Global trends in ESG and social investment

24 February 2022
15:00 - 16:00

trialogue CSI WEBINAR

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bit.ly/TrialogueWebinar1

AGENDA

Overview	Zyaan Davids, Trialogue
Global trends	Beth Gallagher, Chief Executives for Corporate Purpose (US)
Indian trends	Rohan Sarma, Samhita (India)
South African trends	Cathy Duff, Trialogue
Moderated Q&A	All panellists
Closing comments	All panellists

#CSIwebinar #ESGtrends

POLL 1

ABOUT **TRIALOGUE**

Supporting better business

25% of our profits change the lives of young people through education and employment

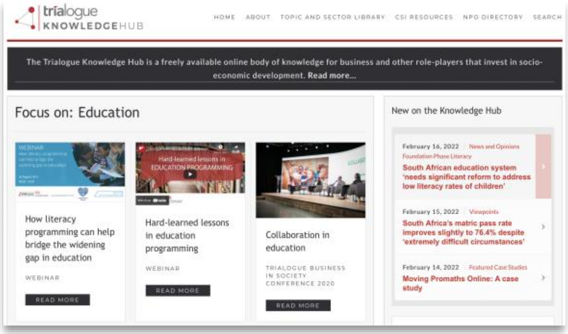
BBBEE Level 2 powered by

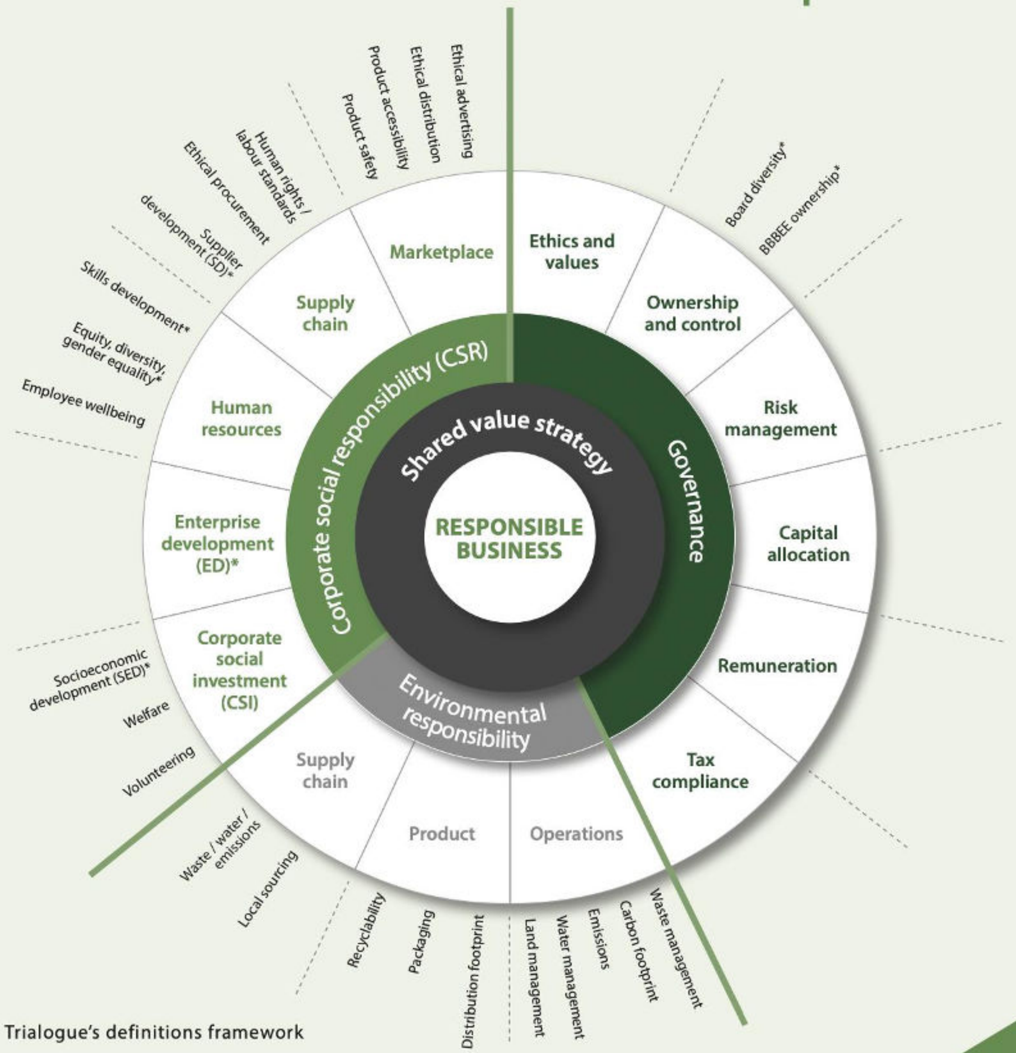
Services:

