

The Sustainability Brief

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zmh
advisors

From Friction to Function: Fixing Sustainability Questionnaires Across the Value Chain

Sustainability disclosure is no longer something companies do once a year. It now happens continuously through customer questionnaires, supplier requests, RFPs and investor diligence. What was once a reporting exercise has become an ongoing operational demand.

For many organizations, this shift is creating a new kind of pressure. Teams are managing a steady flow of complex and overlapping requests, often with little coordination across stakeholders. The result is not just inefficiency, but a growing source of internal friction and external risk.

01.

The Hidden Tension Across the Value Chain

Companies responding to sustainability questionnaires are dealing with a familiar set of challenges. Requests arrive from customers, investors and partners, often asking for similar information in slightly different formats. This means teams are expected to gather data from across the organization, validate it and respond quickly, all while maintaining consistency.

In practice, this often means hours spent searching through reports, spreadsheets and internal systems. The same question may be answered multiple times in different ways depending on who responds. And over time, this creates inconsistency and undermines credibility.

At the same time, companies sending these questionnaires are facing their own set of unique challenges. Supplier responses are often incomplete, inconsistent or difficult to compare.

Many organizations are beginning to recognize that the way they design questionnaires directly impacts the quality of the data they receive.

The dynamic is circular. Poorly structured requests create poor responses. Poor responses make decision-making harder. Therefore, the burden increases on both sides.

02.

Bigger Picture: Sustainability Compliance as Supplier Relationship Strategy

This dynamic is becoming more important as the regulatory environment accelerates.

Over the next several years, companies will face increasing pressure to collect and validate sustainability data across their value chains. Regulations such as the Corporate Sustainability Due Diligence Directive (CSDDD), the EU Deforestation Regulation (EUDR), and The EU Packaging and Packaging Waste Regulation (PPWR), are collectively driving a new level of expectation around supply chain transparency, traceability and risk management.

By 2027, most enterprises will be required to gather meaningful, verifiable data from suppliers across environmental and social dimensions. The question is no longer whether companies will need this data, but in how they collect it.

In this environment, sustainability questionnaires become more than a compliance tool but a core part of supplier engagement strategy.

Procurement teams that succeed will not be those that ask the most comprehensive questions. They will be the ones that make it easiest for their strategic suppliers to respond. As regulatory requirements expand and supplier capacity remains constrained, reducing friction becomes a competitive advantage.

Companies that streamline their sustainability processes will gain better access to suppliers, higher quality data and stronger long-term relationships.

Practical Tip

Audit your top 3 supplier questionnaires.

If you struggle to respond quickly or consistently to your top 3 highest value supplier or potential customer questionnaires, that's a signal your process is creating friction, and likely impacting data quality.

04. The Shift to Data Infrastructure

At the center of this challenge is not a lack of effort. It's a lack of structure.

Sustainability data is often fragmented across different systems and teams. There is no single source of truth. Responses are not standardized. Processes are not designed to scale.

Without that foundation, each new request becomes a manual exercise. The volume increases, but the capability does not. Leading companies are starting to recognize that this is not about answering questions faster but building the infrastructure behind the answers.

05. Real Issue: A Lack of Structure

A more effective approach treats sustainability disclosure as an operational system. That starts with centralizing data, so teams are working from the same source. It requires consistent, reusable responses that can be adapted across different requests. It also depends on clear ownership, so responsibilities are defined across sustainability, legal, finance and commercial teams. This is what allows companies to move from reactive responses to a repeatable and scalable process.

Practical Tip

Build a “top 25” response library.

Most organizations receive the same core questions repeatedly. Standardizing these responses can significantly reduce effort while improving consistency and credibility.

06.

The Role of AI

As the volume of requests continues to grow, technology is becoming essential. AI is playing an increasingly important role in helping companies manage sustainability disclosure more effectively.

Organizations are beginning to use AI to search across internal documents, draft responses and ensure consistency across teams. Tasks that once took hours can now be completed within minutes. However, the real value of AI is not speed. It is alignment.

