Environmental, Social, and Governance: What You Need to Know (and Why It Matters)

Antea Group

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Understanding ESG and Why It's a Game Changer for Your Business

To achieve a cleaner, safer, more sustainable world, all companies must realize the importance and value of managing Environmental, Social, and Governance (ESG)-related business challenges in a way that fits their pace and unique objectives.

ESG is quickly emerging as the common framework to evaluate the overall health of a business's operating model and the company's long-term resiliency. Key stakeholders are searching for, and are increasingly demanding, thoughtful, forward-looking policies and programs in all three of these areas.

From understanding what is most material to your business and how to establish baselines and goals, to developing roadmaps, and tracking metrics and reporting on progress, a strong ESG program can withstand the test of time, respond to investor demands, and be agile to societal shifts.

This ebook takes a deep dive into why and how developing and implementing an ESG program can be systematic, yet flexible enough to fit the scope and scale of your business operations.

What is ESG?

What does ESG stand for?

ESG stands for Environmental, Social, and Governance. Together, these three aspects make up a framework to evaluate issues pertaining to a company's long-term health and prosperity.

For many investors, it's not enough to check off two boxes and leave one totally blank. They're searching for thoughtful, forward-looking policies and programs in all three of these areas.

Environmental

What kind of impact is your company having on the environment?

This can encompass issues of carbon emissions, runoff, disposal procedure, pollution of all kinds, resource efficiency, biodiversity, and history with environmental regulatory bodies. If your company is falling short in terms of environmental responsibility, investors are only getting more interested. On the other hand, excellent environmental stewardship can show commitment and capability to follow through.

Social

What kind of relationships does your company have with the people in its ecosystem?

This covers how your company manages relationships with its employees, customers, suppliers, partners and communities. Here's where your employee treatment, benefits, pay, and diversity will be evaluated along with your company values and how they have (or haven't) been put into practice. Matters of human rights, sourcing, customer service, and customer protection will also factor into these criteria, as well as the social impact that your operations have left on the surrounding area.

Governance

How does the board of directors run the company?

This aspect involves examining the executive governance of the company. Investors will evaluate stakeholder incentives, executive compensation, bonuses, prioritized metrics of success, matters of corruption, conflicts of interest, levels of transparency, and the hierarchy of governance.

Two decades ago, a framework like this could be categorized as a special interest. Today, it amounts to due diligence. No one wants to complete an acquisition only to be unpleasantly surprised. ESG helps to surface relevant risks and liabilities so buyers can make accurate decisions based on the past, present, and prospective future of the company and make sustainable investments.

A Critical Business Focus

As the greater landscape of industry shifts beneath our feet, a crucial element is quietly evolving with it: the expectations of investors.

To determine the value of a potential investment, firms have begun using a specific set of criteria designed to evaluate a company's sustainability. That is to say, how well will the company hold up to environmental scrutiny? How strong are its relationships in its social ecosystem? Is leadership transparent or will they end up in the headlines in a few years?

These questions address investor priorities that have been developing for years and the focus has been shifting toward socially responsible investing. And with ESG standards, they've gotten better than ever at asking them.

Smart business leaders are using ESG as a framework to better understand themselves. Proactively evaluating your company according to ESG factors is not only appealing to the eyes of potential investors or the public, but it gives your company the information it needs to shore up any gaps.

Diving that deep can require unearthing a lot of data. Some of that may be structured, some of it unstructured, some may be missing. Potential applicability can be unclear. Simply put, it can be overwhelming.

So, let's dive in and start by learning how ESG fits into your existing strategies and initiatives.

ESG vs CSR: Key Distinctions

Corporate culture has never been more transparent or important than it is now. Sustainability leaders, investors, employees, and consumers are choosing companies that align with their values. Millennials in particular have been cited as key to this shift through their spending power and ability to publicize support or dissatisfaction widely.

Corporate Social Responsibility (CSR) and Environment, Social, and Governance (ESG) policies guide business practices and inform the public about the values, goals, and risks of a company. This chapter will explain the difference between the overlapping concepts of CSR and ESG and how each can be incorporated, measured, and refined.