- CSI advisory, including CSI strategy development and implementation support
- Integrated thinking advisory
- Monitoring and evaluation
- Corporate reporting

Knowledge-sharing platforms:

- The Trialogue Business in Society Conference and monthly CSI webinars
- The Trialogue Knowledge Hub https://www.trialogueknowledgehub.co.za
- *The Trialogue Business in Society Handbook*





Trialogue's definitions framework

* Elements of BBBEE Scorecard

PANELLISTS

BETH GALLAGHER
Director, Corporate Insights
CECP

ROHAN SARMA
Knowledge and Research Head
Samhita Social Ventures

CATHY DUFF
Director, Trialogue

Chief Executives for Corporate Purpose® (CECP) is a trusted advisor to companies on their corporate purpose journeys to build long-term sustainable value and tell their impact stories. Working with CEOs and leaders in corporate responsibility, sustainability, foundations, investor relations, finance, legal, and communications, CECP shares actionable insights with its CEO-led coalition to address stakeholder needs.

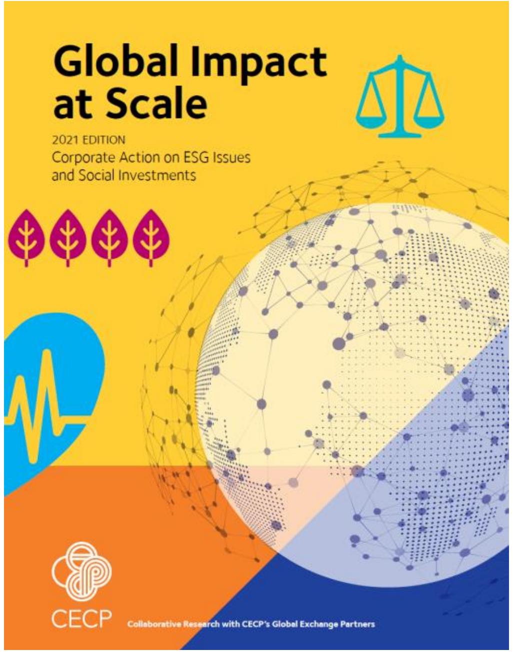
CECP

THE Power of the Network

SIDLEY, Newman's Own Foundation, APTIV, SIEMENS, Discovery Education, CVS Health, Southern Company, Abercrombie & Fitch, Wynn Resorts, McKinsey & Company, IPG, CITGO, Abbott, VISA, FMC, Ameren, Pearson, blackbaud, JPMorgan Chase & Co., BlackRock, Triumph Group, Cargill, Comcast NBCUniversal, rhr, Philip Morris International, Cisco, nielsen, Viacom, TCS Tata Consultancy Services, Centene Corporation, Assurant, Hershey, Mars, Starbucks, Adobe, Dell, BD, BCG, FedEx, intel, UBS, Wells Fargo, Target, nrg, welltower, Bank of America, 3M, freshpet, RBC, citi, Carlson, collette, Northwestern Mutual, Gerdau, Northrop Grumman, Quest Diagnostics, pwc, L'ORÉAL, Citizens Bank, Edward Jones, Sanofi, tapestry, Anthem, ManpowerGroup, Applied Materials, novo nordisk, Disney, Colgate-Palmolive, abbvie, Entergy, mailchimp, HSBC Bank, Bloomberg, General Motors, Fidelity Investments, ConocoPhillips, Raytheon Technologies, Heidrick & Struggles, Kimberly-Clark, Apple, T-Mobile, Corteva agriscience, Barclays, Hermes Investment Management, The Coca-Cola Company, New York Life, Genworth, Ameriprise Financial, macy's inc, pitney bowes, accenture, Turner, CareSource, Principal, American Electric Power, The