



Enabling our clients to make sustainable decisions



## **Case Study: Enhancing ESG Compliance and Sustainability Practices for a Leading Southeast Asian Furniture Manufacturer and Retailer**

### **Introduction**

A leading furniture manufacturer and retailer based in Southeast Asia, known for its extensive global export operations, sought to enhance its Environmental, Social, and Governance (ESG) practices. Faced with increasing regulatory complexity and stakeholder expectations, the company partnered with ESG Disclose to assess and improve its ESG compliance and sustainability efforts across its supply chain, using their ESG Discloser reporting platform and SustinerAI ESG monitoring software and team of ESG SME's.

## Objectives

The primary objectives of this partnership were to:



## Process

### 1. Initial Readiness Assessment:

ESG Disclose's team of ESG Subject Matter Experts (SMEs) conducted a comprehensive readiness assessment of the manufacturer's supply chain. Utilising their AI-powered SaaS platform, they performed in-depth evaluations tailored to the specific sector, covering all relevant regulatory disclosures. This assessment included:

- Gathering data from internal and external auditors.
- Automatic identification of applicable ESG regulations.
- Horizon scanning from over 30,000 sources to gauge actual ESG performance and perceptions.

### 2. Gap Analysis and Hotspot Identification:

The readiness assessment identified significant gaps and high-risk areas in the supplier's ESG practices. Key issues included inadequate carbon reduction measures, insufficient corporate governance structures, and poor social innovation practices.

### 3. Developing an ESG Action Plan:

Based on the findings, ESG Disclose collaborated with senior stakeholders and external suppliers to develop a targeted ESG action plan. This plan focused on addressing the identified gaps through:

- Specific projects aimed at enhancing sustainability practices.
- Training and capacity-building programs to elevate the ESG competencies of both internal teams and suppliers.

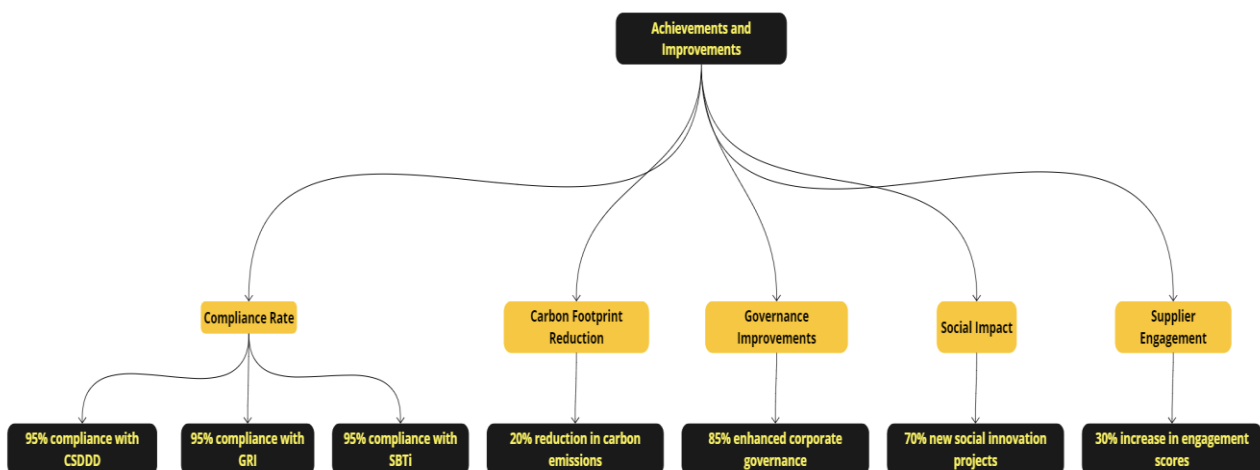
#### 4. Implementation and Continuous Monitoring:

The company integrated ESG assessments into its procurement and operational processes, ensuring that ESG considerations became part of the business-as-usual (BAU) activities. Continuous monitoring and reporting were facilitated by the ESG Disclose platform, which included:

- Automated reporting and horizon scanning.
- Regular updates to ensure compliance with evolving ESG regulations.
- Enhanced data transparency for internal and external stakeholders.

