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5 Tips to Amplify the “S” in ESG

As a firm focused on the land and people aspects of development projects, we live in the “S” space when it comes to Environment Social and (Corporate) Governance (“ESG”). We know, and have experienced, the impact the human risk factor has on moving projects forward. Now, more than ever, it is vital to understand that social risk is a material risk. This risk not only affects projects; however, it also affects the overall success of an organization.

Why Is It Important?

The investment community is currently targeting \$36 trillion of investment funds going to highly rated ESG businesses, and that number continues to grow. ESG may be the current buzz phrase, but don't be fooled that this is a “trend” quick to pass. Sustainable, responsible, and ethical organizations, who also demonstrate financial profitability, will be the survivors.

In Western Canada, the energy sector often gets a bad reputation for environmental impacts. However, the reality clearly shows the energy sector in Canada has had the most stringent environmental regulations, including reclamation and remediation, worldwide, and is a leader in responsible ethical resource development.

Even when checking all the environmental responsibility and compliance checkboxes, many organizations are battling societal pressures and criticism. So how do organizations stay ahead? Do they continue to innovate ways to decrease their environmental footprint and impact? Yes, of course. Do they ensure they operate with integrity, ethical leadership, and transparency? This is no brainer - Yes. Last, yet most important, do they focus on their secret weapon – the S – the influence of empowered and valued people? YES!

We've outlined 5 ways to increase your social impact and increase success.

Culture Alignment

“Culture eats strategy for breakfast.” This is one of our favourite quotes from leadership guru Peter Drucker. We do a lot of strategy work including setting Key Performance Indicators (“KPIs”), action priorities, and goals. We monitor our organizations financial health, the market landscape, and opportunities.

At the end of the day, none of this strategy will come to fruition without an aligned and empowered team. A team that is connected, regardless of being in an office or remote working, is aligned about where we are going and how to get there, and has each other’s backs and has our client’s backs. A team who likes to have fun, who challenges each other, and gives each other the space to be and grow as humans.

Creating that space and that team does not happen overnight, and rarely happens without intention. Leaders set the stage and go first. When you remove politics and hierarchy, and give way for autonomy, workers become a functioning community. Discussions and healthy debate create innovations, and a business turns into a mechanism for positive impact in the world.

To take this a step further, when hiring vendors and suppliers, aligning with a vendor who has similar values and culture will support your ESG efforts. Are you asking the right questions in your procurement process to ensure suppliers have and will take the steps to be a forward-thinking conscious business? Hire and partner with service providers who have both the skills you need and align culturally to you and your organization.

Stakeholder Engagement

One of the biggest opportunities for company and project success is how you interact with the people who are impacted or have the potential to influence your project. The first step in this process is to understand your stakeholder landscape. Stakeholder mapping and analysis exercises help inform your engagement plan. By including this step in project pre-planning, you will also uncover potential risks to mitigate, and be able to act proactively.

Then, engage your stakeholders early. Research and experience have taught us that bringing stakeholders into the project process early and truly listening for concerns, issues, and values, provides new options to consider and opportunities to address issues before they become a material risk or delay. This also increases the likelihood of creating advocates through stakeholders who feel involved and heard.

Creating a stakeholder engagement approach that is fit-for-purpose is key. One size does not fit all; the level and type of engagement must be adapted. A strong stakeholder engagement plan should also align and consider the land acquisition process, Indigenous relations, and regulatory requirements.

Indigenous Inclusion

Many organizations have identified the need for a comprehensive Indigenous relations strategy. This is typically in support of Canada's commitment to Reconciliation with Indigenous peoples in Canada, and responds to Truth and Reconciliation Commission Call to Action #92 that calls upon the corporate sector to respect Indigenous rights, and involve Indigenous communities and businesses in employment opportunities.

Placing a priority on Indigenous inclusion means analyzing all core areas of the business and implementing strategies and actions to support this. We see new requirements emerging in supply chain processes with preference focused on Indigenous owned business or suppliers with Indigenous partnerships or inclusion plans. A significant part of ESG reporting is largely focused on Indigenous partnerships, economic opportunities, and employment opportunities that an organization has adopted and is actively acting upon.

Enhancing Indigenous inclusion initiatives within your organization ensures that employees are involved in and experience reconciliation efforts firsthand. Examples of this may include cultural awareness training, supporting Indigenous businesses, providing resources for employees to learn about Indigenous culture, and volunteering with Indigenous organizations.

Empower the Frontline

Working with people is not for everyone. It is important to recognize the skills, capabilities, and willingness of your team on the frontlines to engage effectively with the public and stakeholders. For some this comes naturally, and for others building capacity and training is needed.

One of the steps we find hugely beneficial before an open house or public information session is providing training for company representatives who will be attending. Often an organization will have subject matter experts or technical specialists attend a session. Being knowledgeable in their area of expertise does not always equate to being able to communicate effectively with the public or handle difficult conversations. Going through some basic stakeholder engagement and communication training before an event arms your representatives with the tools needed to engage effectively.

For project managers and business leaders, don't underestimate the impact your land department has. They are the team building relationships and rapport with the very stakeholders who so easily become advocates or adversaries. Land, stakeholder, and Indigenous engagement teams hold the keys to social acceptance, and ultimately regulatory acceptance for a project.

Reporting to Reality

As the focus on ESG increases, so does the criticism of whether it is smoke in mirrors. Attention is being paid to “which companies truly embodied the stakeholder model, and which only paid lip service to it” (Klaus Schwab, founder of the World Economic Forum). The challenge for organizations will be to ensure that ESG does not remain solely a financial metric or reporting tool. A conscious business is one that lives the ESG values, is purpose and stakeholder driven, has conscious leaders, and a conscious culture.

The “S” in ESG is also unique in that metrics to measure the “S” seem more difficult to quantify than “E” and “G”. And even when metrics are determined, do they truly measure the effects of an organizations social and stakeholder practices? Some impactful best-practice “S” metrics are focused on: workforce engagement, training, community and society, data and IT security, diversity, inclusion, and human rights.

So, is it really worth it?

Overall, this seems like a lot of work, but is it worth it? Yes! “Publicly traded conscious businesses outperformed and delivered up to 10x the value of their non-ESG peers.” (~Harvard Business Review). While these metrics may be challenging to determine or report on, a strong social and stakeholder rating also provides intangible benefits. Engaged teams and stakeholders will feel a greater sense of responsibility to advocate and contribute to the success of the organization.

Want to learn more?

How does your organization live it's ESG goals? How do social and stakeholder relationships advance your projects and organization for the betterment of all? Are your land and engagement teams empowered to support these efforts? The leadership team at BRITT RADIUS will help you determine and execute on value-add “S” initiatives. [Contact us](#) to learn more.



About US

We are a forward-thinking consulting services firm dedicated to helping organizations navigate the complexities in working with the public, stakeholders, Indigenous Communities, regulatory frameworks and access to land.



**Let's Connect.
We're Here To Help.**

