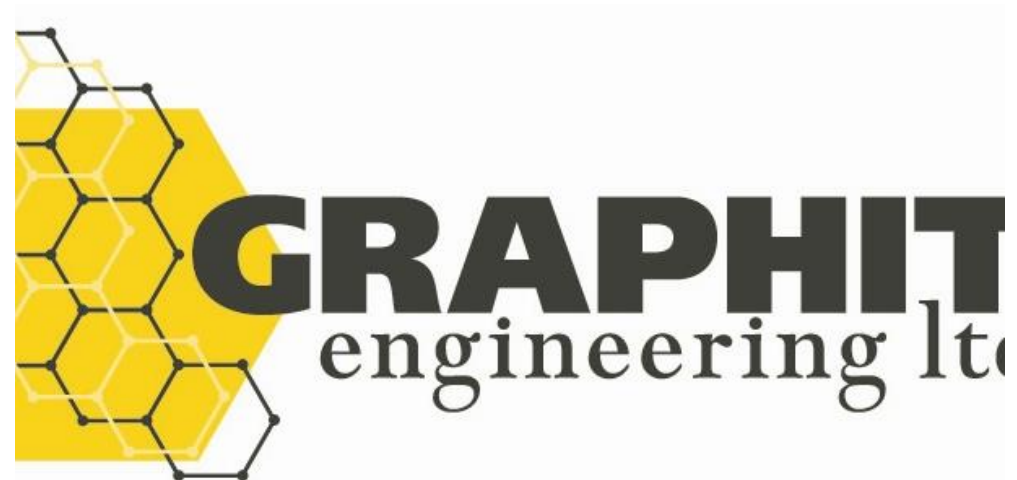


Environmental, Social and Governance (ESG) Reporting Readiness: Taking Steps to Maximize Benefits

Grand Bahama Business Outlook
March 16th, 2023



ESG REPORTING READINESS



What is ESG?

Governance criteria refers to a **company's leadership & management philosophy, practices, policies, internal controls, and shareholder rights.**



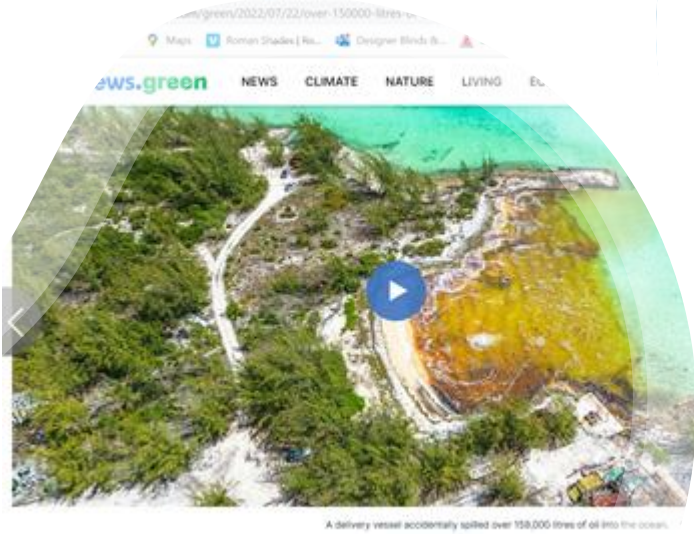
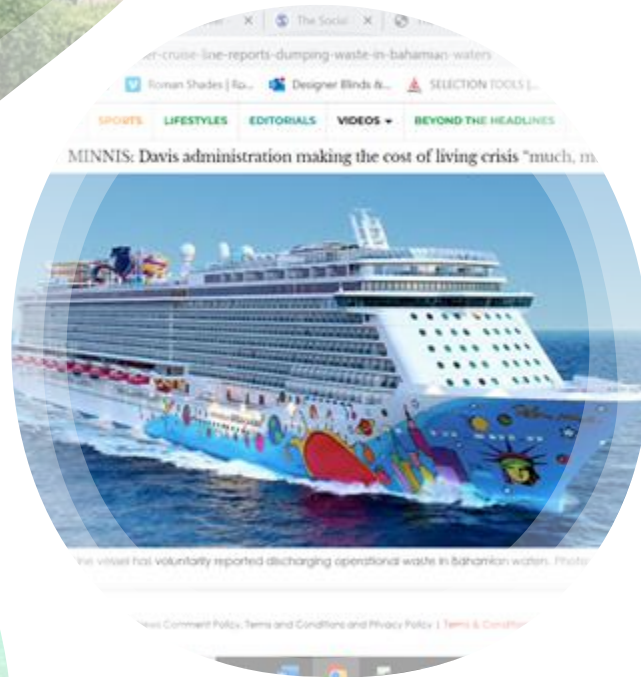
Environmental criteria addresses a **company's operations environmental impact, and environmental stewardship.**