### Key Performance Indicators (KPIs)

ESG Disclose delivered several critical KPIs that highlighted the success of the initiative:



### Feedback and User Experience

#### From Suppliers:

1. **Intuitive and Easy to Use:** *"The ESG Disclose platform is incredibly user-friendly and intuitive. It made the data collection and reporting processes seamless and straightforward."*
2. **Quality of Support:** *"The support from ESG Disclose's SMEs was exceptional. They were always available to guide us through complex ESG issues and provided valuable insights."*
3. **Bespoke Solutions:** *"The solutions provided were tailor-made to fit our specific needs. The customisation options were extensive and exactly what we needed to improve our ESG practices."*

## From the Furniture Manufacturer:

**User-Friendly Interface:** *"The software tools provided by ESG Disclose are very easy to navigate. Our team quickly adapted to the platform, which streamlined our ESG management."*

**Expert Support:** *"The ESG Disclose SMEs offered outstanding support throughout the entire process. Their expertise was crucial in developing and implementing our ESG action plan."*

**Custom Fit Solutions:** *"The bespoke capability of ESG Disclose's solutions ensured that we addressed all our specific requirements. This level of customisation was critical for achieving our sustainability goals."*

## Tangible Results

### 1. Improved ESG Compliance:

The readiness assessment and subsequent action plan significantly improved the company's compliance with major ESG regulations, including CSDDD, GRI, and SBTi. Suppliers began to adopt more robust ESG practices, aligning better with global standards.

### 2. Enhanced Supplier Relationships:

The engagement and remediation plan fostered stronger relationships with suppliers, who appreciated the collaborative approach to improving ESG practices. This led to increased trust and cooperation throughout the supply chain.

### 3. Ongoing ESG Performance Monitoring:

With the ESG Disclose platform, the company established a robust system for continuous ESG performance monitoring. This enabled real-time visibility into supplier practices and facilitated timely interventions when issues were identified.

### 4. Positive Stakeholder Perception:

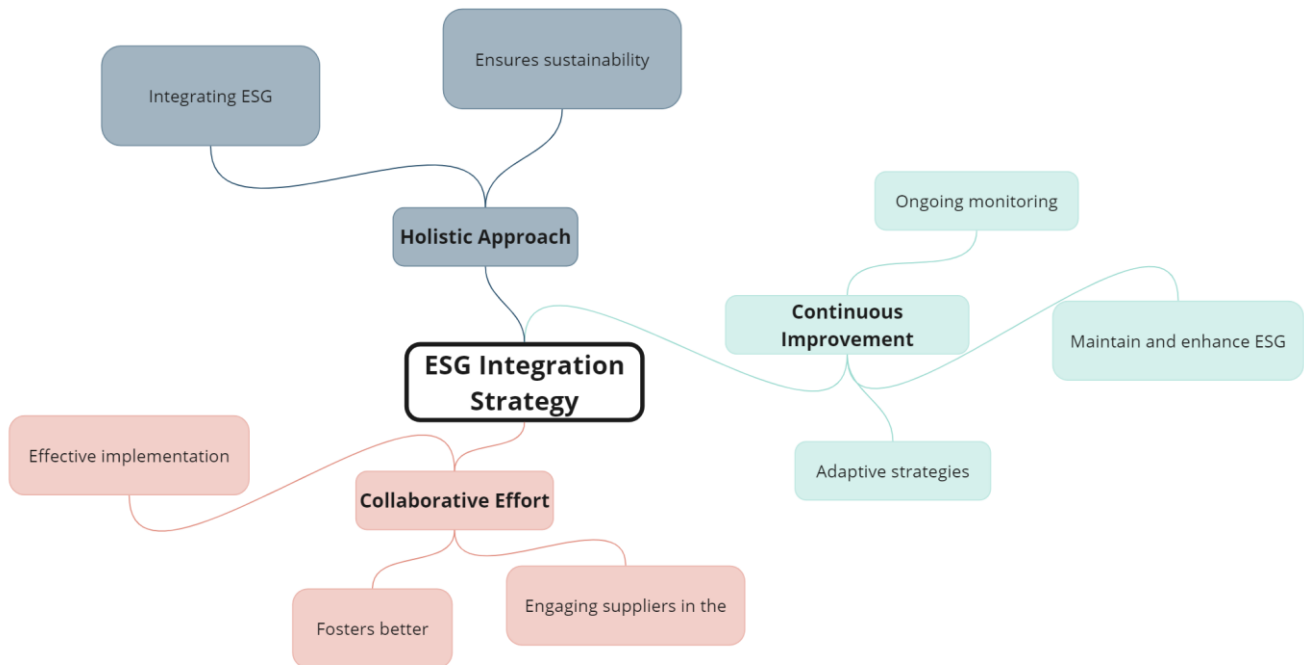
The proactive approach to ESG compliance and the tangible improvements in sustainability practices enhanced the company's reputation among stakeholders, including investors, customers, and regulatory bodies.

## Conclusion

The partnership between the Southeast Asian furniture manufacturer and ESG Disclose exemplifies how leveraging advanced ESG solutions and expertise can drive substantial improvements in supply chain sustainability. By conducting a thorough readiness assessment, identifying key issues, and

implementing a comprehensive action plan, the company not only achieved regulatory compliance but also strengthened its overall ESG performance, paving the way for a more sustainable future.

## Key Takeaways



This case study underscores the importance of adopting a structured and collaborative approach to ESG management, demonstrating how companies can navigate complex regulatory landscapes and achieve meaningful sustainability outcomes.

