

How will ESG performance shape your future?

EY Caribbean supporting the region in an ESG transition.



The better the question. The better the answer.
The better the world works.



Building a better working world

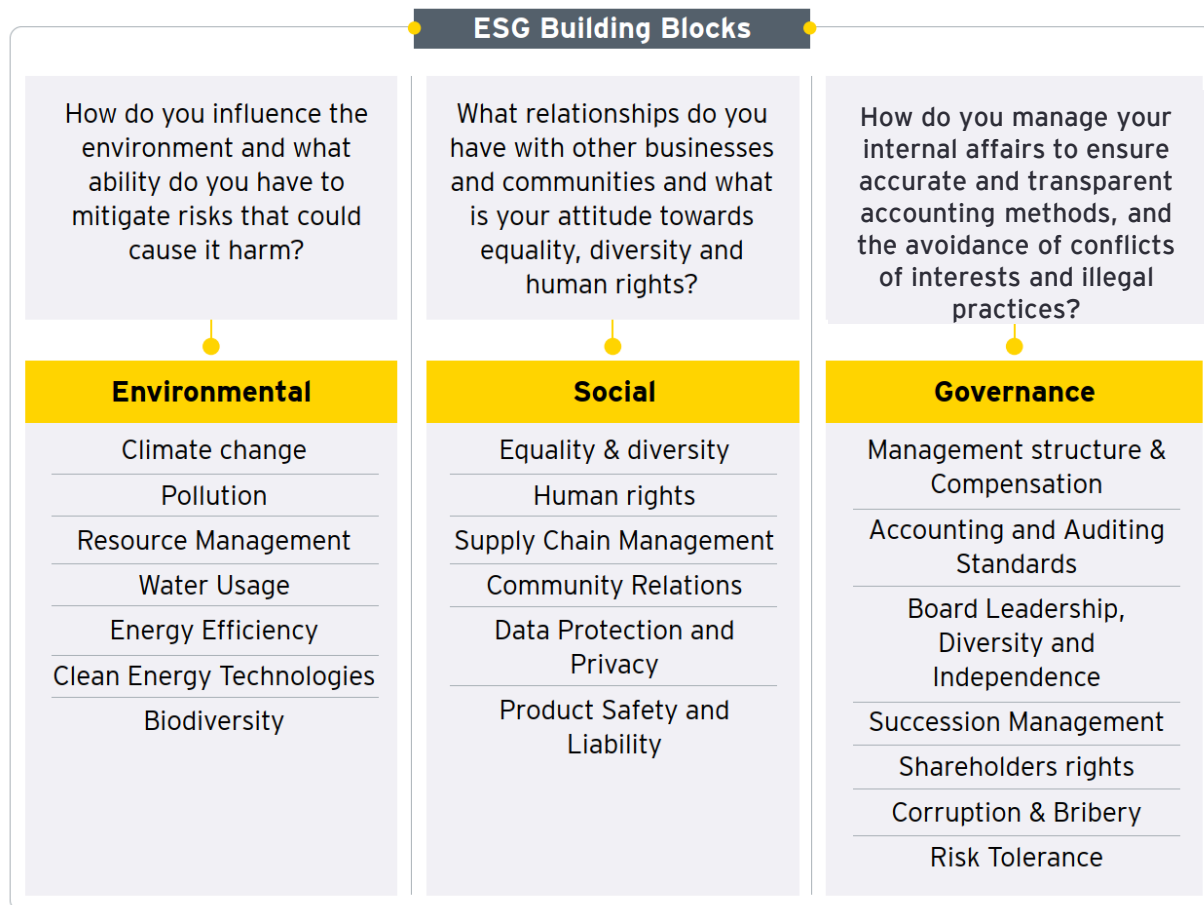
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Environmental, Social, Governance ('ESG'), along with sustainability strategies are helping companies leverage opportunities for business development and empowering social growth

Companies are using non-financial metrics to measure their commitment to environmentally-conscious, socially-responsible, and ethical operations and governance. ESG frameworks identify business risks and opportunities to **empower social growth** which unlocks future performance and long-term shared value.



Future performance

Companies proactively identify market trends to reduce risk and seize opportunities to create shared value for stakeholders and offer a competitive advantage, while avoiding declining revenue streams.

Long-term value

Stakeholders are empowered with knowledge to make informed decisions, which encourages companies to prioritize ethical and equitable growth.

Genuine sustainability commitments

Companies communicate their commitments, successes and challenges to growth, which can enhance public support, cultivate new partnerships, and enhance trust and loyalty with stakeholders.

Private sector in the Caribbean is positioned to excel in ESG and sustainability

COP26

COP26 highlighted the **strong need and opportunity for business transformation in the Caribbean**. The Caribbean must evaluate worst case scenarios for adaptation, while reducing Green House Gas (GHC) to create the right conditions for investment. Corporate pioneering is vital in achieving goals set by the Paris Agreement.

Carbon credits

Increased recognition of the importance of mitigating the effects of climate change and preserving natural capital. Caribbean countries are exploring **monetization of natural capital preservation and compensation** for the conservation of ecosystem services in alignment with their Nationally Determined Contributions (NDCs).

