

An aerial photograph of a surfer riding a large, powerful barrel wave. The water is a deep teal color, and the white foam of the wave's face is prominent. The surfer is a small figure in the center of the wave's tunnel.

# The path to a sustainable tomorrow: Our ESG Way

JCNetwork Days, October 27<sup>th</sup> 2023



The better the question. The better the answer.  
The better the world works.



# With you today

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Simone Schmidt  
Director, EY  
Data & Analytics - ServiceNow



Dr. Jens Heiling  
Senior Manager, EY  
FAAS



Alexander Voigt  
Senior Manager, EY  
Data & Analytics - ServiceNow



Karoline Brugger  
Senior Consultant, EY  
Technology Consulting Data & Analytics

# Agenda

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1 Introduction & Warm-up (15 min)

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2 Presentation: **Setting the Scene - Sustainability and ESG** (10 min)

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3 Presentation: **How can technology accelerate Sustainability?** (30 min)

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4 Project Examples: **What does EY Consulting do in terms of Sustainability?** (10 min)

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15 min Break

5 Group exercise: **How are you driving long-term value?** (40 min incl. 15 min presentation)

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6 Summary & Questions (15 min)

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# 1

## Introduction & Warm-up

# Questions

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Please Scan this QR code to  
submit your answer...



...or go on Menti.com and enter the  
survey with this number: **8136 3589**

## Target setting for this session

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### Learning Objectives

1. Understand the importance of Sustainability themes for businesses
2. Get actionable insight on how EY is driving Sustainability
3. Learn how to approach clients in the context of sustainability topics

An aerial photograph of ocean waves, showing white foam and dark blue water. A large, semi-transparent number '2' is overlaid on the left side of the image.

