

# ESG: The “New Reality”



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# Our World Has Changed ESG is the New Reality



# What is ESG

- New measure of evaluating company performance
- The critical criteria
  - Environment
  - Social
  - Governance



# ESG No longer an Option

- Companies will be rated and judged based on ESG score
- Consumer and shareholder activists will put out ratings
- Investors will demand companies comply
- Stock prices will be negatively or positively affected



# Information is Abundant



# Investors and Consumers Well Informed



# Environment

- Issues of Concern
  - Carbon output
  - Environmental friendly packaging
  - Waste disposal
  - Recycling
  - Conservation



# Social

- Extremely broad and flexible concept
  - health, safety, and human capital development
  - product and consumer safety
  - community relations
  - diversity employment
  - responsible partners/suppliers



# Governance

- Easier to understand and comply
  - Governance fairness
  - Accountability
  - Transparency
  - Ethics



# The New “Social”

- Traditional CSR is no longer sufficient
  - Finding good causes to support not enough
  - Internal and external factors are now important
- The CSR team should be focusing on
  - Safety and health of employees
  - Gender diversity
  - Equal opportunity
  - Consumer safety
  - Community Relations
  - Supplier ethics
  - Data Privacy



# How to Start

- Define your company's goals
- Get senior management buy off
- Establish implementing teams
- Provide regular feedback and reporting
- Establish communication plan



# Old Ways Don't Work Anymore

- Creativity Absolutely Required
- Information Overload can be a barrier
- Email Has Shortened Attention Spans
- Social Media shallows the thinking process



*Communicating your plan and actual results critical*

Thank  
you