Corporate Social Responsibility Values are Company Values

CSR covers the overarching social, environmental, and economic concerns in a company's policies, practices, and decision-making. CSR commitments serve as keystones for corporate culture and give employees, investors, and consumers insight into company values. They are generally self-regulated and can vary widely. Though CSR is about accountability, the qualitative nature of CSR makes it difficult to pin down. The purpose, values, and spirit of corporate culture can be captured by CSR which serves as a starting point to get to the next step of measurable, data-driven change.

ESG uses environmental, social, and governance factors to evaluate sustainability practices within a company. As Lexology puts it:

> "While CSR aims to make a business accountable, ESG criteria make such business' efforts measurable."

ESG criteria focus on quantitative results that help investors make better decisions about the risks and ethics of particular companies. ESG reporting also helps consumers decide which businesses to support, and which not to, by giving them an indication if a company's practices and actions align with their own values. ESG metrics have quantitative performance indicators aligned to particular ESG criteria.

The Differences Between CSR and ESG

CSR and ESG are related but not the same. If a company is looking to implement CSR and ESG policies, CSR can be incorporated by communicating internally and in press releases that the company is committed to being more sustainable and responsible. ESG builds on that foundation with measurable goals such as a 30% increase in recycled materials within five years and planting one million trees in 10 years.

ESG practices can be used to evaluate how well a company is adhering to the sustainability and corporate responsibility goals they set. Harder-to-measure indicators under the CSR banner would include greater employee awareness of the environmental and social impact of the company or internal and external messaging about sustainable practices.

CSR is the ideal and gives context about sustainability agendas and corporate responsibility culture. ESG is the action and measurable outcome. **To simplify, CSR can be thought of as the qualitative side and ESG as the quantitative side.**

3 PARADIGM SHIFTS IN THE EVOLUTION FROM CSR TO ESG

FROM MESSAGE TO MEANING
ESG incorporates transparent and specific metrics that bring a new layer of meaning to impact storytelling.

FROM SILOS TO SYSTEMS
ESG issues are intersectional by nature and requires a system-based appraoch to management

FROM COST SAVING TO VALUE CREATION
ESG acts as a strategic lever to deliver on a company's Purpose, thereby driving growth and performance.

SOURCE: World Economic Forum

Bridging the Gap: Collaboration Between EHS and ESG

In the modern corporate landscape, the realms of Environment, Health, and Safety (EHS) and ESG are intricately interconnected, yet often operate in silos within organizations. The gap between these areas can make addressing pressing challenges difficult, from regulatory compliance to reaching sustainability goals. However, fostering collaboration and synergy between EHS and ESG teams can unlock transformative potential, driving not only compliance but also innovation and strategic growth.

Where EHS and ESG Meet

First, it's key to recognize the intersections between EHS and ESG objectives. While ESG initiatives often emphasize sustainability and social responsibility, the foundation for these endeavors lies in robust EHS compliance. If you're not in compliance, you're never going to get to sustainability and ESG strategies and outcomes. EHS programs not only ensure regulatory compliance but also drive operational efficiency, making them indispensable partners in the pursuit of ESG goals.

Disconnectedness between EHS and ESG teams can impede progress and hinder the realization of shared objectives. To bridge this gap effectively, organizations must cultivate a culture of collaboration and communication. EHS managers, with their frontline expertise, can provide invaluable insights into operational challenges and opportunities for improvement. Engaging EHS teams in strategic planning ensures alignment between ESG goals and operational realities, fostering a more integrated approach to sustainability.

Leveraging Strengths

Both EHS and ESG teams possess unique strengths that, when leveraged together, can drive transformative change. ESG teams excel in cross-enterprise connectivity and relationship-building, which can increase the visibility of EHS initiatives within the organization. Conversely, EHS managers bring expertise in regulatory compliance, risk management, and operational efficiency, enriching the strategic dialogue around sustainability. By capitalizing on each other's strengths, teams can navigate complex regulatory landscapes and drive meaningful progress towards shared goals.

At its core, collaboration between EHS and ESG teams is about driving positive change – not only within the organization but also in the broader community and ecosystem. By working together towards common goals, organizations can create a more sustainable, equitable, and resilient future for all.

Now that you've seen where elements of ESG may already exist within your organization, let's talk about intentionally developing an ESG strategy.

