

# ESG Matters



Hannah Cool

# What is ESG?



Gift Card  
& Voucher  
Association

# What is ESG?

**Environmental** How a company performs as a steward of nature & the impact environmental changes has on the business

**Social** How a company manages its relationships with employees, suppliers, customers and communities

**Governance** A companies leadership, management of ESG issues, risk management, business ethics

# What is ESG?

**Environmental** GHG Emissions. Waste & water management. Raw material usage. Recycling. Biodiversity.

**Social** Diversity & Inclusion. Human rights. Consumer protection. Animal testing. Protecting communities. Health & safety.

**Governance** Transparent reporting. Abiding by laws. Independence. Fair contribution. Board diversity. Business ethics. Executive pay.

# Do you think ESG matters?



Gift Card  
& Voucher  
Association

ers?

**Oil**  
 ARMS OF ANGE...  
 an UK lead world back from brink?  
 reign breaks  
 STS  
 ROOM

**two golds?**  
 Our writers' best moments of Tokyo 2020

**The Guardian**  
 For 200 years



**Global climate crisis: inevitable, unprecedented and irreversible**

**FINANCIAL TIMES**

Inside Kim's regime  
 Silencing staff  
 In China's debt  
 You are likely to be 1.5C warmer by 2030, UN's science panel warns

World is likely to be 1.5C warmer by 2030, UN's science panel warns

**CODE RED FOR HUMANITY**

EXTREME WEATHER DOWN TO GLOBAL WARMING, SAYS SCIENTIST  
 WORLD WILL HEAT UP BY AT LEAST 1.5C BY 2030, A DECADE EARLIER THAN WAS FORECAST

**DAILY EXPRESS**

FREE Brilliant puzzles pullout  
 David Cameron denies £7m Greensill pay packet  
 QUEEN'S BREAK WITH TRADITION

Next decade 'pivotal' to secure planet's future after alarming scientific rep

**CODE RED**

PM: WAKE UP TO RED ALERT ON CLIMATE CRISIS

WELCOME HOME  
 Let the party begin for our 50th birthday



# ers?



Global climate crisis: unprecedented and irreversible



**Climate tipping point**

**Rapid glacier melt**

**CLIMATE ANXIETY AMONG YOUNG**

**carbon dioxide**

**New temperature record**

**extreme weather**

# ers?



Our writers' best moments of Tokyo 2020  
Our writers' best moments of Tokyo 2020

## Climate tipping point

# Children are being exploited to work on farms, mines in Uganda

Global climate unprecedented

**O**n a recent monitoring visit to one of the schools that Save the Children supports in Nwoya district we found the number of pupils had decreased.

Instead of studying, many of the children had gone to work on nearby commercial farms. Nwoya's fertile soils mean that many national and foreign companies have set up

However, the reality is that poor families struggle with the numerous fees for school running and supplies, which can make education prohibitive and leave children especially vulnerable to illegal and exploitative labour. We must do more to ensure all children - no matter where they live or how poor their parents are - can stay in education.

Child labour is one of the indicators assessed in Save the Children's new Childhood Report, which



## New temperature record

# extreme weather

## FINANCIAL TIMES

Inside Kim's regime  
Silencing staff

World likely to be 1.5C warmer by 2030, UN's science panel warns



ers?

Oil  
 our writers' best moments of Tokyo 2020  
 The Guardian  
 For 200 years  
 CODE RED

ARN OF  
 ANGE...  
 an UK  
 lead  
 world  
 back  
 from  
 rink?  
 reign break  
 STS  
 ROOM



