

Funding Your ESG Policy (Environment, Social, Governance)

Erth™ Points - Sales to fund the ES from Your ESG Policy!

Organisations need an ESG Policy, the Erth™ Point System aims to make complying with Environment and Social obligations a profitable exercise by enabling part of every sale where Erth™ Points are earned go towards the Environment and the Community from customer attraction and retention.

What does an ESG Policy entail and what obligations do Businesses have?

Environmental Covers climate risks, natural resource scarcity, pollution and waste, as well as the environmental responsibilities businesses have, to repair the damage their business causes to the planet directly and indirectly.

Social Is the responsibility a business has, to give back to the community where it operates locally, nationally, and internationally.

Governance Encompasses corporate governance and behaviour, Erth™ Points don't cover this.

The current average received from businesses using the PAY-per-SALE and CLICKS-are-FREE, tax deductible REACTS (Rewards4Earth™ Automated Card Transaction Service) system is 3.8% (3% min) of the sale, this enables –

- ✔ 0.91% of each sale to go toward the Environment via the Rewards4Earth™ Foundation
- ✔ 0.91% to go to the Community via ECO's (Environmental and/or Community Organisations)
- ✔ 0.91% to go to the customer attraction and loyalty incentive.
- ✔ The remaining funds are used to run the Erth™ Point Business.

According to a KPMG* study, 85% of a business's growth comes from loyal customers, the Erth™ Point System helps businesses attract Supporters of environmental causes and ECO's as customers. It also helps businesses to get those customers to become loyal customers through earning Erth™ Points. The more Erth™ Points that are gifted from sales, the more it enables the business to comply with and fund its ESG responsibilities.

*<https://assets.kpmg/content/dam/kpmg/be/pdf/Markets/is-it-time-to-rethink-your-loyalty-program.pdf>

The more Erth™ Points that are earned by customers, the more sales the business makes. The more Erth™ Points that are gifted, the more the business is satisfying its Environmental and Social obligations. The more the business promotes Erth™ Points, the more ECO and Environmental Supporters should be attracted to buy from that business. The business can increase their sales further by sending VIP Customers special offers "free" through the App's and only pay when the customer purchases from them. Just a small increase in sales can fund the ES responsibilities the business has, the Erth™ Point System can facilitate this – see below.

The Erth™ Point System has numerous benefits to the business on top of merely covering the ES in their ESG Policy, which by itself is a major achievement. From Rewards4Earth's point of view we aim to make living up to ESG obligations, being a good corporate citizen be **a profitable exercise** via the Erth™ Point System by delivering many benefits -

- ✔ Attracts Customers from ECO's
- ✔ Attracts Environmentally Concerned Customers
- ✔ A built-in Loyalty System for Businesses to enlist their Customers with
- ✔ Enables Businesses to send their Customers Special Offers via the App
- ✔ Enables ECO's to send a Business's Special Offer to their VIP Supporters

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The **Erth™** Point System, once established can make it profitable for Businesses to meet their Environmental and Social responsibilities by also increasing sales. This may be the first and only time the accountants convince the marketing team that meeting the companies ESG obligations is a profitable thing they need to promote.

Fixed Costs	\$ 20,000.00	
Raw Materials	\$ 20,000.00	
Variable Costs	\$ 30,000.00	
<u>Total Costs</u>	<u>\$ 70,000.00</u>	
<u>Sales</u>	<u>\$ 100,000.00</u>	
<u>Profit</u>	<u>\$ 30,000.00</u>	
Profit Margin	42.86%	Profit/Total Costs
New Sales from Erth™ Points	\$ 1,000.00	
Profit on new Sales	\$ 428.57	
Erth™ Point Fee	3%	
After Tax Cost	2.1%	

The 1% increase in Sales pays for 20.48% of your ESG Obligations
 A 5% increase in Sales would pay for the entire ESG Budget