7 Steps to Develop and Implement an ESG Strategy

A critical step in embarking on an ESG strategy is to first understand your drivers. What is driving your company? Likely, it is a combination of dozens of factors. But understanding the opinions and insights of your internal and external stakeholders will help you stop reacting and start taking a prioritized, strategic approach to your ESG journey.

The time has passed for organizations to take a passive approach to ESG planning. Now more than ever, investors, employees, and customers are shining a bright light on companies' ESG strategies, practices, and performance when deciding where and with whom to partner with or invest in.

ESG disclosures are also being tallied more than ever before – with stakeholders searching for company commitments to ESG through public disclosure of information on a website, sustainability reports, annual reports, or via common rating publications.

While companies find ways to tackle day-to-day challenges, it's important to keep sight of the big-picture and establish a strong ESG program framework that can withstand the test of time, investor demands, and cultural shifts. Being proactive in ESG allows time to build more programmatic strategies versus one-off reactions to current events.

Here are seven steps to develop and implement an ESG strategy that highlights how companies can take a methodical approach to building scalable and efficient ESG programs and processes. While we focus on ESG as a whole, the process can be applied to select aspects of ESG as relevant to your industry and business.

Finding Your Focus Before You Get Started

Building an ESG program can be overwhelming when you consider all the potential topics that make up "E," "S," and "G" and the reality that ESG covers all functional areas of a company.

We recommend first focusing on assembling a team of cross-functional stakeholders who are fit to identify and evaluate ESG risks, opportunities, and performance in your company from all necessary perspectives to ensure your program will have the internal support to succeed.

Creating or refining an ESG strategy is a company-wide undertaking but should have a core organizational owner to shepherd the process forward. Though each organization's priorities will differ, here are some of the key topics underlying the ESG pillars to help you get the conversation started. A materiality assessment will help determine which ones are most worthy of your initial focus.

Environment covers your company's impact on the natural world. Here are a few of the most common areas of interest:

Greenhouse gas (GHG) footprint.
Air and water pollution management
Waste management
Water resource management
Natural disasters and climate risk

Social covers the company's impacts (positive and negative) on communities and how the company treats employees. Some common topics for measurement and disclosure include:

Human rights
Diversity, Equality, and Inclusion (DEI)
Fair wages
Community impacts and philanthropy
Data security and privacy
Labor conditions (directly and within the supply chain)

Governance covers how well a company discloses and manages its actions, priorities, and ethics management. Governance covers:

Board composition
Conflicts of interest
Bribery and corruption
Political contributions and affiliations
Whistleblower protections

1. Perform an Impact Screening

Developing a meaningful ESG strategy starts with identifying the impacts of your business and value chain on people and the planet. The goal is to pinpoint the areas of your operations and value chain that have the most likely and severe risks of impacts on people and the planet.

We recommend breaking risks into three categories: environment, communities, and workers. Each pillar should consist of indicators based on datasets that assess the geographic, industry, and raw material risk. A combination of quantitative and qualitative data from publicly available datasets can be used to assign a score to each risk.

This information is then used to determine the likelihood and severity of each risk to provide an overall score. Present this information visually through a heat map to easily demonstrate areas of concern.

2. Conduct a Materiality Assessment

A materiality assessment engages your internal and external stakeholders to determine the importance and relevance of ESG topics from their perspectives. It is important to include a diverse set of stakeholder voices during the materiality assessment to ensure that an ESG topic is not overlooked nor biased.

The materiality assessment provides a summarized view of ESG topics from your stakeholders' perspective. Without a proper assessment, companies often have ad-hoc efforts or lack sustained focus on consensus priorities. Many ESG topics may be relative to your business stakeholders, and it can be hard to prioritize where to get started. Reaching out to your stakeholders to gather their perspectives provides a way to prioritize your actions. Materiality assessments have evolved to consider more than just business impact - considering issues from a financial materiality perspective ("impacts inward" - impacts on the business) and environmental and social materiality perspective ("impacts outwards" – the company's impacts on the economy, environment, and people) – a concept known as double materiality. We recommend combining the results of the impact screening with the materiality assessment to hone in on the key ESG issues and opportunities that are most likely to affect your business performance and stakeholders.

