



# ESG Impact

- ✓ ESG Strategy
- ✓ ESG Reporting
- ✓ Supply Chain Management
- ✓ Decarbonisation Strategy

Product Deck →





## ESG Strategy

# ► What ESGI Does

- ✓ **Introducing** businesses of any size to industry best practice ESG risk management.
- ✓ **Connecting** the businesses of today with the financial, low-carbon and technology products, services and strategies of tomorrow.
- ✓ **Knowledge** of:
  - ESG Reporting Requirements.
  - Decarbonisation Strategies.
  - Responsible Investment.
  - Supply Chain Risks.
  - Asset Sustainability Performance.
- ✓ **Understanding** & identifying ESG material risks in the business, community & supply chain.







## ESG Strategy

# ► ESG Impact Vision

Organisations in every market in the world are under immense pressures to be more transparent on Environmental, Social & Governance risks. They are being scrutinized, evaluated and measured by governments, stock exchanges, investors, financial service providers, partners, suppliers, client and customers.

“ Companies must now identify, manage, and control their ESG journey or run the risk of being un-bankable, un-fundable, un-investable, un-insurable and unable to sell products to large business without meeting these ESG Standards.

ESG Impact has a vision of helping every business communicate effectively their interests in line with their suppliers, partners, community and society in which they operate. We believe every business has a role to play beyond economic & financial benefit and should be rewarded for doing the right thing by nature, people & the planet.







## Governance Management

- ✓ Reviews Corporate policies and procedures.
- ✓ Create policy & governance improvement strategy.
- ✓ Present new policies, updated procedures & obligation.

## Supply Chain Management

- ✓ Review supply chain risk management programs.
- ✓ Identify supply chain ESG risks, strategy & targets.
- ✓ Present new supply chain risk management strategy & programs.

## ESG Strategy

- ✓ Create broad ESG strategy.
- ✓ ESG targets, strategy & risk management plans.
- ✓ Present risk mitigations & targets for strategy.

## ESG Reporting

- ✓ Identify Leading ESG reporting framework.
- ✓ ESG reporting targets, SDGs & framework.
- ✓ Create annual ESG report & ongoing reporting strategy.

# Our Process





# ► Defining ESG

## What is ESG (Investor)?

- ✓ ESG is the integration is the analysis of all material factors in investment analysis and investment decisions, including environmental, social, and governance (ESG) factors.

## What is ESG (Finance)?

- ✓ The analysis of ESG risks of a business impacting credit and financial performance. ESG and sustainability aspects in an organisation's projects which impact sustainability-linked KPI's or project long-term performance.

## What is ESG (Corporate)?

- ✓ Environmental, Social and Governance (ESG) is a both a framework & a methodology to improve financial and non-financial performance. This criteria captures and critiques all aspects of a business beyond business plans and financial reporting.

## ESG in supply chain management?

- ✓ ESG serves as guidelines by which supply chain management strategies should be built from bottom-line to top. Gauging a supply chain's ESG performance level would be relative to the organisation's wants and needs within environmental, social and governance action.







## Cyber & Digital

- ✓ Cyber Security
- ✓ Digital Risk Management
- ✓ Disaster Recovery
- ✓ Data Privacy & Security
- ✓ Critical Incident Risk Management

## Environment

- ✓ GHG Emissions.
- ✓ Air Quality.
- ✓ Energy Management.
- ✓ Water & Wastewater Management.
- ✓ Water & Hazardous material.
- ✓ Ecological.
- ✓ Climate Impacts.

