

# Operationalizing ESG: Translating ESG **INTENTION** into **IMPACT**

Prepared for:



June 22, 2022

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Do change  
**right**  
the *first* time.

# We are a global change consultancy focused on the **people** side of change...



## TOP 10 GLOBAL RATING

Daggerwing was named a Global Leader in communications and change management consulting\*



## 70% FORTUNE 500

Percentage of core Daggerwing clients in the Fortune 500



## 35 COUNTRIES

Breadth of countries where Daggerwing has worked with clients over the past 3 years



# Our agenda...



## In this time, you will:

- 1 Recognize the critical role leaders play in driving successful ESG outcomes
- 2 Learn about key complexities and challenges in translating ESG intention into impact
- 3 Walk away with key tips on how to start realizing your ESG ambitions

ESG is everywhere to  
signal **significant**  
**impact on**  
**performance**

## FORTUNE

Why modern boards need to invest in ESG  
for companies to thrive

BY DAN REILLY  
December 11, 2021 10:00 AM EDT



ESG benchmarks need to be more  
standardized, says S&P Global

PUBLISHED WED, MAR 23 2022 5:23 PM EDT | UPDATED WED, MAR 23 2022 5:24 PM EDT

Harvard  
Business  
Review

## An ESG Reckoning Is Coming

by Michael O'Leary and Warren Valdmanis

March 04, 2021

## ESG in Asia:

Accel  
Mom

May 2021 - 4 min read

BusinessMatters  
UK'S LEADING BUSINESS MAGAZINE

## ESG Remains a Top Priority for Businesses

30 March 2022 BUSINESS Business Matters



LLOYDS BANK

ESG explained, and why  
it's critical to Helping  
Britain Recover

Harvard  
Business  
Review

## Yes, Investing in ESG Pays Off

by Paul Polman and Andrew Winston

April 13, 2022

Forbes

INNOVATION

## ESG Reporting Just Got Much More Important

Rob Fisher Brand Contributor

ServiceNow BRANDVOICE | Paid Program

Apr 22, 2022, 11:00am EDT



The Big Differentiator: Why ESG  
Reporting Is An Opportunity For  
Success



## ESG tops business priority list

Author: ICAEW Insights  
Published: 06 Sep 2021

Why Is ESG Important? The Growing  
Role of the Board

21 September, 2021 • Kezia Farnham



ESG investments surged in Asia-  
Pacific in 2020 as sustainable  
investing takes off, MSCI survey finds

PUBLISHED WED, MAR 3 2021 10:31 PM EST | UPDATED THU, MAR 4 2021 1:32 AM EST



ESG investing in Asia: from niche  
to mainstream

...ess, Great For The  
WorldEarthDay

...1 feed into a decision-

Written by Benoit Thoenissen  
Published on 26.04.2022

Share



20 Percent of 2022 Forbes Midas List Prioritize ESG

However,  
**the risk of getting  
it wrong is high...**

The Washington Post

BUSINESS

## German Tabloid Scandal Is an ESG Stress Test for Private Equity

Analysis by Chris Hughes | Bloomberg  
February 11, 2022 at 1:08 p.m. EST

Forbes

## Survey: Business Leaders Say Their Companies' ESG Scores Are Falling Short

Edward Segal Senior Contributor  
I cover crisis-related news, issues and

Feb 10, 2021, 07:47am EST

FORTUNE

## Companies' broken sustainability promises are escalating calls for regulation and legal action

Bloomberg

Opinion Podcast • Browse all episodes

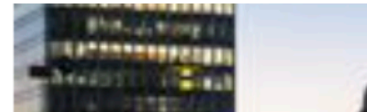
## ESG Investment Needs to Keep Its Promises: Opinion

Bloomberg Opinion senior executive editor David Shipley presents an editorial arguing that the \$35 trillion sustainable investment industry should prove it's dedicated to genuine ethical principles by raising its standards.