A materiality assessment should yield the following core outputs:

- A methodical way to prioritize ESG topics.
- An understanding of the relative importance of each topic to your stakeholders.
- A process that includes the impacts of your business's operations and value chain on people and the planet.
- Guidance on how to emphasize topics in annual reports and disclosures.
- Provides validity to ESG priorities for communication and/or strategic action.

3. Assess Current State Baseline

Once you know which ESG topics to prioritize, it's important to assess existing programs, policies, metrics, and engagements within your company.

You can do this by working directly with cross-functional stakeholders within your organization that have expertise in each priority ESG topic. We recommend gathering information from reports, policies, and data systems first, supplemented by interviews with internal stakeholders to follow up on specifics and collect more detailed insights. This assessment allows you to take stock of your company's current state and gauge the relative maturity of ESG across the organization.

You may find silos of ESG activity within your organization that have not been included in your corporate strategy or communications. By getting a pulse on ESG within your organization, you can better gauge the level of ambition and fitness for ESG goals.

Integrating peer benchmarking into the assessment is a good way to gather intel on the ESG maturity of competitors and analyze industry challenges, opportunities, and leading ESG practices that you can compare to your company's current state.

4. Define Visions and Goals

Now that you know your ESG baseline, you are ready to start setting your sights on how you will focus efforts moving forward. We recommend topic-focused working sessions with key stakeholders to define a vision for your ESG performance that focuses on the following goals:

MAINTAIN

What are you already doing well that just needs to be maintained or communicated? This may be something like 'complying with applicable product safety regulations' – something that is considered 'table stakes' and material for the business to maintain. These may be ESG elements for which you do not plan prioritize resources in the short-term; nor do you consider them as an opportunity to provide significant ESG value. However, keeping them on track is important, so you decide to maintain current efforts to ensure compliance.

IMPROVE

What areas can you make incremental improvements to better align with peers, meet stakeholder expectations, or demonstrate commitment to ESG? For example, you may have inclusion and diversity programs internally, but little communication to external audiences about how and why these are important to the company. Your strategic objective may be to externally report key inclusion and diversity metrics and set a goal for improvement.

OPTIMIZE

Where can you really sharpen your existing efforts to move toward industry leadership in ESG? We recommend selecting one to three topics to prioritize your effort and seek industry leadership status. Perhaps you have already calculated and communicated your operational carbon footprint and set site-level greenhouse gas emissions targets, so your strategic objective may be to complete a company-wide decarbonization plan and set a science-based target.

A natural next step to deciding on objectives is to set goals. Goals are a great way to measure the impact of your activities, improve company performance in key areas, position your company well among peers and further integrate ESG practices into the business. Public goals also help inform stakeholders and demonstrate a commitment to your ambitions.

There are certain things you should consider when setting goals, such as:

- What context is needed for your proposed goals?
- How can performance be assessed?
- How ambitious do you want to be with target dates?
- What levers need to be pulled directly or indirectly?

ESG goals are not one-size-fits-all – they should be tailored to your specific business and impact. We often recommend setting a broad and aspirational goal with supporting targets or "sub-goals" that are measurable, more digestible, and often meant to be completed in shorter time spans. It is also important to consider what your goal drivers are when deciding how and when to communicate goals externally.

At this stage, we recommend presenting your draft goals to your leadership team, Board of Directors, and sustainability councils. By engaging these stakeholders early in the process, you gain consensus around your direction and garner support that may be needed to build resource teams or programs.

5. Develop a Strategic ESG Roadmap

An ESG program won't hold up unless it has a framework that clearly outlines where your organization's vision and purpose meet your ESG priorities. A strategic roadmap provides a compelling ESG framework that gives stakeholders a clear picture of your strengths, goals, and direction. Developing a roadmap should outline initiatives, actions, and resources, and ensures accountability for key actions.

To get started, we recommend conducting a gap analysis between your current state and your vision and goals to identify what may be missing so you can strategize and plan accordingly for the future. Depending on where you are on the fitness scale, gaps may be as minor as only needing to collect one more metric, or as large as needing to set up a sustainability council to make key decisions moving forward. Understanding the gaps between your current state and your five-year target will help define the initiatives, actions, and resources for your roadmap.

This is a time to be reminded of the level of ambition you previously identified during your vision and goals session and to set in place a reasonable approach that you know you can commit to, often through a phased plan with measured steps along the way.

