



**Overview**  
*September 2022*

rewired  
earth

“Together, creating a **business case** for sustainable action; allowing you to grow your company, whilst being properly rewarded for saving the planet.”

# our. vision

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A financial system that is the biggest force for good on the planet.

# our mission

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To develop a shared language for sustainability that values our values; enabling the public to have a voice and the market to reward sustainable behaviour.

“A strong, clear demand signal will enable **businesses** to ACT”

# THE MARKETS HAVE BEEN OPTIMISED FOR OUR FINANCIAL REQUIREMENTS.

Price comparability, transparent financial reporting, audits to ensure confidence, and clear demand from investors and consumers, enable a level-playing field and support an effective market. But the metrics required to optimise product price and best return investment are narrow in scope and have inadvertently driven the planet towards societal and ecological disaster.

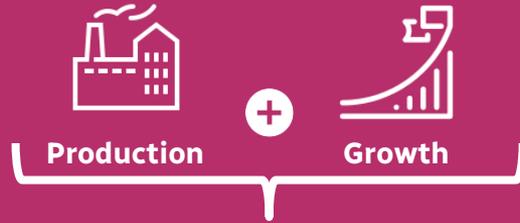
## The asks were clear

### INVESTOR

- High Return
- Low Risk

### CONSUMER

- High Quality
- Low Price



- |                             |                        |
|-----------------------------|------------------------|
| ✓ Price Sensitive           | ✓ Common governance    |
| ✓ Supply chain transparency | ✓ Independent audit    |
| ✓ Standardised definitions  | ✓ Direct Communication |
| ✓ Standardised data         | ✓ Congruent market     |
| ✓ Agreed quality            |                        |

Company  
Valuation

# BUT MARKETS ARE NOT WORKING FOR SUSTAINABILITY

Sustainability metrics widen this scope and drive the transformation to a sustainable planet and responsible society. But data is currently difficult to collect, has poor coverage and quality, provides weak market demand signals preventing value pools from forming and the market is not converging on an agreed standard or approach.

## The asks are changing

### INVESTOR

- High Return
- Low Risk
- Saving Planet
- Protecting Society

### CONSUMER

- High Quality
- Low Price
- Saving Planet
- Protecting Society



- ✓ Price Sensitive
- ✓ Supply chain transparency
- ✓ Standardised definitions
- ✓ Standardised data
- ✓ Agreed quality

- ✓ Common governance
- ✓ Independent audit
- ✓ Direct Communication
- ✓ Congruent market

- ✓ Price Sensitive
- X No supply chain transparency
- X Multiple definitions
- X Inconsistent data
- X Undefined quality
- X Little governance
- X No independent oversight
- X Indirect Communication
- X Perverse market incentives

# The impacts are felt across the market

Market Player

1



What doesn't work

2

Focus on large western corporate's sustainability reports creates bubble	Limited coverage by data aggregators results in lack of access to capital	Struggle to consolidate and aggregate the various feeds of data and insight	Supply Demand Match nuanced – no longer just inc/cap, risk/reward etc	Price sensitive data for ESG produced significantly lower quality than financials	Assessing qualitative sustainability report with inconsistent data support	Standard setters have not provided clear definitions across all metrics
Boards struggling with multiple analyst, regulatory and reporting frameworks	Emerging markets are not covered by analyst firms and so undervalued	Limited ability to understand climate/social exposures globally	Inconsistent ratings and unreliable data creates need to build own models	No standard data set or messaging framework	No audit standard for non-financial measures – creating inconsistency	Many governments are creating the own regulations and rules
Cannot own equity story as interpreted by data analysts – data inconsistent	Expensive to create bespoke reporting for all requirements	Different levels of disclosure depending on the relationships	Trajectory data sparse and fund rating regarding ESG too simplistic	No standard approach for primary or secondary markets regarding ESG	No comparability between companies	Lack of transparency of real ESG footprint of country as supply chain often excluded

