



Operationalize ESG across the enterprise



Environmental, social, governance (ESG) performance is no longer a nod to morality or ethics; it is now a business imperative. Significant demand from investors, regulators, employees, and customers is driving organizations to effect change. KPMG and ServiceNow help our clients formulate a data-driven strategy with a supporting operating model enabled by integrated workflow technology to achieve desired change in their ESG performance and increase the trust of their stakeholders.

The KPMG 2021 CEO Outlook survey found that 81 percent of executives saw ESG initiatives as a strategic priority. Many have set high-level goals and begun initiatives within various functions. However, given the breadth of ESG and the considerations needed across multiple departments and systems, few have devised a cohesive and enterprise-wide approach. To establish visibility across an ESG program, organizations need an approach that aligns initiatives across departments, and moves data across systems to enable program measurement and effectiveness.

Without a well-designed data and technology solution, organizations will continue to require a high degree of manual effort to “connect the dots” across ESG initiatives. Whether it be manual collection and review of data, manual management of programs and projects, or manual creation of reports that links everything together, too many points of action outside of a central system can exponentially increase the risk of error and intensify the challenge to properly inform stakeholders.

To address these challenges KPMG LLP (KPMG) has teamed with ServiceNow as their lead launch and design partner to bring a new integrated ESG solution to clients. Together, KPMG and ServiceNow help companies gain visibility and transparency across their ESG initiatives with a tailored strategy, governance, and reporting all managed on one technology platform.

Common challenges when establishing or maturing an ESG program

With ESG covering many operational areas ranging from human resources, supplier management, facility operations, and finance, leaders must focus resources around the people, processes, technology, and data that deliver on the overall strategy. To achieve this and drive the desired change, organizations must consider how they align and deliver on a number of cross-functional activities, including:



Strategy:

- Understanding what has happened and aligning with ESG reporting frameworks
- Identifying risks and exposure to better understand material topics
- Setting targets and goals that outlines a path forward
- Determining key performance indicators and the related metrics that matter to track what is happening
- Enumerating and evaluating a variety of program and project options, across functions
- Mapping initiatives to respective targets, goals, and metrics



Data:

- Data residing across disparate systems, inhibiting easy visibility
- Lack of governance over the data, including proper controls around completeness and accuracy
- Manual efforts required to collect and review data, creating inefficiency and introducing unnecessary risk



Governance:

- Aligning sufficient budget and resources to support the initiatives
- Identifying and assessing risks to achieving their desired targets and goals
- Creating and monitoring new controls to mitigate these risks
- Creating new policies and procedures to support the desired changes

¹ 81 percent of executives saw environmental, social, and governance (ESG) initiatives as a strategic priority. Source: “KPMG 2021 CEO Outlook”; KPMG International (September 2021).

Operationalize your ESG program

Effective ESG programs drive change and strengthen stakeholder trust. Yet, while the “why” of ESG is clearly understood, many companies are still challenged by the “how.” KPMG helps deliver the “how.” We meet you where you are in your ESG journey. By bringing our cross-functional teams, deep industry knowledge, and ServiceNow technology skills, KPMG can help stand-up and mature your ESG program based on your organization’s unique needs.

By establishing a solid strategy as your foundation, the “what” to measure and report comes into focus. The NOW platform®, configured by KPMG, brings automation and workflow to support your unique ESG data and reporting processes. The ability of the Now Platform to integrate with key existing applications means you can connect the dots in a way that wasn’t possible before; and remove the inefficiency and inherent risk of manual processes.

With the strategy and key metrics defined, you are ready to operationalize ESG and affect change in the organization. To do this at scale, and provide the right visibility to leadership, requires project and integrated risk management capabilities. KPMG and ServiceNow have built both into their joint solution.



You can count on KPMG to:

- Design a data-driven, enterprise-wide strategy that brings stakeholders together and enables collaboration
- Perform an assessment to identify material topics, giving your organization clarity on its priority focus areas
- Provide insights to help you set your ESG commitments, supporting goals, and KPIs
- Align your reporting with required frameworks, ensuring your efforts are meeting the mark
- Define and implement a comprehensive ESG program governance structure and roadmap
- Configure your ServiceNow solution to support your strategy



Enabled by ServiceNow technology, together we can:

- Determine the initiatives that maximize your ESG investment and move the needle for targets and goals
- Enable climate and diversity KPIs, for example, to monitor progress against ESG publicly stated targets
- Establish workflows that drive consistency in program execution
- Configure ServiceNow to manage ESG risks
- Implement new or revised policies, procedures, and controls that support the ESG program strategy
- Automate control monitoring within ServiceNow

ESG is a journey. Make strides with the help of KPMG and ServiceNow

As global alliance partners, KPMG and ServiceNow collaborate to think both deeper and broader to solve your unique ESG challenges. Our joint solution can help you advance the maturity of your program and infuse ESG throughout your organization for a more sustainable future.

At the forefront of ESG innovation and implementation, KPMG has helped companies become ESG leaders. We bring our global cross-industry experience to work shoulder-to-shoulder with you on your ESG strategy, execution, reporting, assurance, and overall transformation. A silo-defying approach aligns your investments, enables transparency that leads to trust, and meshes ESG efforts with your other corporate priorities to create new value and enhance business performance.

Wherever you are on your ESG journey, KPMG and ServiceNow can help you achieve the ESG advantage.

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