

BRAND ESG ENGAGEMENTS AND SUSTAINABLE EVENTS & EXPERIENCES

Just as sustainability has become a matter of concern to individuals and society, Environmental, Social and Governance (ESG) considerations have become increasingly important to business risk mitigation and the growing expectation and scrutiny around responsible business practice. So how do brands make an impact?

The power of human connection, communication and, by extension, brand experiences is undeniable. FIRST spent 18 months developing an honest and robust ESG audit and strategy. Our goal? Create meaningful change for our People and our Planet.

In a special two-part FIRST inSIGHT series, we will showcase data-backed guidance and crucial futurefocused forecasts for brands at any stage of their sustainability journey looking to make an impact.

But FIRST...

What do we mean by sustainability?

While sustainability is often only associated with environmental impacts, it also encompasses social and economic issues.

So what is "ESG"?

Environmental, Social and Governance is the framework an organization adopts to measure their environmental and social performance. It's key for business risk mitigation and can be a helpful step to solidify stakeholder buy-in.

Now that we have the basics covered, let's review societal expectations and consumer behaviors around brand sustainability engagement and how events & experiences can drive ESG forward.

SOCIETY **IS CHANGING**

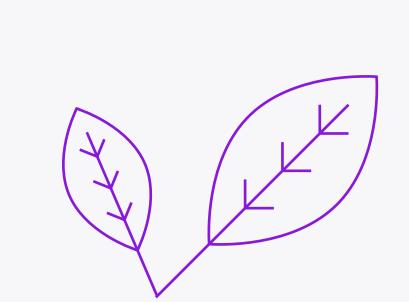


More than 2 in 3 global consumers say environmental issues are significantly (very or extremely) important to them source: IBM IVB, 2021

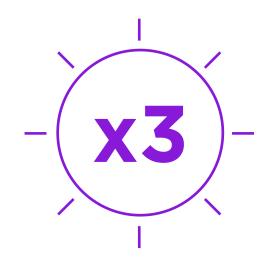


3 in 4 consumers say access to education and ensuring good health and well-being are significantly important to them. 72% said the same of ending poverty and hunger Source: IBM IVB

WE EXPECT STRONG **ENGAGEMENT FROM BRANDS AND ORGANIZATIONS**



Before COVID, 34% of exhibitors and 36% of 73% of exhibitors and visitors either agree or



Millennials place **3 times** the importance on ESG when making purchases compared to non-millennials

Source: RepTrack

visitors say they would not attend a trade show that does not have a responsible approach to sustainability Source: RepTrack

strongly agree that it is important for a tradeshow to display a strong commitment to sustainability Source: RepTrack

Consumers are asking brands to be accountable for their impacts and take the necessary steps to contribute positively to society, with millennials driving the trend. The events & experiences ecosystem is no exception with clear expectations from participants about meaningful environmental and social initiatives.







In the US, **64% of Americans** say protecting the environment should be a top policy priority, making it the second consideration just after strengthening the economy Pew Research, 2020

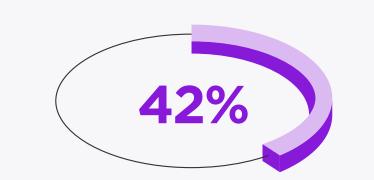


of global consumers say COVID-19 has influenced their views on sustainability IBM IVB

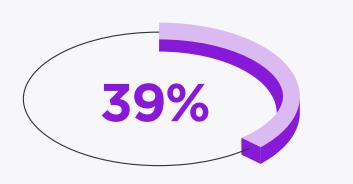
of UK CEOs experienced a focus-shift to the S of ESG during the pandemic

KPMG: UK CEO outlook survey 2020

74%



of event planners say their employer offered mental health support initiatives during the pandemic IBM IVB



