in large datasets
- Mapping emission factors automatically
- Detecting data gaps
- Improving data quality
- Making data collection more efficient



However, AI does not replace methodology or reliable activity data. It enhances existing processes. A strong ESG platform combines structured data collection, clear methodology, and AI-supported processing.



3. Organizational structure and system boundaries

Many industrial companies operate within complex organizational structures. This typically includes:

- multiple legal entities
- international sites
- different IT systems
- acquisitions

For ESG reporting - especially in the context of CSRD - it is essential to clearly define, for each reporting year:

- which organizational units are included
- which sites are covered
- which data sources were used

These so-called system boundaries must be transparently documented. In globally operating industrial companies, structured data collection across multiple sites is a key challenge. Different stakeholders, heterogeneous data sources, and varying data quality often make consistent ESG reporting difficult.

An ESG software solution should therefore be able to reflect complex organizational structures and their changes over time, while clearly documenting which sites, entities, and systems are included in each reporting cycle.

This becomes particularly relevant in the case of structural changes such as mergers and acquisitions (M&A). For example, when a company is newly integrated into or divested from the group, it must be clearly traceable from which point in time it is included in the reporting - and which data is considered in each reporting year. Only in this way can system boundaries be transparently represented, historical developments correctly interpreted, and regulatory requirements - such as those under CSRD - reliably fulfilled.

The impact of structured data collection is illustrated by the example of **Pankl AG**: The company was able to reduce the effort required to prepare its carbon footprint by around one-third while simultaneously improving the auditability of its data. This was enabled by a centralized ESG platform through which emissions data from around 20 sites is systematically collected, consolidated, and documented in an audit-compliant manner.

4. Data collection across the supply chain

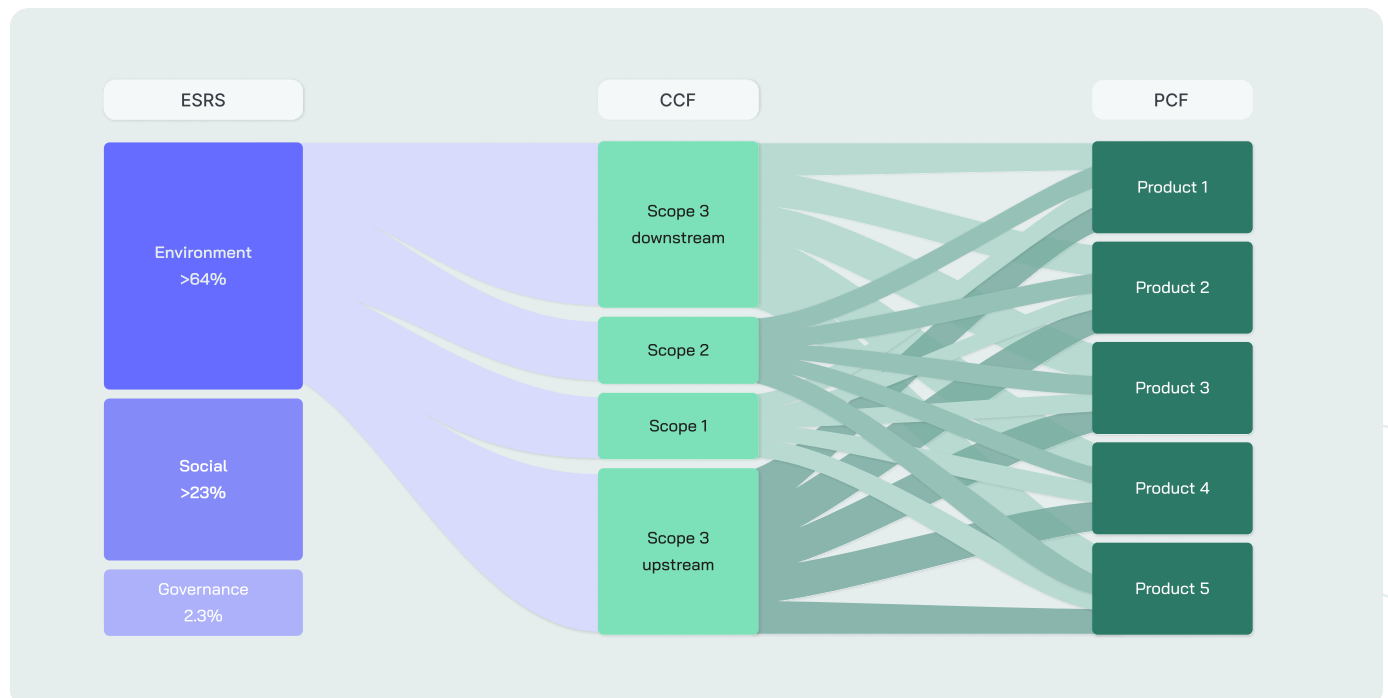
A large share of emissions in industrial companies originates in the supply chain. In manufacturing businesses in particular, significant portions of the carbon footprint are typically driven by purchased materials, intermediate products, and transportation processes.