## Business Model & Innovation

- ✓ Supply Chain Management
- ✓ Materials Sourcing
- ✓ Rate Structure & Pricing
- ✓ Business Model Resilience
- ✓ Product Packaging & Distribution
- ✓ Product Design & Lifecycle Management
- ✓ Investment, Credit & Underwriting ESG Risks

## Leadership & Governance

- ✓ Management of Legal & Regulatory Environment
- ✓ Critical Incident Risk Management
- ✓ Systematic Risk Management
- ✓ Competitive Behavior
- ✓ Business Ethics

## Human Capital

- ✓ Labour Relations
- ✓ Labour Practices & Compensation
- ✓ Employee Health, Safety & Wellbeing
- ✓ Employee Recruitment, Engagement & Discovery

## Social Capital

- ✓ Human Rights
- ✓ Access & Affordability
- ✓ Community Relations
- ✓ Customer Welfare
- ✓ Selling Practices
- ✓ Product Labeling



ESG Risk Criteria



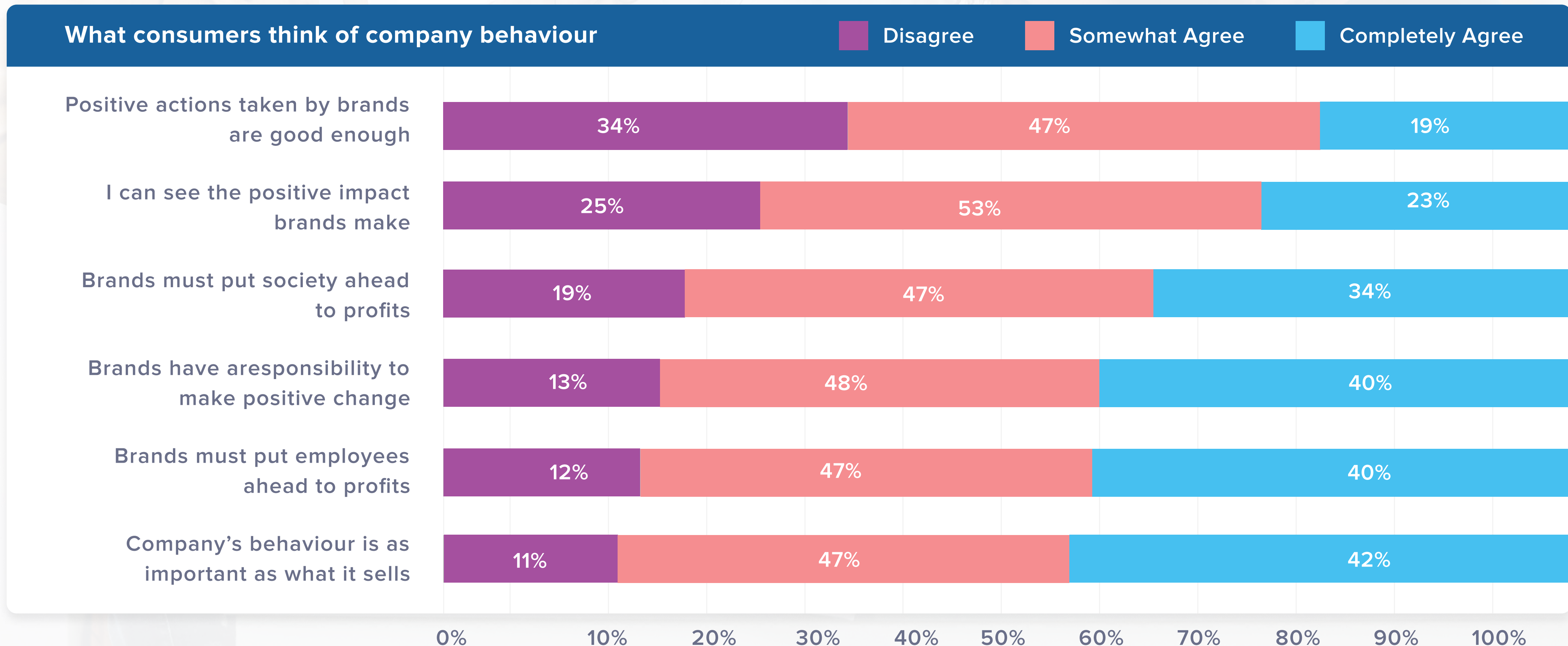


# ESG Driven By Consumers

**A post-COVID recovery has highlighted ESG concerns in the consumer market.**

The pandemic has brought about a shift in consumer behavior across brands, channels and products. As consumers juggle with the need for physical safety, financial uncertainty and a trust deficit in society, their consumption patterns are shifting, with some changes likely to be permanent in nature.

