



## Introduction

In a rapidly evolving business world, where regulatory compliance, investor expectations, and customer demands are reshaping the corporate framework, Environmental, Social, and Governance (ESG) considerations have moved to the forefront of strategic planning. This article, drawing on insights from Nadeem Shakoor and Dr Bimal Roy Bhanu's work with clients, delves into the critical importance of developing robust internal ESG capabilities and the strategic engagement of external professionals to effectively navigate this complex landscape.

## Casting Light on the Challenge

An in-depth analysis of current organisational structures across industries reveals a prevalent gap: the absence of dedicated sustainability teams or designated officers. Frequently, ESG management is an extension of existing Corporate Social Responsibility (CSR), Human Resources (HR), or compliance teams. This arrangement often lacks specialised roles like Chief Sustainability Officers, highlighting an urgent need for companies to allocate dedicated resources specifically towards ESG initiatives to ensure long-term corporate success.

## In-House Expertise: The Foundation of ESG Success

The cornerstone of effective ESG strategy lies in nurturing in-house expertise. These professionals are pivotal in harmonising ESG efforts across departments, embedding sustainability into every aspect of the organisation's operations – from procurement to production. Far from being a mere compliance tool, internal ESG expertise serves as a catalyst for long-term value creation, enhancing operational efficiency, risk management, brand reputation, and stakeholder trust.

## Broadening the Spectrum: Inclusive ESG Expertise

To be truly effective, ESG expertise must be ingrained at every organisational level. This involves HR departments incorporating ESG criteria into hiring processes, financial analysts considering sustainability risks in their assessments, and product designers focusing on the environmental impact throughout the lifecycle of products. Embedding ESG knowledge as a foundational aspect across all business units, tailored to their specific functions, is crucial.

## Cultivating Expertise through Comprehensive Training Programs

Developing a robust internal ESG capability necessitates extensive and targeted training programs. Leadership training should be geared towards integrating ESG principles into strategic decision-making. At the same time, staff training needs to emphasise practical sustainability skills. Collaborations with business schools and industry groups can greatly enrich the organisation's ESG knowledge base, offering specialised courses and vital networking opportunities.

### Augmenting In-House Talent with External Expertise

While cultivating internal expertise is paramount, the insights and perspectives of external ESG professionals are equally invaluable. These may include international consultants, auditors, and trainers who bring a nuanced understanding of global ESG challenges and best practices. Their contributions can help organisations align with global norms, validate sustainability data, and identify areas for improvement. Participation in industry association events further provides avenues for learning and networking.

### Conclusion

The urgent need for ESG expertise in modern firms is clear. By fostering in-house knowledge, broadening ESG understanding across all levels, and augmenting internal capabilities with external expertise, organisations can navigate the ESG landscape effectively, ensuring compliance and driving sustainable growth. This holistic approach is not just a compliance strategy but a transformative business ethos that will define the future of corporate sustainability.

