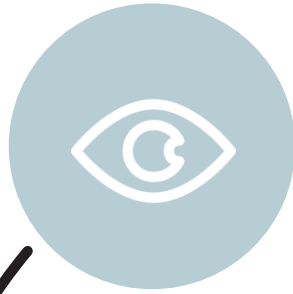


Emphasising the 'S' of the ESG

Towards a sustainable future

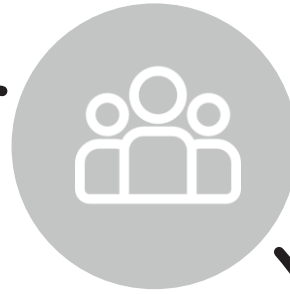
Visual

Need to draw things out? You're probably a visual learner. Concept maps, symbols, and color coding are your best bet.



Social

If you're good at communicating with people, this is most likely your style. People might come to you for advice. You're aware of their moods and emotions.



Auditory

If you need someone to tell you things out loud, chances are you're probably an auditory learner. You might tend to notice things like changes in pitch or tone.



Solitary

Do you like to work alone? This style means preferring private and independent learning. Authors and researchers are commonly this style learner.



6 Type of learning

Kinesthetic

Like to learn hands-on? You're most likely a kinesthetic learner. This means you prefer to be physically involved. Kinesthetic learners only make up about 5% of the population.



Verbal

Do words and writing help you learn? You probably know endless definitions of words and learn new ones frequently. You may also enjoy rhymes and tongue twisters.



We all learn differently!



The
Third
Line

The Story of a social changemaker

1. DEI leader's journey towards inclusive and equitable practices

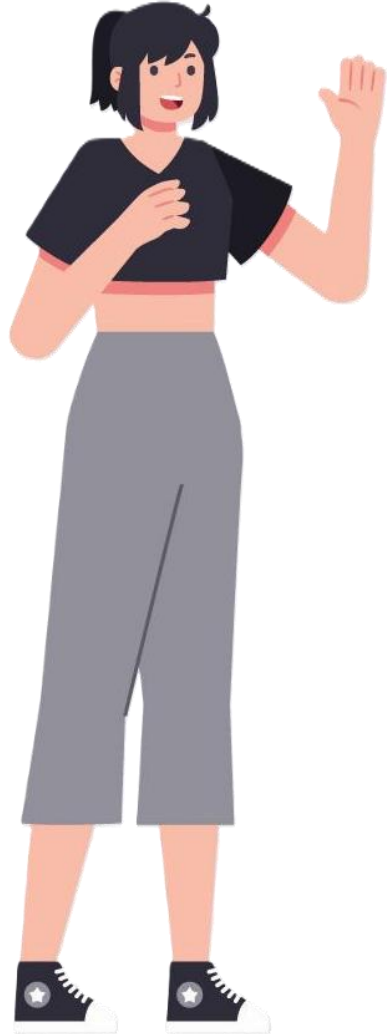
2. Navigate the global and local ESG trends and social impact frameworks

3. Definition and application

4. Driving forces and challenges

5. Five actionable 'Starts' to integrate the 'S' in ESG into strategy and decision-making

Introducing Amelia – our DEI champion!



Kia Ora! My name is Amelia.

- * Global leadership and governance experience
- * Director of People & Culture of a Social Housing Business
- * Board for Financial Institutions, NGO, Charitable Foundations



