Nigel Farage:

Now, we've been talking about the FCA. We've been talking about B-Corp. We've been talking about the agenda that has run through much of our corporate world that led directly to my de-banking by Coutts, part of the NatWest group. Well, I'm joined now by Humperdinck Jackman, managing director of ESG PRO Limited, a global advisory firm on climate, ESG, and on B-Corp. Humperdinck, welcome to the programme.

Humperdinck Jackman:

Thank you, Nigel.

Nigel Farage:

Now, I was looking at your blurb here and it said about your company, "Many firms come to us seeking support for their in-house sustainability managers." Now, I suppose this is English, but what on earth is an in-house sustainability manager? Why do firms need them?

Humperdinck Jackman:

ESG has been around since 2004, Nigel.

Nigel Farage:

Doesn't mean it's right.

Humperdinck Jackman:

Doesn't mean it's right. What the problem of ESG and all of this woke capitalism, that's the phrase you've coined, it's brilliant, corporate wokery, is the large corporations are twisting how they present themselves. They're actually committing a form of fraud. It's greenwashing and social washing to exaggerate the value of their businesses, their reputations, pretending that they're something they're not.

Nigel Farage:

Right. So they pretend they're doing things for climate change and they pretend that they've got employment policies in line with a variety of quotas on race and sexuality. But what you are saying is they're not really doing it.

Humperdinck Jackman:

The big corporations are fudging it. They're supposed to tell you in their reports how many incidents of corruption, discrimination, data breaches. They're supposed to tell you how many, what was the outcome, the facts. Now, they're just glossing over it and saying, "Oh, we take corruption very seriously. We take your privacy seriously." Now, the smaller businesses who aren't so well financed, they need help because they're competing with the big corporations. These smaller businesses right away, down to micro SMEs up to even quite large firms, one or 2000 people, they need to level the playing field. With services such as ours, they can actually gain an ESG rating. They can compete, honestly.

Nigel Farage:

What you're saying to me is that this is now so deeply embedded in the corporate world, in the private sector, that without an ESG rating, it's tough to get business.

Humperdinck Jackman:

Yeah. It can be very tough. City of London, places are placing a weighting of up to 30% on tenders.

Nigel Farage:

But this is just surely Humperdinck insane. Surely, the basic function of private business is to make profits, to operate within the law, and to return a dividend or whatever it may be to their investors and shareholders. Aren't they the fundamentals upon which we built our economic model?

Humperdinck Jackman:

Make more money, it's good. Now, here's the interesting thing. The smaller business when they align with ESG principles, when they do proper reporting, are on average, businesses which have done this, generate 67% more return on the equity.

Nigel Farage:

Why?

Humperdinck Jackman:

Well, they've done things say business continuity planning. They've looked at their risks. They've looked at their supply chain.

Nigel Farage:

But that's good management of a business.

Humperdinck Jackman:

That's what ESG is.

Nigel Farage:

Hang on a second. There's a big difference here between being well-structured and well-planned and having contingencies for what may happen in the market and meeting diversity and inclusion quotas. They're different things.

Humperdinck Jackman:

The corporate wokery would have you believe that ESG is all about diversity and inclusion, which is not always a bad thing. Yet we employed disabled people. Great.

Nigel Farage:

Yeah. That's fine.

Humperdinck Jackman:

That's diversity. It's a good thing. But ESG is also about good governance. And a well-governed company means that... For instance, when the pandemic hit, we all went into lockdown and we couldn't call our bank or we couldn't call HMRC or anybody else, even the garden centre because they couldn't transfer a phone call. That is bad governance.

Nigel Farage:

I get that. I get the G, bits of it. Governance. Good governance, and good business practises, and if companies like yours are there to help and advise people as to what their... New entrance to a marketplace, they want a bit of help. I guess all of that. And I can see that good management, good leadership, it makes a big difference to a cricket team, let alone to a good company. But the environmental stuff, the social stuff, almost pushing people to employ and promote, not on the basis of ability, but on the basis of identity. That's what I have the problem.

Humperdinck Jackman:

And me too.

Nigel Farage:

All right. Okay.

Humperdinck Jackman:

This topic scares some clients, "What? Do you mean we have to just hire the next person who comes in because even if they're not the best qualified." Look, no. The answer is that is part of what you... You need to look after your people. ESG is about looking after the people you employ, you minimise the risk of accidents, that you pay a fair wage, that they actually take holidays, so they get sensible benefits. That's also-

Nigel Farage:

And that's fine.

Humperdinck Jackman:

That's good governance though.

Nigel Farage:

And that's fine. I haven't got a problem with the G bit. I haven't got a problem with that. It's the idea.

Humperdinck Jackman:

That's the social.

Nigel Farage:

But the idea that the FCA are putting out into the financial industry is that financial firms have a responsibility towards the environment, and because of that, we finish up with people that working in the oil industry for argument's sake, legitimate, legal, necessary being de-banked. That's what I'm arguing.

Humperdinck Jackman:

And who's doing the de-banking? The organisations who are not being honest in their ESG report in the first place.

Nigel Farage:

Right. Okay. So the whole thing's a corporate fraud from start to finish.

Humperdinck Jackman:

It's an accounting fraud at the top. The smaller business, 81% of consumers want to buy a sustainable product from a decent company who treats people well. They're willing to pay a 9% premium on average for purchasing those products for services. Now, that helps our smaller businesses. The little man out there is growing... The small firm, which is growing steadily. Maybe it could be employing several hundred people. Construction companies love this topic because it actually does win them business.

Nigel Farage:

Interesting.

Humperdinck Jackman:

Without being only one.

Nigel Farage:

Yeah. I tell you what, Humperdinck, I want to buy line-caught mackerel as opposed to mackerel that's been caught in a great big factory ship or mackerel I haven't caught myself. I get the point. We want things that work. I just worry that with B-Corp, and with the reason I was de-banked, I worry that maybe this gets taken a bit too far. Fascinating subject. Thank you for coming in and joining me.

Humperdinck Jackman:

Thank you.

Nigel Farage:

And that was a different take, wasn't it? That actually they all talk this language, but in reality, many of them don't actually do it.