Source: The EY Future Consumer Index, May 2020



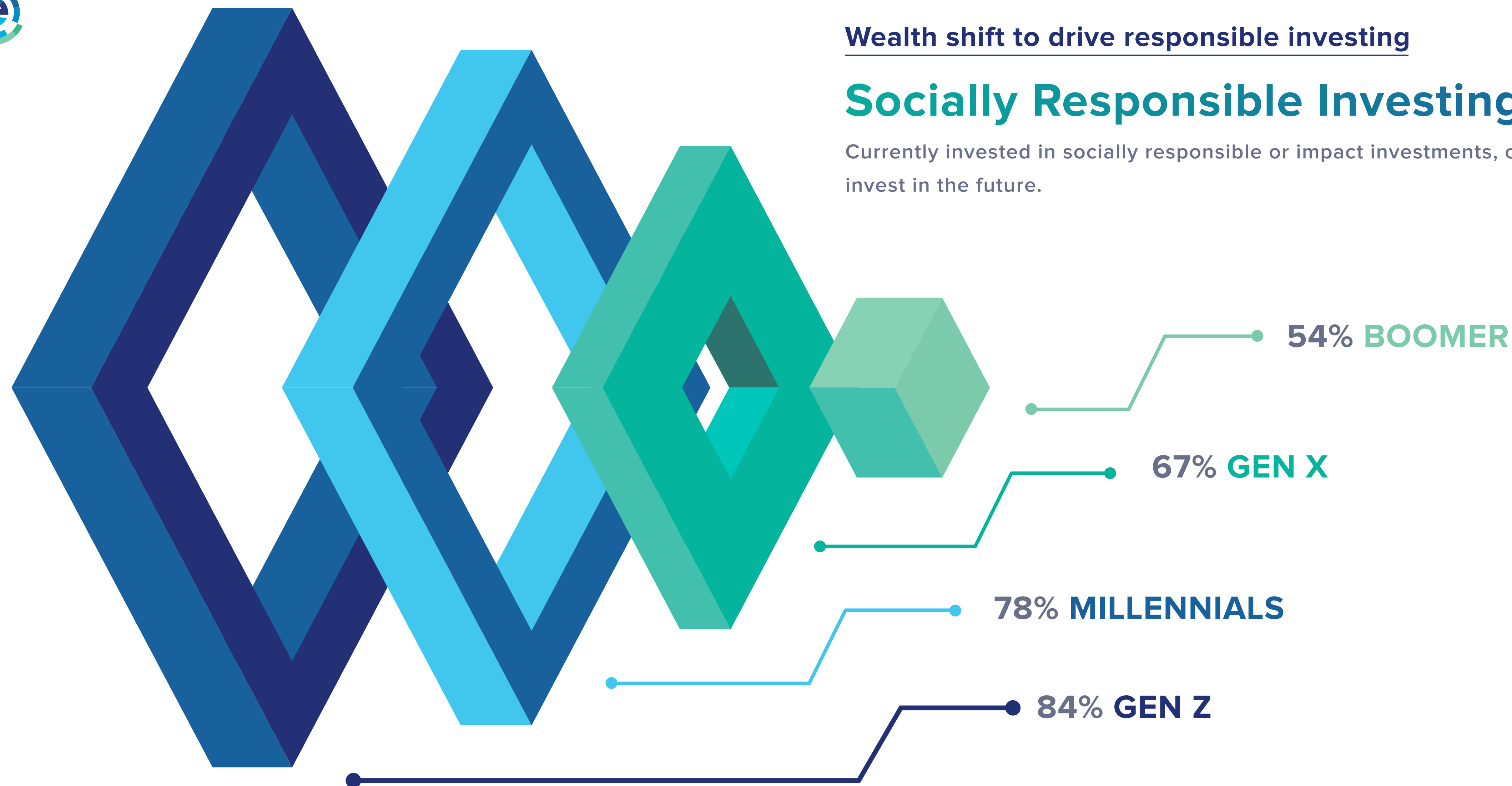




Wealth shift to drive responsible investing

## Socially Responsible Investing Interest

Currently invested in socially responsible or impact investments, or plans to invest in the future.



