



# Columnist

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## Making Sustainability Count

*As businesses begin to emerge from the COVID pandemic, events of the last year have brought about an increased focus on sustainability, environmental and ethical concerns.*

**T**he consideration of these ESG factors (standing for Environmental, Social and Governance), hasn't just become of sharper focus, but critical to the success of organisations across all sectors. Key stakeholders including employees, customers, suppliers, regulators and local communities are demanding organisations consider how their operations impact the world, their contribution to society and how they conduct themselves.

### What is ESG?

ESG has immense meaning in terms of how the world is to adapt and change and our role in shaping this direction. However, this acronym also has different meanings to those that use it.

Environmental criteria, where every organisation creates positive and negative impacts, encompasses carbon emissions, waste, water and wider climate change considerations subject to specific industries.

Social criteria consists of the relationships your organisation has in your local community and the reputation it fosters with people and those communities. It also includes all workforce relations such as diversity and inclusion.

Governance criteria, those internal system of practices, controls and procedures your organisation adopts in order to govern itself, make effective decisions, comply with the law, and meet external stakeholder needs, is the third part of the ESG picture.

### ESG Reporting

ESG considerations are also driving significant changes in reporting and you'll find a plethora of diverse reporting frameworks, some industry specific, which organisations can choose to adopt in order to meet these requirements. In the UK, decisive action has also been taken to mandate TCFD reporting between now and 2025. Governance, strategy, risk management and metrics/targets are the foundations of these requirements and are designed to interlink and inform one another.

The recommendations across these four areas have also been mapped across all non-financial reporting frameworks already in existence, and consequently, even if an organisation is already reporting information under another existing framework, the recommendations can be integrated into its existing disclosure systems and practices without conflict.

As a result of these ever-increasing reporting and operational requirements being placed on businesses and those who run them, now and into the future, at BDO we felt it had become critical to address the gap between knowing and doing in relation to the ESG agenda and embracing sustainable business practices.

### Making it count

Partnering with the Belfast Chamber, our "Rethinking Doing Business; a Sustainability Awareness" survey sets out to ascertain how aware and prepared businesses are of the challenges posed by climate change, and to gauge what kind of support is needed.

In committing to further assisting local businesses understand what they can do to help tackle climate change and make their businesses more sustainable, this survey also provides optional practical initiatives that may be of use for those within businesses tasked with navigating the ESG agenda.

While the results of the survey are yet to be published, at BDO NI we know that the concerns around preparing for sustainable business practices are complex. We also know that many businesses are calling out for help and support in how they can practically address the requirements and the many different requests placed upon them by external stakeholders, employees and the local communities in which they operate under the ESG principles, all while trying to manage and run the business day-to-day.

At BDO we assist organisations of all sizes; supporting them in identifying key considerations in relation to climate change/ ESG factors, relevant to the nature of their business and can help advise on ESG reporting requirements.

**Contact us today if you would like to talk about your business and its ESG agenda and sign up to receive the findings of our 'Rethinking Doing Business; a Sustainability Awareness' survey via [www.bdoni.com](http://www.bdoni.com).**

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