

Welcome to Navigating ESG - The Masterclass

Get the Strategy Right,
Minimise Risk

25 January 2024



Guidance for the session

We recommend that to make the most of this opportunity that you:

1. Have your camera on
2. Think about how you want to introduce yourself
3. Get the conversation going - give your opinion and tell the group (a) why you think the topic is being so important OR (b) why you are interested in the topic



What's on the Agenda?

1. Networking
2. Quick Recap of ESG
3. ESG Strategy
4. Why have ESG strategies come about?
5. How to create an ESG strategy
6. Challenges that companies are dealing with
7. How to get the ESG strategy right and minimise risks
8. Breakout room activity - ESG Materiality

Meet the Expert

Ruth Odih

Ruth Odih is a key member of the Secretariat Team at Centrica plc. Her experience is in UK and International corporate governance practices. Her experiences range from large multinationals to large UK-based organisations in catering, energy, oil and gas, private equity and financial services, with some of the organisations being constituents in the FTSE 100 and AIM index. She is a trustee of a local charity, a member of the insight strategy group for TIDE Taskforce, and she has a Degree and Masters in law.



ESG

ESG remains a critical issue and it's important to address ESG risks immediately. Investors are more willing to support companies that prioritise ESG, while regulators are developing a uniform and thorough global system.



ESG strategy

ESG strategies are a plan a company uses to take care of environmental, social, and governance issues in their work and choices. They focus on:

1. How the company affects nature;
2. The care for employees and others involved; and
3. Honest and clear company leadership.

ESG Strategy

Like any good business plan, a clear ESG strategy helps the company work better, benefits everyone involved, and finds more chances for growth. It also:

Makes
operations
clear and
earns trust.

Helps see
where you
can get
better.

Reduces
business
risks.

Keeps you
up-to-date
with required
reports.

Why have ESG strategies come about?

The role of businesses.

01

The role of the finance community.

02

The role of governments

03

E - Environmental

Environmental

This is about how the company helps the environment and plans to look after the Earth's future. This includes:

Tracking and reducing the company's carbon emissions.

Using energy more wisely.

Planning better ways to handle waste.

Saving natural resources.

Cutting down on pollution.

S - Social

Social

This is about the company's impact on society and its relationship with people:

Keeping personal and business information safe.

Encouraging a mix of different people and making everyone feel included.

Ensuring good working conditions.

Meeting high standards for how workers are treated.

Giving back to the local community.

G - Governance

Governance

This looks at how the company is managed:

Who's on the board and their roles.

How clear the company's financial records are.

What company leaders are paid.

Shareholders' rights to vote.

How the company handles conflicts of interest.

Example of an ESG strategy

Our commitments

We work to ensure that technology is inclusive, trusted, and increases sustainability. In 2020, we announced our sustainability commitments and detailed plans for working towards a more sustainable future.

[Learn about our approach >](#)



Carbon negative

By 2030, we'll be carbon negative, and by 2050, we'll remove our historical emissions since our founding in 1975.



Water positive

By 2030, we'll be replenishing more water than we use.



Zero waste

By 2030, we'll be zero waste across our direct waste footprint.



Protect and preserve ecosystems

We'll protect more land than we use by 2025 and build a Planetary Computer.

Example of an ESG strategy

Our progress

When we announced our climate commitments in January 2020, we also committed to transparency in sharing our learnings. We aspire to build a world better than the one we found.

[Explore our progress >](#)

[View additional reports >](#)

1.4M

Investment in carbon removal

We have invested in acquiring 1.4 million tons of carbon removal from various sources in fiscal year 2022 and recycling it into marketable products.

12K

Creating a circular approach

We're adopting a more circular strategy for materials management by diverting over 12,000 metric tons of waste from landfills and incinerators in fiscal year 2022.

1M

Increasing water access

We reached just under one million people with clean water and sanitation solutions by the end of the calendar year 2022.

12K

Protecting more land than we use

We protected 12,270 acres of land in Belize—we now protect more than the 11,206 acres of land that we use.

How to create an ESG strategy



Challenges that companies are dealing with.

01

Companies that don't follow the norm may face problems (including legal and regulatory problems), earn less in the future, and harm their reputation and value.

ESG issues can be tricky but also offer businesses and investors opportunities.

02

03

If a company ignores ESG, it might get lower ratings and find it harder to raise money.

ESG rules, words used, reporting, and what stakeholders expect can be scattered and complicated.

04

Communication with relevant internal and external stakeholders is key throughout



How to get the ESG strategy right and minimise risks

01

Learn about ESG elements important for your field and people involved.

Set clear, attainable ESG targets that match your values and what stakeholders expect.

02

03

Make a plan with steps like cutting emissions, improving work conditions, and being more open.

Understand the views and needs of investors, staff, clients, and the community.

04

How to get the ESG strategy right and minimise risks

05

Make ESG part of your regular business choices and culture.

Keep an eye on ESG progress and share results using recognised methods.

06

07

Always check your ESG approach and be ready to change when needed.

Look ahead for ESG risks and plan how to lessen them.

08

How to get the ESG strategy right and minimise risks

09

Employ technology to keep track of ESG data.

Educate, Educate - make sure all employees know about your ESG journey and how to be part of it.

10

11

Work together with other groups and governments for better ESG practices.

See where you stand with ESG and find areas for improvement.

12

Breakout Room Activity

Room 1: Identify and rank the top five ESG factors you believe are most material to a company in the **technology industry**. Explain the rationale behind your choices.

Room 2: Identify and rank the top five ESG factors you believe are most material to a company in the **energy industry**. Explain the rationale behind your choices.

Room 3: Identify and rank the top five ESG factors you believe are most material to a company in the **food and beverage industry**. Explain the rationale behind your choices.

Room 4: Identify and rank the top five ESG factors you believe are most material to a company in the **pharmaceutical industry**. Explain the rationale behind your choices.

How did you weigh the significance of environmental, social, and governance factors? Discuss any considerations or challenges in assigning importance to each category.

