Seize the ESG Opportunity with Simplified, Data-Driven Processes

Transform environmental, social, and governance efforts with low-code.

At PwC, our purpose is to build trust in society and solve important problems. One of the most important problems of today is how companies will address environmental, social and governance (ESG) matters. ESG isn't just a responsibility; it's a mindset and an opportunity for growth. It can impact a company's ability to create long-term value and gain competitive advantage. This is a key moment to build a future where sustainability and a socially responsible focus are at the heart of business. Knowing the meaningful actions to take requires real world experience and commitment to change. Our PwC team is ready to help you move to action on ESG with a practical, purpose-led plan that can deliver sustained outcomes.

Due to the rapidly evolving nature of the ESG world in terms of regulations and requirements, technologies developed and utilized by companies need to be quick-to-build, adaptable, and scalable to reach their ESG objectives. Many of the themes within ESG require cross-functional collaboration across internal and external stakeholders as well as auditable data and processes to increase trust in the ESG solution.

PwC's long-standing relationship with the Appian Low-Code Platform and other cloud-based data and technology providers enables us to combine PwC's multi-disciplinary approach and industry knowledge with the ability of the Appian platform to to orchestrate quickly across multiple technologies. This means that together, we work to deliver solutions that can help solve ESG's data collection, risk controls, processes, and reporting requirements. Leveraging the agility of Appian, PwC provides a one-stop shop to help customers gain insights and build solutions aligned to their unique goals and values.

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ESG demands are on the rise.

Leaders across industries have an opportunity to delight stakeholders and regulatory agencies alike when it comes to environmental, social, and governance (ESG) initiatives. Driven by increasing regulations from government bodies, growing investor awareness, and product availability, the topic of ESG is gaining traction among organizational stakeholders from top to bottom:

- 86% of employees prefer to support or work for companies that care about the same issues they do.[1]
- 83% of consumers think companies should be actively shaping ESG best practices.[2]
- 76% of consumers say they will stop buying from companies that treat the environment, employees, or the community in which they operate poorly.[3]
- 52% of corporate directors report that ESG issues are a regular agenda item at board meetings, up from 45% in 2020 and 34% in 2019.[4]
- ESG-mandated assets in the United States could grow almost three times as fast as non-ESG-mandated assets to comprise half of all professionally managed investments by 2025.[5]

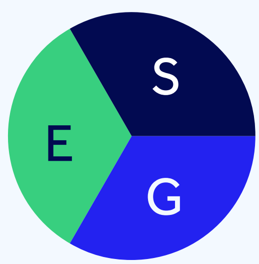
As a business leader, you know prioritizing ESG efforts is important—ESG operations touch every aspect of a business, and the stakes are high. But managing and reporting on ESG is tricky business. Regulations vary by region, and organizations often house ESG-relevant data in multiple, disparate systems. This makes it challenging to gather data and report it to stakeholders and regulatory agencies.

Robust low-code platforms are built to overcome these deeply rooted organizational challenges and can help you better manage ESG within your business. With integrated legacy systems, unified data, and automated processes, ESG workflows become more efficient, and stakeholder management is streamlined.

ESG today encompasses a rapidly evolving array of behaviors, guidelines, and policies, many with ambitious timetables and detailed reporting requirements.

Environmental considerations.

- Carbon neutrality/carbon emission reduction/ circular economy.
- Reduction of plastic waste.
- Water management.
- Paperless communication.
- Renewable energy investment.
- Office/building efficiency, such as eco-friendly LED lighting.
- Corporate investment in company-wide green initiatives.
- Vendor management (i.e., ensuring suppliers embrace environmental initiatives).



Social considerations.

- Ethical and/or ideal working conditions.
- Ample employee benefits and fair salary structures.
- Diversity and inclusion initiatives.
- Labor and human rights advocacy.
- Charitable contributions and non-profit collaboration.
- Vendor management (i.e., ensuring suppliers embrace social initiatives).

Governance considerations.

- Legal and regulatory compliance.
- Corporate values and business ethics.
- Anti-corruption.
- Cybersecurity.
- Transparency.
- Reporting environmental and social initiatives to stakeholders.

1. PwC, Beyond compliance: Consumers and employees want business to do more on ESG, June 2, 2021.
2. PwC, Beyond compliance.
3. PwC, Beyond compliance.
4. PwC, 2021 Annual Corporate Directors Survey.
5. Deloitte, Advancing environmental, social, and governance investing, 2020.

ESG management is not a walk in the park.

Three common challenges emerge for businesses managing ESG: continuous change, scattered and disparate data, and inefficient, outdated technology.

1. ESG regulations vary by region and are always evolving.

As ESG regulations evolve, more and more dependencies emerge. Because regulations affect so many parts of a business, transparent, streamlined processes become crucial for maintaining compliance. This is particularly true for regulations related to social issues, such as how a company treats its workers, measures its exposure to child labor, or benchmarks its efforts in more sweeping areas, like equality. And each governing body enforces these regulations in their own way, which poses a challenge for international organizations.

In the first 11 months of 2021, more than $649 billion was invested in ESG-focused funds worldwide, up from $542 billion and $285 billion in 2020 and 2019, respectively.[6]

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2. ESG data often live in disparate, unstructured, outdated, and siloed systems.

ESG spans an enterprise. It influences, and is influenced by, many business functions. Staff across human resources, finance, supply chain management, operations, legal, the executive team, and more all use ESG data—but when it is stored in siloed, disorganized systems, it's very difficult to access. This data is so scattered in part because it resides both within an enterprise and outside of it (think: vendor management data and customer data), which makes it difficult to reconcile. This, paired with evolving regulations, makes tracking and managing ESG initiatives challenging and further complicates efforts to improve.

