



A PRACTICAL GUIDE TO
**ESG AND
SUSTAINABILITY**
MANUFACTURING & SUPPLY CHAIN

Introduction

Environmental, Social, and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business. These factors take into account the environmental impacts of a company's operations, the social and economic impacts on its stakeholders, and the company's governance practices.

In the manufacturing industry, ESG considerations can include the energy and resource efficiency of the manufacturing process, the impact on the local community and workforce, and the company's policies and practices related to ethical behaviour and transparency.

Sustainability in manufacturing refers to the practice of designing and operating manufacturing processes in a way that minimizes negative environmental impacts, maximizes the use of resources, and promotes social and economic benefits. This can involve implementing energy-efficient technologies, reducing waste and pollution, and promoting fair labor practices and working conditions.

Adopting ESG and sustainability practices in manufacturing can have numerous benefits, including cost savings through resource efficiency, improved reputation and brand image, and the ability to attract and retain socially and environmentally conscious customers and employees. It can also help companies meet regulatory requirements and adapt to changing consumer preferences and market demands.



4 WAYS TO IMPROVE ESG IN MANUFACTURING

1

Reduce energy use and greenhouse gas emissions

One way to improve ESG in manufacturing is to focus on reducing energy use and greenhouse gas emissions through the implementation of energy-efficient technologies and processes.

This could include installing energy-efficient lighting, using renewable energy sources, or implementing energy-saving measures such as turning off equipment when not in use.

2

Promote sustainable sourcing and supply chain management

Another way to improve ESG in manufacturing is to focus on sustainable sourcing and supply chain management.

This could involve sourcing raw materials from suppliers who use sustainable practices, reducing waste and emissions in the supply chain, and promoting transparency and accountability throughout the supply chain.

3

Enhance environmental health and safety

Improving environmental health and safety can also help improve ESG in manufacturing.

This could involve implementing processes and technologies to reduce waste and pollution, promoting the use of non-toxic materials, and providing training and resources to ensure the health and safety of employees.

4

Foster social responsibility and diversity

Promoting social responsibility and diversity can also improve ESG in manufacturing.

This could involve supporting community initiatives, promoting diversity and inclusion in the workplace, and ensuring that the company's policies and practices align with ethical standards and values.

4 WAYS TO IMPROVE SUSTAINABILITY TRAINING

1

Offer ongoing training and professional development opportunities

Providing ongoing training and professional development opportunities can help ensure that employees have the knowledge and skills they need to implement sustainable practices in the workplace.

This could include in-person training sessions, online courses, or on-the-job training.

2

Encourage employees to take ownership of sustainability efforts

Encouraging employees to take ownership of sustainability efforts can help ensure that they are invested in the success of these initiatives.

This could involve providing opportunities for employees to participate in the development and implementation of sustainability programs, or creating a team or committee dedicated to sustainability.

3

Use interactive and engaging training methods

Using interactive and engaging training methods can help increase the effectiveness of sustainability training.

This could involve using hands-on activities, case studies, or simulations to help employees understand and apply sustainability principles.

4

Offer incentives for employees

Offering incentives, such as recognition or rewards, for employees who complete sustainability training can help encourage participation and engagement.

This could include featuring employees who have completed sustainability training in company newsletters or recognizing them at company-wide meetings.

The Increasing Trend of ESG and Sustainability

Some of the key trends in ESG and sustainability that will continue to present challenges include:

1. **Increasing focus on climate change:** Climate change is a major focus of ESG and sustainability efforts, with companies increasingly being expected to address their greenhouse gas emissions and adopt renewable energy sources.
2. **Growing importance of diversity and inclusion:** Diversity and inclusion are also becoming increasingly important in the ESG and sustainability space, with companies being expected to promote diversity and inclusion in their workforce and supply chain.
3. **Growing demand from consumers, suppliers and investors:** There is also increasing demand from consumers and investors for companies to adopt sustainable practices and demonstrate their commitment to ESG and sustainability. This is driving companies to adopt more sustainable practices and be more transparent about their efforts.
4. **Increased transparency and reporting:** Companies are also expected to be more transparent about their ESG and sustainability efforts, including through the use of reporting frameworks such as the Global Reporting Initiative (GRI).
5. **Emergence of new technologies and innovations:** New technologies and innovations are also playing a key role in the ESG and sustainability space, including the use of renewable energy sources, energy-efficient technologies, and sustainable materials.



Conclusion

Environmental, Social, and Governance (ESG) and sustainability are increasingly important trends in the business world.

Companies are increasingly being held accountable for their impact on the environment, society, and the economy, and investors are increasingly seeking out investments that align with their values and support sustainable practices.

Learn how a Connected Workforce can help drive your ESG and Sustainability Goals. learn more at www.nvolvegroup.com