What needs to happen

3

Standards defining each metric need to be produced and adopted globally	Companies produce metrics and are audited – all corps can access CM	Clear standards regarding onboarding and KYC regarding ESG data	Forward looking data needs to be included in the metrics and audited	Create standard messaging framework that links impact to corporate action	Create audit standards and data validation capability to provide continuous review	Agreement to take the extended frameworks on during COP26
Move away from multiple views so corporates can focus on quality	Data capture capability needs creating- companies have equal access	Requires supply chain / 3 <sup>rd</sup> party look through to really understand exposure	Move away from creating your own models and focus on interrogating corporate data	Set minimum standards of reporting and assurance to be admitted to the exchange	Move to a data led approach to allow full comparability	Agreement to create one master set of metrics and confirmations

# The Challenge

- 1** More you look the worse you look  
As organisations properly investigate their supply chain, issues are often uncovered. This is a clear disincentive to building a coherent picture of your overall impact.
- 2** Models being used for impact  
Using models and estimations for the impact of a supply chain removes the levers for change. The organisations investing to reduce their impact do not get the full benefit but improve the impact of the supply chain model for all participants.
- 3** “Impact of” V’s  
“Impact on”  
Many regulations are focussed on the impact of climate change on the company, rather than the company’s impact on people and the planet.
- 4** Value v Sustainability  
Boards see spending on sustainability as a direct drain on value. Sustainability is seen as a philanthropic action, a regulatory burden, or an overhead. We need a market where becoming sustainable increases value and return.
- 5** No Predictive Quality  
There is no consistent way of understanding the direction of travel for a company, fund or asset. Without transparency of the future sustainability objectives of organisations, funding the transition will be guess work.

- 6** One-Dimensional focus  
Many organisations are focussed on climate or even just carbon at the moment. However, solving the climate crisis whilst ignoring the interconnected social and environmental challenges, will prevent the markets from responding to the expectations of consumers and investors alike.
- 7** Country Level Regulation  
We spent decades aligning local county GAAP into IFRS. Why are we creating the same problem with Sustainability reporting? We need to create a global standard that supports demand signals.
- 8** Audit of approach not standards  
The auditors are only able to audit whether a company is following the approach it has outlined to calculate impact. Not against a standard approach. There is no reliable comparability in the audited reports that are created.
- 9** No ability to control message  
Intermediaries own the story. Bloomberg, MSCI, Refinitiv and the like take sustainability reports and interpret them. Interpretations can be very different for a single company and the board lose control of the message.
- 10** Weak Demand Signals  
Clear demand signals from citizens, employees, consumers and investors could solve many of the issues outlined above. Demand signals create value pools which enable organisations to act.

# ...and solve them with Rewired Earth

Rewired Earth aims to use harness the transformative power of the markets to protect our planet and society. It brings together collaborators from across society, the market, governments and global institutions. To **succeed**, we need to create information, equivalent in quality to financial data, for the new requirements of a strengthened demand signal from investors and consumers.

## Standard Framework

## Problems Solved

“Sustainable Framework”: We need a simple framework that works for all participants enabling them to talk a common language and make informed decisions.

## “A Voice”

## Weak Demand Signals

## One-Dimensional focus

“Sustainable Demand”: We need a mechanism that creates strong demand signals “A Voice” about what we care about as individuals. This builds value pools in the investor and consumer markets.

## “A Choice”

## Models being used for impact

## No Predictive Quality

## “Impact of” v “Impact on”

## Audit of approach not standards

“Impact Transparency”: We need a framework that captures reliable impact data through the supply chain. This needs to be assurable. It is in this way that companies can access the value pools created by demand. We also need to understand what companies intend to do in the future. Giving the market “A choice”.

