

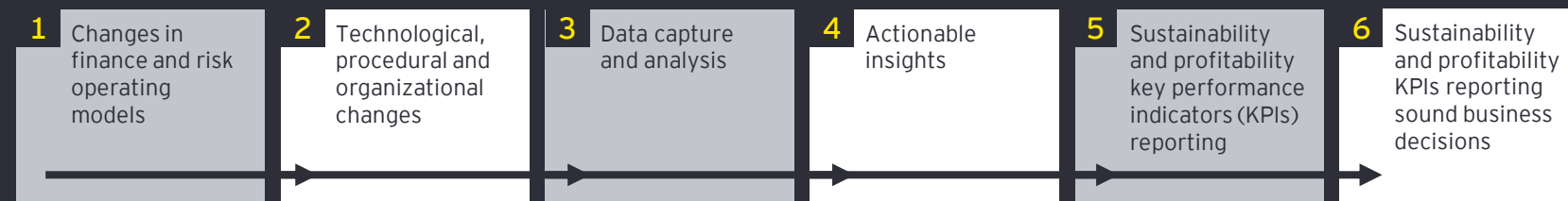
Navigating the sustainability challenge

EY teams and SAP® are helping financial service institutions tackle their ESG challenge and transform their business models for a more sustainable future.

Capture and analyze data to better understand and attain your ESG targets

As new environmental, social and governance (ESG) regulatory demands emerge and voluntary disclosure becomes the norm, financial service organizations (FSO) face challenging ESG regulatory and disclosure requirements. The full scope of such requirements is expected to reflect sustainability factors and risks, exposure to green activities, forward-looking targets, transparency measures and scenario analysis.

Meeting ESG regulatory requirements entails the following:



EY Sustainability Metrics Navigator

The EY Sustainability Metrics Navigator (SMN) is an EY asset developed for ESG data capture, providing metrics for planning, scenario modeling and reporting using key components of the SAP Sustainability Control Tower; SAP Profitability and Performance Management (PaPM) and SAP Analytics Cloud (SAC). Underpinning these tools is a sophisticated ESG data model that provides the capability to capture, model and report against key ESG metrics, including green asset ratio, green investment ratio and underwriting performance. The EY SMN understands the interdependencies between meeting ESG targets and profitability—enabling companies to calibrate their business models and act strategically.

A flexible modeling platform enabled by SAP

SAP SAC provides advanced analytics features to facilitate analysis and decision-making toward ESG metrics; SAP PaPM calculates ESG metrics.

What to expect

- ▶ Workflow capabilities to implement ESG process governance
- ▶ ESG scenarios through a drag-and-drop, user-friendly interface
- ▶ ESG metrics based on historical data and trends
- ▶ Automated data collection from various sources
- ▶ Smart discovery and analysis through interactive dashboards
- ▶ Scenario analysis and what-if simulations to facilitate decision making



Model, simulate and analyze sustainability use cases in a flexible ESG modeling platform to help achieve net-zero targets

Helping organizations manage ESG compliance challenges with a holistic approach

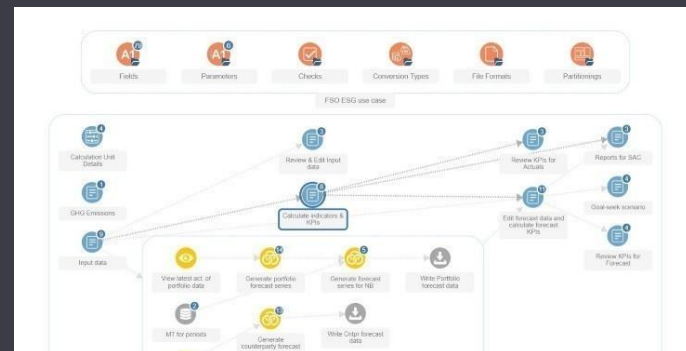
- ▶ Data integration - capture financial and non-financial data from multiple sources
- ▶ Flexible and common data model that supports reporting and planning across multiple KPIs
- ▶ Compliance with external stakeholders and statutory reporting requirements
- ▶ Process efficiency and accuracy on ESG metrics
- ▶ Seamless integration of ESG KPIs into financial planning, improving the financial impact of better sustainability management
- ▶ Strategic forecasting and scenario modeling that provides insights and supports decision-making

The EY Sustainability Metrics Navigator allows the user to

- Track performance against the ESG KPIs as per regulatory guidelines
- Understand the root cause of current performance and identify triggers that have generated results
- Act on issues to achieve improved ESG KPIs
- Capture financial and non-financial data from SAP and non-SAP, and internal and external sources, to calculate the ESG KPIs
- Analyze performance drivers and model alternative scenarios through PaPM target-setting functionality to identify and model areas to invest in or divest from, in order to achieve ESG KPIs targets and maintain profitability
- Investigate data flow and end-to-end process followed—from the data source ingestion to the KPI's calculation, to target setting and forecasting
- Re-forecast based on new business priorities and showcase how re-forecasting affects performance against the ESG target
- Practice scenario modeling and strategic forecasting that supports the requirement to change business models to achieve ESG targets

Business value

- ▶ Offers capabilities to support ESG for reporting and scenario modeling
- ▶ Provides technology to model business scenarios to change the business and achieve ESG targets
- ▶ Allows the client to apply the pre-built modules to any other platform to understand the interdependencies between ESG and profitability



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