

Training Workshop:

“ESG Strategies: Gain Competitiveness in Today’s Market and Incorporate ESG into Daily Operations”

Instructor:

Mr. Derek Ip

Independent Sustainable Finance and Net-Zero Transition Advisor



Remarks: This material/event is funded by the Professional Services Advancement Support Scheme of the Government of the Hong Kong Special Administrative Region. Any opinions, findings, conclusions or recommendations expressed in this material/any event organised under this project do not reflect the views of the Government of the Hong Kong Special Administrative Region or the Vetting Committee of the Professional Services Advancement Support Scheme.

ESG STRATEGIES:

GAIN COMPETITIVENESS IN
TODAY'S MARKET AND
INCORPORATE ESG INTO DAILY
OPERATIONS

Green Council Workshop

13th March 2026



DOES ESG REALLY MATTER – WHY? HOW?

WORKSHOP TODAY IS ABOUT:

**CONCEPTS, KNOWLEDGE, COMMUNICATION
APPROACHES, CASE STUDIES**



SPEAKER AT A GLANCE

DEREK IP

As an Investor:

- As a Sustainable and Impact Investing Director at UBS Asset Management and previously at BMO Global Asset Management, Derek led low-carbon transition research, portfolio integration and product development and advised senior investment committees and boards on aligning capital allocation with credible transition pathways.
- At S&P Global, Derek led methodological work on low-carbon index construction and climate-risk analytics. He ran the first-of-its-kind environmental stress-testing exercise with ICBC and developed China's first index product suite that integrated emissions intensity and transition metrics to enable decarbonization investment strategies for passive investors.

As a Green Finance Policy Advocate:

- During his secondment to the City of London Corporation, Derek co-authored the UK's first green-finance strategy paper and led policy research on green securitisation. He convened cross-departmental and public-private dialogues that informed subsequent UK green-finance policy development.

As a Carbon and Energy Transition Consultant:

- As a climate consultant at **RESET Carbon**, Derek delivered project finance, carbon accounting and supplier energy-efficiency programmes for international retailers sourcing from Asia, including H&M, Walmart and Marks & Spencer.

Derek holds the CFA charter and an MSc in Climate Change Finance and Investment. His contribution to the energy transition agenda is recognized by the University of Edinburgh through its Climate 75 nomination and other global investor forums.

GETTING TO KNOW YOU

WHO HAVE WE GOT IN THE ROOM TODAY?



AGENDA

(MORNING)

09:15-09:30 Welcome and Objectives

09:30-09:50 Framing ESG As A Business Issue

09:50-10:30 Introduction to ESG Fundamentals

- Short Break -

10:45-11:15 Stakeholder Identification – ESG for Whom?

11:15-12:00 Materiality Definitions and Prioritization –
ESG on What?

12:00-12:30 Morning Synthesis



AGENDA

(AFTERNOON)

14:00-14:45 Linking ESG to Business Objectives and Value Creation

14:45-15:15 Group Activity: Driving Innovation & Growth

- Short Break -

15:30-16:00 Building an ESG Roadmap in Operations

16:00-16:30 Group Activity: Embedding ESG into Daily Operations

16:30-17:00 Closing Remarks

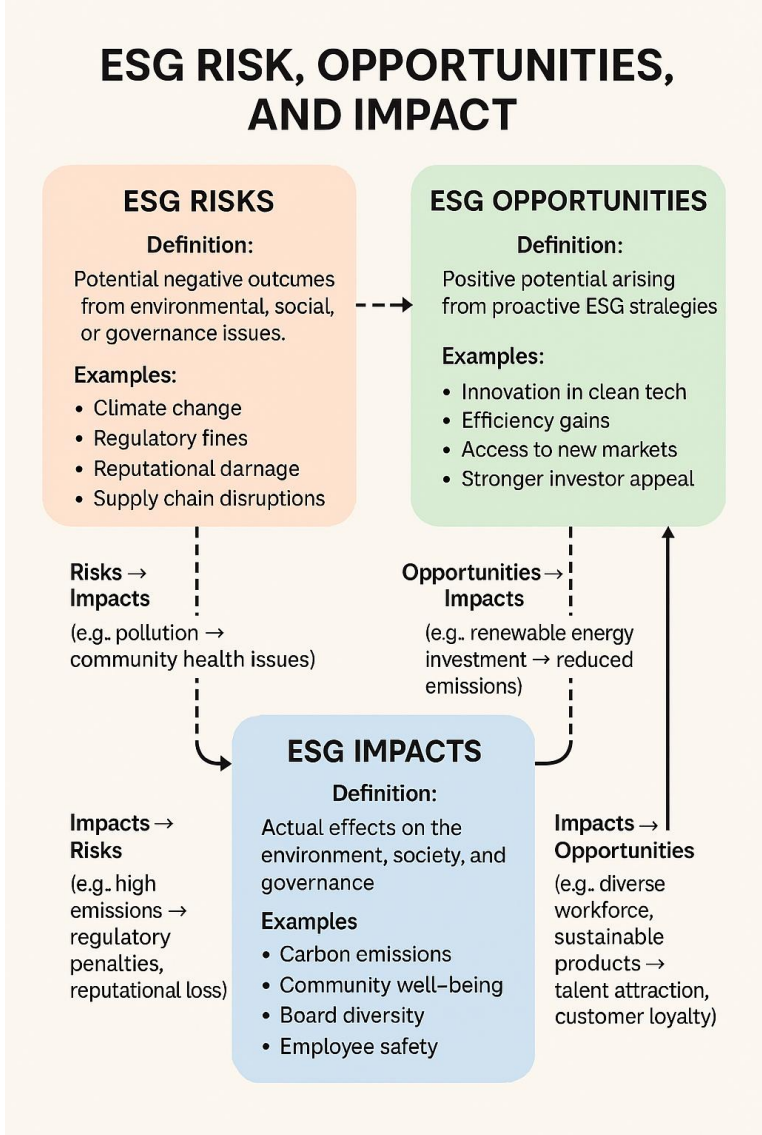
Concept Development

Framing ESG As A Business Issue

Whats the Goal of ESG?



ESG Risks, Opportunities and Impact

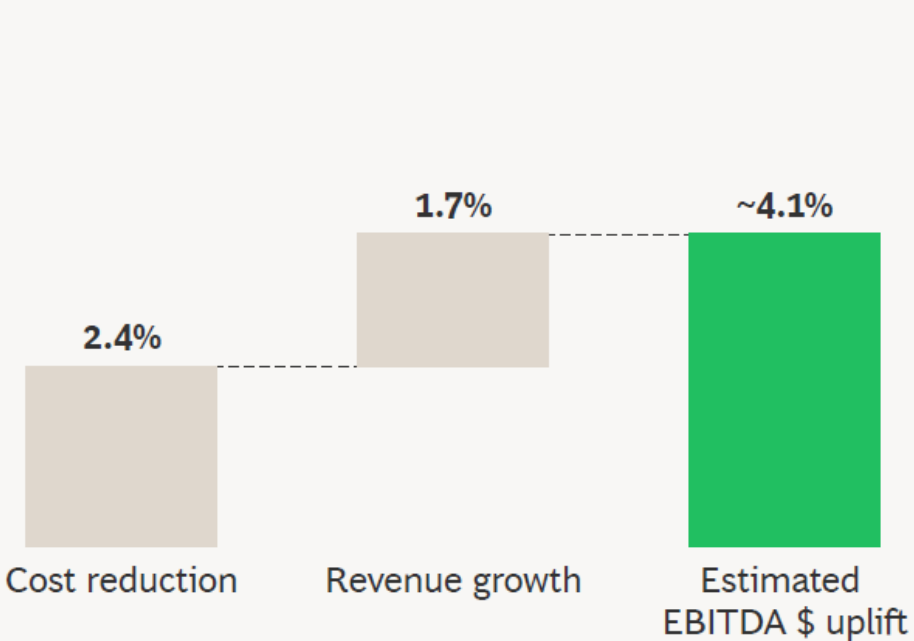


Reference: FSC ([link](#))

ESG as a value driving factor of business strategies

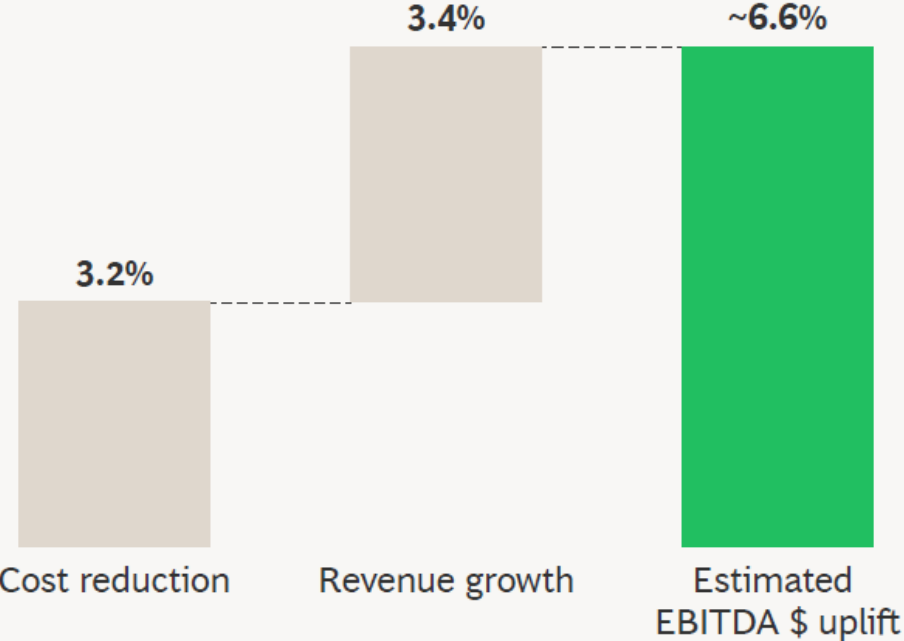
North America

AVERAGE EXPECTED WEIGHTED IMPACT OF SUSTAINABILITY EFFORTS ON FINANCIAL OUTCOMES (%)



Europe

AVERAGE EXPECTED WEIGHTED IMPACT OF SUSTAINABILITY EFFORTS ON FINANCIAL OUTCOMES (%)



BCG & EDCI 2025 annual survey to >150 private market investors. Reference: BCG Sustainability in Private Markets ([reference](#))

Sustainability Transitions Underpin Long Term Sectoral Trends

Finding a business model that solves your customers' sustainability concerns

pep+ in context: Nutrition



Source: PepsiCO([LINK](#))

2024年營養健康產品營收占比數據

▶ 低脂產品營收占比高於 **10%**

▶ 不人為添加糖及減少糖添加的產品營收占比高於 **90%**

▶ 有機產品營收占比高於 **8%**

▶ 小份量產品營收占比高於 **18%**

▶ 低或無人工添加成分產品營收占比高於 **90%**

▶ 低鈉產品營收占比約 **95%**

▶ 營養素強化產品營收占比約 **7%**

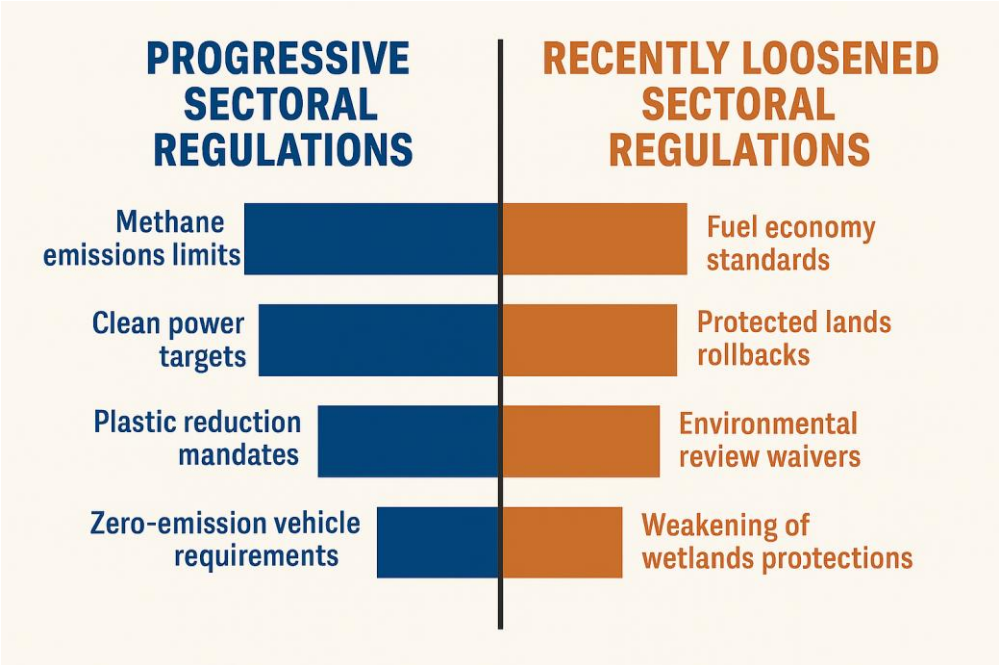
Source: MENGNIU ([LINK](#))



The Other Side of the Equation: ESG Risks

The global regulatory push for internalising sustainability impact might not be as strong as before....

Regulatory trends facing the corporate sectors:



Regulatory dynamics facing investors:



The Other Side of the Equation: ESG Risks

...but ESG risks will continue to loom in a softer way

Boeing's largest plant in 'panic mode' amid safety crisis, say workers and union officials

Managers in Washington accused of hounding staff to keep quiet over quality concerns, as employees point to union-busting



Boeing's production facility in Everett, Washington, on 15 June 2022. Photograph: Jennifer Buchanan/Seattle Times

Source: The Guardian ([LINK](#))

Business

Deutsche Bank's asset manager fined €25mn over greenwashing scandal

Penalty against DWS imposed by German prosecutors follows \$19m settlement with US authorities in 2023

Source: The Irish Times ([LINK](#))

Meta investors settle \$8bn lawsuit with Zuckerberg over Facebook privacy

18 July 2025

Share  Save 

Nadine Yousif, BBC News and Lily Jamali, North America Technology Correspondent

Source: BBC ([LINK](#))

FTX Crypto Exchange Collapse: Causes, Consequences, and Lessons

By [NATHAN REIFF](#) Updated November 05, 2025

Reviewed by [ERIKA RASURE](#)

Fact checked by [VIKKI VELASQUEZ](#)



Ex-FTX CEO Sam Bankman-Fried testifies to Congress. Credit: Alex Wong - Getty Images

Source: Investopedia ([LINK](#))

The Way ESG Risks Materialize

Conceptualising ESG risks in the business context



The Way ESG Risks Materialize

Conceptualising ESG risks in the business context



Reliance on
resources /
conditions to operate

and / or

Negative impact

Risk Internalisation
Pathways

- Regulations, permits
- Pricing mechanisms (e.g. carbon tax)
- Legal
- Customers' preferences
- Reputation & license to operate
- Capital market

Impact to Business

- Financials (revenue, cost, asset, liability, cost of capital)
- Non-financials (e.g. culture, business decision qualities)



QUICK RECAP

ESG is about both risks and opportunities that shape business strategies.

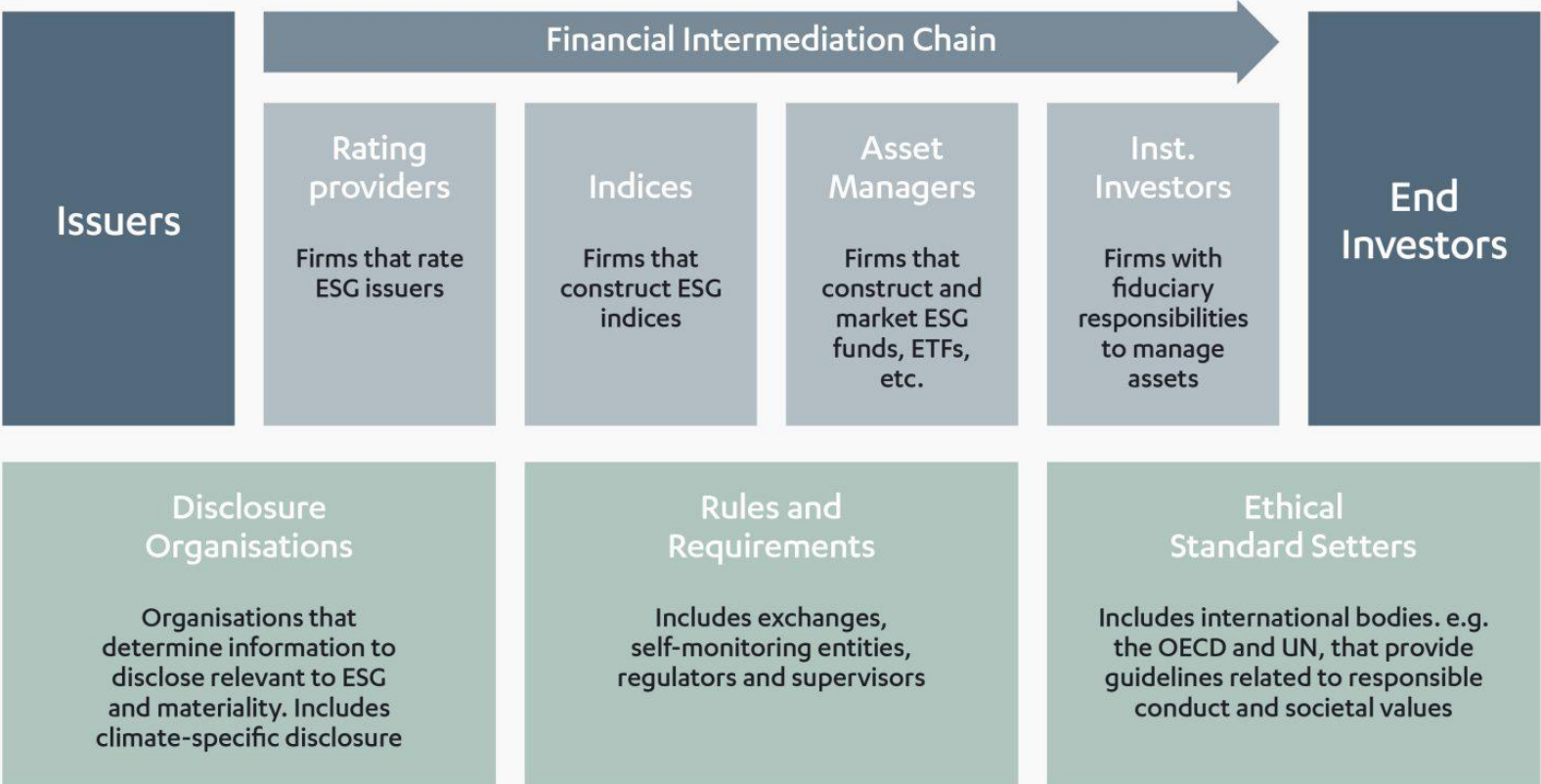
The better understanding you have / being closer to setting business objectives of your organisations, the better value your ESG projects deliver

Knowledge Building

Introduction to ESG Fundamentals

Who Does ESG? And Who Uses It?