For businesses to thrive in the 2020s, they will need to understand the forces that will shape the next 10 years and use them to their advantage. There's no doubt that sustainability and societal impact issues will be a leading force for driving value creation.” Rich Lesser, Global Chief Executive Officer, BCG, USA.





Over the past **2 two years** alone **90%** of the data ever created was generated.

# ESG & Global Supply Chain

Resilient businesses are proactively managing against future disruption & risk putting processes, technology & supplier agreements in place.

Whether you are aware of this or not, your business is likely to have already been measured against someone in your value chain's ESG or supplier policy. The pandemic looks to have exacerbated this, with **72%** of organisation reported a negative impact on their supply chain due to COVID-19

The **2020** EY Survey showed that **60%** of respondents believe the supply chain has increased in importance. Half are rethinking their entire supply chain strategy as a result.

— ESG & Global Supply Chain





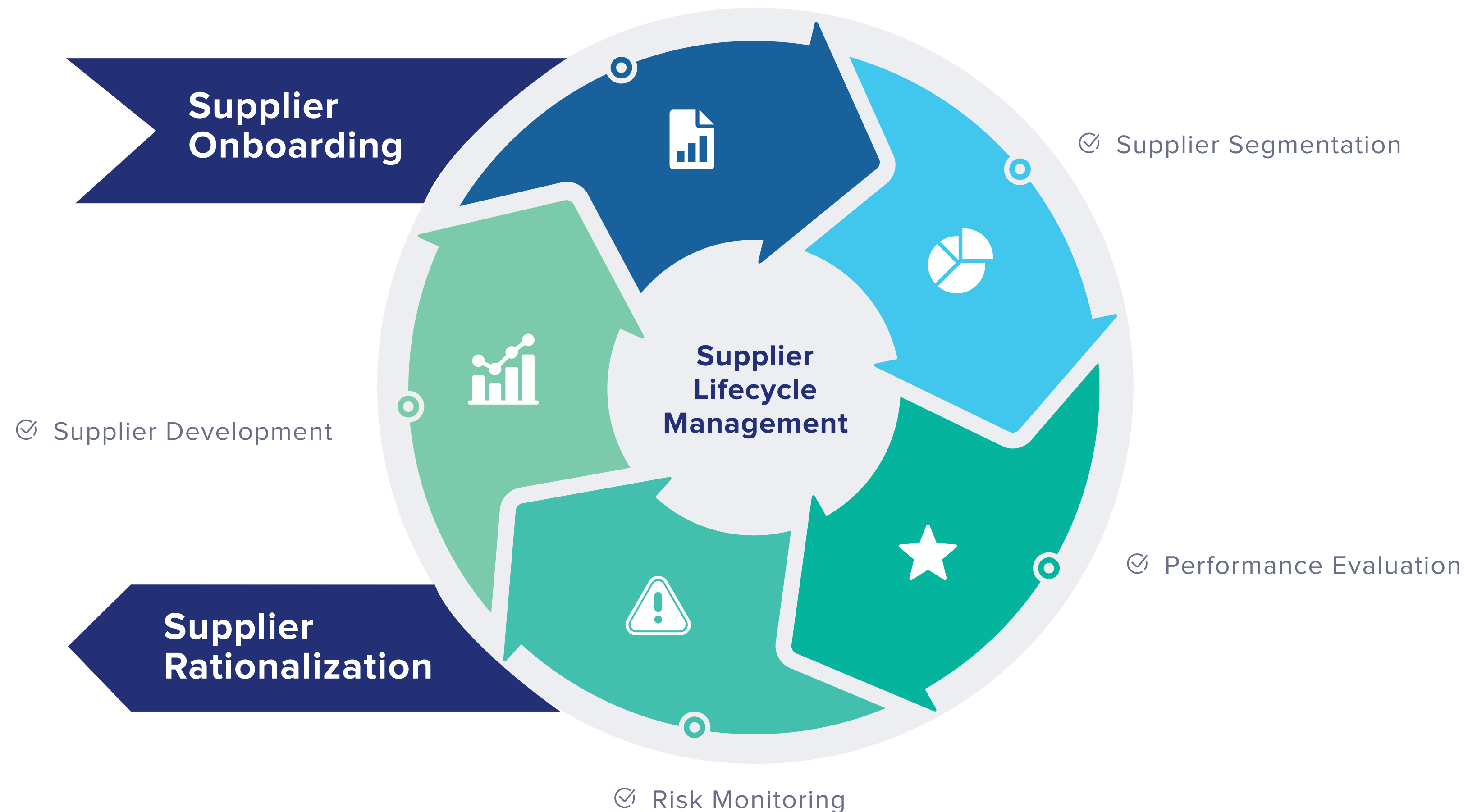
# Supplier Lifecycle Management

✓ Onboarding

