

The Advancing TIDE NEWSLETTER

June 17, 2020



What is ESG?

TIDE's ESG Vision to address
Sustainability to promote Social Impact



TIDE Clears its Business View

What Exactly is **ESG**?

Environmental, Social (Sustainability) and Governance (ESG) criteria are a set of standards for a company's vision, strategy, corporation culture, operations and management designed to promote sustainability.

ESG as a **business metric** gauges how effectively ESG is promoted in business and sustainability throughout its entire structure.

ESG utilized as a **financial metric** lets inquiring investors screen for conceivable investments. **ESG** has been embraced in the financial world as Barron's reports over \$90 Trillion worldwide and \$23 Trillion in investment funds are now devoted to **ESG**-based investments.

ESG Factors is More Detail:

Environmental criteria can include energy use, waste, pollution, natural resource conservation, and treatment of animals. This may be used in evaluating the environmental risks the company faces and how risks are managed.

Social (Sustainability) measures focus on business relationships of a company. Social factors include human rights, labor standards in the supply chain, illegal child labor among other routine issues. The company's social score rises when there is strong integration with the local community. These activities result in a 'social license' to operate with consent.

Governance refers to a set of rules or principles defining rights, responsibilities and expectations between different stakeholders in the governance of corporations. An effective corporate governance system can balance or align interests between stakeholders, working as a tool to support a long-term strategy. Additionally, governance involves accurate and transparent accounting methods. Assurances are necessary to: 1) avoid conflicts of interest in the company's choice of board members, 2) refusing to present political contributions to obtain unduly favorable treatment and lastly 3) avoid engagement in illegal practices.

Ultimately, ESG embodies aspects meant to serve as a company's foundation, a social compass through adversities. This type of strategic preparedness requires a formidable amount of vision, strategy and preemptive planning to assure TIDE's sustainability and strength.

For the Advancing TIDE, ESG is the following:

Environment - TIDE's commitment to positively impact:

- deforestation
- climate change

- resource depletion
- waste and pollution
- greenhouse gas emission

Social (Sustainability) - TIDE's pledge to its employees (its greatest resource):

- health and safety
- workplace conflict
- employee relations & diversity
- working conditions and employee happiness
- local communities & volunteer projects to serve global communities

Governance - TIDE's commitment to transparency and social impact in:

- corporate culture and core-values
- corruption and bribery
- executive remuneration
- corporate citizenry including donations and political lobbying
- board diversity and structure (according to ability of participant)