## “A Reason to change”

## Country Level Regulation

## Value v Sustainability

## More you look the worse you look

## No ability to control message

“Sustainable Future” - At the moment activities focussed on saving the planet are not valued by the market. The framework needs to bring charities, foundations, and sustainable behaviours into the scope of the market and the supply chain. Essentially building a business case for each participant to do “the sustainable thing”. We need to put control of the message back in the hands of the corporates, standardise the regulation globally giving all “A reason to change”

# Rewired.earth Dashboard - The Overall Ambition

## Citizen Square

'Trying Plc's Stakeholders'



Rewired's **Citizen Square** shows citizen's sustainability priorities. This Square shows 'Trying Plc's' stakeholder (employees, investors and customers) care about most about: No Poverty, Good Health and Wellbeing, Clean Water and **Climate Action**

## Discrepancy

between what 'Trying Plc's' stakeholder collectively **value most** and the actual **impact** that 'Trying Plc' is having on the **planet and society**



High priority



Customers, employees, and investors **value Climate Action** highly and so are more likely to buy from, invest in or work for a company that can demonstrate a positive impact on this UN SDG



Negative Impact



'Trying Plc' refocuses its attention on sustainable outcomes and a greener square around **Climate Action** to ensure it meets stakeholder demand.

## Sustainable Outcomes

By tracking companies on the same standards and measures from RED to GREEN, and comparing it to market demand there is an opportunity for **sustainable-value creation**.

**Demand** drives sustainable action from businesses, as a greener **Impact Square around Climate Action** will increase its shareprice.



## Impact Square

'Trying Plc'



Most Negative Impact/ Not Measuring

Most Positive Impact

Rewired's **Impact Square** shows the true impact of a company and its supply chain on people and the planet. DummyCo is having a very negative impact on Climate Action and a positive impact on Decent Work & Economic Growth

# First we need a Sustainability Framework

The Sustainable Development Goals (SDGs) or Global Goals are a collection of 17 interlinked global goals designed to be a "shared blueprint for peace and prosperity for people and the planet, now and into the future". 193 countries of the UN General Assembly adopted the 2030 Development Agenda titled "Transforming our world: the 2030 Agenda for Sustainable Development".

Rewired Earth has used the SDGs to create the "Sustainability Framework". It is the embodiment of Goal 17 – Partnership for the Goals. It takes the sixteen remaining SDGs and groups them under four headings – Planet, People, Progress and Parity. This enables the square to be "human readable". By bringing the UN Sustainable development goals together into a square, we can create a universal solution, readable across devices.

Rewired Earth uses the framework to create two main views – **Demand** and **Impact**.



# Citizen Square - Creating strong demand signals - “A Voice”

Today, individuals have no consistent way to tell the market what they care about when they are investing, consuming, voting or deciding who to work for. The demand signals for sustainability are weak despite large shifts in actual demand. For example, Bloomberg estimates that by 2025 \$50t of assets will have some sort of ESG mandate. When asked whether they care about individual SDGs: Climate Action, Zero Hunger, Gender Equality – people say they care about all of them. **This does not give the information we need to create market signals – we need to know which SDGs are most important to them.**

By allowing individuals to prioritise the SDGs they care about most, rewired creates clear demand signals for each role the individual plays (as consumers, investors, employees and voters). This is collected via an app available on all devices. The individual owns this data and can decide who to share it with. The aggregated data allows businesses, governments and civil society organisations to see quickly what groups of investors, consumers or employees care about most. Each aggregated “Demand Square” has four SDGs at four levels of care: “Care a Lot”, “Care”, “Care a Little” and “Care but Later”. **The more intense the blue the higher the level of care and the more incentive there is for businesses to meet Citizen’s demand.**



## What do you care about most?

(please choose your six most important priorities in rank order)




SUSTAINABLE CITIES AND COMMUNITIES	CLIMATE ACTION	RESPONSIBLE CONSUMPTION & PRODUCTION	AFFORDABLE & CLEAN ENERGY
LIFE BELOW WATER	LIFE ON LAND	DECENT WORK & ECONOMIC GROWTH	INDUSTRY, INNOVATION & INFRASTRUCTURE
NO POVERTY	ZERO HUNGER	GENDER EQUALITY	REDUCED INEQUALITIES
GOOD HEALTH & WELL BEING	CLEAN WATER & SANITATION	QUALITY EDUCATION	PEACE, JUSTICE & STRONG INSTITUTIONS

What are the UN SDGs?