Oct 11, 2021

Bloomberg

## Many Companies Fail to Meet Stated ESG Goals, Survey Finds



Nasdaq

MARKETS

## ESG on the Verge of a Scandal

WSJ

WSJ NEWS EXCLUSIVE | MARKETS

## Fired Executive Sinks Investing Efforts

THE BUSINESS TIMES

ALL NEWS BREAKING LIFESTYLE OPINION PODCASTS E-PAPER BRANDED

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BANKING & FINANCE

## ESG duds have nowhere to hide, world's top stock owner says



ESG WORLD FORUM

## Fears of an ESG misselling scandal as ESG bonuses surge

By Michael Baxter | 23 February 2022

## ESG: the next mis-selling scandal?

... and the  
**penalty of failure**  
would be **great**

Loss of purpose-driven  
**TOP TALENT**

Loss of **CUSTOMERS**

**DAMAGED  
GOODWILL**

Leaders' **short-term thinking**

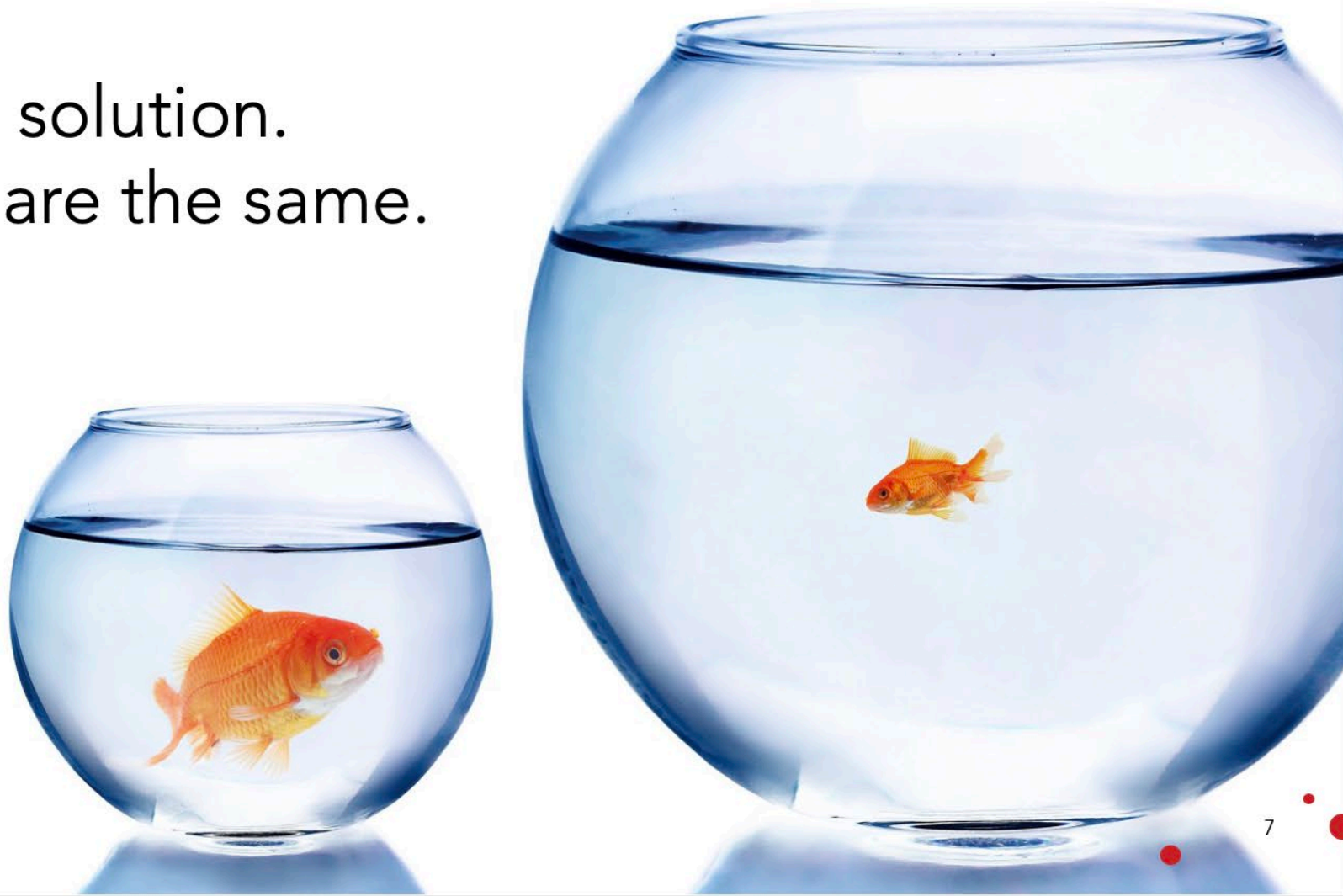
Loss of investors'  
**CONFIDENCE**

Loss of  
employees'  
**TRUST**

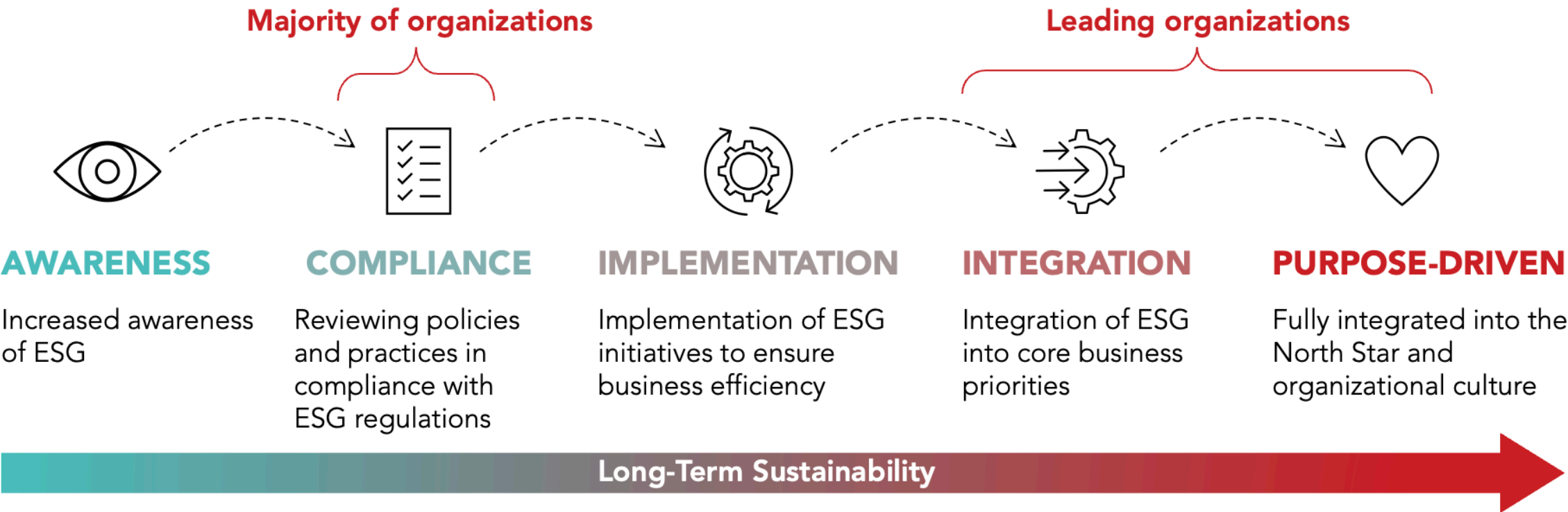
**MARGINALIZED  
PROFITS**

Additional **recovery effort**

No **one-size-fits-all** solution.  
No **two ambitions** are the same.



