Operationalize ESG governance and climate reporting across the enterprise with KPMG and ServiceNow
Environmental, social, and governance (ESG) is becoming a business imperative. KPMG and ServiceNow help organizations align and deliver on cross functional initiatives to drive and measure desired ESG outcomes.

There is increasing demand for transparency and action around ESG performance and climate-related risk mitigation. In fact, on March 21, 2022, the SEC moved closer to enacting a climate-disclosure rule that would require public companies to report the climate-related impact of their businesses. While these rules are only proposed at this stage, this represents a watershed moment that dovetails with existing demands from the investor community.

It is becoming increasingly clear that today’s leaders must commit to earning and deserving the trust of their stakeholders by showing measurable progress on ESG and climate initiatives. When a company inspires the trust of its stakeholders, it creates a platform for responsible growth, bold innovation, and sustainable advances in performance and efficiency. This is what KPMG refers to as the Trusted Imperative—a dynamic approach to risk and regulation for the digital era.

Despite ambitious ESG programs, many companies still struggle to enact a cohesive and impactful approach to guide these efforts. Furthermore, ESG is more than just about the enterprise. It extends to both ends of the supply chain—upstream for procurement and downstream for distribution—where emissions, supplier risks, embodied carbon and other relevant data must be understood. For successful ESG programs, organizations need to align initiatives across departments and data across systems in a well-controlled process. They need a proactive enterprise strategy, with a supporting operational model and integrated technology, to drive the desired change in ESG performance.

“The SEC proposal is shifting timelines forward for companies to operationalize ESG and climate strategies to gain a competitive edge. Many leaders are looking beyond compliance, envisioning a unique opportunity to respond to the demands of investors, customers, and employees to unlock value and build trust. Aligned to their strategy, organizations need to develop an integrated data, technology, and governance approach to effectively reduce carbon footprints and navigate climate risk.”

—Rob Fisher, IMPACT and ESG Leader, KPMG US
Identify goals and build an ESG strategy to achieve them

It is difficult to align the organization around the best ESG strategy. Every organization must decide what matters most to their stakeholders and their industry.

To solve for this, KPMG designs a data-driven, enterprise-wide strategy that brings together client stakeholders in a collaborative process. KPMG then designs, configures, and deploys the ServiceNow solution to provide a single platform to store critical ESG information.

KPMG and ServiceNow can help you:

- Sharpen your ESG focus with a materiality assessment*
- Create an actionable hierarchy of targets, goals, and metrics
- Establish your reporting plan to respond to regulatory requirements (SEC climate disclosure, EU CSRD, etc.) and incorporate any desired voluntary reporting frameworks (TCFD, GRI, etc.)
- Identify programs and projects to achieve your ESG ambitions
- Create a “one-stop-shop” that links programs and projects to targets, goals, and metrics
- Establish a baseline for key metrics, then measure and track ongoing performance

* A materiality assessment is designed to help you identify and understand the relative importance of specific ESG and sustainability topics to your organization.
Set up a program management and governance structure

ESG success depends on strong governance and program management. In fact, board and management governance, as well as processes to identify, assess, and manage climate-related risks, are an explicit disclosure requirement in the new proposed standard from the SEC. KPMG leverages ServiceNow’s automation capabilities and systematic workflows to align strategy with execution and reduce the manual burden of executing the ESG strategy.

Together, KPMG and ServiceNow help organizations:

- Create an operating model that aligns ESG programs across departments within an organization
- Identify risks and control points, as well as supporting policies and procedures
- Deliver change management tactics to drive adoption of new processes
- Reduce the manual burden of existing processes with digital workflows
- Track and manage projects, activities, resources, and costs to improve ESG outcomes
- Monitor your ESG indicators to measure performance against targets
- Become future ready for the phase in of increasing independent assurance requirements in the EU and the recent SEC climate disclosure proposal
# Strengthen ESG measurement and reporting

With increasing stakeholder scrutiny, organizations need to prove their ESG efforts are not just “green washing” and demonstrate their impact with accurate, reliable data.

The KPMG-ServiceNow ESG solution can be leveraged to calculate metrics, provide internal decision-making insights, and credibly report progress to all stakeholders.

KPMG and ServiceNow make it possible to:

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<td><strong>Review and document the data landscape, including leading industry practices required for measurement and reporting</strong></td>
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<td><strong>Design, configure, and implement workflow-driven data controls to measure, manage, and monitor enterprise ESG goals and objectives, including integration with suppliers and distributors</strong></td>
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<td><strong>Enable verification and validation of enterprise and external data (e.g., for purchased goods and services) as part of an overall ESG governance and controls program</strong></td>
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<td><strong>Create fit-for-purpose reporting and disclosures</strong></td>
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<td><strong>Address program gaps to strengthen future ESG reporting and performance</strong></td>
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<td><strong>Embed ESG into daily work and across financial, corporate, and operational cycles</strong></td>
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<td><strong>Simplify continuous monitoring of risks</strong></td>
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Win the trust, grow with confidence.

KPMG and ServiceNow help companies gain visibility and transparency across their ESG initiatives by providing a tailored strategy, supported by a strong governance and reporting framework, all on one technology platform. Be an ESG leader, enhance your brand, attract the best talent, deepen customer loyalty and retention, and leverage market agility and innovation to drive sustainable growth.

Operationalize ESG across the enterprise and gain the confidence and trust of all your stakeholders.

Learn more