When building a framework, it's important to consider how it applies across your organization (by operation type, function, region, etc.) and how you will monitor progress to achieve goals.

6. Implementation of Action Plans

To effectively implement an ESG program requires the integration of ESG into business practices and processes. You need to outline programs to stay in shape all year long, so you are prepared when the ESG spotlight shines on your company. Here are a few best practices to ensure successful implementation:

- Identify clear and measurable outcomes that define what success looks like for you.
- Utilize centralized management systems or data software to more easily track and trend key metrics and performance.
- Set a regular cadence of communication and updates for key stakeholders to continuously evaluate goals, update data, and compare best practices. By constantly monitoring your plans, you can stay apprised of adjustments that might be needed to stay on track toward your goals.

While it is valuable to have oversight of ESG at a corporate level, it is important to remember that real progress happens on the ground. Your facilities teams will likely need detailed recommendations and guidance to achieve tangible results as you drive accountability from team members responsible for implementing actions.

7. Report Your Progress

Similar to goal setting, there is not a "one-size-fits-all" approach to ESG reporting. Regardless of the standards, frameworks, or guidance used to tell your story, the most important component of reporting is communicating your information externally in a concise and clear manner. To develop your report, you first need to decide what you want your report to accomplish. It should ideally be a combination of:

- Communicating ESG strategy to stakeholders while demonstrating alignment to business objectives.
- Highlighting ESG policies and programs already in place.
- Sharing ESG goals and metrics.
- Evaluating your progress and engagements in priority ESG areas.

It is good to start by identifying your key audiences and determining what they want to know. In addition to deciding what to report, you also need to consider how you want to disclose information in a direct and efficient way, ensuring you report on topics most material to your company. It is important for stakeholders to be able to access your ESG information easily. We recommend having a PDF report available on your website and/or organizing a dedicated ESG landing page to signal your commitments and provide clear and timely communications. As you mature and progress, you may integrate key information into broader company reporting, such as proxy or annual reports, investor presentations, or customer communications.

In addition to external communication, it is good to provide regular internal updates to reinforce the importance of ESG to the organization and acknowledge contributions employees have made toward achieving goals.

Finally – review and update your ESG strategy regularly to ensure your company stays aligned with stakeholder and business expectations. This is not a one-time assessment but a living and breathing strategy that you need to continue to nurture and grow.

Why Today's Businesses Should Invest in ESG

It's a good time to be paying attention.

The business landscape is reorienting itself and you can almost hear priorities shifting toward change-readiness and the bigger picture. Companies everywhere are reviewing their strategies and re-evaluating where their resources will be invested over the next few years. Business resilience has been cemented as a top consideration.

ESG by the numbers

$17.1 trillion in U.S. assets were chosen according to ESG criteria in 2020. This is up from $12 trillion in 2018.

89% of investors considered ESG factors in some form as part of their investing approach.

91% of banks monitor ESG, along with 24 global credit rating agencies, 71% of fixed income investors, and over 90% of insurers.

303% growth was seen in media mentions of ESG data, ratings, or scores year-over-year in 2020.

The ESG Investment Imperative

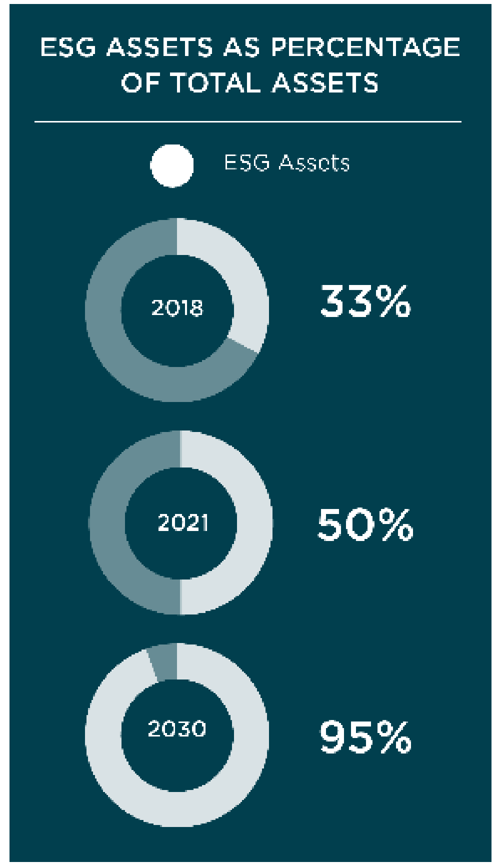
"Historically, performance was all [that] mattered to most investors," notes an article at Visual Capitalist, "but going forward, considering ESG criteria ... is expected to become a default component of investment strategy as well."