# Organizations have different ESG ambitions






# Achieving your ESG ambitions is incredibly complex



**So, how can you  
get it *right*?**

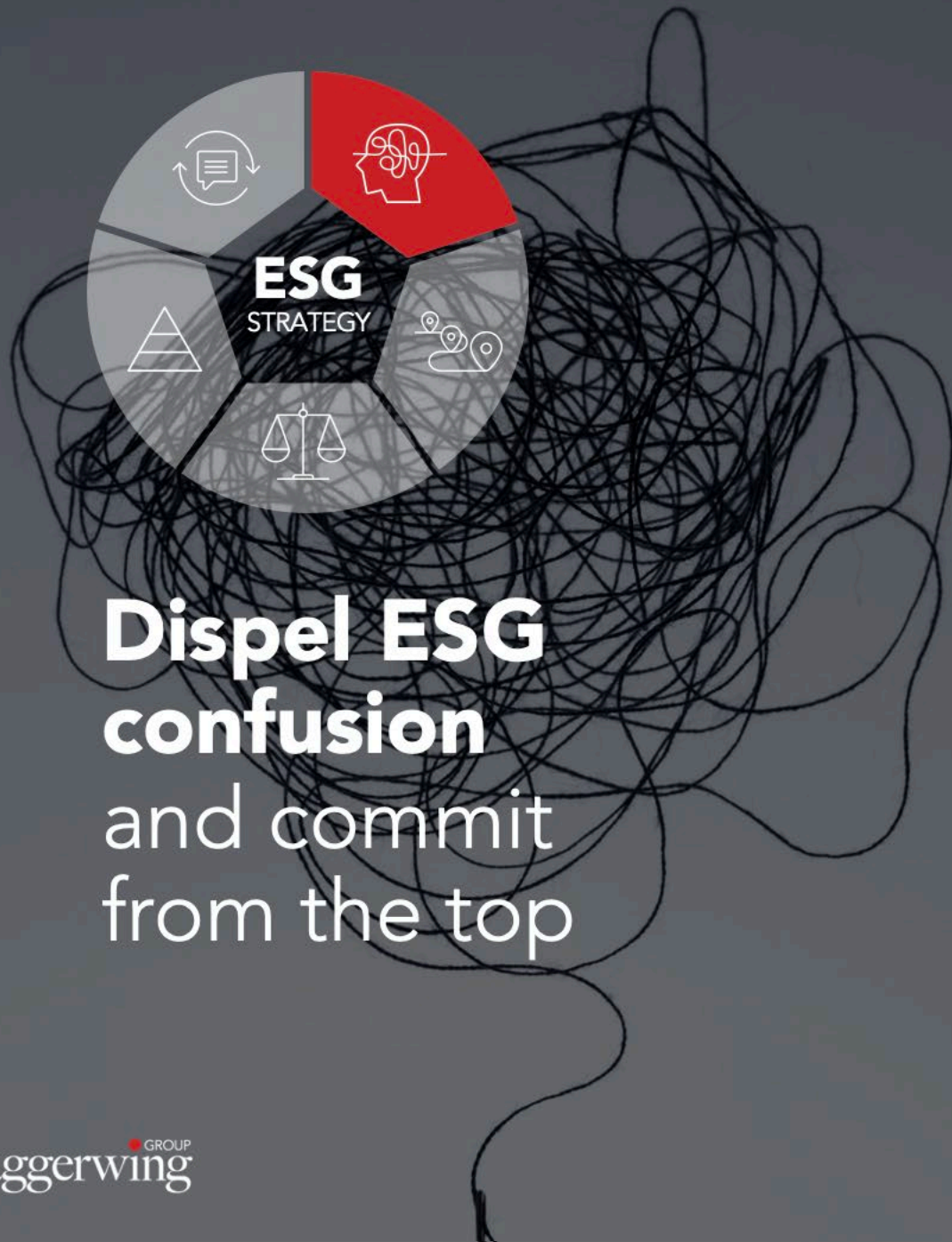


THE CHALLENGE:

