

EY Supply Chain ESG Data Collaboration Platform

Track and reduce emissions from your supply chain

Business drivers

Even though regulation like the European Commissions' CSRD demands it, companies struggle to report on their scope 3 emissions.

Scope 3 emissions often account to 70% of a business' carbon footprint. And since they are caused by supplier and consumers, 80% of companies report that they have difficulty quantifying scope 3 emissions.

Offering overview

The EY Supply Chain ESG Data Collaboration Platform simplifies the capture, consolidation, management, and analysis of Scope 3 emission data - and the initiatives to reduce them.

Our offering allows key persona to work together to ...

- ▶ **Facilitate seamless data collection**
- ▶ **Report on emission numbers**
- ▶ **Benchmark suppliers based on their ESG scorecards**
- ▶ **Identify & action improvement opportunities**

Joint value proposition

Know your footprint by collecting scope 3 emissions data, category 1 and 2, from your tier 1 suppliers

Provide transparency their stakeholders and customers expect through supplier benchmarking and ESG performance management on supplier ESG scorecards

Work to reduce emissions by direct collaboration between your suppliers and the Procurement and Risk department.

Offering differentiators

Our offering builds on world leading capabilities of ServiceNow and the EY organization:

- ▶ The EY organization was recognized as No. 1 for ESG consulting services by research and advisory firm Verdantix (2022)
- ▶ ServiceNow named a Leader in The Forrester Wave™: Third-Party Risk Management (TPRM) Platforms, Q2 2022.

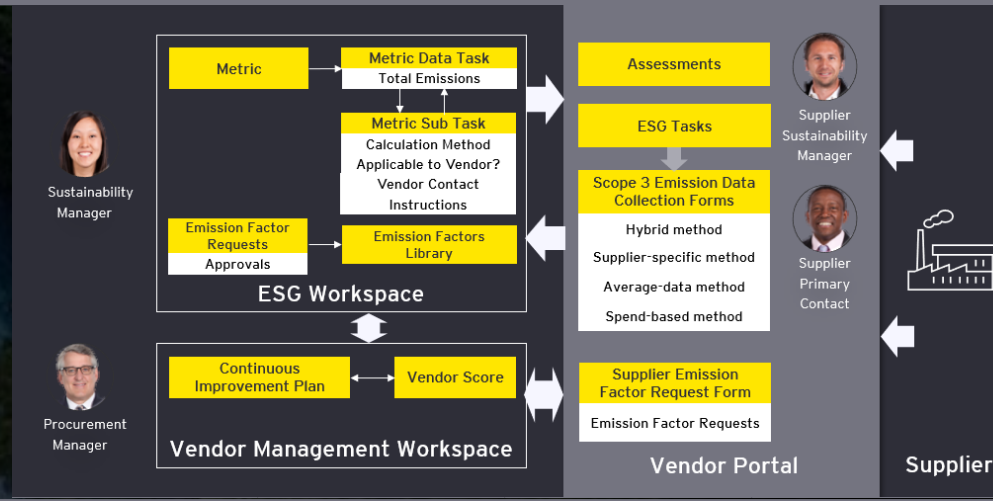
The EY Supply Chain ESG Data Collaboration Platform helps enable a 360 degree ESG posture of clients' suppliers:

- ▶ **Supplier ESG Maturity**
- ▶ **Supplier Social and Governance Metrics**
- ▶ **Supplier emissions**
- ▶ **Supplier products' PCF**
- ▶ **Improvement opportunities**
- ▶ **Guidance and support to mature supplier's ESG capability**

The offering is based on a platform successfully used to support 5 of the largest financial institutions undergoing the Bank of England's Climate Stress Test.

Offering benefits

1. Data collection and calculations in line with industry requirements
2. Aggregated emission reporting from suppliers, reported on supplier ESG scorecard
3. Tracking actions and improvement programs with suppliers



Case study: EY teams support the Bank of England's climate stress test

Opportunity

The Bank of England's 2021 BES Testing served three main purposes:

- ▶ Gauge the resilience of the UK financial system to the physical and transition risks associated with different climate pathways.
- ▶ Size the financial exposure to climate-related risks and understand the challenges to participants' business models from these risks.
- ▶ Understand the participants' likely responses and their implications for the provision of financial services and the wider economy.

Approach

- ▶ EY teams from FSO and Technology Consulting, along with their Alliance partner ServiceNow, worked with five of the UK's largest financial institutions to develop a solution to coordinate the central gathering of climate-related ESG data to meet CBES requirements.
- ▶ The ServiceNow platform acts as the single system of engagement, reporting and analytics for the EY team, participating banks, and huge number of their third parties across the globe.
- ▶ Sixteen distinct questionnaires were used to capture sector-specific variations of ESG-related data.
- ▶ A tailored online portal facilitated outreach, data gathering, analysis and hand-over of compiled data back to participating FSIs.

Business value

- ▶ Survey responses allowed the regulator to uncover a number of key requirements to be addressed as full-scale Climate Stress Tests are introduced.
- ▶ The EY team was able to demonstrate a unique combination of climate risk related experience and ServiceNow skills that puts us in a leading position for broader climate risk management.
- ▶ The EY team's engagement on behalf of the UK Financial Services industry puts us in a unique position to support the other 17 G20 markets as they undertake their announced stress and scenario modelling exercises.
- ▶ This work resulted in the creation of a 'first of its kind' industry-shared platform for the central gathering and processing of climate-related ESG data.

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