

A background image featuring a network diagram with grey nodes and lines on a light grey gradient. The text 'ESG' is centered in the upper half, and 'THE BUSINESS IMPERATIVE' is centered in the lower half, both in a bold blue font.

ESG

THE BUSINESS IMPERATIVE

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Why are we bothering?

For the benefit of current and future generations
.....and to preserve our Planet

It is vital for organisations to engage in business practices that assist under-represented people and the planet.

Legislators, Stakeholders, Investors Clients and Staff want to know.....

- What are organisations doing to uphold commitments on environment, social and corporate governance?
- Demand for information
- Transparency
- Is your organisation delivering on your ESG strategies?
- Efficacy on deliverables?

What happens if I don't invest in ESG?

- Potential fines
 - Reputational damage
 - Litigation
 - Trade restrictions
 - Product recalls
 - Prison sentences
 - Lower profits
 - Supply chain disruptions
 - Breach of contract
 - Loss of licence to operate
-
- ❖ ESG focus dominates business operations today
 - ❖ How can actions and opportunities within the ESG environment be used to generate revenue?

ESG Expectations

Translation to key actions:

- Updates to corporate brands, values, code of conduct
- Creation of new roles to address ESG
- Monitoring/measuring supply chain contract obligations, Eg: due diligence
- Increased participation in local and regional business locations
- Increased reporting transparency
- Hiring practices – greater awareness
- Workplace health and safety programs – within organisation and downstream supply chain
- Labour standards – incorporated into worker contracts
- B Corp certification: 80%+ score on social and environmental performance
- Condition of doing business - Insistence on inclusion of ESG clauses in contracts
- Green investments
- Donations

Budget Tightening

How to:

- Bring in efficiencies
- Monitor all necessary data
- Implement daily operations focus
- Drive results rather than theory

Meet your objectives. Start with what is achievable. Don't over reach.

Different Perspectives - What Is Important?

To your organisation?

- Defined social values: internal and supplier social consciences
- Strategy – validate commitments
- Diversity and inclusion
- Adherence to regulations/contract obligations
- Energy related activities
- Product processing
- Transportation and distribution
- Recruitment diversity
- Talent retention

To your shareholders?

- Investing due to ESG progress
- Social benefits value
- ESG opportunities identified
- Transparent reporting

To your stakeholders?

- Human rights
- Health & safety
- Partnerships
- Supplier code of practice
- Clarity on obligations

To your consumers?

- Reuse/recycle – waste is a commodity
- Reduced impact on the planet to create product/service
- Use of renewable energy
- Fewer carbon emissions used to create the product or provide the service
- Hiring practices
- End-product is sustainable
- Responsible relationships - organisations take responsibility for suppliers further down their supply chain

Business case – pick only a few significant actions that your organisation can perform for society

Corporate Governance Reporting Commitments on a Page

Sustainability

- Social and sustainability policy in place?
- Is sustainability a goal at Board level?
- Climate change policy in place?
- Renewable energy – detail strategy and achievements
- Detail sustainability initiatives –past, present, future
- Goals to minimise greenhouse gas emissions?
- Goals to minimise/reduce energy consumption
- Measure/review supply chain impact on the environment
- Quantify your carbon footprint
- Waste reduction KPIs and achievements
- Pollutants – KPIs and measurements
- Water consumption – strategy and achievements
- Paper usage
- Recycling strategy, goals and achievements
- Ethically sourced supplies? Detail examples
- Resources depletion - quantify
- 100% Carbon Offset Certificates?

Small/Medium business Enterprises (SME)

- Tailored workshops for SMEs?
- Tailored publications for SMEs?
- Quick payment policy?
- Pro bono assistance for SMEs?
- Partnership with SMEs?
- % of spend per financial year
- % of spend target

Modern Slavery

- Modern slavery policy in place?
- Strategies in place? Detail past, present, future.
- Modern slavery training provided within your organisation? Not just within Procurement.
- Modern slavery training provided to the Board?
- Transparent investigations and remediation conducted on Modern Slavery?
- Due diligence conducted on suppliers? Beyond Tier 1?
- Can employees anonymously raise concerns about employment conditions?
- Is there consultation within your organisation?
- Is there consultation with other organisations?
- Description of risks of modern slavery practices
- Actions taken to assess and address risks
- Assessment of effectiveness of actions

Purchasing from Social Enterprises

- Where possible, give first preference to securing goods and services from social enterprises
- Identify the \$ spend with social enterprises
- No. of social enterprise suppliers

Supplier Location

- Does your organisation offer employment to people working in remote regions?
- No. of people or % of people hired to work in remote regions?
- Has your organisation supported the regional procurement policy of the NSW Government this year?
- No. of regional engagements with suppliers?

First Nations

- First Nations policy?
- No. of suppliers > 50% ownership Aboriginal & Torres Strait Islander
- % of spend with Aboriginal & Torres Strait owned businesses
- Advance opportunities for Aboriginal & Torres Strait Islander Peoples
- Partnerships in place with First Nations organisations?

Gender Diversity

- Does your organisation procure from suppliers which are women-owned and/or gender equitable? How many?
 - No. of and % of women who own the business and/or are in executive roles?
- Suppliers with > 50% female ownership?

Australian Disability Enterprises (ADEs)

- Preference to procure from ADEs
- \$ spent with ADEs
- \$ with BuyAbility Procurement
- ADE initiatives for the next financial year
- Does your organisation work with suppliers who have diverse hiring practices?

ESG

- ESG Policy in place?
- Does your organisation procure from organisations who practice ESG?
- ESG education provided?
- What drives your ESG practices? What blocks are encountered?
- ESG strategies – past, present, future? Provide transparency of details
- Individual supplier ESG performance assessments

Actions and FTEs

- Quantify volume of ESG requests coming into your organisation/frequency
- Quantify how long it takes to obtain information
- Quantify how long it takes to respond to questionnaires
- Responses to RFPs
- Create a table showing volumes/FTE correlations

Detail all legislation that impacts upon your organisation based on where you do business locally or regionally or globally.

Destination	Action	Mandatory?	Duration of action	Frequency	FTE Required
Company ESG Report		ESG actions past, present, future + progress status		Annual – monthly preparation	
Company Annual Report		ESG update + hiring practices + sustainability		Annual – 6 months preparation	
Company Modern Slavery Report		Modern Slavery Legislation Aus, UK		Annual – monthly preparation	
Supplier Questionnaires		Retention of suppliers and business connections		Daily	
New Business opportunities (RFP)		Responses to RFP questions		Monthly	
Reconciliation Action Plan		Strategy creation/monitoring + responses to questionnaires		Annual – monthly preparation	

For Audit Purposes

- Information ownership - responsibilities assigned
- Information – reliable, constant
- Accountability for actions assigned - within organisations/between organisations
- Auditability - progress year on year
- Information storage - year after year
- Green washing or misrepresentation of achievements may result in fines, reputational damage

Note: Manual recording/transposition of information on xls spreadsheets may result in errors