**This is not a sprint.  
It's a marathon.**

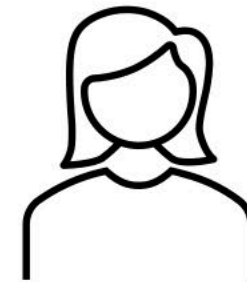
# 5 tips for operationalizing your **ESG** strategy





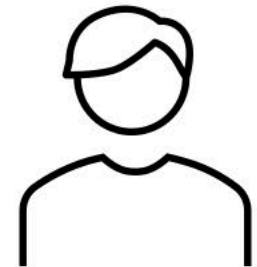
# Dispel ESG confusion and commit from the top

**I cannot fathom how  
I can really help**  
reduce greenhouse  
gas. And what does  
having an ethical  
supply chain have to  
do with me?

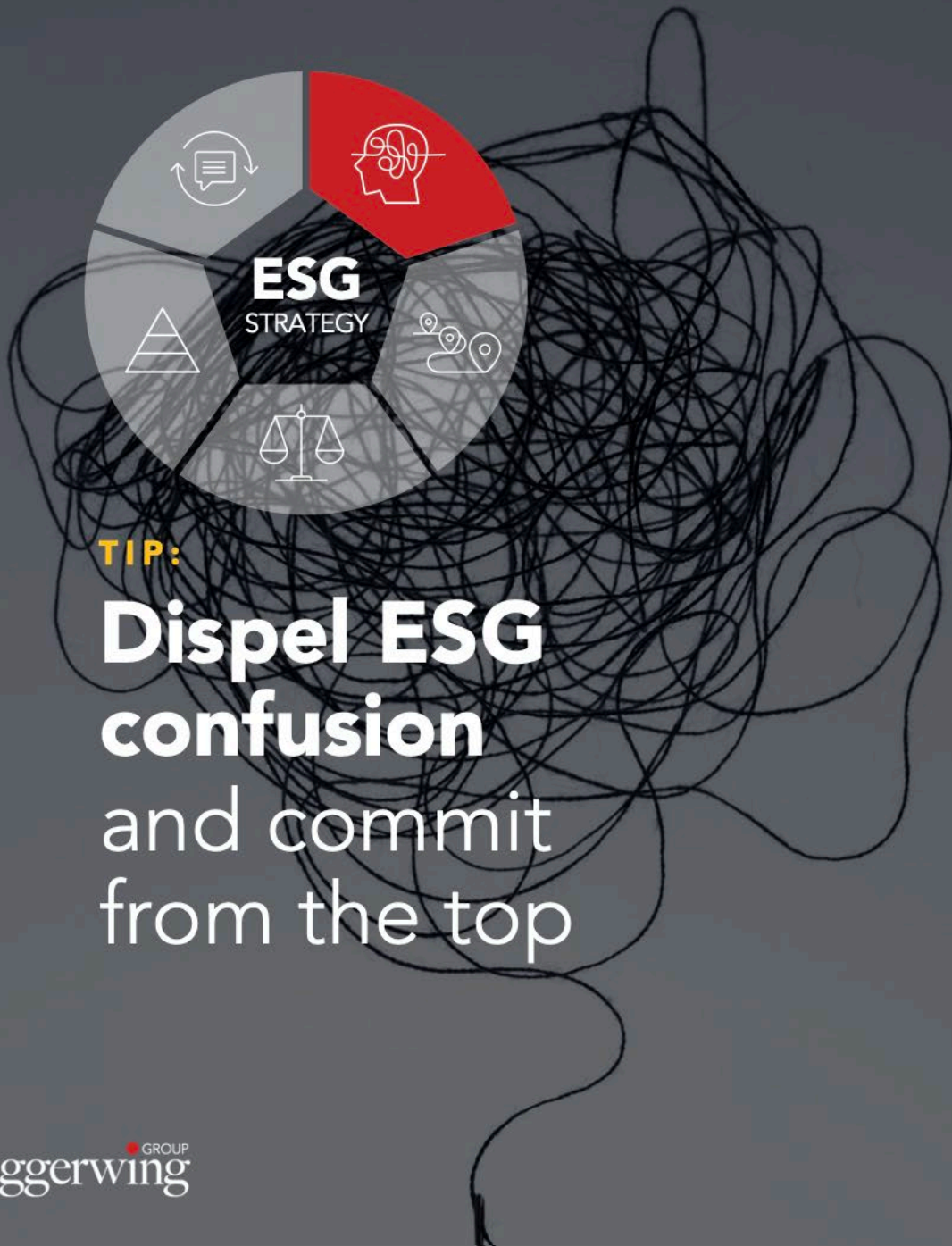


Employee

**Why do I need  
to worry about  
ESG?** Our goals  
are set for 8 years  
from now.



Employee



**TIP:**

**Dispel ESG  
confusion  
and commit  
from the top**



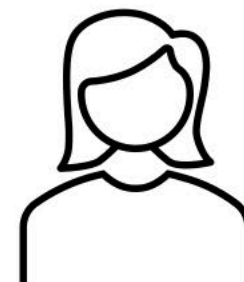
## What we've learned...

- Clarify what ESG means for you, and infuse it into purpose, strategy and culture
- Make a strong declaration of intent right from the very top
- Simplify the complex. Humanize the language with stories for easier understanding
- Create a governance structure to drive the work



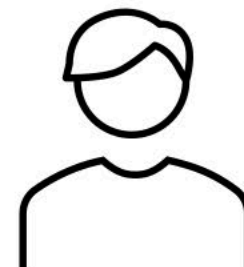
Prioritize and build  
an **ambitious,  
staggered change  
plan**

There's so much to  
do and it **seems  
almost impossible.**



Employee

**So many  
competing  
priorities; how  
do I keep my  
team focused?**



Manager



**TIP:**

Prioritize and build  
an **ambitious,  
staggered change  
plan**



## What we've learned...

- Be clear on what you are prioritizing across the full spectrum of ESG, over time