It is therefore essential to collect reliable supply chain data and systematically integrate it into carbon accounting. In practice, however, many of these data points are often not fully available. Supplier data may be incomplete, formats may vary, or relevant information may not yet be collected at all.

An ESG software solution should therefore support:

- structured supplier engagement and data collection
- integration of supply chain data
- processing of both primary and secondary data
- scalable Scope 3 data collection

Central data layer enables synergies



In addition, structured data collection helps identify existing data gaps and close them in a targeted way. For industrial companies in particular, this capability is becoming a strategic competitive advantage, as more and more customers are demanding reliable sustainability data across the supply chain.

Alina Braun, Engineer Sustainability Management at **Neumann & Esser**, describes this challenge as follows:

“Our CSRD test report made it clear how demanding it is to efficiently collect and prepare relevant data - a process that not only requires time but also close coordination across the organization. One of the biggest challenges was identifying the right contacts worldwide and gathering financial and sustainability data in the required quality.”



Alina Braun
Engineer Sustainability Management



5. Governance and auditability

ESG data is increasingly part of regulatory reporting. Therefore, it must be:

- traceable
- documented
- auditable

An ESG software platform should include:

- roles and responsibilities
- approval workflows
- version control
- audit trails
- methodology documentation

For ESG managers, this significantly reduces the risk of errors or non-auditable reports. Eduard Schmidt, Sustainability Manager at **Technotrans**, describes the impact as follows:

“As a company subject to CSRD reporting requirements, Tanso’s software provided enormous support, especially during the initial reporting phase. The integrated project management and the clear overview of all relevant data points significantly simplified the process and improved both the quality and traceability of our reporting.”



Eduard Schmidt
Sustainability Manager

technotrans

6. Analytics, decarbonization, and reporting

A major benefit of ESG software lies not only in reporting. Modern platforms also enable companies to analyze sustainability data in a targeted way and derive concrete actions from it. With structured data and consistent methodology, companies can identify emission hotspots, assess decarbonization potential, and track progress over time.

For industrial companies in particular, this level of transparency is critical. Only when it is clear where emissions actually occur can effective measures be developed. This transforms sustainability management from a reporting obligation into a tool for steering transformation. Christian Bracke, Environmental Manager at **Nexans autoelectric**, describes this benefit as follows:

“Tanso’s software enabled us to identify relevant data and process and analyze large volumes of data in a short time. This allowed us to allocate company emissions proportionally to specific product groups. These valuable insights form the basis for concrete reduction measures.”



Christian Bracke
Environmental Manager

Nexans

5 | Choosing a partner - Not just a software

When selecting ESG software, it is not only the functionality of the platform that matters. Equally important is the partner behind the software.

Sustainability management is continuously evolving. New regulatory requirements emerge, methodologies develop further, and companies gradually expand their data foundations. In this dynamic environment, companies benefit most from software providers that not only deliver technology, but also support their customers over the long term.

For ESG managers, this means: A strong software partner not only supports implementation, but also helps to continuously improve processes, methodologies, and data collection within the organization.

Especially in industrial companies with complex organizational structures, close collaboration between the software provider and the ESG team can be critical. It helps structure internal processes, clarify responsibilities, and implement new requirements efficiently. ESG managers should therefore consider asking the following questions when selecting a platform:



Does the provider actively support the implementation of the software?



Is there a local Customer Success team familiar with regulatory requirements in the DACH region?



Is there additional methodological or regulatory expertise available, for example through a climate or sustainability expert team?



Is customer feedback actively incorporated into the ongoing development of the software?