# 2 Sustainability, ESG and Long-term value

# Starting Point for ESG: The Sustainable Development Goals

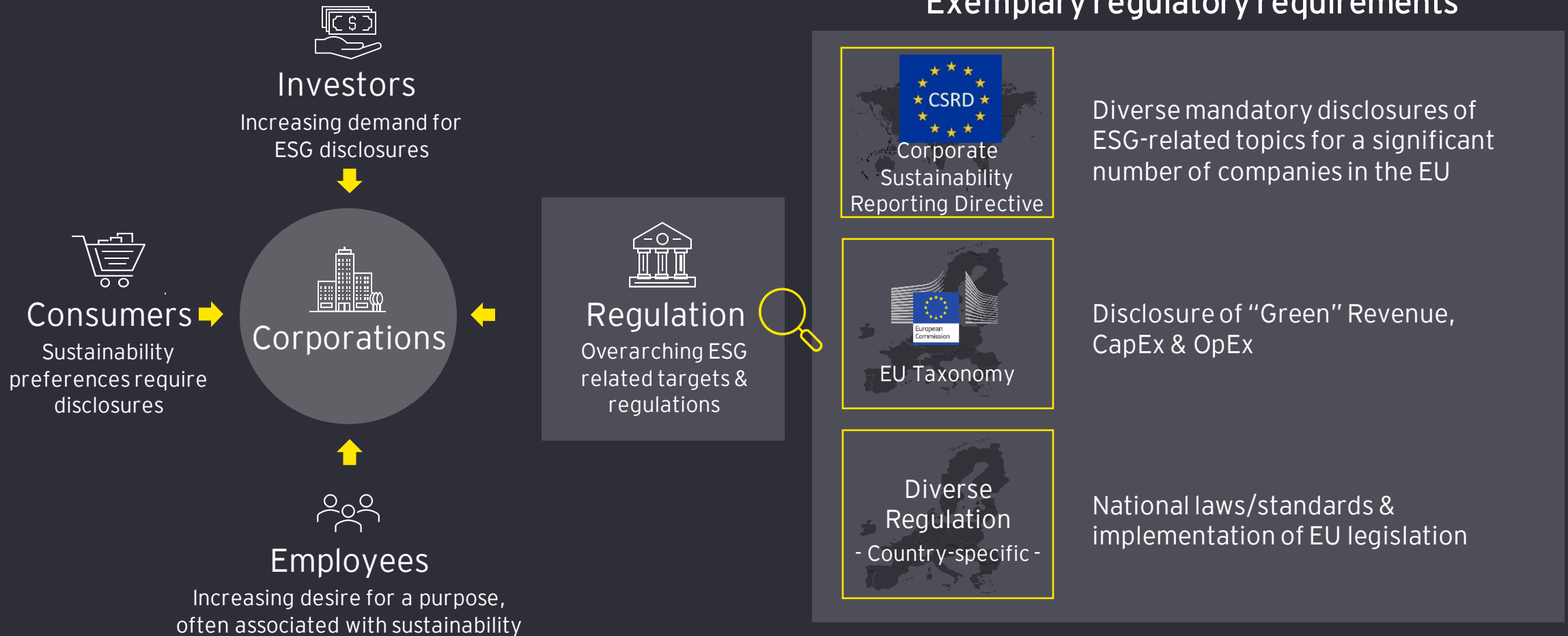


# What is ESG? – The Three Pillars of ESG

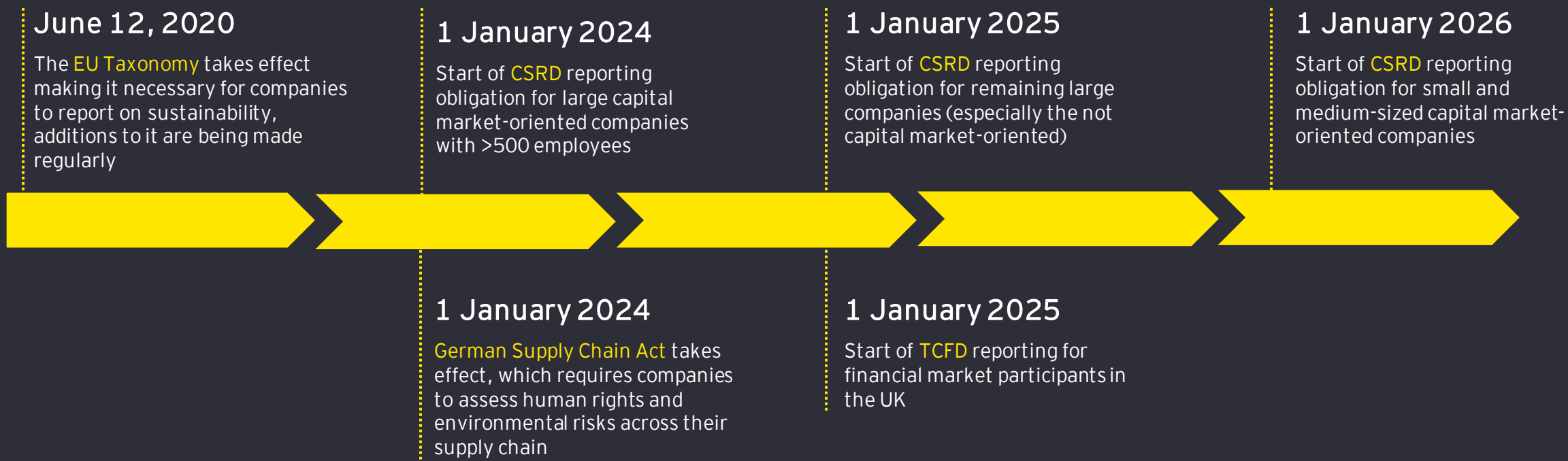
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# The changing stakeholder environment is forcing companies to adapt by implementing ESG considerations into their reporting & steering processes

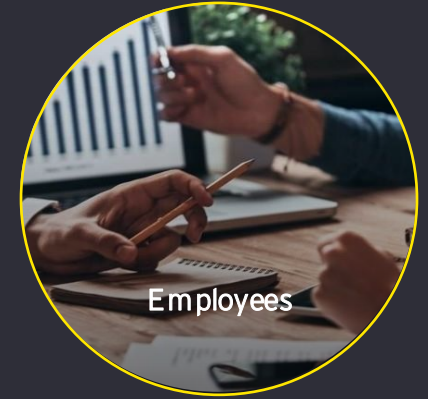


# The introduction of many regulations regarding ESG and sustainability coupled with demand for it from other stakeholders have increased its importance