# ...building identifiable value pools

The aggregated views from millions of people enable us to create an overall view of where value sits and builds the business case for sustainability. The demand square enables us to capture a view from each individual (as investors, consumers, employees and citizens) about what they care about.

Individual's priorities can be mapped to the square to create a "Sustainable Demand" view, displaying strong signals to the markets regarding society's urgent priorities.

Knowing that 90% of your potential investor universe (of \$50t per Bloomberg) cares about "Climate Action" underpins the creation of a \$45t value pool for those companies that can demonstrate climate sustainability in a reliable way. Not only that, understanding what customers want and what employees are looking for, means that a company can sell more and get access to the best talent.



Taken together with a reduction in debt cost as banks want to reduce their exposure to financed emissions and a potentially lower tax rate as authorities are looking at being able to differentiate taxes based on reliable sustainability data, the transparency of demand results in 2 things:

1. **Increased Total Shareholder Return**
2. **Increased profitability.**

These are normally key inputs into Long Term Incentive Plans for directors. This means that directors get paid more for taking sustainable action and meeting stakeholder demand.

**The market becomes the most protective force on the planet**

# Impact Square: Reporting actual impact – “A Choice”

While critical, knowing the market demand and where the value pools are is only one side of the equation. We also need to fully understand the impact of investments and purchases. This cannot be just at the company level we are investing in or buying from. It has to include the full supply chain that enables the product to be produced or for the financial return to be generated. It also needs to be auditable so that it has the same quality as the financial data.

Importantly, in the wired earth model, without an understanding of the supply chain impact each square can only be red. This means that to become green, the supply chain needs to be understood. **At the moment, the more an organisation looks the worse they seem compared to an equivalent company that has not risked looking.**

## Sustainability Framework



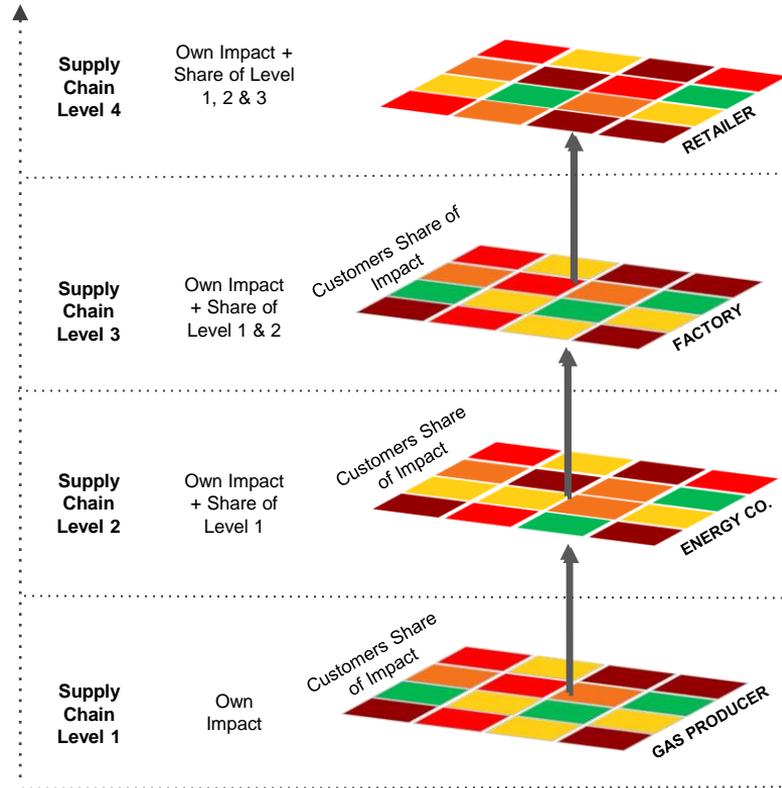
## Our approach has two critical features:

1. If you are not looking you are red
2. It focusses on one to four critical measures for each SDG (defined by experts) that are measurable and will move the needle. The must be readily collectible for all participants globally.