In long-term transformation processes, one thing becomes clear: The right ESG software is not just a tool - it is part of a long-term partnership.

Lisa Femerling, ESG Manager at **MAX Automation**, describes this collaboration as follows:

“Tanso has become a key success factor for us in managing, collecting, and reporting sustainability data. Through close collaboration with the Customer Success team, we were able to better structure our processes, develop tailored solutions, and directly incorporate our feedback into the software.”



Lisa Femerling
ESG Manager



6 | The role of ESG software in your IT architecture

In practice, sustainability software often fulfills multiple functions at the same time. These can be divided into three layers:

1. Data layer

Collection and integration of ESG data from various sources, including:

- ERP systems
- Production systems
- Supply chains
- Manual data collection

2. Governance layer

Methodology, documentation, and approval processes for regulatory requirements, including:

- Methodology management
- Roles and responsibilities
- Audit trails

3. Analytics & reporting layer

Analysis and provision of sustainability information, including:

- ESG reporting
- Carbon accounting
- Scenario analysis

Which of these functions a company needs depends largely on its existing IT landscape.

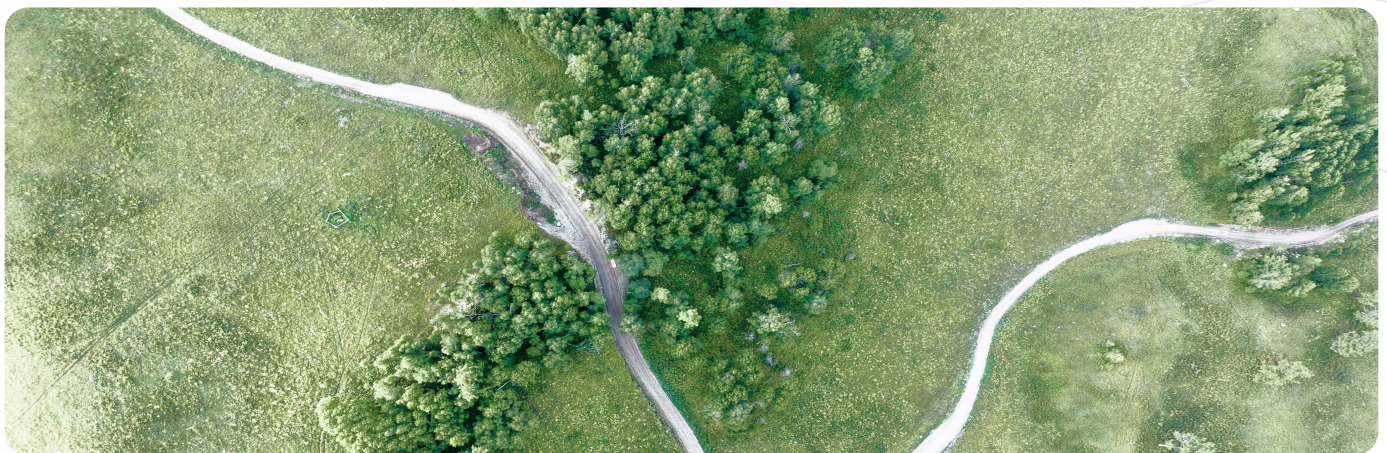
7 | ESG software as infrastructure for sustainable transformation

Choosing ESG software is not just an IT decision - it defines how sustainability is managed. For industrial companies, key factors are:

- Supply chain complexity
- ERP and production integration
- Methodological robustness
- Scalable data architecture



The right platform enables companies not just to report ESG - but to manage it.



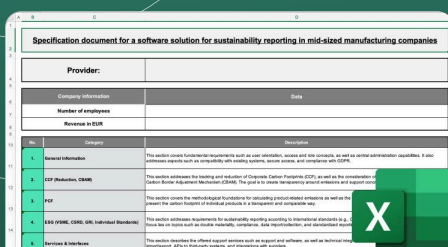
8 | Requirements template for ESG software

Selecting ESG software starts with clear requirements. Use our free **requirements template** to define your needs and compare vendors objectively.