# ESG issues impact all aspects of a company's value chain and stakeholders

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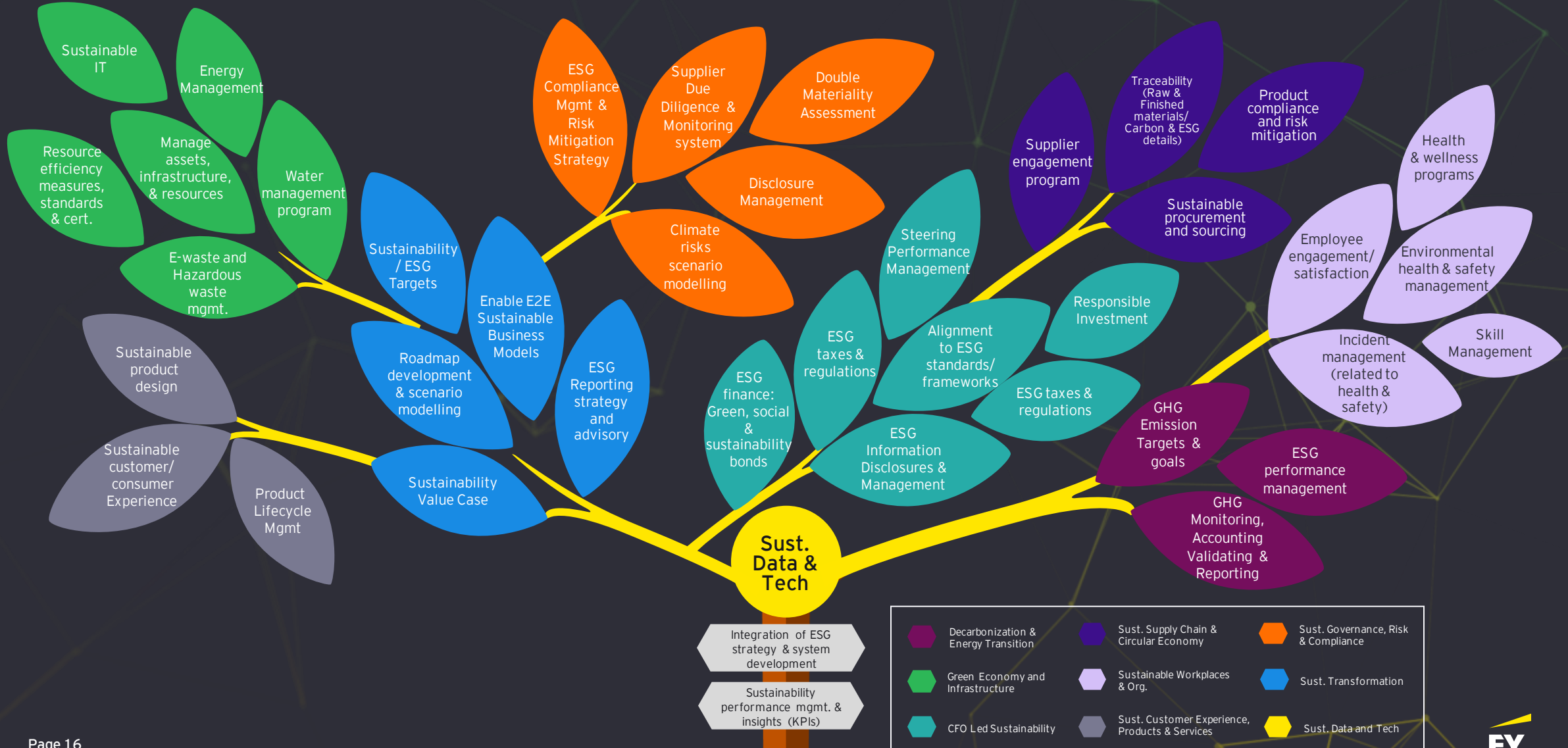


# How can Technology accelerate Sustainability?

# There are a broad range of use cases that are pursued across companies, all of them require a solid data & technology foundation to be realized



## Data & Technology



We see two challenges clients are facing in the area of Sustainability Data and Technology:

**1** *How can I build a comprehensive ESG data landscape that supports reporting as well as other data-driven use cases?*