Hartford, Cheniere, Johnson & Johnson, Mastercard, Deutsche Bank, Wachtell, Lipton, Rosen & Katz, Starwood Capital Group, salesforce, Medtronic, Amway, Ecolab, Mosaic, Alexion, zoetis, PSEG, Selective, Harman, Kohl's, Prudential, Microsoft, Walmart, CarMax, AT&T, Capital One, Sempra Energy, Organon, Merck & Co., Inc., KPMG, Morgan Stanley, Clif Bar & Company, conEdison, State Farm, Cognizant, Ogilvy & Mather, S&P Global, Equitable, Vistra, CWT, onsemi, Altria, Catalent, Bristol-Myers Squibb, Qualcomm, CenterPoint Energy, Amgen, Travelers, fiserv, Dominion Energy, Alcoa Foundation, Mitsubishi Corporation (Americas), MGM Resorts International, Genentech, servicenow, Lilly, Gap Inc., PepsiCo, Dow, Vanguard, Steelcase, Mortenson, Moody's, Hasbro, Edelman, Deloitte, Campbell's, Panasonic, Voya Financial, Allstate, Hewlett Packard Enterprise, Winnebago, USAA, Hudson Pacific Properties, Southern California Edison, PayPal, Chubb, Phillips 66, Pfizer, Regeneron, StanleyBlack&Decker, Macquarie, Goldman Sachs, Estée Lauder Companies, DuPont, Eastman, illumina, Best Buy, Google, Lincoln Financial Group, Daikin, usbank, Equinix, Lockheed Martin, Exelon, Chevron, BNY Mellon, Credit Suisse, GE, American Express, AIG, Endeavor, IBM, UPS, Gallup, Verisk, HermanMiller, Guardian, Empire State Realty Trust, AmerisourceBergen, Cigna, dun & bradstreet, UnitedHealth Group, Seyfarth, Linde, ally, TIAA, Holsman International, EY, verizon

CECP Global Exchange

Global Impact at Scale: 2021 Edition



Insights collected through CECP Global Exchange Partners and companies on their 2020 data

165	18	US$ 5.7 billion	US$2.72 trillion
Number of companies	Headquartered countries/regions	Median revenue	Aggregate revenue across companies

<u>Featured in the 2021 Edition:</u>

- Top 10 Highlights in ESG; Top 10 Highlights in Social Investment and Volunteerism
- ESG management, integration, reporting trends
- COVID-19 responses
- Employee engagement insights
- Issues and program areas gaining momentum (e.g. DEI and workforce)
- Highlights from Global Exchange Partners and case studies from companies
- Bloomberg ESG data analysis of top 3,000 companies globally

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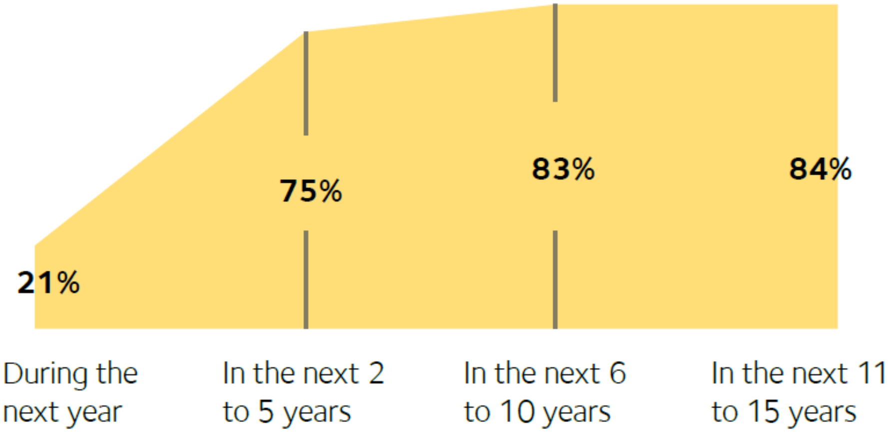
Key findings from *Global Impact at Scale: 2021 Edition*