ESG financial ecosystem



Socially Responsible Investing (SRI) originated back in 1970s, creating demand for understanding E,S,G aspects of investments.

ESG is primarily a communication tool between investees / issuers, to investors

Source: OECD

ESG Fundamentals: The 1,000 Issues

Environment

- GHG emissions
- Air quality
- Energy management
- Fuel management
- Water and wastewater management
- Waste and hazardous materials management
- Biodiversity impacts

Social capital

- Human rights and community relations
- Access and affordability
- Customer welfare
- Data security and customer privacy
- Fair disclosure and labeling
- Fair marketing and advertising

Human capital

- Labor relations
- Fair labor practices
- Diversity and inclusion
- Employee health, safety, and wellbeing
- Compensation and benefits
- Recruitment, development, and retention

Business model and innovation

- Lifecycle impacts of products and services
- Environmental and social impacts on assets and operations
- Product packaging
- Product quality and safety

Leadership and governance

- Systemic risk management
- Accident and safety management
- Business ethics and transparency of payments
- Competitive behavior
- Regulatory capture and political influence
- Materials sourcing
- Supply chain management



Reference: Sustainability Accounting Standards Board ([link](#))

HOW DO YOU SEE
RELEVANCY TO
YOUR
ORGANIZATION?

ANY METRICS YOU
FOUND USEFUL IN
MANAGING THE
TOPICS?

Environment

- GHG emissions
- Air quality
- Energy management
- Fuel management
- Water and wastewater management
- Waste and hazardous materials management
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Social capital

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Business model and innovation

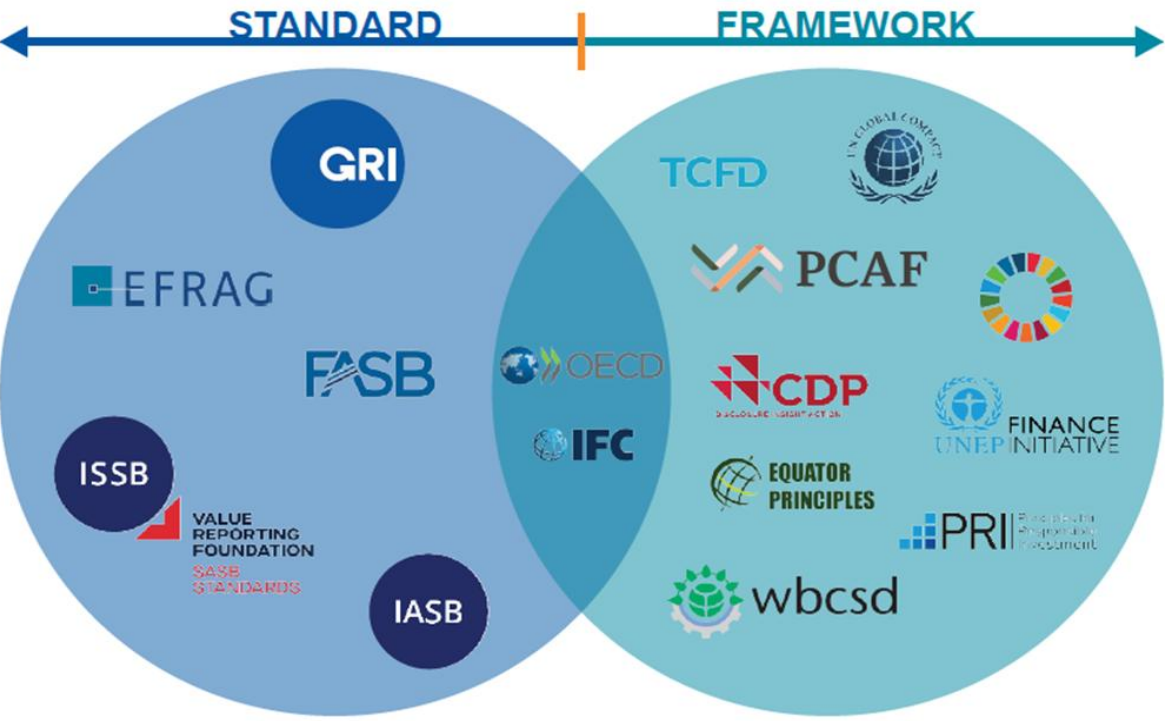
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Leadership and governance

- Systemic risk management
- Accident and safety management
- Business ethics and transparency of payments
- Competitive behavior
- Regulatory capture and political influence
- Materials sourcing
- Supply chain management



The Different Standards, Frameworks and Methodologies in the ESG World



Although reporting frameworks are not the purpose of today's workshop, much of these would influence how companies approach ESG, given their intended / perceived value of investing in ESG projects (e.g. reporting regimes, branding, capital market access)

RANKERS & RATERS

Source: OneTrust ([LINK](#))

Key Trends of the Environmental Theme – Climate Change



- Global Standard for Climate Risk Transparency for companies to disclose climate-related financial risks and opportunities, enabling investors, lenders, and insurers to make better informed decisions
- The International Sustainability Standards Board (ISSB) incorporated TCFD principles into its climate disclosure standards, cementing its role as the foundation of modern ESG reporting



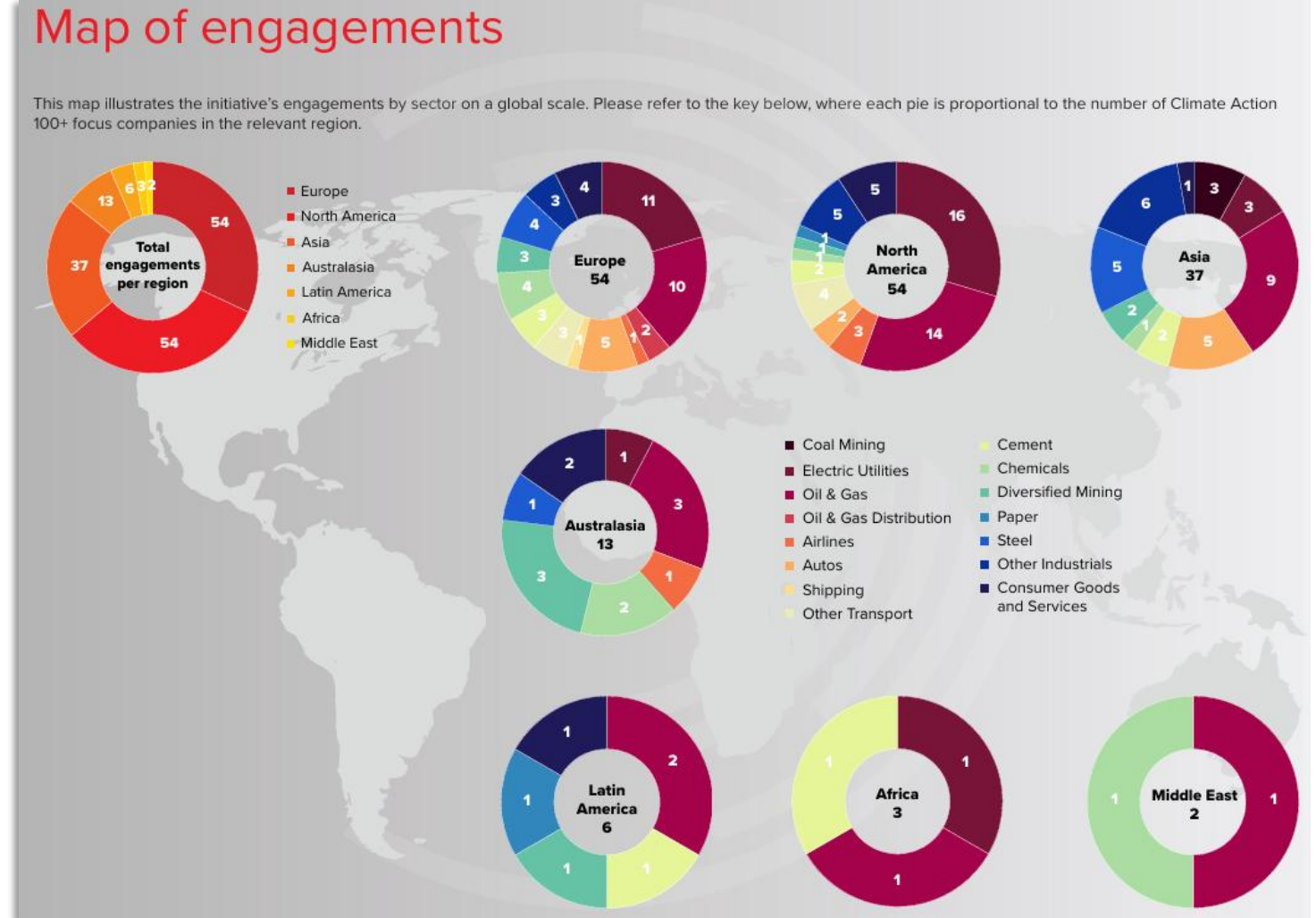
Key Trends of the Environmental Theme – Climate Change

Investors' Response to the Climate Change: Engaging with Emitters on Net Zero Transition

Launched in 2017, [Climate Action 100+](#) brings together institutional investors worldwide to engage with 170+ of the world's highest-emitting companies

3 Key Expectations:

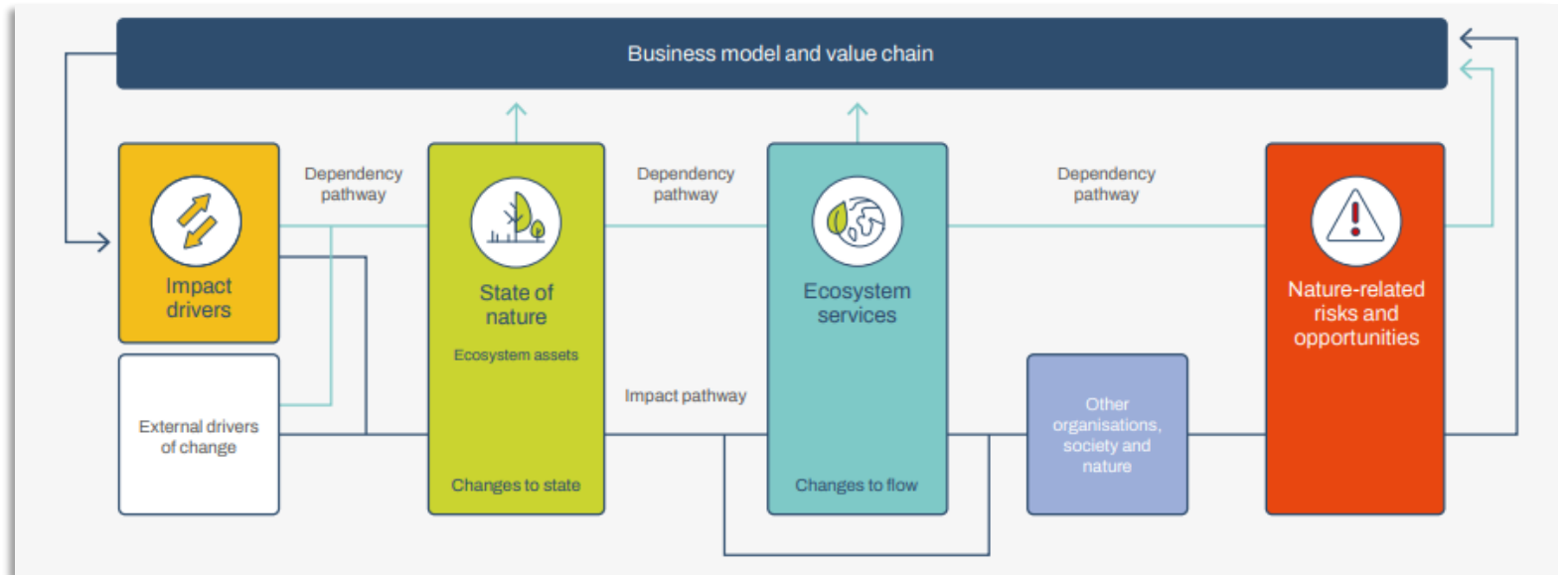
- i. Companies to establish board-level oversight of climate risks
- ii. Take action to reduce greenhouse gas emissions across the value chain
- iii. Provide enhanced corporate disclosure and implement transition plans to deliver on robust targets



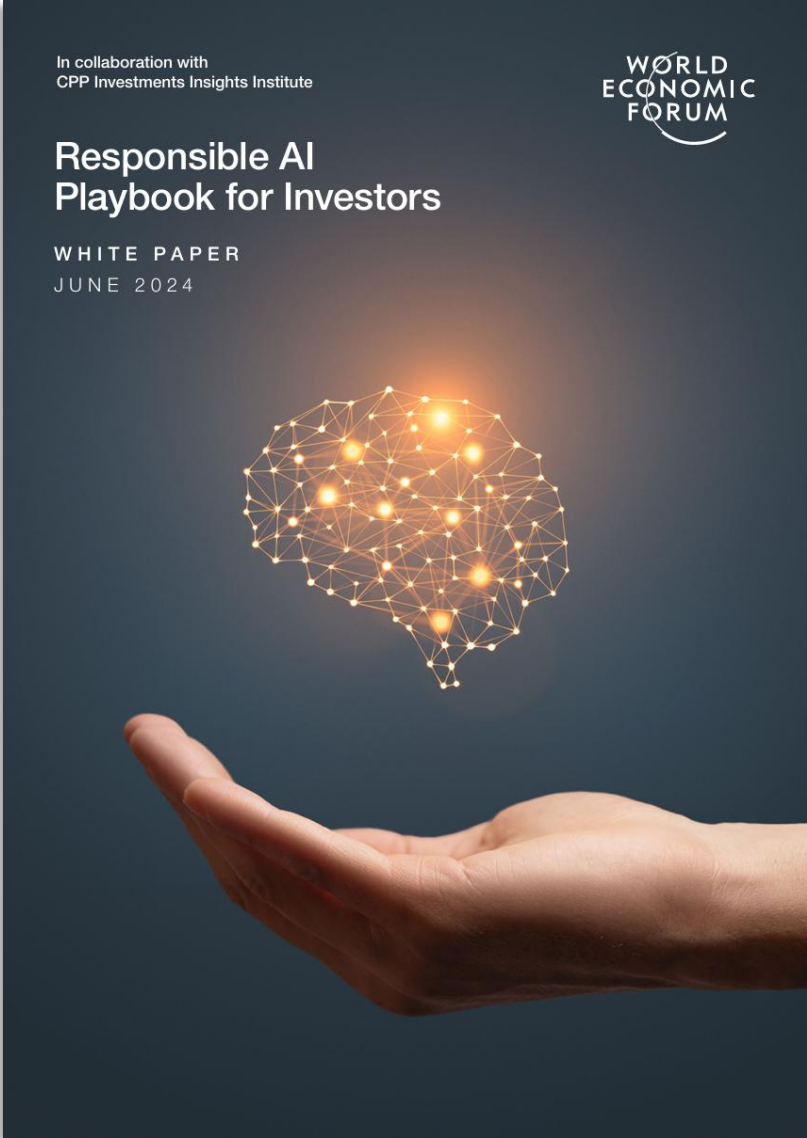
Key Trends of the Environmental Theme – Natural Capital



- TNFD was created to provide a global framework for companies and financial institutions to assess, manage, and disclose their nature-related dependencies, impacts, risks, and opportunities
- With over \$58 trillion of global GDP moderately or highly dependent on nature, TNFD helps organizations understand and communicate the financial implications of biodiversity loss, deforestation, and ecosystem degradation.

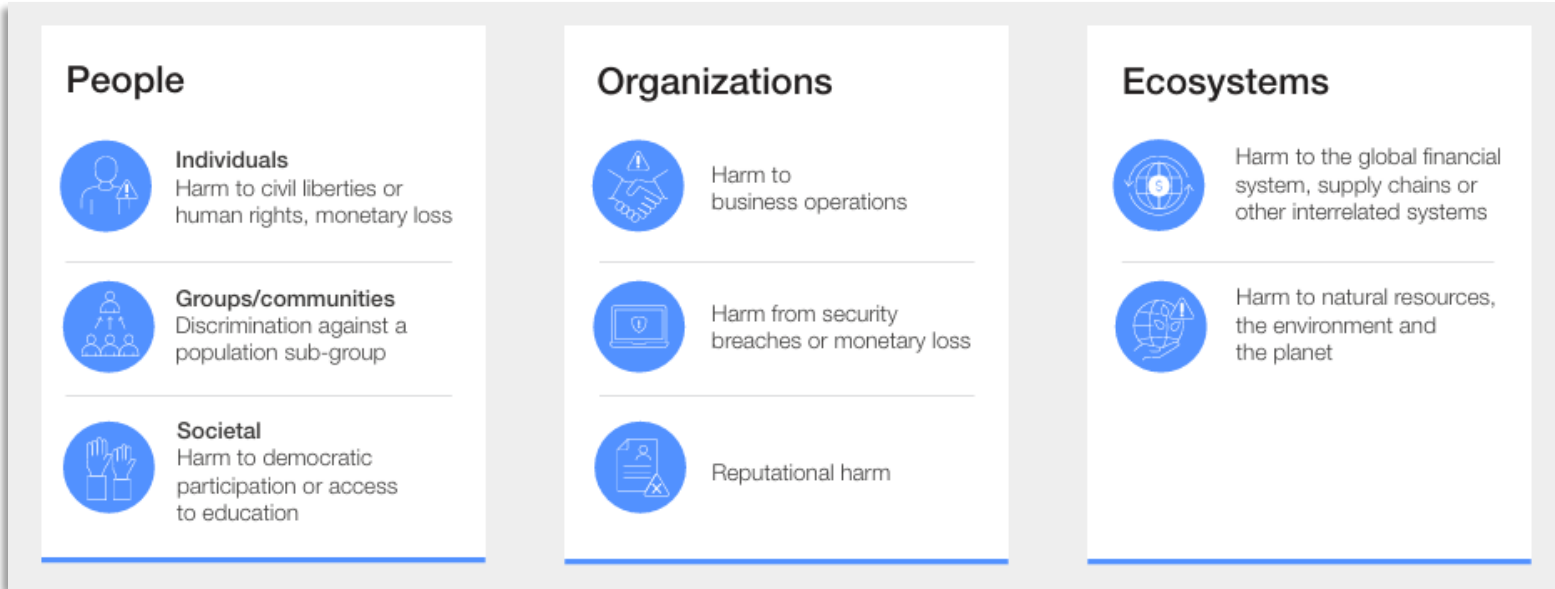


Key Trends of the Social Theme - AI



Business Social Impact in the Highly Digitalised and Automated World

- RAI is defined as designing, building, deploying, and monitoring AI systems in ways that empower people and businesses while ensuring equitable societal impact.
- The report calls for Investors, boards, management, regulators, and broader ecosystem actors all playing roles in accelerating RAI adoption

