

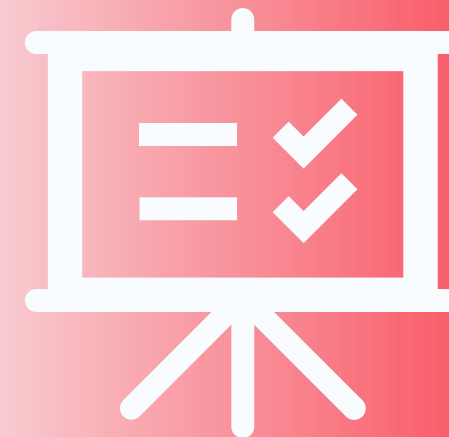
Module 5: How to implement the ESG strategy



▶ Learning objectives

To understand:

- ▶ How to incorporate ESG criteria into roles and functions.
- ▶ Which company policies are needed to implement the ESG strategy.
- ▶ How to best communicate the ESG strategy internally.
- ▶ How to monitor ESG performance, with a focus on ESG metrics.



▶ 1. Define and assign roles and responsibilities

▶ Roles and responsibilities

- ▶ Sustainability officer
- ▶ Senior management
- ▶ Business owner
- ▶ ESG team
 - ▶ Executive sponsor
 - ▶ Sustainability manager
 - ▶ Environmental specialist
 - ▶ HR representative
 - ▶ Finance representative
 - ▶ Legal and compliance officer
 - ▶ Operations representative
 - ▶ External advisors