- COVID-19 had an uneven impact across people, communities and industries
- Nonetheless there is continued momentum around ESG globally
  - Accelerated rather than slowed by external challenges
  - Motivated by growing stakeholder expectations
- Companies worldwide are responding with greater management, investment, measurement, and reporting

ESG Integration Timeline

75%

of companies predicated that ESG would be integrated across departments within the next five years



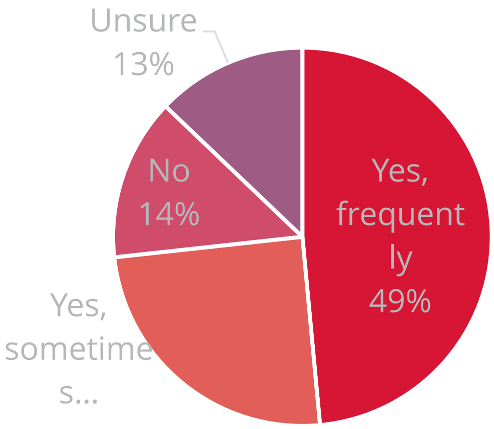
N=102

Source: Chief Executives for Corporate Purpose, *Global Impact at Scale: 2021 Edition*

ESG Reporting: Investor & Public Audiences

74%

of companies consider the investor perspective when reporting on the social aspects of ESG data in their sustainability reports



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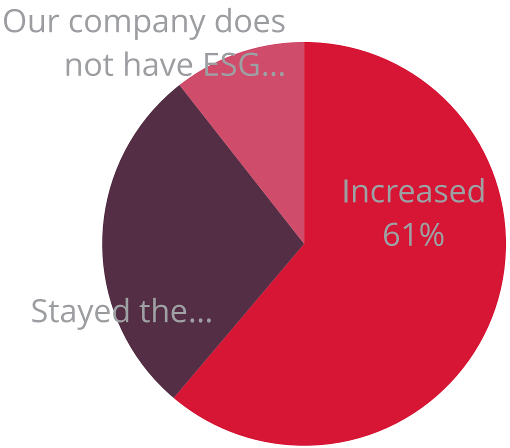
61%

of companies reported that the amount of publicly released data increased over the past year



N=85

Source: Chief Executives for Corporate Purpose, *Global Impact at Scale: 2021 Edition*

Continued Adoption of SDG Targets

26%

of companies set a quantitative target for achieving at least one of the 17 U.N. SDGs in 2020

Up from 19% in 2019 and 14% in 2018

Percentage of Companies that have Set a Target for at Least One SDG Goal	
Industry	**%**
Communications	20%
Consumer Discretionary	24%
Consumer Staples	41%
Energy	28%
Financials	20%
Health Care	24%
Industrials	21%
Information Technology	25%
Materials	38%
Utilities	39%
ALL COMPANIES	**26%**

(N=2,084)

Source: Chief Executives for Corporate Purpose, *Global Impact at Scale: 2021 Edition* | Bloomberg ESG database, 2020 data, CECP analysis.