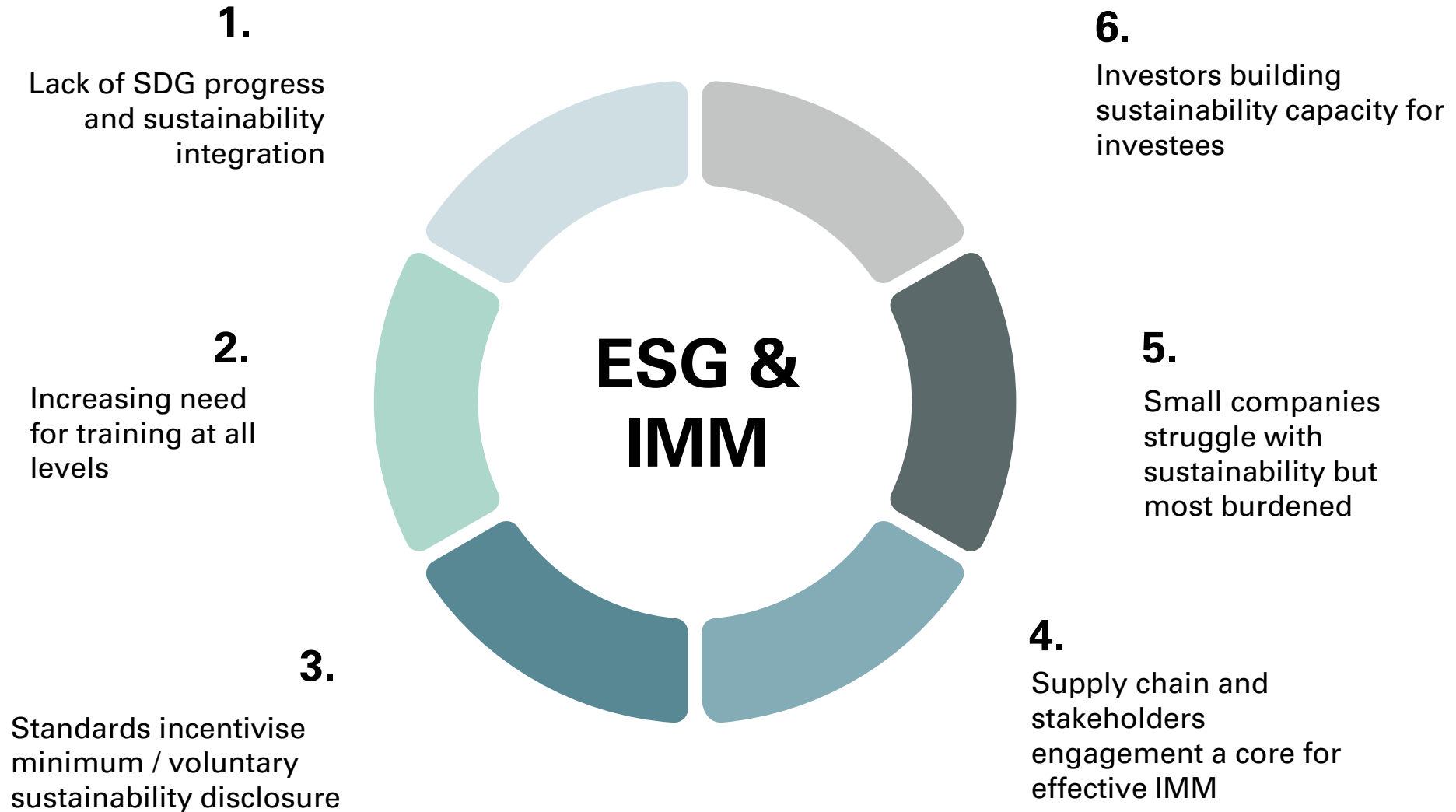
What's ESG?

'a set of criteria used to assess the ethical and sustainability impact of a company's operations'