✓ Performance evaluation

✓ Risk Monitoring

☑ Registration   ☑ Approval   ☑ Assessment



Integrating > Automating > Optimizing & Continuous Management of ESG risks





# Beneath a Good ESG Strategy







# ESG Reporting Process



## A. Identify key issues & drivers

- ☑ Why is embedding sustainability important to my organisation?
- ☑ What are the internal and external drivers?
- ☑ What are my organisation's material relevant sustainability issues?

## B. Develop strategy

- ☑ What does good practice look like for each material issue?
- ☑ What broad strategies can be implemented to achieve this?

## C. Establish governance & accountability

- ☑ Who does what to deliver these broad strategies per material issue?

## D. Set targets & action plan

- ☑ Where do we want to be in 'x' number of years?
- ☑ What concrete actions/activities do we need to achieve the targets?
- ☑ Which of our existing initiatives can we include to the action plan to help deliver our targets?





# ESG Reporting Process

## E&F. Monitor, report & evaluate

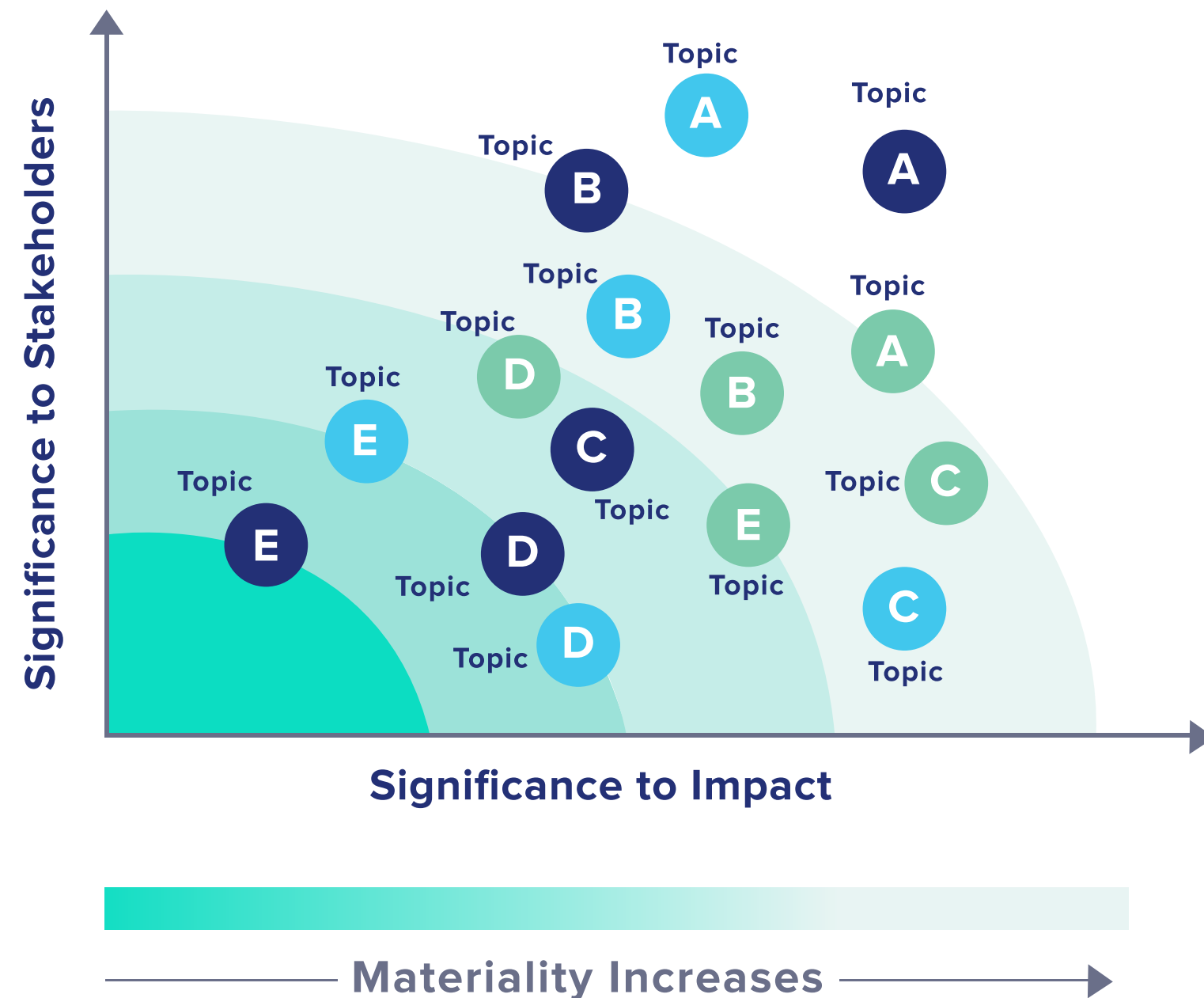
- ✓ How have we performed so far?
- ✓ Are our processes working?