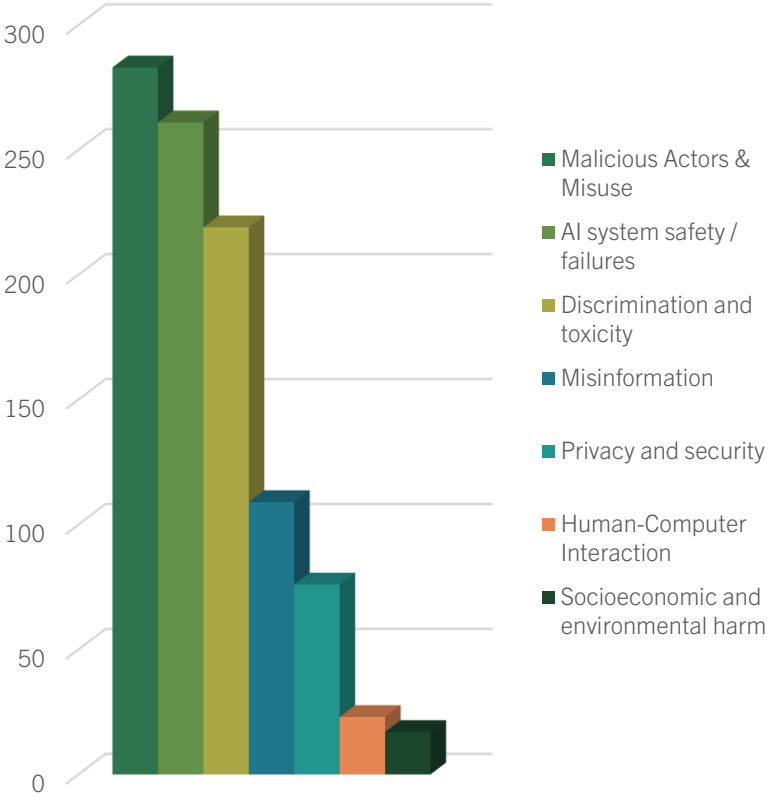


Key Trends of the Social Theme - AI

AI as the most focused risk and opportunity factor in 2025

Risk category	Sub-risks	Description
Ethical and social	Privacy violations	AI systems might compromise privacy by the unauthorized use/disclosure of personal or sensitive information.
	Bias and discrimination	AI may perpetuate biases from its training data, resulting in discrimination and unfair outcomes.
	Workforce and environmental	AI deployment may amplify existing inequalities or create negative impacts on employment, job quality and the environment.
Technical and operational	Inaccurate output	AI-generated output may be false or misleading, undermining decision-making and causing adverse effects.
	Lack of explainability and accountability	AI-generated output may be hard to interpret, and it may be difficult to allocate accountability for different harms caused by AI.
	Third-party risk	Use of AI or services provided by external vendors without appropriate guardrails and/or inadvertent intellectual property (IP) leakage into the public domain can lead to negative consequences.
Security and legal	IP infringement	AI systems lead to ethical challenges when used in ways that violate copyright, patents, or other IP rights.
	Security threats	Hidden weaknesses within AI systems may create exploitable vulnerabilities, posing cybersecurity risks.
	Incorrect/malicious use	Misusing AI for unintended purposes can lead to unintentional harm, particularly when users misunderstand its limitations. In some cases, AI may be weaponized for malicious intent, such as launching cyberattacks.

AI Incident Counts - MIT AI Risk Repository



Source: MIT ([LINK](#))



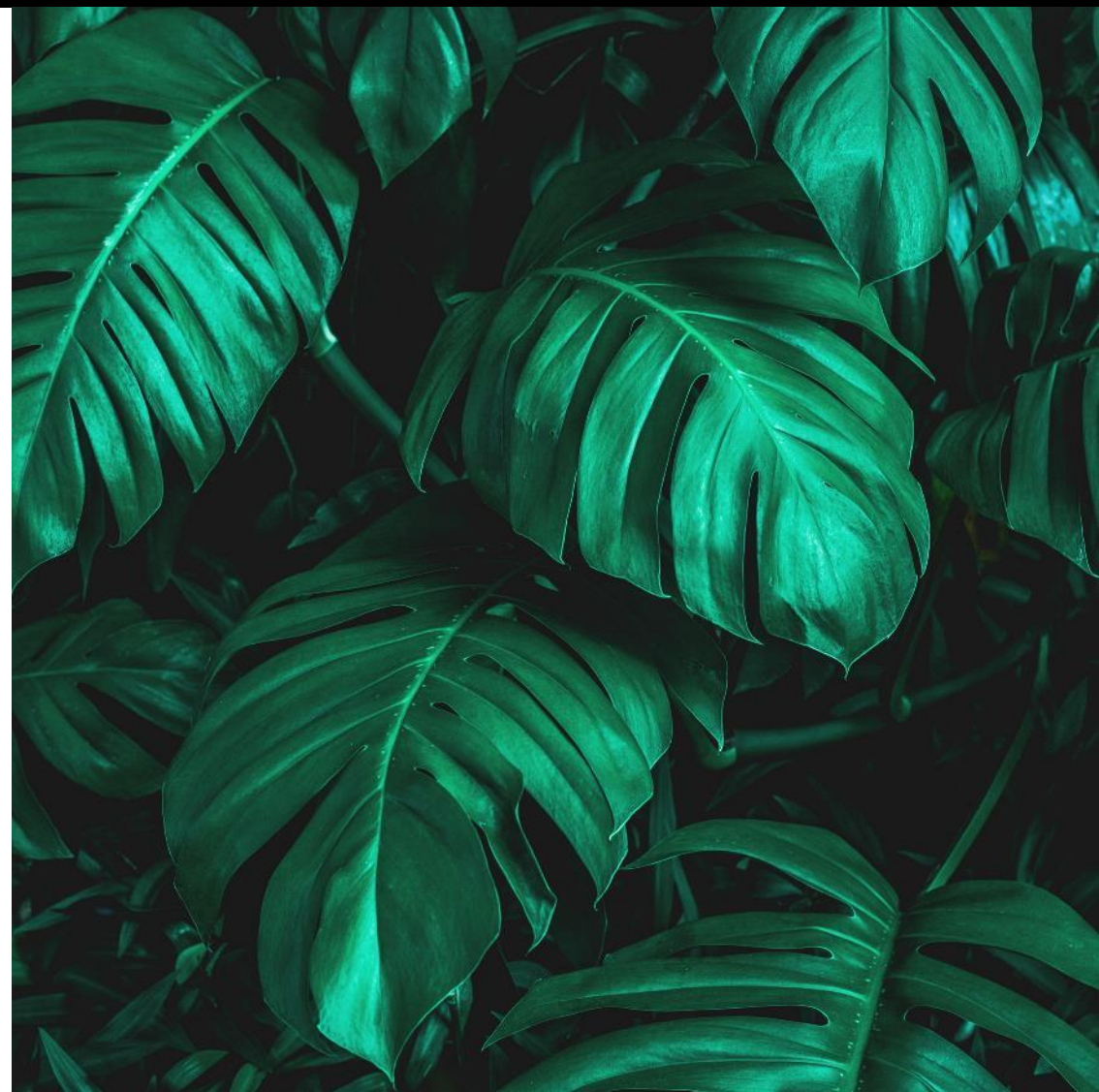
QUICK RECAP

ESG is a non-financial way of understanding business competitiveness in the investment context

ESG is very much a communication tool between investor-investee

Engagement between investor-investee is often mutually beneficial

Q & A





AGENDA

(MORNING)

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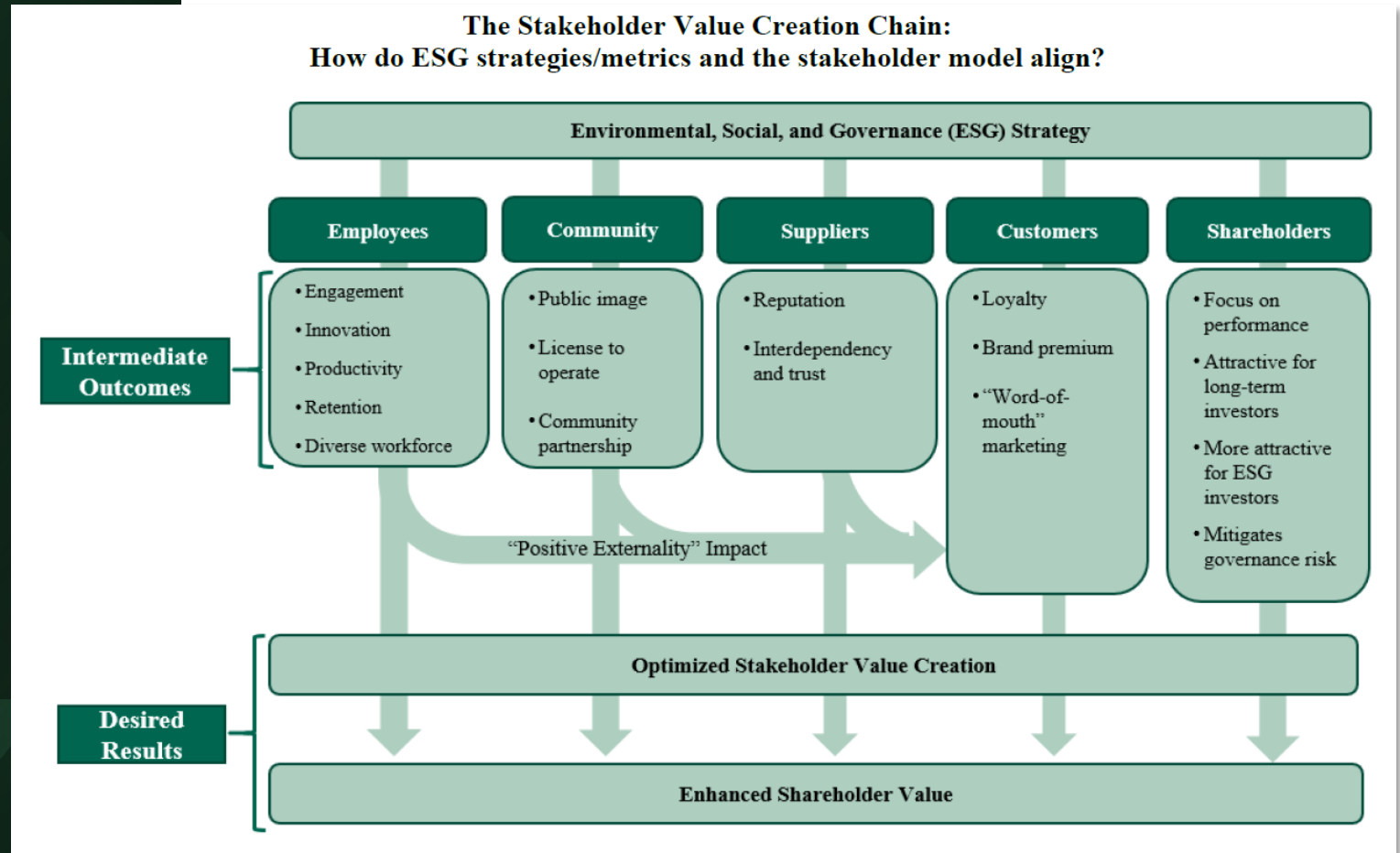
11:15-12:00 Materiality Definitions and Prioritization –
ESG on What?

12:00-12:30 Morning Synthesis

Concept Development

Stakeholder Identification – ESG for Whom?

ESG Stakeholders – Who Are We Serving?



ESG Stakeholders – How to map them out?

Stakeholder identification determines the success of ESG programs

Map Internal & External Stakeholders

Brainstorm a comprehensive list covering employees, investor regulators, customers, and local communities.



Analyze influence and Interest

Use tools like a power/interest grid or influence/impact matrix to categorize stakeholders based on their ability to affect,



Conduct a Materiality Assessment

Determine which ESG issues are most onited to the business and stakeholders to prioritize engagement.

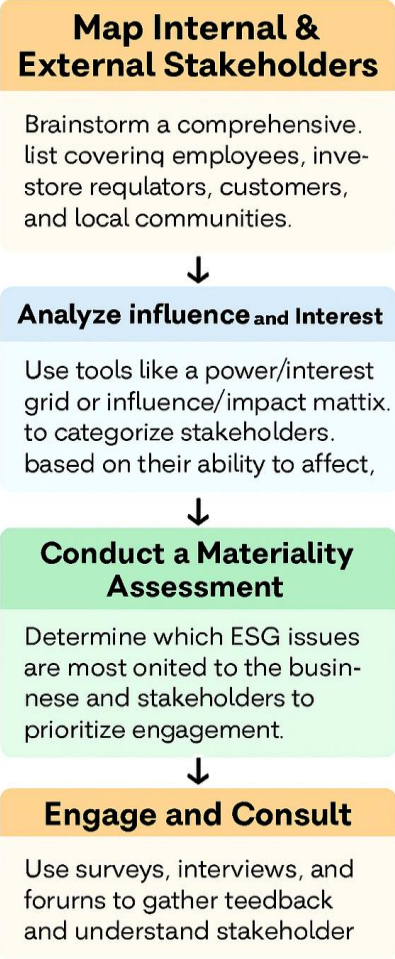


Engage and Consult

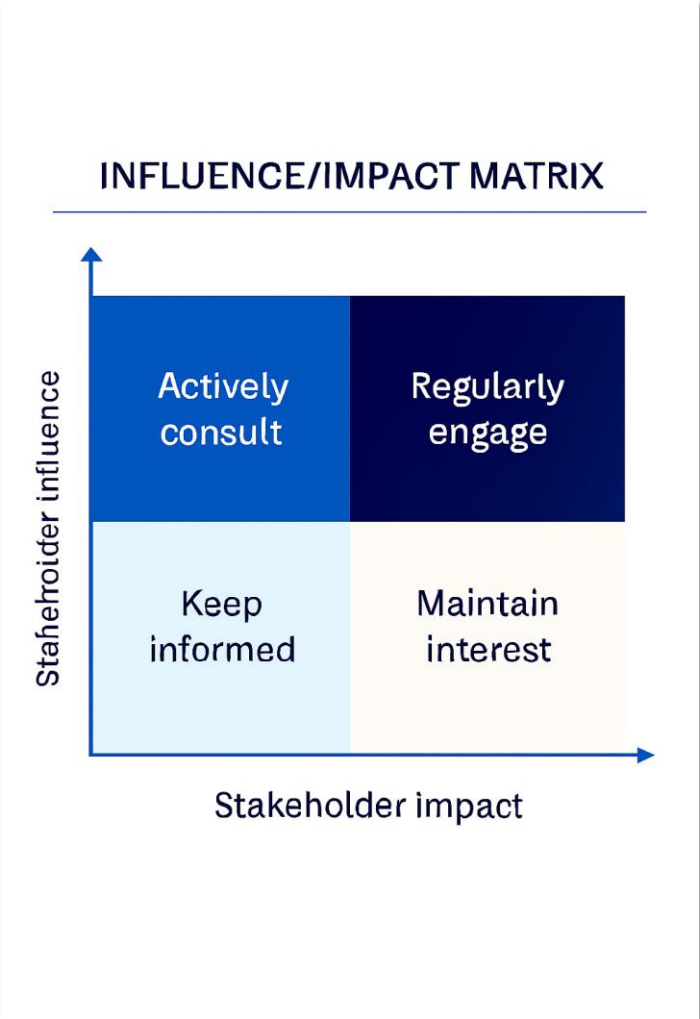
Use surveys, interviews, and forurns to gather teedback and understand stakeholder

ESG Stakeholders – How to map them out?

Stakeholder identification determines the success of ESG programs



The "Make or Break" Factor:
Identifying who has the influence and impact, to determine what you want to do about them



ESG Stakeholders – Communication Channels

⌘ Foxway

Stakeholder group	How we engage them	What they expect from us
Customers and end-users	Interviews and regular customer interactions.	To provide secure management of data, ensuring the most efficient and sustainable life cycle management with refurbishment cycles followed by safe end-of-life. Advisory and insights to support the end-customers sustainability agenda and reduce the climate footprint. Ensuring that OEMs and suppliers follow all relevant Code of Conducts set by major NGOs and industry standards.
Suppliers and partners	Interviews and regular customer interactions	To act responsibly and follow all relevant Code of Conduct set by major NGOs and industry standards. To help our partners to become more competitive and help them and their end-customers to improve the sustainability metrics, such as e-waste, climate footprint, and contribution to the circular economy. Be the advisory partner providing valuable data enabling the ecosystems for trade-in, as-a-service concepts, and availability of reused tech.
Owners and financial community	Regular meetings, interviews, and management interaction through the board representation	To be a good example and leader in our industry in all ESG aspects. Be a market leader in our industry to ensure a future-proof value to our owners. Keeping track of our KPIs to enable sustainability linked financing.
Industry	Interviews and regular customer Membership in relevant organizations.	Actively engage and share our knowledge, learnings, and insights into how to improve the industry. Contribute to the industry organizations with advisory, research insights and regulative related input.
Society and local communities	Participating in round tables and communicating with representatives from local and national governments. Tax contributions. Supply of technology.	Participate in developing our services to help society strive and evolve into more sustainable and ESG aligned goals. Pay our fair share of taxes and perform transparent financial reporting. Provide high quality tech enabling sustainable tech for everyone.
Employees	Regular surveys and union representations..	Following industry standards, regulatory compliance and contributing to membership organizations with insights to improve the ESG topics within the industry..
Certification standards, regulatory compliance and NGO	Certification to internationally recognized industry standards. Compliance with local and international regulations. Membership and signatory in relevant organizations.	Following industry standards, regulatory compliance and contributing to membership organizations with insights to improve the ESG topics within the industry.
Planet	By reading science reports about our planet's health and condition.	To do our best to mitigate damages and try turn the tide of destruction.