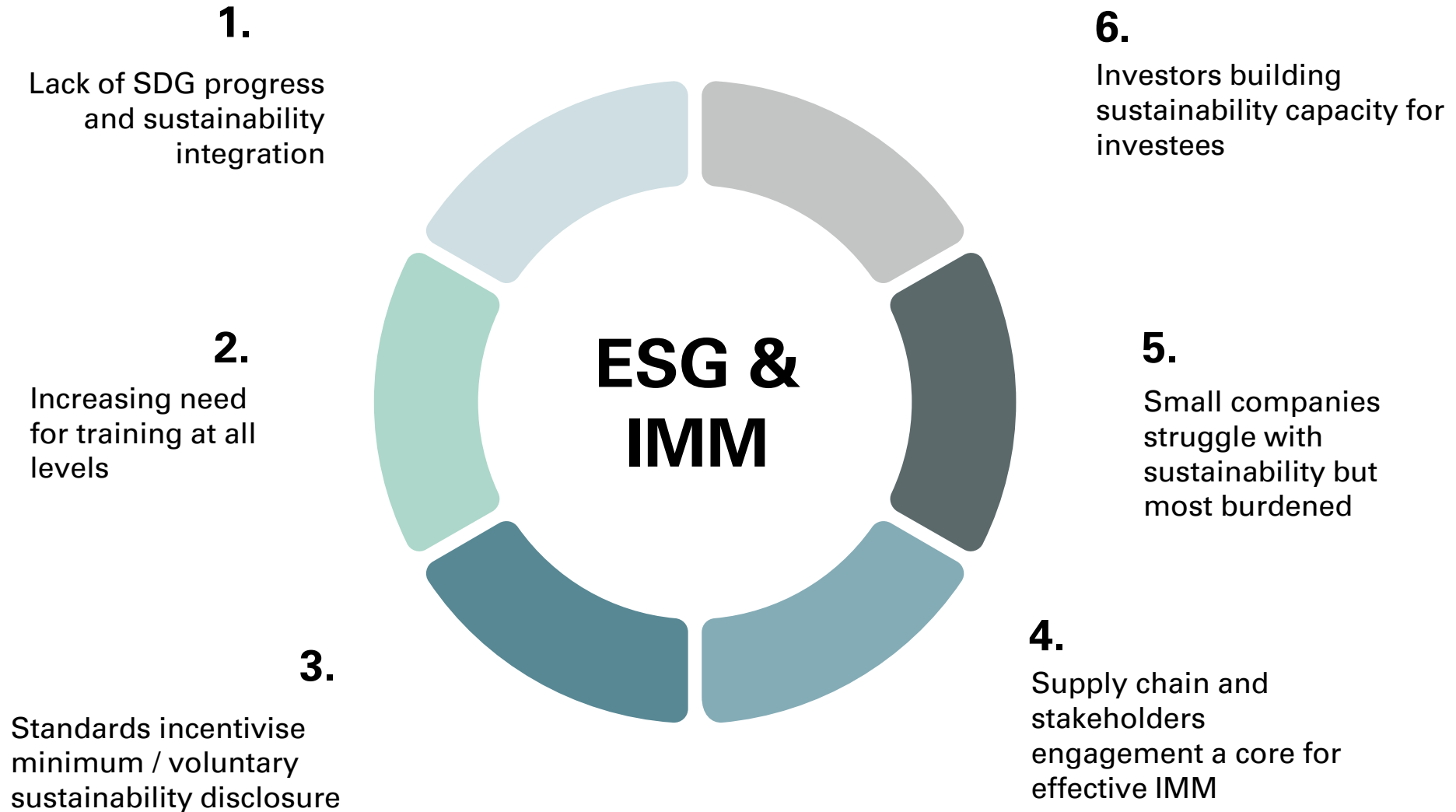
- * Negative screening tool
- * Compliance with regulators
- * Benchmarking



Global landscape



Global landscape



Aotearoa's landscape

1.

Slow pace to meet ESG commitment and for sustainability integration

2.

Sustainability reporting for specific group / output-focused

**Local
ESG &
IMM**

4.

Investors transitioning towards sustainable portfolio

3.

Prioritise employment over supply chains

What is the **S (social)** in ESG and social impact?

