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Finance for a sustainable future:
A sustainability command center

Finance for a sustainable future

What role does finance play in executing an organization's sustainability strategy?

Easy. ***A lead role.***



Deliver. Sustainably.

Companies in general are establishing sustainability commitments and strategies that touch across all parts of a business. To stay accountable, they should measure, track, and report on progress against those objectives, internally and externally. This may not be an easy task, and it can be complex. Translating a sustainability strategy into execution, and demonstrating its progress, demands an integrated and cross-functional organizational construct to drive change, and help an organization stick to its goals.

Deliver. Sustainably.

Think about reporting and performance management: many functions have to do data collection and metrics calculation, and those functions are responsible for performance monitoring. But when it comes to achieving a common goal, like sustainability, those responsibilities can become a lot harder. Reporting on greenhouse gas emissions, employee metrics, environmental effects on supply chains, and energy consumption of business travel and office buildings—and a whole lot more—add up to evidence of an organization’s sustainability goals, strategies, and accomplishments. Sustainability reporting can come from all over the organization, and organizations may not have done a data audit or metrics prioritization. And yet another challenge: as regulatory environments evolve, sustainability reporting expectations are often not prescriptive, which adds another layer of complexity.

To lead and support sustainability reporting and performance management, organizations should consider a **sustainability command center**, a centralized hub that coordinates across metric definitions, data collection, reporting, tracking, and monitoring of performance—with finance at the helm. With this command center construct, finance can drive integrated approaches to their enterprise’s sustainability initiatives, institute clear guardrails for data governance, and help inspire, enable, and guide decision making across the organization. It’s not a center of excellence (COE) that builds specialized expertise in a single function; instead, it’s a coordinating body that takes an organization’s sustainability strategy and executes it through cooperation and cross-functional collaboration, desiloing work, and providing true pluralistic perspectives across the organization.

Think of a space launch: the command center gathers people across disciplines with a common goal, and helps break down barriers, speeds up decision making and actions, allows for quick pivots and analyses, and keeps everyone connected to execute the mission. The individuals own their processes but the command center—and its lead—provide direction, pull people together, keep things moving and focused, and enable the mission. Similarly, this is where finance can play a key role and increase its ability and visibility as a strategic business partner for the organization, enabling sustainability goals while keeping a close eye on the bottom line. With a sustainability command center, everyone can keep their eye on the mission while keeping communication open, governance clear and accountable, and collaboration constant. While a sustainability COE or working group can set the mission, the sustainability command center can make sure the mission is accomplished.

With a sustainability command center, everyone can keep their eye on the mission ...

What a sustainability command center does—and the benefits

A sustainability command center's responsibilities could involve managing and coordinating sustainability reporting and performance management activities across the organization, which may reduce potential duplication and drive consistency and standardization.



What a sustainability command center does—and the benefits

And when it comes to metrics, those standards and reduced redundancies are vital: while the metrics of greenhouse gas emissions may be owned by operations, and employee turnover metrics are watched over by human resources, a centralized command center with a clear lead can help ensure the reporting on the metrics is coordinated, consistent, and aligned to an organization's overall strategy.

Finance isn't responsible for building out new capabilities for sustainability, such as human resources and greenhouse gas calculations. We're suggesting that, instead, finance be considered as the function that convenes these existing capabilities into something new, desiloed, and forward-looking, and acts as the glue that sustains their connection.

The sustainability command center would also provide standards and coordinate collection, monitor performance, and provide insight back to the business on alignment to sustainability strategy and progress toward goals. It's a mechanism for collaboration and stakeholder engagement, a coordinated approach to technology and automation, and provides constant alignment to and assessment of the organization's overall sustainability strategy. The bottom line: a sustainability command center knows how to get things done—and can bring the organization into the future while it works.

The bottom line: a sustainability command center knows how to get things done—and can bring the organization into the future while it works.



The sustainability command center lead would be responsible for:



Standards

Working with cross-functional leaders to identify metrics based on external mandates and internal business needs to track performance; align on approach to calculate metrics; and define what, where, and how data will be collected to calculate metrics.



Collection

Coordinating collection of data from across the organization across functions, business units, third parties, etc., and coordinating approaches to simplify and automate collection overtime.



Reporting

Designing and building internal and external reports to meet defined requirements with flexibility to evolve as needs shift over time.



Performance Management

Providing insight and business collaboration to track performance, identify improvement opportunities, and drive accountability against sustainability commitments.



Collaboration

Engaging with internal and external stakeholders to understand their reporting and performance management requirements and continuously improve processes.