**2** *What technology architecture can be leveraged to draw together data points from diverse systems?*

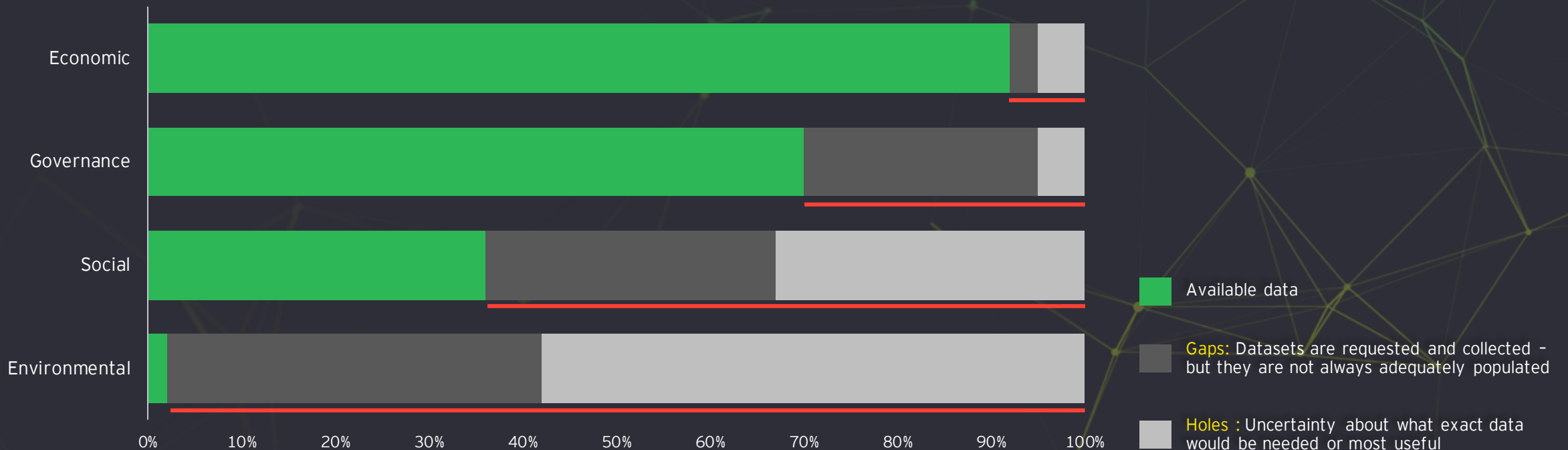


# Research shows that the ESG data gap represents a significant challenge for achieving the sustainability agenda



## Data & Technology

... the data GAP widens and presents significant challenges to clients



Source: Future of Sustainable Data Alliance, 2021

# From an architecture view, companies tend to move from spreadsheet based reporting solutions to more integrated Data Management Solutions



## Data & Technology

### From spreadsheet based reporting solutions ...

*EY experience as well as leading analyst firms show a trend to **move beyond excel-based approaches** to overcome challenges and manage complexity*



'[...] While this approach is low in cost, it is fraught with **data quality issues**, doesn't scale and requires a high amount of **manual effort** to generate reports [...]'<sup>1</sup>

'[...] **ESG data strategy** must be carefully considered in the early reporting stages to ensure that it **provides a long-term foundation** to build on; **accuracy, trust, and integrity** will be critical [...]'<sup>2</sup>

### ... to more integrated sustainability Data Management Solutions



Companies are designing and implementing more integrated Data Management Solutions to benefit from higher degree of automation, better data quality and faster time-to-market for ESG use cases and reporting



Materiality Assessment



Standards & Frameworks



Data Modelling & Quality



Decision support and Roles & Responsibilities



KPI Dashboards & Visualizations



ESG Analytical Products



Reporting & Disclosure Publication

We see companies having differing maturity and ESG ambitions but the basic guiding principles are usually universally applicable



## Data & Technology

### Guiding Principles



Keep it simple



Leverage the existing  
(People and Technology)



Build to scale



Assurance

### Manual ESG reporting

Meet requirements via manual handling

### ESG consolidation system

Meet requirements via reporting system

### Embedding ESG across the enterprise

Meet regulations and place data in center of core operations

### Data-driven Sustainability

Meet requirements, and enable real-time decision support

Meeting ESG reporting regulatory requirements

Comply and differentiate via ESG data

# Overview of ESG Tech Solutions: Alliances and Ecosystem



**Value proposition:** EY as convener, connector and orchestrator of sustainability ecosystems



**Scope:** Coverage across the entire FoP client issue framework and all service offerings (solutions)



**Winning formula:** Bundling the best of multiple alliances with EY's knowledge and delivery capability. To consistently differentiate and win in the market this is an 'AND', not an 'OR' decision