By asking an easier question, more of the market can engage – this means that we can build to backbone through the supply chain quickly. We can then make the question harder as companies see the value.

The Impact Square is both human-readable (eg. if the top left-hand quadrant is broadly green it is good for the planet) and device-readable like a QR code. Importantly the metrics collected are governed by an independent team of experts. **Quickly and transparently you will be able to see the true impact of a company, government or civil society organisation on people and our planet.**

# Which is built up through the supply chain



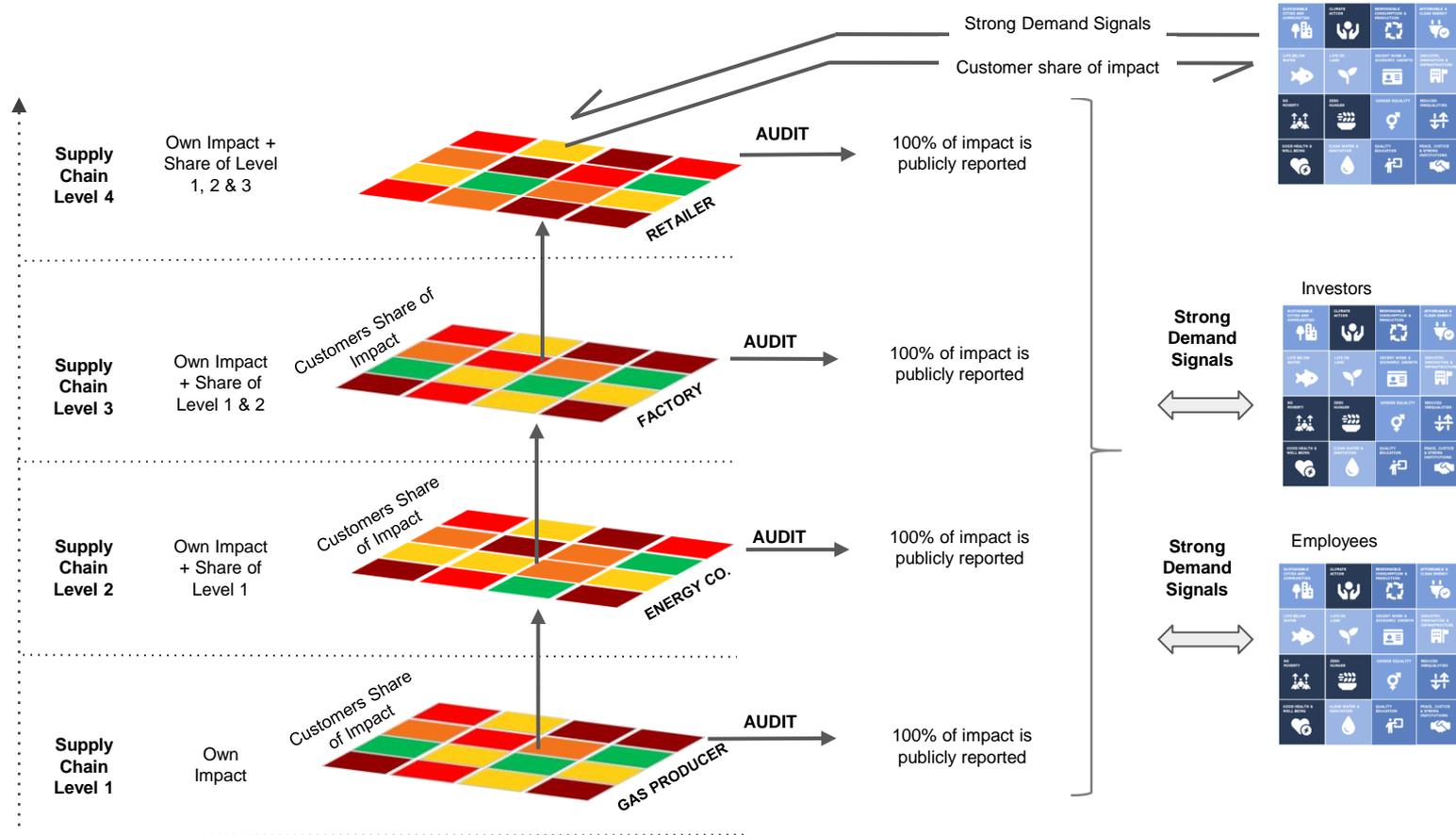
Products and services in today's world are highly complex, with many different parts and actors through supply chains. The market is currently focused on a top-down approach - creating models as a proxy for what is likely to be going on in a supply chain, creating solutions to compare the outputs from different analyst companies. At the moment we are trying to assess what is going on in a company from, at best a qualitative sustainability report, at worst a modeller's best guess. This is really just focussing on the symptoms of a broken market.

