

# Leading with the Environment for Leadership North Carolina

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## Environmental, Social & Governance

- ESG is a framework for managing risks and opportunities relating to sustainability topics.
- **Environmental:** Organization's environmental impact and risk management, which includes greenhouse gas emissions, natural resources impact and climate risk resiliency.
- **Social:** Organization's relationship with stakeholders including employees and communities in which it operates.
- **Governance:** How an organization is led and managed, which includes leadership's incentive structure, shareholder rights and internal controls for transparency and accountability.



## SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

<b>1</b> NO POVERTY 	<b>2</b> ZERO HUNGER 	<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>4</b> QUALITY EDUCATION 	<b>5</b> GENDER EQUALITY 	<b>6</b> CLEAN WATER AND SANITATION 
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>10</b> REDUCED INEQUALITIES 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 
<b>13</b> CLIMATE ACTION 	<b>14</b> LIFE BELOW WATER 	<b>15</b> LIFE ON LAND 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 	<b>17</b> PARTNERSHIPS FOR THE GOALS 	

## 13 CLIMATE ACTION



- **13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- **13.2** Integrate climate change measures into national policies, strategies and planning
- **13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
- **13.A** Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible
- **13.B** Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities

## Key Findings from Deloitte's 2022 Survey

- 1. Nearly 3 in 5 (57%) executives report having implemented a cross-functional ESG working group** tasked with driving strategic attention to ESG and another 42% are taking steps to do the same. A similar profile of survey respondents in 2021 indicated that only 21% had implemented a cross-functional ESG working group.
- Many companies report being prepared to disclose Scope 1 GHG emissions (61%), and **more than 3 in 4 (76%) executives are prepared to disclose Scope 2 GHG emissions, a noteworthy increase from 47% in 2021.** However, Scope 3 disclosure is still a work in progress, with only one third (37%) of respondents currently prepared to disclose details, a modest increase (31%) from 2021. The vast majority (86%) reported challenges measuring Scope 3 GHG emissions.
- 3. While most companies are taking meaningful steps toward enhancing sustainability disclosures, challenges remain.** Companies are concerned about the accuracy and completeness of sustainability data. **Executives list quality (35%) as the top data challenge, up from 25% in 2021.** Another 25% cited access to data as the greatest challenge, a slight decrease from the 32% cited by a similar profile of respondents in 2021.

Source: Deloitte

## Some Top Environmental Risks to Ponder

### Physical

- Increasing Frequency & Intensity of Extreme Weather
- Increasing Droughts & Water Scarcity
- Sea Level Rise
- Loss of Biodiversity

### Regulatory & Financial

- Regulatory Limits on Greenhouse Gas Emissions
- Increased Disclosure Requirements for Climate-Related Risks
- Increased Costs & Difficulty for Waste Disposal
- Increases in Cost of Insurance or Unavailability

# Discussion