AI can only be effective when it’s built on structured, reliable data. Without that, it simply accelerates inconsistency. The most effective approaches combine AI-enabled tools with strong governance and clear data sources.

Practical Tip

Start with your data before deploying AI.

If your sustainability data is fragmented or inconsistent, AI will amplify those issues. Focus first on building a clean, centralized knowledge base

07.

A More Practical Approach for Companies

As sustainability questionnaires increase in volume and complexity, leading companies are building structured, repeatable systems. Use this checklist to assess where you stand.

If You Are Responding to Questionnaires

- **Centralized ESG Knowledge Base**
All sustainability data, policies and disclosures are stored in one accessible location
- **Standardized Core Responses**
Top 25–50 common questions are pre-developed, consistent and reusable
- **Clear Cross-Functional Ownership**
Sustainability owns content, with Legal, Finance and Commercial teams validating and applying
- **Governed Data and Documentation**
Data is traceable, consistent and aligned across reports and responses
- **Ongoing Process, Not One-Off Effort**
Questionnaire responses are managed continuously, not just during reporting cycles
- **Technology-Enabled Efficiency**
Tools or AI are used to improve speed, consistency and scalability

If You Are Sending Questionnaires

- **Streamlined, Non-Duplicative Requests**
Questions are clear, focused and avoid asking for the same data in multiple formats
- **Materiality-Driven Design**
Requests focus on what matters most to your business and stakeholders
- **Aligned to Recognized Standards**
Questions reflect frameworks that suppliers already use, improving comparability
- **Designed for Supplier Efficiency**
Suppliers can submit data once and reuse it across requests
- **Clear Use of Data**
Suppliers understand how their data is evaluated and applied

If multiple teams in your organization are asking similar questions in different ways; pulling data from different sources; or responding inconsistently you do not have a questionnaire problem, you have a system design problem.

08. The Strategic Opportunity

Sustainability questionnaires are often seen as repetitive and low value. In reality, they are one of the most direct ways companies engage with customers, suppliers and investors. They influence commercial outcomes, signal future expectations and shape how companies are perceived in the market.

Organizations that respond effectively are not just improving efficiency. They are strengthening relationships, improving data quality and positioning themselves ahead of peers in an increasingly complex regulatory environment.

Upcoming ZMH Event

The same investors pressing your sustainability agenda can also be the ones filing proposals or backing activists. Join us Wednesday, April 22nd at 12:00 PM EST for our next roundtable — Preparing for Shareholder Activism in the Current Political & Economic Environment — featuring practitioners from Actum LLC, Sidley Austin, and ZMH Advisors on how to protect your company before pressure becomes a campaign.

[Register here →](#)

Additional ZMH Resources

- Want to dive deeper into Sustainability disclosure, check out our [March 2026 Newsletter](#): *Right-Sizing Sustainability Reporting in a Post-Omnibus World*
- For the latest proxy season insights, read our *2026 YTD Shareholder Proposals Brief* [here →](#)

ZMH Perspective

At ZMH, we view sustainability questionnaires as a critical intersection between regulation, investor expectations and commercial strategy. We help companies move from reactive responses to structured, scalable systems by:

- Building centralized sustainability knowledge bases
- Developing messaging aligned to investor and customer priorities
- Designing standardized response libraries
- Advising on how to prioritize based on stakeholder expectations
- Supporting the integration of AI tools to enhance speed, consistency and traceability

Our focus isn't just answering questionnaires — it's helping companies build a system that strengthens both disclosure and relationships by communicating sustainability data in a way that's precise, efficient, and aligned with stakeholder expectations.

Strategic Advisory for Evolving Disclosure Expectations

ZMH helps companies right-size sustainability reporting by aligning disclosures with what investors prioritize—not just regulatory mandates or peer benchmarks.

We combine **20+ years of corporate governance and sustainability advisory experience** with **AI-powered investor intelligence** that tracks your specific shareholder base in real time—their voting behavior, engagement priorities, and evolving disclosure expectations.

Wherever you are in your sustainability journey, or shareholder engagement, ZMH helps you focus on what matters to your investors—not just what regulations require.

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