International Labour Organization

ESG Leadership Essentials

A workbook for trainers

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Handout 1

Case study: Fictional company Safari Foods

Safari Foods is a national food wholesaler specializing in grains, cereals and flours. Safari Foods is based in ________________________________ . Safari Foods sources goods directly from national manufacturers and neighbouring countries. It transports these by truck to a central warehouse on the outskirts of ________________________________ . It then repackages the goods using either paper or plastic under its own brand before selling and transporting them to local supermarkets, bakeries and restaurants. Any unsold foods are disposed of as waste.

Safari Foods was set up six years ago and has experienced rapid growth. Senior management is considering an International Public Offering (IPO)[1] to finance further company expansion. The company has recently moved to a newly built, larger warehouse which incorporates recycled building materials and has solar panels. Safari Foods is recruiting an additional 20 workers and plans to hire the nephew of the CEO as Head of Food Safety Compliance. Around 60 per cent of workers are members of an independent trade union.

Safari Foods employs 600 staff of which 30 per cent are women and 70 per cent are men. Most workers are from ________________________________ , rooting the company in its local community, but around 20 per cent of workers are migrants from neighbouring countries. Women represent 10 per cent of senior managers and have no seats on the board of directors. The main staff groups are truck drivers, administration, and operational staff working on the shopfloor in the warehouse. Migrant staff predominantly work on the shopfloor and are usually recruited through a private recruitment agency. The majority of women work in administration roles.

Last year the region experienced a prolonged period of drought, followed by heavy storms and flooding. Since then, senior management has received several requests from its buyers for information on Safari Food's social and environmental credentials. Senior management have also been informed by their EBMO ________________________________ that the national stock exchange is preparing basic ESG requirements that all listed companies need to comply with. Furthermore, the government is considering a new circular economy law that will ban food waste to prevent it emitting greenhouse gases when it decomposes in landfills.

So far, Safari Foods' senior management team has focused on growth and expansion, including managing a growing workforce, new premises, and additional suppliers. Sustainability has not been a priority. However, following a car accident involving a truck driver a few years ago, Safari Foods recruited a health and safety expert. The company's health and safety policies and practices are now exemplary and comply with all relevant national and international standards.

Given increasing pressures, senior management has decided to develop, implement and report on an enterprise-wide ESG strategy for the first time. Senior management has some basic knowledge of ESG, but the remainder of the staff do not.

[1] When a company offers it shares on a stock market exchange for the first time.

Handout 2

Enterprise ESG assessment tool

The template tool below allows enterprises of all sizes and sectors, and other organizations, to assess their ESG performance and identify any gaps and opportunities for improvement. The assessment should be done on a regular basis, with the first assessment results considered as a baseline.

The assessment tool is not exhaustive. It is intended to provide a quick snapshot of ESG performance. To make the tool most effective, it should be adapted to the company's specific context.

The assessment is in the shape of a questionnaire. For every ESG component ('E', 'S', or 'G') the company says to what extent it agrees or disagrees with statements about its ways of working. Every statement is accompanied by a short list of factors to consider when deciding how to respond.

Before starting the assessment, it is useful to:

- Nominate an employee or employees to lead on it, such as the Sustainability Officer/Manager, the business owner, or the senior management team. If there is no appropriate internal person, the assessment could be outsourced to an external expert organisation such as an EBMO or ESG consultancy.
- Agree on a timeframe for completing the assessment.
- Ensure management buy-in and leadership of the process.
- Start thinking about how the assessment results can be turned into an action plan which sets out who is going to do what by when and how, and how actions are to be funded.

This assessment tool is available to EBMOs in two additional formats. The first is an Excel spreadsheet which, when completed, provides a results dashboard that informs individual companies of their ESG performance. The spreadsheet can be amended by EBMOs. The second format is an online survey, which can be used by EBMOs to collect ESG data from their members, leading to an aggregate ESG performance result. For access to the spreadsheet and the survey, please contact actemp@ilo.org.

ESG assessment template

Initial assessment date: ______________________________

Today's date: ______________________________

Last assessment date (if applicable): ______________________________

Next planned assessment review date: ______________________________

Environmental standards

1. The business takes measures to prevent and reduce energy consumption and emissions of greenhouse gases.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Does the business monitor and track energy consumption and conduct on-site energy audits?
- Does the business measure greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)?
- Has the business set targets to reduce greenhouse gas emissions and energy use?

2. The business takes measures to reduce water consumption and treat wastewater responsibly.

☐ Strongly agree
☐ Agree
☐ Neutral
☐ Disagree
☐ Strongly disagree
☐ Not applicable

Factors to consider when responding:

- Does the business have a system in place to monitor water withdrawals and consumption?
- Does the business have procedures in place to reduce water use or reuse/recycle water?
- Has the business set targets to reduce water consumption?

3. The business ensures safe handling and storage of chemicals, other dangerous substances, and plastics.

☐ Strongly agree
☐ Agree
☐ Neutral
☐ Disagree
☐ Strongly disagree
☐ Not applicable

Factors to consider when responding:

- Does the business have procedures in place to manage and dispose of hazardous waste, wastewater, solid waste, and airborne emissions?
- Has the business set targets to reduce waste?
- Does the company minimize packaging, in particular any plastic packaging?

4. The business has identified hazardous operations and the potential consequences on human health and the environment if an accident occurs.

☐ Strongly agree
☐ Agree
☐ Neutral
☐ Disagree
☐ Strongly disagree
☐ Not applicable

Factors to consider when responding:

- Does the business have detailed procedures, plans, equipment and training programmes to prevent accidents and emergencies?
- Does the business have detailed procedures, plans and equipment to effectively respond to accidents and emergencies if they occur?
- Does the business train workers to respond to accidents and emergencies?