- Create a holistic roadmap that shows HOW you will achieve impact
- Stagger implementation by function or commitment to marshal resources and make it achievable
- Find the champions to create a bottom-up/top-down movement



Re-balance leader incentives and **support their actions** every day

How am I **expected to keep short-term profitability up** if we are pivoting to ESG initiatives?



I want to support our ESG ambitions, but I **have targets to hit this quarter**. Maybe I'll put the focus on ESG change next quarter.





**TIP:**

Re-balance leader  
incentives and  
**support their  
actions** every day



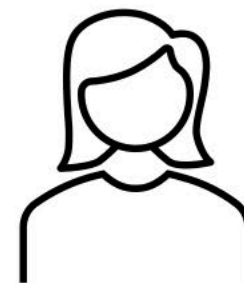
## What we've learned...

- Balance leader incentives to reward a mix of traditional and ESG performance
- Get leaders to consider and present to others why their business model and practices *are* sustainable
- Grant leaders some relief with permission to make critical trade-offs
- Foster an "and" rather than an "or" mindset



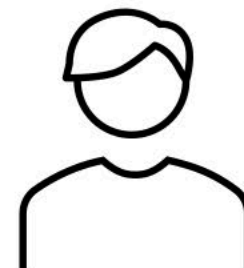
Activate a **tiered** learning and engagement model

Why are they talking about ESG integration when **we don't even know what ESG is truly about?**



Employee

This **training isn't relevant** for my team, there's no way we can action it or get involved because of how we work.



Manager



**TIP:**

Activate a **tiered** learning and engagement model



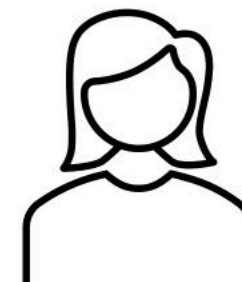
## What we've learned...

