
ESG FOR SMES

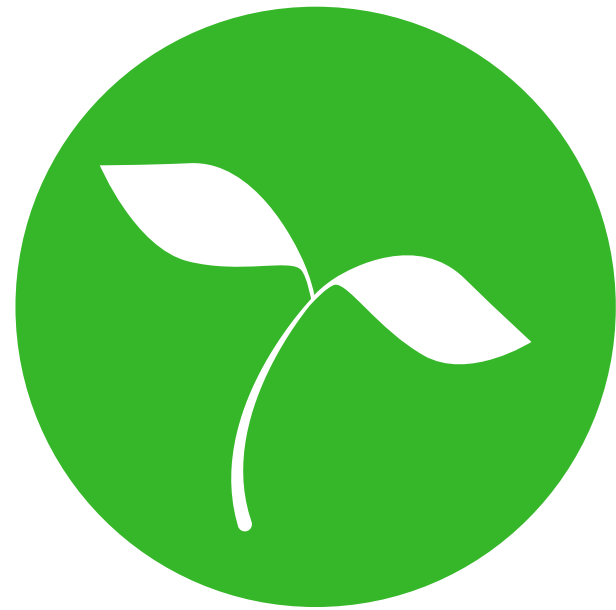
10 February 2022



What we'll cover...

- What is ESG and why now
- The UK context
- Where to start

What is ESG?



ENVIRONMENTAL

Climate change and greenhouse gas emissions, biodiversity, extreme weather events, energy efficiency, water and material wastage



SOCIAL

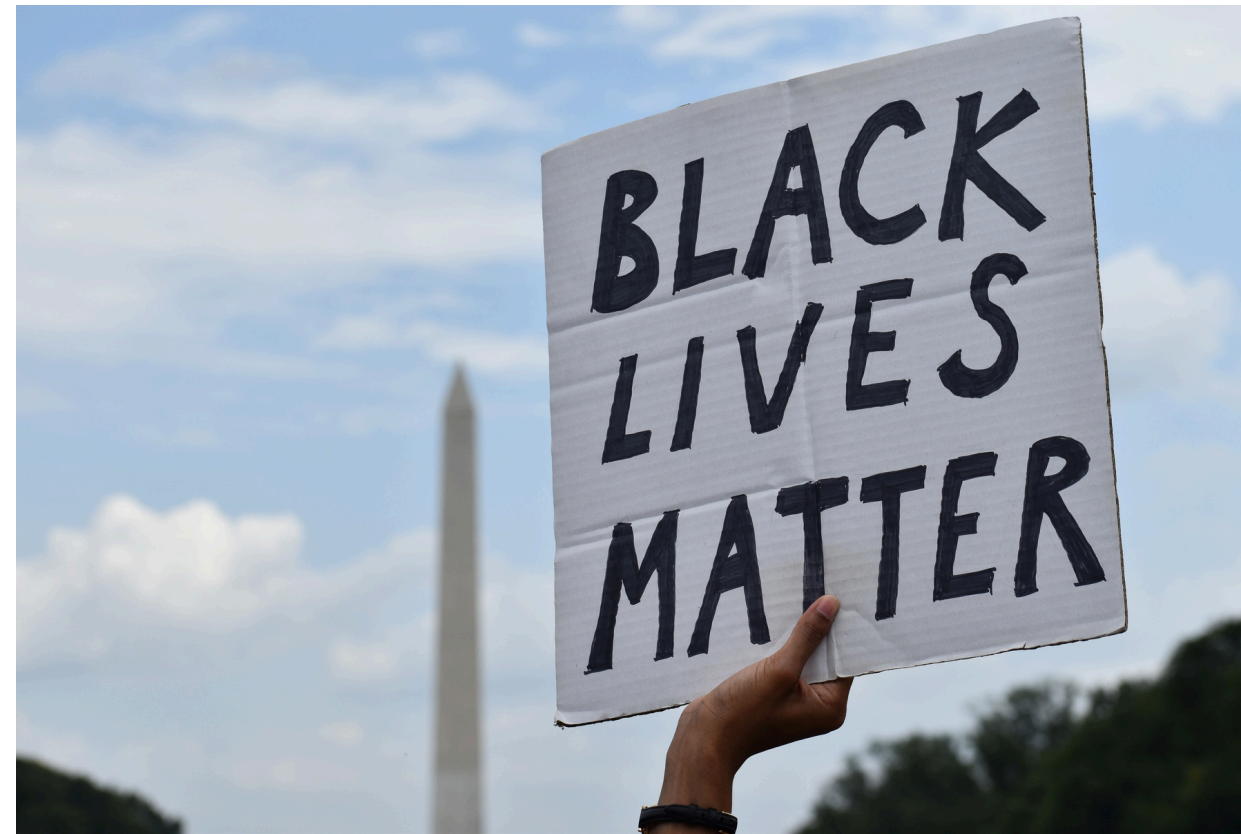
Diversity and inclusion, stakeholder engagement, staff health & wellbeing, human rights, employee development & retention



