

# Getting from E to G – a checklist for creating your ESG strategy

## Overview

We launched our anticipate, measure, manage methodology a year ago and it has proven, across a number of client engagements, to be a robust structure you can confidently build your ESG analysis and response around.

### 1. Gather information, anticipate change

- Identify the elements of E,S and G that resonate most for you and your business (see Figure 1 for the ESG landscape map)\*
- Identify what strategic ESG concerns you have
- Review what your competitors/the sector you operate in is doing
- Name your stakeholder groups, are you confident about what they expect? Is access to finance a priority for you?
- If listed, know what existing and upcoming ESG related disclosure obligations your exchange requires
- Complete a supply chain risk assessment
- Prepare a legal baseline of current and near-term regulatory requirements
- Agree what data/information you need e.g. are you sure you understand the situation across markets?
- Consider legal risk exposure in relation to current statements you are making or what you are disclosing
- Does your mission statement/values/goals incorporate impact on stakeholders other than shareholders? Should it?
- Horizon scan – have ESG issues been fully considered in your longer-term planning e.g. brand positioning, launch of new business models, entry into new markets, supply chain and customer modelling.
- Understand the cost, risk and opportunity associated with your current ESG state and your desired future state

### 2. Set strategy

- Define your ESG strategic goals and integrate into the organization's broader strategy
- Assign responsibility, and make sure cross-team and (if relevant, cross-market stakeholders) are engaged and accountable
- Be clear about what and how you will measure and report

### 3. Manage implementation – examples of what this might include

- Have plans by function e.g. approach to talent acquisition by HR; supply chain/supplier management by procurement; ESG due diligence protocols for M&A/corporate affairs; risk screening for corporate communications
- Agree reporting/disclosure time line
- Align executive compensation to goals/strategy/ success
- Put ESG updates on the Board meeting agenda
- Integrate ESG related risks into your Enterprise Risk Management protocols

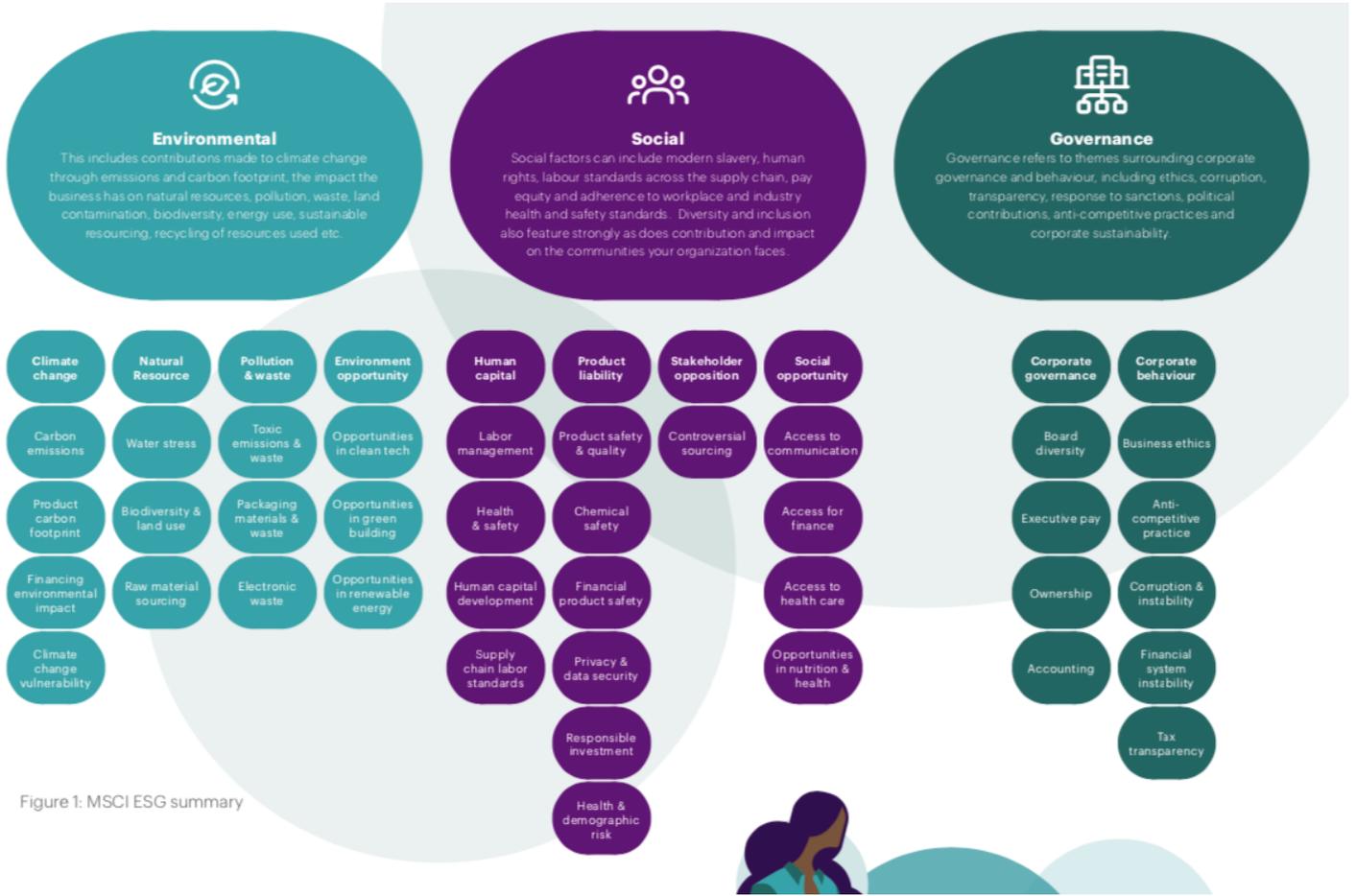


Figure 1: MSCI ESG summary

