ENVIRONMENTAL, SOCIAL AND GOVERNANCE -ESG

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CONCEPT NOTE

Environmental, social and governance (ESG) has emerged as much more than a responsibility. It's an opportunity to build a more sustainable business and a key differentiator to enhance relevancy and trust with organization stakeholders. Built strategically, an ESG program creates valuable impact within your organization, your community and for the planet for years to come.

Corporate management and boards should prioritize ESG issues. There was a time when taking a public stance on ESG issues was considered a public relations strategy. In today's rapidly changing business environment, however, attention to ESG issues is becoming critical to long-term competitive success. Organizations no longer treat ESG issues as an afterthought; they are increasingly central to an organization's reputation and financial performance, and they are scrutinized by a variety of stakeholders, including investors, rating agencies and clients. Major institutional investors recognize this and have made it clear that they expect the companies in which they invest to be proactive in terms of ESG policies and messaging.

A strong and meaningful ESG program can set a vision for an organization's environmental and societal influence, providing value both internally and externally. Establishing environmental goals can help reduce your carbon footprint, determine your sourcing strategy, and set a foundation for how to eliminate unnecessary waste. From a social impact lens, you can build a meaningful diversity program, enhance employee health, and make lasting changes in your community. And by building a strong governance foundation, you can diversify your board, enhance business ethics, increase stakeholder transparency, and protect privacy.

COMMON ESG ISSUES IN AN ORGANIZATION ARE AS SUMMARIZED BELOW:

ENVIRONMENTAL	SOCIAL	GOVERNANCE
• Biodiversity and habitat • Climate change • Land contamination • Energy consumption • Greenhouse gas emissions • Indoor environmental quality • Location and associated infrastructure • Materials • Pollution prevention • Resilience to catastrophe/ disaster • Renewable energy • Sustainable procurement • Waste management • Water consumption	• Community development • Controversial tenants • Health and well-being of occupants, contractors and the local community • Human rights • Accessibility • Inclusion and diversity • Labour standards and working conditions • Social enterprise partnering • Stakeholder relations • Occupier amenities – showers, changing rooms	• Anti-bribery and money laundering • Cybersecurity • Board diversity • Independence of board members • Remuneration policy (including ESG-linked incentives) • Data protection and privacy • Legal and regulatory fines • ESG clauses in contracts • Asset data collection framework and/or management systems • Procurement standards and requirements • Tenant engagement frameworks

WHY ESG?

Clearly, ESG is complex. And reporting across the various ESG standards which define and specify metric requirements is set to become more complex as they are woven into regulations and statutes such that coherent corporate reporting can eventually be encapsulated in one report, the main report, not just in terms of financial capital as is currently the case, but all capitals. Understanding what's material to all stakeholders, not just shareholders, such that investors can confidently invest, and consumers confidently consume requires one view of What Matters Most in a new world of stakeholder capitalism where things are looked at in the round, and not just through the narrow skew of the few. The following stakeholders must therefore be put into perspective in Matters ESG:

- ✓ **Customers** are looking for innovative, agile companies that provide products and services that meet their needs but are also responsive to changing demands and social constructs.
- ✓ **Investors** are looking for evidence-based reporting on how risk factors are expected to affect financial performance. At the heart of this inquiry is the sustainability and viability of the organization in the future. The answer to that question can affect an organization's ability to raise capital, meet shareholder expectations and drive continued growth.
- ✓ Organizations today have many **business partners** as part of their strategy. These business partners expect a resilient ecosystem with minimal risks of adverse events ranging from financial downturns to data breaches to negative social reputations.
- ✓ **Regulators** have been a constant part of the landscape. Today, regulators are expecting organizations to be responsible and prudent in all facets of business from financial reporting to the impact on the environment.
- ✓ And finally, the new factor organizations must consider today is their **own employees**. Employees are holding their organizations to higher standards beyond just financial oversight. They want to work for organizations that are relevant and understand environmental and social concerns.

All the above factors point to a major imperative. Organizations have previously dealt with uncertainty; however, a new tide has risen, and with it a growing urgency to not only deal with risks, but to clearly demonstrate actions that appeal to all of these constituents and demonstrate a strong, viable, and productive future. As such, ESG considers issues like diverse and inclusive workplaces, sustainable development, the efficient use of energy, recycling and following high ethical standards. This workshop will enable participants to:

i. Recognize why ESG is important to the current business world.
ii. Define and describe the main ESG challenges being faced by organizations
iii. Engage in substantial and productive discussions over ESG-related issues.

iv. Apply the main principles of responsible investment.

v. Recognize the importance of integrating ESG to your business.

vi. Understand the main ESG-related regulations

vii. Execute and apply projects and other actions related to ESG within your organization.

AREAS OF DISCUSSION:

- ✓ ESG's Three Main Pillars
- ✓ Why Integrate ESG into Your Organization's Strategy
- ✓ Key ESG Initiatives and Regulations
- ✓ ESG Reporting Standards and Frameworks
- ✓ ESG Investing Strategies
- ✓ The Future of ESG