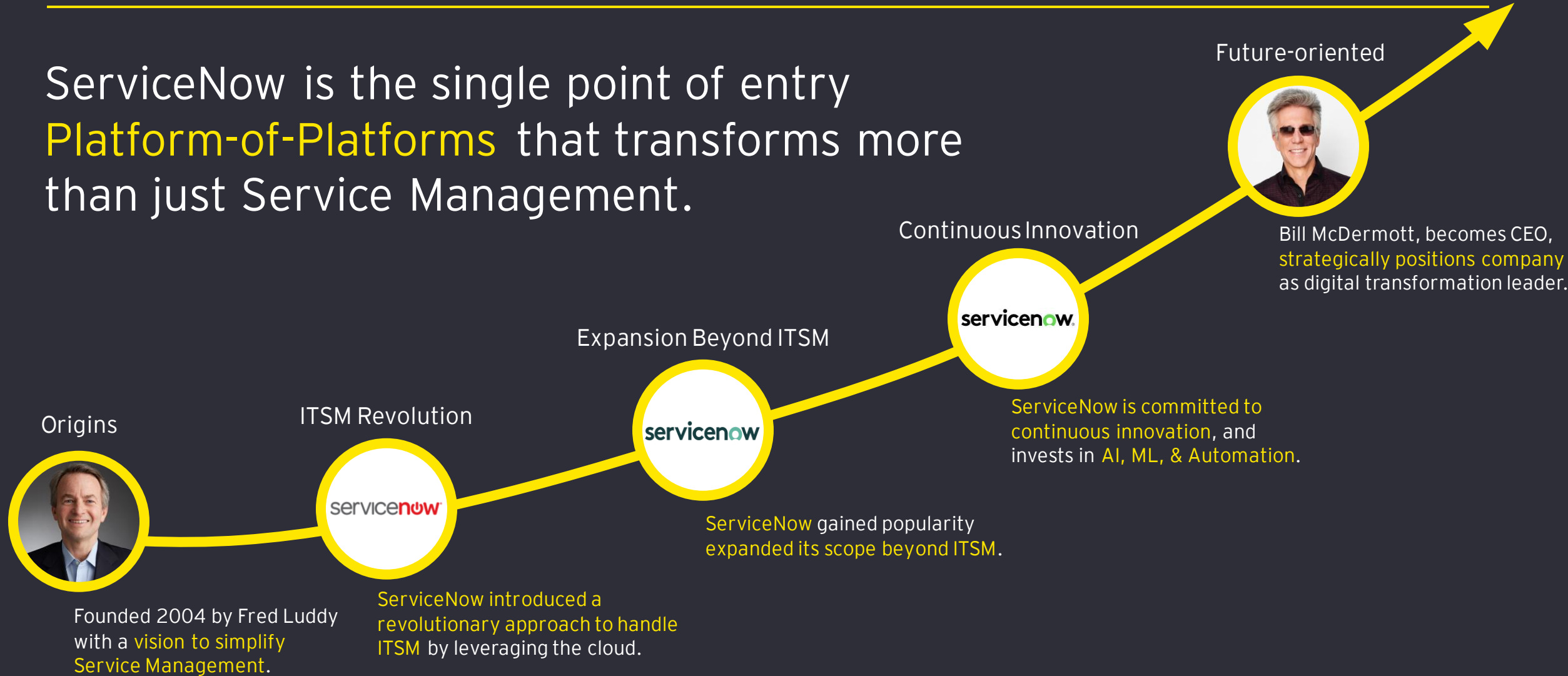
## Strategic sustainability alliances:



**Broader ecosystem:** Global network of partners (established and under evaluation) including industrial, start-ups, venture builders and academic partners

# Welcome to ServiceNow

ServiceNow is the single point of entry  
**Platform-of-Platforms** that transforms more  
than just Service Management.

