

Environmental, Social and Governance (ESG)

Overview

FFVA members are increasingly receiving requests from retailers to complete Environmental, Social, and Governance (ESG) sustainability compliance audits. These audits provide a set of standards applied to a company's operations that socially conscious investors use to screen potential investments.

The **Environmental** aspect of an ESG compliance audit focuses on how a company performs as a steward of nature. The **Social** component emphasizes a company's management of relationships with employees, suppliers, customers, and communities where it operates. The **Governance** feature assesses how a company deals with leadership, executive pay, internal audits, and shareholder rights.

Where do I begin with implementing an ESG strategy?

1. Review and document the ESG practices your operation is already implementing.
2. Develop policy statements that discuss:
 - a. (E) Sustainability and resource efficiency, including:
 - i. Water conservation (fields and facilities)
 - ii. Upgrades in irrigation systems (efficiency)
 - iii. Responsible fertilizer and pesticide use (precision ag/certified crop advisors/4-Rs/Best Management Practices/Integrated Pest Management)
 - iv. Recycling and waste reduction (packaging)
 - v. Energy consumption
 - b. (S) Equality in society and human rights, including:
 - i. Fair labor practices
 - ii. Worker health protocols/safety training
 - iii. Local community enhancement
 - iv. Education opportunities
 - v. Food bank donations
 - vi. Company philanthropies
 - c. (G) Accountable governance and transparent operations, including:
 - i. Transparency regarding company practices
 - ii. Company code of ethics
 - iii. Promotion of diversity among executive staff

Ensure you can substantiate any statement with measurable, reliable data. Avoid statements that appear subjective or aspirational.

3. Add your ESG policy statements and a summary of the ESG initiatives you're implementing to your public platforms.
4. To prepare for an ESG audit, see FFVA's [Documentation and Records Preparation](#) and [Audit Question Preparation](#) guides.