The key here is to understand their **EVOVLING** expectations

Source: Foxway ESG report 2024
<https://www.foxway.com/en/corporate-information/reports/>

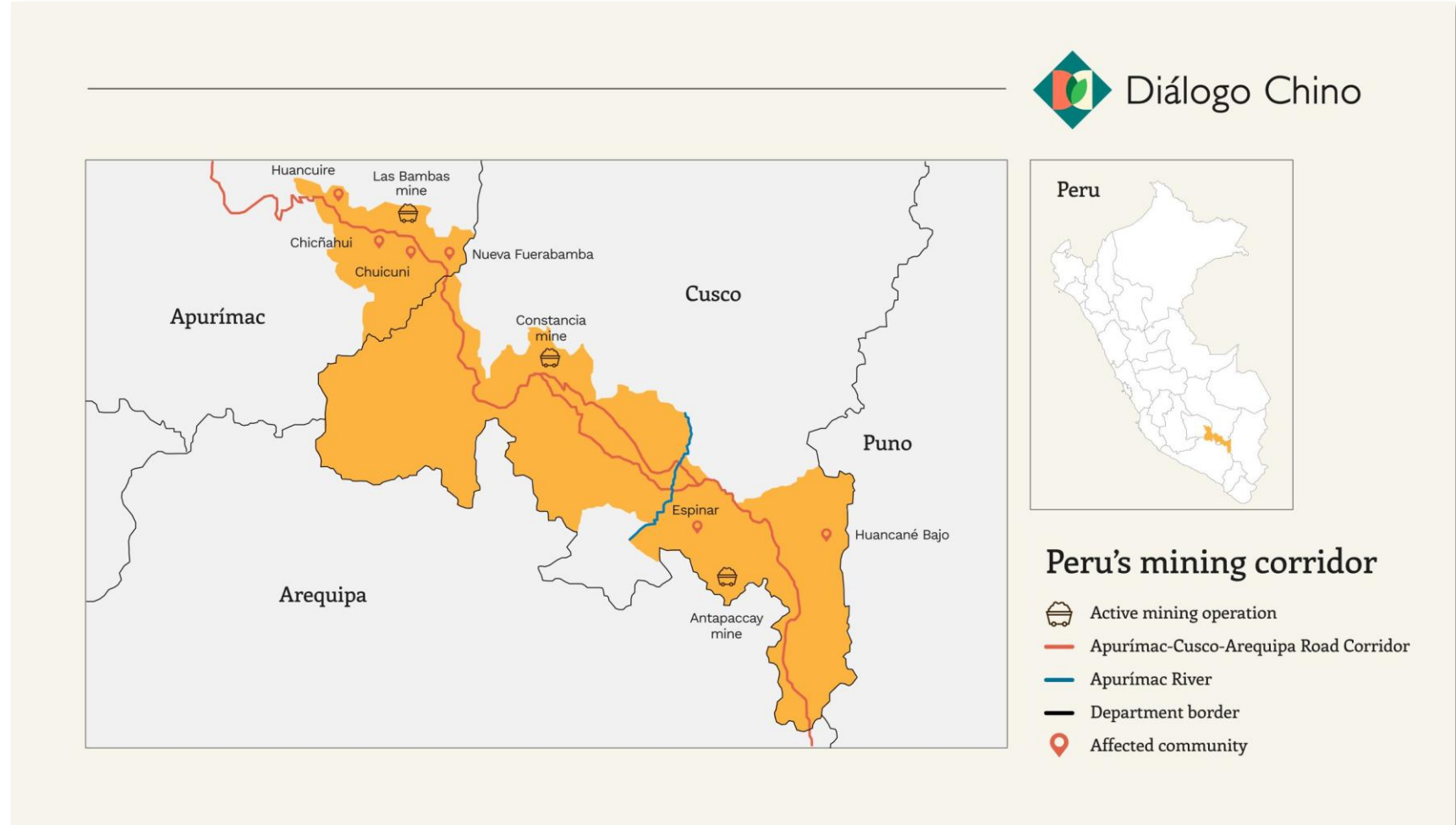
ESG Stakeholders – Understanding KOLs' Demands

Mini Exercise: How would you determine the key stakeholders in this complex situation?

You: the operator of Las Bambas mine

Challenges:

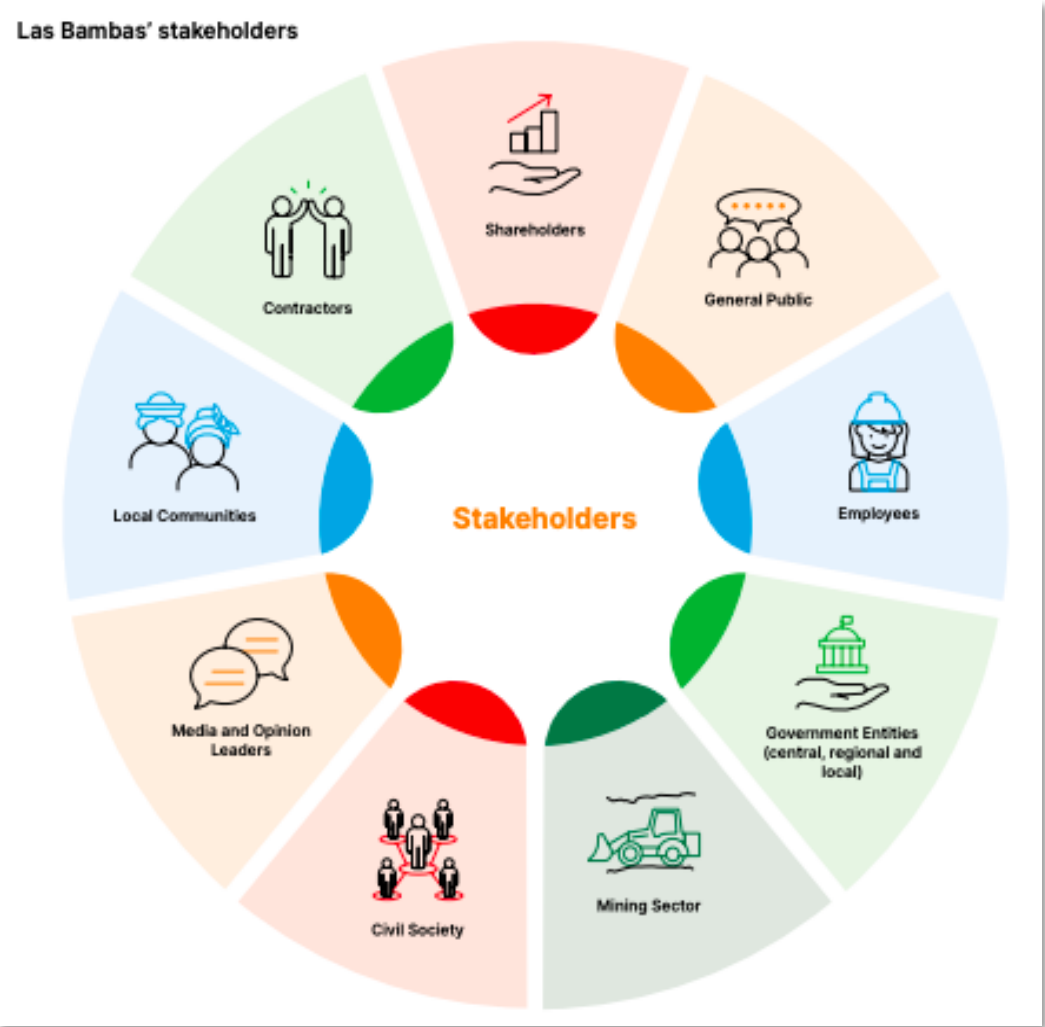
- Illegal mining around your mine creating instability issues
- NGOs alleging illegal deforestation in the region
- Local communities are not happy with the environmental and social impact of other mines in the region, blocking the only transportation route



Source: Dialogue Earth

ESG Stakeholders – Understanding KOLs' Demands

Mini Exercise: How would you determine the key stakeholders in this complex situation?



Often enough, its not soley the local communities directly impacted by your operations that shape perception. "Social license to operate" is a result of different "KOLs" shaping the opinion landscape, with each of them at times having different conflicting interests.

Do you notice any conflicting interests here?

Source: Las Bambas Sustainability Report 2024

ESG Stakeholders – Understanding KOLs' Demands

Mini Exercise: How would you determine the key stakeholders in this complex situation?

Corazón de Las Bambas: New social management model

(GRI 413-1)



Pillars

<p>Multi-agent engagement</p> <p>Build permanent relationships of trust and mutual respect that contribute to the development of our operations and projects and create well-being and progress for all.</p>	<p>Social and territorial development</p> <p>Contribute to local community well-being and sustainable development through social investment and capacity-building, with full respect for cultural diversity.</p>	<p>Business growth and development</p> <p>Create social conditions to make viable current operational plans, develop new projects and expand in the territory, to help us meet the needs of the business and phases of the mine's lifecycle.</p>	<p>Social risk and impact management</p> <p>Manage social risks and impact to mitigate risks for the business and minimise any potential impact on the communities, following the Guiding Principles on Business and Human Rights.</p>
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Query and grievance management

We receive queries and grievances from more than 80 farming communities, 19 districts and six provinces from Apurímac and Cusco, which address topics that involve our operations and those of our contractors and suppliers.

As part of our efforts to strengthen the relationship with the local people, we have established seven Permanent Information Offices (PIOs) available to the residents from our area of influence. Four of them are in Apurímac (Abancay, Challhuahuacho, Tambobamba and Mara) and three are in Cusco (Ccapacmarca, Espinar and Velille).

In 2024 we received 183 queries and grievances: 72% corresponded to local suppliers, mainly regarding debts or contractual breaches of our contractors; 21% were related to alleged damages to private property; 5% were local employment issues; and the remaining 2% involved socio-environmental matters.

During 2024 we resolved 203 cases: 137 were received in the current year and 66 were from previous years.

Queries and grievances, 2022-2024

Year	Number of queries and grievances
2022	176
2023	225
2024	183
Total	584

Queries and grievances received by case type, 2022-2024 (GRI 2-26)

Case type	2022	2023	2024
Community health and safety	1	1	0
Compensation and economic benefits	0	0	0
Damages to private property	33	24	38
Economic - local employment	5	9	9
Economic - local supply	133	177	133
Environment	4	13	3
Infrastructure and services	0	0	0
Operating impact	0	0	0
Social investments and commitments	0	1	0
Total	176	225	183

ESG Stakeholders – Strategic Communication

Stakeholders	Investors	Partners, academics, specialists, non-governmental organizations	Public authorities	Press
Objective	Reinforce our commitment to business performance and generation of value for shareholders.	Establish partnerships and collaboration with specialists in various fields of expertise.	Maintain consistent relationships based on the principles of public administration, contributing to political decisions and the formulation of public policies that are essential to the company's highly regulated operations.	Be accountable and promote transparency in relationships with stakeholders, strengthening our image and reputation management.
Forms of engagement	<ul style="list-style-type: none"> Engagement meetings with IR team, executives and Board of Directors Shareholders' meetings, letters, events, visits to operations, webinars, conferences and non-deal roadshows ESG Portal, website and IR email 	<ul style="list-style-type: none"> Meetings and events Responses to questionnaires, letters of clarification and public statements Panels of specialists from Vale Foundation and Vale Cultural Institute Sounding Panel – group of executives specializing in ESG who advise and influence the company in relation to its performance and long-term strategy 	<ul style="list-style-type: none"> Strategic, political-institutional and technical meetings Thematic groups and events Activities with trade associations 	<ul style="list-style-type: none"> Relations with media outlets, responding to requests for interviews with Vale executives and information about the company's businesses and operations
Main demands and concerns	<ul style="list-style-type: none"> Business performance and Capital allocation Long-term strategy Iron ore, nickel, and copper markets Good corporate governance (independence and transparency), environmental (water and biodiversity impacts), and social (labor and community safety, human rights, and local community relations) practices Climate change and its impacts on our business model; application innovation and GHG emissions management Dam management Reparations in Brumadinho and Mariana Innovation (products, ore, and metal lifecycles, and post-mine-closure rehabilitation and reforestation methods) and eco-efficient production and distribution technology 	<ul style="list-style-type: none"> Cultural transformation and greater transparency around challenges affecting civil society Community matters, from community investment and human rights through impacts from dams and mine closure Innovation (ore and metal lifecycles and post-mine-closure rehabilitation and reforestation methods) and R&D investment Reparations in Brumadinho and Mariana Exploration in areas with high biodiversity value 	<ul style="list-style-type: none"> Compliance with social, environmental, and production requirements Reparations in Brumadinho and Mariana; Dam management (risks, impacts, and opportunities) Innovation (ore and metal lifecycles and post-mine-closure rehabilitation and reforestation methods) and R&D investment Topics currently on the agenda: mine waste, water, particulate matter emissions, conflicts with local communities, and mine closure 	<ul style="list-style-type: none"> Media relations are managed both reactively — in response to journalist inquiries on different topics related to the Company — and proactively, through media outreach Common reactive media topics include business matters, reparations, and dams Common proactive media topics include our sustainability agenda (Net Zero and biodiversity), culture, innovation, and Diversity, equity, and inclusion

ESG Stakeholder Management Is A Team Effort

ESG Stakeholder Mapping and Management

ESG / Corporate Sustainability	Leade ESG strategy and. understands key stakeholder-oerns
Investor Relations	Interfaces with shareholders focused on ESG disciosures ""
Legal & Compliance	Assesses regulatory requirements and stakeholder rights
Public Affairs / Gov, Relations	Manages relationships with polieymakers. NGDS. and
Operations / Supply Chain	Identifies supplier-related ESG risks and stakeholder impacts
HR / People & Culture	Engages employees, labor unions. and DEi-related stakcholders

Who do you think is missing from this graph?



QUICK RECAP

Stakeholder and demand identification focuses your ESG program on the right audience

Communication strategy is key - understanding conflicting interests and be able to navigate around them

Concept Development

Materiality Definitions and Prioritization – ESG on What?

Supposedly you now have identified all the key stakeholders and their demands.....



**MATERIALITY IS THE MOST IMPORTANT VARIABLE
TO DETERMINE OUR FOCUS**

**"WHAT KIND OF VALUE AM I ADDING TO THE BUSINESS WHEN I INVEST
RESOURCE AND TIME ON X?"**

Why Is there Consensus On The Following Issues Being Prioritised?

Climate Change



Rising global temperatures



Greenhouse gas emissions



Impacts on the environment

Corporate Culture



Values and mission



Employee behavior



Workplace norms

Corporate Governance



Board oversight



Shareholder rights

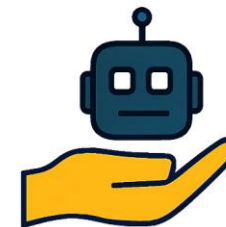


Ethics and compliance

AI Governance



Transparency



Accountability



Ethical risk management

Materiality Framework Guiding Your Resource Prioritisation

Types of ESG Impact

FINANCIALLY MATERIAL IMPACT

ESG factors that significantly affect financial performance



SYSTEM IMPACT

ESG effects on the broader environment, economy, and society



NON-FINANCIALLY MATERIAL IMPACT

ESG factors with less influence on financial performance



How Best to Approach Financial Materiality?

Thinking About Financial Materiality Through the Lens of Investors

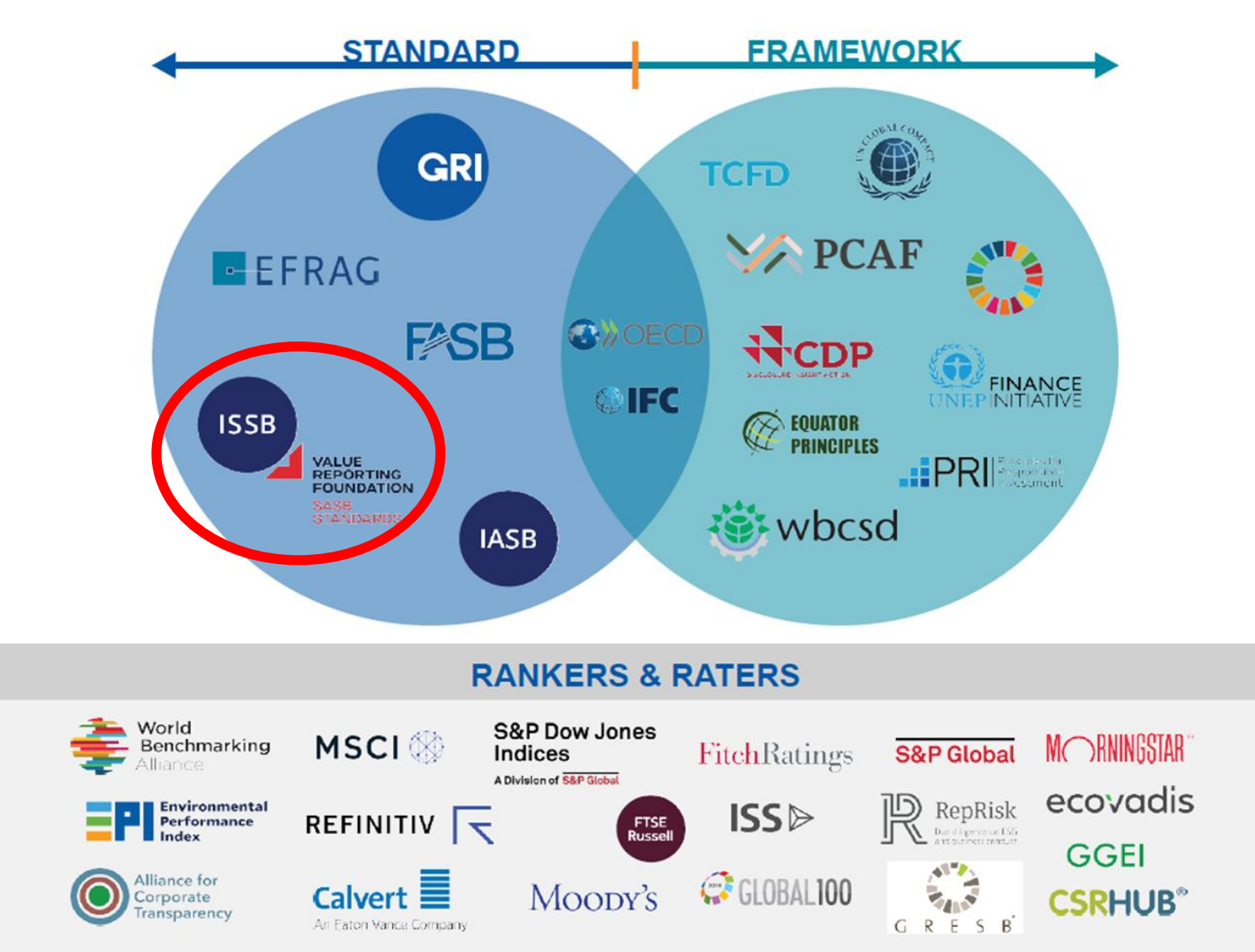
Financial Metrics

- Revenue
- Profitability
- Cost of capital
- Asset valuation
- Cash flow

Factors Affecting Corporate Competitiveness

- Market position
- Operational efficiency
- Innovation capacity
- Talent attraction
- Regulatory alignment

The Different Standards, Frameworks and Methodologies in the ESG World



Source: OneTrust ([LINK](#))

SASB Standard: Useful Financial Materiality Guide



Consumer Goods

- Apparel, Accessories & Footwear
- Appliance Manufacturing
- Building Products & Furnishings
- E-Commerce
- Household & Personal Products
- Multiline and Specialty Retailers & Distributors
- Toys & Sporting Goods



Extractives & Minerals Processing

- Coal Operations
- Construction Materials
- Iron & Steel Producers
- Metals & Mining
- Oil & Gas - Exploration & Production
- Oil & Gas - Midstream
- Oil & Gas - Refining & Marketing
- Oil & Gas – Services



Financials

- Asset Management & Custody Activities
- Commercial Banks
- Consumer Finance
- Insurance
- Investment Banking & Brokerage
- Mortgage Finance
- Security & Commodity Exchanges



Food & Beverage

- Agricultural Products
- Alcoholic Beverages
- Food Retailers & Distributors
- Meat, Poultry & Dairy
- Non-Alcoholic Beverages
- Processed Foods
- Restaurants
- Tobacco



Health Care

- Biotechnology & Pharmaceuticals
- Drug Retailers
- Health Care Delivery
- Health Care Distributors
- Managed Care
- Medical Equipment & Supplies



Infrastructure

- Electric Utilities & Power Generators
- Engineering & Construction Services
- Gas Utilities & Distributors
- Home Builders
- Real Estate
- Real Estate Services
- Waste Management
- Water Utilities & Services



Renewable Resources & Alternative Energy

- Biofuels
- Forestry Management
- Fuel Cells & Industrial Batteries
- Pulp & Paper Products
- Solar Technology & Project Developers



Resource Transformation

- Aerospace & Defense
- Chemicals
- Containers & Packaging
- Electrical & Electronic Equipment
- Industrial Machinery & Goods



Services

- Advertising & Marketing
- Casinos & Gaming
- Education
- Hotels & Lodging
- Leisure Facilities
- Media & Entertainment
- Professional & Commercial Services



Technology & Communications

- Electronic Manufacturing Services & Original Design Manufacturing
- Hardware
- Internet Media & Services
- Semiconductors
- Software & IT Services
- Telecommunication Services



Transportation

- Air Freight & Logistics
- Airlines
- Auto Parts
- Automobiles
- Car Rental & Leasing
- Cruise Lines
- Marine Transportation
- Rail Transportation
- Road Transportation



Accounting for a
Sustainable Future

- Enable preparers to provide industry-based disclosures about sustainability-related risks and opportunities that could reasonably be expected to affect their cash flows, access to finance or cost of capital over the short, medium or long term;
- Identify the sustainability-related issues most relevant to investor decision-making in 77 industries;

SASB Standard: Useful Financial Materiality Guide



SASB Materiality Map®

SASB's Materiality Map® identifies sustainability issues that are likely to affect the financial condition or operating performance of companies within an industry. In the left-hand column, SASB identifies 26 sustainability-related business issues, or General Issue Categories, which encompass a range of Disclosure Topics and their associated Accounting Metrics that vary by industry. For example, the General Issue Category of Customer Welfare encompasses both the Health and Nutrition topic in the Processed Foods industry and the Counterfeit Drugs topic in the Health Care Distributors industry. For commercial use terms of the Materiality Map, [please contact us](#).