Why should finance lead a sustainability command center?

It's simple: finance has done this before and has the skills. When you build a command center, you want a steady hand at the helm. That's finance:

- ✔ They have the responsibility to meet external reporting requirements and (typically) have the responsibility to track/report on organizational performance against sustainability strategy (so tighter alignment between strategy and reporting/tracking)
- ✔ They are already trusted business partners and work across the organization
- ✔ They have skills and experience in data management, analysis, and performance management (may require upskilling/working with functions to understand non-financial metrics)

Why should finance lead a sustainability command center?

Just as with any new initiative, you'll need guardrails for development. Some to keep in mind include:



The need to have a broad focus on both financial and non-financial metrics.



The command center should not be a traditional COE that sits in a single function and builds skills and experience within that function; building a true command center connects across functions with heavy stakeholder engagement and collaboration across functions.



The sustainability command center should not be too focused on compliance (as finance does have the external reporting responsibility), but should have a clear mandate to drive ESG performance management enabled by the cross-functional collaboration.

Survive, drive, thrive

No matter how mature your organization may be, the idea of a sustainability command center doesn't change. Instead, it can enhance and enable your organization's sustainability strategy execution by becoming more embedded into the fabric across all functions. What does change? The sustainability command center's focus.

Survive



Strategy

Drive cross-functional connectivity and consistency with a focus on internal and external sustainability reporting.



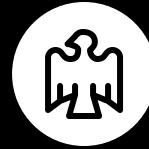
Process & Technology

Establish a clear understanding of what the work is, where it is performed, and by whom to enable a coordinated sustainability reporting approach.



Talent & Delivery Model

Identify cross-functional command center members and establish roles and responsibilities to maintain alignment and execute against sustainability goals.



Governance, Risk & Compliance

Establish governance model and corresponding decision-making processes to enable cross-functional collaboration.



Data & Analytics

Establish cross-functional data standards and collection approach; define data sovereignty over essential ESG data.

Drive



Strategy

Track performance toward goals and coordinate operational improvements to execute sustainability strategy.



Process & Technology

Identify improvement opportunities across operational processes and technology enablement to help achieve sustainability targets.



Talent & Delivery Model

Coordinate sustainability service delivery across the value chain; identify opportunities to simplify and centralize delivery.



Governance, Risk & Compliance

Embed risk management and controls that incorporate sustainability considerations to proactively identify key sustainability risk areas across functions.



Data & Analytics

Organize automation of data collection, cleansing, and attribution; sustainability data mapped with other strategic data.

Thrive



Strategy

Establish a feedback loop to demonstrate impact of sustainability strategy execution to help set and shape future sustainability strategy and commitments.



Process & Technology

Embed sustainability considerations in enterprise business planning across finance, supply chain, commercial, human resources, etc.



Talent & Delivery Model

Enhance business collaboration across functions to proactively identify strategic and operational initiatives that drive enterprise value.



Governance, Risk & Compliance

Provide mechanism to look across sustainability issues to identify whether they are linked to any thematic risks and/or trends.



Data & Analytics

Enable cross-functional insights based on integrated sustainability data and take action to influence sustainability strategy.

But what about the data?

Organizations love their data, but organizing and managing it can be difficult. When it comes to sustainability reporting and metrics, data quality is key to a successful mission.

Enter the sustainability command center, which can play a pivotal role in driving data quality and governance and coordinating the activities needed to mature data quality.

But what about the data?

Consider these goals:

1

Align KPIs, hierarchies, and definitions with accountabilities and defined reporting views to tell an organization's sustainability story.

2

Build data initiatives that bridge gaps in availability, quantity, and quality.

3

Build ambition for your data: what do you need it to do when it comes to telling your organization's sustainability story?

4

Build a blueprint: Where does your data come from, where is it housed, and how can it be augmented to support internal reporting requirements? Can automated technologies give you better, faster visibility into that data?

5

Build defined data governance and collection frameworks to identify potential flaws and improvement opportunities.

All systems go.



Organizations shouldn't incorporate sustainability just to meet reporting requirements or public expectations, although those are important. Driving sustainability is the right thing to do, both for business and the world. And if sustainability measures can be a catalyst for better, more efficient, more profitable, and more equitable organization, then that can be good for everyone. A sustainability command center can offer a real opportunity for finance to lead the way in sustainability; by building sustainable, cross-functional practices on the inside, finance may be able to help achieve more than what they ever thought possible. **Think about that space launch: when systems work toward a common goal, the end result can give us a new perspective on the future—and it can also change the world.**

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