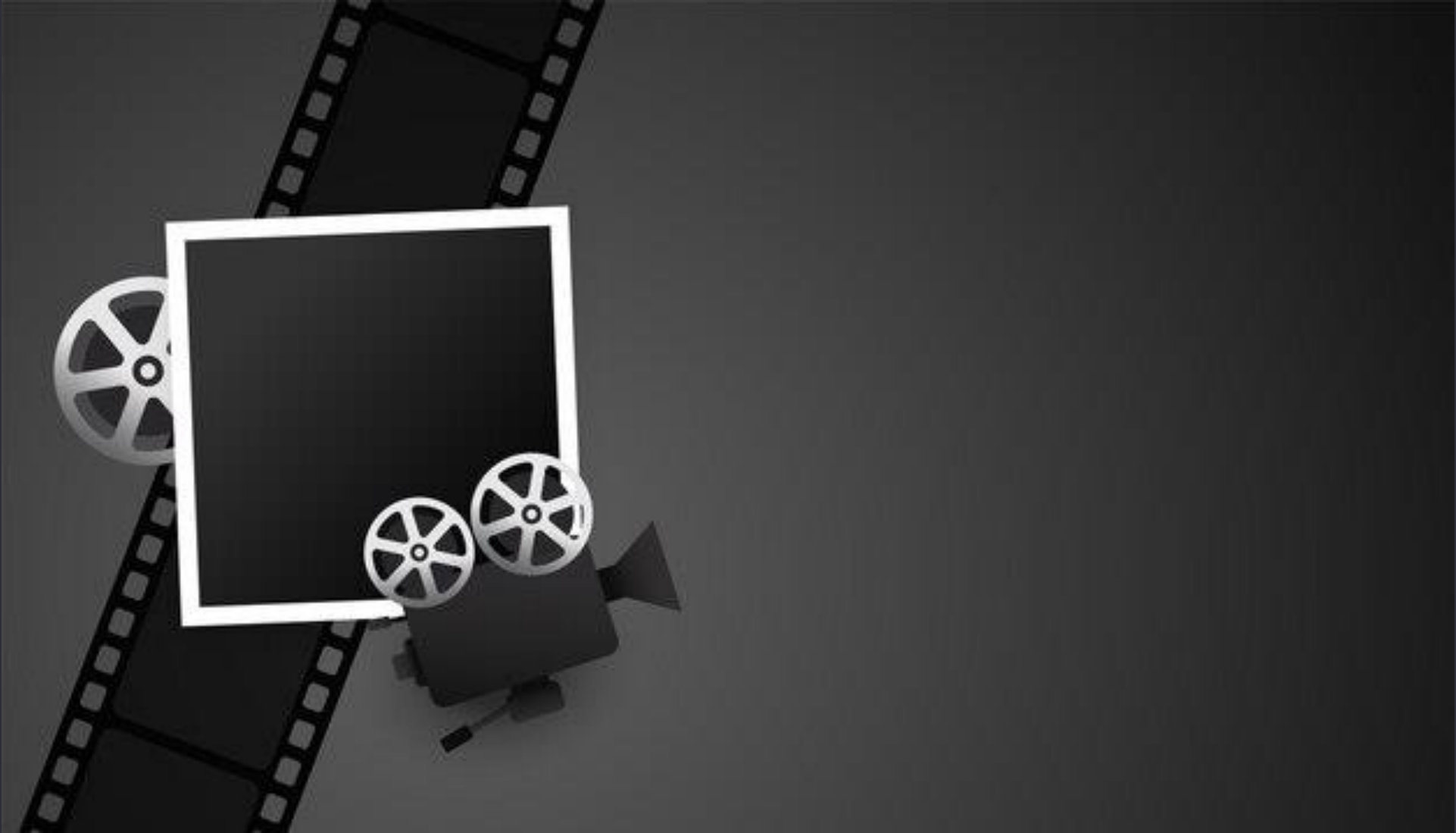


# The intelligent platform for end-to-end digital transformation



# ServiceNow ESG Solution Demo

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# 4

## Project Examples

# Client Case 1: CSRD Readiness Analysis in the automotive industry

## Approach for the CSRD Readiness

### Structure of the Analysis

We analyzed each ESRS based on the following three criteria:

- Complexity of GAPs
- Immaturity of reporting information
- Implementation efforts

### Maturity Level Assessment

Our assessment of the maturity level of sustainability reporting of the client was based on:

- Screening of the existing, accessible sustainability information
- Analysis of GRI requirements and comparison with the ESRS requirements

### Clustering

Clustering the data according to the three criteria

- Complexity of GAPs
- Immaturity of reporting information
- Implementation efforts

to identify major GAPs for all standards.

### Conclusions

Here we provided the key results based on our analysis of the cross-cutting as well as topical (E, S and G) standards. On the basis of our GAP analysis we derived some conclusions.

Cross-cutting	Sector-agnostic		
	Environmental	Social	Governance
ESRS 1: General principles	ESRS E1: Climate change	ESRS S1: Own workforce	ESRS G1: Governance, risk management and internal control
ESRS 2: General, strategy, governance and materiality assessment disclosure requirements	ESRS E2: Pollution	ESRS S2: Workers in the value chain	ESRS G2: Business conduct
	ESRS E3: Water & marine resources	ESRS S3: Affected communities	
	ESRS E4: Biodiversity & ecosystems	ESRS S4: Consumers/ End-users	
	ESRS E5: Resource use and circular economy		



# Client Case 2: ESG Reporting TOM and Implementation Roadmap

## Project Background

- ▶ With increasing regulatory requirements, the client needs to adapt its ESG Reporting Target Operating Model (TOM)
- ▶ Aside from achieving regulatory compliance, the ESG reporting TOM needs to enable steering based on ESG KPI's
- ▶ Neither regulatory, nor steering considerations will be limited to the CSRD, so the ESG reporting TOM will cover various ESG regulations & frameworks (e.g. TCFD, EcoVadis)