Funding opportunities

The Green Climate Fund has allocated over USD \$1.2 billion to Small Island Developing States for **“green project” development that supports sustainable development, builds resilience and advances adaptation**. Ex: Partnering with the EU to develop projects aimed at enhancing T&T's green economy, the digital economy, water resources, revitalizing the cocoa industry and innovation.

Other **green funds and financing**

- ▶ CDB
- ▶ JSE Green Bonds Project
- ▶ MPC Caribbean Clean Energy Fund
- ▶ UAE-CCEF
- ▶ IRENA Energy Transition Accelerator Financing Platform

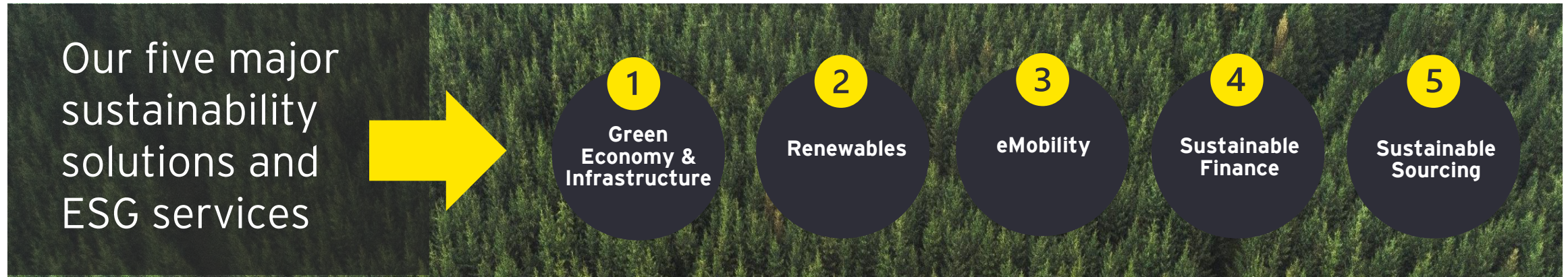
ESG reporting

Increased **consumer and investor demand for reporting on ESG considerations** is shifting the landscape. 60% of listed companies in the TTSE already report on Corporate Social Responsibility, and one has already made the transition to reporting on ESG since 2021. Companies are strategizing for ESG implementation.

Shift to renewables

Governments decreasing the proportion of fossil fuels in energy mix to fuel a green transition. There is increasing **investment in renewables across the Caribbean**, including solar parks, wind and hydro development. Ex: Solar parks, wind, and hydro project development.

Our ESG and sustainability services deliver five major sustainability solutions



Strategy	Reshaping results	Corporate finance	Buy and integrate	Sell and separate
<ul style="list-style-type: none"> ▶ Megatrends, regulations, scenario modelling ▶ Purpose-led, sustainability and ESG strategies ▶ Enterprise strategy, business model innovation ESG/Sustainability operations strategy ▶ ESG/ Sustainability roadmap and implementation ▶ Strategic portfolio review ▶ Transaction strategy 	<ul style="list-style-type: none"> ▶ Strategic portfolio review/ Reshaping portfolios ▶ Green debt restructuring ▶ Business model assessment ▶ Value creation services 	<ul style="list-style-type: none"> ▶ Green infrastructure advisory ▶ Economic advisory & business case modelling ▶ ESG finance, incl. green bonds and social bonds ▶ ESG Capital allocation services ▶ Grants and incentives 	<ul style="list-style-type: none"> ▶ Transaction strategy (M&A strategy, deal sourcing / origination) ▶ Value creation services ▶ Valuation and modelling ▶ Tax structuring services ▶ ESG due diligence 	<ul style="list-style-type: none"> ▶ ESG due diligence ▶ Strategic portfolio review and optimization ▶ Valuation & modelling ▶ Transaction strategy (divestment strategy) ▶ Equity story development ▶ Tax structuring services ▶ Value creation services: improvement of the remaining business

Our role in transforming your reporting to ESG and non-financial reporting

Centering **non-financial reporting and disclosure** in your business

Our ESG and sustainability services help clients create long-term value, transformation and ultimately a new 'business as usual' - through reporting strategy, assurance readiness, and attestation and accelerating delivery of sustainability targets and goals.

Our role

1

Reframe initiatives in alignment with ESG metrics

2

Measure real and sustained impact of initiatives and operations

3

Establish tangible, goal-oriented strategies

4

Communicate your ambitions and achievements

ESG strategy next steps

- ▶ Enhancing awareness and knowledge
- ▶ Engaging with stakeholders' values and priorities
- ▶ Drafting policies that encompass your vision
- ▶ Defining KPIs and the value you create
- ▶ Setting goals and meeting targets
- ▶ Implementing your sustainability program and strategy
- ▶ Measuring your impact at a company and community level
- ▶ Re-engineering your Annual Report
- ▶ Communicating your commitment to stakeholders

Our ESG & Sustainability services development team



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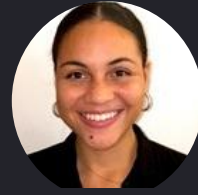
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Our ESG and Sustainability team's experience equips us to help our clients navigate this emerging ecosystem.

1. Environmental policy review and analysis
2. ESG communications, training, workshopping and committee management
3. Sustainable CSR & community development engagement
4. Sustainable strategy and environmental risk management
5. ESG disclosure, reporting and transparency
6. Natural resource, waste and landfill management
7. Circular operations management
8. Environmental management

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