5. The business is working to reduce its overall transportation footprint.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Does the business minimize any unnecessary travel (e.g. by prioritizing low impact transportation modes, encouraging the use of online platforms, carpooling for staff, etc.)?
- Does the business consolidate shipments and optimize routes to maximise energy efficiency?
- Has the business switched to electric vehicles?

6. The business encourages the development and use of environmentally friendly technologies.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Are business premises built with resource-efficient materials (e.g. recycled wood, recycled steel, bamboo) and/or technologies (e.g. solar panels, heat pumps, LED lights)?
- Is the business paperless? Is all contracting, billing, and other document management done digitally?

7. The business has effective management systems in place and accompanying training of staff to assess and manage environmental risks associated with its operations.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Is the business compliant with all national and environmental laws and regulations, and does it have all required license(s) or permit(s)?
- Has the business established environmental targets and objectives to improve environmental performance?
- Does the business try to avoid environmental damage by regular maintenance of production processes and environmental protection systems (such as air pollution control and wastewater treatment systems)?
- Does the business conduct systematic risk assessments of materials used, products and processes to ensure no environmental damage?
- Do all relevant staff receive regular training on environmental issues and company expectations?

8. The business engages in regular stakeholder dialogue within the community on critical environmental issues.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Does the company operate in a sector that could be perceived as negatively impacting the local habitat and the sustainability of the region?
- Does the company provide information to all relevant stakeholders about uncertainties and/or potential risks to workers, consumers, the public and the environment of the company's products and processes?
- Does the company prevent and reduce impacts on the surrounding environment from noise, odour, light and vibrations?

Social standards

9. The business complies with all national labour laws.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Does the business have effective means for dialogue to help manage, avoid or harmonize conflicting interests between workers and management?
- Are workers are entitled to paid sick leave in accordance with the applicable national law?
- Are workers paid holiday leave, sick leave, and parental leave in accordance with national minimum standards?
- Are female workers are entitled to maternity leave in accordance with national law, industry norms or collective agreements?

- Does the business ensure that the workweek is limited to 48 hours (or national equivalent), that overtime is limited as necessary, and that workers are given reasonable breaks and rest periods?
- Does the business ensure that it does not illegally withhold wages or bonuses and that it pays workers in a timely and regular manner?
- Does the business pay wages at regular intervals while not making deductions from wages for disciplinary or other purposes not authorised by national law?

10. The business takes all the necessary measures to ensure that it does not participate in any form of child, forced or bonded labour or trafficking of any kind.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Does the business comply with minimum age standards?
- Does the business allow all workers to leave company premises during breaks and at the end of their shifts, and all workers in company housing to freely enter and exit their accommodation at any time?
- Does the business (or its recruitment agencies) ensure that it does not retain identity cards, passports, travel documents or other personal items without which workers cannot leave employment?
- Does the business give loans or salary advancements to workers that are based on fair terms that are clearly explained to the worker, not granted to cover basic living expenses, limited in size, and/or do not require the worker to remain with the company until full repayment is made?
- Does the business ensure that all workers receive employment contracts prior to starting work for the company, and that contracts are understood by each worker?

11. The business neither discourages nor restricts independent trade unions.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Are workers part of or free to join an independent and free union?
- Can workers gather independently to discuss work-related problems?
- Does company management meet regularly with worker representatives to discuss work-related problems and any concerns/complaints workers may wish to raise?

12. The business has effective health and safety procedures in place, which comply with industry, national and international standards.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Are workers provided with safe, suitable and hygienic work facilities?
- Does the business ensure that workers are provided with the protective equipment and training necessary to perform their tasks safely and are responsibilities for health and safety tasks clearly defined?
- Does the business ensure that all workers have the necessary training to safely perform their job functions and keep workers fully informed, in a language and format understandable to them, of the health and safety procedures?
- Are health and safety accidents reported and investigated including involving the relevant worker(s), and are actions taken to prevent recurrences?
- Does the business have specific plans in place in case of a hazard threat such as natural disasters (wildfires, hurricanes, floods, earthquakes, and so on).

13. The business hires workers based on merit and ensures that there are no direct obstacles in hiring legal migrants, disabled or young workers, or others perceived as minorities.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- When the company recruits new workers, does it impose criteria of sex, age, ethnicity, religion or other personal characteristics that are unrelated to the job?
- When the company advertises a position does the job advertisement include language such as “women and men and persons from all ethnicities are encouraged to apply”?
- Are business decisions on hiring, wages, promotion, training, discipline, retirement and termination based only on objective criteria, and not linked to any discriminatory practices, whether intentional or not?
- Do employment advertisements avoid referencing discriminatory criteria, such as race, gender or age (unless listed as part of a legal equal opportunities promotion)?
- Does the business take reasonable steps to enable qualified persons with disabilities or health conditions to gain employment opportunities with the company, for example by providing wheelchair access, flexible working hours, longer breaks, and so on?

14. The business ensures pay equality between male and female workers for work of equal value.

☐ Strongly agree
☐ Agree
☐ Neutral
☐ Disagree
☐ Strongly disagree
☐ Not applicable

Factors to consider when responding:

- Do all workers have access to salary increments, benefits, facilities and services without any distinction on the grounds of gender, race, ethnicity and so on?
- Does the company promote female employment in traditionally male dominated roles (plumbing for example)?
- Does the company support female staff in some or all of the following ways: flexible work arrangements, child and dependent care support, and the promotion of women to senior positions.