**INCLUDE ESG RESPONSIBILITIES
IN JOB ROLE DESCRIPTIONS AND
PERFORMANCE TARGETS**

► Assign responsibilities to all relevant roles and functions

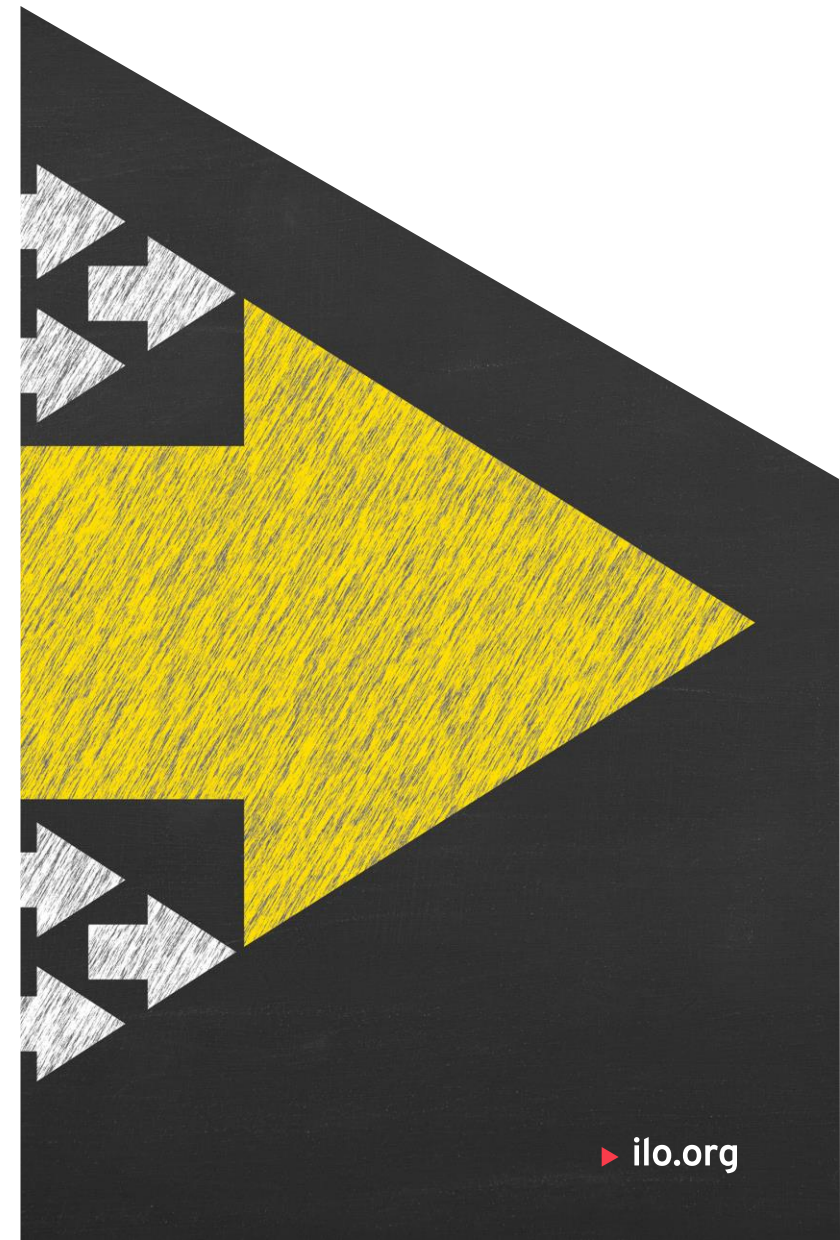
Relevant functions include

- HR
- Risk management
- Sales
- And many more!



▶ **Top-level commitment and leadership are key**

- ▶ Set the tone
- ▶ Strategic direction
- ▶ Resource allocation
- ▶ Oversight and accountability
- ▶ Risk management
- ▶ Stakeholder engagement
- ▶ Organizational culture



▶ **2. Assess company policies and plug gaps**

IF THE ESG STRATEGY IS THE ROADMAP, THEN THE COMPANY POLICIES ARE THE RULEBOOK

► Examples of ESG policies

Environmental

- Environmental management policy
- Waste management policy
- Energy efficiency policy
- Water conservation policy
- Emissions reduction policy
- Biodiversity and land use policy
- Climate change adaptation and mitigation policy
- Animal welfare policy

Social

- Human rights policy
- Policy on forced labour
- Policy on child labour
- Policy on human trafficking
- Health and safety policy
- DEI policy
- Anti-discrimination policy
- Anti-violence and harassment policies
- Employee training and development policy
- Accessibility policy
- Community service policy

Governance

- Anti-corruption and bribery policy
- Conflict of interest policy
- Whistleblower policy
- Risk management policy
- Due diligence policy
- Compliance policy
- Data protection policy
- Procurement and contracting policy

Assess ESG policies

**DOES THE ENTERPRISE HAVE THE RIGHT
POLICIES IN PLACE TO DELIVER THE
ESG STRATEGY?**

- ▶ For each policy:
 - ▶ If **yes**, do we need to review it? Modify it?
 - ▶ If **not**, do we need to develop it?

▶ 3. Communicate the ESG strategy

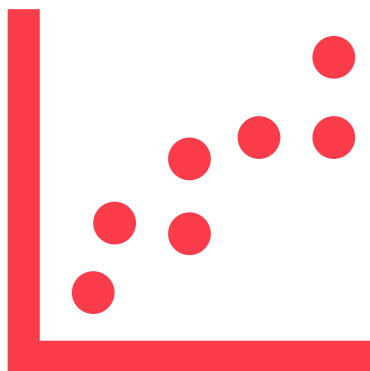
Internal communications likely to dominate

- ▶ Leadership-led announcements
- ▶ Training workshops
- ▶ Visual storytelling
- ▶ Employee-led initiatives

**DON'T IGNORE EXTERNAL
COMMUNICATIONS! REFER BACK TO
THE STAKEHOLDER ENGAGEMENT PLAN**

▶ 4. Monitor ESG performance

► The ESG monitoring framework



- Track progress
- Identify areas for improvement
- Set out what, when and how
- Build on the ESG strategy
- Align with ESG targets
- Align with recognized reporting standards

METRICS CAN BE QUALITATIVE AND QUANTITATIVE

► Examples of ESG metrics

Environmental

- **Energy consumption** (MWh)
- **GHG emissions** (tCO₂e)
- **Water usage** (m³)
- **Waste generation and management** (kgs)

Social

- **Workforce size and composition** (total number of employees disaggregated by key demographics)
- **Employee training and development** (average training hours/employee)
- **Health and safety performance** (number of workplace accidents)

Governance

- **Sustainability governance and strategy** (description)
- **Materiality** (description)
- **Stakeholder engagement** (description)

ESG data

- ▶ Measure it
- ▶ Store it
- ▶ Analyze it
- ▶ Report it
 - ▶ Review performance against ESG goals
 - ▶ Identify successes, challenges, areas for improvement
 - ▶ Discuss changes in ESG risks and opportunities
 - ▶ Assess progress in ESG strategy implementation



Schedule regular ESG check-in meetings

► Real-life example of ESG strategy implementation

Consider including a short case study on a relevant enterprise that has successfully implemented its ESG strategy and is monitoring progress