

# ESG STRATEGY CONSULTING PROJECT

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# SITUATIONAL ANALYSIS

Company X has had both successes and failures across environmental and social arenas, which have impacted public perception and presented growth opportunities.

## Achievements

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- High **YOY growth**
- First **Sustainability Report** published
- **Responsible sourcing policy**
- Strong **EHS compliance**
- Active **PR defense, community donations**

## Challenges

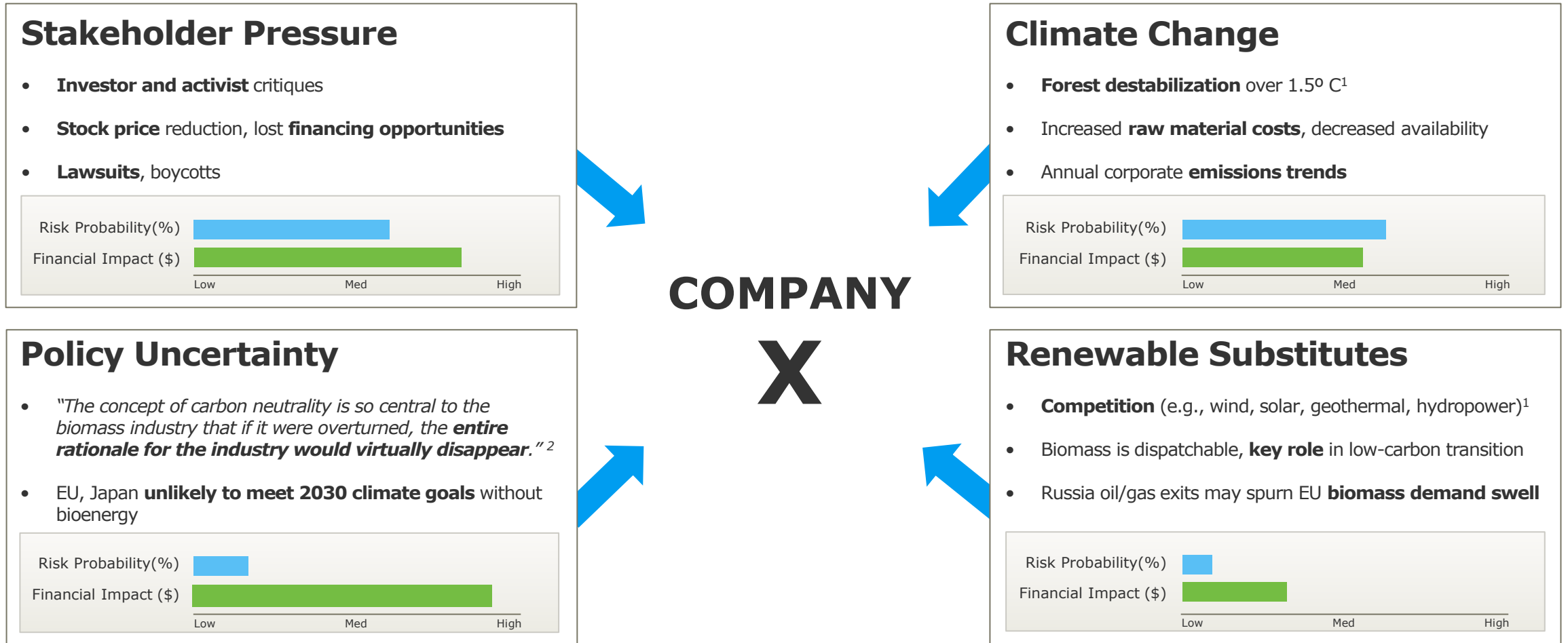
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- Proposed **changes to policy**, taxes, market access
- **Undiversified** product mix and customer base
- Raw material **cost and availability fluctuations**
- Adverse **media coverage, stakeholder** pressure
- **Scope 1** emissions 2017-2019 



# THREATS TO TRIPLE BOTTOM LINE

Company X's continued success is susceptible to various ESG-related uncertainties.



# RECOMMENDATIONS (1 OF 2)

Company X's strategic ESG ambitions should build upon its four sustainability pillars.

— Core Commitments —

Key Issue	Potential Solution	People	Forests	Climate	Impact	Effort
<b>Forests</b>						
1 Sourcing	More certified forests, plantations, mill waste; ban Bottomland and virgin sources		✓	✓	Medium	Low
2 Regeneration	Tree planting partnership: quantify regrowth impact via "1 Billion Trees by 20X0"		✓	✓	Medium	Medium
<b>Climate</b>						
3 CO <sub>2</sub> e	Offset emissions with forest carbon credits (\$740K – 1,230K to Net Zero) <sup>1</sup> Cradle-to-grave LCA → disclose Scope 3 downstream combustion		✓	✓	High	Medium
4 Process Improvements	Onsite biomass use; biodiesel transport; retrofit PP&E; R&D pellets, BECCS, circularity			✓	High	High
5 Global Goals	Apply to SBTi for target approvals; align with UN SDGs #7, 8, 12, 13, 15	✓	✓	✓	Medium	Low



1. Based on 2019 Scope 1 and 2 data using current estimate of \$3-5 per tCO<sub>2</sub>e: "Ten-Fold Increase in Carbon Offset Predicted," Science Daily, July 6, 2021

# RECOMMENDATIONS (2 OF 2)

Company X's strategic ESG ambitions should build upon its four sustainability pillars.

— Core Commitments —

Key Issue	Potential Solution	People	Forests	Climate	Impact	Effort
<b>Resilience</b>						
6 Policy Influence	Lobby for mandatory fiber certifications, clearcut regrowth, CO <sub>2</sub> -heavy sector subsidies		✓	✓	High	Medium
7 Geographic Positioning	PNW expansion: economy and wildfire benefits, JPN/CHN market proximity	✓	✓	✓	High	High
8 Product Mix	Supplement lumber or particleboard: added revenue, waste capture, policy bulwark		✓		Medium	High
<b>Communities</b>						
9 Local Vexes	Fund events, charities, schools, hospitals, minority hiring; cost-benefit of SO <sub>2</sub> scrubbers, noise, dust control improvements	✓			High	Medium
10 Social License	"Not all biomass is equal"; benchmark BAU-competitors; decade-scale CO <sub>2</sub> accounting	✓		✓	Low	Low





# KEY TAKEAWAYS

1. Policy changes are unlikely to disrupt the biomass industry in the short term, but distinct **ESG challenges present immediate risks.**
  2. Company X has scored early sustainability wins but **must proactively stay ahead** of raw material sourcing, emissions targets, customer base homogeneity, and environmental justice issues **to remain successful.**
  3. Strong ESG performance can yield **strategic interdisciplinary gains**, while continued leadership will improve community and **investor relations.**
  4. Effective strategy prioritizes **emissions curtailment, community investment, and policy offense.** Subsequent initiatives involve partnering with woodland managers and driving vision campaigns, followed by investing in product and process improvements for **longterm business resilience.**
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