



E-COMMERCE

AVISTA INSIGHTS

Shaping a Sustainable Brand: ESG Integration and Value Creation for Cross-border E-commerce Business

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Environmental, Social and Governance (“ESG”) has gradually risen to the top of the agenda for the Chinese cross-border e-commerce industry in recent years. ESG concerns of overseas consumers are intensifying, with 88% of American consumers considering sustainability as being somewhat or very important to their purchase decisions¹. Coupled with a booming e-commerce market for apparel and accessories, home and garden accessories, as well as healthcare and beauty, cross-border e-commerce merchants must now face the challenge of building more sustainable brands to meet ever-evolving customer expectations, while elevating their corporate branding and positioning to capture business opportunities arising from ESG demands.

¹SOURCE: Ware2go

Transforming E-commerce Brands through AVISTA's ESG Integration Framework

With reference to international ESG reporting standards and ratings models, the below ESG integration framework provides an ideal foundation for online brands to drive their sustainability performance, enabling them to leverage the ESG opportunity to create long-term value while standing out from industry competitors. Designed specifically for cross-border e-commerce brands, the framework acts as a useful guide for developing an optimal ESG approach that is both comprehensive and practical for effective ESG implementation throughout the value chain:



SOURCE: AVISTA Research

- ▶ **Governance:** e-commerce brands can establish robust governance by setting the tone at the top to guide corporate action towards ESG, developing a governance structure, and creating an ESG strategy with clear focus areas to enable strong oversight and management of sustainability issues.
- ▶ **The United Nations Sustainable Development Goals (“UNSDGs”):** the UNSDGs are a set of global goals that represent a “blueprint to achieve a better and more sustainable future for all”. By embedding the UNSDGs into their ESG strategy, brands will be able to showcase their contributions to the internationally-recognized sustainability agenda and enable stakeholders to understand their ESG approach easily.
- ▶ **Four Key Focus Areas:** when formulating an ESG strategy, brands can concentrate their efforts on four highly relevant focus areas to deliver maximum strategic impact.
- ▶ **Value Chain ESG Integration:** guided by the major focus areas, brands can integrate ESG into their operations with consideration to the 9 major stages of the cross-border e-commerce value chain, including product development, raw material sourcing, packaging, supply chain management, logistics, customer experience, green operation, human capital, and social goods.



Unlocking Brand Value through ESG Brand Building

Impactful marketing strategies are crucial for e-commerce businesses that are looking to enhance their brand value through sustainability. By taking advantage of social media platforms such as Facebook and Instagram, brands can authentically communicate their ESG commitments, efforts, and achievements to customers, driving engagement while boosting brand image, value, and relevance. Adopting a consistent and credible approach to ESG storytelling enables brands to align with their customers' values, ultimately strengthening brand perception and recognition.

Establishing an ESG marketing calendar is an inspiring way for brands to articulate their sustainability credentials. With numerous ESG-related commemorative days, weeks and months throughout the year, brands can take these as opportunities to share their ESG values and initiatives, as well as attracting sustainability-minded customers, influencers, and other stakeholders for partnerships. For example, brands could consider highlighting their support for black influencers during Black History Month, or launching environmental campaigns to celebrate Earth Day:



SOURCE: AVISTA Instagram





Next Steps for ESG Integration

Integrating ESG into cross-border e-commerce businesses is no easy feat. To help brands kickstart their sustainability transformation, AVISTA has combined its industry expertise and automated ESG solutions with Meta's creative capabilities to jointly publish a comprehensive whitepaper that guides cross-border e-commerce brands step-by-step to build their sustainability credentials, empowering brands to seize ESG opportunities, stay competitive and drive sustainable growth.

For more information on inspiring ESG marketing ideas and access to the whitepaper, please visit the following link or scan the QR code below:

AVISTA's sustainability marketing page on Instagram: @dtxesg

<https://www.instagram.com/dtxesg/>



AVISTA and Meta's E-commerce ESG Integration Whitepaper:

<https://reachtheworldonfacebook.com/news/esg-whitepaper>



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About AVISTA

AVISTA Group ("AVISTA") is a leading professional advisory firm. We are experienced in performing a full range of Valuation Advisory, ESG Advisory and Risk Management Advisory for various purposes.

With a strong presence in the Asia-Pacific region, we are headquartered in Hong Kong, and have offices in Shanghai, Beijing and Shenzhen.

The AVISTA professional team comprises professional consultants with different areas of expertise and detailed familiarity of financial reporting standards and regulatory standards. Our team of experienced professionals come from globally-renowned valuation firms, consulting firms and international accounting firms with global qualifications such as CFA, CPA, CPV, FRM, MRICS, FCCA, and so on.

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