

# Building a common understanding: Presenting the ESG business case

*ESG in the investment cycle*

<b>ESG FACTORS (not comprehensive)</b>						
<b>ENVIRONMENTAL</b>		<b>SOCIAL</b>			<b>GOVERNANCE AND BUSINESS INTEGRITY</b>	
<b>Environmental standards and processes</b>	<b>Environmental products and services/voluntary certifications</b>	<b>Labour and working conditions /OHS</b>	<b>Local communities</b>	<b>Corporate governance</b>	<b>Business integrity</b>	
<b>Revenue growth/ market access</b>	Revenue from voluntary emission reduction markets/schemes.	Access to premium markets.	Cost savings from preventing accidents.	Production of 'base of the pyramid' products and services that address local needs and markets.	More efficient and informed decision-making.	Ensuring the continuity of revenue streams.
<b>Cost savings/ productivity gains</b>	Lower input levels (e.g. raw materials, energy) and waste management costs.	Products with smaller environmental footprint may lead to cost savings (e.g. through re-used materials).	Better staff productivity and lower compensation/ remediation costs linked to accidents.	Lower compensation costs due to early engagement and adequate project design.		Eliminating the costs of paying bribes and other unlawful payments.
<b>Access to capital</b>	Easier access to funding. DFIs, equator banks, Export Credit Agencies and other entities require compliance (within a reasonable timeframe) with GIIPs.				Increased investor comfort in the organisation.	Robust BI policies indicate a culturally aligned partner.
<b>Risk management/ licence to operate</b>	Less down time. Avoidance of fines.	Certification audits that identify and address risks/gaps.	Lower staff turnover and down time. Avoidance of fines.	Reduced risk of tensions with local communities. Secure social licence to operate.	Better identification of risks and opportunities.	Reduced risk of prosecution/ avoidance of fines.
<b>Human capital</b>			Lower staff turnover.	Employing workers from local communities.		More confident and valued workforce.
<b>Brand value/ reputation</b>	Improved reputation and higher brand value due to the implementation of GIIP, robust governance and BI policies and practices.					

Abbreviations: BI, business integrity; DFIs, development finance institutions; GIIP, Good International Industry Practices; OHS, occupational health and safety.