15. The business has created a safe and inclusive working environment.

☐ Strongly agree
☐ Agree
☐ Neutral
☐ Disagree
☐ Strongly disagree
☐ Not applicable

Factors to consider when responding:

- Does the business ensure zero-tolerance towards all forms of harassment and violence at work, and has it created a safe and inclusive working environment for all staff regardless of gender, race, ethnicity etc.?
- Has the business clearly defined workplace bullying/harassment/violence in precise, concrete language and has it outlined in precise terms the consequences of making threats or committing acts to other workers?
- Has the business established procedures, accessible and known to all workers, that allow workers to safely report incidents of workplace discrimination, harassment and/or violence?
- Is the business perceived to be aligned with any political, religious or tribal group? Does it ensure that no potentially divisive flags or emblems are displayed in the workplace?

16. The business employs men and women from the local community, is deeply invested in its local community and is seen as a positive contributing force.

☐ Strongly agree
☐ Agree
☐ Neutral
☐ Disagree
☐ Strongly disagree
☐ Not applicable

Factors to consider when responding:

- Does the company provide employment in an area with high rates of formal employment?
- Are local livelihoods in the community supported by workers?
- Does the company support local firms, such as suppliers and local businesses?
- Does the company provide products and services that enable the local community to improve health and well-being outcomes?
- Does the business directly produce or provide services at an affordable cost that greatly assist people in accessing and utilising basic services such as water, energy or waste management?
- Does the business have or contribute to any philanthropic efforts within the local community?

Governance standards

17. The business has management systems in place to effectively manage all its compliance obligations.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Does the business have sufficient staff and resources to effectively run its compliance management systems?
- Do senior managers or the board have oversight to ensure compliance?
- Does the business ensure it complies with all relevant supplier codes of practice?

18. The business has clear values and principles underpinned by a commitment to ethical behaviour that guides all its operations.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Has the business documented what these values/principles mean in terms of its operations?
- Are the values/principles widely publicized to all stakeholders?
- Are bribery and corrupt payments strictly prohibited?
- Do all workers understand that they must respect the letter and the spirit of anti-corruption and anti-money laundering laws?
- Are employees confident that, if they lose business because they comply with company policies or with the law, they will be supported by their supervisors and will not suffer adverse consequences?
- When designing new operations, services or activities, is an assessment of risk, opportunity and impact is carried out and taken into account?

19. The company's key partners, including suppliers, do not cause negative environmental or social impact.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neutral
- ☐ Disagree
- ☐ Strongly disagree
- ☐ Not applicable

Factors to consider when responding:

- Do business suppliers/key partners have previous negative documented impacts on environmental, social or governance (ethics & compliance) issues (such as court cases)?
- Are/were the business practices of suppliers/key partners on environmental, social or governance (ethics & compliance) issues perceived to be negative by relevant stakeholders (e.g. media stories)?
- Are suppliers/business partners engaged in any predatory behaviour that could be perceived as impacting negatively on the community?
- Do customers use the company's products or services in a way that could be perceived as negatively impacting on local jobs and livelihoods or the environment?

Other

20. The business operates in a sector identified in the Government's National Development Plan (NDP) as a priority sector to achieve broad national development objectives, such as raising education standards or improving health outcome.

- ☐ Yes
- ☐ No

Factors to consider when responding:

- Governments often set national development goals to drive economic growth, sustainability, and social progress, and companies can align their ESG initiatives to contribute to these broader objectives. In many countries the construction, health, education, agriculture, or other sector that have a strong social and/or environmental impact are priority sectors. In some countries the government has identified in its NDP manufacturing and/or tourism as a target sector(s) for expansion as both are employment rich sectors.
- Examples of "a direct contribution" to the NDP include companies operating in the health sector and producing or distributing key health products, or companies in the education sector producing education material or providing education and training. Examples of "an indirect contribution" to the NDP include companies operating in the construction sector and manufacturing cement bags.