3. The processes to organize and report on critical data are often manual and tedious.

Many organizations carry out ESG initiatives using manual processes, such as updating spreadsheets, maintaining documents, and holding discussions via email. These manual processes hinder auditability since actions aren't clearly tracked or logged in a standardized location. This approach is also not scalable and can hold you back from growth.

25% of purchase influencers of enterprises embracing corporate social responsibility and sustainability initiatives say they're planning to install software to manage their ESG-related initiatives.[7]

Evolving regulations amplify the need to be agile.

ESG today involves a myriad of moving parts and a growing array of issues, demands, and risks affecting every part of an organization. This spiderweb of dependencies makes implementing ESG initiatives challenging. Consider these questions when assessing the overall effectiveness of your ESG efforts:

- Are compliance programs operating as they should against the latest regulations?
- How do various facilities perform against sustainability metrics?
- What is the organization doing to promote equity internally and externally?
- How do the company's hiring practices, executive pay, board diversity, and overall corporate behavior stack up against strategic goals, stockholder expectations, and peers?
- How quickly and accurately can you respond to customers' demand for your ESG performance?

6. Reuters, "Analysis: How 2021 became the year of ESG investing," December 23, 2021.
7. Forrester, Forrester Analytics Business Technographics® Priorities And Journey Survey, 2021.

Regulatory reporting timelines are firm and investor expectations are high. If you're unable to answer questions like these in a timely and satisfactory fashion, it will likely have negative repercussions for your businesses. For example, consider a customer or investor with questions about a company's energy usage, executive pay, or diversity initiatives. If these metrics aren't properly tracked, or if staff can't access the most complete, up-to-date information, they can lose out on opportunities or risk facing fines. Lack of data access and manual processes also impede audits for internal risk reviews and regulator efforts to validate ESG compliance.

With rules and requirements evolving, corporate leaders need to stay agile in tracking and reporting ESG efforts, but this is often easier said than done for reasons that go beyond regulatory frameworks. But a solution is emerging: low-code platforms. Low-code makes it easier to streamline ESG management and keep stakeholders informed.

Low-code platforms unify teams and processes for simplified ESG management.

A holistic low-code platform simplifies ESG management. Providing a flexible, adaptable solution that seamlessly integrates with existing data repositories, low-code can make it easy to model, track, and report on ESG data in a 360-degree, single-pane-of-glass view.

Robust low-code platforms enable you to discover gaps and roadblocks, design an application to optimize your ESG workflows, flexibly adapt to change, and automate ESG management processes. It's important to remember, though: not all low-code platforms are created equal. Look for a low-code platform with the following capabilities.

Discover.

To know where to start optimizing ESG management, it's important to first discover where the areas for improvement lie. A low-code platform with process mining built in can do just that. Process mining analyzes data and workflows from numerous systems to flag bottlenecks and inefficiencies. Rather than guessing where to begin, process mining gives organizations data-driven insights and actionable steps to help them prioritize. Process mining lays the groundwork for improving ESG workflows with low-code.

Design.

Low-code platforms enable organizations to develop applications that address their unique business needs—in this case, tracking, managing, and reporting on ESG data. Robust low-code platforms help streamline everything from the simplest to the most complex workflows. You can build your ESG management application and curate it for your business based on information gleaned from mining existing workflows. Bonus points if your app is natively mobile to confirm ease of use for staff in the field.

Automate.

Make ESG workflows as efficient as possible with automation. By automating tasks and workflows with robotic process automation, artificial intelligence, intelligent document processing, and customized business rules, you help give time back to those managing ESG efforts so they can deliver even more value for the organization.

Unify data.

Having all relevant data in a single platform is essential for efficient ESG tracking and reporting. Low-code data enables you to access and orchestrate data from anywhere—with or without migration—and quickly improve the value of that data by breaking down silos.

Having trouble picturing just how low-code would fit into your business? Here's what it might look like to use a low-code platform to help streamline your ESG operations:

1. Native process mining functionality identifies workflow and process optimization opportunities by flagging existing bottlenecks.
2. Automation functionality like RPA and IDP automatically ingest and populate ESG data and documents from third-party sources.
3. A business rules-based decision engine matches investment criteria with policies set forth in various ESG regulations relevant to your region and governing entity.
4. Approval workflows promote enhanced due diligence for companies flagged as high risk.
5. Reports that are automatically generated and consolidated by integrating key data points into equity and credit analyst notes and creating ESG summary sheets.
6. Audit reminders and workflows to flag investments that are reviewed on an ongoing basis.

These are just some of the ways you can use low-code technology to streamline ESG processes, but the possibilities are endless. Low-code platforms give staff more time to focus on value-added work by automating repetitive, mundane tasks while simplifying complex processes. These applications bring automated tasks, human workers, legacy systems, and external tools together into a single workflow, streamlining ESG management by optimizing the way people, processes, and data work together.

With all of these capabilities in a single, unified platform, businesses can manage and report on ESG metrics to keep stakeholders informed even as the ESG landscape evolves. By using low-code capabilities to manage ESG efforts, businesses can drive change—for both their organization and for the world.

Get more insight on how to seize the ESG opportunity with a unified low-code platform.

Appian is the unified platform for change. We accelerate customers' businesses by discovering, designing, and automating their most important processes. The Appian Low-Code Platform combines the key capabilities needed to get work done faster, Process Mining + Workflow + Automation, in a unified low-code platform. Appian is open, enterprise-grade, and trusted by industry leaders. For more information, visit **appian.com**.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 156 countries with over 295,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us **www.pwc.com**.