An analysis by the Global Sustainable Investment Alliance found that by 2030, 95% of all assets will incorporate ESG factors as part of their evaluation.

Looking at ESG as a whole, it's not hard to see why investors have begun to zero in on ESG criteria as defining factors for determining the quality of an investment. How a company impacts its surroundings isn't just about moral due diligence — it's also a major factor for long-term bottom-line success.

The more you learn about the implications of the ESG framework, the more it becomes clear that it isn't only about how a company is currently faring in those three given areas — it's about how well a company is setting itself up for real long-term success. It probably doesn't need saying (but we'll say it anyway): concerns around sustainability in business aren't going anywhere. It's all but certain that public and investor interest in how companies conduct business is only going to grow and be placed under heavier scrutiny.

And if investor and stakeholder pressure wasn't enough to convince you to take action on ESG, emerging regulations certainly will be.



SOURCE: Deutsche Bank.
Global Sustainable Investment Alliance, 2019

A New Era of Compliance: Understanding ESG Reporting

Increasing demands for information are coming from internal and external stakeholders alike. Employees are seeking safety, security, and stability; regulators seek to ensure their communities are protected from contamination and competition for resources; investors are seeking "sustainable investments" and projects; and business leaders must protect and grow their organization in an ever-changing global economy.

Historically, companies have voluntarily communicated their ESG efforts to different stakeholders through a number of channels ranging from occasional press releases or blog posts, to the multitude of third-party customer and investor surveys such as the Dow Jones Sustainability Indices (DJSI), CDP and EcoVadis, or through full-fledged corporate sustainability reports aligned to prominent standards and frameworks such as Global Reporting Initiative (GRI), Sustainable Accounting Standards Board (SASB), and Task Force on Climate-Related Financial Disclosure (TCFD).

Up to this point, companies have largely been given the flexibility to pick and choose which topics to address, what boundary to apply, how to calculate data, and whether to have their information assured by a third-party. The concern, however, is how to discern if the information presented to stakeholders is a valid and true reflection of the company with so little responsibility tied to performance or communication.

The UK TCFD-Aligned Disclosure, the SEC Climate Disclosure Rule, and the EU Corporate Sustainability Reporting Directive "CSRD," are all examples of newer legislation which seeks to standardize reporting requirements around various ESG topics. Many of these new legislative pieces are leveraging existing surveys and frameworks to inform their requirements rather than introducing yet another reporting framework.

Companies that meet the conditions for these new policies will soon be legally obligated to report annually on ESG matters, with certain topics required to be externally assured – a step forward towards credibility and consistency.

This growing concern about lack of transparency, accountability, and consistency has risen to a boiling point, to the extent that we have now entered a new Era of Compliance.

The Role of ESG Raters and Rankers

To assess and compare companies' sustainability performance, specialized organizations known as ESG raters and rankers have emerged. These organizations collect data from various sources and employ their own methodologies to evaluate companies based on ESG criteria.

ESG scores designated from raters and rankers aid companies in referencing external recognitions to showcase their effectiveness in ESG management, which helps alleviate stakeholder concerns over ESG issues, highlight sustainability practices, and offer a competitive advantage.

ESG Rating

ESG ratings provide a comprehensive evaluation of a company's ESG performance, allowing stakeholders to compare and benchmark companies within an industry or across sectors. Ratings often follow a standardized methodology and can be provided by specialized ESG rating agencies, financial services firms, or investment research institutions.

The output of an ESG rating is typically a score or grade (e.g., on a scale of 1 to 100 or a letter grade), reflecting the overall ESG performance of a company. Ratings may also include individual scores or assessments for different ESG categories.