Social factors organisations have influence on



Internal

- employee relations
- health and safety practices
- talent management

Strategies & Policies to foster positive employee experiences

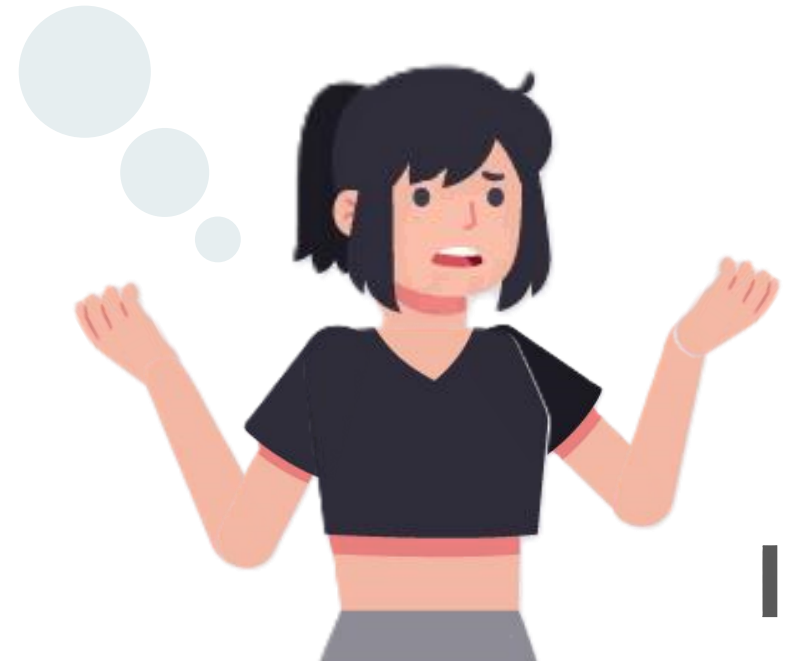
External

- stakeholder management
- community relations
- human rights considerations

Stakeholder's engagement and human right within workplace / supply chains

Impact on reputation, brand value, stakeholders and sustainability?