Child  
 wor

Global climate c  
 unprecedented

FINANCIAL T  
 Inside Kim's regime  
 Silencing staff  
 commercial firm  
 many national a

likely to be 1.5C warmer by  
 UN's science panel warns

26 World

# Apple imports linked to Chinese firm facing US ban over 'slavery'

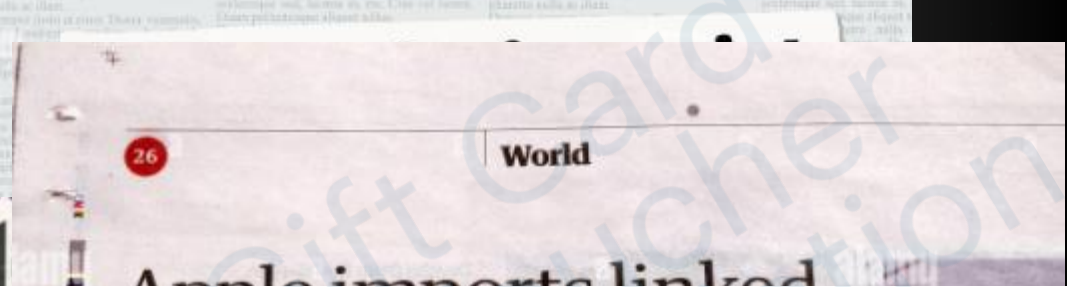
modern-day slavery at the factory. A month before the sanctions were announced, Esquel had sent a shipment of women's cotton and elastane knit shirts to "Apple Retail stores" in California, a database run by the shipping information provider Panjiva showed. Those records were identified by the Tech Transparency Project. Esquel supplies many major US

**Emma Graham-Harrison**  
**Stephanie Kirchgaessner**

Apple has imported clothes - probably uniforms for shopworkers - from a company facing US sanctions over forced labour at a subsidiary firm in

**extreme weather**

# ers?



*Workers are leaving their jobs in unprecedented numbers, and it revolves around what companies are delivering regarding workplace culture – Cheryl Fields Tyler*



**Emma Graham-Harrison**  
**Stephanie Kirchaessner**

Apple has imported clothes - probably uniforms for shopworkers - from a company facing US sanctions over forced labour at a subsidiary firm in

modern-day slavery at the factory. A month before the sanctions were announced, Esquel had sent a shipment of women's cotton and elastane knit shirts to "Apple Retail stores" in California, a database run by the shipping information provider Panjiva showed. Those records were identified by the Tech Transparency Project. Esquel supplies many major US



## extreme weather

# Do you trust ESG claims?



Gift Card  
& Voucher  
Association

# Stakeholders expect action



**ESG** is a key investment in a company's future

**83%** of consumers think companies should be enhancing their ESG best practices

**91%** of business leaders believe their company has a responsibility to act on ESG issues

**88%** of investors believe companies that prioritize ESG initiatives represent better long-term returns

**30%** BUT only 30% believe current levels of reporting on ESG are of a good quality



# The Sustainability Problem - Market optimised for financial requirements

## The asks were clear

### INVESTOR

- High Return
- Low Risk

### CONSUMER

- High Quality
- Low Price



- ✓ Price Sensitive
- ✓ Supply chain transparency
- ✓ Standardised definitions
- ✓ Standardised data
- ✓ Agreed quality
- ✓ Common governance
- ✓ Independent audit
- ✓ Direct Communication
- ✓ Congruent market



# The market is not converging on an agreed standard or approach, with increased risk as companies compete against backdrop of systemic market issues