ESG Ranking

ESG rankings involve comparing companies' ESG performance and positioning them in a hierarchical order based on their relative ESG scores or ratings, creating a snapshot of benchmarked companies' ESG practices. Rankings are focused on providing a simplified view of how companies perform against one another rather than presenting detailed results of ESG scores or grades.

ESG rankings are often presented in the form of league tables or lists, where companies are ranked from the highest to the lowest in terms of their ESG performance. These rankings allow stakeholders to quickly identify leaders and laggards within an industry or sector.

Working Toward Your Own ESG Rating

Engaging with ESG raters and rankers allows companies to communicate their sustainability efforts, appeal to socially responsible investors, and differentiate themselves in the market. By approaching ESG reporting with accuracy, investing in stakeholder engagement, and maintaining a commitment to continuous improvement, companies can optimize their ratings and rankings and strengthen their sustainability practices.

Chance to Get Ahead

Despite the rapid rise in attention to ESG, organizations are still broadly coming up short when it comes to reporting and transparency. According to Gartner, only one in 10 investors find the ESG information they're seeking in corporate disclosures.

"There is an enormous opportunity here for most companies to stand out better to investors simply by providing the information they are looking for," said Stephen Adams, director in the Gartner Finance practice, in an article at Accountancy Daily. "'ESG reporting is more widely watched than many CFOs realize ... CFOs who are not conveying an ESG story to these stakeholders are missing out."

This may be good news in the sense that, if your company has not yet taken meaningful steps to prioritize ESG as a core business focus, there's still time to move ahead of the pack. Design policies that put these factors at the forefront.

Doing so will make your business more viable in the long term, and more attractive to both investors and customers right now. It's not uncommon to see companies that are actually doing a good job with ESG initiatives but failing to properly and accurately disclose this information publicly. These companies run the risk of losing out on potential ESG-focused investment dollars, not to mention alienating current shareholders and customers.

The takeaway here is that equipping your company for the future means shifting a focus away from short-term gratification and investing in transparent long-term resilience, adaptability, and responsibility. Even looking at the value placed on ESG today, it doesn't require the most extraordinary foresight to see where the industry is heading.

A Matter of Action

If you haven't already, now is the time to take action and develop a strategy for ESG integration. By identifying financially-material ESG issues and working through the 7-step process shared herein, you can begin to build an ESG program that creates enterprise value. If you get stuck along the way, there are consultants that can help you navigate, better understand, and proactively manage ESG risks and opportunities.

Conclusion

Moving Beyond Compliance Towards Next-Level Sustainability

Companies are realizing the fact that ESG is a critical pillar to build your business around, not simply a requirement for placating regulators. The increased focus on ESG investments as a signal for sustainability performance isn't likely to go away any time soon.

ESG brings together environmental, social, and governance factors -- then prioritizes and translates those factors into key strategies and goals that companies can use to evaluate their current operating model and long-term resiliency. Having a well-defined ESG strategy allows companies to control their own narrative — internally and externally. It has become the hallmark of a well-managed organization.

From understanding what is most material to your business and how to establish baselines and goals, to developing roadmaps, tracking metrics and reporting on progress, a formalized ESG strategy can help you establish strong programs that can withstand the test of time and be responsive to changing investor, consumer and societal expectations.

It's no longer a question of IF ESG issues relate to the core of business, but rather WHAT ESG strategies your company can employ to best equip itself for the uncertainties of the future and the demands of the present. A successful ESG strategy can be a true differentiator for your business – helping you outperform competition, improve talent acquisition, enhance innovation, and drive investment.

Thank You for Reading!

Antea Group

Understanding today.
Improving tomorrow.

About Antea Group

Antea®Group is an environment, health, safety and sustainability consulting firm. By combining strategic thinking and multidisciplinary perspectives with technical expertise, we do more than effectively solve client challenges; we deliver sustainable results for a better future.

We work in partnership with and advise many of the world's most sustainable companies to address ESG-business challenges in a way that fits their pace and unique objectives. Our consultants equip organizations to better understand threats, capture opportunities, and find their position of strength.

Lastly, we maintain a global perspective on ESG issues through, not only our work with multinational clients, but also through our sister organizations in Europe, Asia and Latin America and as a founding member of the Inogen Alliance.

For more support building or improving your ESG strategy, contact us at info.us@anteagroup.us

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