



# The ESG agenda for retail and consumer businesses



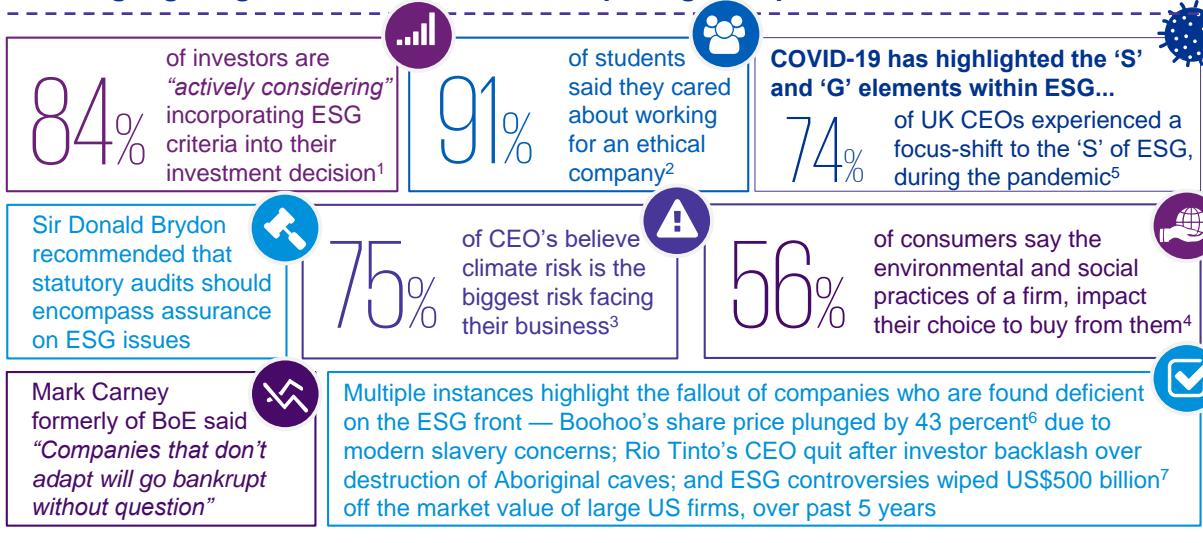
# Why ESG?

We've identified 4 key consumer and retail trends (i.e. reviewing business models and partnerships; re-thinking the cost of doing business; clearly articulating purpose; and changing customer behaviour) that need to be prioritised now, to drive sustainable success in future — and all of these play into ESG

## Key ESG issues facing retailers and consumers...

	Ethical supply chain, and logistics impact	
	Waste management	
	Energy Use	
	Customer privacy and data security	
	Product quality and safety	
	Ethical business and labour practices	
	Reporting and labelling	

## ...are highlighting the need to define a compelling ESG position, now



## Your ESG journey – what and how to report?

### 1. Demystify

Decode the commonly used terms in ESG reporting

### 2. Strategise

Establish a sustainable ESG strategy that positively impacts the environment and society whilst driving shareholder value

### 3. Evaluate

Examine current business and operating model via the ESG lens — identifying threats and opportunities

### 4. Finance

Evaluate your funding sources and engage ESG rating providers to ensure your business is correctly rated

### 5. Transform

Define/design future business and operating model

### 6. Measure and report

Align governance and remuneration; and measure as well as report progress against ESG factors

# What's in it for you?

## Listed Entity

- Compliance with government and regulatory requirements — for instance, listed entities need to comply with TCFD by Jan 2022 (which is also an FRC focus area)
- Better access to finance (as investors increasingly feel that sustainability-integrated portfolios can offer better risk-adjusted returns) and lower cost of capital
- Protect and increase customer spend, as consumers' environmental and social values are being infused in buying decisions
- Ability to protect and/or enhance reputation
- Easier attraction and retention of young talent

## PE backed entity

- Better access to capital and enhanced equity values for both Funds and Portfolio firms
- Many PE firms make future investment decisions based on ESG metrics and are required to report against them
- ESG metrics' transparency impacts how businesses are treated from a risk perspective during due diligence
- Businesses with strong ESG policies and practices tend to have more robust and dynamic cultures
- Compliance with regulations/requirements (e.g. TCFD)
- Customer and talent considerations, as with listed entities

## Private or family owned

- Better access to finance and at lower rates, along with opportunity to leverage alternative funding models
- Reviewing socio-economic wealth (to reflect post-COVID beliefs) in a bid to build relevant environmental and social goals directly into business strategies
- Next generation family members are injecting fresh thinking and unlike previous generations, they are focusing more on planet or 'impact of wealth', rather than wealth accumulation
- Reviewing goals of family business owned charitable foundations, to ensure family's capital is redirected towards issues that have a social impact
- Customer and talent considerations, as with listed entities

# Our proposition...



## Strategy:

Through our workshop approach we can help you answer questions on:

- **Sustainable Value** — How can we embed ESG in business strategy to help unlock value?
- **Circular economy** — How can we maximise value from limited resources, while reducing the adverse impact on people and planet?
- **Stakeholder story** — What matters most to our customers/stakeholders? Which ESG initiatives should we prioritise and communicate?

## Sustainable Finance:

We can help in:

- Enhancing eligibility for ESG finance
- Optimising credit ratings, given inclusion of ESG criteria
- Structuring and accessing sustainability linked loans, green bonds and impact investing as part of core debt advisory
- Provision of required assurance to suppliers of those loans

## Corporate reporting:

We provide external assurance opinions on ESG reporting requirements irrespective of them being financial/non-financial, qualitative/quantitative or voluntary/mandatory. We can help you to:

- Develop a new ESG-embedded reporting framework
- Understand regulation and comply with upcoming TCFD requirements

## Ethical supply chain:

We provide ethical supplier due diligence (incl. modern slavery and fair taxes), Operating Model Transformation, Supply Chain Risk management (incl. water, waste, energy and plastic usage) and subsequently, map the extended value chain to measure the ESG performance — prioritising key risks and providing assurance across these areas



## Key contacts

If you would like to discuss any of the content and your business' approach to ESG please reach out to any of the key contacts below

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