

# The Sink or Swim State of ESG for practitioners



**The rapidly changing ESG landscape offers both opportunities and challenges for company practitioners and investors. This evolving environment impacts practitioners' mental and emotional well-being, as well as their ability to address workflow issues that hinder their effectiveness. So, how can ESG practitioners navigate these challenges and stay afloat?**

## Understanding the Practitioner Experience

### Psychological and Emotional States

It's often a case of better the devil you know, than the devil you don't. ESG practitioners and executives often feel overwhelmed and under-resourced. Many are navigating new and rapidly evolving roles, tasked with delivering inter-dependent outcomes without sufficient support. In many cases the budgets that companies will assign towards ESG and sustainability are just their salary costs alone.

This sense of being overwhelmed is compounded by feelings of imposter syndrome, as practitioners must master new skills and deliver unfamiliar outcomes. The pressure is heightened when required to present public-facing narratives and disclosures, in the midst of data gaps and variable confidence in aggregated data.

### Workflow Pain Points

And yet, the work must get done often within aggressive deadlines. Investors and external stakeholders aren't letting up in how they're churning the waters that swirl around these new ESG imperatives for companies. There are some very real workflow-related pain points that ESG practitioners experience. These are some of the key ones we hear from our clients:

- 1. Data Collection and Management:** Practitioners face inefficiencies in collecting and managing both internal and external data. Confidence in data quality is often low, and comparing data across different sources remains a challenge – never mind when data flows are often non-existent for what regulations or standards expect for disclosure.
- 2. Reporting and Compliance:** Navigating the myriad ESG frameworks is complex – it's an alphabet soup. Streamlining data collection and reporting processes to meet compliance requirements while telling a defensible ESG story is arduous – and now more than ever practitioners need to be sure that their story is authentic and defensible.
- 3. Stakeholder Management:** Managing the expectations of diverse stakeholders both internally and externally, especially with increasing investor focus, is challenging. Practitioners must also address ESG risks in a timely manner despite relying on outdated data.
- 4. Resource Constraints:** Justifying budget allocations and demonstrating return on investment for ESG initiatives is difficult, often leading to resource shortages – especially when your salary is the extent of the commitment the business has allocated to sustainability initiatives.

## Practical Recommendations for ESG Practitioners and Executives

### How then can ESG practitioners begin to adapt to these strong current and shark-infested waters?

At the top of the list is finding trusted partners to help you stay sane and make sense of the ESG arena – don't do it alone. Speak to peers, contract with advisors, but then also let go of the folly of control and find easy-to-deploy but cost effective software-enabled solutions to lighten the load that's pushing you under water. More specifically you may want to consider:

- 1. Customized Solutions Over Blanket Approaches:** Avoid one-size-fits-all ESG solutions. Instead, seek trusted partners who offer software-supported processes tailored to your unique needs. These solutions should include features like automated data collection and customizable workflows.
- 2. Configurable and Responsive Tools:** Choose tools that are not merely off-the-shelf but offer configurability to align with your reporting and disclosure frameworks. These tools should provide customizable dashboards, reports, and analytics that can be quickly and responsively adapted to client needs.
- 3. Multipurpose Data Utilization:** Find ways to repurpose data you already have and narratives for various reports, including customer-facing, investor, and internal management reports. This approach maximizes the value of your ESG efforts and ensures consistency across different reporting needs.
- 4. Leverage External Data Sets:** Learn from investors who effectively use external data service providers. Identify cost-effective data sets that complement your internal data and integrate them to enhance your ESG insights.

### Conclusion

The state of ESG for practitioners is marked by significant challenges, including emotional strain, workflow inefficiencies, and resource constraints. However, by adopting tailored solutions, leveraging configurable tools, repurposing data, and integrating external data sets, ESG practitioners can navigate these challenges more effectively.

### About Unifi

At Unifi, we get out of bed to help our investor and company clients make significant strides forward in how they are shaping sustainable futures – but to also unlock ways of doing that profitably. We engage in a platform-enabled consulting model that streamlines the process for our clients and provides a set of data workflows, interactive dashboard sets and reports that help translate strategy into action and in turn provide the monitoring, reporting and decision-useful outputs that deliver on organisational intent to operate more responsibly.

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