GOVERNANCE

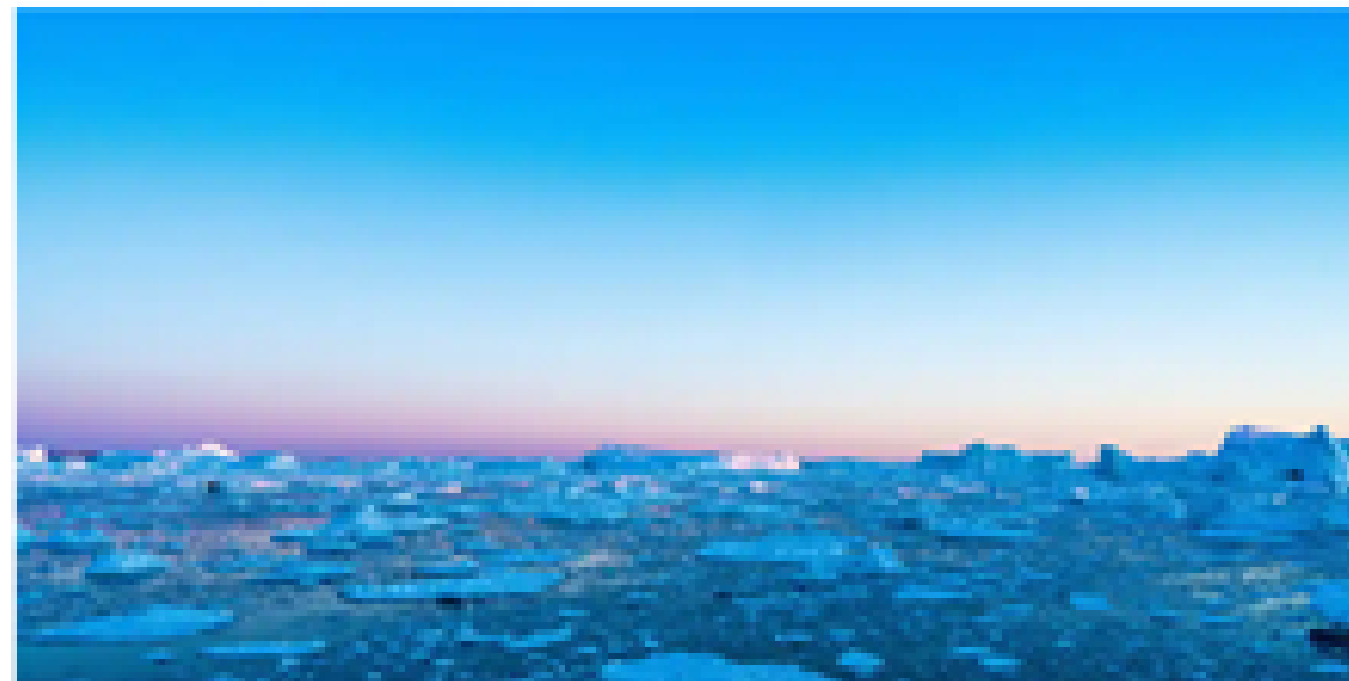
Board compensation & diversity, risk management at organisational level, financial management, ownership and control

Why now?



Climate crisis: Scientists spot warning signs of Gulf Stream collapse

A shutdown would have devastating global impacts and must not be allowed to happen, researchers say





Brand, reputation and changing consumer expectations

Workforce

Investment

Potential cost saving/ efficiencies

Why start now?



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- The UK was the first major economy to commit to net zero by 2050
 - The value of the “green” pound surged to £122bn in 2020*.
 - Shoppers spent £61bn on ethical products and services, which was nearly 30% more than in 2019. That equates to £2,189 a household, a £489 increase.
 - Social and environmental considerations are becoming increasingly important in public procurement.
 - New regulations are quickly emerging. While the bulk of the direct impact will be on large companies, they will increasingly be looking to their supply chains to support their efforts in reaching Net Zero and contributing social value.