By looking at building the data bottom up we can take a different approach. Each audited entity globally already collects data that would enable us to produce the first version of the sustainable transparency square. Indeed much of it is audited or captured by a third party. Capturing the data from inside the company, uploading it into a platform where only the corporate and the auditor can see the full data and then sharing apportioned data for the square to the customer base through the supply chain, would enable a simple approach to deliver transparency.

This approach harmonises sustainable and responsible reporting across all industries and enables the consumer to understand the impact of all of their decisions in the same way, be it purchasing a box of cereal or choosing where to invest their pension. This stack can then be layered further to roll up to entire companies, investment funds, countries and the world, providing a far richer picture of our economies than simplistic GDP metrics.

As data improves we can move from the entity level to the product level.

# Enabling value pools to be accessed



## The Data Principles

Simple, most impactful data points set by industry experts (not rewired.earth).

Data is controlled at every level, so it can be measured NOT estimated, and audited.

This method will remove the issue of Scope 3 as all organisations will be measuring their Scope 1 & 2 and adding them together.

Each level of the supply chain can access the value pools using the demand square. This provides the business case to change.



# The Rewired Dashboard – “A Reason to Change”

By comparing actual impact with citizen demand, companies that can demonstrate they are taking those sustainable actions which people tell them they value will be rewarded. This reward drives everyone to want to do better - it is their **reason to change**. Not because they are told they ought to, not just because they think it is the right thing to do, but because there is real value in doing so! At the same time, this dashboard will enable individuals to buy from, invest in and work for companies that properly match their sustainability priorities. Bringing a whole new level of transparency to the market, the rewired Citizen and Impact squares will create a quick and easy way for citizens to hold businesses to account; while providing companies with a true business case for investing in sustainable activities.