Median Community Spend Increased Dramatically

77%

Increase in median community spend to $4.95M in 2020

Up from $2.8M in 2019

.59%

Median community spend as % of pre-tax profit in 2020

Up from .48% in 2019

Median Community Spend by Companies	
Industry	**US$**
Communication Services	$8.57
Consumer Discretionary	$2.50
Consumer Staples	$8.76
Energy	$6.74
Financials	$8.77
Health Care	$9.59
Industrials	$2.27
Information Technology	$3.82
Materials	$3.36
Utilities	$4.93
ALL COMPANIES	**$4.95**

(N=1,149)

Median Community Spend as a % of Pre-Tax Profit	
Industry	**%**
Communication Services	1.17%
Consumer Discretionary	0.38%
Consumer Staples	1.46%
Energy	0.87%
Financials	0.54%
Health Care	0.62%
Industrials	0.44%
Information Technology	0.46%
Materials	0.67%
Utilities	0.51%
ALL COMPANIES	**0.59%**

(N=1,149)

Source: Chief Executives for Corporate Purpose, *Global Impact at Scale: 2021 Edition* | Bloomberg ESG database, 2020 data, CECP analysis.

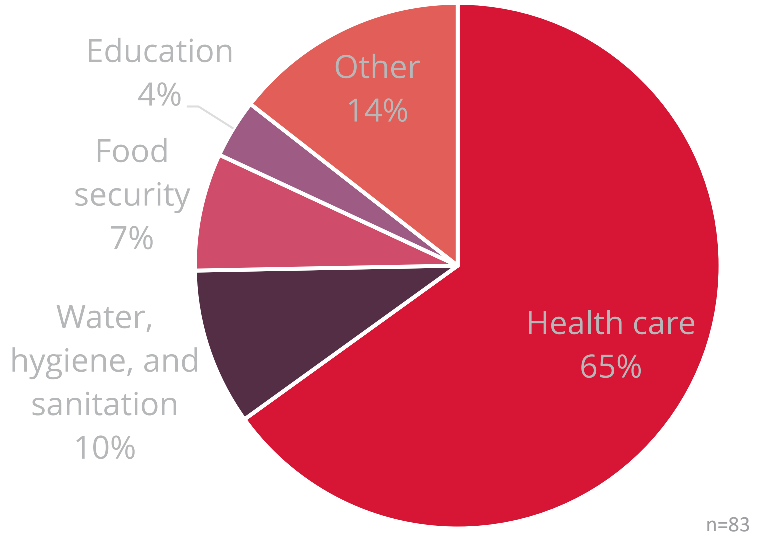
New Interventions for COVID-19 Response

51%

of companies reported that their response to COVID-19 led to new interventions

65%

of companies reported that new interventions focused on health care



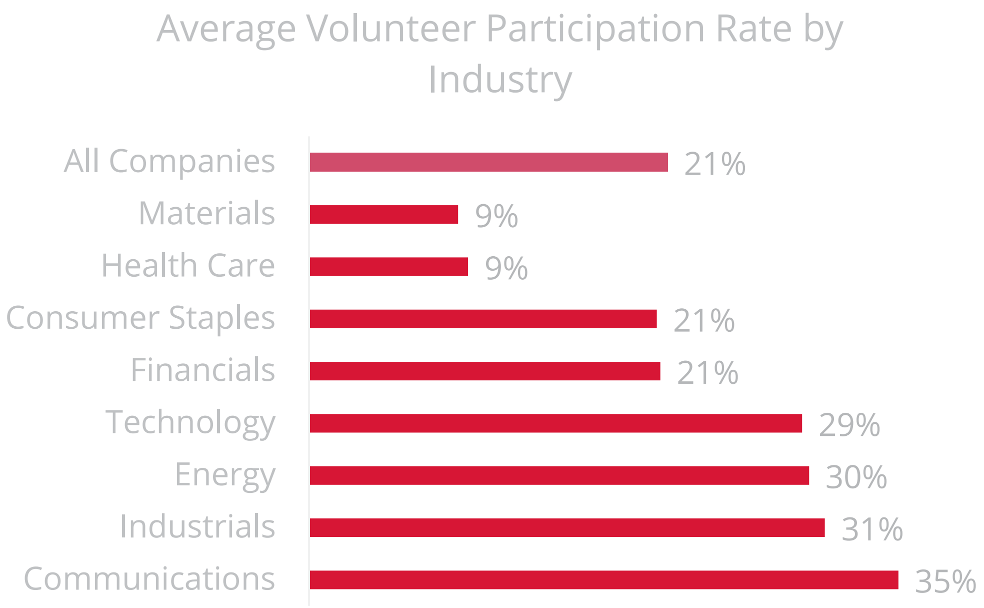
Source: Chief Executives for Corporate Purpose, *Global Impact at Scale: 2021 Edition*