Handout 3

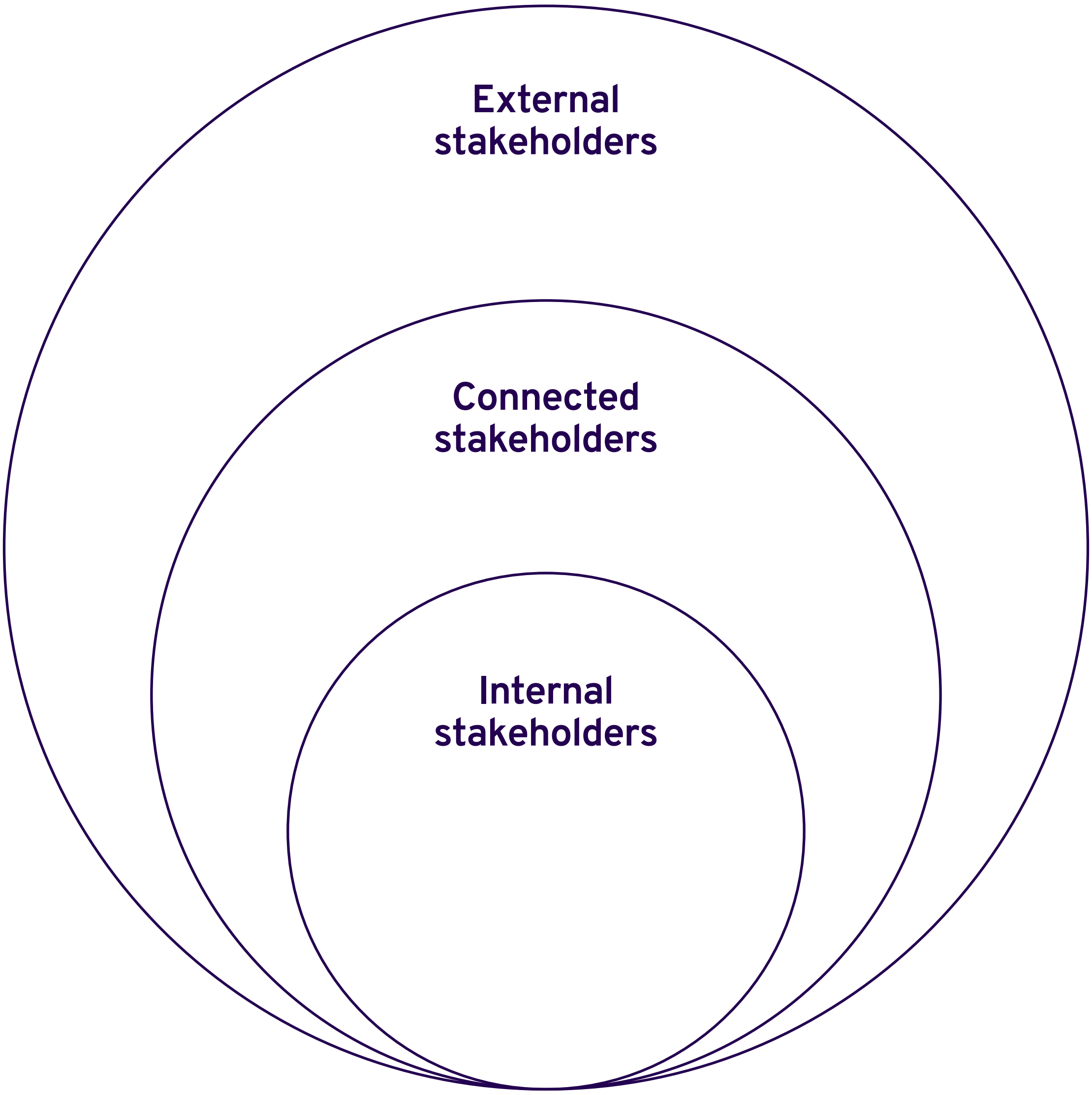
ESG stakeholder mapping template

When mapping company stakeholders, it can be useful to split stakeholders into three different groups.

- **Internal stakeholders**: People within the company such as employees, worker representatives, managers, health and safety leads, and board members.
- **Connected stakeholders**: Those with an economic or contractual relationship with the company such as suppliers, partners, and advisors.
- **External stakeholders**: Groups with diverse objectives such as the general public, government and the media, who can be influenced or otherwise impacted by the company's operations.

Please use the template below to map all Safari Foods' stakeholders. These can be stakeholders mentioned in the case study as well as stakeholders you think would be relevant.