Companies report impact to attract demand

Customers, employees and investors share sustainability priorities

5 GENDER EQUALITY	Gender Pay Gap	7.7%
	Women Employees	46%
	Women Managers	35%
	Women on Board	23%

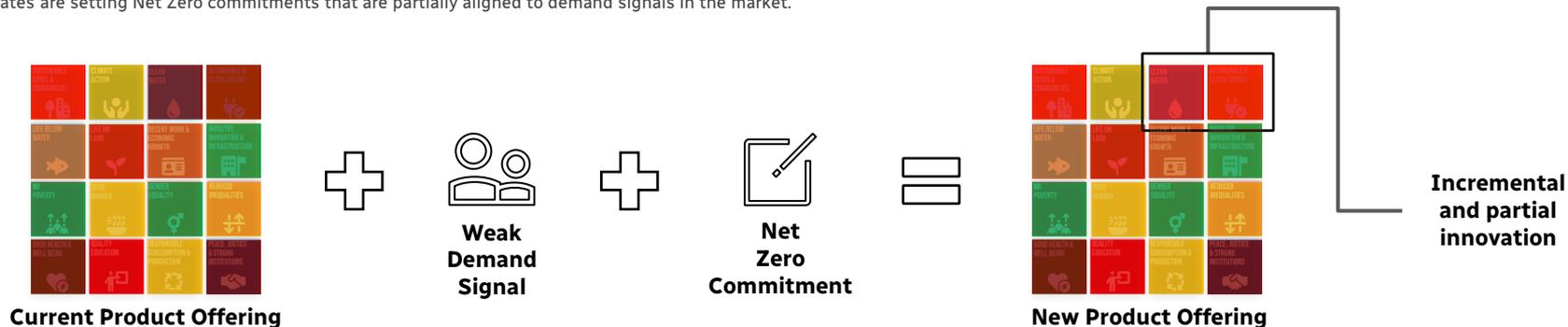


Companies compete to offer more positive impact and create sustainable outcomes

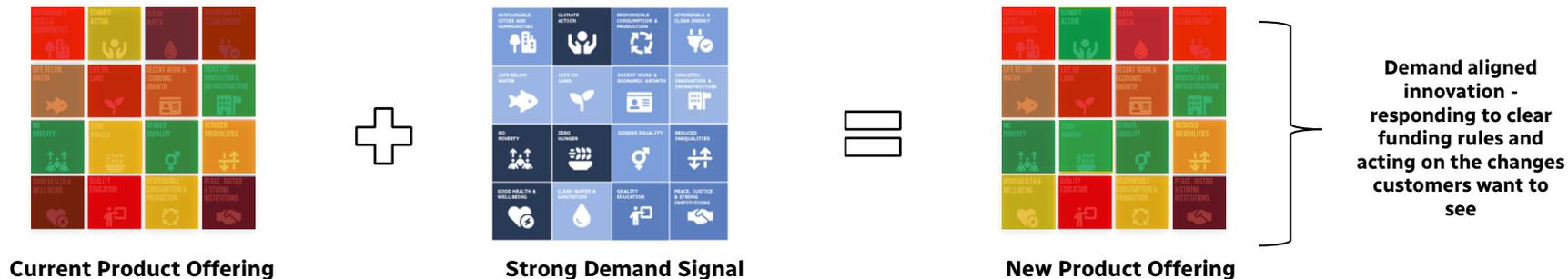
The market recognises these clear demand signals, rewarding businesses that invest in sustainable activity and turn their square from red to amber or amber to green.

# Expediting the move to sustainability

The lack of an agreed approach in the market today means corporates currently follow paths broadly defined by rules present in any given market, their own proprietary goals, or those set for them by various stakeholders. This approach is not working efficiently - for example, corporates are setting Net Zero commitments that are partially aligned to demand signals in the market.



The blue square enables corporates to set their sustainability targets and develop their products and services to respond to strong consumer and investor demand signals.

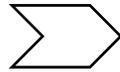


# Enabling the market to fund a just transition

To drive investment in the transition and provide transparency around investment objectives, the square can be used to show both the current ESG characteristics of a fund and where it will be in the future.



