

FIRST inSIGHT

BRAND ESG ENGAGEMENTS AND SUSTAINABLE EVENTS & EXPERIENCES

In part one of our ESG FIRST inSIGHT series, we shared how society has shifted and consumers are dissociating from organizations that aren't keeping up. Brand experiences can be the perfect driver to educate, inform and ultimately deliver a meaningful return on your sustainability

strategies - for the environment, society and your brand.

In part two, we're digging into priority considerations for event organizers, how these considerations impact supply chains, talent acquisition and retention, and how we future proof our industry.

A RESPONSIBLE ECOSYSTEM

IS PARAMOUNT TO MANAGE RISK. EVENTS & EXPERIENCES ORGANIZERS ARE THE LINK THAT CAN MAKE IT HAPPEN



In the hospitality industry, **supply chain emissions are 6.8 higher** than operational emissions.

Source: CDP Global supply chain report, 2020 (p.14)

30% of listed companies surveyed believe share prices could fall by 10% or more after an incident if third party risks are not adequately managed.

Source: Deloitte EERM (Extended Enterprise Risk Management) - Global survey, 2020

Exhibitors **77%**

Visitors **65%**

77% of exhibitors and **65% of visitors** believe that "organizations that organize and set-up events" are responsible for helping the tradeshow industry improve its environmental impact.

Source: UFI report on sustainability, 2021

40%

Currently, only **40%** of event organizer respondents said that sustainability plays a part in their supply selection process.

Source: Conference news : shaping a sustainable future

Supply chains represent the vast majority of an organization's carbon emissions (and other environmental impacts). Ensuring that all the partners are addressing their social and environmental impacts is a prerequisite to avoid any reputational damage.

- 33.5%** of planners expect sustainability to be included in RFPs without asking
 - 29.4%** of planners ask about sustainability in an RFP
 - 49.2%** of suppliers provide it on request
 - 25.4%** of suppliers include sustainability information
 - 25.4%** of suppliers don't include it
- Source: eic, state of sustainability in the events industry, 2018

The positive impact that events & experiences organizers can generate through their supply chain is clear and acknowledged across the industry.

While event organizers are considering suppliers with sustainability credentials, this information isn't currently prioritized at the proposal stage of the process.



only 1 in 5 businesses audit green claims from their suppliers

Source: Conference news : shaping a sustainable future

50% of exhibitors think the use of sustainability standards (management system standards, checklists, reporting frameworks) would be effective in making the trade-show industry environmentally sustainable.

Source: UFI report on sustainability, 2021

61% of procurement leaders say social issues will be "more important" or "significantly more important" over the next two to three years.

Source: Ecovadis 2021 sustainable procurement barometer

If we focus on the organizations that have integrated sustainability as a criteria in their procurement process, and currently this is a very small portion, discussions about auditing and standards are starting to get traction.

Conversations around the topic at all stages of the event lifecycle are often a good way to get the sustainability topic on the agenda, and now is the perfect time to integrate criteria about ethical business practices and human rights in the process!

THE TALENT CRISIS

WILL BE WON WITH STRONG ESG ENGAGEMENT AND TRAINING

ESG COMMITMENTS ARE DRIVING EMPLOYEE ENGAGEMENT

People surveyed are more likely to work for a company that stands up for:

- Environment: 84%**
- Social: 83%**
- Governance: 86%**

CEO'S TOP 10 STRATEGIC BUSINESS PRIORITY AREAS FOR 2022-23:

- #3** (3rd position)Talent retention Diversity, equity and inclusion (DEI). **Up by 32%** compared to 2020
 - #8** Environmental sustainability. **Up by 292%** compared to 2020
- Source: eic, Gartner, 2022

While the events & experiences, and hospitality industries are suffering from a lack of staff, the workforce is expecting ESG engagement from their potential employer. A growing number of job seekers worldwide are looking to work for responsible companies, putting an equal weight on E, S and G. Combined with top leadership focused on ESG topics, it looks like the perfect storm.

61% of events professionals questioned said their organization has a sustainability policy.

Source: Conference news : shaping a sustainable future

86% of companies have a sustainability strategy, only 35% have acted on that strategy.

Source: IBM IBV, 2022

- 44%** of respondents said educating and training staff is one of their biggest sustainability challenges
- 57%** of respondents said they hadn't received training around sustainability
- Source: Conference news : shaping a sustainable future
- 31%** of the event organizers who said that their last event was either not very or not at all sustainable (27% and 4% respectively), reasoned that it was because they had few policies to guide them
- Source: PCMA report, 2022
- 55%** of exhibitors think that developing education about sustainable events at all levels of the value chain will be fairly or very effective in making the trade show industry environmentally sustainable
- Source: UFI report on sustainability, 2021

While official ESG engagement seems higher in the corporate world than in the events & experiences sector, there seems to be a wide gap between ESG intentions and actual implementation no matter the industry.

-14%

Organizations with the highest employee satisfaction had ESG scores **14% higher** than the global average, likely due to their strong environmental performance

Source: Marsh & McLennan

This gap could be explained by the lack of general awareness about sustainability challenges and the pressing need for education, training and appropriate tools and guidance. This is seen as insufficient and represents a massive challenge in many industries.



CONCLUSION

Events & experiences are one of the most effective ways for a brand to communicate their values. With an informed ESG strategy, events & experiences can make meaningful impact and achieve positive return for people, planet and business.

leave a positive, lasting impression and build a genuine relationship with customers, employees, commercial partners and the wider brand's ecosystem.

When supported by authentic, transparent and carefully crafted story telling along the event lifecycle, it will

Contact the FIRST team for more information or guidance on designing meaningful sustainability practices for your strategic business plans.