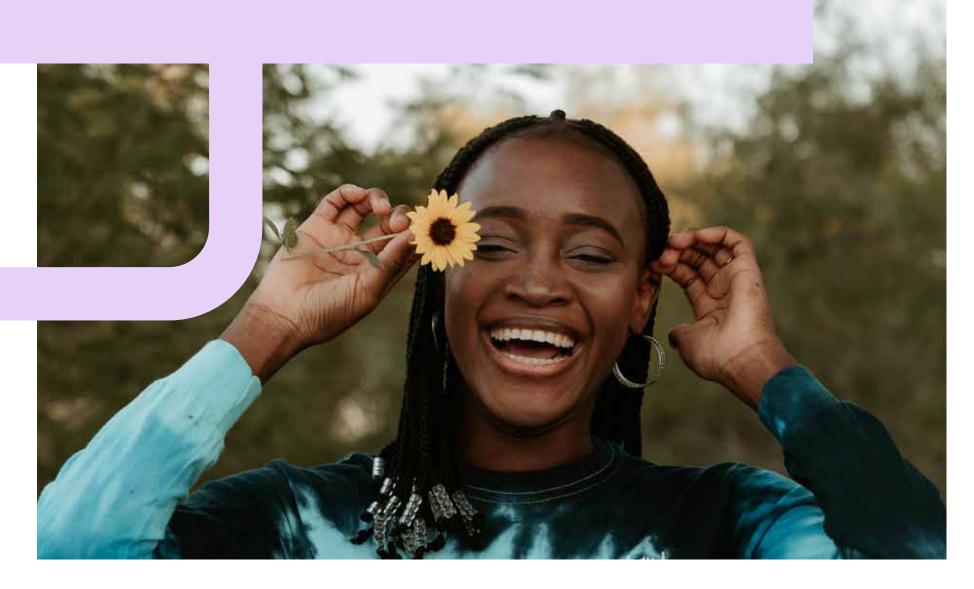
of event planners have changed the design of their inperson event from pre-COVID times to make more space for wellbeing initiatives KPMG: UK CEO outlook survey 2020

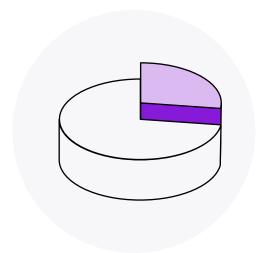
Although the strategic importance of ESG is widely recognized, event leaders and experience professionals are perceived as not being engaged enough on sustainability topics.

Additionally, the pressure on businesses from a wide range of stakeholders is growing, with greenwashing becoming a major concern for brands and consumers. As the Drum puts it, "the events industry has a greenwashing" problem by proxy: brands with sustainability credentials can't be seen to throw lavish and extravagant amounts of waste or unnecessary travel for the events and experiences they organise."

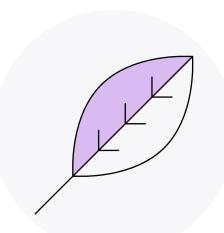
Event professionals have an important role to play in bridging this gap by advising brands on how to better align their corporate values within their events.

The COVID-19 pandemic has accelerated this trend and shifted focus to the social aspect with concern over people's physical and mental health. The hit faced by the events industry during the pandemic has led a good portion of event organizers to re-visit their internal priorities and content, by integrating more of the S (social) of ESG, specifically around wellbeing and mental health.





Only one quarter (26%) of event organizers agree to a great extent that sustainability is taken seriously by senior decisionmakers in their organizations Source: PCMA report





51% of events industry professionals said the industry isn't doing enough to become more sustainable Source: Conference news : shaping a sustainable future

67% of UK CEOs (72%, global) believe that stakeholder scrutiny

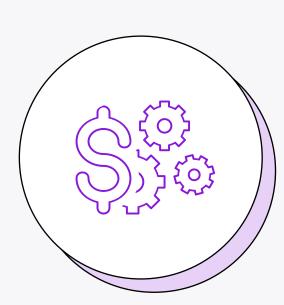
around ESG implementation will continue to accelerate