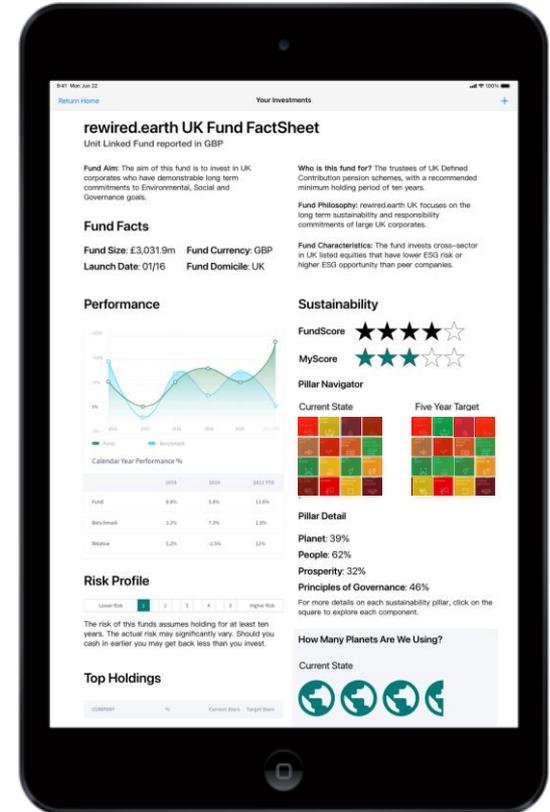
**Current Fund Characteristics**



**Five Year Target**

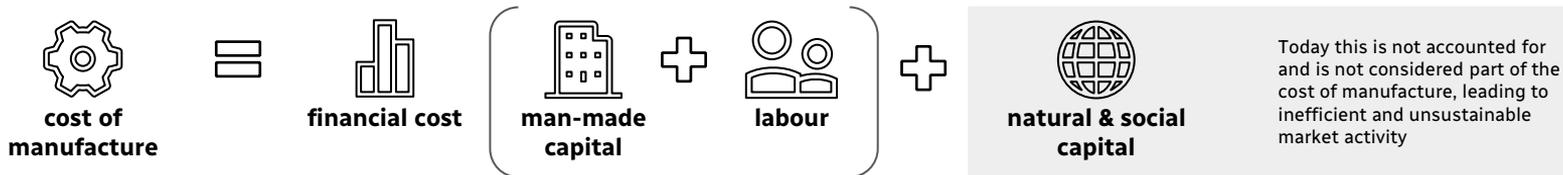
This enables individuals to invest in companies or funds that do not currently meet their criteria but have plans in place, verified by the auditor, as to how they will move the business onto a more sustainable footing. The move from red to green across various sub-squares will enable different value pools to be accessed - creating an increase in share price.

This will enable funds to prioritise financing the transition over allocating capital to an increasingly restricted investment universe of corporates that already meet defined ESG criteria.

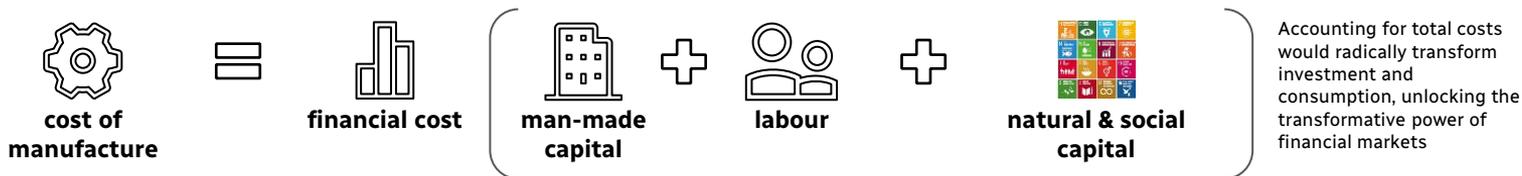


# With charities integral to supply chain

Markets currently treat nature as a free and limitless good, with existing financial metrics failing to capture total impact of corporate and consumer activity. Currently:



The Sustainable Transparency Square addresses this market break:



Forest elephants are worth \$40k dead and \$1.75m alive. Currently there is only a market for dead elephants!

Rebalance Earth is an example of how we could create new funding streams which benefit companies, communities, shareholders and consumers.

They track the lives of forest elephants daily to ensure they are alive, each day the elephants normal behaviour sequesters significant carbon dioxide.

By accounting for various species and ecosystems effectively, we can create the ability to offset a wide array of negative impacts in a verified crypto asset platform. This allows companies to benefit their shareholders whilst investing in schemes that fundamentally protect the planet and society.

The market participants will actively benefit from doing the right thing. This changes the markets from being one of the most destructive forces –

**to being the most protective.**



**Thank you**  
*[www.rewired.earth](http://www.rewired.earth)*

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