**The perfect storms for the 'S' –
The four driving forces**



1. Te Ao Māori Principles and Interdependency of People and Planet



2. Ethical and environmentally conscious generation



3. Pressure towards non-financial and sustainable reporting and disclosure



4. The Rise of Impact Investing

‘Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return’



2023
GIINSIGHT

\$371 Billion USD AUM

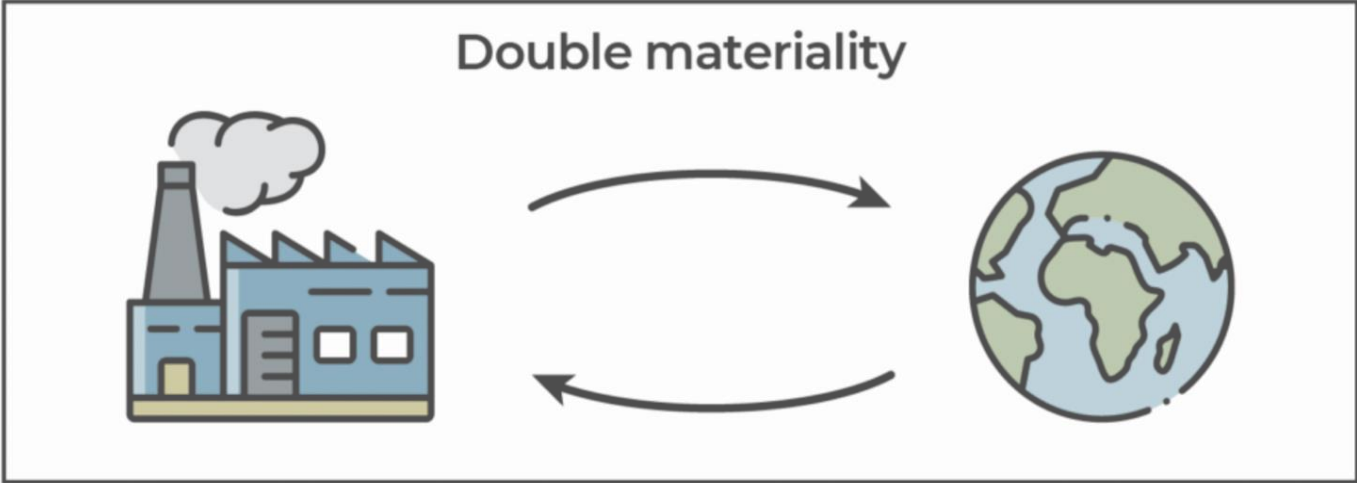
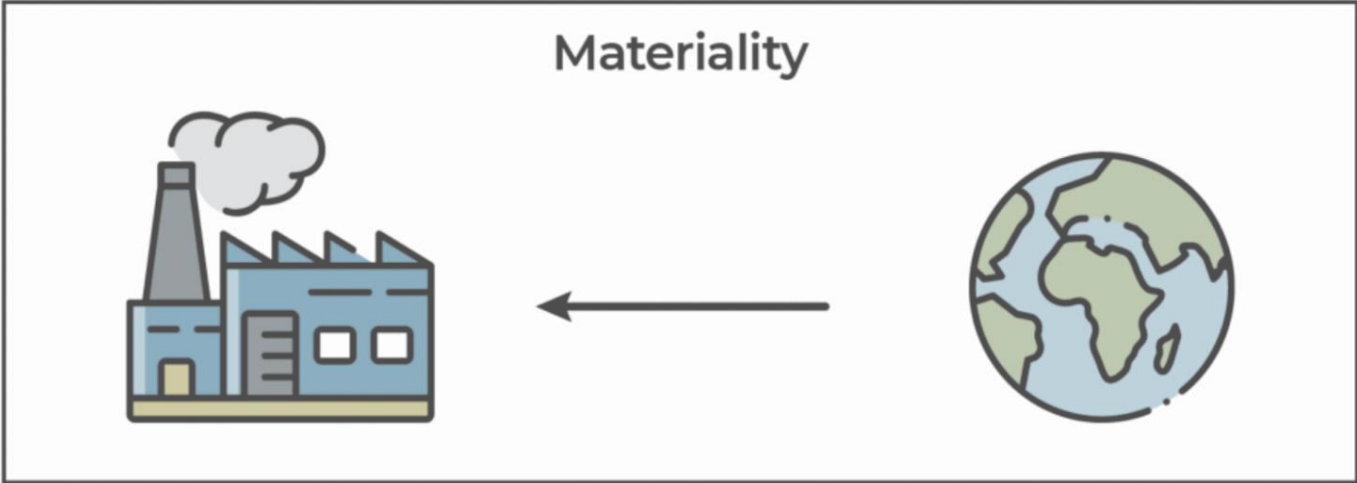
17% annual increase since 2017