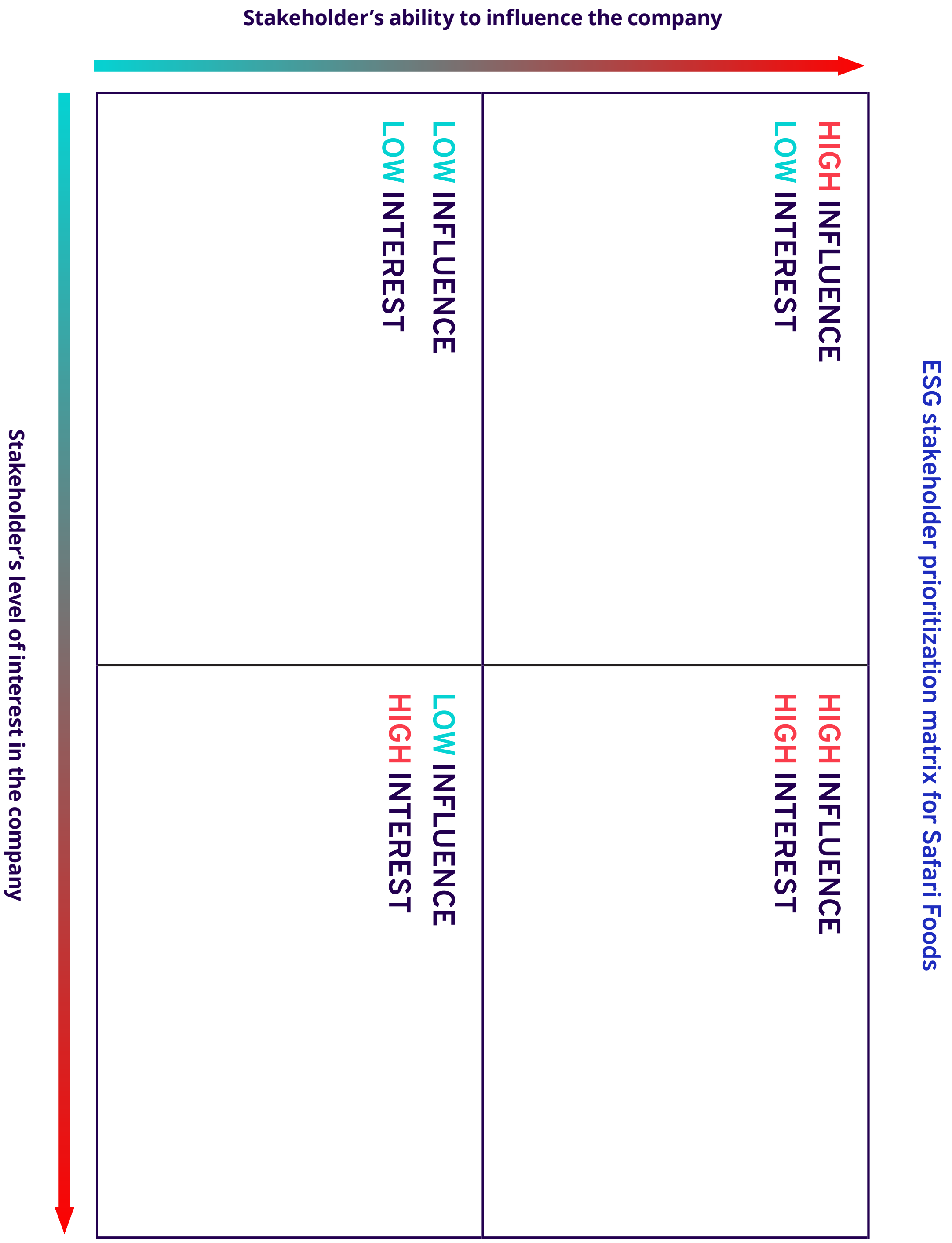
ESG stakeholders for Safari Foods



Handout 4

ESG stakeholder prioritization template

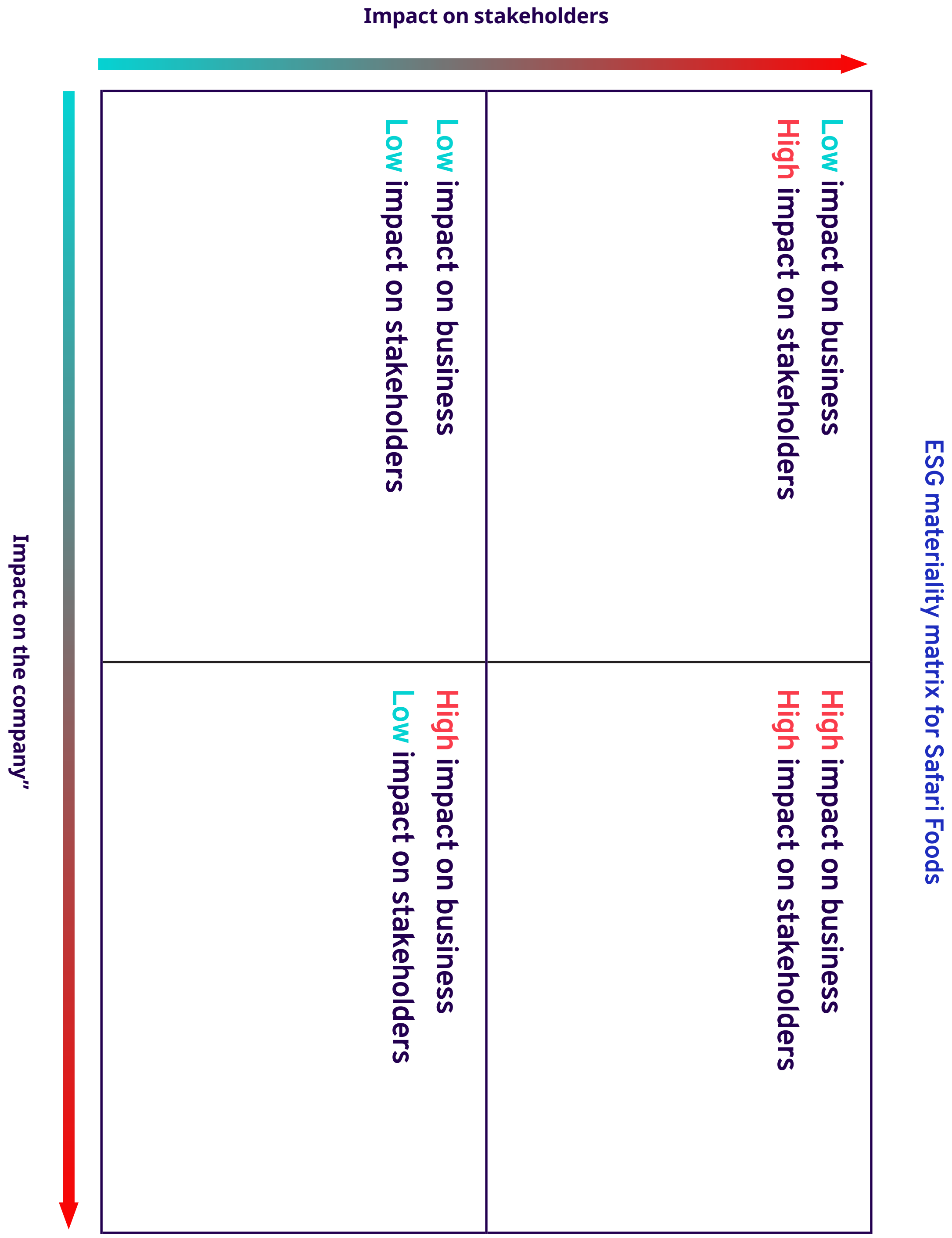
Please use the list of stakeholders identified in the last exercise to populate the template below.



Handout 5

ESG materiality matrix template

Thinking back to Safari Foods' ESG strengths, weaknesses, opportunities, risks and priority stakeholders, please come up with a list of at least five ESG issues for the company (e.g. 'carbon footprint', 'gender balance', etc.) Place each issue in one of the four squares of the matrix according to the impact of the ESG issue on the company and on its priority stakeholders.



Handout 6

ESG risk heat matrix template

Please refer to the list of ESG risks you already identified for Safari Foods and place each risk in the risk heat matrix below according to its impact and likelihood.

