New frontiers in business and education – ESG considerations

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October 2026

As we explore new frontiers and new challenges in higher education (for example) we need to be cognisant of the current challenges around us – and this includes the issues associated with ESG.

***ESG** is an abbreviation for **Environmental, Social and Governance**. It is essentially a framework for understanding how an organisation (whether it be business or education) manages risks and opportunities beyond its immediate financial performance.*

- ***Environmental -** How the organisation affects - and is affected by - the natural environment, including climate change, energy use, emissions, waste, water, biodiversity and resource efficiency.*
- ***Social -** How it treats people and communities, including workforce health and safety, diversity and inclusion, human rights, supply-chain practices, customer privacy and community impact.*
- ***Governance -** How the organisation is directed and controlled, including board oversight, ethics, transparency, executive remuneration, risk management, compliance and anti-corruption measures.*

We have for a number of years emphasised both risk management and financial management as key stones within higher education. What we are now exploring is the ESG framework and the implications for HEPs.

Why ESG matters moving forward

As we move forward there are key issues that need our attention these include -

Better (more inclusive) risk management that considers such things as climate events, regulatory changes, supply-chain disruption, workforce issues and governance failures – all of these can create significant operational and financial costs. ESG analysis (and thinking) helps identify these risks earlier and hopefully assists with better management practices and oversight.

Changing regulation and reporting expectations that appreciate that governments and regulators are increasingly requiring organisations to disclose climate-related and broader sustainability information. Businesses need reliable data and controls to meet these obligations and avoid misleading claims.

Investor, stakeholder and lender expectations that increasingly consider ESG factors when assessing long-term resilience, access to capital and the cost of financing. The Higher Education Sector is not an exception.

Customer and employee expectations that now (often) expect organisations to demonstrate responsible practices. Strong ESG performance can support trust, recruitment, retention and brand reputation. This is now becoming a key issue for recruiting in my own sector – higher education.

Operational efficiency and innovation that reduces energy use, waste and resource consumption – this can (and does) lower costs. ESG considerations can also encourage new products, services and business models – very much a part of maintaining and growing current business/education options.

Long-term value creation and ESG is most useful when it is integrated into strategy rather than treated as a separate compliance exercise. It can help an organisation remain competitive, adaptable and sustainable over time.

Importantly, ESG does **not** mean pursuing environmental or social goals regardless of financial outcomes. It means considering financially and operationally relevant environmental, social and governance factors when making decisions. The strongest (and best) approach is to focus on the issues most material to the organisation; set measurable objectives; assign accountability; and report progress transparently and honestly.

How can a business or educational institution implement ESG?

A business/institution can implement ESG by treating it as part of its strategy, operations and decision-making - rather than as a separate reporting exercise. Essentially an integrated approach would be the best mindset.

This might best be achieved by –

Establishing leadership and accountability that assigns responsibility to the Board or a senior executive; Creates an ESG working group involving finance, operations, HR, risk, procurement and legal teams; and clearly defines who is responsible for each objective, measure and report. Essentially, best practice.

Identifying the most important ESG issues by conducting an assessment to determine which environmental, social and governance issues are most relevant to the business and its stakeholders. For example -

- *Environmental* **-** energy use, emissions, waste, water and climate-related risks;
- *Social* **-** employee wellbeing, workplace safety, diversity, human rights, customer privacy and supply-chain conditions;
- *Governance* **-** board oversight, ethics, compliance, risk management, cybersecurity and anti-corruption controls.

The business should prioritise issues that could significantly affect its operations, reputation, stakeholders or financial performance. This is currently viewed as high priority and needs to be further strengthened and promoted.

Measuring the current position by way of establishing a baseline using available business data that includes - energy consumption and greenhouse gas emissions; waste generation and recycling rates; **w**orkplace incidents and employee turnover; workforce composition and pay information; **s**upplier compliance; privacy or cybersecurity incidents; Board composition and governance processes; and data consistency, definition, documentation and verification.

Setting measurable goals that include **-** realistic targets with clear timeframes that might include reduce operational emissions by a specified percentage by a target year; Increasing renewable energy use; reducing waste sent to landfill; improving employee engagement or workplace safety outcomes; **a**ssessing high-risk suppliers against an ethical sourcing policy; providing annual ethics, safety or cybersecurity training.

In essence - targets should be connected to the organisation's overall strategy and supported by practical action plans

Integrating ESG into business operations by means of considering ESG when strategic planning and budgeting; capital investment decision making; product and service development; procurement and supplier selection; recruitment and employee development; risk management; executive and management performance measures.

This would help ensure ESG influences everyday decisions rather than remaining a standalone initiative – and integrated approach would be most desirable.

Developing appropriate policies and controls in relation to environmental management; workplace health and safety; diversity and inclusion; human rights and modern slavery; responsible sourcing; data privacy and cybersecurity; whistleblower protections; conflicts of interest and anti-corruption.

Logic would suggest that policies/controls should be supported by training, monitoring and clear reporting channels.