- Create a horizontal and vertical learning strategy
- Design learning based on how much each population needs to know and what actions you need them to take
- For everyone, focus on deepening understanding, fostering pride, and harnessing passion to get involved
- Focus on the role of managers and equip them so they can enable and empower their teams



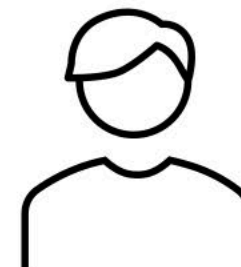
**Articulate** and **embed**  
clear mindset and  
behavior changes

**I don't see  
anything changing  
at work –**  
everyone's still  
doing the same  
thing!



Employee

What has carbon  
neutral got to do  
with my every day  
work? **What  
exactly do I need  
to do differently?**



New Joiner



**TIP:**

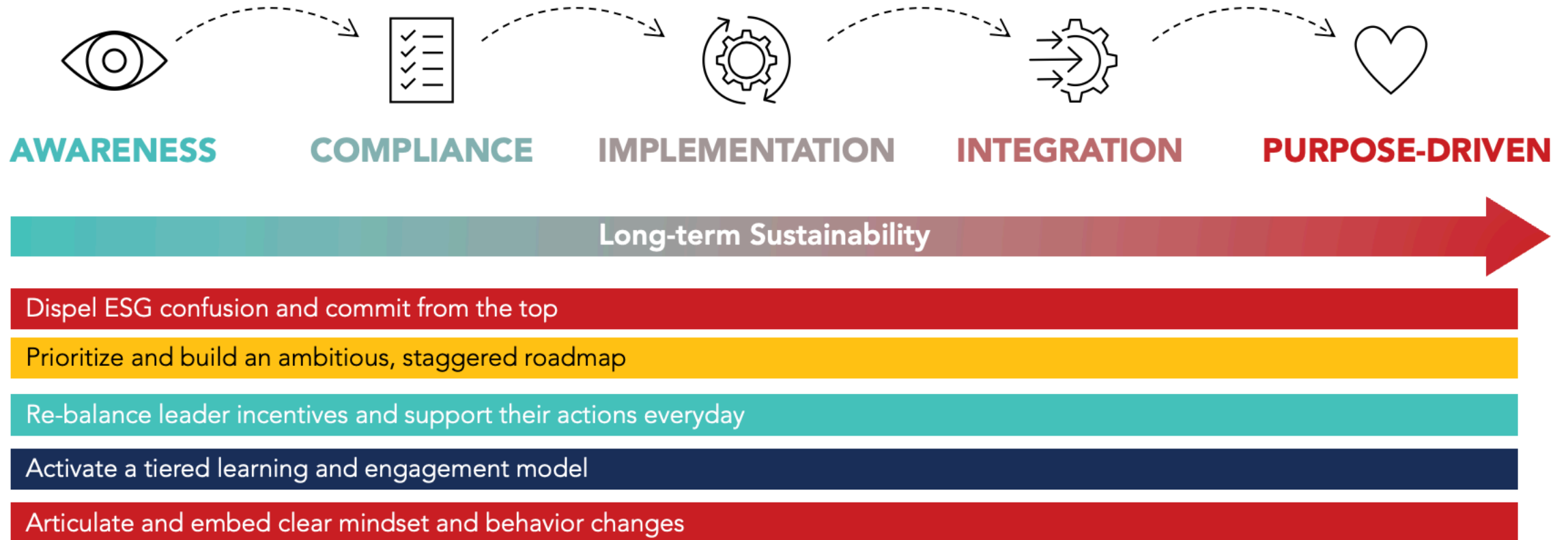
**Articulate and embed**  
clear mindset and  
behavior changes



## What we've learned...

- Be clear about what mindsets need to evolve
- Break down action and advocacy into small, doable habits
- Foster a mindset of experimentation and failing fast
- Set up opportunities for employees to take ownership, starting with lower risk initiatives

# Remember, these tips will help no matter where you are on this journey of translating ESG intention into impact



Q&A

# Thank you.

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 GROUP  
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