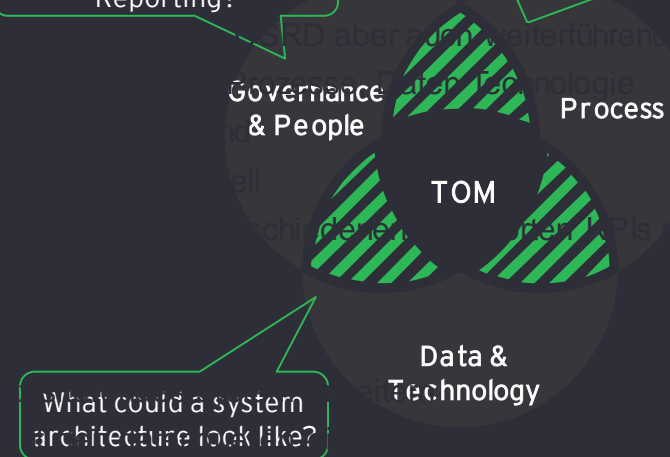


## Project Objective & Scope

- ▶ The ESG Reporting TOM covers 3 dimensions (governance & people, process, data & technology) each of which needs to be tied to the overall sustainability ambitions of the client and will be implemented over a timeline of 1 - 2 years with further reiterations to be done later on
- ▶ The ESG Reporting TOM will not explicitly cover the overall end-to-end ESG Governance, but is designed with it in mind
- ▶ The design of the ESG Reporting TOM will be followed by a high-level roadmap which covers its implementation across your organization

Who owns and leads ESG Reporting?

How is the activity split across the different reporting process steps?



# Client Case 3: Scoping and Designing a Sustainability Data Platform

1

Use a survey to collect sustainability related initiatives

Survey Questions

1. How likely are you to submit an interesting business initiative with a sustainability aspect? (can be added to the value)
2. This initiative is focused on \_\_\_\_\_
3. and the initiative is supported by \_\_\_\_\_

☐ No Country

1

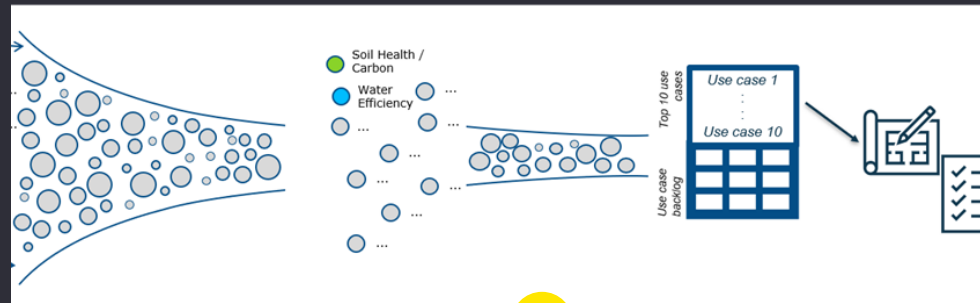
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3

4

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6



5

Prioritize the use cases based on the calculated score



2

Leverage workshop to add use cases, aggregate and prioritize



3

Conducting interviews to collect more information per top-priority use case

4

Valuate each use case and calculate a total score based on derived parameter



6

- Review existing SDP architecture and underlying processes
- Detailed data mapping to the use case requirements
- Creation of conceptual target architecture for the SDP



## Overall Approach

- Collection of relevant data
- Requirements gathering and documentation
- Create data requirement summary
- Cost & effort estimation
- Full design summary