Sector Level Map

- Issue is likely to be material for more than 50% of industries in sector
- Issue is likely to be material for fewer than 50% of industries in sector
- Issue is not likely to be material for any of the industries in sector

Industry Level Map

- Not likely a material issue for companies in the industry
- Likely a material issue for companies in the industry

		Consumer Goods	Extractives & Minerals Processing	Financials	Food & Beverage	Health Care	Infrastructure	Renewable Resources & Alternative Energy	Resource Transformation	Services	Technology & Communications	Transportation
Dimension	General Issue Category ¹	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand	Click to expand
Environment	GHG Emissions		■		■							■
	Air Quality		■									■
	Energy Management											
	Water & Wastewater Management											
	Waste & Hazardous Materials Management											
	Ecological Impacts		■									
Social Capital	Human Rights & Community Relations											
	Customer Privacy										■	
	Data Security										■	
	Access & Affordability											
	Product Quality & Safety	■							■			
	Customer Welfare											
Human Capital	Selling Practices & Product Labeling											
	Labor Practices											
	Employee Health & Safety											
	Employee Engagement, Diversity & Inclusion											
Business Model & Innovation	Product Design & Lifecycle Management											
	Business Model Resilience											
	Supply Chain Management											
	Materials Sourcing & Efficiency											
	Physical Impacts of Climate Change											
Leadership & Governance	Business Ethics											
	Competitive Behavior											
	Management of the Legal & Regulatory Environment											
	Critical Incident Risk Management											
	Systemic Risk Management											

MIND THE GAP

Thinking About System Impact (and non-financially material) topics:

Potential Business Value

- License to operate
- Mitigated ESG risks
- Expanded markets
- Partnerships & alliances
- Brand & reputation

Potential Societal Value

- Public health & safety
- Ecosystem protection
- Worker welfare
- Economic development
- Social equity

There is still a lot of hidden value to be extracted from these topics

Take the mining example we looked at earlier

The key is whether we designed the projects purposefully

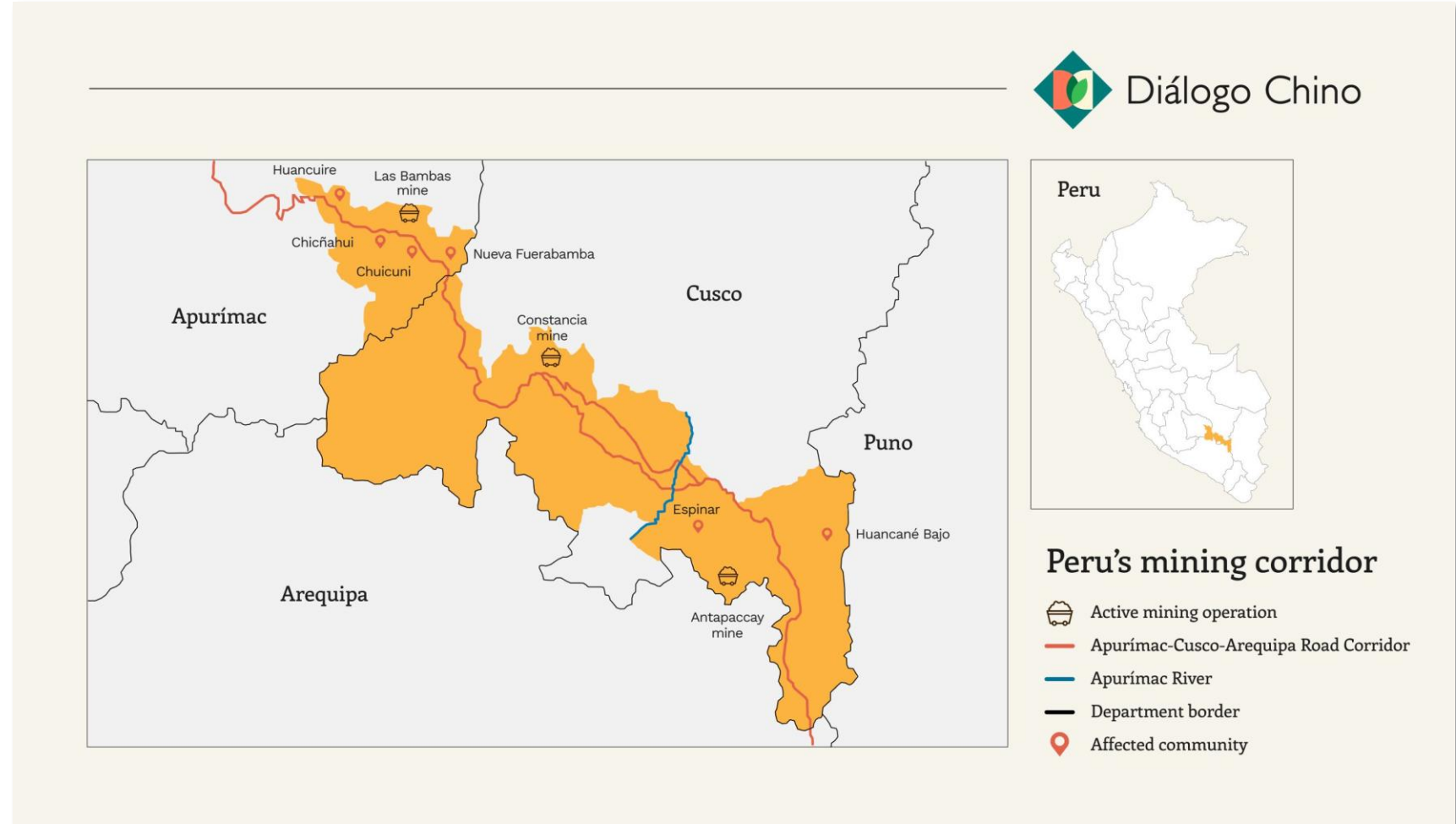
Thinking Back on the Earlier Example

What are the financially material operational issues and system-wide issues you could identify?

And, what kind of system impact could you create?

Challenges:

- **Illegal mining** around your mine creating instability issues
- NGOs alleging **illegal deforestation** in the region
- **Local communities** are not happy with the environmental and social impact of other mines in the region, blocking the only transportation route



Source: Dialogue Earth

ESG Stakeholder – Materiality Map

Once you understood the materiality of stakeholder demands, priorities based on your organisation goals



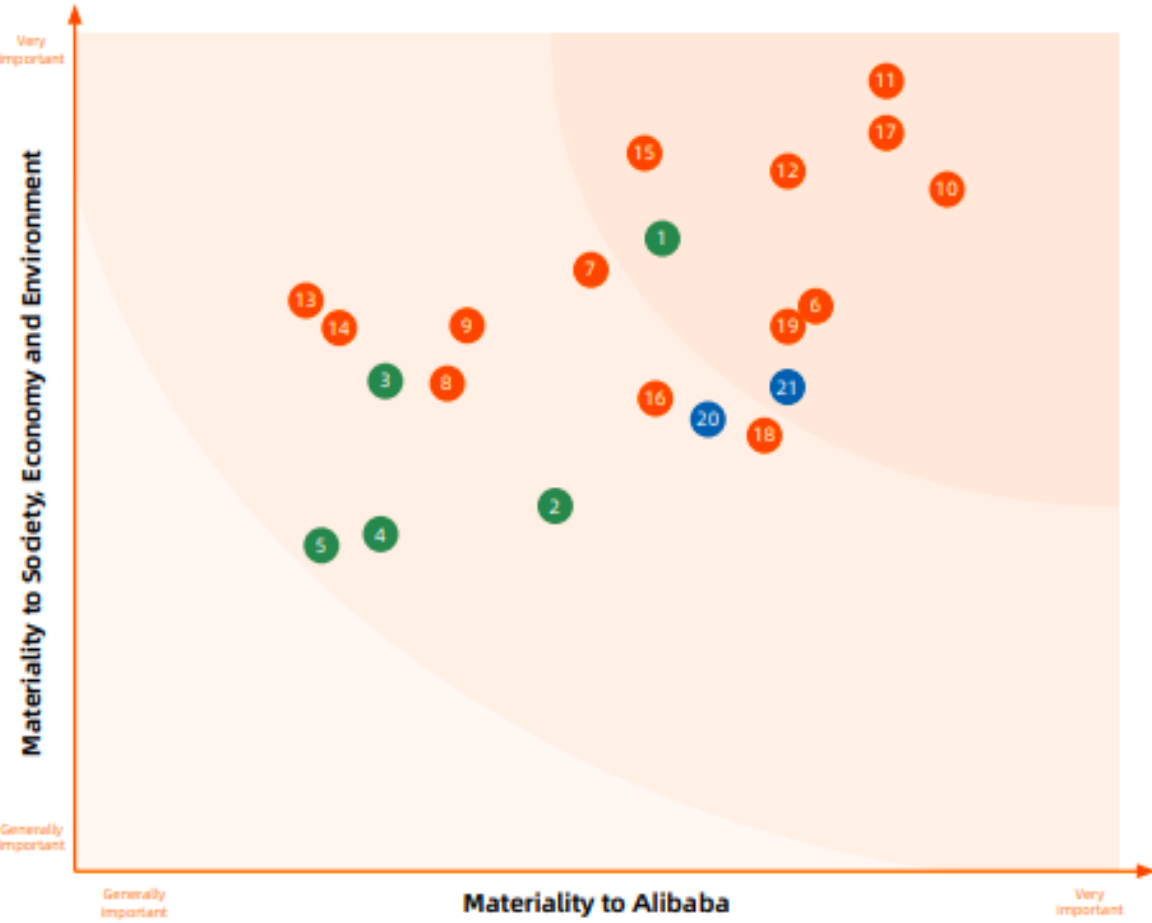
- 1 Climate Change Response and Carbon Neutrality
- 2 Energy Management
- 3 Natural Resources and Biodiversity Protection
- 4 Waste Management and Circular Economy Solutions
- 5 Water Management
- 6 Digital Solutions for Environment Protection
- 7 Environmental Education and Awareness Building
- 8 Talent Attraction, Development and Retention
- 9 Employee Compensation and Benefits
- 10 Diversity, Equity and Inclusion
- 11 Employee Rights and Labour Practices
- 12 Protection of Data Privacy
- 13 Data and Cyber Security
- 14 AI Safety and Governance
- 15 Responsible Content and Platform
- 16 Service Quality and Customer Feedback
- 17 Providing Accessible and Assistive Digital Product
- 18 Building a Safe and Healthy Digital World for Minors
- 19 Digital Technologies Driving Financial Inclusion
- 20 Supporting the Digitalisation of the Real Economy
- 21 Leveraging Digital Technologies for the SDGs and Executing Tech for Good
- 22 Corporate Governance (Efficiency, Independence, and Diversity)
- 23 Integrating ESG Factors into Strategies and Balanced Scorecard Review
- 24 Incorporating ESG Value into Corporate Culture
- 25 Anti-monopoly
- 26 Anti-money Laundering
- 27 Anti-corruption
- 28 Protection of Intellectual Property Rights
- 29 Sustainable Supply Chain Management
- 30 Stakeholder Dialogue and Engagement

● Environment ● Society ● Governance

Source: Tencent 2024 ESG Report ([LINK](#))

ESG Stakeholder – Materiality Map

Companies can have similar materiality results given their business models



Environmental	Social	Governance
1. Climate change and carbon neutrality	6. Talent retention and management	20. Corporate governance
2. Energy management	7. Human and labor rights	21. Risk management
3. Resource circularity and waste management	8. Occupational health and safety	
4. Water management and utilization	9. Diversity, equity, and inclusion	
5. Biodiversity and ecosystems	10. Products and service quality	
	11. Technology innovation	
	12. Technology ethics	
	13. Rural revitalization	
	14. Social and community contributions	
	15. Small and medium-sized enterprises development	
	16. Supply chain management	
	17. Privacy protection and data security	
	18. Intellectual property protection	
	19. Business ethics	

Source: Alibaba 2025 ESG Report ([LINK](#))

**MATERIALITY MAPPING
IS NOT JUST FOR
REPORTING BUT A KEY
INTERNAL
COMMUNICATION TOOL**



QUICK RECAP

ESG materiality helps define purpose
It allows you to speak the language of
other internal parties you need to convince

MORNING SYNTHESIS

Nature: ESG is a non-financial way of understanding business competitiveness in the investment context. It speaks to the risks and opportunities facing a company. ESG engagement is very much a communication tool between investor-investee to understand nuances

Identifying Audience: Stakeholder and demand identification focuses your ESG program on the right audience. Communication strategy is key - understanding conflicting interests and be able to navigate around them

Identifying Value to Business: ESG materiality helps define purpose. It allows you to speak the language of other internal parties you need to convince



AGENDA

(AFTERNOON)

14:00-14:45 Linking ESG to Business Objectives and Value Creation

14:45-15:15 Group Activity: Driving Innovation & Growth

- Short Break -

15:30-16:00 Building an ESG Roadmap in Operations

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16:30-17:00 Closing Remarks

WECLOME BACK!

**WE LEARNT ABOUT THE BASIC CONCEPTS
IN THE MORNING**

**KEY: HOW TO INTEGRATE ESG NOT IN A
WINDOW-DRESSING WAY**

LETS TAKE A STEP BACK

AND THINK LIKE A COMPANY CEO

Concept Development

Linking ESG to Business Objectives and Value Creation

THE COMMON OBJECTIVES OF BUSINESSES



What are the levers that sustainability / ESG underpins?



IN WHAT SCENARIO WOULD YOUR CEO ALLOW SUCH MARKETING?

DON'T BUY THIS JACKET



It's Black Friday, the day in the year retail turns from red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half planets on our one and only planet.

Because Patagonia wants to be in business for a good long time—and leave a world inhabitable for our kids—we do the opposite of every other business: we buy less and to reflect before we buy else.

water, enough to meet the daily needs (three glasses a day) of 45 people. Its journey from its origin as 60% recycled polyester to our Reno warehouse generated nearly 20 pounds of carbon dioxide, 24 times the weight of the finished product. This jacket left behind, on its way to Reno, two-thirds its weight in waste.

And this is a 60% recycled polyester jacket, knit and sewn to a high standard; it is exceptionally durable, so you won't have to replace it as often. And when it comes to the end of its useful life we'll take it back to recycle into a product of equal value. But, as is true of all the things we can make and you can buy, this jacket comes with an environmental cost higher than its price.

There is much to be done and plenty for us all to do. Don't buy what you don't need. Think twice before you buy anything. Go to www.patagonia.com/CommonThreads or scan the QR code to learn more. Take the Common Threads Initiative and be part of the 5th "R," to reimagine a world where only what nature can replace.

COMMON THREADS INITIATIVE

REDUCE
 WE make useful gear that lasts a long time
YOU don't buy what you don't need

REPAIR
 WE help you repair your Patagonia gear
YOU pledge to fix what's broken

REUSE
 WE help find a home for Patagonia gear you no longer need
YOU sell or pass it on

RECYCLE
 WE will take back your Patagonia gear that is worn out
YOU keep your stuff out of the incinerator

Sustainability in Action: How Patagonia Links Key Levers



**PURPOSEFUL
INTEGRATION OF
SUSTAINABILITY
TO ADD
BUSINESS VALE**

Recommended reading:
[Business Case Study:
Patagonia](#)

Big decisions CEOs make to drive business forward



KNOWING THE BIG TOPICS ON CEOS MINDS

- CEOs are paid to make big decisions, and allocate the right resources to them
- That's how company boards and investors are holding CEOs accountable for – is the management team setting a direction that grows / delivers value to shareholders, in the current environment?
- Without knowing how businesses are shaped, we will be missing out on opportunities for ESG to add value

CEOS THEMSELVES
ARE HELD
ACCOUNTABLE
FOR PERFORMANCES

Speaking CEO: Financial Concepts ESG Professionals Should Know



Top Line (Revenue)

- ✓ Attract New Customers
- ✓ Increase Sales & Market Growth
- ✓ Premium & Sustainable Products



Bottom Line (Profit)

- ✓ Cut Costs & Waste
- ✓ Boost Efficiency
- ✓ Avoid Fines & Risks



Assets

- ✓ Enhance Brand Value
- ✓ Develop Green Technologies
- ✓ Improve Facilities & IP



Liabilities

- ✓ Reduce Legal & Regulatory Risks
- ✓ Lower Environmental Liabilities
- ✓ Manage Long-Term Risks



Return on Investment (ROI)

- ✓ Generate Strong ROI
- ✓ Build Long-Term Value
- ✓ Increase Resilience

Link ESG to **Revenue, Profit & Risk** to Speak the Language of CEOs

BP flags up to \$5 billion in low-carbon energy impairments

By Shadia Nasralla and Stephanie Kelly

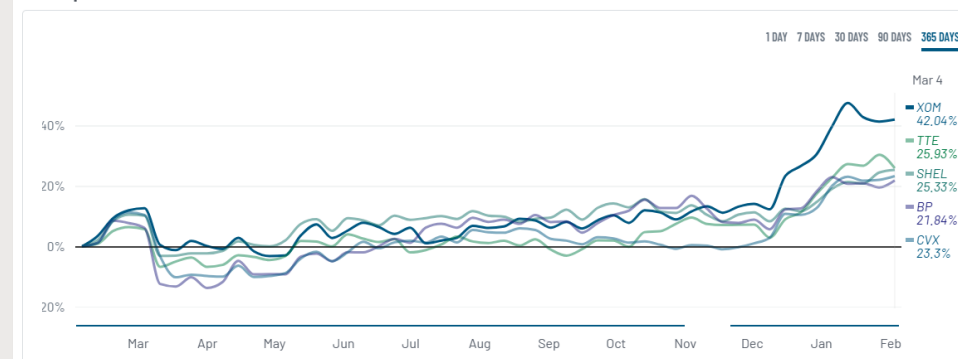
January 14, 2026 8:22 PM GMT+8 · Updated January 14, 2026



[1/2] A BP logo is reflected in a car window at a petrol station in London January 15, 2015. BP is expected to announce job cuts in its North Sea operations on Thursday, the BBC reported. REUTERS/Luke MacGregor/File Photo [Purchase Licensing Rights](#)

THE FINE LINE BETWEEN VALUE CREATION AND VALUE DESTRUCTION

Comparative Price Performance Over Time



Source: Reuters ([LINK](#))

DON'T BUY THIS JACKET



It's Black Friday, the day in the year retail turns from red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half planets on our one and only planet.

