



AIA CES Information


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I. Environmental,
Social, and
Governance –
The Basics

II. ESG Impact to
Design Firms

III. Victor's *new* ESG
Risk Rating Tool

Agenda

ESG- Starting with
the Basics

1

What is ESG?

Environmental, Social, and Governance

Categories of Risk Factors for Sustainable Investing

Framework for Assessing Corporate Performance

Against Inter(nationally) Accepted Performance Standards


on ESG-related risk factors

VICTOR

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ESG Categories of Risk Factors




Environmental Issues

- Climate Crisis
 - Physical risks
 - Transition risks
 - Reputation risks
- Biodiversity
- Resource Constraints (energy, water, minerals, building materials, etc)
- Pollution
- Solid Waste



Social Issues


- Talent shortages;
- Upskilling/Training Workforce
- Social Unrest (Discrimination, Wealth Disparities, Pay Disparities, Social Equity, etc.)
- Workforce Safety
- Cyber Data Breaches
- Human rights/child labor
- Supply Chain Vulnerabilities
- Community Engagement
- Ethics/Compliance/Corruption



Governance

Managing Environmental and Social Risks and Optimizing Opportunity through:


- Controls – practices, procedures, policies to comply with laws, regulations, industry best practice
- Reporting – voluntary and/or mandatory disclosures on ESG performance metrics
- Resilience – strategic management of ESG risks now and in the future



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Environmental Issues



Environmental Issues


- Climate Crisis
 - Physical risks
 - Transition risks
 - Reputation risks
- Biodiversity
- Resource Constraints (energy, water, minerals, building materials etc)
- Pollution (air and water)
- Solid Waste



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Social Issues



Social Issues

- Talent scarcity
- Upskilling/Training Workforce
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Governance (“G”) Issues k for Managing “E” and “S”





Governance
Managing Environmental and Social Risks and Optimizing Opportunities through:

- Controls – practices, procedures, policies to comply with laws, regulations, industry best practice
- Reporting – voluntary and/or mandatory disclosures on ESG performance metrics
- Resilience – strategic management of ESG risks now and in the future


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What’s Driving ESG







Investing, Underwriting, and Lending Decision-Making Requires More


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Doing “More” Means Broadening Financial Assessment




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Good Metaphor



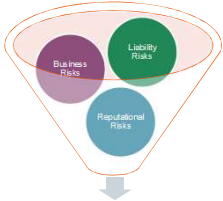
Deeper Look at a Firm's

- strategy for managing ESG risks
- vulnerabilities and impacts on profit
- optimal positioning in a changing market




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What's at stake without a “deeper look?”

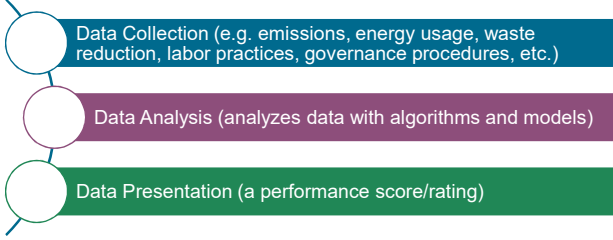


Heightened Risks Threaten
Financial Performance



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ESG Risk Rating Tools



1 Data Collection (e.g. emissions, energy usage, waste reduction, labor practices, governance procedures, etc.)

2 Data Analysis (analyzes data with algorithms and models)

3 Data Presentation (a performance score/rating)

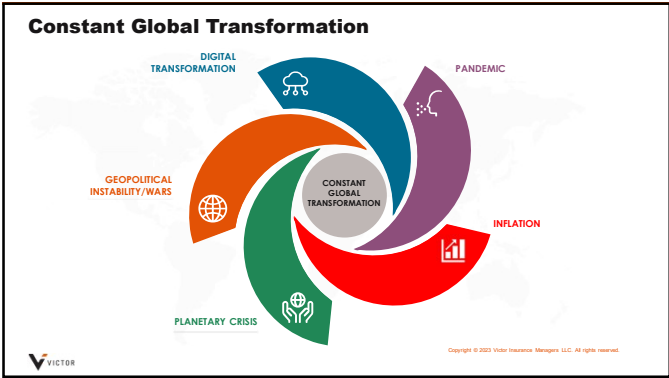


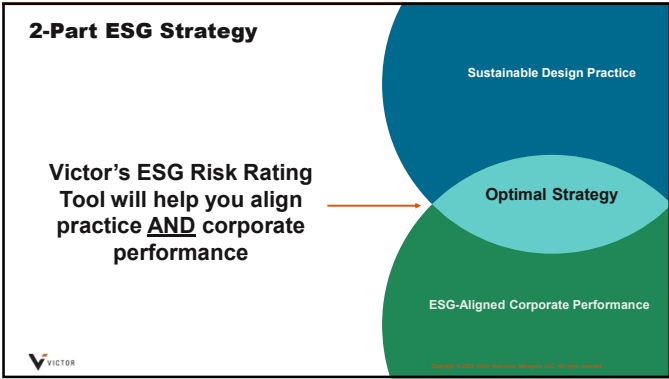
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Self Assessment with a Scorecard

Facing the future of risk, together.