*See: [COP58366_Ethical_Consumerism_Report_Final.pdf](#)

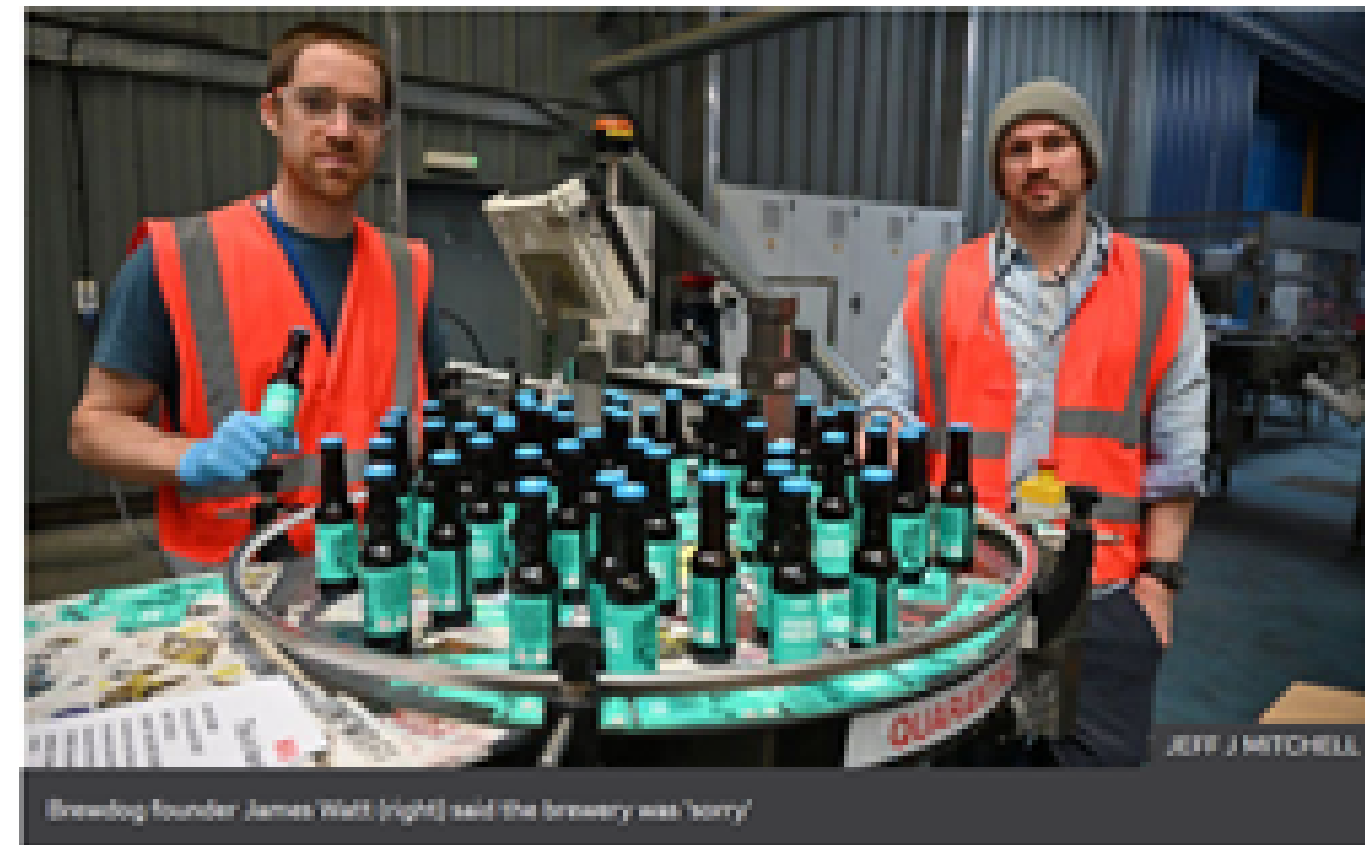
On losing credibility...

Boohoo's green claims don't wash, say critics



Ex-Brewdog staff allege culture of fear at brewer

10 June



Brewdog founder James Watt (right) said the brewery was 'sorry'

Former staff at Brewdog have alleged a "culture of fear" at the beer firm with a "toxic attitude" to junior employees.



Where to start...

1. Understanding what questions to ask
2. What's the why? What are your objectives and what's driving your interest?
3. What matters for your company - material considerations
4. Start collecting information
5. Review, refine, review

- Tools for SMEs on the UK Climate Business Hub
 - Sustainability training for small businesses from Google
 - Carbon emissions tool for SMEs from Normative
 - Social Value UK has produced a Social Value Self Assessment Tool
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Free resources



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