

# **Becoming Sustainable: A Treasurers Journey**

## Introductions



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## Why is ESG an Important Topic Today?

The transition to net zero carbon emissions presents a clear opportunity for financial institutions, organizations and businesses to set the global economy on a more sustainable, resilient and inclusive path.

### More than one-third (702) of world's largest publicly traded companies now have net zero targets, up from one-fifth (417) in December 2020.



Where do you start in terms of developing and implementing an Environment, Social, Governance (ESG) strategy?

### **Panelist Questions**

- How did you determine what your ESG goals were and who in your organization drove the initiative?
- What considerations did you need to take into account in determining your approach?



### Starting your ESG Journey...and Moving it Towards Success

- The Materiality Assessment is moving towards the concept of "Double Materiality"
- Scope Three can no longer be a "future concern" but often needs to be the first thing you tackle
- ESG and climate can't be the job of one small function but has to be embedded across an
  organization at all levels top down and bottom up action. And the E (Environmental) and S
  (Social) have to be in equal balance of priority, with the G (Governance) driving transformation.
- Seek tools to help drive your strategy that are credible, broadly applicable and speak the language of all your key stakeholders:
  - CDP & the Science Based Targets Initiative
  - NYU Stern's School of Sustainable Business ROSI methodology (Return on Sustainability Investment) helps sustainability, procurement and finance to speak the same language and examine potential initiatives together
  - BSR's Transform to Net Zero Group publishes transformation guides for companies at all stages of ESG strategy



## Aim to be in the 2%

- According to a Bain & Company study, 98% of Sustainability Programs Fail
- Advice from Jaison John, a top ESG Advisor, says reasons include:
  - **1.** Absence of a robust business case
  - 2. Misalignment in leadership values and corporate vision
  - **3.** Failure to prioritize sustainability goals and make public commitments
  - 4. Lack of incentives for employees and business partners
  - **5.** Weak business processes and systematic controls

<u>All of the above would benefit from the partnership and inclusion of internal finance leaders and external partners like banks.</u>



Integrating ESG programs into a treasury strategy can facilitate brand recognition, operational cost savings and ultimately help businesses to grow.

### **Panelist Questions**

- How are you measuring quantitative and/or qualitative progress to achieving your company's overall ESG goals?
- What were the key hurdles and/or roadblocks you have encountered along the way?

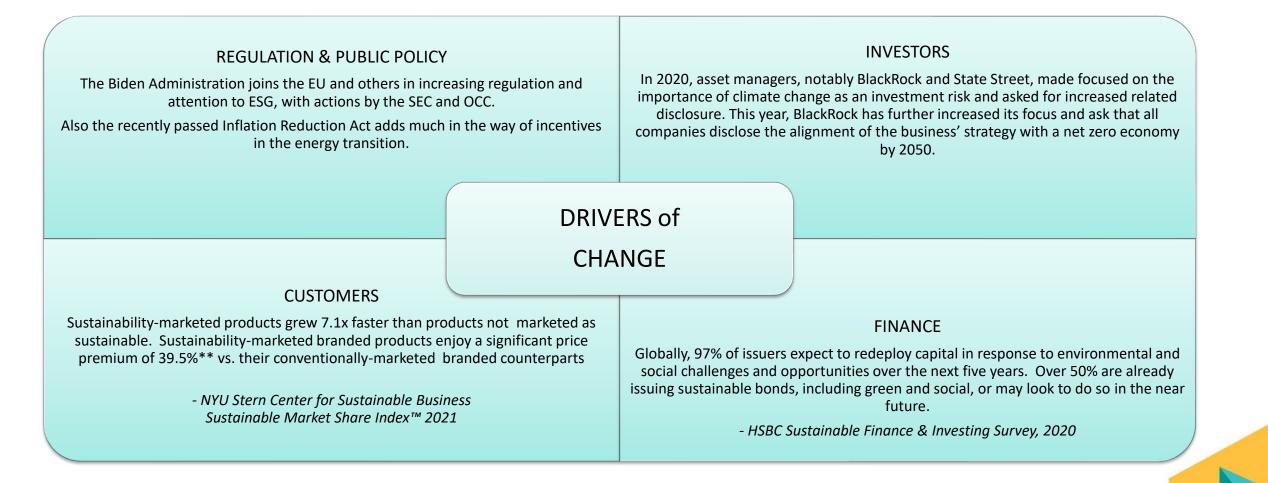


While companies have established ESG goals, treasury groups are often left with questions on how to translate expectations into tangible results.

### **Panelist Questions**

- How do you identify key stakeholders of your ESG strategy and how did you bring them to the table/convince?
- Which stakeholders were the most challenging and how did you work with them?







## **The ESG Road Ahead**

Treasurers should look to their banks and financial partners to help:

- build their strategies
- Provide financing
- Unlock investments

For some, that will require changes they will need to plan for in order to meet a new system of sustainable goals. For others it may be a short, single change in the way they do business.







## **QUESTIONS?**



