



4 Questions to Get You Started with ESG

PWR Advisory

With increased regulatory oversight and a growing focus on sustainability by investors as well as other stakeholders, a strong ESG strategy/framework has gone from being a 'nice to have' to a 'must have'.

The ESG landscape can be confusing. There seem to be a myriad terminologies in use and varying kinds of professionals offering different ESG services. To make matters worse, businesses now risk not being able to access investment if their ESG credentials do not stand up to investor scrutiny.

In reality, starting your ESG journey need not be overly complex. As with most things however, there is no one-size fits all solution.

Here we outline 4 key questions to consider as you commence the journey.



1. WHY

Why are you doing this and what are your organizational drivers for embracing ESG? This analysis goes beyond the generic case for ESG, to a deeper consideration of what ESG means to your business, how it fits in (or otherwise) with your organisation's aspirations and value proposition, values, mission and vision. You must consider your ESG destination What would success look like for your company?

In conducting this analysis, it is important to consider your drivers – Is your ESG ambition determined by the regulatory environment, or customer expectation for example, or is ESG at the heartbeat of your company? Your approach will be significantly different if the focus of your business is developing and promoting sustainable textiles (where ESG is at the heart of your business) compared to if your key consideration is regulatory compliance.

2. WHERE

Where are you with ESG today? It is critical to have a clear picture of where your organization currently is with ESG. What are your current practices? How do they compare to your goals?. How does it compare to where your competitors are and where your stakeholders want you to be? What is your current level of statutory compliance? What are the gaps?

In addition to the issue of local statutory compliance, companies with international affiliations such as investors or customers relationships etc, also need to consider international standards and requirements which they may need to subscribe to.

3. WHO

In developing your road map, you must identify your stakeholders and consult them to understand what is material and of interest to them. Determining the stakeholders driving and impacting your business decisions requires a holistic review of both the obvious and more subtle actors. These may include shareholders, investors/lenders, employees, customers, regulators, vendors, media and members of the local community within which you operate.

4. WHEN

Having answered the first three questions and now armed with more clarity as to why ESG is relevant to your organisation, insights on your current state of affairs, knowledge of who your stakeholders are and some understanding of their expectations of you, now is the best time to commence your ESG journey. You do not need to have perfect answers to all the questions above. But having taken time to carry out a review and appraisal, you are now in the best position to commence the journey. A good place to start is to develop a preliminary map, inclusive of priorities, timelines, key dates, key objectives and key players.

PWR Advisory is an ESG consulting firm. We operate across Africa

We work with clients to deliver ESG solutions customised for their businesses, investors and other stakeholders.

We help our clients incorporate ESG into their strategy and operations and meet regulatory reporting requirements.

We demystify ESG

Our ESG Services

- Sustainability/ESG strategy development and implementation
- Stakeholder analysis and engagement
- Materiality assessments
- Gap analysis
- Emissions mapping and reporting
- Energy transition consulting
- Board ESG training

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