Volunteer Participation Dropped Slightly

21%

was the average volunteer participation rate across global companies in 2020

Down just slightly from 22% reported in 2019

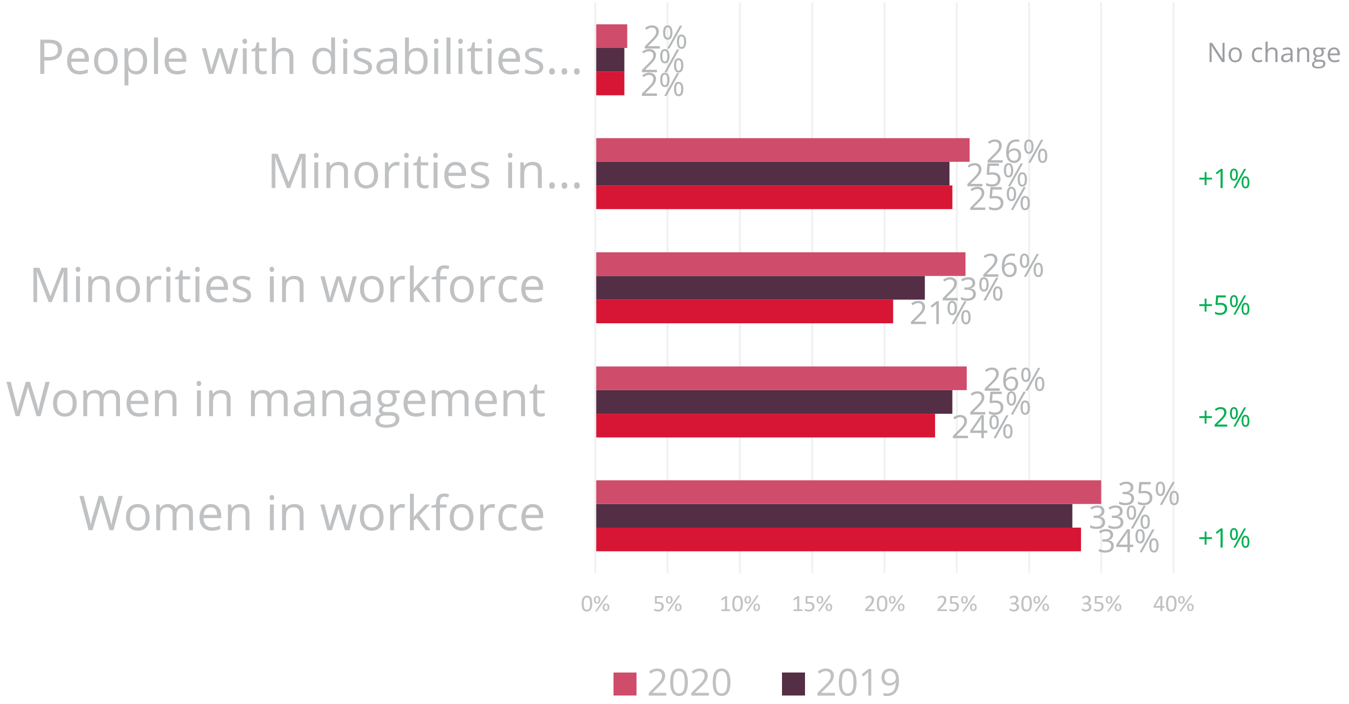


Some industries excluded due to small sample size

N=96

Source: Chief Executives for Corporate Purpose, *Global Impact at Scale: 2021 Edition*