Because Patagonia wants to be in business for a good long time—and leave a world inhabitable for our kids—we want to do the opposite of every other business today. We ask you to buy less and to reflect before you spend a dime on this jacket or anything else.

Environmental bankruptcy, as with corporate bankruptcy, can happen very slowly, then all of a sudden. This is what we face unless we slow down, then reverse the damage. We're running short on fresh water, topsoil, fisheries, wetlands—all our planet's natural systems and resources that support business, and life, including our own.

The environmental cost of everything we make is astonishing. Consider the R2 Jacket shown, one of our best sellers. To make it required 135 liters of

COMMON THREADS INITIATIVE

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YOU don't buy what you don't need

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WE help you repair your Patagonia gear
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YOU sell or pass it on

RECYCLE

WE will take back your Patagonia gear that is worn out
YOU pledge to keep your stuff out of the landfill and incinerator



REIMAGINE

TOGETHER we reimagine a world where we take only what nature can replace

water, enough to meet the daily needs (three glasses a day) of 45 people. Its journey from its origin as 60% recycled polyester to our Reno warehouse generated nearly 30 pounds of carbon dioxide, 24 times the weight of the finished product. This jacket left behind, on its way to Reno, two-thirds its weight in waste.

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energy impairments

By Shadia Nasralla and Stephanie Kelly

January 14, 2026 8:22 PM GMT+8 · Updated January 14, 2026

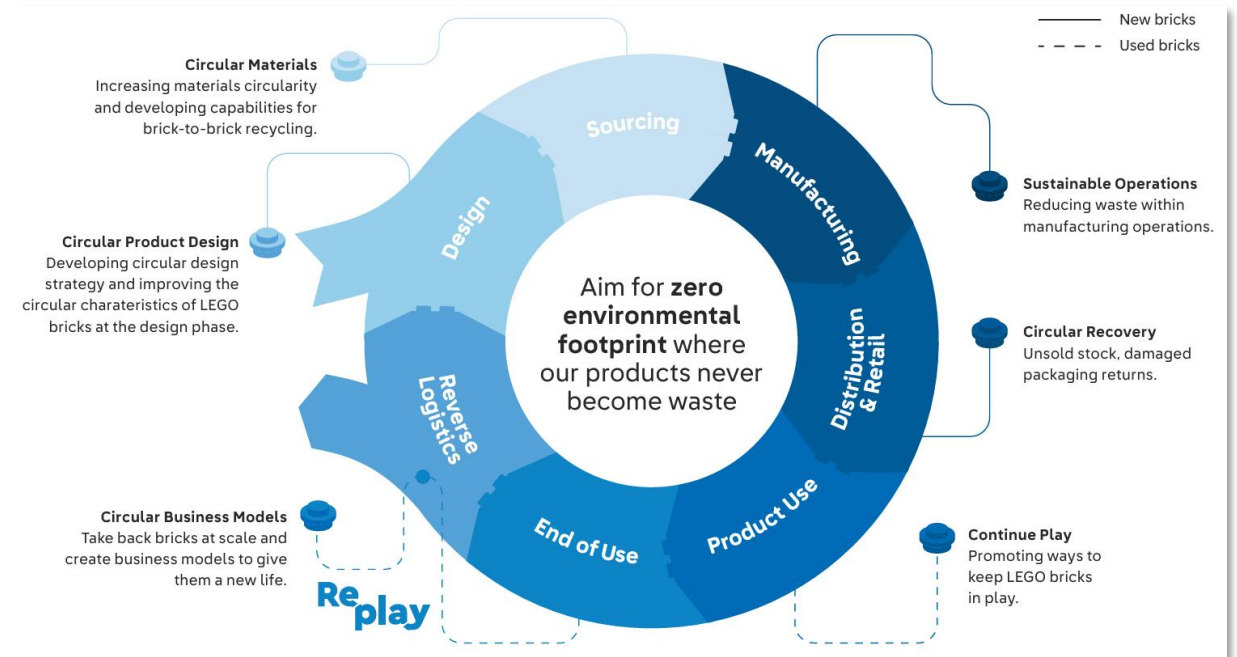


Reflected in a car window at a petrol station in London January 15, 2015. The sign was seen on Thursday, the BBC reported. REUTERS/Luk

HAVE YOU GOT THE RIGHT "MEANS TO THE END"?

"Strategic fit" of ESG initiatives to business models
= know your customers and the value they look for from you
+ its in your advantage to deliver it

OTHER EXAMPLES





OTHER EXAMPLES

山茶花的故事



Source: Forest Cabin ([LINK](#))

HOW NOT TO DESTROY A COMPANY

Questions to ask yourself to make your ESG strategy a business success factor



Business Model Alignment

✓ Value Proposition Fit:

- Does it strengthen what customers value most? (e.g. trust, quality, innovation)?
- Will it enhance brand differentiation or customer loyalty?

✓ Revenue & Cost Linkage:


- Can it drive new revenue streams or increase pricing power?
- Will it reduce operational costs (e.g. energy, waste, turnover)?

✓ Core Capabilities:

- Does it leverage existing strengths (e.g. supply chain, R&D)?
- Is it scalable across products or regions?



HOW NOT TO DESTROY A COMPANY



Questions to ask yourself to make your ESG strategy a business success factor



Sector Relevance

✓ Material ESG Issues:

- Are we addressing key ESG risks in our industry?
- Is it aligned with SASB / ISSB standards?

✓ Competitive Positioning:

- Does it set us apart from competitors?
- Can it elevate our ESG ratings & image?

✓ Regulatory & Market Trends:

- Is it future-proofing for new regulations?
- Does it meet emerging market demands?





THINK ABOUT BUSINESS VALUE CREATION

**THINK ABOUT INNOVATION,
NOT JUST "CLEANING UP"**

KYC – KNOW YOUR CUSTOMERS



QUICK RECAP

Know your business, take part to shape the strategy

Know your customers and their not-so-obvious
unsatisfied needs

Identify both structural and incremental changes

Define ESG successes as value creation

Don't destroy the company for good cause and with
good intention

Group Work

Linking ESG to Business Objectives and Value Creation

Brainstorm Exercise: Crafting an Energy Transition Strategy for an O&G Company

In the late 2010s, a major oil and gas (O&G) company faced mounting pressures to shift from traditional fossil fuels toward a lower-carbon future. Key factors included:

Stakeholder Expectations:

- **NGOs:** Aggressive campaigns for divestment from fossil fuels, highlighting climate risks and urging rapid reductions in emissions to align with global goals like limiting warming to 2°C.
- **Some Shareholders:** Activist investors pushed for net-zero commitments, moving away from O&G business and demanding resilience in scenarios with rising carbon prices.
- **Other Shareholders:** O&G is a cashcow for us – don't change!
- **Regulators:** Governments implemented policies like carbon pricing, methane regulations, and flaring bans (e.g., aiming for zero routine flaring by 2030), while supporting international agreements to curb emissions.
- **General Public:** Growing societal demand for cleaner energy amid rising climate awareness, consumer preferences for sustainable products, and calls for companies to address emissions from product use (which account for 80-90% of total impact).

Industry Economics:

- **Rapid global energy demand growth** driven by population increases (projected to 9 billion by 2040) and rising incomes, but with volatility in oil prices and risks of stranded assets.
- **Falling costs of renewables** (e.g., wind, solar) but return is subject to low interest rate environment (i.e. uncertainty is higher). There are other operational efficiency improvements that could reduce operational emissions by 40% - but won't get you to net zero.
- **Oil and gas still expected to dominate** (over 40% of energy mix by 2040 in some scenarios), with very gradual demand decline due to biofuels, EVs, and policy-driven shifts.

Competitive Landscape – Peers adopting diverse strategies:

- **Diversify Portfolio:** European majors have made strong commitments to renewables and low-carbon businesses.
- **Keep O&G Focus:** US-based firms keep O&G production, while prioritizing lower-carbon solutions (e.g. Carbon Capture & Storage) within their core operations to decarbonise.
- **Keep Drilling Cheap:** State-owned entities keep their cheap drilling advantage, while aligning with national climate goals for gradual decarbonisation (not as rapid as European peers).

If you were the CEO, and when thinking about your energy transition strategy:

- 1. How would you reflect the different shareholder demands in your strategy?**
- 2. How would you balance the fact that you are fiercely competing with peers with slower decarbonisation objectives and less demanding public?**
- 3. How would you tackle the challenge of being an O&G company and being asked to expand into renewables (as a utility company) with totally different economics, ROI, technical capabilities?**
- 4. What / how would you commit on achieving net zero?**

WHAT WENT WRONG?

EVEN AFTER THE REAL COMPANY TICKED ALL THE ESG BOXES?

TIMING

(WAR, HIGH INFLATION)

NO LEVEL-PLAYING FIELD

POLITICS / PUBLIC OPINION



Remember system
issues and impact?

(POLICY)

**ESG COMMITMENT, TARGETS
AND GETTING DISCLOSURE AWARD
IS ONLY THE BEGINNING**

**SURVIVING AND FLOURISHING FROM THE
TRANSITION IS THE OBJECTIVE**

RISK IS ALWAYS EVOLVING AND UNKNOWN



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(AFTERNOON)

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CONCEPT BUILDING

Building an ESG Roadmap in Operations

By now, you have in hand:

- 1. An Issue Materiality Map with Priorities Defined**
- 2. A Stakeholder Map and Their Demands**
- 3. A Set of Clear Business Value Added**
- 4. 100million HKD Budget** (.....because you did a good job convincing the CEO)

From here to delivering ESG outcomes, what are missing?

Key elements of your operational roadmap to deliver ESG outcomes



Lets go through the elements from the lens of a mining company in climate transition - BHP

Transition of product profile + operational emissions + local community

One complex topic for a complex sector



30.10.2024

BHP AGM: shareholders back contested climate transition strategy

Shareholders of mining giant BHP have today voted at the firm's AGM in Brisbane to back its climate transition strategy, despite a major shareholder pre-declaring opposition to the plan

Source: Netzero investors ([LINK](#))

Why & How to Prioritise Options by *Value to Money*

WHY PRIORITISE?



- Maximise ROI
- Allocate Resources Effectively.



- Set short, medium & long-term goals.

HOW TO PRIORITISE?



- Cost vs. Benefit Analysis



- Assess Feasibility & Risk



- Rank & Select Best Options.



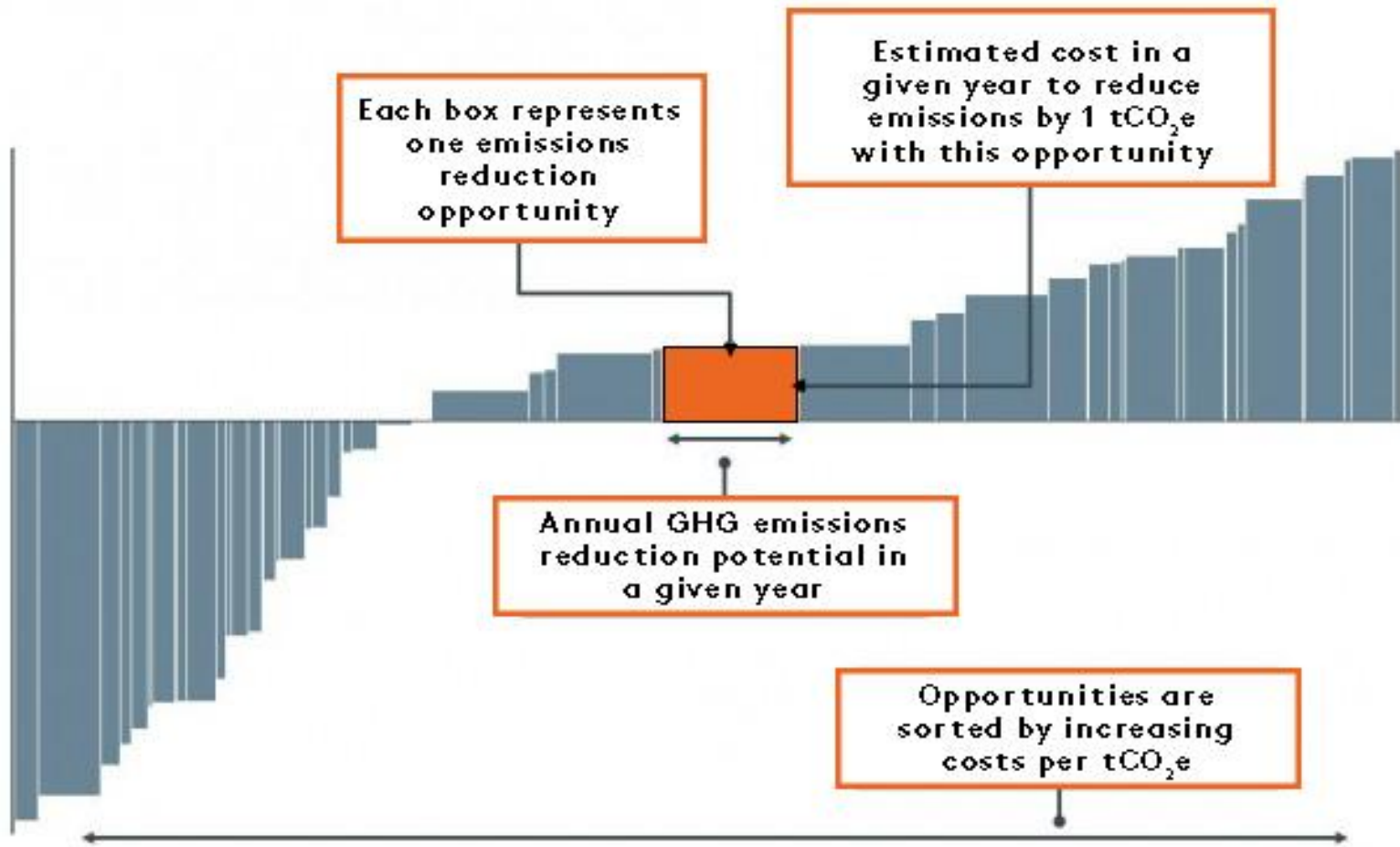
LOW-HANGING FRUITS

Quick Wins with High Impact.

Demonstrate Progress & Create Value



Show Momentum.



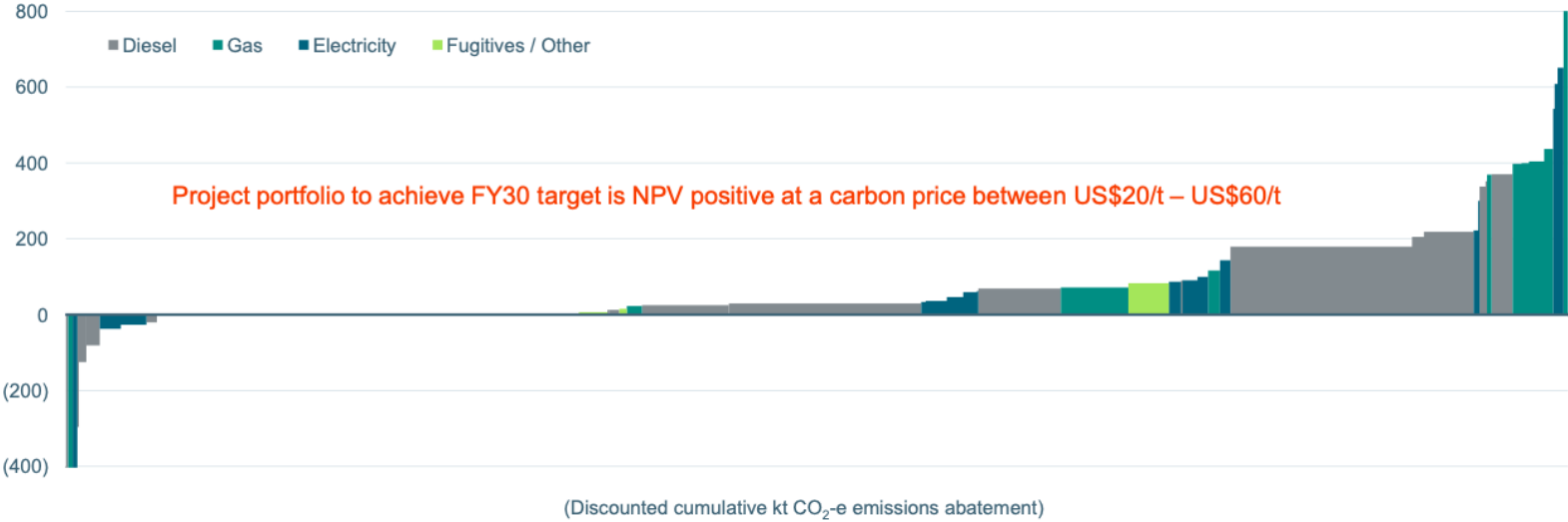
Example: Marginal Abatement Cost Curve of GHG Emissions

Source: ClimateWorks ([LINK](#))

Marginal Abatement Cost Curve

Our group portfolio Marginal Abatement Cost Curve allows us to rank and prioritise projects for efficient capital deployment