Download the template now 

Requirements template

Excel



Specification document for a software solution for sustainability reporting in mid-sized manufacturing companies		
Provider:		
Company Information		Date
Number of employees		
Revenue in EUR		
No.	Category	Description
1.	General information	This section covers fundamental requirements such as user identification, access and the company, as well as central administration capabilities. It also addresses security and its compliance with existing security, access control, and compliance with GDPR.
2.	CCF (Circular, Carbon, Climate)	This section addresses the reporting and calculation of Circular Carbon Footprint (CCF), as well as the consideration of Carbon Border Adjustment Mechanism (CBAM). The goal is to ensure an accurate and efficient data management.
3.	PCF	This section covers the methodological foundations for calculating product-level emissions as well as the presentation of carbon footprint of individual products in a transparent and comprehensible way.
4.	ESG (Climate, Carbon, GHG, Individual Standards)	This section addresses requirements for sustainability reporting according to international standards (e.g., GRI, SASB, TCFD) as well as specific industry standards, company-specific requirements, and associated data management.
5.	Services & Interface	This section describes the offered support services such as support and software, as well as technical integration, APIs to third-party systems, and integration with suppliers.

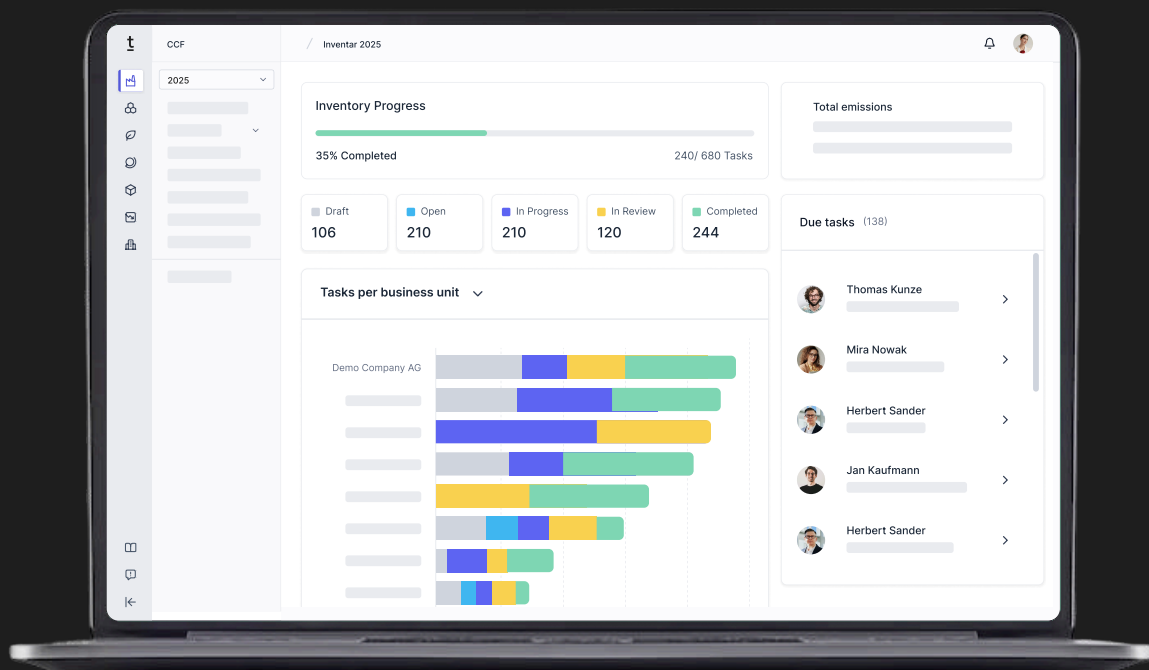
The Excel template offers:

- ☒ Requirements catalog of leading manufacturing companies
- ☒ Directly usable for tenders (CCF, PCF, ESG reporting)
- ☒ Considers IT guidelines of medium-sized enterprises

Über Tanso

Tanso is the ESG and carbon accounting software that industrial companies in DACH rely on to compete and comply in carbon-intensive sectors. The Tanso platform enables companies to meet customer requests and regulatory requirements in sustainability, ensuring data management to the highest standards through structured, audit-proof processes. With TÜV Rheinland-certified methodology, Tanso is trusted by over 300 industrial customers across automotive, mechanical engineering, food and chemicals to strengthen their competitive position in sustainability and ESG performance.

www.tanso.de



Sie haben Fragen?

Discover Tanso – your all-in-one solution for sustainability

Request a demo to get an overview.

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