

MONITORING ESG

The Social Component in ESG

2022/05



When we talk about the social dimension, obviously it's not just about work, it's about all the aspects of the social dimension: education, healthcare, participation in society, and pensions, obviously. All these elements play a role, and all of them need to be made sustainable, which can only happen if we make the transition to a sustainable economy quicker than before. That part of the world is going to be the first to transit into a sustainable economy, a circular economy no longer dependent on fossil fuels. It is also going to be the continent with the highest level of growth, with the highest level of social cohesion. These are all interlinked. «

Frans Timmermans

Executive Vice-President of the European Commission
for the European Green Deal
[Link](#)

THE SOCIAL COMPONENT

What is the “S” in ESG?

“How can a company's workforce requirements and composition present problems for the organization in the future? Labor strikes or consumer protests can directly affect a company's profitability by creating a scarcity of skilled employees or controversy that is damaging to a corporation's reputation.”... “Corporations that ensure their products and services do not pose safety risks, and/or minimize the exposure to geopolitical conflicts in their supply chains, tend to face less volatility in their businesses.”

8 February 2022 & 24 February 2020 – S&P Global [Link](#)

Social factors- Time to focus on the “S” in ESG

“Also known Social sustainability criteria should not only be reporting items but should be something companies and company leadership live up to. ESG reporting should not be viewed as just another requirement that companies have to meet.”

December 2021 – LaborLawMagazine [Link](#)

3 Reasons Why CFOs Are Focusing on the Social Component of ESG in 2022

“The Social component of ESG has been challenging to quantify as it encompasses a wide breadth of topics and often presents as nebulous. But, that is changing. In 2019, the UN Global Compact established a CFO Taskforce to more formally engage CFOs worldwide as part of the mission to advance the UN Sustainable Development Goals and integrate them into corporate strategy, financing and investor relations.”

8 February 2022 – Financial Executives International [Link](#)

How Social Enterprises Can Help Corporations Meet Their ESG Goals

“The private sector is undergoing a seismic transformation, driven in part by the climate crisis, Covid-19, and extreme financial inequality. These external factors have prompted the world's corporate leaders to focus on their social responsibilities and make bold, ambitious commitments to environmental, social, and governance (ESG) goals. To deliver on these commitments, many will rely on corporate social responsibility (CSR) initiatives, but CSR alone isn't enough to achieve meaningful progress.”

18 January 2022 – Harvard Business Review [Link](#)

How and why to take the ‘social’ component of ESG seriously

“But with the “S,” it's not as straightforward; it's a much broader definition that can be harder to wrap our head and arms around. So, to move from the theoretical to the practical, we can break down the S (for social) into three main components: education, health, and protection from exploitation.”

5 February 2022 – VentureBeat [Link](#)

Key trends that will drive the ESG agenda in 2022

“Following the unprecedented market and policy momentum behind ESG in 2021, investors, corporate boards, and government leaders have raised expectations for progress on climate pledges in 2022. Alongside climate, biodiversity, and other environmental concerns, social issues — like diversity, equity, and inclusion and worker wellbeing — appear poised to remain in the spotlight, particularly as they are increasingly woven into broader ESG discussions.”

31 January 2022 – S&P Global [Link](#)

Social in ESG Reporting

“The social responsibilities of a sustainable business include a company's relationship with its workforce and the communities in which it operates. A growing number of investors are basing their investment decisions on ESG factors, as companies with strong ESG performance are more likely to provide better financial returns and reduced risks. Social factors investors use to assess corporate social performance can include concepts such as providing its employees with a safe and healthy working environment, how it invests resources in the communities in which it operates and general business ethics.”

UL [Link](#)

How the workplace will change in 2022: Higher employee expectations, more training & mentorship programmes, and others

“The workplace in 2022 will look like this: one with higher employee expectations; yet plagued in part by increasing employee apathy; more managerial training & mentorship programmes available; a steeper compliance curve, and an added focus on environmental, social, and governance (ESG) initiatives.”

7 February 2022 – Human Resources Online [Link](#)

From employee empathy to ESG: 5 workspace trends that will gain momentum in 2022

“The importance of listening to employees and acting on their feedback will take centre stage, as business leaders and people managers work to grow engagement, respect personal and professional lives, and ultimately boost brand loyalty.”

4 February 2022 – money control [Link](#)

The No. 1 ESG issue for Americans isn't climate change. It's workers

“Just Capital knows for sure that workers are the No. 1 ESG issue to the American public because each year it polls the public to create the weightings for its annual ranking, and for 2022's list, worker issues were weighted at nearly 40%, compared to 10% for climate. A fair, living wage was the No. 1 issue overall. The second-highest weighted area, Communities (20%), is partially a workforce metric because it includes job creation.”

13 January 2022 – CNBC [Link](#)

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