

Case Study



Documenting Corporate Sustainability and ESG Governance for a Fortune 100 Company

CHALLENGE

The board of directors of a Fortune 100 company wanted to better understand governance and controls around its Environmental, Social, and Governance (ESG) commitments. The company is recognized as an industry leader in many aspects of ESG, but the board was concerned that much of what was currently done on a voluntary basis could soon become mandatory and would face additional scrutiny. This sense was driven by pending SEC rulemaking on ESG disclosures, increased demand for ESG data from investors and creditors, and the company's own public commitments in areas such as decarbonization. The board tasked our client, the director of corporate sustainability, with "mapping" governance of ESG. This was not a straightforward task as ESG at the company—as in most organizations—is not a distinct function or organization but rather a set of topics the company had identified as material to its business and around which it had developed policies, programs, and processes to ensure effective performance.

PROCESS

- Developed a set of high-priority ESG focus areas identified through an annual materiality assessment
- Defined specific aspects of governance, including board oversight, executive ownership, existing policies and programs, performance metrics, performance assurance processes, and current disclosures
- Developed several key processes unifying all efforts through an ESG lens, including material focus areas, developing strategies around ESG focus areas, and reporting on performance to both internal and external audiences

RESULTS

- Developed an analysis published in an ESG white paper presented to the head of corporate strategy, executive committee, and board of directors
- Identified current state governance, provided assurance that appropriate controls were in place, and highlighted certain gaps, overlapping responsibilities, and needless complexity to be addressed
- Determined that priority ESG focus areas were at different stages, creating variance of governance maturity
- Helped to better define the role of the corporate sustainability organization and communicate the need for clear processes across the organization

Examples of Client's Material ESG Focus Areas



Carbon Reduction



Climate Change Adaptation



Community Engagement



Diversity, Equity, and Inclusion



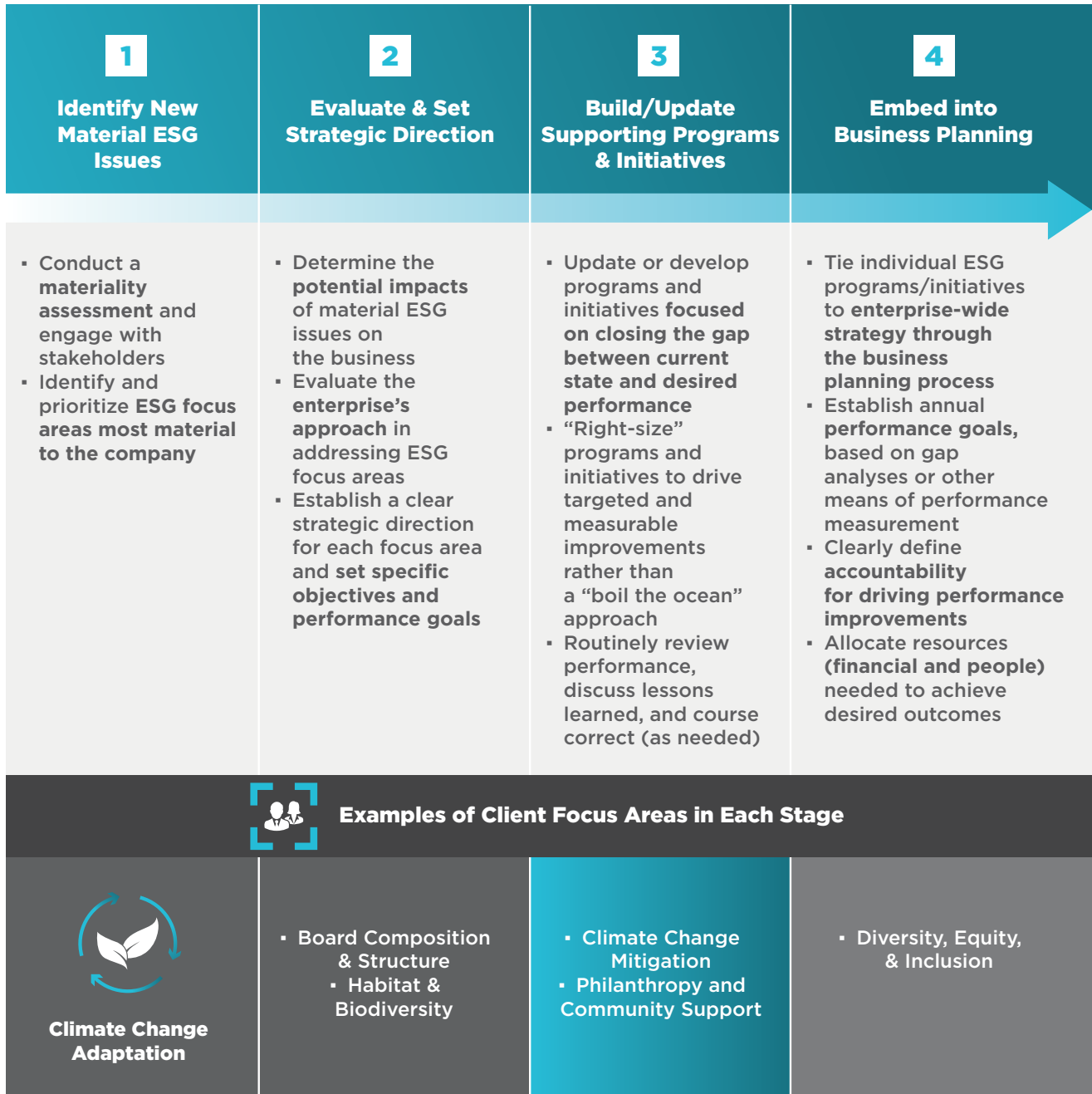
Safety



Supply Chain Practices

ESG Strategy Development Process

ESG Strategy Development: Recurring process to evaluate priority ESG focus areas, set strategic direction, identify gaps in performance, and inform efforts to build programs and initiatives to address:



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