Workforce Representation: Incremental Gains

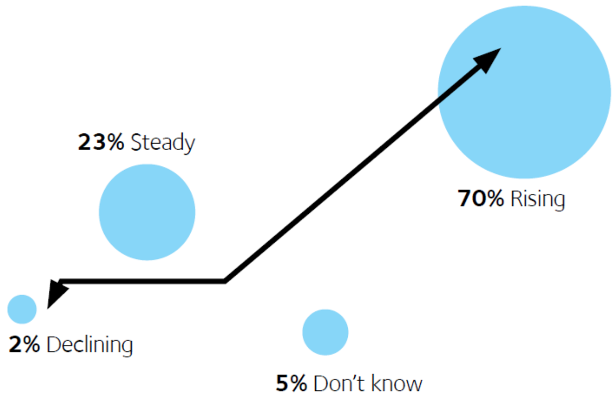


Source: Chief Executives for Corporate Purpose, *Global Impact at Scale: 2021 Edition* | Bloomberg ESG database, 2020 data, CECP analysis.

Diversity, Equity and Inclusion Investments Rising

70%

of companies reported an increase in the resources allocated to DEI



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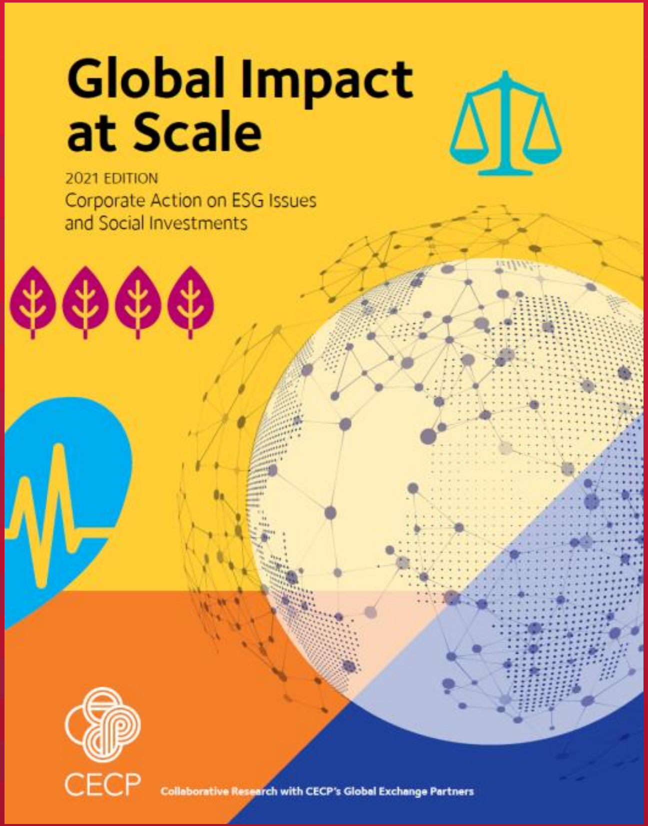
Source: Chief Executives for Corporate Purpose, *Global Impact at Scale: 2021 Edition*

Global Impact at Scale
2021 Edition

Download the full report here
https://cecp.me/3rMqVSY



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TRENDS AND **TAKE OUTS** FOR SOUTH AFRICAN COMPANIES AND NPOS

- ESG increasingly **integrated** into business strategy
- Metrics for **ESG reporting** converging
- **Social investment** expected to increase globally
- **Employee engagement** gaining prominence
- **Climate** becoming a priority

THANK YOU!

- Read more on the corporate responsibility on the ***Trialogue Knowledge Hub*** (https://trialogueknowledgehub.co.za/)

- The ***Trialogue Business in Society Conference 2022*** takes place on **10 and 11 May 2022** Registration will open in March.

- Participate in the ***Trialogue Business in Society Handbook 2022***
  - Complete the 2022 **primary research** into the state of CSI in South Africa (corporate and non-profit research launching in April 2022)
  - **Advertise** your company's shared value and social investment stories
  - Increase your non-profit's visibility through inclusion in the **NPO directory,** also featured on the Trialogue Knowledge Hub

- Diarise the next **Trialogue webinar** on 30 March 2022