ESG risk heat matrix for Safari Foods

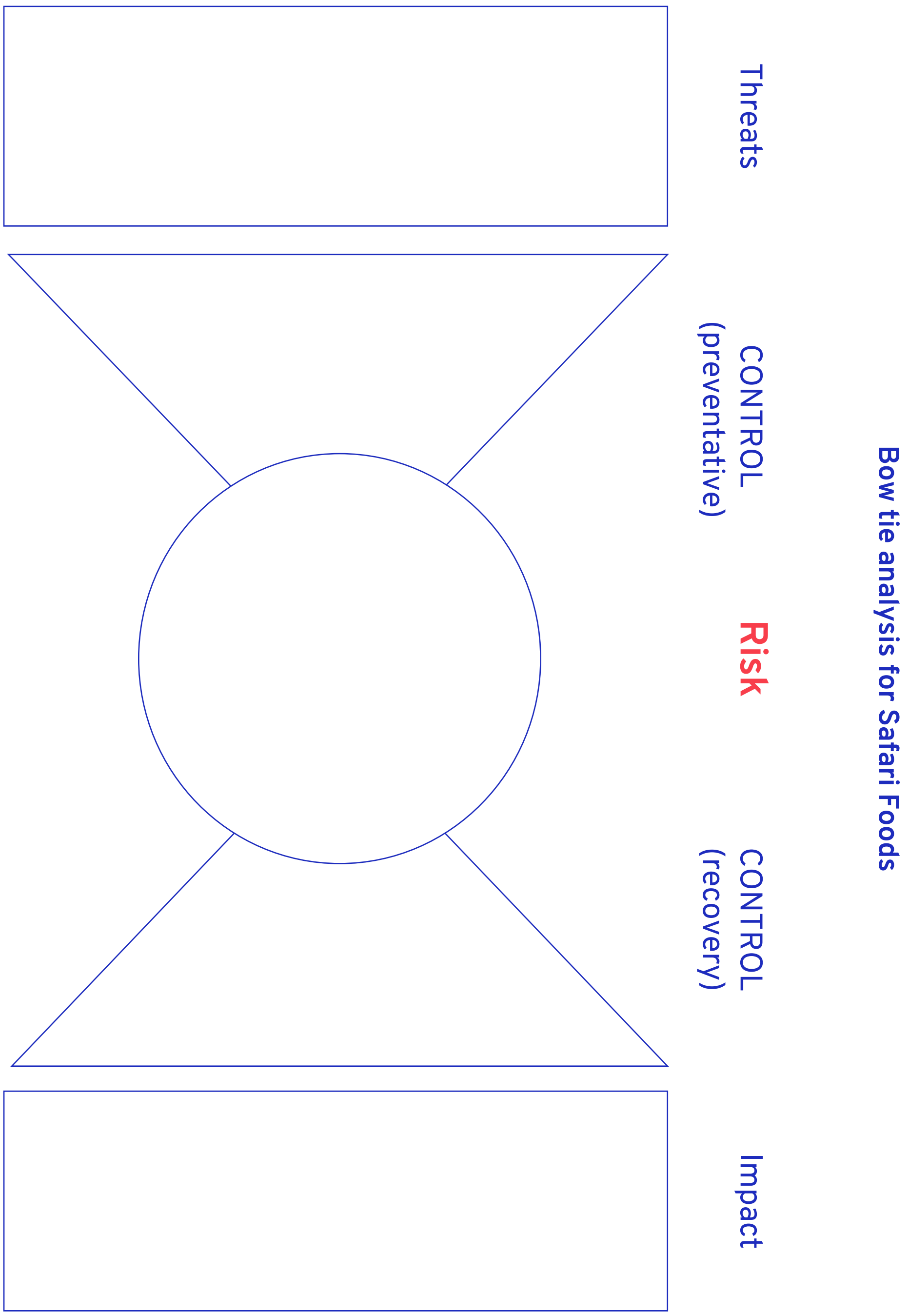
Impact	Likelihood: Rare	Unlikely	Possible	Likely	Almost certain
Minor					
Moderate					
Major					
Catastrophic					

Risk level	Priority level
Critical	Immediate action required
High	Action required soon
Moderate	Monitor and manage proactively
Low	Low priority, minimal impact

Handout 7

Bow tie analysis template

Thinking back to the last exercise where you identified priority ESG risks for Safari Foods, please take the most urgent risk you identified and use the bow tie analysis template below to develop mitigation strategies.



Handout 8

ESG strategy template

This template outlines the sections of a basic ESG strategy. Safari Foods has started to draft the strategy, but some sections are missing (marked in grey in each table). Please help Safari Foods by filling in these sections. In practice, an ESG strategy, especially for a larger, more complex company, is likely to feature many more ESG aspects and contain more information.

Business overview

Business name: Safari Foods.

Industry: Food wholesaler specializing in grains, flours and cereals.

Operations: Safari Foods sources supplies from producers, which it repackages and sells on.

Workforce size: 600 employees

Stakeholders: Staff, suppliers, customers, consumers (end users), investors, local community.

ESG statement

At Safari Foods, sustainability is at the core of everything we do. As a leading food wholesaler, we are committed to responsible environmental practices, social impact, and strong governance to ensure a better future for our communities and the planet. We will actively reduce our carbon footprint and champion the circular economy, working closely with our suppliers to promote sustainable sourcing and operations.