## The asks are changing

### INVESTOR

- High Return
- Low Risk
- Saving Planet
- Protecting Society

### CONSUMER

- High Quality
- Low Price
- Saving Planet
- Protecting Society





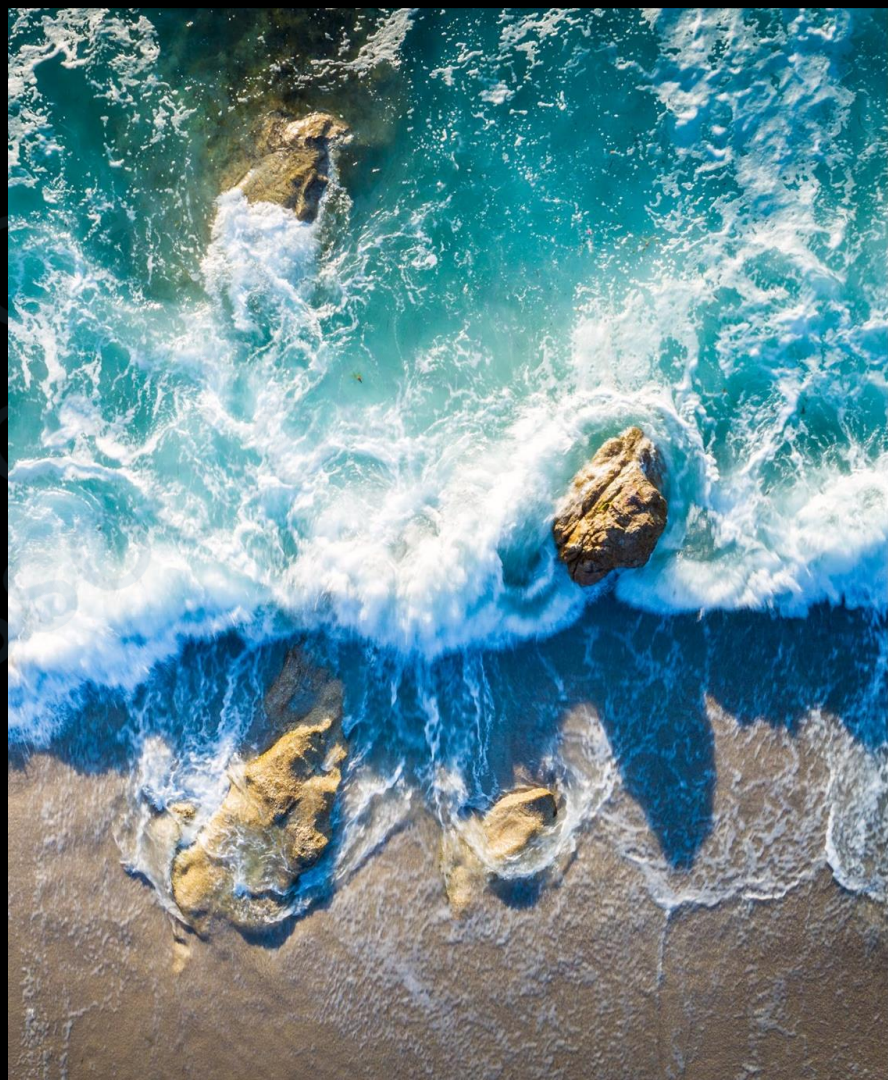
The U.N. Sustainable Development Goals (SDGs)

## What do we need to do?

---

1. Create a common language and a simple data model around sustainability - critical measures that demonstrate progress and can be captured ?
1. Capturing **reliable data** through a supply chain
1. Linking data to financing frameworks for small to mid sized businesses
1. Understanding what organisations shareholders, customers and employees really care about, so they can act accordingly

**We need a clear  
demand signal,  
focused on  
impact, to create  
sustainable value**





# What are customers saying?

**60%**

Of consumers actively prioritise sustainable products and brands

## The great wealth transfer



### Baby Boomers to Millennials

It is expected that more than \$68 trillion could be passed on from baby boomers to millennials by 2030

Immediately more purposefull!

# Creating a clear demand signal from stakeholders, for companies to act on



## United Kingdom results

UK EVERYONE 25%



UK sample population survey

Less Care to More Care



We need to consider customer demands when it comes to sustainability - globally there are value trends!

# Retailers are starting to see ESG as mission critical...



Retain and attract talent



Brand & equity attractiveness



Resilient supply chain



Cost of Capital



Compliance & Regulation



Innovation and Growth



# Because ESG matters

So what  
next



Understand what people care about



Find a way to talk to them simply



Recognise and call out the complexity



Have people who lead this who truly care  
and are lead by purpose

think