Estimated market size - > \$1 Trillion USD



Double-Materiality concept

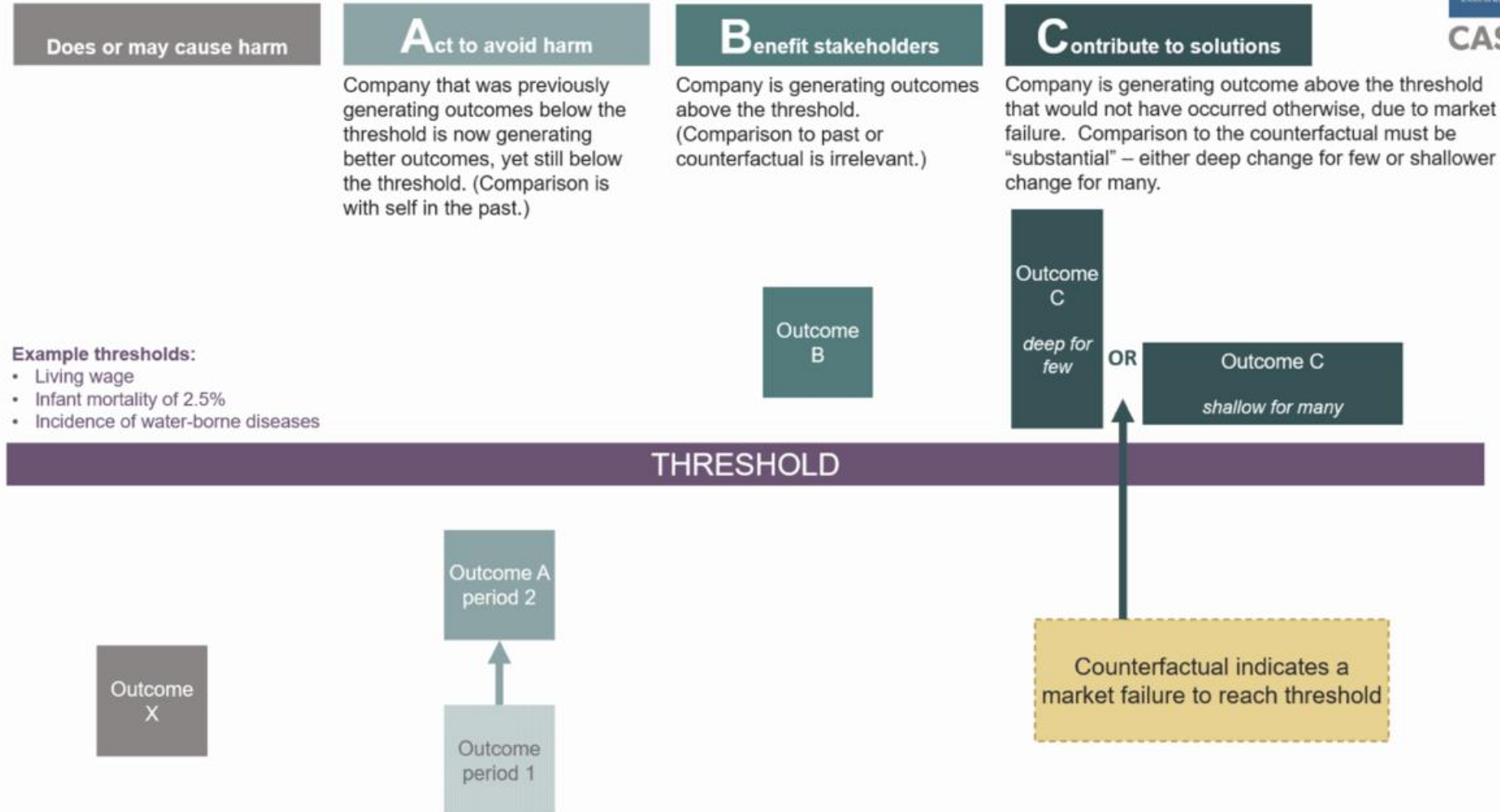
Outside-in & Inside-out

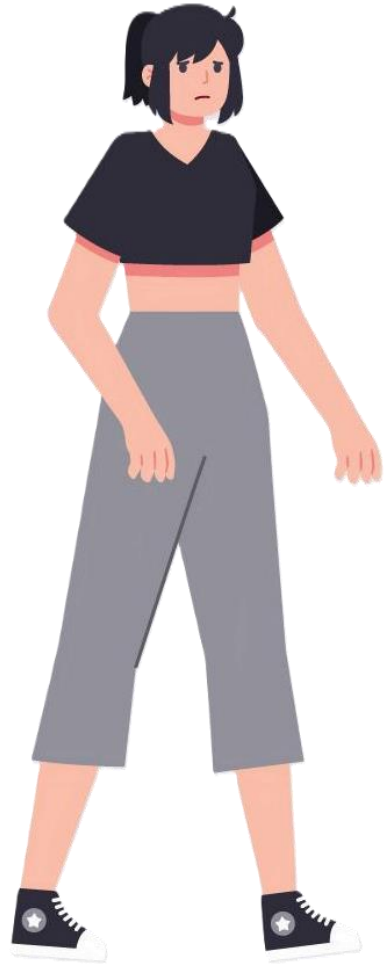


Impact Investing

- ABC of Impact

IMPACT OF SDG OUTCOME





Why 'S' is lagging behind?

The financial accounting analogy



Why is the 'S' lagging behind?

Reasons	Financial Accounting	Social Impact
1. Universal definition & frameworks	Universal accounting and auditing standards – IFRS, IAS	No universal definition, metrics or framework to measure social impact

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4. Impact trade offs & Externalities	ROI , payback period, financial ratios	Externalities like environmental, community, people not considered



