

ESG RADAR 2023

ESG REDEFINED: FROM COMPLIANCE TO VALUE CREATION

 **2,500** senior executives surveyed

 **8** regions covered

 **12** industries

ESG IS A MONEYMAKER

90% reported positive returns, while **10%** say their efforts broke even. No respondents reported negative returns.

COMPANIES ARE CONFIDENT IN ESG IMPACT

71%, **68%** and **81%** reported confidence in E, S & G initiatives (respectively) will have long-term positive impact on people, planet, and profit.

A **10 percentage point** increase in ESG spending correlates with **1 percentage point** increase in profit growth.

OVERLOOKING THE "S" AND "G" IN ESG HURTS PROFITS

Companies more often track environmental metrics than social or governance ones.

However, more focus on S and G initiatives correlates with better profits.

ACCOUNTABILITY AMONG THE C-SUITE AND DIVERSITY ON THE BOARD ARE LINKED WITH PROFITS

A **10 percentage point** increase in women on the board correlates with **1 percentage point** increase in profit growth.

Firms with a CDO, ESG committee on board of directors, and a CSO who clears capital expenditures perform better.

And companies that prioritize employees have higher profit growth.

ESG MUST BE INTEGRATED INTO THE SUPPLY CHAIN

99% of respondents say they want to align their supply chains with their ESG goals

But only **37%** renegotiate contracts based on ESG data.

WHY WAIT, WHEN YOU CAN ACCELERATE VALUE NOW?

 **TREAT ESG AS A VALUE CREATOR, INSTEAD OF A COST CENTER.**

 **CUSTOMERS ARE IMPORTANT BUT PRIORITIZE EMPLOYEES IN ESG EFFORTS.**

 **EMBED ESG ACCOUNTABILITY IN LEADERSHIP RANKS TO IMPROVE PROFITS.**

 **SHARE ESG REQUIREMENTS AND DATA THROUGHOUT YOUR VALUE CHAIN.**