*“Today’s companies must increasingly account for non-financial factors in their long- and short-term business plans. As companies look to adapt their value-creation plans in the new business landscape, they must optimize performance against current and future material ESG issues to safeguard their companies and ensure long-term success.” Maha Eltobgy, Head of the Future of Investing at the World Economic Forum.*

● Social  
Responsibility

● Environmental  
Responsibility

● Economic  
Responsibility





# ESG Impact Project Process



01

## Define ESG & Materiality Assessment

- ✔ Establish boundaries of ESG strategy.
- ✔ Define ESG with key stakeholders and working group
- ✔ Desktop review of policies, procedures, legislation risks and industry standards.

02

## Gap Analysis Report

- ✔ Report on outcomes of workshop.
- ✔ Present material risks, gaps and opportunities.
- ✔ Workshop #2 to identify initiatives, resourcing impacts, policy & procedure changes.

03

## ESG Strategy

- ✔ Develop and implement a performance improvement strategy to meet and exceed industry expectations.
- ✔ **Action plan** – Creation of ESG strategy report capturing all targets, initiatives and outlining implementation pathway.





# ESG Materiality Strategy Steps





We Work With

# ESG Reporting Frameworks

UN ESG Compliance



Corporate ESG Reporting



Asset Level Sustainability





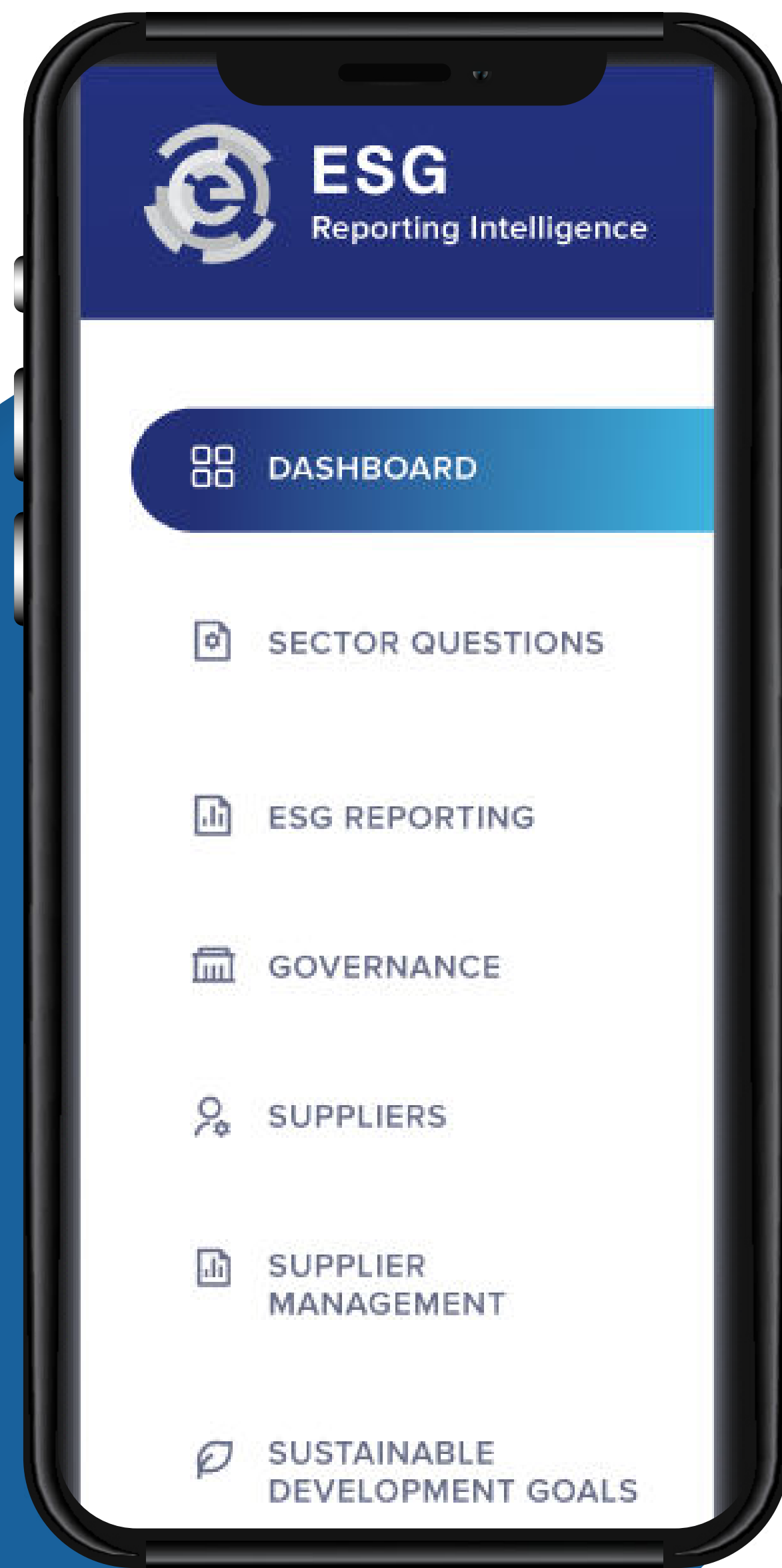


# ESG Reporting Intelligence

**ESG Reporting Intelligence gives you back control of your ESG story.**

Help your business and operations with:

- ✓ Direct access to best-in-class **ESG & sustainability** reporting.
- ✓ Access to a **masterclass ESG & sustainability library** worth over \$100,000 for you to use at any time.
- ✓ Create a public report on your **carbon footprint**.
- ✓ A clear pathway to becoming a **carbon neutral organisation** and creating certified carbon neutral products.
- ✓ Understood your **impacts on the sustainable development** goals and create a strategy to make real impact.
- ✓ Developed **best practice procurement** processes.
- ✓ A complete picture and understanding of your **supply chain material risks**.
- ✓ Being rewarded for your ESG work by **accessing new products exclusive** to you.
- ✓ **New revenue streams** from businesses interested in your products.







# ESG Impact

 James Cronan

 +61 407 667 658

 james.c@esgri.com

 [www.esgimpact.com.au](http://www.esgimpact.com.au)