5 starting **tips** for DEI leaders



1. Start! Define material impact & ESG issues





2. Start analysing existing impact data for baseline



3. Start asking 'So What' and be outcome-focused



4. Start integrating sustainability into organisational roles with reporting structures





5. Start engaging with stakeholders

ESG & Impact washing

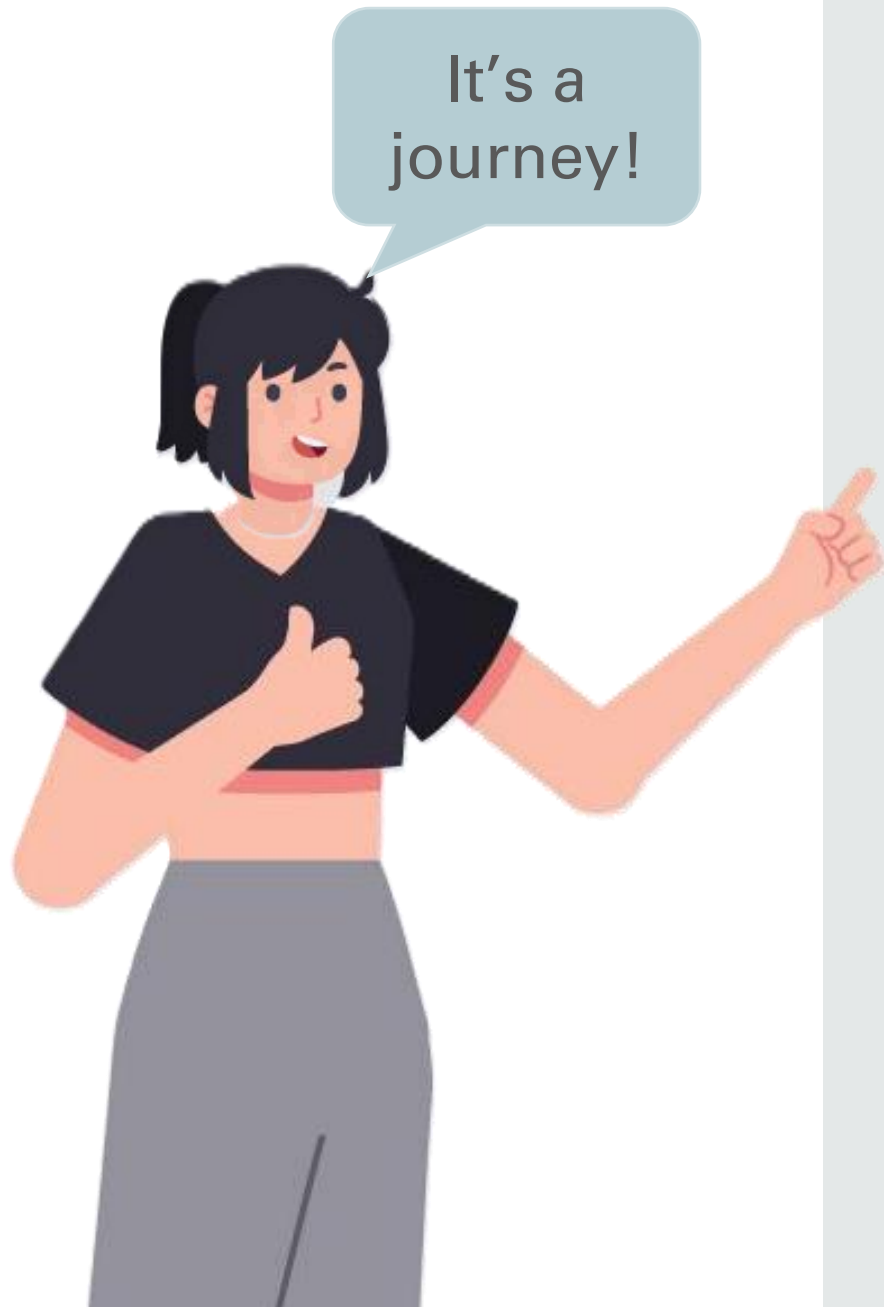
- * ESG and impact for decision-making, not marketing or public relation
- * Transparency and progress



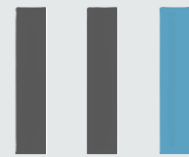
Towards a Just Transition

- * Upcoming mandate for 'S': CSRD, ISSA5000, social taxonomy, XRB
- * Advancing climate action, socio-economic equity and increase community voices
- * Impact as a norm to access capital / competitive edge





Call for action towards inclusive and equitable practices!