Our 600-strong team is the foundation of our success, and we aim to cultivate a diverse, inclusive workplace where every individual is valued and empowered. Transparency, ethical leadership, and community engagement guide our decisions, strengthening trust with our stakeholders and driving long-term, positive change. At Safari Foods, we're not just distributing food, we're shaping a sustainable future.

Current ESG performance

Safari Foods commissioned ____
to carry out a company-wide ESG performance review. The review found that Safari Foods is in the early stages of embedding ESG principles into its operations and benchmarking against peers.

- **Environmental performance**

  In the environmental domain, we recently moved to new premises, built with recycled materials and equipped with solar panels. This has reduced our carbon footprint by 5 per cent already. However, there are opportunities to further reduce our carbon footprint by improving the efficiency of our transport, particularly as transportation accounts for 19 per cent of total food system emissions.[2] Safari Foods' direct transport operations currently emit 300 tCo2e annually. We have not measured the carbon footprint of our suppliers.

  There are also opportunities to limit greenhouse gas emissions from unsold food, of which we currently send 2,600 kgs/year to landfill. According to the government, 58 per cent of methane emissions from municipal solid waste landfills stem from food waste. Methane is a major contributor to climate change.

  Finally, it is clear that climate change is leading to more extreme weather events in our region, as evidenced by a recent report by the National Meteorological Society. Safari Foods currently has no risk identification and mitigation strategy in place to deal with storms and floods that can disrupt our supply chain.

[2] European Commission, Field to fork: global food miles generate nearly 20% of all CO2 emissions from food, 25 January 2023.

- **Social performance**

  On the social front, while 30 per cent of Safari Food's workforce are women, just 10 per cent of decision-making positions are held by women. This is below the average of 40 per cent for similar companies in the food industry, as reported by our EBMO ______________________________ last year. Furthermore, there are no women on our board of directors. The company currently has no formalized recruitment, retention and promotion strategies to address these gaps.

- **Governance performance**

  When it comes to governance, Safari Foods has an exemplary approach to employee health and safety, However, the company's Food Safety Management System is mostly based on informal practices. We currently lack clear policies and protocols on risk analysis, monitoring, and corrective actions, as required by national regulations.

Action plan

This section outlines the strategic steps and initiatives that will guide our efforts in enhancing sustainability performance, ensuring compliance with ESG regulations, and meeting stakeholder expectations. By following this action plan, we aim to integrate ESG principles into our core operations, drive continuous improvement, and achieve long-term business success.

Goals

Our goals are designed to address the ESG issues that are currently most material to our company, taking into account the most significant environmental, social, and governance issues that impact our business and our stakeholders.

- **Environmental goals**

  1. Reduce the carbon footprint of our transport by 20 per cent over five years.
  2. Achieve zero food waste by 2030.
  3. Develop and implement an ESG risk mitigation strategy by the end of this financial year.

- **Social goals**

  1. Increase representation of women in senior management roles to 25 per cent over five years.
  2. Ensure that at least 30 per cent of board members are women by 2030.
  3. Strengthen links with the local community by setting up and running a food donation programme by 2026, working in partnership with local charity Food for Friends.

- **Governance goals**

  1. Build the capacity of our Food Safety Management System (FSMS) through recruitment of a FSMS expert and clear policies and protocols on risk analysis, monitoring and corrective actions, to ensure the FSMS fully meets national regulations by the end of the year.
  2. Investigate which existing recognized reporting standards are most beneficial to achieving our ESG goals, with a view to aligning the company's ESG reporting and disclosure with the most appropriate standard within the next two years.

Targets for 2026

The table below sets out the annual targets that will ensure that we achieve our goals.

ESG goals	2026 target	Timeline	Resources needed
E1: Reduce carbon footprint transport	Reduce transport carbon footprint by 5%	12 months	
E2: Zero food waste	Reduce food waste by 30% through donations, repurposing and composting	12 months	▶ 20% FTE (Full-time equivalent) Sustainability Officer to develop and implement action plan ▶ 10% FTE Director of Operations for oversight
E3: ESG risk mitigation strategy	Develop ESG risk mitigation strategy and start implementation	12 months	
S1: Women in decision-making positions	Increase representation of women in senior management positions by 5%	12 months	▶ 30% FTE HR to lead the initiative ▶ USD 700 for external DEI consultant
S2: Women board members	Increase women on the board from one to three	12 months	▶ 30% FTE HR and 10% Board to revise recruitment procedures for the board, advertise and recruit new board members.
S3: Local community links	Work with local charity Food for Friends to develop and implement food donation action plan	3 months	▶ 10% FTE Sustainability Officer to lead the initiative ▶ 5% FTE Director Operations to provide oversight ▶ 5% FTE Head of Food Safety Compliance to ensure that donated food meets regulatory requirements
G1: Food Safety Management system	Recruit and induct a Head of Food Safety Compliance to oversee and improve the FSMS	6 months	▶ 10% FTE HR team to recruit for this new post. ▶ 10% FTE Director of Operations and Director of Compliance for recruitment and induction.
G2: Reporting and disclosure	Investigate and report on which existing recognized ESG standards are best fit for Safari Foods	8 months	▶ USD 2,000 to contract an ESG consultant

2026 Monitoring and metrics

The table below sets out how and when we will monitor progress against each target for the next year.

