

ESG Goal-Setting Framework Template

This template provides a framework for strategic goal setting and specifically highlights the need for environmental, social and governance (ESG) issues. ESG goals should be considered in addition to corporate objectives and can be achieved through dedicated initiatives or through the approach used to pursue other organizational goals.

Please see guidelines and an example after the template for more details.

Category	Objectives		Initiatives			
	Measurement Type	Target	ID	Proposed Investment	Expected Contribution	Owner
Financial - External						
Revenue, margin, market share and similar						
Financial - Internal						
Efficiency, cost reduction, etc.						

	Objectives		Initiatives			
Category	Measurement Type	Target	ID	Proposed Investment	Expected Contribution	Owner
Engagement & Satisfaction						
NPS, employee engagement, and similar						
Regulatory & Compliance						
Mandatory initiatives						



	Objectives		Initiatives			
Category	Measurement Type	Target	ID	Proposed Investment	Expected Contribution	Owner
Security & Privacy						
Data protection, system and people security, etc.						
Research & Development						
Innovation, investigative and speculative						



Category	Objectives		Initiatives			
	Measurement Type	Target	ID	Proposed Investment	Expected Contribution	Owner
Long Term Strategy						
Initiatives designed to support future strategic work						
Environmental						
Green, sustainability and related initiatives						



	Objectives		Initiatives			
Category	Measurement Type	Target	ID	Proposed Investment	Expected Contribution	Owner
Social						
Diversity, equality, human and animal rights, etc.						
Governance						
Employee relations, compensation, etc.						



	Objectives		Initiatives			
Category	Measurement Type	Target	ID	Proposed Investment	Expected Contribution	Owner
Other						
Anything not aligned with any of the above						



Guidelines

Strategic planning is a complex discipline that cannot be distilled down to a single table. However, strategic plans must be capable of easy, intuitive communication and that's what this template is designed to achieve. ESG concerns are split out as separate categories to encourage initiatives that specifically address each of them, but more 'mainstream' initiatives should also consider the ability to contribute to ESG goals.

The columns of the template are designed to be used as follows:

- **Category.** This is simply a listing of common business priorities where organizations may set objectives for a financial period. Feel free to change or update them to reflect your organization's own priorities, and adjust the summary description to suit your needs.

The next two columns refer to the objectives that are set for each category. There may be multiple objectives for each category – revenue, revenue growth, margin and market share under revenue for example. Each objective can be entered on a new row.

- **Measurement Type.** This is the description of the objective. Apart from the revenue examples already given it could be anything from pay inequity reduction, to carbon footprint, to system outage time or anything else.
- **Target.** This is the quantifiable performance that must be achieved. Combined with the previous column it represents what must be delivered to achieve the objective – \$100m in net new revenue, a reduction in CO2 emissions of 100,000 tonnes, etc.

- The remaining columns relate to initiatives – the high-level investments that will be pursued in order to deliver the objectives from the earlier columns. These should be at the program, product or release train level. There are likely to be multiple investments for each objective, and investments may contribute to more than one objective – a new product may contribute to revenue, market share, customer satisfaction and sustainability for example. Enter a row in the template for each objective that an investment contributes to, aligning each row with the objectives in the previous columns.
- **ID.** This is simply an identifier for each initiative to aid in tracking. Use the same identifier for every entry that appears in the table for the same investment.
- **Proposed Investment.** This is the description or title of the investment under consideration (or approved). You may wish to use this field as a link to a shared location where more information can be obtained – the business case or similar.
- **Expected Contribution.** This should use the same unit as the Target column and represents the contribution that this individual investment will make to the overall objective. That may be 2% of the target 5% cost reduction, \$10 million of the target \$100 million net new revenue, etc.
- **Owner.** This is the individual (not department) who will be accountable for the investment if approved. This should always be the person who is being held accountable for delivering the expected contribution.

A note on ESG

The three sections related to ESG are placed low down in this template to reflect the reality that business priorities have to come first. However, it is impossible to separate ESG from those business priorities and successful organizations are recognizing that in order to succeed, their new products, enhanced services, internal operational improvements, engagement initiatives and everything else, must contribute to ESG as well as business success.

If the ESG sections of this template do not contain entries for a number of the key strategic business initiatives then there are missed opportunities and organizations should review the proposed portfolio of investments for opportunities to improve. In addition, organizations must consider investing directly in ESG, both to address historical shortcomings, and because it is simply the right thing to do.



Example

The following page contains a simplified version of the template with a few lines completed as an example using just two investments.

Category	Objectives		Initiatives			
	Measurement Type	Target	ID	Proposed Investment	Expected Contribution	Owner
Financial - External						
Revenue, margin, market share and similar	Revenue	+\$100m	1	New product	\$50m	John
	Market Share	+10%	1	New product	7%	John
Engagement & Satisfaction						
NPS, employee engagement, and similar	Customer NPS	+2%	1	New product	1%	John
	Employee satisfaction	+8%	2	Employee equity program	5%	Sarah



Category	Objectives		Initiatives			
	Measurement Type	Target	ID	Proposed Investment	Expected Contribution	Owner
Environmental						
Green, sustainability and related initiatives	Reduced Packaging	+50%	1	New product	15%	John
Social						
Diversity, equality, human and animal rights, etc.	Employee diversity	+40%	2	Employee equity program	30%	Sarah
Governance						
Employee relations, compensation, etc.	Salary inequity	-25%	2	Employee equity program	20%	Sarah