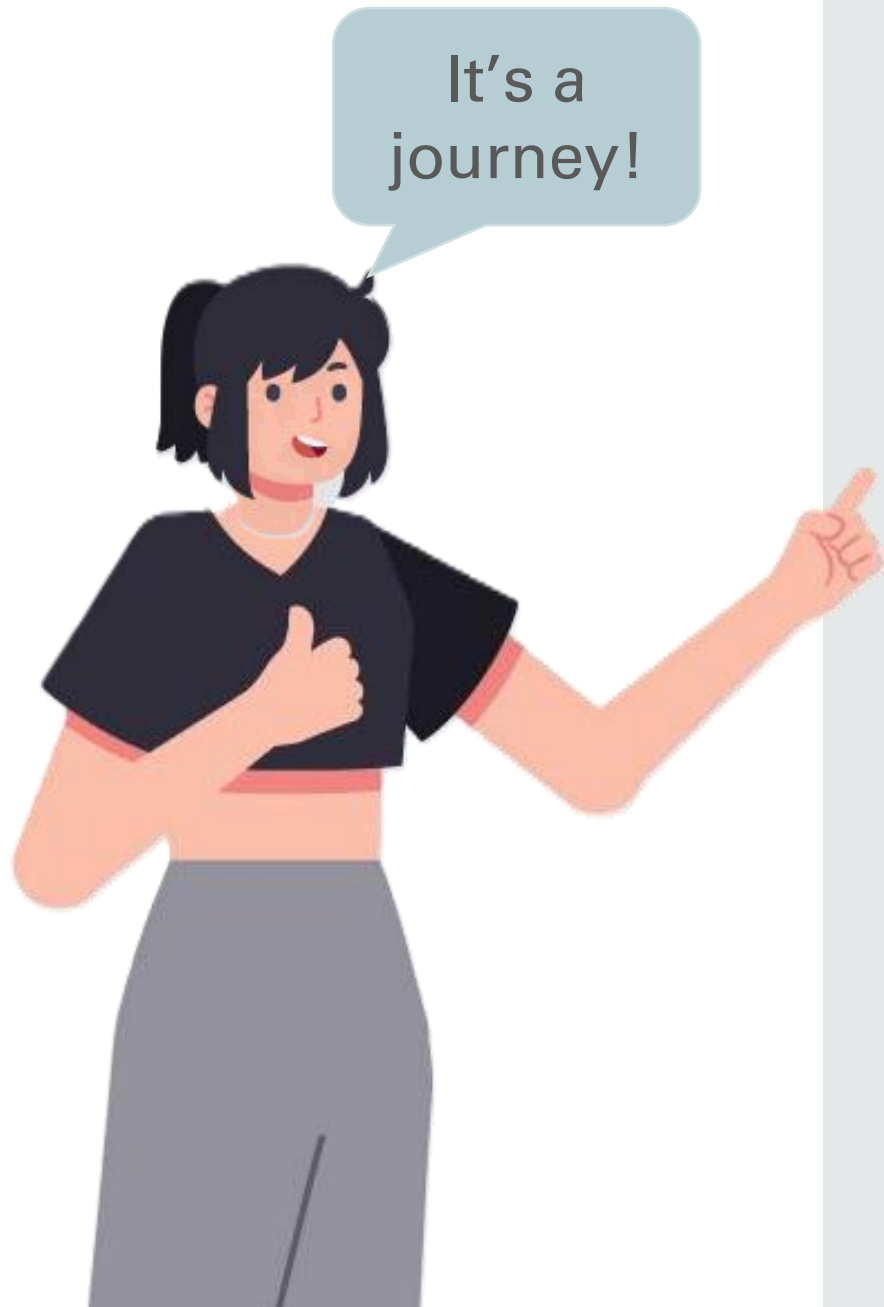


The
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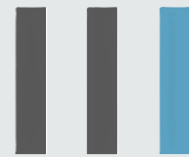
Safe Wongsunopparat

safe@thirdlineimpact.com

www.thirdlineimpact.com



Call for action towards inclusive and equitable practices!



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Additional resources

Global Frameworks

- * SDG Impact Standards for Enterprises
- * Duke University IMM course
- * Social Value International - The Principles of Social Value
- * The Impact Frontier – Impact Norm - Five Dimensions of Impact

NZ Guidance & Reports

- * CAANZ guide – Measuring social impact for better reporting
- * Sustainable Business Council – Strengthening the ‘S’ in ESG
- * Treasury’s wellbeing framework