# 5

## Exercise

# Group Exercise: How can you support your key buyer in terms of sustainability?

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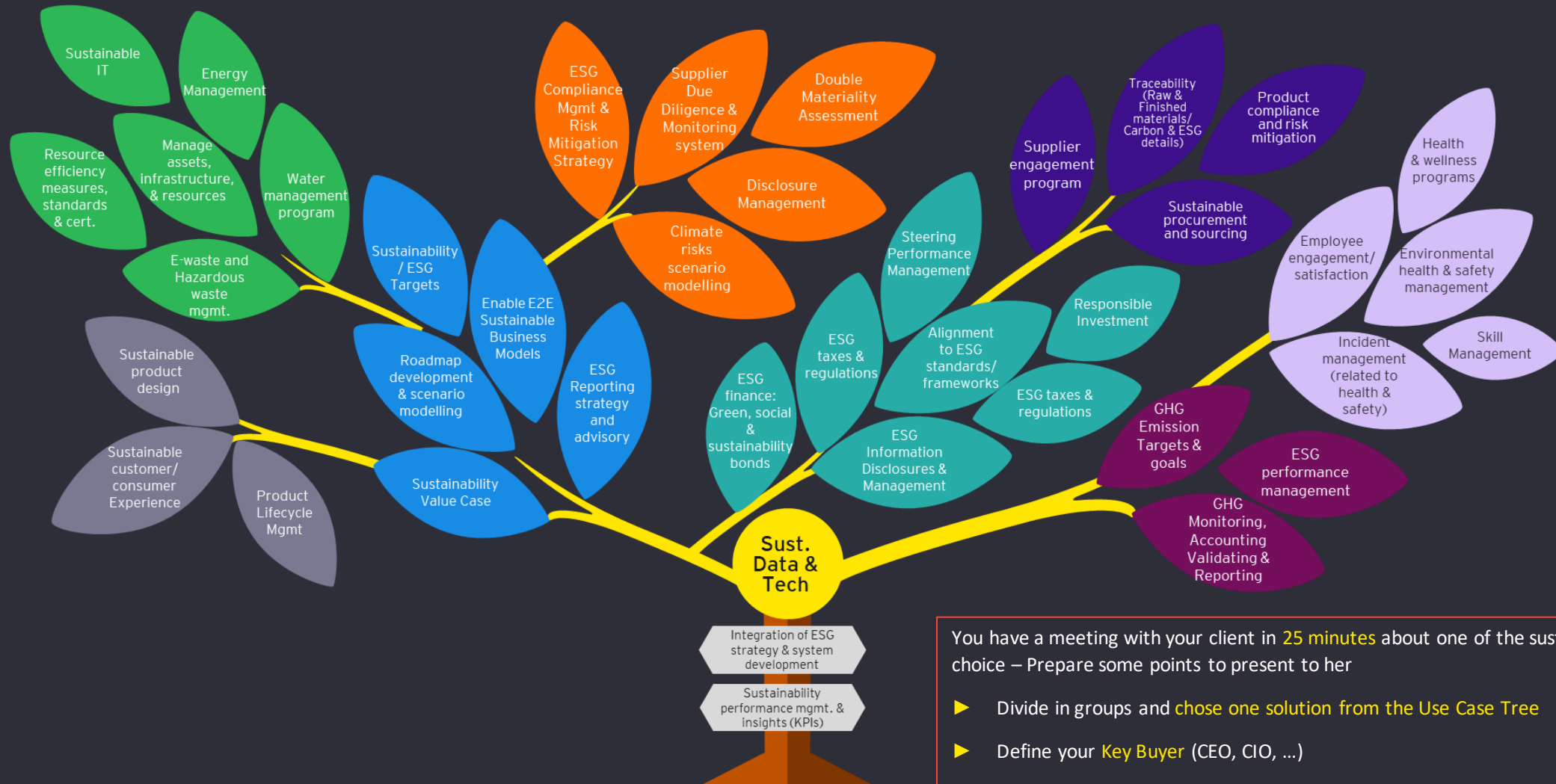
You are participating together with one of your clients a conference around the critical future topics of the industry. After an interesting panel discussion concerning sustainability, your client suggests to schedule a short follow-up meeting to better understand how EY could support the next required actions to tackle sustainability challenges.

Take the next **30 minutes** to

- ▶ define your **Key Buyer** (CEO, CIO, CFO, CRO ...),
- ▶ summarize the **key sustainability challenges** of your key buyer, and
- ▶ to outline **how you can support** your key buyer (what are the services we provide? How can we bring value to the client?)

*You can utilize whatever you want (flipcharts, Post-Its, etc.) to make a **3 minute elevator pitch***

There are a broad range of use cases that are pursued across companies, all of them require a solid data & technology foundation to be realized



You have a meeting with your client in **25 minutes** about one of the sustainability topics of your choice – Prepare some points to present to her

- ▶ Divide in groups and **chose one solution from the Use Case Tree**
- ▶ Define your **Key Buyer** (CEO, CIO, ...)
- ▶ Think about **one value proposition** – how can you bring value to the client with this use case?
- ▶ You can utilize whatever you want (flipcharts, Post-Its, PowerPoint etc.) to make a **3 minute elevator pitch**

# 6

## Summary

# Don't hesitate to reach out to us!

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Simone Schmidt  
[LinkedIn Profil](#)



Dr. Jens Heiling  
[LinkedIn Profil](#)



Alexander Voigt  
[LinkedIn Profil](#)



Karoline Brugger  
[LinkedIn Profil](#)

[https://www.ey.com/de\\_de/nachhaltigkeit-und-sustainability-services](https://www.ey.com/de_de/nachhaltigkeit-und-sustainability-services)

An aerial photograph of ocean waves, showing white foam and dark blue water. The text "Thank You!" is centered over the image.

*Thank You!*