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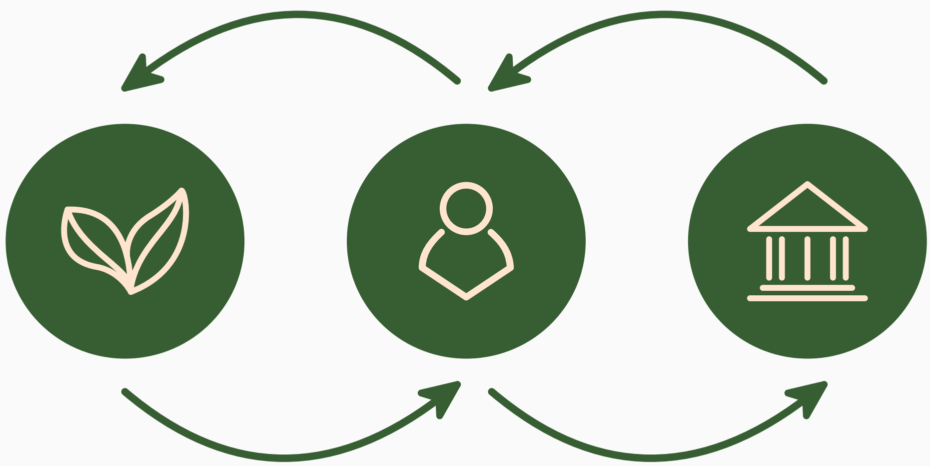
What is ESG?

A Beginner's Guide



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What is ESG?

ESG (Environmental, Social, and Governance) criteria screen investments based on a corporation's policies and practices, helping stakeholders assess how organizations manage risks and opportunities across these areas.

ESG investment, currently valued at **$30.3 trillion**, is projected to exceed 20% of assets under management in the coming years—making it crucial for business leaders.

Environmental

Environmental criteria considers the **organization's impact on the environment and how it manages climate-related risks.**

Factors include direct and indirect greenhouse gas emissions, stewardship over natural resources, and resilience against climate risks.

Social

Social criteria considers **the organization's relationship with stakeholders.**

This includes employees, community, and consumers. Factors include fair wages, community impact, and ethical supply chains.

Governance

Governance criteria considers how the **organization is led and managed, as well as the risks associated with its internal governance structure.**

Factors include executive compensation structures, shareholder rights, diversity measures, and internal controls to promote transparency in the organization.

How does ESG create value for your business?

Revenue Growth

- **Appeal to environmentally conscious consumers**: upwards of 70% of consumers surveyed across different industries said they would pay an additional 5% for a green product, performance being equal.
- **Strengthen brand** and achieve organic growth by building stronger relationships with the local community and government.
- **Combat rising cost**s of raw materials costs through increasing resource efficiency.

Regulatory & Legal Resilience

- **Stay ahead of disclosure laws** by voluntarily reporting GHG emissions and ESG metrics.
- Strong ESG performance **reduces the risk of government action and increases support.**

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Increased Productivity

- Strong ESG practices can help companies attract and retain top talent by **instilling a sense of purpose.**

- Positive social impact correlates with **higher job satisfaction** in the workplace.

- Poor governance practices can **drag down productivity** through strikes, worker slow downs, and other labor actions

Investment & Asset Optimization

- With ESG-focused institutional investment forecasted to hit over $30 trillion by 2026, improving ESG metrics may allow your company to **access cheaper sources of capital.**

- Considering ESG factors when making capital expenditures can **reduce exposure to risks** associated with regulatory responses to rising emissions & climate change.

Looking to optimize growth, boost productivity, and strengthen your regulatory resilience with **tailored ESG solutions?**

Contact Fruuit today to create a custom ESG model that **reflects your values and maximizes your impact.**

Make your investments work smarter and drive real change!

Chat with us

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