Introducing Victor's ESG Risk Rating self-assessment tool.

Questions Based on Inter(nationally)-Recognized Industry Frameworks:

International Organization for Standardization.

The European Union Taxonomy for Sustainable Activities.

✓ Task Force on Climate-related Financial Disclosures.

World Economic Forum (2020): "Measuring stakeholder capitalism..."

✓ Sustainability Accounting Standards Board.

✓ Global Reporting Initiative.

Organisation for Economic Co-operation and Development.

United Nations Environment Programme Finance Initiative: Principles for Sustainable Insurance.

Key Sustainability Banking Principles.

Question Format

Most are yes/no.

Some are multiple choice with numerical answers.

No need to provide any documentation in the assessment

[illegible][illegible][illegible]

Question Sequence

Remaining Questions

Insight into
HOW your
company
manages
and plans
for ...

- climate issues
- biodiversity
- air/water pollution
- solid waste generation
- resource scarcity
- talent scarcity
- dignity and equality issues
- health and well-being of employees
- community engagement
- upskilling workforce
- training on ESG risks
- ESG risks with protocols and procedures
- reducing ethical breaches
- reducing cybersecurity breaches
- engaging with project stakeholders, clients and customers, and the community
- vulnerable supply chain issues

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ESG Risk Rating

(Environmental, Social, and Governance (ESG))

See Appendix for
Full List of
Questions

GUIDANCE DOCUMENT

Questions (1/1)				
---SAMPLE PAGE---				
Theme	#	Question (Full)	E, S or G	Controls, Reporting or Resilience
Health and Wellbeing	Q01	Does the company have an Occupational Health & Safety policy?	G	Con
	Q02	Has the company adopted the ISO 45001 'Occupational Health & Safety Management Systems' or equivalent external certification?	G	Con
	Q03	a)ISO-Adopt Occupational Health & Safety Management Systems	G	Con
		b)Equivalent external certification (please specify)	G	Con
Health and Wellbeing	Q03	c)Company does not have any Occupational Health & Safety System in place	G	Con
		Does the company have specific policies in place on the following areas?	G	Con
		a)Hazard identification	G	Con
		b)Health & Wellbeing risk assessment	G	Con
Health and Wellbeing	Q04	c)Incident investigation	G	Con
		d)Company does not have policies and procedures on the above areas	G	Con
		Has the company had any work-related injuries and / or fatalities in the last three years? (Tick all that apply)	S	Res
		a)Company had work-related injuries	S	Res
Health and Wellbeing	Q05	b)Company had work-related fatalities	S	Res
		c)Company did not have any work-related injuries or fatalities in the last three years	S	Res
		Does the company facilitate employee access to non-occupational medical and healthcare services and / or voluntary health promotion services?	S	Con
		Has the company adopted a multi-year investment program including training for the optimization of the occupational health and safety management?	S	Res
Health and Wellbeing	Q07	Does the company have policies and procedures to comply with their obligations under employee data protection laws?	S	Con
	Q08	Does the company offer options for flexible working for their employees?	S	Con

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Does the organization have a supplier diversity program? ⓘ

☐ Yes☐ No

A diverse supplier is a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group. Common classifications are small-business enterprises (SBEs), minority-owned enterprises (MBEs), and woman-owned enterprises (WBEs). Over time, the definition of diversity has expanded to businesses owned by other minority groups such as LGBTQ, veterans, and proprietors with disabilities.

Source: Harvard Business Review

Source: Harvard Business Review.



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- [Live Demo View](#)



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Getting an ESG rating at no cost

De-risking your ESG journey with a **confidential** self-assessment

Accessing a data-driven approach to evaluating ESG risks and opportunities

Having a credible scorecard that you can share with stakeholders...or improve on

Building a resilient business model that accounts for emerging and future risks

Benchmarking your position in the market

Positioning your firm competitively (as a credible client advisor who knows ESG)



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