Source :KPMG: UK CEO outlook survey 2020

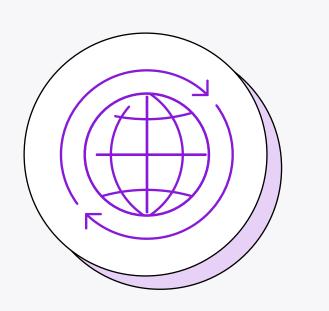
ASUSTAINABLE **EVENTS INDUSTRY**

EMPOWERS BRANDS AND SUPPORTS THEM IN MAKING THEIR ESG **COMMITMENTS TANGIBLE**

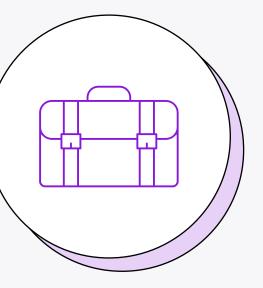
The Global Economic Impact of Events



\$621.4 billion (USD) direct GDP generated by business events globally



\$1.5 trillion (USD) accumulative contribution to global GDP



10.3 million people directly employed in events & experiences



26 million jobs (including indirect) generated globally in total



1.5 billion people attend business events each year

The change is taking place too slowly for

some, but the events & experiences industry

has been making good progress at integrating

sustainability. Brands working with responsible

without risk of misalignment with their values.

But we're not there yet, and most professionals

a role, but the perception that sustainability is

cost prohibitive is potentially hindering more

approach is proven to be more impactful

for brands than a one off event that feels

sustainability enough. The lack of education plays

rapid progress. A longer-term strategic, economic

believe the industry is not prioritizing

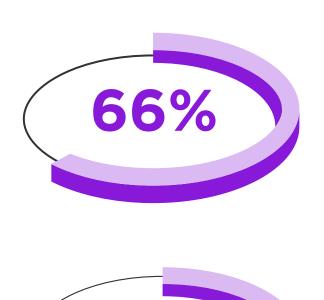
oragnizers can showcase their ESG engagements



1.7 trillion (USD) in resultant direct spend

Source: eic, economic significance of events, 2017

The latest Events Industry Council's 5-year report emphasizes that the events industry is a major contributor to the global economy, generating millions of jobs and reaching out to billions of participants. With such a massive audience and economic outreach, events have major educational power to support the transition to more responsible practices.



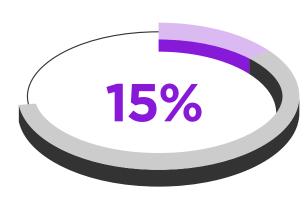
74%

of leaders agree that greenwashing has become a serious problem in their industries

Source: Deloitte 2022 Climate check report

of event organizers agree that their events address sustainability

Source: PCMA report, 2022



of event organizers said the last event they organized was very sustainable

Source: PCMA report, 2022

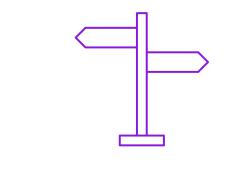


96% said sustainability has become more important to them in recent years Source: Conference news : shaping a sustainable future

The sector is maturing, with some organizers already measuring their performance and a wide majority planning to set themselves improvement targets.







disconnected.

94% believe sustainability will become a bigger part of their decision-making process in the next few years

Source: Conference news : shaping a sustainable future



2 in 3 event organizers are starting to measure environmental performance





70% of event organizers are planning to set targets within three years Source: PCMA report, 2022

CONSUMER

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top five most important environmentally sustainable or ethical practices

Producing sustainable packaging and products

Reducing waste in manufacturing process

Committing to ethical practices

Reducing carbon footprint

Respect for human rights

Source: How consumers are embracing sustainability, Deloitte, 2022

EVENT ORGANIZER

considerations of current and future sustainability actions



Reducing amount of waste produced by and for the event delegates



Prioritizing a venue because it already has furniture/equipment/

infrastructure that can be used and doesn't need to be brought in



Reducing total event waste



Choosing to have vegetarian/plant-based food on every menu Source: PCMA report, 2022

63% Waste is the top consideration for event organizers when choosing a venue

Source: Conference news : shaping a sustainable future

The events & experiences industry is aligned with consumer focus on waste and sustainability as well as social aspects. Committing to ethical practices is well vocalized by consumers along with their desire to see brands adapt quickly, but with insufficient measurement and analysis in place, we're yet to see major transition. Watch-out on the social front, it might well be the next differentiator!



CONCLUSION

With worldwide realization that ESG is essential to business, the role of events & experiences is evolving. The new dimension of this transformation is not only about getting your own house in order and building an ESG strategy, you also have to become experts at guiding stakeholders in deployment and bringing ESG strategies to life.

In part two of this Sustainability edition of FIRST inSIGHT, we'll dig deeper into some of the strategic areas of sustainable operation that brands can be implementing now to create meaningful impact.



info@firstagency.com firstagency.com