Engaging stakeholders by consulting employees, customers, suppliers, investors, regulators and local communities. Stakeholder feedback can also help the business identify emerging risks, test priorities and improve its ESG programs.

Monitoring and reporting progress by way of creating a regular reporting process that tracks performance against targets. Reports might best focus on what the business is trying to achieve; how performance is measured; progress made; challenges or limitations; and actions planned for the next reporting period.

Claims should be accurate and supported by evidence to reduce the risk of 'greenwashing'.

Reviewing and improving ESG implementation on an ongoing cycle. The business should periodically review its priorities, targets, controls and data as regulations, stakeholder expectations and operating conditions change.

A practical starting point is to select (say) three to five material ESG priorities; establish baseline data; assign accountable leaders; and create a 12-month action plan with measurable outcomes.

A Sample 12-Month ESG Action Plan

This (simple) sample plan provides a practical first-year pathway for a business or higher education provider. It obviously should be adapted to the organisation's size, risk profile, resources and most material ESG priorities – but may serve as an example of what could be done reasonably efficiently and effectively.

Month	Focus	Key actions	Owner	Deliverables
1	Mobilise and govern	Confirm executive sponsor; establish a cross-functional ESG working group; approve scope, decision rights and meeting rhythm.	CEO	Approved ESG charter; named owners; monthly governance calendar.
2	Identify material priorities	Map stakeholders; review key environmental, social and governance risks; select three to five priority issues.	ESG lead/Risk team	Materiality matrix; stakeholder map; prioritised ESG register.
3	Establish the baseline	Define data boundaries and collect available information on energy, emissions, waste, safety, workforce, suppliers, privacy and governance.	Finance/Data owners	Baseline dataset; data dictionary; documented gaps and assumptions.
4	Set objectives and targets	Agree realistic targets, indicators, timeframes and tolerances for each priority; align them with strategy and budget.	Executive Management Team	Approved objectives; KPI scorecard; funding and resource commitments.
5	Strengthen policies and controls	Review and update relevant policies covering environmental management, safety, inclusion, ethical sourcing, privacy, whistleblowing and conflicts of interest.	Legal/HR/Risk team	Policy gap analysis; revised priority policies; control register.
6	Launch quick wins	Begin practical initiatives such as energy efficiency, waste reduction, employee wellbeing, responsible procurement and mandatory ethics or cybersecurity training.	Executive Management Team/ HR/Procurement	Initiatives launched; participation rates; early cost, waste or energy savings recorded.
7	Engage suppliers	Issue an ESG supplier code; identify high-risk suppliers; include ESG criteria in onboarding, tenders and contract reviews.	Procurement	Supplier code issued; percentage of high-risk suppliers assessed; revised procurement templates.
8	Build capability and culture	Deliver role-based training; communicate expectations; invite staff ideas and establish channels for reporting concerns.	HR/Communications	Training completion; staff awareness pulse; improvement ideas logged and assigned.
9	Integrate into decisions	Add ESG criteria to business cases, capital expenditure, program design, recruitment,	Finance/Executive Management Team	Updated templates; percentage of

		performance plans and risk reviews.		relevant decisions applying ESG criteria.
10	Monitor and test	Review KPI performance; test selected controls and supporting evidence; investigate variances and agree corrective actions.	Risk/Internal audit	Quarterly dashboard; control test results; corrective-action register.
11	Prepare transparent reporting	Draft an internal or public ESG report covering goals, methods, progress, limitations and next steps; validate material claims.	ESG lead/ Finance/Communications	Draft report; evidence file; management review completed.
12	Review and reset	Evaluate first-year performance; consult stakeholders; confirm lessons learned and approve the next 12-month roadmap.	Board/Executive Management Team	Annual review; refreshed priorities and targets; year-two plan approved.

The *ESG working group (team)* should best meet monthly; report the KPI scorecard to the Executive Management Team quarterly; escalate material risks promptly; and retain evidence supporting every reported claim.

Best practice would suggest - targets should be adjusted only through a documented governance process.

ESG is best kept front and centre as organisations/institutions move forward. There is no 'best way' of managing the big issues (including ESG) – but a thoughtful and supported plan (as suggested) might be a good way forward. In some ways it is a useful framework for managing a range of key issues.

Also worth reading -

The skills that make you valued and/or irreplaceable in your workplace (2026) - 6113ad_e6b021e8a4fe445e8283cca3a4ef9712.pdf

Key elements of good governance in a higher education provider context (2026) - 6113ad_ebf2c68d574e4f7e97ef2e55e7420661.pdf

The Importance of Continuous Improvement in the Higher Education Sector (2026) - 6113ad_9de1c3ff346f47d487a99a0dcd74261b.pdf

Quality Assurance – developing a framework (2025) - 6113ad_cc62d34ef64f45a3aa1aa75925ddf198.pdf

Self-Assurance is the name of the game (2025) - 6113ad_01ebe83fd03b40568654a89c9b4d714b.pdf

Emeritus Professor Greg Whateley is a seasoned higher education commentator with 52 years+ experience across the education sector.