Social criteria refers to **how a company manages relationships with and creates value for stakeholders.**

Bahamian Context



- Bahamas heavily dependent on foreign direct investment
- Signatory 2015 Paris Agreement
- Climate Change and Carbon Market Initiatives Act, 2022
- Carbon Credit Trading Bill, 2022
- 30% reduction GHG by 2030
- 30% of energy mix – renewables
- Benefits everyone



Sustainability Issues

- Unfair labour practices
- Oil spills
- Indoor air quality issues linked to sickness & death
- Cruise ship waste
- Developers failing low income families- flooding issues
- Subversion of immigration laws



ESG Reporting by International Companies resident in Bahamas

- Brookfield Asset Management- Atlantis
- Chow Tai Fook- Baha Mar
- Four Seasons
- Disney
- Carnival



European Union

Who has to comply



- Environmental protection
- Social responsibility and treatment of employees
- Respect for human rights
- Anti-corruption and bribery
- Diversity on boards- age, gender, educational and professional backgrounds

New Reporting Requirements

Double materiality – financial & impact

Sustainability risk including climate change – affecting company

Companies impact on society

What process is being used to select material topics for stakeholders

Forward looking information- target and progress

Intangibles-social, human and intellectual capital

Reports in line with Sustainable Finance Disclosure Regulation (SDFR) and EU Taxonomy regulation



Audit and EU Taxonomy



Integration in auditor's report



Key audit partner must be involved



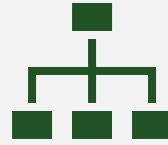
Scope to include EU taxonomy and process to identify key relevant information



Building an ESG roadmap

- Voluntary frameworks
 - GRESB
 - TCFD
 - UN PRI

Conduct an ESG Gap Analysis



Current level of ESG integration within the organization



The investment structure and ability to influence operations



What the company has defined as materially important

Transitional Risks- Managing & Addressing

- Policy changes
- Reputational impacts
- Market preferences
- Technology

Two risks don't
make a right."

Michael Greger

veganposters.com

Data Analysis

- What data is readily available
- What's missing and easily attainable
- What's missing but difficult to collect
- (greenhouse gas emissions is an example)



