

How to Measure and Ensure ESG Best Practice Compliance



Environmental, social and governance initiatives are hot topics in retail board rooms, and for good reason: With the nation's growing focus on sustainability, consumers, investors and employees, are committed to supporting a brand that reflects their values. Public companies especially are finetuning, maintaining and disclosing their ESG statements -- but how to measure corporate-wide compliance is somewhat of a head-scratcher. Yet measure they must, since stakeholders increasingly favor companies that maintain high ESG compliance scores.

More significantly, President [Joe Biden](#)¹, who crusaded issues related to ESG, is posed to move forward on those promises. These include potential new requirements related to diversity, carbon emissions and other types of sustainability metrics, as stated in a January 2021 article in the [WSJ](#)².

According to WSJ, "President-elect Joe Biden campaigned on requiring companies to provide more detail on environmental risks and greenhouse-gas emissions as part of

a broader agenda to combat climate change. He laid out a multipronged plan to address longstanding racial inequality. And he has said he would hold corporate executives personally accountable, including jail time where merited, for violations such as corporate pollution that affect the health and safety of workers and surrounding communities."

With personal responsibility at stake, and simply doing the right thing for sustainability, it is critical to reach all employees with the ESG agenda and measure KPIs to assure they understand and comply.

What is ESG?

A retailer's ESG program touches employees, consumers, shareholders, vendors, supply chains and other partners. Environmental criteria may include a company's energy use, waste, pollution, and natural resource conservation, according to [Investopedia](#)³. Social standards include a company's business relationships, such as with like-minded suppliers; its philanthropic donations and volunteer programs; and clear regard for employee health and safety.

PRODUCED BY
mmp
multimedia plus

For additional information:
sales@multimediaplus.com

Website:
www.multimediaplus.com

Governance looks at accurate and transparent accounting methods, stockholder rights, conflicts of interest, use of political contributions, and more.

Retailers are expected to openly address ESG topics. In fact, “the financial community has helped streamline attention for ESG disclosures because their money is on the line, and mandatory disclosures around social and environmental issues are not yet the norm across major stock markets. Investors are increasingly pressing fashion brands for disclosures, as it represents a new piece to the ‘all stakeholder’ vision, that brings everyone across the supply chain into the fold,” reported [WWD](#)⁴. “Whether ESG disclosure becomes mandated or not, experts enthuse ESG data must be captured and reported — now, not later.”

Mandatory ESG reporting already exists in several countries. Will the U.S. follow? Given the new administration’s campaign promises, it looks quite likely, especially as stakeholders push for increased corporate purpose, value and responsibility.

Investors, for example, select companies with high, best-in-breed ESG scores but also consider organizations working hard to improve their practices, states a post from [Wealthify](#)⁵. “Once they’re included in a fund, companies will be actively monitored to ensure their ethical standards are maintained. And if the ESG rating of a company falls dramatically, fund managers will remove it from the fund.”

As for consumers, 62% want companies to take a stand on the social, cultural and environmental issues close to their hearts, according to [Accenture](#)⁶. Those who score retailers higher on purpose spend 31% more.

ESG is the “new management approach,” according to the WWD article. “The worst thing we can do is say let’s not do anything because it’s too hard to manage and measure.”

Now Compliance Easy to Measure

On the contrary, training, managing, measuring and communicating about ESG compliance is easy with INCITE, a mobile associate communication

platform from MMP. The app helps assure the C-suite that its entire organization understands its ESG best practices and is in alignment, ongoing.



INCITE not only helps train employees on ESG issues via PDF or brief, engaging, instant-access videos, but provides metrics to ensure compliance. Given today’s widely dispersed workforce, the app even incorporates a tool that tracks compliance for people attending Zoom meetings.

The app tells managers who completed ESG training and/or read communications, and – via short quizzes – who understands and who needs more guidance. Likewise, who opened a PDF and, again via brief quizzes, understands its content -- from unconscious bias, sensitivity training and environmental consciousness to sustainability issues, diversity, inclusion and much more. These are the KPIs now easy to assess.

The sophisticated yet simple-to-use INCITE private broadcast network features:

- instant, non-streaming video,
- self-publishing interface with drag-and-drop,
- granular targeting,
- real-time metrics,
- field accessibility,
- fast, internal global broadcasting from an app,
- quick and easy deployment
- security
- scalability, and
- a simple dashboard interface.

Again according to WWD, leaders in the industry looking to sustain themselves for success into the future “understand that rebuilding with ESG principles at the industry’s core may be the only way forward.”

Stop scratching your head! To better focus on arriving and remaining at the forefront of measurable ESG best practices, email info@multimediamplus.com or visit multimediamplus.com for more information.



Footnotes:

1. https://www.wsj.com/articles/companies-brace-themselves-for-new-esg-regulations-under-biden-11610719200?st=yf2cpw-6f47i86c2&reflink=desktopwebshare_permalink
2. <https://www.wealthify.com/blog/what-is-esg-and-why-does-it-matter-to-investors>
3. <https://www.investopedia.com/terms/e/environmental-social-and-governance-esg-criteria.asp>
4. <https://wwd.com/business-news/financial/esg-fashion-beauty-retail-management-finance-disclosures-1234582913/>
5. <https://competitiveagility.economist.com/from-me-to-we-the-rise-of-the-purpose-led-brand/>