



# Impact of ESG Disclosure on Pre-IPO Companies

A case study on engagement disclosure by Aberdeen Standard Investments, where they chose NOT to invest in a company due to ESG concerns.



Understand how ESG weighs into investor considerations using ZMH's proprietary ESG Engagement Dashboard™ to you make your next engagement more successful



## Deliveroo

A British online food delivery platform connecting customers to local restaurants for take-out convenience and ease. Listed on the London Stock Exchange March 2021

Deliveroo's IPO was highly anticipated in the UK due to the company's ambitious growth forecast in an industry that is very competitive and expected to see high growth rates over the coming years.

## Aberdeen Standard Investments (ASI)

ASI is a leading global asset manager, with \$640B AUM (Dec 2020). During the first quarter of 2021, they discussed ESG topics at over 500 company meetings, focussing on issues including corporate governance, environment and climate.

ESG disclosures and engagement are increasingly playing an important role in the IPO process. ZMH covers investors with \$45T AUM, providing the tools and advisory preparation necessary to ensure that your next engagement with index funds and active managers yield optimal results.

## ESG Concerns Raised

ASI concluded Deliveroo was a risky investment and ultimately did not engage due to the company's ESG Impact

## Social Flags: Labour Management

- Deliveroo's riders are not employed by the company, and operate on a self-employed basis, which can lead to issues of workers' rights and the gig economy.
- A recent UK Supreme Court judgement (pertaining to Uber drivers) suggests that all riders could be added to the wage bill on a full-time basis, along with pensions, insurance and sick-pay cover costs, compromising Deliveroo's cost base.
- Riders are currently paid per delivery, which means they often appear to earn less than the minimum wage, bringing significant reputational and brand risks.

## Governance Flags: Ownership and Control

- The CEO's current 6.2% shareholding of Class B shares will provide him with 57% of the voting rights for the next three years, implying limited opportunities for meaningful engagement.

## What ZMH Can Do for You

Our Proprietary ESG Engagement Dashboard™ allows you to leverage technology and data to optimize your shareholder interactions.

Know what issues are likely to be raised by investors

Stay up to date on investor's ESG priorities

Access 1000+ engagement case studies

Understand how investors will vote on your ballot

Gain access to 7M NPX voting records & digital library of ESG policies

Contact information & key team leaders at each firm

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