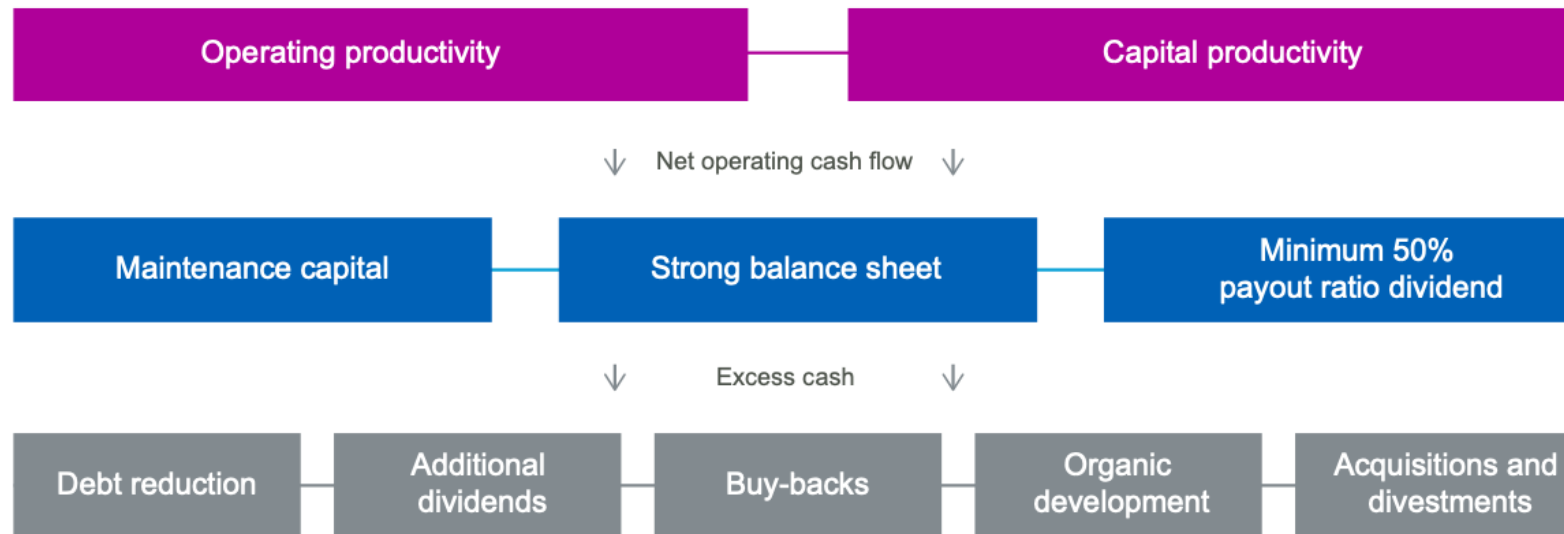
Marginal Abatement Cost Curve¹
(US\$/tCO₂-e)



Example:
BHP's Marginal
Abatement Cost
Curve to Reach
Net Zero

Source: BHP ([LINK](#))

Figure 7.2: Our Capital Allocation Framework



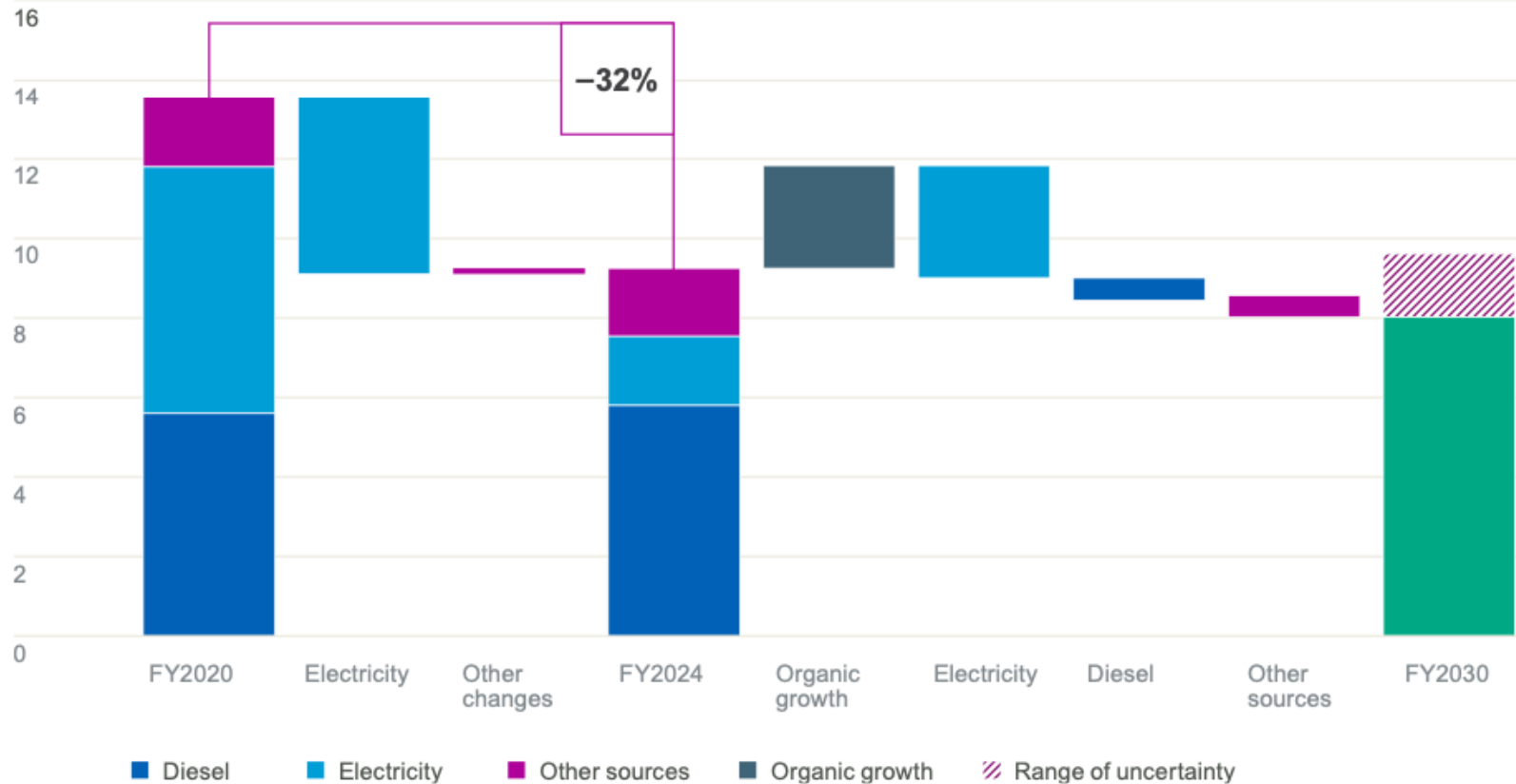
Why does it matter?

Capital heavy, long duration investments need to be scheduled according to macro environment

Remember the timing issue in the O&G case study?

Figure 1.1: Projected pathway to our operational GHG emissions medium-term target⁵

Scopes 1 and 2 emissions (MtCO₂-e) (adjusted for acquisitions, divestments and methodology changes)



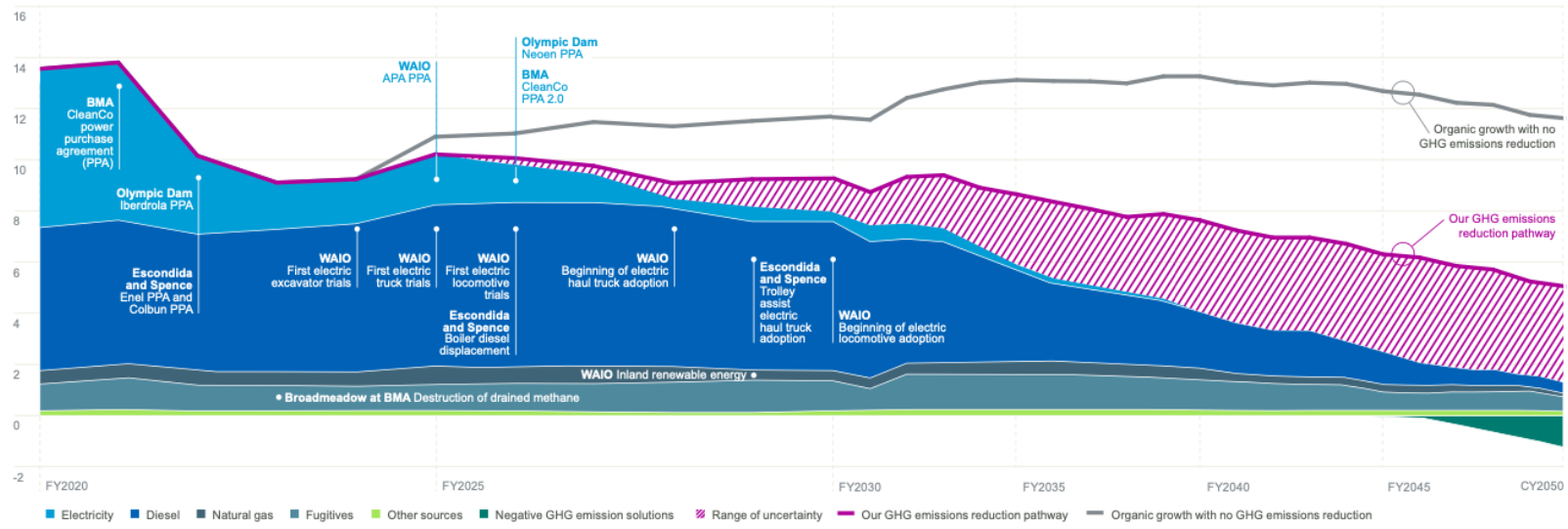
What good looks like?

You know exactly how much you can reduce, by when, by what cost, and on what uncertainty, for budgeting and target setting

Uncertainty estimation guides your thinking in scenarios

Our target and net zero goal for operational GHG emissions (Scopes 1 and 2 emissions) continued

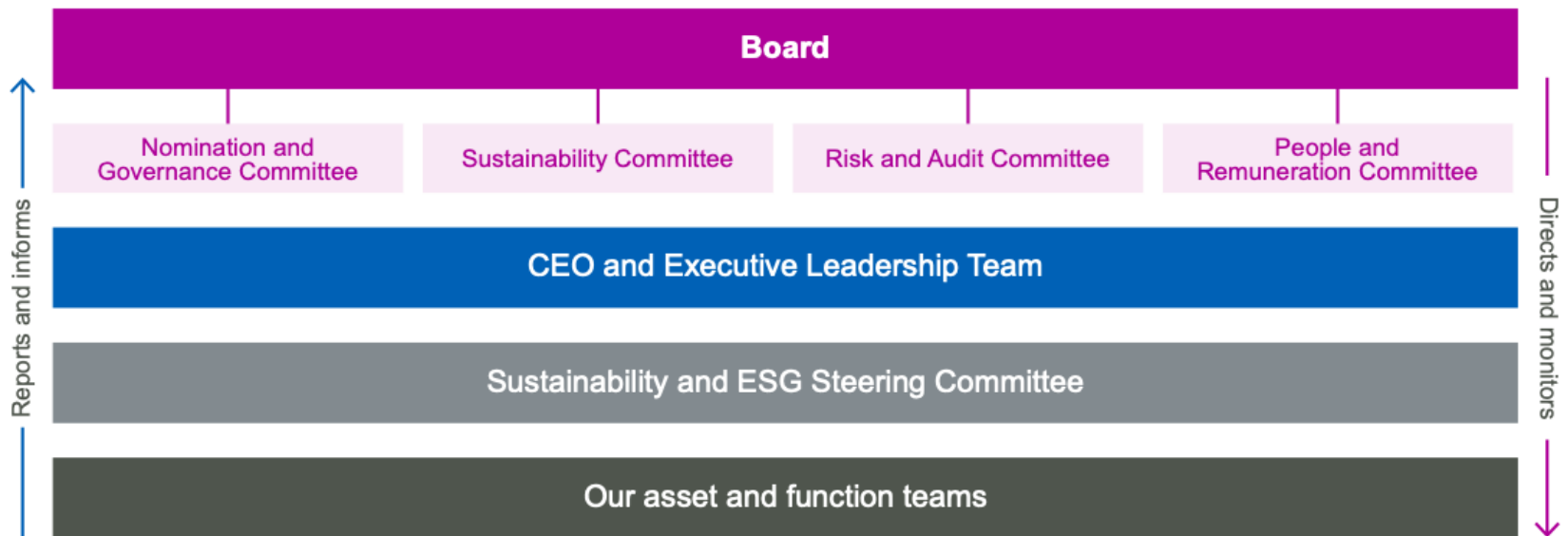
Figure 1.2: Projected (to FY2030) and potential (beyond FY2030) pathways to our operational GHG emissions long-term net zero goal*
Scopes 1 and 2 emissions (MtCO₂-e) (adjusted for acquisitions, divestments and methodology changes)



You would also know the key milestones and their impact to your organisational goals








Key elements of your operational roadmap to deliver ESG outcomes





Translate your milestones as executive / departmental performance metrics

Source: BHP ([LINK](#))

Performance measure	Weighting for FY2025	Performance outcome			CEO percentage outcome
		Threshold 0%	Target 100%	Maximum 150%	
 Safety and sustainability	25%				34%
 Financial	50%				53%
 Group and personal	25%				23%
Total	100%				110%

FY2025 CDP performance outcomes – CEO measures

Safety and sustainability

Scorecard targets

Elimination of significant harm

No significant (actual level 4) health, safety (including fatalities), environment or community events during the year.
Completion of FY2025 Fatality Elimination Program deliverables and development of asset-owned vehicle interaction improvement plans.

Performance outcome

Outcome: Maximum

- There were no fatalities or other actual significant HSEC events during FY2025 at our operated assets.
- All operated assets completed the deliverables required to achieve a maximum outcome relating to the Fatality Elimination Program and development of asset-owned vehicle interaction improvement plans.

Climate change

Reported Scopes 1 and 2 GHG emissions at our operated assets in FY2025 are at 9.8 ktCO₂-e.
Deliver FY2025 actions in the approved climate adaptation work program, including progressing our nature-positive plans.

Outcome: Between target and maximum

- For FY2025, we bettered our operational GHG emissions scorecard target by 1% (excluding our Western Australia Nickel operations which entered temporary suspension in FY2025). Having reviewed actual production levels at certain operated assets compared to budget targets, performance was observed to be on target.
- All actions in the approved climate adaptation work program were delivered during FY2025. While none of the Assets completed climate adaptation work program deliverables required to achieve a maximum outcome, all required actions to progress our nature-positive plans were delivered to achieve a maximum outcome.

Source: BHP ([LINK](#))

Willingness to take up accountability is the result of thorough understanding of challenges and solutions

Make it measurable, realistic and representative of your expected progress

Key elements of your operational roadmap to deliver ESG outcomes

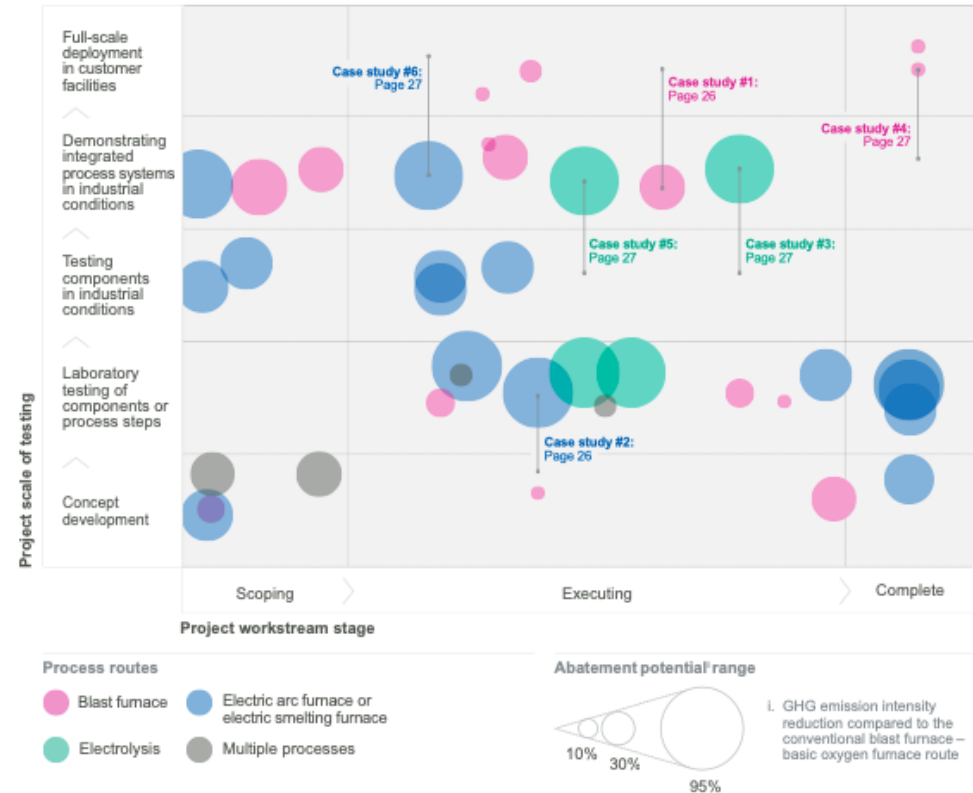


Because you have done all the work, you know the organisational / technological limits

Most of the time you don't have all the answers now for the grand sustainable future

Our pipeline of projects spans a wide range of process routes and levels of technological maturity.

Figure 2.4: Our project workstreams for steelmaking GHG emissions intensity reduction¹⁵
Project workstreams (not all project workstreams are shown)



48 partners

Distinct industry partners, including 9 steelmakers, 16 research institutes and 11 technology companies (both start-ups and vendors)¹⁰

20% coverage

Partnerships with steelmakers represent 20 per cent of CY2023 reported global steel production¹¹

Source: BHP ([LINK](#))

How would you enable your customers to address the ESG impact and risks embedded in your product?



