Three steps to building your ESG strategy

When embarking on an ESG transition, think about the ESG factors that **currently** affect your business and the factors that may impact in the future. Then work through these three stages to make sure you're creating an effective, adaptive strategy:

Getting started:

Start with the board – put ESG on the board agenda as a regular agenda item.

Establish an ESG committee (if appropriate) – this should span all areas of the business.

Assign accountability – decide which board member(s) will be responsible and accountable for your ESG plans.

Give ESG an appropriate budget – it is integral to the success of your business.

Planning:

Call in the experts (if you need them)
– don't be afraid to seek external advice.

Develop an action plan
– this should use your materiality assessment and be linked to SMART goals. SMART goals should be Specific, Measurable, Achievable, Realistic and anchored within a Timeframe. Aligning these to the **UN Sustainable Development Goals** is preferable, where possible.

Plan and conduct a materiality assessment
– this highlights the fundamental ESG issues that need to be actively managed for you to become a responsible and sustainable business. You can find a toolkit to help you create one **here**.

Familiarise yourself with the TCFD
– the Task Force on Climate-Related Financial Disclosures was created to increase and improve reporting of climate-related financial information. Visit **fsb-tcfd.org** to learn more.

Implementing and improving:

Research – it's always helpful to see what other businesses are doing, both large and small. Aviva's Sustainability Ambition can be found **here**. Here you can view sustainability reports, climate-related financial disclosure and more.

Bring your workforce along on the journey – engagement and commitment is key. Consider appointing climate champions for different areas of the business and encouraging discussion.

Consider obtaining external accreditations – these demonstrate your commitment to ESG (e.g. ISO accreditations).

Think about your data output – what key metrics should be recorded, and how could they impact strategy? Start by recording your baseline details as they currently stand and in time this will help demonstrate the improvements taken.

Consider reviewing the 7 Principles of Effective Disclosure to ensure data outputs are credible. These state that data should:

- Represent relevant information
- Be specific and complete
- Be clear, balanced and understandable
- Be consistent over time
- Be comparable among companies within a sector, industry or portfolio
- Be reliable, verifiable and objective
- Be provided on a timely basis

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