ESG focus area	Annual target	Metrics	Frequency
E1: Reduce carbon footprint transport	Reduce transport carbon footprint by 5%	Total emissions (tCO_2e)	Monthly
E2: Zero food waste	Reduce food waste by 30% through donations, repurposing and composting	Total food waste (kgs)	Weekly
E3: ESG risk mitigation strategy	Develop and implement strategy	Existence of a ESG Risk Mitigation Strategy signed off by Board (Yes/No)	Annually
S1: Women in decision-making positions	Increase representation of women in senior management positions by 5%	Change in number of women recruited and promoted to senior management positions (%)	Annually
S2: Women board members	Increase women on the board from one to three	Change in proportion of women on board (%)	Annually
S3: Local community links	Work with local charity Food for Friends to develop and implement food donation action plan	Number of meetings with Food for Friends	Every 6 months
G1: Food Safety Management system	Recruit and induct a Head of Food Safety Compliance to oversee and improve the FSMS	New Head of Food Safety and Compliance in post (Yes/No)	Every 6 months
G2: Reporting and disclosure	Report on ESG standards options	Final report signed off by CEO (Yes/No)	One-off

Stakeholder engagement plan

Updates on the company's ESG progress, actions and strategy will be documented in the company's annual ESG report, which will be published on our website at the start of each calendar year. In addition, information will be regularly communicated to relevant stakeholders, in particular staff, suppliers, customers, consumers (end users), investors and local charity Food for Friends (representing the local community). Safari Foods will also seek input from these stakeholders on a regular basis on its ESG progress, actions and strategy. Our stakeholder engagement plan below has more detailed information.

Handout 9

ESG report template

Below is a basic ESG report for fictional company Safari Foods. In this role play exercise, you are representing one specific priority stakeholder group from the list below:

- Safari Foods staff members
- Suppliers
- Customers
- Consumers (end users)
- Investors
- The local community in the shape of charity Food for Friends.

Putting yourself in the shoes of this stakeholder group, please imagine that you are preparing for an upcoming ESG stakeholder engagement meeting with a senior manager at Safari Foods on its ESG performance and strategy. Please come up with:

- At least two questions about Safari Foods' ESG performance and strategy based on its ESG report.

- Any suggestions you have for future company action on ESG.

Safari Foods ESG Report 2026

At Safari Foods, sustainability is at the heart of our operations. We recognize the importance of environmental responsibility, social impact, and ethical governance in creating a resilient and successful business. Our commitment to ESG principles drives our efforts to minimize our carbon footprint, champion diversity, equity and inclusion, and uphold transparency in decision-making. Through proactive initiatives and stakeholder engagement, we aim to lead positive change in the food industry while ensuring long-term value for our employees, partners, and communities.

Executive summary

Safari Foods is making significant progress in embedding ESG principles across our business. Over the past year, we have reduced our transport-related carbon emissions, improved food waste management, and launched initiatives to enhance gender diversity in leadership roles. Our governance improvements focus on strengthening food safety practices and aligning our ESG reporting with industry best standards. Moving forward, we will continue refining our approach, deepening stakeholder engagement, and ensuring sustainable growth.

Company overview

Safari Foods is a leading food wholesaler specializing in grains, flours, and cereals. We source high-quality supplies from producers, repackage them, and distribute them to customers across multiple markets. With a workforce of 600 employees, we engage with key stakeholders including staff, suppliers, customers, consumers, investors, and local communities. Our business thrives on operational efficiency, sustainability-driven innovation, and ethical leadership.

ESG strategy

Our ESG strategy is designed to integrate sustainability into our core operations. We have established clear environmental, social, and governance goals to enhance performance and accountability:

- **Environmental goals**

  Reduce transport-related carbon footprint by 20 per cent in five years, achieve zero food waste by 2030, and develop climate resilience strategies.

- **Social goals**

  Increase female leadership representation to 25 per cent by 2030, strengthen ties with the local community through food donations, and foster workplace inclusivity.

- **Governance goals**

  Improve food safety management by formalizing risk protocols and adopt recognized ESG reporting standards within the next two years.

2026 ESG performance

We are incredibly proud of the sustainability successes we achieved in 2026. While more needs to be done to achieve our goals, our accomplishments to date are a testimony to the dedication and motivation of our company to have a positive impact on people and planet.

- **Environmental achievements**

  We have cut transport-related emissions by 5 per cent and diverted 30 per cent of food waste from landfills through donations and composting programs.

- **Social progress**

  Female representation in senior management has increased by 5 per cent, and we have launched a food donation programme in partnership with local charity Food for Friends.

- **Governance improvements**

  Our food safety framework is being strengthened with expert oversight, and we have begun evaluating global ESG reporting standards for alignment.

Looking forward

Safari Foods is deeply committed to strengthening ESG integration across our operations. Future priorities include expanding carbon reduction initiatives to include our supply chains, further diversifying leadership, and enhancing transparency in ESG disclosures. By fostering continuous improvement, we aim to create a sustainable business model that benefits our stakeholders and contributes positively to the food industry.

Stakeholder group	Engagement method	Aims	Frequency
Staff	Intranet, townhall meetings	To demonstrate commitment to and raise awareness of Safari Foods' ESG strategy. To share updates on progress and opportunities for staff to get involved. To seek feedback on progress, issues, challenges and more.	Monthly
Suppliers			
Customers	Business meetings	Share information on the company's ESG strategy and progress and seek input on customers' and consumers' ESG needs.	As and when
Consumers			
Investors	Regular private investor meetings	To share key messages on ESG performance and strategy.	Quarterly
Food for Friends	Face-to-face meetings	To demonstrate commitment and plan for future food donations	Every 3 months

Monitoring and review

Date of next ESG strategy review:	January 2027
Staff responsible for implementation:	CEO HR Director Legal and compliance team Sustainability Officer
Oversight:	Board of Directors

With a view to continuous improvement, Safari Foods will adapt its ESG strategy every two years based on performance reviews, stakeholder feedback, and an evolving business landscape.

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