Build a Roadmap



Realistic



Timelines

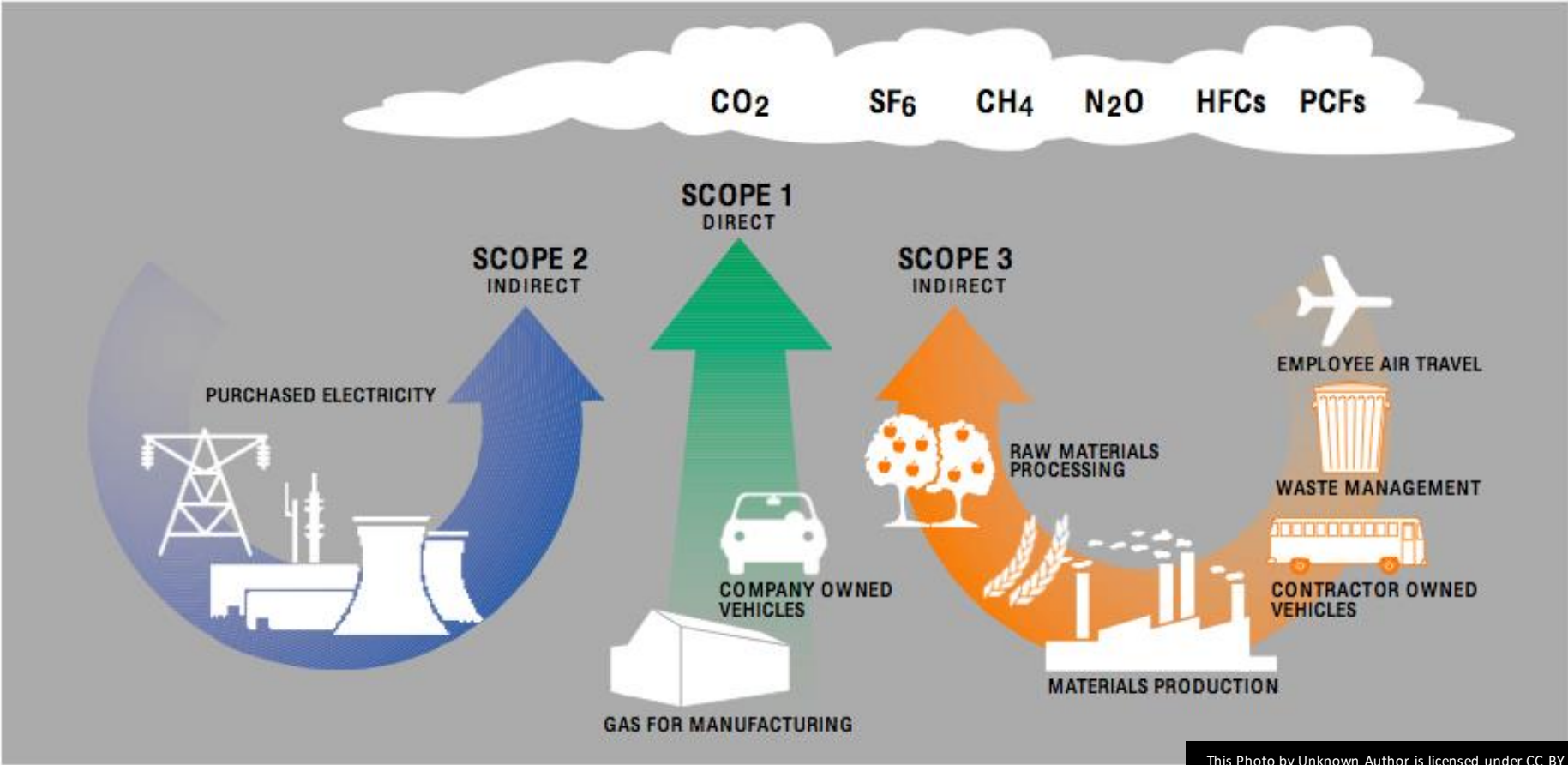


Implementation



Awareness of challenges

Example- emissions tracking



SUMMARY

| | |
|---------|--------------------------|
| Conduct | Conduct ESG Gap Analysis |
|---------|--------------------------|

| | |
|---------|----------------------------|
| Examine | Examine transitional risks |
|---------|----------------------------|

| | |
|---------|-------------------------|
| Perform | Perform a data analysis |
|---------|-------------------------|

| | |
|----------|--------------------------------|
| Build in | Build in governance procedures |
|----------|--------------------------------|

| | |
|---------|-------------------|
| Develop | Develop a roadmap |
|---------|-------------------|

THANK YOU

