

Success in ESG starts with leadership, partnerships and good governance

 By Sindya Peters 31 Oct 2022

The inaugural ESG Africa Conference took place last week in Sandton, featuring a number of high-profile panels that tackled some of the challenges and opportunities in implementing ESG practices and reporting.



Esha Mansingh, business leader and member of the Imperial Logistics executive committee. Source: [WEF](#)

Esha Mansingh, business leader and member of the Imperial Logistics executive committee, and Chris Maroleng, SADC executive director of Good Governance Africa, both contributed to the discussion on integrating ESG principles into strategy, people and culture.

Leadership sets the tone

Implementing ESG at a practical level within an organisation starts with leadership setting the right tone and culture, said Mansingh. Leadership needs to be not only profit-driven, but purpose-driven when interrogating their strategies, putting ESG at the forefront, she said.

Mansingh also noted that integrating ESG issues into business strategy and achieving your ESG targets requires a collaborative effort, involving workers across your organisation.

Private sector partners in development

Addressing the practicalities of implementing ESG principles from a governance perspective, Maroleng said both the public and private sectors need to shift their focus towards greater accountability, transparency, social equality, and creating communities that prioritise social justice and shared value.

He also highlighted the importance of positioning private sector players as partners in development,

especially within regions of Africa with weak governance structures.

"When we look at the African context, many private sector organisations believe that because they operate poorly governed societies or poorly governed countries, they can treat it as an exploitable entity," said Maroleng.

"We are urging practitioners, especially in the corporate sector and those in the public sector, to understand that it is in these fragile jurisdictions that it is so important for private sector actors to act with better diligence and better understanding of the context that shapes the space," he said.



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Approaches to governance



Chris Maroleng, SADC executive director of Good Governance Africa. Source: [Facebook](#)

When it comes to trends in governance, there are two contending approaches, Maroleng explained. The first is a more inclusive system that requires leaders to act with greater empathy, create accountable, transparent systems, and implement a more inclusive approach to resource allocation.

The second approach prioritises creating more efficient governance systems, he said, especially in Africa where economic development and growth are key. However, there are arguments that this approach results in more autocratic leadership that is more focused on the economy.

Good Governance Africa is of the view that governance systems and leadership should entail the best of both approaches, i.e., they should be both inclusive and effective in their implementation, said Maroleng. And the values that underpin this integrated approach should ensure a more just society through shared value creation.

Listen to your stakeholders

Mansingh said that as the ESG agenda has progressed over the last few years, the need to consider all your stakeholders has become increasingly vital. There is growing pressure from the communities in which businesses operate, their employees, and even clients when it comes to ESG-related commitments.

"You have to listen and understand what your clients, your investors, your people, your communities want, because you will not exist as a business if you don't," she said.



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Competitive advantage

Putting ESG at the forefront of your business also offers a competitive advantage, Mansingh said. "If you do it quickly and you do it right, you will gain business over others." It also offers a competitive advantage for attracting the right talent as young, talented job-seekers want to work for responsible businesses, she explained.

"And in addition to the reputational risk that you run as a business, your stakeholders will put you out of business tomorrow if you don't make the investment in ESG today," Mansingh warned.

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