Case study #4

China customer partnerships to improve blast furnace efficiency

Process route	Blast furnace
Technology route	Raw materials efficiency and coke ovens gas injection
GHG emissions intensity reduction potential¹⁵	5 per cent, or 0.1 tCO ₂ per tonne of steel
Technology readiness level (TRL) (1 to 9)¹⁶	Integrated system demonstrations (TRL 8 to 9)
Collaboration model	Customer partnerships
Project type	Industry trial and full-scale implementation

Partners

HBIS: Leading Chinese steelmaker

Zenith: Leading Chinese steelmaker

BHP contribution

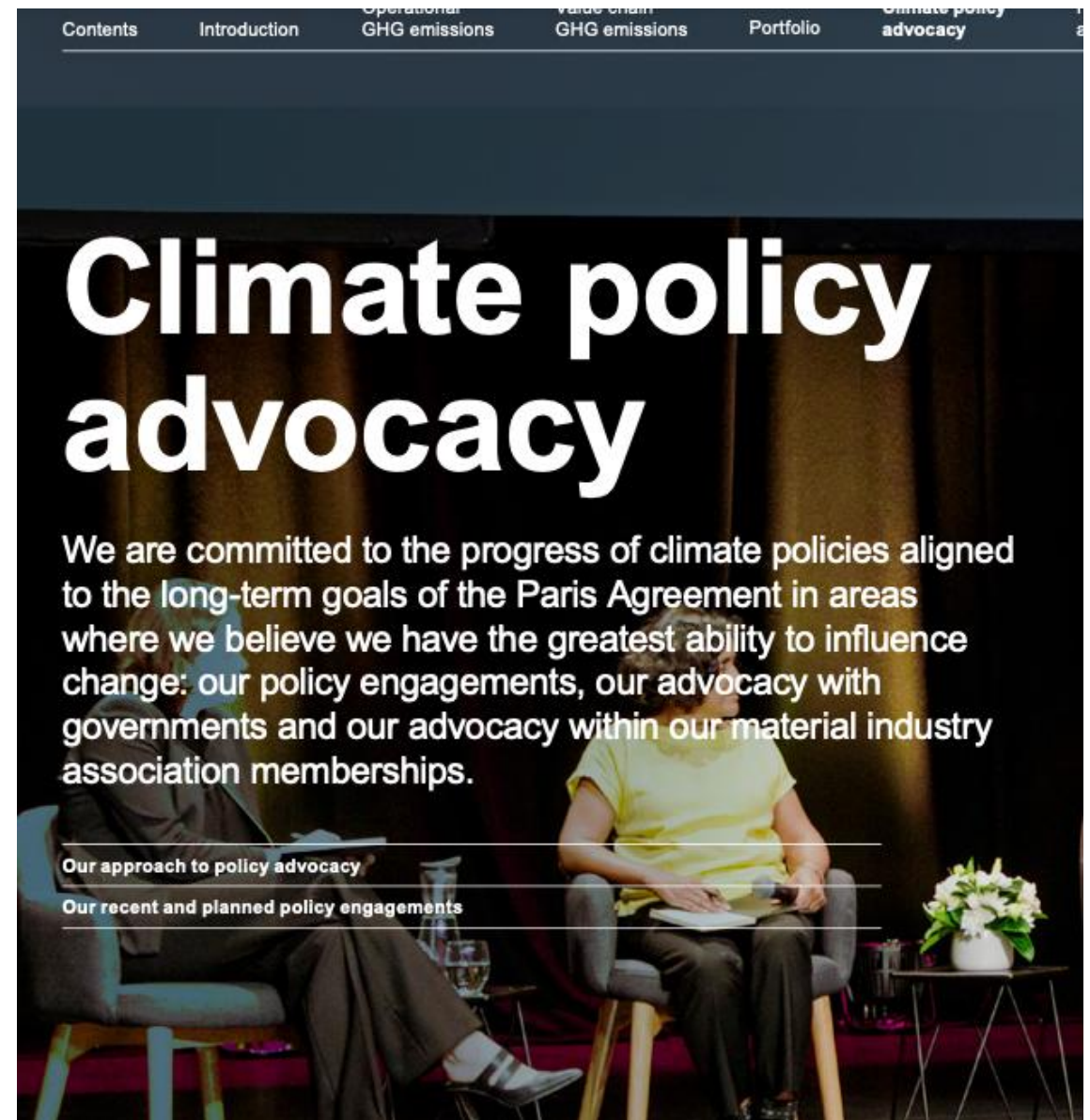
– Funding, project resources, technical knowledge and supply of ores for testing

Project aims

– Study and undertake GHG emission reduction initiatives on multiple blast furnaces at commercial scale that can have immediate impact

Source: BHP ([LINK](#))

Remember the O&G case study of the importance of level-playing field?



The image shows a screenshot of a website page with a dark background. At the top, there is a navigation menu with the following items: 'Contents', 'Introduction', 'Operational GHG emissions', 'Value chain GHG emissions', 'Portfolio', and 'Climate policy advocacy'. The main heading is 'Climate policy advocacy' in large, white, bold font. Below the heading, there is a paragraph of text: 'We are committed to the progress of climate policies aligned to the long-term goals of the Paris Agreement in areas where we believe we have the greatest ability to influence change: our policy engagements, our advocacy with governments and our advocacy within our material industry association memberships.' Below this text, there are two horizontal lines with labels: 'Our approach to policy advocacy' and 'Our recent and planned policy engagements'. The background of the page features a photograph of two people sitting in chairs on a stage, engaged in a discussion. A small table with a vase of white flowers is visible on the right side of the stage.

Source: BHP ([LINK](#))

What else can you do to create a better competitive environment for your company as part of your ESG roadmap?

Our recent engagements on climate policy²⁴



The Australian Government's reform of the Safeguard Mechanism

Our position

We supported the objective of the Government to align the Safeguard Mechanism with Australia's national GHG emission reduction targets. We made proposals during the consultation process aimed at enhancing the new Safeguard Mechanism and Australia's general approach to emissions reduction.

Our activities

- We have engaged directly with the Government on the reforms (including by making two submissions, participating in industry roundtables, and sharing our views with senior decision makers)
- We reviewed and commented, where relevant, on the submissions developed by the Minerals Council of Australia and the Business Council of Australia

Issue status

- The Government secured parliamentary support for its reforms, and the new Safeguard Mechanism commenced in July 2023
- We continue to engage in a number of processes associated with the reforms, including the Government's Carbon Leakage Review



International and national policy approaches to critical minerals

Our position

We have highlighted the importance of mining to the energy transition, and the policy settings that will allow countries to unlock new supplies of minerals like copper and nickel.

Our activities

- We have released a thought leadership piece on the changes we believe are necessary in Australia, made a number of submissions (including in relation to Australia's Critical Minerals Strategy, the Australian Federal Budget, and the Biden Administration's proposed mining law reform), and supported the advocacy of bodies like the Minerals Council of Australia
- Our ELT has given numerous speeches on the issue

Issue status

- While there is wide acceptance among governments of the need to accelerate supply of battery and other critical/strategic minerals, work is still needed to ensure policy settings are best aligned with government ambitions
- We continue to advocate in international and national forums on this issue



The introduction of new climate-related financial reporting requirements in Australia and the United States

Our position

We have supported the objectives of the International Sustainability Standards Board (ISSB), the Australian Government and the United States Securities and Exchange Commission (US SEC) to introduce new corporate reporting requirements that meet investor demands for consistent, comparable, and decision-useful information. We have advocated for international alignment across these standards.

Our activities

- We have made submissions to the ISSB, the Australian Accounting Standards Board, the Australian Government and the US SEC
- We reviewed and commented, where relevant, on the submissions developed by the Minerals Council of Australia and the Business Council of Australia

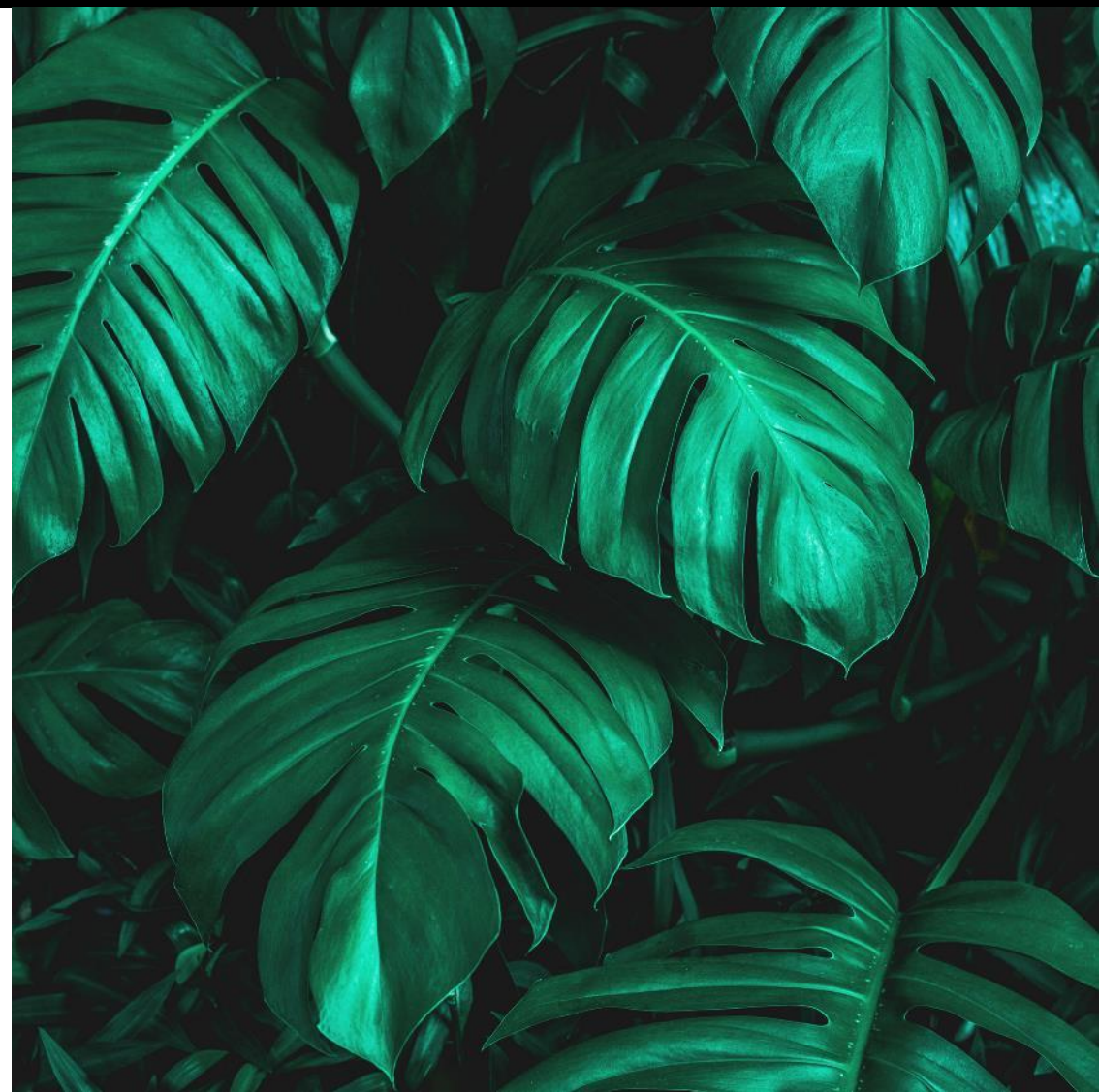
Issue status

- In March 2024, the US SEC adopted a rule setting out climate-related disclosure requirements for SEC-reporting companies, including foreign private issuers, such as BHP. However, following a number of legal challenges, the SEC voluntarily stayed implementation of the Rule pending completion of the judicial review of consolidated challenges
- The Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 to introduce a new climate-related financial disclosure regime is expected to pass into law in Australia in the near term

Key to Your ESG Roadmap's Success:

Remind all stakeholders the milestones to the north star and the realizable benefits **whenever possible**

Q & A



Group Work

ESG Roadmap

Group Work:

You are the executive of a mining company thinking about committing to Net Zero operation by 2050.

1. Rank the emission reduction measures you would prioritise when thinking about investment
(e.g. 1 > 6 > 8 > 9 > 4 >....)
2. What kind of policies would you be advocating for the government to implement for all mining companies (i.e. your competitors) to implement measure #2 and 4, to create a level playing field?
3. Measure # 4 & 8 sound very capital intensive and not economical yet. What kind of partnership would you consider to make their economics more feasible?

10 Emission Reduction Measures & Cost Saving Potentials





AGENDA

(AFTERNOON)

14:00-14:45 Linking ESG to Business Objectives and Value Creation

14:45-15:15 Group Activity: Driving Innovation & Growth

- Short Break -

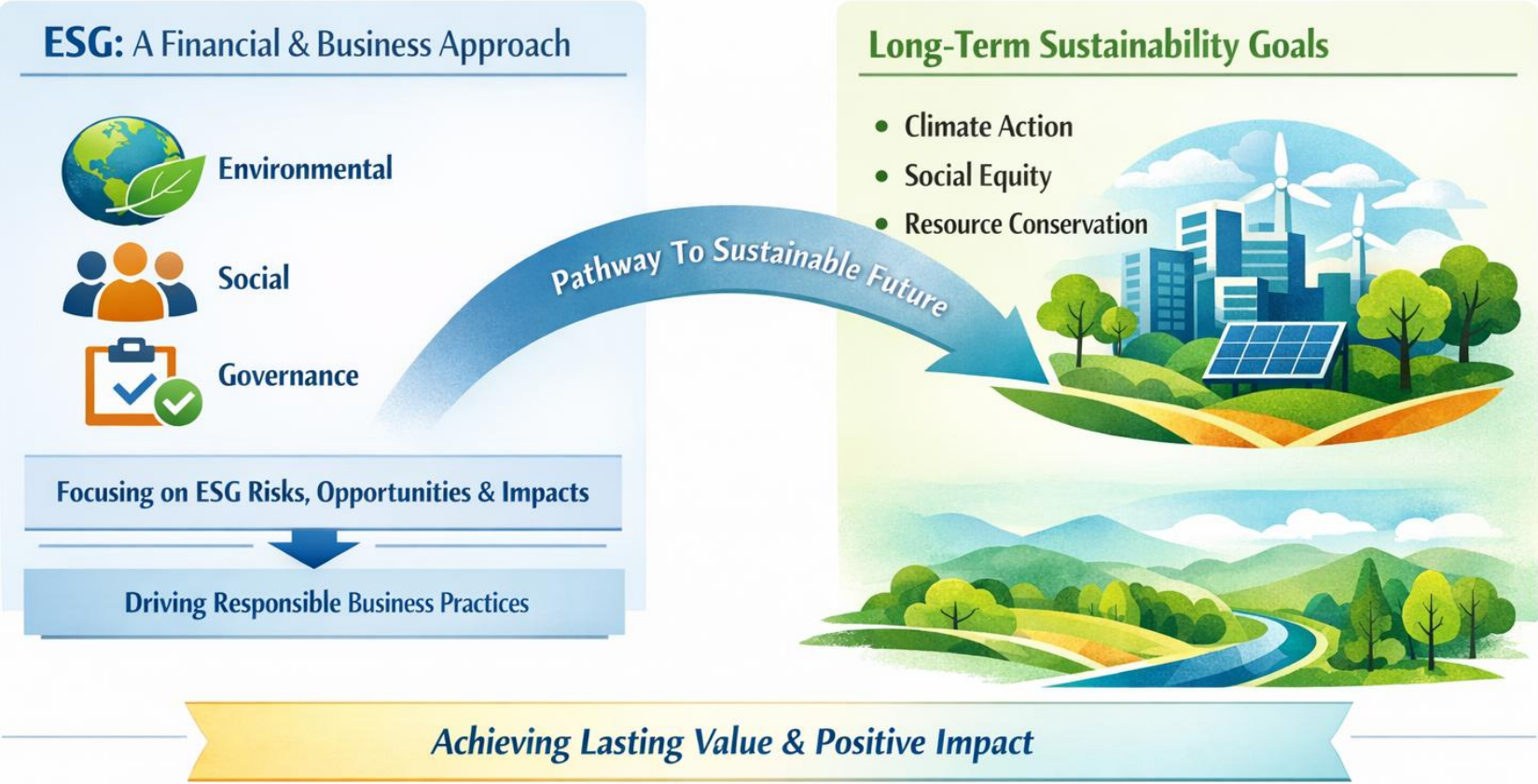
15:30-16:00 Building an ESG Roadmap in Operations

16:00-16:30 Group Activity: Embedding ESG into Daily Operations

16:30-17:00 Closing Remarks

Close Remark: ESG is Marriage of Sustainability-Business Management

ESG and Sustainability

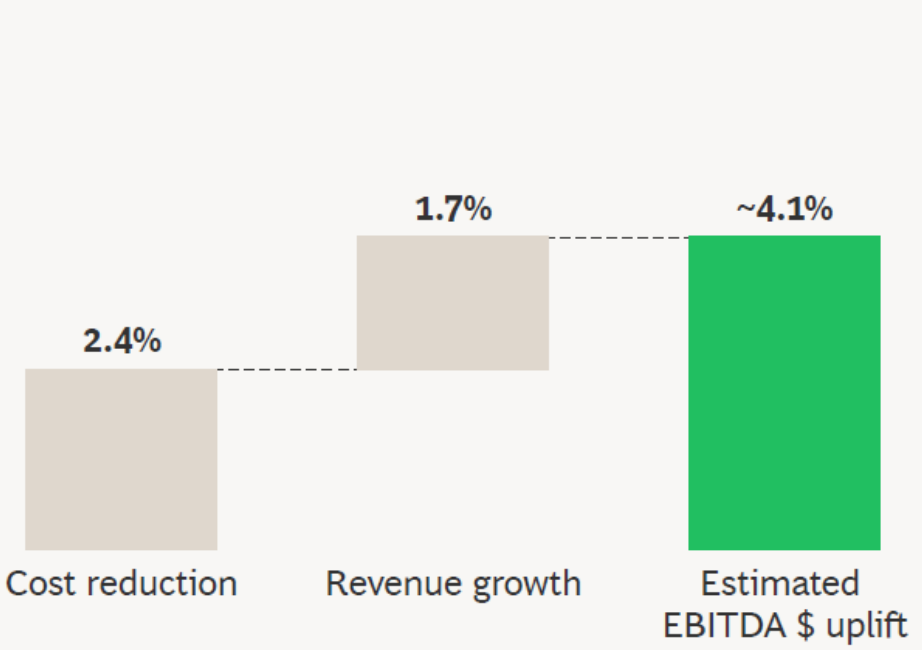


The Value You Get Depends on How You Integrate ESG

Reporting, Marketing, Communication Tool, Business Strategy Compotent....etc

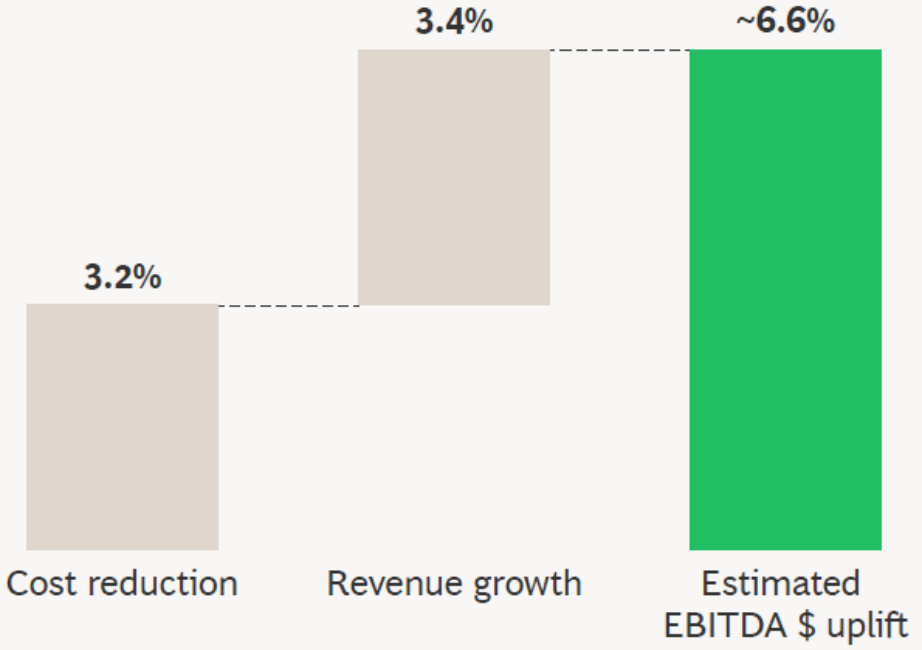
North America

AVERAGE EXPECTED WEIGHTED IMPACT OF SUSTAINABILITY EFFORTS ON FINANCIAL OUTCOMES (%)



Europe

AVERAGE EXPECTED WEIGHTED IMPACT OF SUSTAINABILITY EFFORTS ON FINANCIAL OUTCOMES (%)



BCG & EDCI 2025 annual survey to >150 private market investors. Reference: BCG Sustainability in Private Markets ([reference](#))

THANK YOU

FEEDBACK SURVEY



<https://forms.gle/Rj5CF4ksnXGrxp2r9>



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